

# 2018-2019 Compensation Plan

(Approved by Board of Trustees, March 28, 2018)

.....

The 2018 Legislature appropriated new funding for a 2.5 percent performance based compensation adjustment and 4.1 percent medical benefits premium increase as well as a 3.1 percent dental premium decrease for higher education employees. This appropriation is comprised 75 percent by new tax funds with 25 percent funded through a first-tier tuition increase. Beyond this legislative appropriation, UVU is allocating new revenue from the first-tier tuition increase and funds from an existing contingency toward funding the shortfall in meeting medical and dental premium rate increases. The application of these compensation funds for 2018-19 is described below.

## Benefits

UVU's Benefits Committee (with representation from Faculty Senate, PACE and administration) reviewed UVU's benefits plan based on plan performance, forecasted costs/claims experience, plan design, and strategic objectives. Based on the forecasted medical and prescription costs/claims experience and plan design changes, the premiums for UVU's medical plans will increase by 8 percent and the premium for UVU's dental plan will increase by 1.4 percent for 2018-19.

In consultation with UVU's benefits consultant and after conducting a risk analysis, UVU is increasing the plan's Individual Specific Stoploss reinsurance deductible from \$250,000 to \$300,000 and Aggregating Specific Stoploss from \$100,000 to \$300,000. These changes result in lower reinsurance premium costs by shifting risk to the University.

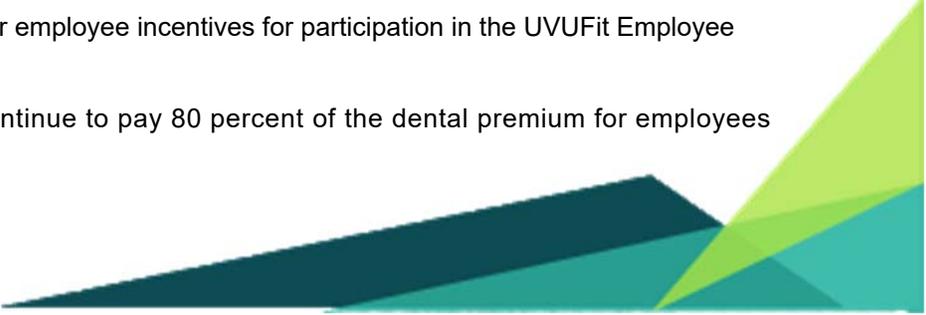
**Medical Plan Premiums--** UVU will continue to pay 90 percent of the medical premium for employees enrolled in UVU's base medical plan (Traditional-Choice Plus), 100 percent of the medical premium for employees enrolled in UVU's High Deductible Choice Plus plan, and 84.76 percent of the medical premium for employees enrolled in UVU's Traditional-Options plan. For 2018-19, UVU will continue to contribute to Health Savings Accounts (HSA) for employees enrolled in UVU's HDHP.

**Medical Plan Coverage—**Based on strategy options provided by UVU's new pharmacy benefit manager, Magellan Rx, the following changes are being made:

- Increase cost of generics from \$4 to \$10; if the cash price is less than \$10, employees will pay that lesser cost.
- Increase cost of 90-day supply generics from \$8 to \$20; if the cash price is less than \$20, employees will pay that lesser cost.
- Implement a two-tier structure for specialty drugs
  - Specialty Formulary—change employee 30-day cost from a flat 50 percent per script to 50 percent after Rx deductible with a \$250 maximum out-of-pocket cost per prescription.
  - Specialty Non-formulary—change employee 30day cost from a flat 50 percent per script to 50 percent per script after Rx deductible with a \$350 maximum out-of-pocket cost per prescription.

For 2018-19, UVU will continue to offer employee incentives for participation in the UVUFit Employee Wellness Program.

**Dental Plan Premiums--** UVU will continue to pay 80 percent of the dental premium for employees enrolled in UVU's dental plan.



## Salaries/Wages

### **Full-time, Benefits Eligible Employees**

The *average* base salary increase for full-time employees in each employment category (faculty, staff, executive) for 2018-19 will be 2.5 percent. In alignment with UVU's Compensation Philosophy, these funds will be applied to base salaries as follows:

- A. Effective July 1, 2018, all full-time benefits eligible employees will receive a \$200 increase to annual base salary. (*Average across all faculty salaries = 0.28%; average across all staff salaries = 0.41%; average across all executive salaries = 0.14%*)
- B. Faculty in good standing \* may also be eligible to receive
  1. Merit increase through
    - a. Rank and tenure promotion increases--\$4,000 for advancement to Associate Professor; \$6,000 for advancement to Professor (*Average across all faculty salaries = 0.46%*)
    - b. Faculty Merit Pay in accordance with UVU Policy 654 through a graduated implementation as recommended by Faculty Senate Executive Committee and Academic Affairs Council (*Average across all faculty salaries = 0.30%*)
  2. Market equity adjustment based on criteria including tenure status, terminal degree, and proximity of base salary to market median for similar rank and discipline with a minimum increase of \$250 and a maximum increase of \$4,000. (*Average across all faculty salaries = 1.46%*)
  3. Summer ICHE rates will increase by 2.5 percent
  4. Stipends for budgeted faculty directors/department chairs will increase by 2.5 percent

*\*In good standing (received a meets or exceeds expectations on the 2017-18 annual review, not in the terminal year of a tenure-track position, or on a University-required paid or unpaid suspension or leave) as of July 1, 2018.*

- C. Staff in good standing\*\* may also be eligible to receive
  1. Market equity/range penetration adjustments as recommended by the appropriate Vice President in consultation with Human Resources based on market median movement, years in current position, and proximity of base salary to market median with a minimum increase of \$250 and a maximum increase of \$4,000. (*Average across all staff salaries = 0.54%*)
  2. Merit increase determined by applying the University's established Staff Merit Pay Program criteria—2017 performance evaluation scores and proximity of base salary to market median (compa-ratio). To be eligible for a merit increase, the employee must have been employed in a full-time staff position no later than July 1, 2017, and the 2017 Performance Evaluation must be submitted to Human Resources no later than March 15, 2018. (*Average across all staff salaries = 1.55%*)

*\*\*In good standing (not under written warning or final written warning or on a University-required paid or unpaid suspension or leave) as of July 1, 2018*

- D. Executives (excluding the President whose salary is determined by the Board of Regents) may be eligible to receive key retention/market equity adjustment as determined by the President in consultation with Human Resources (*average across all executive salaries = 2.36%*)

### **Adjunct Faculty**

Adjunct pay rates will increase by 2.6 percent. Appropriated hourly faculty budgets will be increased by 2.6 percent to fund this increase.

### **Part-time, Hourly Staff and Student Employees**

All hourly staff will receive a 1.5 percent increase to their hourly pay rate effective July 1, 2018. Appropriated hourly budgets will be increased by 2.5 percent to accommodate this across-the-board increase and any targeted merit/equity increases determined by the individual department in consultation with Human Resources.