

Benefits & Compensation Review Update

Dear Denison colleagues,

Last December, President Weinberg announced a review of Denison's employment benefits to understand the needs of our community better, compare our benefits to peers and other employers, and identify best practices in higher education. This process was led by Human Resources and the Personnel Committee and supported by Segal Consulting. Our goal is to ensure our benefits and compensation are competitive and equitable and support the needs of our faculty and staff.

We are writing to you today to provide an update on the study and to share planned improvements to Denison's benefits package.

Focus Groups

During Spring 2022, faculty and staff participated in a series of focus groups to better understand employee needs and perceptions of Denison's benefits. The focus groups provided a statistically significant sample that gave us several immediate insights:

- The four factors of highest importance to our faculty and staff are culture and environment (85%), compensation (83%), day-to-day work experience (76%), and benefits (74%).
- When asked about benefits, the following garnered the highest responses: tuition support, housing support, orthodontic coverage, childcare assistance, and pet insurance.
- In addition, we learned that more communication, promotion, and education about our benefits would be helpful to participants. In some cases, staff was unaware of current benefits that could be helpful to them.

Benefits Analysis, Best Practices Review

During Summer 2022, Denison analyzed our benefits and compared them with higher education peers and for-profit employers. This analysis did a deep dive into these categories: health, retirement, employee assistance programs (counseling support and legal assistance), tuition assistance, vacation and holidays, and affiliation benefits.

We were pleased to find that our benefits package is highly competitive overall, and nearly all benefits were ranked as "competitive" or "extremely competitive." We are proud to offer a robust array of plans to support the needs of our employees, and we are dedicated to maintaining the competitiveness of these plans and exploring options to enhance these offerings further.

Below are specific benefits where we measure as competitive, more competitive, or highly competitive compared with higher education peers:

- Medical PPO Plan
- Prescription Drug Plan
- Wellness/Disease Management
- Dental Plan
- Retirement Savings
- Retiree Health Care Savings
- Life Insurance
- Sick Leave & Disability Leave
- Vacation Carryover Balances
- Sabbatical Leave (only applies to faculty)
- Parental Leave
- Affiliation Benefits: These include access to the on-campus fitness center, free parking, wellness programs, and travel insurance.

Benefits Updates & Next Steps

To ensure we are a highly competitive employer and to address areas where we rated less favorably, we are implementing a range of updates and improvements. Making changes to benefits is a complex process. Some enhancements can be made immediately or soon, while others require more time to explore potential impacts and develop a path for implementation.

Effective Sept. 1, 2022, we implemented the following updates:

- **Retirement Plan:** Our retirement plan was evaluated as highly competitive compared with our higher education peers and extremely competitive compared to the for-profit comparison group. However, because we want to be as proactive as possible to ensure our benefits are robust, we have eliminated the one-year waiting period for full-time employees to receive Denison's contribution to employee retirement accounts.
- **Dependent Tuition Benefits Eligibility:** Effective Sept. 1, 2022, the tuition benefit was revised to include previous part-time service credit at Denison toward the five-year waiting period. Employees must be full-time to utilize the benefit.

Starting Jan. 1, 2023, we will implement the following enhancements to our benefits:

- **Leave Time & Holidays:** Denison currently offers nine paid holidays for administrative staff, while other employers offer 12 days on average. We are adding three floating holidays for administrative staff, which aligns with the Supportive Operating Staff (SOS) floating holiday policy, so all employees will receive 12 paid holidays each year. Not all employees celebrate the same holidays, and floating holidays will provide flexibility and support employees who need time off for childcare needs. We are also reviewing the competitiveness and equity of our current vacation accrual for Supportive Operating Staff.

- **Dependent Cash Tuition Benefits:** While this benefit was rated competitive, our goal is to exceed the average. To increase support, we are changing this benefit from a flat rate to 10% of Denison's annual tuition — as tuition rates increase, so will this benefit. Based on the 2022-23 tuition rate, this will double the current benefit from \$1,500 to \$3,000 each semester (\$6,000 per year) — for a total of \$24,000 over four years.
- **High Deductible Health Plan (HDHP):** Our goal is to make this plan highly competitive, like our PPO health plan. We will increase Denison's contribution to employee Health Savings Accounts (HSA) by \$300 per year. An HSA is available to anyone enrolled in our HDHP to help offset the initial costs of meeting your annual deductible. Any unused funds contributed to the HSA will roll over each year.
- **Benefits Communications:** HR is partnering with University Communications and benefits carriers to enhance benefits education and communications. This will include improving our online resources, exploring ways to better engage our campus community, and creating more channels for ongoing feedback to ensure that we remain competitive and responsive to the needs of our community.

Other benefits changes will take longer to implement. Below are additional changes we are exploring and hope to implement in the next 12-18 months:

- **Housing Benefit:** The current mortgage guarantee benefit is under review to explore additional ways to assist employees with housing costs. Additionally, we understand that rentals in and around Granville are difficult to obtain. Denison is in the process of building apartments close to campus specifically for employees to rent.
- **GLCA/Dependent Tuition Exchange:** In addition to easing the rules on the waiting period for eligibility for tuition benefits, we also have requested that the Great Lakes College Association review the tuition exchange program and consider adding colleges to the exchange. This would increase the competitiveness of the program and enhance options for college-age dependents.
- **Employee Assistance Program (EAP) & Employee Mental Health/Total Well-Being:** HR is meeting with vendors in the coming year with the goal of providing more robust, engaging, and easy-to-access employee programs and support for our employees and the members of their households.
- **High Deductible Health Plan (HDHP):** In addition to increasing Denison's contribution to each HDHP participant's HSA plan, we are also planning the following improvements:
 - Change the HDHP plan design so this health option has the same net value as our current highly competitive PPO plan. Because we can only change plan designs at the start of a new plan year, we will determine the changes we want to make during 2023. They will take effect on Jan. 1, 2024.
 - Move to a new HSA vendor for the 2024 plan year (effective Jan. 1, 2024). Our current HSA vendor does not offer any investment options for HSA balances and has a manual (paper) process for enrollment. During 2023, we will explore other vendors to enhance the plan's investment options and functionality.
- **Life Cycle Benefit:** We are exploring the addition of a "life cycle benefit" for full-time employees. Life cycle benefits are designed to meet the needs of employees throughout

the stages of life. HR is seeking a vendor to assist in administering this benefit, and we are hopeful to have this established by 2024. This benefit would allow employees to be reimbursed for up to \$500 per year for expenses related to the following categories:

- Healthy living: health club membership, purchase of exercise equipment, services of a personal trainer, purchase of a fitness tracker, smoking-cessation program fees, weight-loss program fees, nutritional counseling from an MD or licensed nutritionist
 - Child or elder care costs: services of a child or elder care provider who is not a relative
 - Adoption, fertility, and family planning services: adoption agency fees, reproductive endocrinologist fees, clinic fees, family planning assistance, or necessary travel related to these services
 - Financial planning: services provided by a qualified financial planner or purchase of financial planning software (excluding tax preparation)
 - Legal assistance in connection with will preparation, estate planning, real estate transactions, marriage, or divorce
- **Affiliation Benefits:** These are benefits employees receive through their relationship with Denison. Compared to our peer benchmarks, we can do better with these benefits. For example, we are exploring how Denison can help with mortgage support, rental housing, childcare costs, and pet insurance.

Staff Compensation Review

In addition to providing the best benefits for our employees, Denison also wants to ensure that our compensation is competitive and equitable. To support this, HR has launched a study of our staff compensation levels and framework in partnership with Segal Consulting. This review is underway, and more information will be shared in the coming months. We anticipate this study will be complete around Summer 2023.

As with the benefits review, your feedback will be critical. We look forward to discovering areas for improvement, investigating solutions, and sharing our insights and findings for further feedback and implementation.

Faculty Compensation Review

Working in partnership with the Office of the Provost, we are selecting a consulting company that can provide the appropriate analysis of our faculty salaries and benchmark data. The selection process will take place during the fall semester. We will provide more information about the review in early 2023.

At Denison, we want the best for our faculty and staff. We also recognize the changing demographics of our workplace and the need to offer competitive benefits and compensation to support our entire community. We look forward to partnering with you on this work and fostering a culture that makes Denison an employer of choice — and, most importantly, YOUR employer of choice.

Janine Watkins, Associate Vice President of People and Culture

Alexis Hanscel, Benefits Manager

Quentin Duroy, Chair of Personnel Committee, on behalf of the committee