

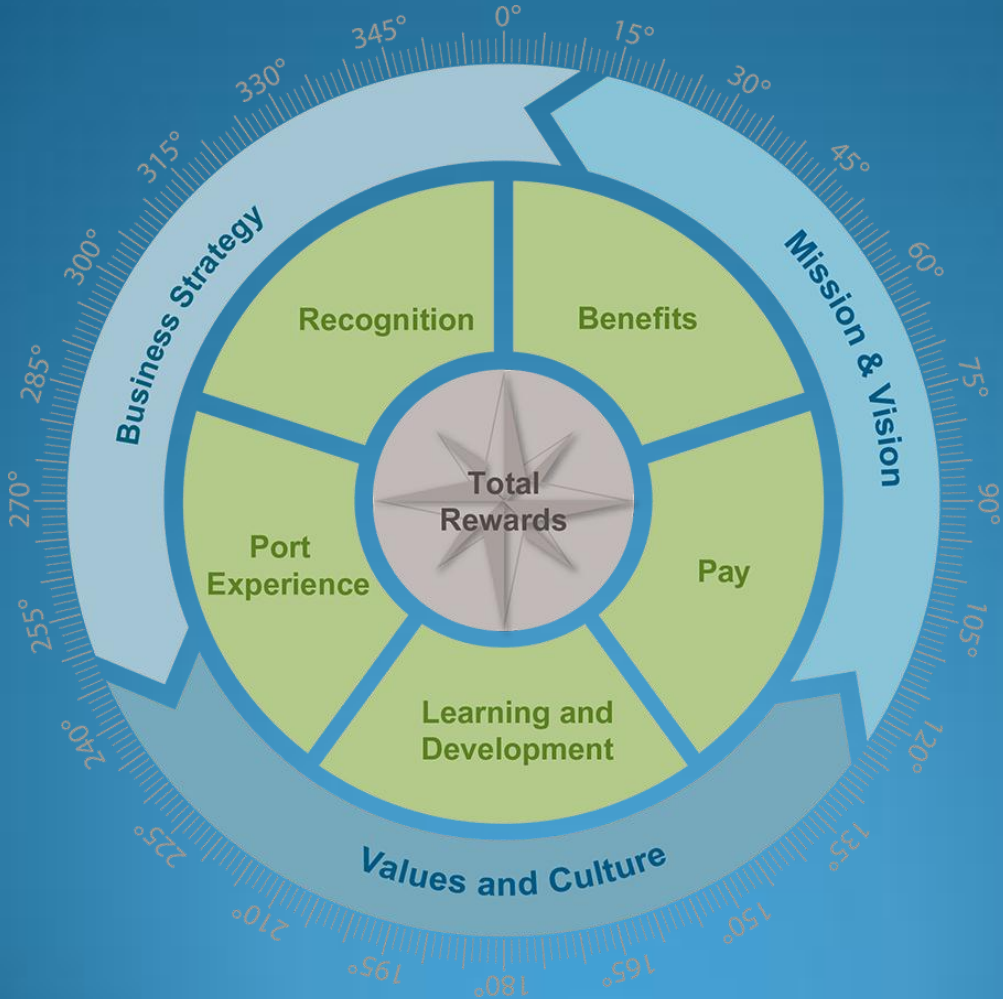
Total Rewards Briefing



Topics

- Background – how the Total Rewards philosophy was defined
- Definitions
- Total Rewards Philosophy Principles
- Gap Analysis and Work Plans
- Conclusion

Total Rewards Philosophy



Background

Total Rewards Philosophy Definition Process

- Team of HRD and LR employees with the CFAO led by an external consultant thoroughly researched existing state
 - Examined existing documents, programs and plans
 - Interviews with Port Executives about demands and needs of the future
 - Department director focus groups on role of Total Rewards in retention, attraction and engagement
- Inventoried Total Rewards plans and programs
 - Categorized plans and programs
 - Defined “Total Rewards” and categories
- Total Rewards philosophy is the outcome

Total Rewards Definition

Total Rewards at the Port of Seattle includes

Everything of value that Port employees and their families receive and have available to them as a result of their contribution to the Port's mission

Total Rewards Philosophy – Overarching Principles

- *Mission, Values and Strategy* – Total Rewards must reflect and support the Port’s mission, values and long-term business strategy, nurture our unique culture, and grow our business
- *Employees* – Total Rewards must support employees performing their best, as well as their growth and well-being
- *Sustainability* – Total Rewards must be managed in a fiscally responsible way that is sustainable over time, and Total Rewards decisions must recognize the financial impact on our organization, customers and community
- *Inclusiveness* – Total Rewards must be applied fairly and consistently among all employees to support one organization working to accomplish overall Port goals

Total Rewards Philosophy – Core Principles

Pay is the cash employees receive in exchange for the work they perform

- Pay should be at market average
- Pay increases should be market competitive
- Similar pay for similar work is important

Total Rewards Philosophy – Core Principles

Benefits are the plans and programs that enhance employee well-being

- The total benefits package should be slightly better than market average
- Benefits offerings should provide choices to meet diverse employee needs at different life stages
- Employees should take an active role in understanding and utilizing their benefits responsibly
- The benefits package should provide at least a minimum level of financial security in the event of disability
- Employees should share in the cost of their healthcare

Total Rewards Philosophy – Core Principles

Learning and Development includes opportunities for employees to expand their experience, knowledge, skills and adaptability in a constantly changing work environment; opportunities may be formal or informal, required or voluntary, Port/profession-specific, or more broadly based

- Employees should have access to a range of learning and development activities to increase their capability to serve the Port's needs
- Employees and the Port share responsibility for employee development
- Employees should receive regular performance feedback
- Employees should have written development plans that are reviewed at least annually
- Leaders should model their support for learning and development through their own development activities

Total Rewards Philosophy – Core Principles

Recognition is an acknowledgement of employee contributions, commitment and efforts toward Port endeavors and achievements. Recognition may be individual or team-based, formal or informal, tangible or intangible

- Employee and team accomplishments should be regularly recognized
- Recognition should be meaningful to those being recognized
- Employee tenure should be recognized
- Retiree contributions to the Port should be acknowledged

Total Rewards Philosophy – Core Principles

Port Experience includes programs and activities that recognize Port employees' passion, creativity and motivation' are reflective of the Port's mission and values, and create pride in working for an organization that honors individuality and diversity of employees and the surrounding community

- The Port values the varied perspectives and ideas that come from a diverse workforce
- The Port offers programs and activities that promote health, safety and preparedness on and off the job
- The Port recognizes our unique position as an entrepreneurial enterprise within a public sector environment
- The Port recognizes that work-life balance is important for employees and the organization
- Working at the Port provides opportunities for both public and community service

Gap Analysis Summary

Overall, most plans and programs are well aligned with the Total Rewards philosophy

- Pay is well aligned for non-union employees with the exception of the current Foreign Language Premium policy
- Work plans include reviewing the Foreign Language Premium policy to identify needed changes and the ongoing analysis of union pay programs as union labor agreements come open for negotiation.

Gap Analysis Summary

Current *benefits* plans are quite well aligned with the Total Rewards philosophy with some notable exceptions

- Not all union groups share in the cost of their health coverage
- Employee cost sharing on Port sponsored medical plans is noticeably less than market median in most areas

Gap Analysis-Medical Plans

Type of Cost	2012 Market Median	2013 Port Sponsored Plan
Deductible - Employee Only	\$500	\$350
Deductible - Family Maximum	\$1500	\$1050
Out of pocket maximum - Employee Only	\$2000	\$1000
Out of pocket maximum - Family	\$6000	\$3000
Coinsurance	20%	10%
Employee Only Premium %	5.6%	4.4%
Full Family Premium %	24.4%	11.0%

Gap Analysis Summary

Work plans to address gaps between current benefit offerings and the philosophy include

- Developing a healthcare strategy to begin moving Port-sponsored medical plans closer to market, slow the healthcare rate increase, and to address the upcoming impacts of the Affordable Care Act
- Union benefit plans will continue to be compared to the philosophy and healthcare strategy (once completed) and results of the comparisons incorporated into negotiations

Gap Analysis Summary

Learning and Development overall is quite well aligned with the philosophy though opportunities to better align the program do exist

- Support and funding for employee development is not consistent and many represented employees do not receive regular performance feedback or have written development plans
- Port staff is working to incorporate these opportunities into ongoing work plans

Gap Analysis Summary

Current recognition programs are well aligned with the Total Rewards philosophy and opportunities exist to strengthen the Port's recognition program.

- Recognition is not consistent or prevalent throughout the Port and the current Employee Recognition policy lacks clarity and guidance for managers
- Work is underway to revise the Employee Recognition policy and develop a Recognition Program document that provides needed clarity, guidance, and tools

Gap Analysis Summary

Port Experience includes a wide range of programs, activities and celebrations that are currently well aligned with the Total Rewards philosophy.

- Opportunities exist to identify ways to make the offerings in this category more available to employees working at different locations and on different shifts
- Exploring these opportunities is an ongoing aspect of work plans

Conclusion

The Total Rewards philosophy

- Flows from the Port's mission, vision, values, culture and business strategy
- Supports a holistic view of all that comprises Total Rewards at the Port
- Provides consistent and integrated guidance for managing Total Rewards
- Is long term, but will need to be periodically reviewed as the Port's business and the environment we operate in changes

Questions

Total Rewards Briefing

