

# 2019 Salary and Benefits

Commission Briefing  
October 23, 2018

# Topics to Cover

- Background of the Salary and Benefits Resolution
- Recommended Updates
  - Pay Range Adjustment
  - Reporting Relationship Change
  - Clarification of a Definition
  - Change to Leave Plans
  - Changes to Healthcare Plans
- Administrative Updates
  - Healthcare Plan Design
  - Washington Paid Family & Medical Leave

# Background

- RCW 53.08.170 authorizes Commission to establish salaries and benefits via resolution
- The Salary and Benefits Resolution covers non-represented employees
- The Resolution includes delegation of authority not included elsewhere
- The 2019 Salary and Benefits Resolution will incorporate changes to Resolution No. 3739, the 2018 Salary and Benefits Resolution

# Recommended Updates

# Pay Range Adjustment

- With the limited data currently available we are estimating that the required adjustment will be between 3.0% and 3.5% to maintain market competitive pay ranges
- Data will continue to become available over the next few weeks and we will incorporate new data into a specific recommendation for the first reading of the Resolution
- Costs associated with the range adjustment are minimal
  - Less than 40 employees affected
  - Estimated cost is approximately \$40,000

# Reporting Relationship Change

- The reporting relationship of the Internal Audit Director will be clarified to specify that performance reviews will be prepared and conducted by the Executive Director
  - Formerly prepared and conducted by the CFO

# Definition Change

- A slight change to the definition of the probationary period that it is an extension of the hiring process

# Paid Leave Plans

- Prompted by feedback from the 2016 Employee Benefits Survey and 2017 focus groups
- Researched local public employers and general industry market data and found we lagged the market average in this area Recommended Addition:
  - One (1) **Personal Day** per year
    - Administered similar to a holiday with no liability accruing to the Port, no accrual or carry forward of the day to the following year
    - Taken as a full day off and cannot be split up and taken as multiple partial days off



# Healthcare Plan Changes

- Defining the **Vision and Prescription Plans**
- Eliminating **Retiree Medical Plans**
  - Following years of declining enrollment and increasing costs we will discontinue the retiree medical plans after the end of 2018
  - As a result, sections IV.A. and IV.B., Medical Benefits for Retirees and Medical Benefits for Dependents of Retirees, will be deleted
  - Section V.B., Commissioner Retiree Medical Benefits, will also be deleted

# Administrative Updates

# Vision and Dental Plan Changes

- Employees have expressed a desire for more choice in health plan options – we listened!
- For both the Vision Plan and Dental Plan we are implementing **enhanced plans** that employees may elect
  - Enhanced Vision Plan will have increased benefits, including choices of additional lens allowances, and employees will pay a higher monthly premium
  - Enhanced Dental Plan will have increased benefits, including a higher annual maximum and adult orthodontia, and employees will pay a higher monthly premium

# Additional Medical Plan Benefit

- For the 2019 plan year we are adding **infertility benefits** that includes up to \$10,000 lifetime maximum coverage for:
  - Artificial Insemination and Ovulation Induction
- Overall, there are no cost increases for employees or the Port for 2019 benefits comparable to 2018 benefits
  - There are additional costs for employees who elect enhanced vision and/or dental benefits

# Washington State Paid Family & Medical Leave

- Mandated by state – benefits available **1/1/2020**
  - Provides partial pay (max \$1,000/week) benefits for up to 12 weeks of medical (18 weeks in some pregnancy situations)
  - Funded by **employee and employer premiums** beginning **1/1/2019**
  - State rulemaking will not be completed until approximately 3Q 2019
- The Port is pursuing the option to opt-out of the State plan with a **voluntary plan** offering benefits that are at least as good as the State plan
  - The State must approve employers' applications to opt out
  - We anticipate that our plan will be approved this year and become effective in 2020
- Details on participation in either the State program or the Port's plan will be included in next year's briefing.

# Questions?