Short-Term Report of the Benefits Task Force

The George Washington University

May 1, 2015

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Executive Summary

The Benefits Task Force, convened at the request of President Knapp, was formed to examine GW's employee health, retirement and tuition benefits, compare GW's benefits with those offered by other benchmark institutions, and make both short-term and long-term recommendations. In this first report, we present our initial findings and short-term recommendations geared toward benefit planning for calendar year 2016.

Findings

Analyzing GW's health, retirement and tuition benefits against those of a carefully chosen group of peer institutions, the Task Force has reached the following initial conclusions:

- ***Health benefits:*** The steady increase since 2010 in the proportion of health benefit premiums borne by GW employees has left GW in a non-competitive position relative to peer institutions in terms of the growing share of rising premium costs absorbed by employees. The impact of this increase is further amplified by the fact that the actuarial value of GW's health benefits has eroded, meaning that compared to benchmark institutions, GW offers relatively limited coverage for participants and beneficiaries enrolled in the plan.
- ***Retirement benefits:*** In terms of contribution levels, GW's retirement plan is competitive. However, GW's service requirement is longer than those offered by benchmarked peer institutions.
- ***Tuition remission benefits:*** By reducing tuition remission from 96% to 90%, GW has rendered the benefit less competitive in comparison to benchmarked peer institutions, which use a variable measure with 90% as the absolute floor, and not a ceiling, for those who qualify. Other universities provide benefits at a full rate (i.e., 100%) to at least some of their employees.
- ***Faculty and staff salaries:*** The Task Force is not yet able to report on the detailed competitiveness of staff salaries. With respect to faculty salaries, using the AAUP 80th percentile as a benchmark (the stated objective of the Board of Trustees), the University is competitive where senior faculty are concerned but not for our junior faculty.
- ***Fringe rate:*** GW's total fringe rate is the lowest among the benchmarked peer institutions studied.

Options

In an environment in which the health insurance costs grow at an annual rate surpassing the increase in funding to the fringe account, the University essentially faces three choices.

1. It can maintain the status quo and not adjust the University's contribution to health benefits, which has the effect of requiring faculty and staff to bear 100 percent of increased costs above the amount covered by the percentage increase to the fringe account, currently indexed to the merit pool.
2. It can increase the University contribution to faculty and staff health benefits, thereby creating a hold-harmless safeguard ranging from partial to full University cost sharing. As noted below, the estimated cost of a hold-harmless safeguard protecting employees against premium cost increases exceeding 3% would be approximately \$2.4 million for the next fiscal year – an amount equal to approximately 0.3% of the University's total operating budget.
3. The University can offset the size of annual cost increase in employee health benefits by adjusting other types of employee pay and/or benefits, described below.

Members of the Task Force strongly urge the University to consider the second option for the coming fiscal year, especially in light of the University's failure to protect its workforce against these rising costs in prior years. At the same time, the

Task Force also recognizes that the University is currently faced with short-term budget constraints. As a result, we have identified several possible offsets that could be put in place to implement the third option as a short-term remedy. It should, however, be noted that while pursuing option 3 would, in the view of the task force, distribute the rising cost of health benefits in a more equitable manner among employees, such an approach still amounts to faculty and staff bearing 100 percent of increased costs above the amount the University is willing to bear directly.

Short-Term Recommendations

1. In the event that the cost increase for its health plan exceeds the projected increase to the fringe account currently indexed to the merit pool, the University should place at least a temporary hold on shifting a disproportionate amount of the premium cost-share to faculty and staff. For calendar year (CY) 2016, the University should bear the cost of any rise in health insurance premiums that exceeds the funding to the fringe account. In the event that university decides to decrease the merit pool to less than 3%, the university should continue to fund the fringe pool by at least 3%.
2. Effective for the 2015 summer semester, GW should restore tuition benefits to 2014 levels for employees enrolled in a formal degree or certificate program prior to January 1, 2015.
3. As part of the new five-year budget model currently being implemented, the University should assume funding of the health care part of its fringe pool, at a level in line with healthcare inflation. The Task Force will be working vigorously to develop strategies for reducing the annual rate of growth in health plan costs and will offer a detailed proposal for this in the long-term report. Since the Board of Trustees is poised to adopt its first five-year budgeting model, this budgeting principle should be part of the model from the outset.

Offsetting Savings

1. In addition to the current pay bands for health insurance benefits, create three new employee salary tiers: up to $180,000 (tier 1); $180,000 - $240,000 (tier 2); and Over $240,000 (tier 3). We recognize that these pay bands are an initial effort and recommend that the University work with an external benefits consultant to develop structured salary banding for future use in establishing premiums and appropriate cost-share.
    a. For CY2015 use these temporary pay bands to determine the maximum amount of salary increase. Under these bands, the University would limit Tier 2 faculty and staff to a maximum salary increase of one-half percentage point below the maximum level permissible under the merit pool. In the case of tier 3 faculty and staff, the maximum permissible salary increase would be one percentage point below the maximum permissible level under the merit pool.
2. Effective June 1, 2015, temporarily freeze discretionary bonuses for all faculty and staff and allow employees with contractual bonus agreements to waive such bonuses on a one-time basis.
3. For CY2016 forego supplemental university retirement contribution under 457(f) plan.

Summary of New Costs and Countervailing Offsets

RECOMMENDATIONS	COST	OFFSET	SAVINGS
1. Hold premium increases to the increase of the funding to the fringe account (CY2016 only)	$2,400,000[1]	1. Hold tier 2 and tier 3 maximum salary increases (CY 2015)	$622,700
2. Restoration of tuition benefits (total cost summer 2015-till degree completion)	$550,000	2. Temporarily freeze bonuses (CY 2015-one year)	Up to $3,000,000
3. Funding of the fringe pool in relation to healthcare inflation	TBD	3. Forego 457(F) plan contributions (CY2016-one year)	$808,000
Total:	**$2,950,000**	Up to	**$4,430,700**

[1] Assuming 3% funding to the fringe account; if the fringe account funding is lower than 3% for CY2016, this cost estimate will increase proportionately as noted in the table in the detailed recommendations section.

Introduction

On January 9, 2015, President Knapp announced the formation of a Benefits Task Force,[2] whose charge is to:

1. Review the three major categories of GW benefits – health, retirement and tuition – and compare the University's benefits in each of those categories with those offered by peer institutions.
2. Review the balance between the salary and benefit components of total compensation in light of national trends and available resources.
3. Develop recommendations around funding priorities within the University's benefits, and between benefits and salary.

The Task Force was asked to present short-term recommendations on May 1, 2015 that focus on benefit plans for CY2016. Upon delivery of the May 1 report, the Task Force will begin focusing on crafting long-term recommendations related to health, retirement and tuition benefits and associated funding priorities and deliver that report to the President no later than December 1, 2015. The recommendations of the Task Force are to be shared with administration and the Benefits Advisory Committee (BAC), which provides ongoing feedback about the full range of benefits to the University's Human Resources and Benefits Administration departments. A full list of the appointed Task Force members, drawn from across the faculty and staff of the University, is attached to this report as **Appendix A.**

1. Overview

Health benefit comparison efforts are complex because of the number of features that define any particular health plan. Health plans can be compared across a number of key features: eligibility for coverage and waiting period before eligibility beginning; the share of plan premium paid by employees for self only, self and spouse, and self and child/family; the scope of benefits covered; benefit limits and exclusions; cost-sharing for both in-network and out-of-network coverage; including deductibles, copayments and coinsurance; and the scope of the provider network. All factors are important.

Comparison of retirement benefits is similarly complex, requiring the examination of numerous factors such as: eligibility; waiting period before eligibility begins; service requirements; vesting periods; and employer contributions.

Similarly, tuition benefits show several distinguishing characteristics: eligibility of full-time and part-time faculty and staff; amount and duration of the contribution in relation to the cost of tuition; length of the waiting period before eligibility begins; availability of benefits for spouses and dependents; and contribution exclusions such as it pertains to certain professional schools.

After examining the health, retirement, and tuition benefits offered at the chosen peer institutions, the Task Force also examined total compensation. Total compensation takes into account health benefits, tuition and retirement benefits, as well as salary and other perquisites offered by employers.

The Task Force was asked to review the overall competitiveness of GW's benefits plans as well as to assess relevant trends. According to market trend reports from Avalere, McKinsey, Towers Watson and others, a general downward trend is occurring as a the result of several factors: the continued increase in the cost of health care above the general rate of inflation; general compensation stagnation; and employers' anticipation of the impact of the excise tax, commonly known as the "Cadillac tax." The excise tax is the result of a policy reform contained in the Affordable Care Act (ACA). Designed

[2]GWToday, President Knapp Names Members of the Benefits Task Force, available at: http://gwtoday.gwu.edu/president-knapp-names-members-benefits-task-force

to curb coverage while generating revenue, the excise tax imposes a 40% tax on the portions of employer-sponsored health plans that exceed a certain "high-cost" threshold. Starting in 2018, the tax will establish thresholds of $10,200 for individual employees and $27,500 for family coverage. Employer contributions beyond these thresholds will be subject to a 40% excise tax. Because of significant future tax liability in 2018, GW terminated the In-Network Only Premium plan in 2015. Although attempts on Capitol Hill to repeal or delay the excise tax continue, whether any of these efforts succeed remains to be seen. Despite these efforts, the IRS has continued to move forward, issuing Notice 2015-16[3] on February 23, 2015, which offers employers preliminary guidance on the implementation of the excise tax.

For the long-term evaluation of options for holding down health benefit costs while ensuring that active and retired employees are adequately protected, the Task Force will require the expertise and resources of our existing benefit consultants to ensure that our assessment of the University's benefit plans are guided by industry expertise in benefit strategy and administration. In this first analysis, however, we have been able to carry out meaningful comparisons and to identify a number of strategies for both protecting GW's workforce while offsetting the cost of these protections.

2. Approach to Developing Short-Term Analysis and Recommendations

Because of time and resource constraints, the Task Force developed basic comparison points in order to create short-term recommendations. Mercer, the University's benefits consultant, provided actuarial values for GW's health plans, a valuable metric for comparing plans offered across institutions. The Task Force also reviewed the Kaiser Family Foundation survey, the longest ongoing benefits study of its kind. Reports and articles on employer sponsored benefits from Towers Watson, Avalere, and other entities that specialize in employee benefits issues and trends were taken into consideration.

In crafting the short-term recommendations, the Task Force held its first meeting on February 3, 2015 and met on a biweekly basis beginning in March 4, 2015. At the first meeting, the charge was reviewed, and work began on the development of a market basket of peer institutions. The Task Force identified a limited group of peer institutions by means of an online vote. Task Force members were given a list of 25 peer institutions selected based on comparison characteristics such as size, scope of programs, and location in communities with a comparable cost of living and asked to select a maximum of eight institutions for benchmarking. The selection process was designed to ensure that our examination would focus on the most comparable peers for compensation purposes (primarily private universities in east coast urban areas with a high cost of living).[4] The Task Force selected seven peer institutions for benchmarking: American University, Boston University, Columbia University, Georgetown University, University of Maryland, New York University, and Tufts University.

The Task Force analyzed data collected from the selected peer institution employee benefit websites and 2015 benefit guides, in addition to data provided by Mercer. Furthermore, the Task Force examined wages for GW's faculty and staff which included salaries and fringe rates, using information made available from the GW Faculty Senate Committee on Appointment, Salary, and Promotion Policies (ASPP) Task Force on faculty compensation, information gathered by Benefits Administration staff on staff compensation and information obtained from the *Chronicle of Higher Education.*

In the field of health care benefits, the leading source of employer sponsored health plan information is widely considered to be the Kaiser Family Foundation's Annual Employer Health Benefit Survey, an extensive annual survey of employer benefits that has been conducted annually for nearly a decade. A large body of literature on employer-sponsored health

[3] Notice 2015-16, available at: http://www.irs.gov/pub/irs-drop/n-15-16.pdf
[4] With the exception of the University of Maryland, our market basket compares to that used by the Board of Trustees.

plan comparisons also has emerged since the implementation of the Affordable Care Act (ACA). For retirement and tuition benefits, Task Force members consulted with Mercer, examined analyses and reports issued by other major benefit consulting firms, and drew on the expertise and knowledge of its own members. Through this process, the Task Force was able to identify certain key and meaningful comparison points to be used in setting forth recommendations for the short-term.

Points of Comparison

Health benefits (active employees and retirees): The points of comparison selected were: (1) proportion of the health insurance premium borne by participants for coverage ("premium cost-share"); (2) in-network deductibles;[5] (3) employer contributions to health savings accounts associated with enrollment in a high-deductible health plan (HDHP); (4) employer contributions toward retiree health benefits; and (5) actuarial value of both the Medium plan and the lowest cost health plan option, which is a high-deductible health plan (HDHP) with a voluntary health savings account (HSA) option (the University does not currently contribute to the savings account). At GW, the Medium plan is also our highest-priced health plan. Much of the data used came from the websites of the comparison group universities. Three of our comparison schools did not have an HDHP: Tufts, University of Maryland and American University. Retiree health plan benchmarking was carried out by comparing retiree and employer contributions, using data from our peer institutions' websites.

Actuarial value is a simple and valid method for comparing the value of health plans and is widely used by industry experts forms the basis of health plan valuation under the Affordable Care Act (ACA). The actuarial value of a health plan is the percentage of covered benefits paid by an insurer or health plan for a standard population, once all patient cost-sharing obligations (premiums, deductibles, copays, HSA and FSA contributions and coinsurance) have been met. The ACA uses the following actuarial value measure for health plans: 90% (platinum plans); 80% (gold plans); 70% (silver plans, which typically are structured as an HDHP with a voluntary health savings account option; and 60% (bronze plans, which similarly use a high-deductible plan approach).

Tuition remission benefits: Tuition benchmarking was performed using data collected from the selected peer institutions' websites. The Task Force's comparison was based upon the cost per graduate level credit hour and the maximum benefit per year assessed to employees at each institution. Tuition benefits varied in scope between institutions, and differences in the timing of, and restrictions on, the benefit were taken into consideration as part of the peer benchmarking.

Fringe rates and wage compensation: The fringe and compensation benchmarking compared peers' negotiated indirect cost rates (i.e. the fringe rate charged to the federal government), information from the annual American Association of University Professors Survey of Faculty Compensation published in the *Chronicle of Higher Education*, and data provided by the Faculty Senate Appointment, Salary, and Promotion Policies Task Force on faculty compensation (ASPP). Faculty and staff salary information was provided by GW's Human Resources Information Systems Department (HRIS).

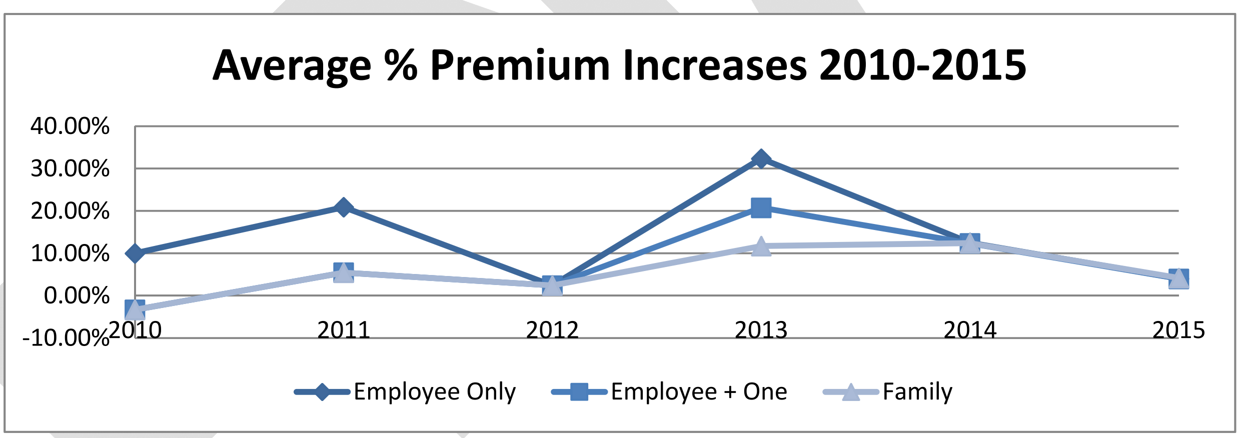
[5] The Task force did not compare out-of-network coverage. In our longer term analysis this will be a focus area because of the trend by GW's peers toward narrow networks and high charges imposed by out-of-network provider

3. Trends in GW Benefits

Over the past several years, GW employees have experienced a downward trend in both health and tuition benefits.

Health benefits: Medical inflation, including increases both in the cost of health care and health insurance premiums, has averaged 3.5% a year for the past ten years (2004-2014).[6] The University's funding source for benefits, also known as the "fringe account", is used to fund employee benefits programs. Since 2013, GW's fringe account and merit pool have grown at the same rate, typically 3.0% annually. As a result, the cost of health insurance has eclipsed funds allocated to employee benefits. This inexorable pressure on the fringe account, a problem for many employers, has led the University to begin to take measures to contain these cost increases. The consequences of the disparity between the overall rising cost of benefits and slowing fringe account growth are evident in the University's recent decision to modify tuition benefits. This Task Force was created to address the long-term problem of resource allocation in light of rising overall costs. Furthermore, in order to reduce premium increases, the value of GW's coverage itself may continue to decline, thereby exposing employees to a higher share of healthcare costs.

Premium increases: In 2011, GW moved to a single plan administrator, UnitedHealthcare. At that time, University officials indicated that the change was being made to give employees access to nationwide coverage, keep employee premium increases to a minimum, and provide better customer service.[7] Nonetheless, employee premiums increased at a higher rate that year compared to 2010 (6.9% vs. 3.8%). GW's healthcare costs continue to rise faster than the overall fringe account, resulting in greater employee responsibility for the inevitable rise in the cost of premiums.



Between 2010 and 2014, the proportion of the premiums paid by employees rose significantly. In 2010, the University paid 74% of the annual increase in plan costs; by 2014, the situation had reversed itself and employees were paying 69% of the plan cost increase that year. Although the University absorbed a significant proportion of the premium increase in 2012 (its contributions grew by 6.8%), employees' premium costs that year also rose by 6.9%. In 2013, however, a decision was made to hold the University's premium rate increase to approximately 3% (the size of the merit increase pool increase), regardless of the total premium rate increase. A similar decision was made in 2014.

[6] ForecastChart.com, U.S. Medical Care Cost Inflation, available at http://www.forecast.com/inflation-medical-care-cost.html
[7] GWToday, University Changes Health Care Insurers, available at http://gwtoday.gwu.edu/university-change-health-care-insurers

This strategy for limiting the University's exposure to health plan cost increases suggest that it may be employed going forward, with the result that University employees will be expected to pay that portion of the premium growth that exceeds the growth of the merit pool. This would further shift responsibility for the cost of health care premiums to employees, even as overall premiums continue to grow. Trend data from numerous sources suggest that health care costs can be expected to grow at an average annual rate that exceeds 3 percent, and the University's own experience has been an annual growth rate actually higher than medical inflation overall. To the extent that the University continues to hold the employer increase to the general merit pool growth rate, a continuing shift in premium responsibilities to employees becomes inevitable.

Today, the employee premium cost-share for self-only coverage is 13% under the HDHP and 22% for coverage under the Medium plan. For a family of three, the employee premium cost-share is 18% under the HDHP and 32% under the Medium plan.

The declining value of coverage: As GW employees have been required to pay a higher proportion of rising health plan premiums over time, they also have been offered fewer choices in terms of health plans, and the overall value of coverage offered has diminished. The University eliminated its most generous plan in 2014 and now relies on what it classifies as a mid-grade plan as well as a basic plan and a HDHP with a linked health savings account. Unlike HDHPs offered by at least 2 of 7 peer institutions, GW's HDHP does not provide any University contribution toward a Health Savings Account to fund the deductible and other cost-sharing, thereby placing the entire cost burden upon employees.

Tuition remission benefits: At the beginning of 2015, the employee tuition benefit program was reduced from 96% to 90% University coverage of tuition costs. Furthermore, the University imposed an aggregate limit on the number of credits eligible individuals could use in any year. The University now covers a maximum of 18 credits per year, 6 credits per semester, which is a 15% reduction from prior years when 21 credits per year were covered. The reduction in credit hours may cause employees to fall behind their cohorts in some programs. The waiting period to start a course of study has also increased from three to six months for staff.

Approximately 50% of the University's employees earn less than $60,600 per year. According to University data, the typical cost per credit hour is $1,545.[1] When the University was covering 96% of tuition costs, participants would be responsible for the remaining 4%. The cost to the employee would be $61.80 per credit hour. Under the revised standards, participants now become responsible for 10% of the costs. Each credit hour now costs the employee $154.50-- a cost increase of $92.70 or 150% when compared to the previous policy. In contrast, by covering 90% of tuition costs instead of 96%, the University's contribution has been reduced by 6.25%.

The change will have a significant impact on people who use the benefit. For example, if an employee chooses to take 18 credits per year, the additional cost for the employee amounts to $1668.60 per year. As a result, a two-year course of study (a master's degree for example) would cost participants an additional $3,337.20 more out of pocket, while the cost of a four-year degree would rise by $6,674.40.

4. Competitiveness of GW Compensation in Relation to Peer Institutions

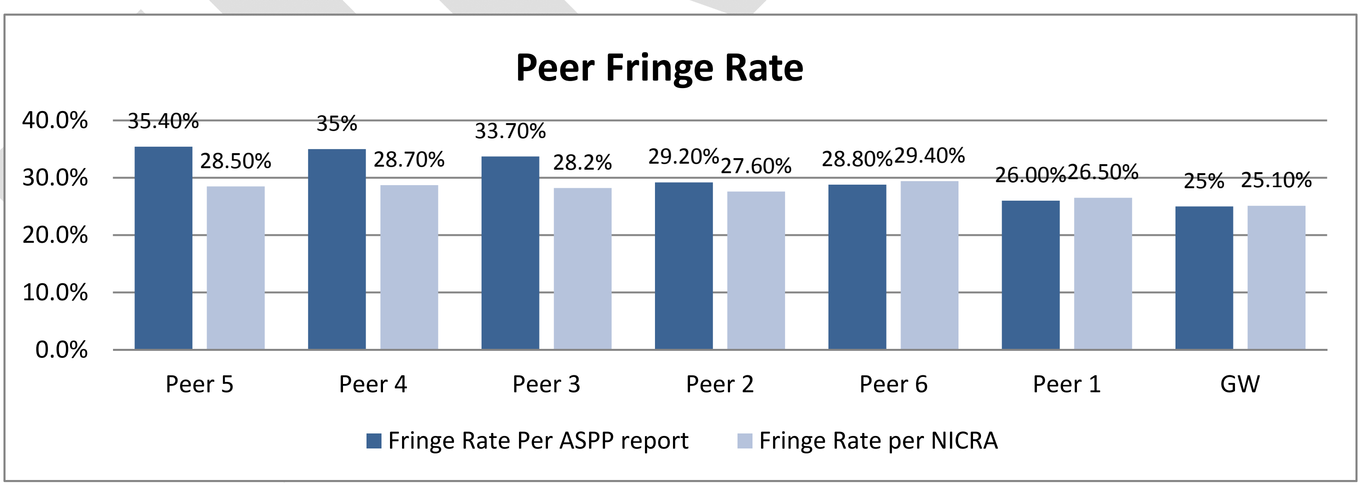
In general, it is the Task Force's informed conclusion that the overall value of GW's healthcare benefits has been declining over time, while the share of employee contributions to the cost of benefits offered has been increasing. Because health benefits play a significant role in determining total compensation, this steady decline in the value of coverage has eroded total employee compensation.

GW is not the only university facing health benefit challenges. However, GW requires significant employee premium contributions in comparison to its peers. Furthermore, GW has scaled back the value of coverage offered; meaning that as employees have sought out less costly plans to offset the loss of employer contributions, the overall value of their coverage has diminished.

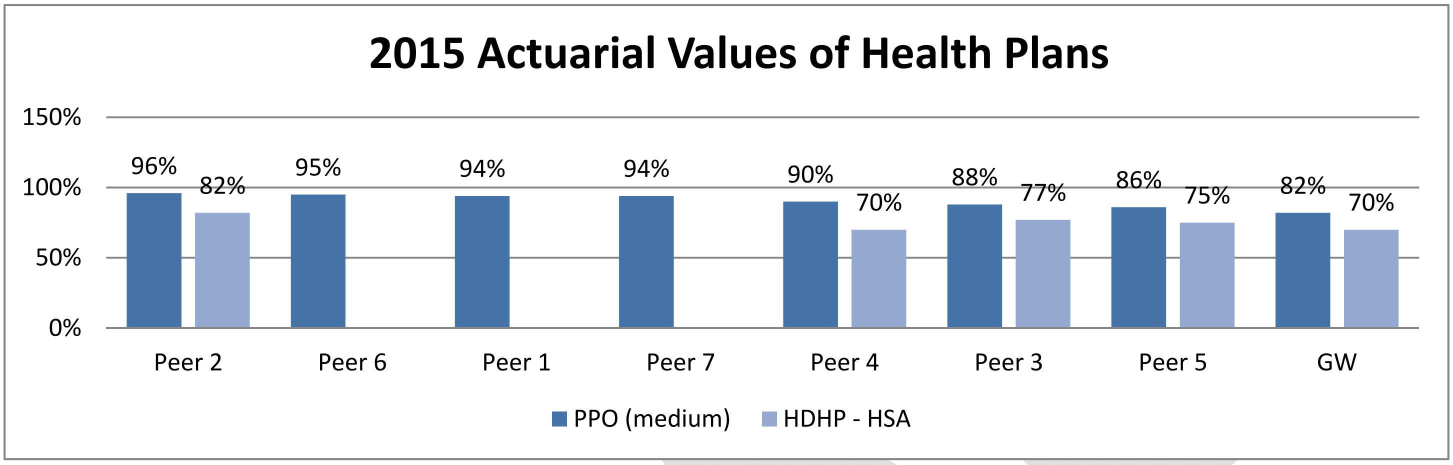
Looking at the data as a whole, the Task Force has concluded that GW is competitive on retirement benefits. However, the University holds a significantly weakened competitive position compared to other universities concerning health care benefits. The Task Force further notes with concern that in the case of tuition benefits, not only have benefits been reduced, but the University effectively took retroactive action for some employees by significantly reducing benefits for those already enrolled in a formal course of study. GW's fringe rates, shown in **Appendix B,** are at the low end of the market basket as well.

COMPENSATION ELEMENT	COMPETITIVE	LESS THAN COMPETITIVE	NOT COMPETITIVE
Salaries	varies by school & department		
Fringe			X
Retirement	X		
Health			X
Tuition		X	

Fringe rate: GW has the lowest fringe rate of any school in the Task Force's peer institutions as illustrated in the chart below. GW's published fringe rate is 25%. The University's negotiated fringe rate that is charged to federal grant money is 25.1%. The mean and median fringe rates respectively for the task force's peer group are 32.07% and 31.90% respectively. The University's low fringe rate is both reflected in and has a causal link to the non-competitive character of individual benefits. The full GW market basket fringe comparison is available in **Appendix B.**

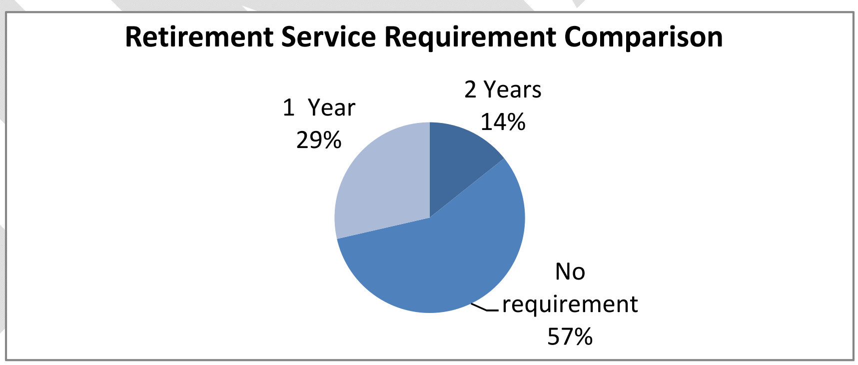


Health benefits: Healthcare costs constitute the largest part of GW's benefits spending. The health plans offered by GW do not offer the same level of benefits and coverage as those available to employees at our peer institutions. Though plan designs can be difficult to compare, the simplest and most telling is the actuarial value of the respective plans, which represents the share of covered health care expenses the plan covers for a typical group of enrollees, taking patient cost-sharing into account. The actuarial value of GW's Medium plan is 82%. Comparable plans in our market basket have an average actuarial value of 91%, and no other plan has a value of less than 86%.[8] The University's most generous health plan is now several percentage points below the most generous plans typically offered by GW's peer institutions.



Because actuarial value is not particularly intuitive, the following two tangible examples help illustrate the relatively limited coverage under GW's health plans. Whereas two peer institutions offering HDHPs provide at least some contribution to the plans' linked health savings accounts, GW does not (**Appendix C**). Furthermore, GW's Medium plan charges not only a $500 for an individual deductible (the highest among the benchmark universities) but also a separate prescription deductible for brand-name drugs of $50 (**Appendix D**).

Retirement benefits: All benchmark institutions offer a defined contribution retirement plan, which is comparable to GW's. GW's competitive position is driven by an average total employer contribution amount (matching and non-matching) and average vesting periods. However, GW's service requirement (2 years) for employer matching



contributions is higher than all of GW's peers. Conversely, GW's plan does allow new employees with previous service at a university to waive the two-year eligibility requirement, which results in a greater level of competitiveness for experienced faculty and administrators. Four of the seven institutions benchmarked require an employee contribution as part of the retirement plan; GW does not. The mode for the peer match is approximately 5% of base salary. However, some peer institutions offer differential matching strategies.

[8] The Task Force has received notification that actuarial values for all plans in the market basket may be revised upward as a result of the combined effects of several factors including limits on out-of-pocket spending under the Affordable Care Act and greater utilization among higher cost participants and beneficiaries, which overcomes the downward trajectory of actuarial values caused by higher cost-sharing and coinsurance for any particular benefit.

Tuition remission benefits: Prior to the reduction in tuition remission from 96% to 90%, GW's tuition remission benefit was competitive with its market basket. However, the reduction in remission has rendered this benefit less-competitive in comparison to benchmarked peer institutions. Every other school examined provides a tuition remission rate of 100% for at least some of their employees and uses 90% as a floor. GW's required time of service before initiation of the tuition benefit is average in comparison to peer institutions.

Faculty salaries: As the ASPP report documents, using AAUP salary data at the 80th percentile as a benchmark, GW's average faculty salary is above the average salary for associate professors at GW's benchmark institutions, slightly higher than the same average for full professors, and below average for assistant professors. When market basket competitors are considered, with adjustments for cost of living, GW ranks near the bottom for all faculty ranks. Salary averages will be affected by the presence of professional schools for law, medicine, and business, which tend to drive salaries upward overall.

Staff salaries: Because of the limited time available to the Task Force to develop its short-term report, we were not able to commission a full analysis of staff compensation at the job and family level in comparison to university peers. As a starting point, data from the Bureau of Labor Statistics were used to estimate the general level of competitiveness of GW staff compared to the entire workforce across the Washington-Arlington-Alexandria metropolitan area. In summary, market data reflecting all positions throughout the Washington DC metropolitan area show a 50th percentile salary of approximately $51,100. By comparison, the GW staff salary median is approximately $60,600 – approximately 18.6% higher than the DC median salary.

Merit increase practices: Over the past several years, including CY2015, GW has maintained a competitive salary increase program in contrast to higher education trends generally, which have held salary increases to less than 2%. [9] [10]

5. Recommendations

Guiding principles

Our short-term recommendations have been guided by a number of principles that emerged over the course of our discussions and that in our view reflect GW's stated values.[11] Especially important are the values of community, service, sustainability, and teamwork and their roles in setting University policy, particularly in challenging economic times when difficult and potentially politically sensitive decisions must be made. The Task Force will also use these principles as a framework while moving towards the development of long term recommendations. We believe these recommendations will address the challenge of alleviating budgetary concerns while still offering competitive benefits and compensation.

First, we recognize that the University is experiencing a near-term financial challenge that necessitates actions to hold the line on operating costs and to the best extent possible, we should offset any cost increase in our recommendations with a related tradeoff within the context of compensation or benefits.

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[9] CUPA-HR, Hourly Workers in Higher Ed See 2% Increase in Pay in 2014-15, available at: http://www.cupahr.org/news/item.aspx?id=12576 (April 13, 2015)

[10] CUPA-HR, Median Base Salaries for Professionals in Higher Ed Increased 2.2 Percent in 2014-15 available at: http://www.cupahr.org/news/item.aspx?id=12514(March 30, 2015)

[11] GW Values, available at: http://hr.gwu.edu/values

Second, to the best extent possible, we seek solutions that would limit the any detrimental impact on GW employees who are not highly compensated, which we defined as less than or equal to the GW median salary of $60,600.

Third, we believe that all stakeholders – both active employees and retirees – have a role to play in finding solutions that can save money in the short- and long-term.

Fourth, we are guided by principles of equity and fairness regarding how compensation and any reductions will be distributed.

Fifth, we attempted to avoid changes that would further erode the University's competitive position on benefits.

The Task Force recognizes that the long-term solution to the current dilemma with our benefit plans will require a significant investment in time as well as resources to identify and implement. As such, our short-term recommendations are designed to provide the Administration with additional time to determine the longer term solutions, while taking into account the immediate concerns voiced by faculty and staff.

Short-Term Recommendations

In presenting our options, the Task Force stresses that our recommendations are designed to deal with the most near-term pressing priorities while also identifying one-time financial options for addressing immediate concerns related to the cost of health insurance and the impact of reduced tuition remission. The options should not be construed as representing long-term recommendations regarding both the level and mix of faculty and staff compensation. In the long-term, as long as the cost of health insurance continues to increase at a rate faster than total compensation, more fundamental changes will be needed in the structure of health benefits. To the extent that rising employee health benefit costs are financed by offsets in salary and/or benefits, employees will effectively continue to bear 100 percent of health benefit cost increases in excess of the amount set aside from the merit pool. This outcome is troubling, given the data presented in this report on the relatively limited competitiveness of the University's faculty/staff compensation in terms of benefits. The Task Force strongly believes that achieving a level of total compensation of faculty and staff commensurate with the University's aspirations to become a world-class institution must receive the same priority given capital expenditures and investment.

1. IN THE EVENT THE COST INCREASE FOR HEALTHCARE PLANS EXCEEDS THE MERIT POOL, THE UNIVERSITY SHOULD, FOR CALENDAR YEAR 2016, BEAR THE COST OF ANY INCREASE IN HEALTH INSURANCE PREMIUMS THAT EXCEEDS THE FUNDING TO THE FRINGE ACCOUNT. IN THE EVENT THAT UNIVERSITY DECIDES TO DECREASE THE MERIT POOL TO LESS THAN 3% THE UNIVERSITY SHOULD CONTINUE TO FUND THE FRINGE ACCOUNT BY AT LEAST 3% IN ORDER TO PROTECT EMPLOYEES AGAINST ADDITIONAL HEALTH BENEFIT COST INCREASES. Since 2013, employees have borne the brunt of the overall premium cost increase, resulting in employee responsibility for a higher proportion of the premium payment. In addition, this shift in premium payment responsibilities is only one part of the story, since it has occurred simultaneously with the diminution of health plan value over time. The result is a relatively low actuarial value for GW's health plans, even as the cost of purchasing insurance has grown. In other words, employees are paying significantly more for coverage that is significantly more limited than that offered by selected market basket institutions.

In the long term, the Task Force intends to tackle the underlying problem -- the cost of the health plan itself -- through deeper analysis and review that hopefully can begin to better contain cost increases while affording employees access to high value coverage. In the short run – that is, for the 2016 plan year - the Task Force recommends that the University absorb cost increases exceeding the size increase of the funding to the fringe account. The difference in health plan premium cost increase should not be covered by taking money from employee compensation. For example, if the fringe funding is held to 3% increase, benefit costs should increase no more than 3% for employees as well. This recommendation is supported by our stated principles, and general fairness requires a balanced cost-sharing scheme.

FRINGE ACCOUNT FUNDING	PREMIUM INCREASE CAP	ESTIMATED COST TO GW[12]
3%	3%	$2.4 million
2.5%	2.5%	$2.8 million
2%	2%	$3.2 million
0%	0%	$4.8 million

Estimated cost of pursuing this one-time policy change: $2.4 million, assuming a 3% funding to the fringe account. If fringe account funding is lower than 3% for CY2016, this cost estimate will increase proportionately as noted in the table above.

Furthermore, the Task Force recommends that, effective immediately, the University commission a formal study on the competitiveness and structure of our fringe benefit account to determine whether our practices are aligned with those of our peer institutions, as well as determine a relative value on GW's fringe account. Administration can consider making this study transparent to the University community.

2. EFFECTIVE BEGINNING IN THE 2015 SUMMER SEMESTER, GW SHOULD RESTORE TUITION BENEFITS TO 2014 LEVELS FOR EMPLOYEES ENROLLED IN A FORMAL DEGREE OR CERTIFICATE PROGRAM PRIOR TO JANUARY 1, 2015. The University also should consider modest income rebates to individuals covered by our recommendations who paid more than they would have under the prior policy for the spring 2015 semester. The Task Force recognizes that there may be a need to adjust tuition benefits for GW employees in the case of employees who will be using tuition benefits for the first time beginning in 2015. However, Task Force members also recognize that employees already enrolled in a formal course of study at the time of the new tuition remission policy took effect on January 1, 2015 have experienced an overall decrease in income that they did not anticipate before the policy was first announced in Fall 2014. The loss for these employees over the course of a degree program is potentially considerable. Several, but not all Task Force members supported a full restoration of tuition benefits for all employees enrolled in a degree or certificate program in 2015 that includes payment of a rebate for the spring 2015 semester. The Task Force is unable to calculate what these costs may be because of the varying nature of enrollment costs, such as tuition rates, number of hours taken, etc. The Task Force knows that approximately 720 employees were affected by the change in benefit level, costing an additional $92.70 per credit hour. Therefore, as noted, the administration might consider granting a one-time restoration payment to all employees impacted by the policy change. But Task Force members are united in their recommendation to restore the tuition remission benefit to 96% as detailed in **Appendix H** for employees currently enrolled in a degree or certificate program.

   Estimated cost of pursuing this policy: Total estimated cost at $550,000, spread across multiple periods. Cost will no longer be incurred once faculty and staff complete their degrees.

3. AS PART OF THE NEW 5 YEAR BUDGET MODEL CURRENTLY BEING IMPLEMENTED, THE UNIVERSITY SHOULD BENCHMARK THE FUNDING OF ITS FRINGE BENEFITS POOL (OR AT LEAST THE HEALTHCARE PART OF ITS FRINGE POOL) TO ALIGN WITH MEDICAL CARE INFLATION ESTIMATES. The Task Force will offer a detailed proposal for this in the long-term report, but feels

[12] Estimated costs projected by Mercer based on medical and prescription claims paid through January 31, 2015.

strongly that given the fact the Board of Trustees is poised to adopt its first five-year budget model, immediate adoption of this budgeting principle is essential.

Estimated cost of pursuing this change: To be determined based on inflation rates for CY2016 to be detailed in the long-term report.

Offsetting Savings

The Task Force recognizes that given the overall economic constraints under which the University currently is operating, near-term offsets will need to be found to fund any recommendations. For this reason, the Task Force recommends a short-term approach to pay banding. For longer-term salary banding for purposes of making longer-term recommendations related to employee premium contributions, the Task Force recommends that University HR consult with Mercer for guidance and expertise on an appropriate salary banding strategy for health plan premiums that are consistent with reasonable market practices.

In addition, the Task Force is concerned about the cost of retiree benefits. Retiree medical coverage contributes to approximately 10% of GW's overall expenditures on medical and prescription drug costs, and the ranks of retirees can be expected to swell in coming years. As other employers have done, GW should consider developing an alternative long-term approach to retiree medical that would offer reasonable protection for retirees while at the same time reducing pressure on the cost of coverage. This shift in thinking will be especially important as the number of retiring faculty members' swells. The Task Force will evaluate acceptable options for retiree medical in the long-term phase of its work. We do not, however, call for an increase of retiree contributions in the near-term.

1. For purposes of our short term salary recommendations however, the Task Force recommends the following: LIMIT EMPLOYEE SALARY INCREASES FOR THE NEXT FISCAL YEARS IN RELATION TO THREE EMPLOYEE SALARY[13] TIERS: ABOVE $35,000 BUT UNDER $180,000 (TIER 1); $180,000 - $240,000 (TIER 2); AND OVER $240,000 (TIER 3).

    a. For the next fiscal year hold tier 2 faculty and staff to a maximum salary increase of one-half percentage point below the maximum level permissible under the merit pool; hold tier 3 faculty and staff to a maximum salary increase one percentage point below the maximum level permissible under the merit pool.

Estimated savings: $622,700 affecting 349 employees

1. EFFECTIVE JUNE 1, 2015, TEMPORARILY FREEZE DISCRETIONARY BONUSES FOR ALL FACULTY AND STAFF AND PERMIT EMPLOYEES WITH CONTRACTUAL BONUS AGREEMENTS TO WAIVE SUCH BONUSES ON A ONE-TIME BASIS. In order to provide a funding offset for the premium cost-share and tuition recommendations, the Task Force recommends a short-term tradeoff between discretionary bonuses and benefits. Nothing in this recommendation is intended to preclude administration from using an appropriate incentive in circumstances in which a bonus may be essential to retention of a high value employee. In addition, bonuses that are already specified in an offer letter or are contractual are not directly covered by this recommendation. While certain bonus payments may be contractual,

[13] The Task Force defines salary as actual rather than annualized salary.

employees entitled to such bonuses may wish to waive them as part of an effort to curb the University's short-term spending.

Estimated savings from this adjustment: Up to $3 million based on CY13 and CY14 trends. Actual numbers vary based on prevalence and practice.

2. <u>FOR CY2016, FOREGO SUPPLEMENTAL UNIVERSITY RETIREMENT CONTRIBUTIONS UNDER THE 457(F) PLAN.</u> Under §457(f) of the Internal Revenue Code, employers may make deferred compensation payments to highly compensated employees as a retention strategy. Although use of such compensation strategies is part of GW's overall competitive position on retirement benefits, the Task Force believes that especially in times of reductions in force and concerns over the affordability of benefit plans, it makes sense to forego this additional form of compensation for CY2016.

   Furthermore, the Task Force recommends that, during the gap year, the University engage its benefits consultant to evaluate the competitiveness and reasonableness of the current design of the 457(f) plan and make appropriate adjustment to align 457(f) practice with market.

   Estimated savings from this adjustment: $808,000 for one calendar year less legal costs of plan amendment.

A final offset to this list may be flex funds, which are forfeited annually and returned to the fringe pool. The most recent forfeiture amounted to $120,000 for unused 2014 health and flexible account funds. These funds also should be considered available for investment in restoration of tuition benefits and limits on premium cost share.

Summary of New Costs and Countervailing Offsets

RECOMMENDATION	COST	OFFSET	SAVINGS
Hold premium increases to the increase of the funding to the fringe account (CY2016 only)	$2,400,000[14]	Hold tier 2 and tier 3 maximum salary increases (CY 2015)	$622,700
Restoration of tuition benefits (total cost summer 2015-till degree completion)	$550,000	Temporarily freeze bonuses (CY 2015-one year)	Up to $3,000,000
Funding of the fringe pool in relation to healthcare inflation	TBD	Forego 457(F) plan contributions (CY2016-one year)	$808,000
Total:	**$2,950,000**		**$4,430,700**

[14] Assuming 3% funding to the fringe account; if the fringe account funding is lower than 3% for CY2016, this cost estimate will increase proportionately as noted in the table above.

Appendix A: Benefits Task Force Membership

Chairs:

Sara Rosenbaum, Harold and Jane Hirsh professor of health policy in the Milken Institute School of Public Health

John Kosky, (3/23/2015- present) executive director of compensation administration in University Human Resources

Erica Hayton, (1/9/2015- 3/23/2015) former director of benefits strategy in University Human Resources

Faculty Representatives:

Shawneequa Callier, assistant professor of bioethics and health care regulation in the School of Medicine and Health Sciences

Joseph J. Cordes, associate director of the Trachtenberg School of Public Policy and Public Administration and International Affairs Public Policy Program in the Elliott School of International Affairs

Benjamin D. Hopkins, associate professor of history and international affairs in the Elliott School of International Affairs

Suzanne Jackson, professor of clinical law, director of the Health Rights Law Clinic and the GW Health Insurance Counseling Project at the School of Law.

Paula M. Lantz, chair of the Department of Health Policy and Management in the Milken Institute School of Public Health

Staff Representatives:

Linda Brown, associate director of Colonial Central

Pallavi Rai Gullo, director of legal clinics in the Law School

Deanah McLeod, senior associate director of development in the School of Engineering and Applied Science

Sheneka Smith, office manager in Development and Alumni Relations

Alan Thompson, supervisor of the electric shop in Facilities Services

Medical Resident Representative:

Pooja Lakshmin, psychiatry and behavioral sciences at George Washington Hospital

Secretary and Staff Support:

Kara Musselman, employee wellness coordinator in University Human Resources

Appendix B: Fringe Rate Market Basket Comparison Table

Institution Name	Fringe Rate Per ASPP Report	Fringe Rate per NICRA	Year of NICRA Rate	NICRA Notes
NYU	35.40%	28.50%	FY15	
Georgetown	35%	28.70%	FY15	Tiered rates: 19.9% above $125K, 0% above $205K
Johns Hopkins	34.50%	34.50%	FY15	Includes vacation, CPE, staff development
Columbia	33.70%	28.2%	FY15	Includes Travel insurance, union benefits, severance, employee health service
USC	33.50%	31.10%	FY15-FY16	Includes "miscellaneous employee services"
Boston U.	29.20%	27.60%	FY15	Includes sabbaticals and campus patrol
Tufts	28.80%	29.40%	FY15	Includes vacation accruals
SMU	28%			Could not locate online
Tulane	28%	19.00%	FY15	Uptown faculty' rates - rates vary by category/location; includes early retirement, sabbatical, termination pay, day care subsidy
Northwestern	27.20%	27.80%	FY15	Includes "extended sick leave", severance, group travel insurance, child care assistance
University of Miami	26.80%	24.40%	FY15	
Washington U.	26.70%			Uses fixed dollar rates
American U.	26.00%	26.50%	FY13-FY16	
Emory	25.80%	24.60%	FY15	Includes child care subsidy, fitness center
Duke	25%			Secured site
GW	**25%**	25.10%	FY15	Includes sabbaticals, benefits admin (excludes dependent tuition)
Vanderbilt	21.90%	20.90%	FY15	Tiered structure - Faculty <$170K; 11.5% for Faculty >$170K; 17.7% for non-faculty
Average	**29.60%**	**26.78%**		

Notes: Blended rates calculated on IPEDS data should be lower than FT benefit-eligible rates due to salary denominator also including part-time/non-benefit eligible salaries.

Blended Rate per IPEDS Data calculated as Total Expenses - Benefits/Total Expenses - Salaries and Wages

Blended Instructional Fringe Rate per IPEDS Data calculated as Instruction - Benefits/Instruction - Salaries and Wages

Appendix C: High Deductible Health Plan Peer Comparison Table

The table below shows GW and peer institution's 2015 high deductible health plan actuarial values, monthly employee premium contributions monthly institution contributions and the percentage of the total cost of the plan the employee pays (EE%). Peer institutions 1, 6 and 7 do not offer a high deductible health plan.[15]

Institution Name	Actuarial Values	Employee Only	Institution Employee Only	EE %	Employee + Partner	Institution Employee + Partner	EE %	Employee + Child(ren)	Institution Employee + Child(ren)	EE %	Family	Institution Family	EE %
GW	70%	$ 58.00	$ 390.10	13%	$ 169.00	$ 772.01	18%	$ 149.00	$ 679.99	18%	$ 250.00	$ 1,139.12	18%
Peer Institution 2*	82%	$ 119.35	$ 502.06	19%	$ 250.63	$ 1,054.32	19%	$ 217.81	$ 916.25	19%	$ 349.09	$ 1,468.52	19%
Peer Institution 3[16]	77%	$ 53.00	$ 430.00	11%	$ 187.00	$ 828.00	18%	$ 96.00	$ 822.00	10%	$ 229.00	$ 1,218.00	16%
Peer Institution 4	70%	$ 46.50	$ 370.55	11%	$ 97.64	$ 778.17	11%	$ 88.32	$ 704.07	11%	$ 139.50	$ 1,111.66	11%
Peer Institution 5*[17]	75%	$ 46.00	$ 643.92	7%	$ 147.00	$ 1,301.44	10%	$ 132.00	$ 1,178.26	10%	$ 210.00	$ 1,858.78	10%
Average	***75%***	***$64.57***	***$ 467.33***	***12%***	***$170.25***	***$ 946.79***	***15%***	***$136.63***	***$ 860.11***	***14%***	***$235.52***	***$ 1,359.22***	***15%***

* Institution contributes to employee Health Savings Account

[15] We have received word that actuarial values for all plans in the market basket may be revised upward as a result of the combined effects of several factors including limits on out-of-pocket spending under the Affordable Care Act and greater utilization among higher cost participants and beneficiaries, which in turn overcomes the downward trajectory caused by higher cost-sharing and coinsurance for any particular benefit.

[16] Premiums are for median salary band $45K-$80K

[17] Premiums are for median salary band $50-$75K

Appendix D: Medium Plan Peer Comparison Table

Table below shows GW's Medium Plan and peer institution's most similar PPO plans 2015 actuarial values, monthly employee premium contributions monthly institution contributions and the percentage of the total cost of the plan the employee pays (EE%).

Institution Name	Actuarial Values	Employee Only	Institution Employee Only	EE %	Employee + Partner	Institution Employee + Partner	EE %	Employee + Child(ren)	Institution Employee + Child(ren)	EE %	Family	Institution Family	EE %
GW	82%	$ 103.00	$ 367.36	22%	$ 312.00	$ 659.86	32%	$ 276.00	$ 590.52	32%	$ 472.00	$ 968.22	33%
Peer Institution 1	94%	$ 109.41	$ 437.65	20%	$ 382.58	$ 710.52	35%	$ 554.63	$ 1,030.03	35%	$ 554.63	$ 1,030.03	35%
Peer Institution 2	96%	$ 237.80	$ 461.61	34%	$ 499.38	$ 969.38	34%	$ 433.98	$ 842.44	34%	$ 695.56	$ 1,350.21	34%
Peer Institution 3[18]	88%	$ 77.00	$ 466.00	14%	$ 269.00	$ 872.00	24%	$ 139.00	$ 893.00	13%	$ 331.00	$ 1,296.00	20%
Peer Institution 4	90%	$ 349.66	$ 370.55	49%	$ 734.30	$ 778.17	49%	$ 700.36	$ 704.07	50%	$ 1,020.60	$ 1,111.66	48%
Peer Institution 5[19]	86%	$ 52.00	$ 648.92	7%	$ 188.00	$ 1,382.44	12%	$ 172.00	$ 1,214.26	12%	$ 269.00	$ 1,833.10	13%
Peer Institution 6	95%	$ 182.49	$ 469.27	28%	$ 562.14	$ 917.18	38%	$ 705.12	$ 1,150.46	38%	$ 705.12	$ 1,150.46	38%
Peer Institution 7	94%	$ 95.23	$ 380.93	20%	$ 171.42	685.66	20%	$ 238.09	$ 952.34	20%	$ 238.09	$ 952.34	20%
Average	***91%***	***$150.82***	***$ 450.29***	***24%***	***$389.85***	***$ 871.90***	***30%***	***$402.40***	***$ 922.14***	***29%***	***$535.75***	***$ 1,211.50***	***30%***

[18] Premiums are for median salary band of $45K-$80K and are calculated based on COBRA rates

[19] P Premiums are for median salary band of $50-$75K and are calculated based on COBRA rates

Appendix E: GW Premium Increases Table

The table below shows the premium rates from 2007- 2015 and the percent increases over time. In 2013 GW went from three tiers to four tiers (employee, employee plus spouse, employee plus child(ren) and employee plus family) rates shown for employee plus one is employee plus spouse.

	2007	2008		2009		2010		2011		2012		2013		2014		2015	
	EE	EE	%	EE	%	EE	%	EE	%	EE	%	EE	%	EE	%	EE	%
	Carefirst PPO							UHC Choice Plus- Blue/Basic									
Employee Only	$ -	$ -	0%	$ 50.00	N/A	$ 55.00	10.00%	$ 66.49	20.89%	$ 68.11	2.44%	$ 88.00	32.35%	$ 99.00	12.50%	$ 103.00	4.04%
Employee + One	$ 185.50	$ 202.09	8.94%	$ 216.81	7.28%	$ 209.65	-3.30%	$ 221.09	5.46%	$ 226.45	2.42%	$ 267.00	20.77%	$ 300.00	12.36%	$ 312.00	4.00%
Family	$ 311.64	$ 329.72	5.80%	$ 353.74	7.28%	$ 342.06	-3.30%	$ 360.72	5.46%	$ 369.47	2.43%	$ 403.00	11.72%	$ 453.00	12.41%	$ 472.00	4.19%
	Cigna POS							UHC Choice Plus-Buff/Medium									
Employee Only	$ 109.61	$ 115.87	5.71%	$ 102.34	-11.68%	$ 104.22	1.84%	$ 104.22	0.00%	$ 113.85	9.24%	$ 131.00	25.70%	$ 148.00	12.98%	$ 154.00	4.05%
Employee + One	$ 396.63	$ 348.23	-12.20%	$ 287.78	-17.36%	$ 297.03	3.21%	$ 297.03	0.00%	$ 324.46	9.23%	$ 372.00	25.24%	$ 418.00	12.37%	$ 435.00	4.07%
Family	$ 578.56	$ 568.16	-1.80%	$ 469.54	-17.36%	$ 484.62	3.21%	$ 484.62	0.00%	$ 529.39	9.24%	$ 554.00	14.32%	$ 623.00	12.45%	$ 648.00	4.01%
	Cigna HMO							UHC Choice/Premium								[redacted]	
Employee Only	$ 166.00	$ 174.77	5.28%	$ 139.73	-20.05%	$ 128.39	-8.12%	$ 128.39	0.00%	$ 147.71	15.05%	$ 162.00	26.18%	$ 183.00	12.96%		
Employee + One	$ 388.00	$ 424.85	9.50%	$ 392.92	-7.52%	$ 365.90	-6.88%	$ 394.97	7.94%	$ 454.41	15.05%	$ 491.00	24.31%	$ 552.00	12.42%		
Family	$ 557.00	$ 653.33	17.29%	$ 641.08	-1.88%	$ 597.00	-6.88%	$ 644.42	7.94%	$ 741.40	15.05%	$ 748.00	16.07%	$ 841.00	12.43%		
Average Annual Increase			4.28%		*-7.66%*		-1.13%		5.30%		8.91%		21.85%		12.54%		

Appendix F: Retirement Contribution Peer Comparison Table

The table below shows retirement contributions at GW and peer institutions. 3 of 7 institutions benchmarked require an employee contribution as part of the retirement plan; GW does not the mode for the University match is 5% of base salary; some institutions offer differential matching strategies.

Institution Name	Service Requirement (Yrs)	Employee contribution required	Employee Contribution Amount	University Match
GW	2	No	0%+	Base: 4% Match: 1-to-1.5 match up to 6% university contribution
Peer Institution 1	1	Yes	1%+	2-to-1 match up to 10% university contribution
Peer Institution 2	2	Yes	3% minimum	Under age 45: 5% of your base salary up to $36,300 PLUS 10% of your base salary above 45 through 49: 7% of your base salary up to the $36,300 PLUS 12% of your base salary above 50 and above: 9% of your base salary up to $36,300 PLUS 14% of your base salary above
Peer Institution 3	0		0	Under age 40 or under 5 years: 5% of eligible compensation at or below the Social Security Wage Base PLUS 9% of eligible compensation above the Social Security Wage Base Age 40+ and 5+ years: 6% of eligible compensation at or below the Social Security Wage Base PLUS 10% of eligible compensation above the Social Security Wage Base
Peer Institution 4	0	No	0%+	5% base 1 2/3% match up to 5%
Peer Institution 5	1	No	0%+	Base: 5% Match: 1-to-1 match up to 5% university contribution
Peer Institution 6	0	No	0	Under age 40: 5% of Salary Under Social Security Wage Base ($117K) and 10% of Salary Over Social Security Wage Base Age 40+: 10% of Salary Under Social Security Wage Base and 15% of Salary Over Social Security Wage Base
Peer Institution 7[20]	0	Yes	0	Contributes a certain percentage of your salary each year to your account. The 2015 percentage is 7.25%

[20] Peer Institution 7 also offers pension plan.

Appendix G: Tuition Remission Peer Comparison Table

Table below showing GW and peer institution's 2015 full time (FT) staff tuition remission benefits, the cost per credit for graduate level classes and the estimated maximum per year cost to the institution based on maximum credits per year. The key metric is the estimated value of the tuition per year for graduate education.

Name	FT Benefit	$ Value/Per Year Grad Level	Per Credit Hour Grad Level
GW	90% of 6 credits per semester (18 total credits per year)	$27,810	$1,545
Peer Institution 1	Covers tuition cost of up to 8 credits per semester, 20 credits per academic year, per student.	$29,640	$1,482
Peer Institution 2	100% coverage for first 4 credit hours each semester; 90% coverage for the next 4 credit hours per semester	$32,558	$1,428
Peer Institution 3	100% coverage of 21 credits per year	$34,104	$1,624
Peer Institution 4	100% coverage for a lifetime maximum of 120 credits (undergraduate or graduate credits)	$54,000	$1,800
Peer Institution 5	For undergraduate, graduate degree and non-degree programs: making a salary above $50,000, 90% coverage; making a salary below $50,000, 100% coverage (up to 9 credits per semester, up to a maximum of 27 credits per academic year)	$39,933	$1,479
Peer Institution 6	100% of approved tuition costs up to a maximum of $4,000 in a fiscal year	$4,000	n/a
Peer Institution 7	eight (8) credits per semester (with remission of tuition at 100% at in state tuition rates	$14,448	$602
Average		$29,103	

Appendix H: Comparison of Tuition Remission Benefit Changes

The tables below show GW's 2014 tuition remissions benefits and the tuition remission benefits beginning January 1, 2015. The changes as a result of the new tuition benefit policy are highlighted in blue.

2014 Tuition Remission Benefit

	Eligibility	**Benefit**
Full-Time Staff	First semester following **90 days** of employment	**96% of 21 credits total per year (6 spring and fall credits, 9 summer credits)**
Full-Time Faculty, Medical Resident, Research Staff, Executive Staff	First semester coinciding or following the appointment date	
Part-Time Staff	First semester following **90 days** of employment	**96%** of 9 credits total per year (3 per semester)
Part-Time Faculty, Medical Resident, Research Staff, Executive Staff	First semester coinciding or following the appointment date	Same as above

2015 Tuition Remission Benefit

	Eligibility	**Benefit**
Full-Time Staff	First semester following **6 months** of employment	**90% of 18 credits total per year (6 per semester)**
Full-Time Faculty, Medical Resident, Research Staff, Executive Staff	First semester coinciding or following the appointment date	
Part-Time Staff	First semester following **6 months** of employment	**90%** of 9 credits total per year (3 per semester)
Part-Time Faculty, Medical Resident, Research Staff, Executive Staff	First semester coinciding or following the appointment date	Same as above