

THE UNIVERSITY OF AKRON

RESOLUTION 6-15-20

**Approval to Increase Employee Contributions to Health Plan Premiums
For Non-Bargaining Unit Faculty and
Academic Administrators with Faculty Rank**

WHEREAS, The University of Akron (the "University") currently provides its employees with the opportunity to obtain medical and prescription drug coverage through the University (the "Health Plan"); and

WHEREAS, Under the Health Plan, the University and the employee each pay a percentage of the Health Plan's premium equivalent cost, and the employee's percentage of contribution is determined in accordance with that employee's salary tier, as reflected in the table below; and

WHEREAS, In fiscal year 2019-2020, the total cost to the University for its portion of the Health Plan is estimated to be approximately \$17,000,000, of which approximately \$1,200,000 is attributable to non-bargaining unit faculty and academic administrators with faculty rank; and

WHEREAS, Because of the increasing cost of healthcare benefits, generally, the total annual cost for the Health Plan is likely to continue to increase; and

WHEREAS, The University has experienced a serious financial shortfall as a result of the COVID-19 pandemic, which is estimated to be approximately \$65 million and, as a result, the University is examining all opportunities to create financial savings; and

WHEREAS, This Board adopted a resolution on May 29, 2020, increasing the percentage of contribution to the Health Plan annual premium for non-bargaining unit employees not having faculty rank, who earn more than \$50,000 per year; and

WHEREAS, The University also has concluded that it no longer is financially possible to subsidize the premium cost for the Health Plan at the current percentage rate that it is paying for non-bargaining unit faculty members and for academic administrators having faculty rank; Now, Therefore,

BE IT RESOLVED, Effective January 1, 2021, the percentage of contribution to the Health Plan annual premium for non-bargaining unit faculty members and for academic administrators having faculty rank will increase, as reflected in the table below;

<u>Salary Tier</u>	<u>Current Contribution</u>	<u>Future Contribution</u>
Under \$32,000	15%	15%
\$32,000 - \$36,999	17%	17%
\$37,000 - \$47,999	18%	18%
\$48,000 - \$49,999	19%	19%
\$50,000 - \$66,999	19%	30%
\$67,000 - \$91,999	20%	31%
\$92,000 - \$124,999	21%	32%
\$125,000 -	23%	34%

and

BE IT FURTHER RESOLVED, That the University administration is authorized to take all actions necessary to implement this change.



M. Celeste Cook, Secretary
Board of Trustees

