



To: Faculty and Staff  
 From: Human Resources  
 Re: How Do Drake University Benefits Compare?  
 Date: February 18, 2011

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**Introduction**

Drake University strives to provide quality benefits, responsive to the needs of faculty, staff and their families. To determine whether employee benefits are competitive when compared to other employers and, in particular, institutions of higher education, Human Resources routinely participates in formal benefit surveys. One such survey is the *David P. Lind & Associates Benchmark Benefits Survey* (“The Lind Survey”). The purpose of this memo is to share the results of the Lind Survey with the campus community and to make all employees aware of how Drake University Benefits compare to other Iowa employers. Drake also participates in a higher education survey and purchases those results every other year. Drake reported those results last year and will do so again in 2012.

**All Reporting Employers Summary of Results**

Drake benefits compare favorably when compared to other Iowa employers. Examples of benefits that are particularly competitive are life insurance, time off benefits and Drake’s medical plan co-pays, deductibles and out of pocket maximums. As we would expect, another point of distinction when compared to other Iowa employers is Drake’s educational benefits: tuition rebate and tuition exchange.

**Medical Plan**

Health benefits are a key part of Drake’s benefit package. Not only is the cost of the coverage important, but the quality of coverage is critical when comparing employer sponsored plans. The total cost of Drake’s plan is higher than others within the state. The higher cost may be reflective of coverage provisions and lower deductibles, co-pays and out of pocket maximums, as illustrated in the tables below.

**In-Network Deductible**

	Drake	All Reporting Employers	Colleges/Universities
Single	\$400	\$1,145	\$699
Family	\$800	\$2,523	\$1,605

**Out-of-Pocket Maximum**

	Drake	All Reporting Employers	Colleges/Universities
Single	\$1,250	\$2,395	\$1,548
Family	\$2,500	\$5,187	\$3,353

In-Network Office Visit Co-Pay

	Drake	All Reporting Employers	Colleges/Universities
In Network	\$15	\$21	\$22

Prescription Drug Co-Pays

	Drake	All Reporting Employers	Colleges/Universities
Generic	\$7	\$10	\$10
Brand Name Tier 2*	Average = \$29.58 30% of drug cost up to \$75	\$29	\$23
Brand Name Tier 3*	Average = \$55.02 30% of drug cost up to \$75	\$46	\$40

\*Drake's plan does not have a three-tier pharmacy benefit opting instead for a two tier benefit design that uses a % of total cost approach (with a cap). The maximum co-pay provides a cap for those prescription drugs that are very expensive and for which there may not be a generic alternative.

**Contribution Rates** (through pre-tax payroll deduction)

A key challenge for Drake University is providing quality health insurance at competitive rates. Drake currently contributes 75% of the cost of individual coverage and 60% of the family portion of medical plan coverage.

Monthly Total Cost (includes both the Drake and Employee contributions)

	Drake	All Reporting Employers	Colleges/Universities
Single	\$434	\$410	\$404
Family	\$1,084	\$1,073	\$1,077

Monthly Employee Contribution

	Drake	All Reporting Employers	Colleges/Universities
Single	\$108	\$70	\$48
Family	\$369	\$352	\$242

**Dental**

Dental benefits and costs are similar to other Iowa employers with some variation in the family contribution rates and annual maximum benefit amounts.

Monthly Total Cost – Dental (includes both the Drake and Employee contributions)

	Drake	All Reporting Employers	Colleges/Universities
Single Plan	\$28	\$27	\$28
Family Plan	\$79	\$81	\$87

Monthly Employee Contribution - Dental

	Drake	All Reporting Employers	Colleges/Universities
Single Plan	\$7	\$12	\$4
Family Plan	\$28	\$45	\$35

Dental Annual Maximum

	Drake University	All Reporting Employers	Colleges/Universities
	\$1,000	\$1,327	\$1,214

**Life Insurance**

Drake University continues to offer a stand out life insurance benefit equal to two times (2x) the employee's base annual salary, up to age 65 (a reduction factor applies beginning at age 65 for active employees).

	Drake University	All Reporting Employers	Colleges/Universities
Average	2.0x salary	1.6x salary	1.8x salary

**Time Off**

Drake University's paid time off benefits for staff and 12-month employees are another point of positive distinction for the Drake University benefits package. The tables below compare Drake's benefit to other survey participants.

*Vacation (Days Per Year)*

Years of Service	0-1	2-3	4-5	6-10	11-15	16-20	20+
Drake*	15	15	16	17.5	20	20	25
All Reporting Employers	6.8	9.6	11	13.5	15.5	16.8	18.3
Colleges/Universities	16.3	16.3	16.8	18.4	19.4	20.7	22

\*Vacation schedules differ for exempt and non-exempt employees. The survey asks for an average of total vacation amounts provided to all classifications. Drake did not report the time off at the end of the calendar year through the New Year's holiday in this number.

*Personal Leave (Days Per Year)*

Drake	2.0
All Reporting Employers	2.1
Colleges/Universities	2.2

*Sick Leave (Days per year)*

Yrs. Of Service	0-1	2-3	4-5	6-10	11-15	16-20	20+
Drake Staff	18	18	18	18	18	18	18
Drake BU*	12	12	12	12	12	12	12
All Reporting Employers	8	8	8.4	8.5	8.8	8.8	8.9
Colleges/Universities	14	13.8	13.9	14	14	14	14

\*Bargaining Unit Employees

**A note about sick leave:** One reason that the Drake sick leave benefit is greater than the market norm is because it is designed to serve as a short term disability benefit and coordinate with Drake’s Long Term Disability coverage. The “waiting period” for Drake’s long term disability plan is 90 days. Drake’s sick leave plan is designed to allow accumulation of sick leave to cover the 90-day waiting period. This is a feasible approach so long as employees do not abuse the sick leave benefit; keeping in mind the importance of maintaining a sick leave balance in the event of a disabling condition.

**All Reporting Employers Summary of Benefits Offered**

The table below shows Drake’s total benefit offering when compared to other Iowa employers.

	Drake	% Offered in All Reporting Employers Study	% Offered among Colleges/Universities
Health Insurance	Yes	82%	100%
Dental Insurance	Yes	58%	97%
Retirement Plan	Yes	73%	100%
Life Insurance	Yes	59%	100%
Vision Insurance	Yes	37%	80%
Retiree Health to age 65	Yes – w/ restrictions	19%	62%
Retiree Health age 65+	Yes – w/ restrictions	10%	57%
Section 125 Flexible Spending Accounts	Yes	60%	94%
Long Term Care	Yes	9%	50%
Long Term Disability	Yes	50%	92%
Educational Assistance	Yes	33%	94%
Child Care Assistance	No	4%	16%
Fitness Center	Yes	19%	79%
Employee Assistance Program	Yes	32%	79%

To learn more about any of the above-listed benefit plans, **visit the internal Human Resources web portal accessible from the Employee tab of blueView**. The web contains extensive information about each of these benefits, along with claim forms and contact information for each of Drake University’s third-party benefit providers. Human Resources and the University Benefits Committee will continue to monitor benefit survey data, as well as review national trends and innovations in benefit delivery.

If you have questions about your benefits, please do not hesitate to contact Human Resources at 271-3133.