

# Grand Valley State University

## Minutes of the University Academic Senate

### October 7, 2005

**Present:** Majd Al-Mallah, David Bair, Charles Baker-Clark, Larry Burns (for Don Williams), Gayle Davis (ex officio), Kurt Fanning, Roger Ferguson, Rob Franciosi (Chair), Nancy Giardina, Steve Glass, Linda Goossen, Rita Grant, Jennifer Gross, Julie Guevara (ex officio), Joe Helgert, Bill Hosterman, Hugh Jack, Jon Jellema (ex officio), Sue Jensen (for Agnes Britton), Brian Kingshott, Elena Lioubimtseva, Neil MacDonald, Sue Martin (ex officio), Melissa Morison, Jean Nagelkerk (ex officio), Steve Nikkel, Steve Nizielski, Karen Novotny (Vice Chair), John Peck, Ross Reynolds, Ellen Schendel, Steve Schlicker, Robert Schoofs, Curtis Smith, Mack Smith, Claudia Sowa, Kathleen Underwood, Elaine VanDoren (for Jean Martin), Roger Wilson (for Doug Busman), Christine Yalda (for Kristine Mullendore)

**Guests:** Scott Richardson

Agenda Items	Discussion	Action / Decisions
1. Approval of Agenda	The agenda of October 7, 2005 was reviewed.	The agenda was approved.
2. Report of the Chair	<p>a) The Chair announced that there will not be a UAS meeting on 10/21/05.</p> <p>b) The Chair announced that the University Club is having an Oktoberfest celebration at the Learning Center on the Golf Course.</p> <p>c) The Chair received an email from the President of the GVSU Chapter of AAUP who asked that the following be read into the record:  <i>"The GVSU Chapter of AAUP is not in support of the UAS Health Benefits Proposal, as written. We recommend a plan that charges a flat percentage of base salary. This would help those faculty at the lowest end of the pay scale. We also recommend a one-time \$900.00 addition to the base in order to help offset some of the future costs toward co-pay."</i></p>	
3. Report from the Provost	<p>a) Provost Davis reported that the last of three meetings with unit head and deans dealing with the administration of the personnel review process has been scheduled.</p> <p>b) Provost Davis reported that the memos regarding Tenure Track line replacements will be sent out next week. The Provost indicated that there would be approximately 67-70 searches.</p> <p>c) Provost Davis reported that the budget for Academic Year 2006-07 is currently being developed. She also reported that one part of the</p>	

4. Report of Student Senate President	2006-07 budget plan is to level off the number of undergraduate students next year. Therefore, they plan a cap on the number of transfer students at 2,000 and on the number of FTIAC freshman at 3,400.	
5. New Business	<p>No Report</p> <p>a) The Chair presented a brief of overview of the rationale of the ECS in the development of the Motion before the Senate.</p> <p><u>Proposed Motion:</u> The University Academic Senate recommends accepting the Administration's offer of \$450 per employee as a partial offset to the shift to a 90/10 cost sharing for health care beginning in 2006.</p> <p>Discussion.</p> <p>The <u>Motion</u> was amended as follows: The University Academic Senate recommends accepting the Administration's offer of \$450 per employee <b>ADDED TO BASE SALARY</b> as a partial offset to the shift to a 90/10 cost sharing for health care beginning in 2006.</p> <p>Discussion.</p> <p>The faculty would like to revisit with the administration in approximately 6-8 months whether or not an additional amount can be added to the base salary of every employee in order to continue to offset the shift to a 90/10 cost sharing for health care beginning in 2006.</p> <p>The UAS commends Larry Burns and the entire Faculty Salary &amp; Budget Committee for their work on medical benefits.</p>	<p><b>MOTION:</b> The University Academic Senate recommends accepting the Administration's offer of \$450 per employee added to base salary as a partial offset to the shift to a 90/10 cost sharing for health care beginning in 2006. <b>APPROVED Unanimously</b></p>
6. Old Business	No Old Business	
7. Adjournment	The meeting adjourned at 4:49pm	
8. Ideas for Future For a	<ul style="list-style-type: none"> <li>▪ Workload equity and enlarging regular faculty</li> <li>▪ The next level</li> <li>▪ Graduate versus Undergraduate</li> </ul>	

9. Adjournment	<ul style="list-style-type: none"> <li>• General Education Themes Meeting adjourned at</li> </ul>	The next UAS meeting is scheduled for
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**GVSU AAUP POSITION STATEMENT REGARDING THE HEALTH  
BENEFITS PROPOSAL**

The GVSU Chapter of AAUP is not in support of the UAS Health Benefits Proposal, as written. We recommend a plan that charges a flat percentage of base salary. This would help those faculty at the lowest end of the pay scale. We also recommend a one-time \$900.00 addition to the base in order to help offset some of the future costs toward co-pay.

Robert J. Cross Ph.D.  
President  
GVSU Chapter AAUP

**Motion: The University Academic Senate recommends accepting the Administration's offer of \$450 per employee as a partial offset to the shift to a 90/10 cost sharing for health care beginning in 2006.**

**Context:**

Escalating health care costs, often averaging more than 10% annually, may be the greatest challenge today facing American employers and employees. More and more, the latter group has been asked to share a greater part of the costs.

For years at GVSU we have benefited from an excellent health care package, with unusually low employee costs, not only relative to West Michigan companies, but to the majority of Michigan state universities. At Grand Valley non-catastrophic medical claims (under \$100,000) are self-funded; thus, the rise in health care costs has decreased funds available for salary increases.

Last spring the administration proposed two important changes to current medical benefits: first, to change and rename the existing plans (to PPO Basic and PPO Enhanced) so participants could decide how much risk they were willing to bear; second, the current institution/participant premium costs (97-3%) would, over three years, be adjusted to reach a 90-10% distribution.

As you know a sub-committee of FSBC worked over the summer to formulate not merely a response, but a counter-proposal that would address the situations of all GVSU plan participants, and their efforts resulted in the following: an offer to move to an immediate 90-10 split in 2006, but with a \$900 salary adjustment that would cover the increased premium costs. Besides getting beyond this issue for several years, the group recognized that without some salary offset, a gradual shift to 90-10 would most impact those making less than \$50,000.

After much discussion with ECS and with FSBC, a follow-up memo on 15 September 2005 was sent by both the Provost and Vice President for Finance Tim Schad to clarify the administration's position. Besides the original partial offset of \$450 via a salary adjustment and a move next year to the 90/10 share, they proposed a new option in which, without a salary adjustment, the move to 90/10 would take place over four years instead of three.

**Rationale:**

In recommending that the Senate vote to accept the Administration's offer of \$450 per employee to offset partially the shift to a 90/10 cost sharing for health care beginning in 2006, ECS relied upon the following principles:

- **Equity:** Recognizing that the impact of higher medical costs would have a particularly regressive effect on those making less than \$50,000, we agree with FSBC that any one-time salary adjustment should be a flat amount and not a percentage.
- **Trust:** Again and again the GVSU administration has indicated its desire to secure faculty raises of at least 3%. We trust that the Provost will continue to make faculty salaries a priority.

- **Engagement:** The discussions between FSBC, ECS, HR, and the administration have been characterized by a transparency and cooperation that we should build upon in dealing with future fiscal issues.
- **Transparency:** Both HR and Administration have agreed to consult regularly with FSBC regarding the impact of any medical benefits changes.
- **Efficiency:** Members of FSBC and the administration have spent hundreds of hours addressing this issue of medical costs. Rather than re-engage the matter over the next three or four years, the shift to 90-10 would allow us to put our energies into other areas that affect medical costs, particularly wellness.

Although no one wants to pay more for health care benefits, faculty governance understands that more cost-sharing is legitimate, fiscally responsible, and inevitable. The one-time salary adjustment, especially for those who make well below \$50,000 per year, will at least offset some of the costs. Additionally, the spirit of dialogue that has characterized these negotiations over benefits costs will likely serve us well as we engage such issues as wellness, maternity benefits, and promotional increments.

**Impact of New Health Care Plan Rates  
Effective January 1, 2006  
(90/10 Blended)**

**Current Flexible Medical Plan to New Base Plan**

	Old	New	Annual Difference from 2005 to 2006	Monthly Difference
Single	\$0	\$137.28	\$137.28	\$11.44
Dual	\$60	\$561.48	\$501.48	\$41.79
Family	\$120	\$678.36	\$558.36	\$46.53

**Current Group Medical Plan to New Enhanced Plan**

	Old	New	Annual Difference from 2005 to 2006	Monthly Difference
Single	\$60	\$536.76	\$476.76	\$39.73
Dual	\$420	\$1,288.08	\$869.16	\$72.43
Family	\$630	\$1,717.44	\$1,087.44	\$90.62

**Current Group Medical Plan to New Base Plan**

	Old	New	Annual Difference from 2005 to 2006	Monthly Difference
Single	\$60	\$137.28	\$77.28	\$6.44
Dual	\$420	\$561.48	\$141.48	\$11.79
Family	\$630	\$678.36	\$48.36	\$4.03

**Current Flexible Medical Plan to New Enhanced Plan**

	Old	New	Annual Difference from 2005 to 2006	Monthly Difference
Single	\$0	\$536.76	\$536.76	\$44.73
Dual	\$60	\$1,288.08	\$1,228.08	\$102.34
Family	\$120	\$1,717.44	\$1,597.44	\$133.12

**New Health Care Deductions Offset by:**

Salary	3% Monthly Increase	Monthly Adjustment (\$450 Annual)	Total Monthly Increase
\$40,000	\$100	\$37.50	\$137.50
\$60,000	\$150	\$37.50	\$187.50
\$80,000	\$200	\$37.50	\$237.50



MEMORANDUM

**TO:** Rob Franciosi, Chair, Faculty Senate  
**FROM:** Larry Burns, Chair, Faculty Salary and Budget Committee  
**SUBJECT:** Medical Benefits—Response to counter proposal(s)  
**DATE:** September 20, 2005

FSBC met on September 16<sup>th</sup> and passed the following three motions in response to Provost Davis' Memorandum dated 9/7/05 and the second Memorandum from Provost Davis and Vice President of Finance and Administration, Tim Schad dated 9/15/05.

- 1) FSBC unanimously recommends accepting the Administration's offer of \$450 per employee to offset the shift to a 90/10 cost sharing for health care beginning in 2006.
- 2) FSBC finds unacceptable linking the value of future salary increases to the cost sharing agreement on health care.
- 3) Realizing the impact of the 90/10 proposal, FSBC unanimously recommends that the University places highest priority on maximizing annual salary increases.

Specifically, FSBC is reacting to the presence in the 9/7 memorandum of the sentence "The significant disadvantage of this plan is that it reduces the pay increases we would otherwise set as our goal for those two years by approximately 0.5% each year" and a very similar sentence in the second memorandum which reads, "We wanted to be upfront in saying, using conservative estimates of future budget constraints, that agreeing to the \$450 plan is likely to mean about a ½ % decrease from whatever we would have otherwise estimated in salary increases in each of the next two years."

It is FSBC's concern that *any* salary increment less than the current ten year average increase (of 3.4%) will likely be *perceived* as a covert attempt to nullify the \$450 special salary adjustment. FSBC respects conservative budgetary practices and appreciates the administration's efforts to identify and inform FSBC upfront of the possible consequences of providing a special salary adjustment.

It is our general belief that removing the sentence in both documents is necessary. Its absence would not seem to suggest that employees should receive a special salary adjustment and annual pay increase that, combined, ignored fiscal prudence. On the other hand, leaving the sentence as it stands in either memorandum very clearly implies that any reduced pay increase (for any reason) is most likely due to the special salary adjustment. We wish to avoid encouraging this type of reasoning.

FSBC, by avoiding a specific percentage pay increase but asking that the Administration place highest priority on *maximizing* salary increases, is following up on its second motion and clearly acknowledging that in every year salary increases reflect, to a large extent, overarching budget constraints.

However, in reflecting the spirit of the sentence we've objected to, FSBC feels that motions #2 and #3 decouple the January 2006 special salary adjustment from any specific annual pay increase, whether higher or lower, while acknowledging clearly, any annual raise might be higher or lower in the future.





GRAND VALLEY  
STATE UNIVERSITY

MEMORANDUM

**TO:** Professor Larry Burns, Chair, Faculty Salary & Budget Committee  
Professor Rob Franciosi, Chair, University Academic Senate

**FROM:** Gayle R. Davis, Provost and Vice President for Academic Affairs  
Timothy O. Schad, Vice President for Finance & Administration

**DATE:** September 15, 2005

We are writing to clarify the administration's position regarding medical plan changes in cost sharing and future salary increases.

**Cost Sharing:**

We appreciate your support of the 90/10 proposal and share your concern about the regressive impact that implementing this could have on faculty and staff at the lower salary levels. We agree that implementing the changes this coming January is in all of our interests. To accomplish this we offer a first option to you, which gives an average of \$450 per faculty/staff member to help to ameliorate increased costs. Attached is a chart showing the impact of the payroll deduction changes on faculty and staff. As you can see the increase in cost varies widely, yet preserves a lower cost plan option for faculty/staff. If we reach agreement on the average of \$450 to be distributed in a January 2006 salary adjustment along with implementing the 90/10 plan, we ask FSBC to recommend how to allocate this \$450 average among our faculty and staff in the fairest way.

The second option we have offered implements the 90/10 plan over four years and includes no transitional increment to salary in January 2006. This path would soften the transition by extending the impact over time, but does not address the regressive nature of the change for GV employees.

**Future Salary Increases:**

The University's goal is to achieve a 3% annual salary increase in the next few years to keep salaries in pace with other institutions. Given all of our budget uncertainties and our responsibility to plan effectively for the economic health of the University, however, it is never possible to commit to a salary increase in advance. Matters ranging from

state appropriations, tuition restraint, state executive order cuts, levels of enrollment, other needs of the university, and cost of living increases particularly in health care and utilities are unpredictable. We experience this fact annually as we wait until July to send salary letters, less than two months before the start of the academic year in hopes of having most of the information we need to proceed. Therefore, we want to remind you, as is true in any given year, that salary increases will be determined according to the whole budget picture and may or may not meet our goal. We wanted to be upfront in saying, using conservative estimates of future budget constraints, that agreeing to the \$450 plan is likely to mean about a ½% decrease from whatever we would have otherwise estimated in salary increases each of the next two years.

We appreciate all of the time and thought that has gone into your proposals and the spirit in which they were offered. This is a difficult issue to deal with and we have made much progress. We hope that together we can bring these discussions to a conclusion so we can now begin the task of communicating and implementing these plans.

## New Health Care Plans

Effective January 1, 2006

**Base PPO**  
Participates with PPOM Network &  
Beech Street (Travel Network)  
Administered by Weyco, Inc.

**Enhanced PPO**  
Participates with PPOM Network &  
Beech Street (Travel Network)  
Administered by Weyco Inc.

Faculty/Staff Premiums	Base PPO		Enhanced PPO	
	Annual	Staff Per Pay Amounts	Annual	Staff Per Pay Amounts
Single	\$137.28	\$5.72	\$536.76	\$22.37
Dual	\$561.48	\$23.40	\$1,288.08	\$53.67
Family	\$678.36	\$28.27	\$1,717.44	\$71.56
		Faculty Per Pay Amounts		Faculty Per Pay Amounts
		\$7.63		\$29.82
		\$31.20		\$71.56
		\$37.69		\$95.42
<b>BENEFITS</b>				
	In Network		Out of Network	
Office Visits/Urgent Care Centers	\$20 copay per visit	70% coverage after deductible	\$15 copay per visit	80% coverage after deductible
Hospital-Emergency Room Care	\$50 copay per visit waived if admitted	\$50 copay per visit waived if admitted	\$50 copay per visit waived if admitted	\$50 copay per visit waived if admitted
Routine Physicals and Well Child Care/ Immunization/ Education and Counseling	\$20 copay per visit	70% coverage after deductible (\$400 annual maximum benefit)	\$15 copay per visit	80% coverage after deductible (\$400 annual maximum benefit)
PPOM Birth to 2 years	\$1600 annual maximum		\$1600 annual maximum	
2 to 39 years:	\$400 annual maximum		\$400 annual maximum	
40+:	\$600 annual maximum		\$600 annual maximum	
Routine Colonoscopy	Age 50 and Over - 1 every 5 yrs. Covered 100%	Covered 70% after deductible \$400 annual max benefit	Age 60 and Over - 1 every 5 yrs. Covered 100%	Covered 80% after deductible \$400 annual max benefit
Mental Health Outpatient Care	\$20 copay per visit (up to 20 visits per calendar year - per person)	70% coverage after deductible (up to 20 visits per calendar year - per person)	\$15 copay per visit (up to 20 visits per calendar year - per person)	80% coverage after deductible (up to 26 visits per calendar year - per person)
Prenatal & Postnatal Care Visits	100% coverage after \$200 services fee	70% coverage after deductible	100% coverage after \$150 services fee	80% coverage after deductible
Chiropractic Services	\$20 copay per visit (\$600 maximum)	70% coverage after deductible (\$600 maximum)	\$15 copay per visit (\$600 maximum)	80% coverage after deductible (\$600 maximum)
Outpatient Substance Abuse Treatment	\$20 copay per visit	70% coverage after the deductible. Covered up to the State Mandated amount which is adjusted yearly.	\$15 copay per visit	80% coverage after the deductible. Covered up to the State Mandated amount which is adjusted yearly.
Nursing Services in the Home	\$20 copay per visit (60 day maximum per period)		\$15 copay per visit (60 day maximum per period)	
Home Health Care (In lieu of hospital confinement) Conditions and Limitations Apply	\$20 copay per visit (60 day maximum per period)		\$15 copay per visit (60 day maximum per period)	
Rx Copays (At Participating Pharmacy)	Advance PCS/Caremark \$10 - Generic \$20 - Formulary \$30 - Name Brand 2 month copay for mail-order with approved vendor (90 day-supply). (Including birth control pills) Generic drugs are mandatory if available.		Advance PCS/Caremark \$7 - Generic \$15 - Formulary \$25 - Name Brand 2 month copay for mail-order with approved vendor (90 day-supply). (Including birth control pills) Generic drugs are mandatory if available.	
Annual Medical Deductible (Does not apply toward copays)	\$250 per person; \$500 per family (Deductible only applies to services with 90% insurance)	\$500 per person; \$1000 per family (maximum) - per calendar year	\$250 per person; \$500 per family (maximum) - per calendar year	\$250 per person; \$500 per family (maximum) - per calendar year
Out of Pocket Limit (Does not include deductibles copays or amounts over R&C)	\$1000 per person; \$2000 per family. All amounts are per calendar year.	\$2500 per person; \$5000 per family. All amounts are per calendar year.	\$1000 per person; \$2000 per family. All amounts are per calendar year.	\$2000 per person; \$4000 per family. All amounts are per calendar year.
Semi-Private room & Intensive care, surgery, & all related Surgical services, anesthesia, laboratory tests & X-rays, consulting specialists, medicine & drugs, maternity services, and miscellaneous services	90% coverage after deductible	70% coverage after deductible	11% Coverage	80% coverage after deductible

Faculty receive medical plan payroll deductions during the academic year only. Staff and fiscal year faculty receive deductions for the full calendar year. The annual deduction for faculty and staff is the same.

**Base PPO**  
 Participates with PPOM Network &  
 Beech Street (Travel Network)  
 Administered by Weyco, Inc.

**Enhanced PPO**  
 Participates with PPOM Network &  
 Beech Street (Travel Network)  
 Administered by Weyco Inc.

BENEFITS	Base PPO		Enhanced PPO	
	In Network	Out of Network	In Network	Out of Network
Outpatient Surgery	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Laboratory Test, Diagnostic X-Rays, and Allergy Testing	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Second Surgical Opinion	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Pre-Admission Testing	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Ambulance - Note: There are currently no in-network providers	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Chemotherapy, Radiation Therapy, Hemodialysis	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Physical, Speech, and Occupational Therapy	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Inpatient Mental Health Care	90% coverage after deductible (365 day Lifetime Maximum)	70% coverage after deductible (365 day Lifetime Maximum)	100% coverage (365 day Lifetime Maximum)	80% coverage after deductible (365 day Lifetime Maximum)
Voluntary Sterilization	90% coverage after deductible Limitations apply	70% coverage after deductible Limitations apply	100% coverage Limitations apply	80% coverage after deductible Limitations apply
Extended Care Facility	90% coverage after deductible (120 day maximum per calendar year)		100% coverage (120 day maximum per calendar year)	
Hospice	90% coverage		100% coverage	
Appliances, Prosthetic Devices and Durable Medical Equipment	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible
Allergy Serum and Injectables	90% coverage after deductible	70% coverage after deductible	100% coverage	80% coverage after deductible

**Plan Information**

Enrollment of Dependents	Covered until age 27 if full-time student or age 19 if not	Covered until age 27 if full-time student or age 19 if not
Temporary Limitation of Benefits for New Hire's with Pre-existing Conditions	No	No
Worldwide Coverage	Yes - Refer to Summary Plan Description for definition and details	Yes - Refer to Summary Plan Description for definition and details
Coverage for Employee Ages 65+	Yes	Yes
Conversion Option to Personal Policy Upon Termination	Yes	Yes
Auto-Insurance Coordination	No	Yes - up to \$1000 per calendar year
Custodial Care (Nursing Home)	Not Covered	Not Covered

This comparison chart is only a summary. It is not a substitute for the Summary Plan Descriptions or Plan Documents. More detailed information about specific medical benefit options is available through Human Resources.

Jim Bachmeier's presentation on year-over-year faculty salary and compensation increases

Years	Faculty	Salary	% of total	Fringes	% of total	Total
2000	419	23,423,922	76.4%	7,237,992	23.6%	30,661,914
2001	419	24,515,004	75.9%	7,771,256	24.1%	32,286,260
		4.7%		7.4%		5.3%
		3.6%		1.7%		5.3%
	14.32%					
2001	479	27,581,340	75.9%	8,743,285	24.1%	36,324,625
2002	479	28,585,341	75.2%	9,433,163	24.8%	38,018,504
		3.6%		7.9%		4.7%
		2.8%		1.9%		4.7%
	7.31%					
2002	514	30,199,179	75.2%	9,965,729	24.8%	40,164,908
2003	514	30,967,549	74.4%	10,652,837	25.6%	41,620,386
		2.5%		6.9%		3.6%
		1.9%		1.7%		3.6%
	14.79%					
2003	590	34,822,193	74.4%	11,978,834	25.6%	46,801,027
2004	590	35,614,312	73.4%	12,927,995	26.6%	48,542,307
		2.3%		7.9%		3.7%
		1.7%		2.0%		3.7%

From Maria's e-mails:

I think our response should be to show using the average Assistant Professor salary of \$50,336 (this is 03/04), what the effect will be over three years, what percentage raise would have to be given to just maintain the salary at the cost of living, and what percentage raise would be needed to have a real increase of say 3%. Does this cover all the bases?

HR is proposing that we implement a 90/10 cost-sharing split in three years - the first 95/5, the second 93/7, the third 90/10. Mary will be emailing me a chart with the premium costs on this model that I will forward as soon as I get it from her. Also, she has a scenario chart based on the 93/7 model comparing the base and enhanced plan.

p.s. The figures Mary will be giving us are predicated on an 8%, 11%, and 11% increase for the three years.

Simple projection on 95/5, 93/7, and 90/10 progression of cost shifting

Year	Plan	Proposed Sharing	Monthly Individual	Monthly Double	Monthly Family	Annual Individual	Annual Double	Annual Family
2005	Enhancec	95/5	18	54	71	214	643	857
2006	Basic	95/5	7	28	34	86	334	403
2007	Enhancec	93/7	25	75	100	300	900	1200
2008	Basic	93/7	10	39	47	120	468	564
2009	Enhancec	90/10	36	107	143	429	1286	1714
2010	Basic	90/10	14	56	67	171	669	806

HR's proposed implementation for Enhanced Plan, family, average assistant's salary, and 3% increase

Year	Healthcare cost increase	Monthly contribution	Salary increase	Low starting salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
2005		52.50		30,000	2,500	2,448	
2006		77.63	3.00%	30,900	2,575	2,504	2.29%
2007	1.08	108.00	3.00%	31,827	2,652	2,544	1.62%
2008	1.11	162.93	3.00%	32,782	2,732	2,569	0.97%
2009	1.11	180.85	3.00%	33,765	2,814	2,633	2.49%
2010	1.1	200.74	3.00%	34,778	2,898	2,697	2.45%
2011	1.1	220.81	3.00%	35,822	2,985	2,764	2.48%
7	1.1	242.90	3.00%	36,896	3,075	2,832	2.44%
8	1.1	267.19	3.00%	38,003	3,167	2,900	2.40%
9	1.1	293.90	3.00%	39,143	3,262	2,968	2.36%
10	1.1	323.30	3.00%	40,317	3,360	3,036	2.31%
11	1.1	355.62	3.00%	41,527	3,461	3,105	2.25%
12	1.1	391.19	3.00%	42,773	3,564	3,173	2.20%
13	1.1	430.31	3.00%	44,056	3,671	3,241	2.14%
14	1.1	473.34	3.00%	45,378	3,781	3,308	2.07%
15	1.1	520.67	3.00%	46,739	3,895	3,374	2.00%
16	1.1	572.74	3.00%	48,141	4,012	3,439	1.92%
17	1.1	630.01	3.00%	49,585	4,132	3,502	1.83%
18	1.1	693.01	3.00%	51,073	4,256	3,563	1.74%
19	1.1	762.31	3.00%	52,605	4,384	3,621	1.64%
20	1.1	838.54	3.00%	54,183	4,515	3,677	1.53%

Salary increase required to maintain similar standard of living (before cost sharing)

Year	Healthcare cost increase	Monthly contribution	Salary increase	Low starting salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
2005		52.50		30,000	2,500	2,448	
2006		77.63	5.85%	31,755	2,646	2,575	5.20%
2007	1.08	108.00	4.25%	33,105	2,759	2,651	2.95%
2008	1.11	162.93	4.90%	34,727	2,894	2,731	3.03%
2009	1.11	180.85	3.50%	35,942	2,995	2,814	3.05%
2010	1.1	200.74	3.50%	37,200	3,100	2,899	3.02%
2011	1.1	220.81	3.45%	38,484	3,207	2,986	3.00%
7	1.1	242.90	3.40%	39,792	3,316	3,073	2.91%
8	1.1	267.19	3.55%	41,205	3,434	3,167	3.04%
9	1.1	293.90	3.55%	42,667	3,556	3,262	3.01%
10	1.1	323.30	3.55%	44,182	3,682	3,359	2.97%
11	1.1	355.62	3.65%	45,795	3,816	3,461	3.04%
12	1.1	391.19	3.65%	47,466	3,956	3,564	3.00%
13	1.1	430.31	3.65%	49,199	4,100	3,670	2.95%
14	1.1	473.34	3.75%	51,044	4,254	3,780	3.02%
15	1.1	520.67	3.80%	52,983	4,415	3,895	3.02%
16	1.1	572.74	3.80%	54,997	4,583	4,010	2.97%
17	1.1	630.01	3.85%	57,114	4,760	4,129	2.97%
18	1.1	693.01	3.90%	59,341	4,945	4,252	2.97%
19	1.1	762.31	4.05%	61,745	5,145	4,383	3.08%

20

1.1

838.54

4.05%

64,245

5,354

4,515

3.02%

HR's proposed implementation for Enhanced Plan, family, average 2004 salary, and 3% increase

Year	Healthcare cost increase	Monthly contribution	Target salary increase	Average '04 salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
1		71.43		60,363	5,030	4,959	
2	1.08	108.00	3.00%	62,174	5,181	5,073	2.31%
3	1.11	162.93	3.00%	64,039	5,337	5,174	1.98%
4	1.11	180.85	3.00%	65,961	5,497	5,316	2.75%
5	1.1	200.74	3.00%	67,939	5,662	5,461	2.73%
6	1.1	220.81	3.00%	69,978	5,831	5,611	2.74%
7	1.1	242.90	3.00%	72,077	6,006	5,764	2.72%
8	1.1	267.19	3.00%	74,239	6,187	5,919	2.70%
9	1.1	293.90	3.00%	76,466	6,372	6,078	2.68%
10	1.1	323.30	3.00%	78,760	6,563	6,240	2.66%
11	1.1	355.62	3.00%	81,123	6,760	6,405	2.64%
12	1.1	391.19	3.00%	83,557	6,963	6,572	2.61%
13	1.1	430.31	3.00%	86,064	7,172	6,742	2.58%
14	1.1	473.34	3.00%	88,645	7,387	6,914	2.55%
15	1.1	520.67	3.00%	91,305	7,609	7,088	2.52%
16	1.1	572.74	3.00%	94,044	7,837	7,264	2.49%
17	1.1	630.01	3.00%	96,865	8,072	7,442	2.45%
18	1.1	693.01	3.00%	99,771	8,314	7,621	2.41%
19	1.1	762.31	3.00%	102,764	8,564	7,801	2.36%
20	1.1	838.54	3.00%	105,847	8,821	7,982	2.32%

Salary increase required to maintain similar standard of living (before cost sharing)

Year	Healthcare cost increase	Monthly contribution	Target salary increase	Average '04 salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
1		71.43		60,363	5,030	4,959	
2	1.08	108.00	5.15%	63,472	5,289	5,181	4.49%
3	1.11	162.93	4.00%	66,011	5,501	5,338	3.02%
4	1.11	180.85	3.25%	68,156	5,680	5,499	3.01%
5	1.1	200.74	3.25%	70,371	5,864	5,664	3.00%
6	1.1	220.81	3.25%	72,658	6,055	5,834	3.01%
7	1.1	242.90	3.30%	75,056	6,255	6,012	3.05%
8	1.1	267.19	3.30%	77,533	6,461	6,194	3.03%
9	1.1	293.90	3.30%	80,091	6,674	6,380	3.01%
10	1.1	323.30	3.30%	82,734	6,895	6,571	2.99%
11	1.1	355.62	3.30%	85,465	7,122	6,766	2.97%
12	1.1	391.19	3.30%	88,285	7,357	6,966	2.95%
13	1.1	430.31	3.35%	91,243	7,604	7,173	2.98%
14	1.1	473.34	3.35%	94,299	7,858	7,385	2.95%
15	1.1	520.67	3.45%	97,553	8,129	7,609	3.03%
16	1.1	572.74	3.45%	100,918	8,410	7,837	3.00%
17	1.1	630.01	3.50%	104,450	8,704	8,074	3.02%
18	1.1	693.01	3.50%	108,106	9,009	8,316	2.99%
19	1.1	762.31	3.55%	111,944	9,329	8,566	3.01%
20	1.1	838.54	3.55%	115,918	9,660	8,821	2.98%



HR's proposed implementation for Enhanced Plan, family, high starting salary, and 3% increase

Year	Healthcare cost increase	Monthly contribution	Target salary increase	High starting salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
1		71.13		90,000	7,500	7,429	
2	1.08	108.00	3.00%	92,700	7,725	7,617	2.54%
3	1.11	162.93	3.00%	95,481	7,957	7,794	2.32%
4	1.11	180.85	3.00%	98,345	8,195	8,015	2.83%
5	1.1	200.74	3.00%	101,296	8,441	8,241	2.82%
6	1.1	220.81	3.00%	104,335	8,695	8,474	2.83%
7	1.1	242.90	3.00%	107,465	8,955	8,712	2.82%
8	1.1	267.19	3.00%	110,689	9,224	8,957	2.80%
9	1.1	293.90	3.00%	114,009	9,501	9,207	2.79%
10	1.1	323.30	3.00%	117,430	9,786	9,463	2.78%
11	1.1	355.62	3.00%	120,952	10,079	9,724	2.76%
12	1.1	391.19	3.00%	124,581	10,382	9,991	2.74%
13	1.1	430.31	3.00%	128,318	10,693	10,263	2.73%
14	1.1	473.34	3.00%	132,168	11,014	10,541	2.71%
15	1.1	520.67	3.00%	136,133	11,344	10,824	2.69%
16	1.1	572.74	3.00%	140,217	11,685	11,112	2.66%
17	1.1	630.01	3.00%	144,424	12,035	11,405	2.64%
18	1.1	693.01	3.00%	148,756	12,396	11,703	2.61%
19	1.1	762.31	3.00%	153,219	12,768	12,006	2.59%
20	1.1	838.54	3.00%	157,816	13,151	12,313	2.56%

Salary increase required to maintain similar standard of living (before cost sharing)

Year	Healthcare cost increase	Monthly contribution	Target salary increase	High starting salary	Average monthly salary	Monthly salary minus contribution	Effective salary increase
1		71.13		90,000	7,500	7,429	
2	1.08	108.00	4.45%	94,005	7,834	7,726	4.00%
3	1.11	162.93	3.70%	97,483	8,124	7,961	3.04%
4	1.11	180.85	3.15%	100,554	8,379	8,199	2.99%
5	1.1	200.74	3.15%	103,721	8,643	8,443	2.98%
6	1.1	220.81	3.15%	106,989	8,916	8,695	2.99%
7	1.1	242.90	3.15%	110,359	9,197	8,954	2.98%
8	1.1	267.19	3.15%	113,835	9,486	9,219	2.96%
9	1.1	293.90	3.25%	117,535	9,795	9,501	3.05%
10	1.1	323.30	3.25%	121,355	10,113	9,790	3.04%
11	1.1	355.62	3.25%	125,299	10,442	10,086	3.03%
12	1.1	391.19	3.25%	129,371	10,781	10,390	3.01%
13	1.1	430.31	3.25%	133,575	11,131	10,701	3.00%
14	1.1	473.34	3.25%	137,917	11,493	11,020	2.98%
15	1.1	520.67	3.25%	142,399	11,867	11,346	2.96%
16	1.1	572.74	3.25%	147,027	12,252	11,679	2.94%
17	1.1	630.01	3.30%	151,879	12,657	12,027	2.97%
18	1.1	693.01	3.30%	156,891	13,074	12,381	2.95%
19	1.1	762.31	3.40%	162,225	13,519	12,756	3.03%
20	1.1	838.54	3.45%	167,822	13,985	13,147	3.06%