

2008

Iowa Fringe Benefit Profile Executive Summary

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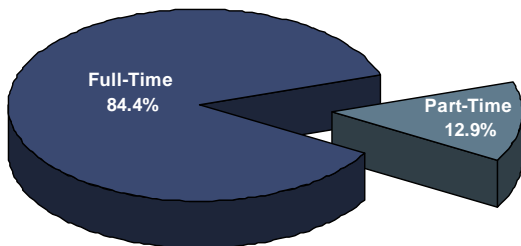
Fringe Benefit Profile

Iowa Workforce Development and its Board of Directors worked in partnership with the Employers' Council of Iowa to contact a random sample of local employers across all industrial classifications and employment ranges to provide information on fringe benefit packages offered by businesses in the State of Iowa. The information gathered provides a detailed analysis of employer-provided benefits. Consequently, this information will assist businesses, community leaders, and workers to make better informed decisions on expansion and retention initiatives, community development projects, and job offerings.

Insurance - Health/Medical

- ▶ 83.6% of employers in Iowa offer health/medical insurance in their compensation packages
- ▶ 65.4% of employers have health/medical insurance plans that provide dependent coverage for their employees
- ▶ The majority of employers in Iowa offer three types of medical insurance plans
 - ▶ 20.8% are enrolled in a Traditional Indemnity Plan
 - ▶ 68.5% are enrolled in a Preferred Provider Organization (PPO)
 - ▶ 10.7% are enrolled in a Health Maintenance Organization (HMO)
- ▶ 16.5% of employers in Iowa offer health/medical insurance to their retired employees

Offered a Medical Benefit Plan by Employment Status

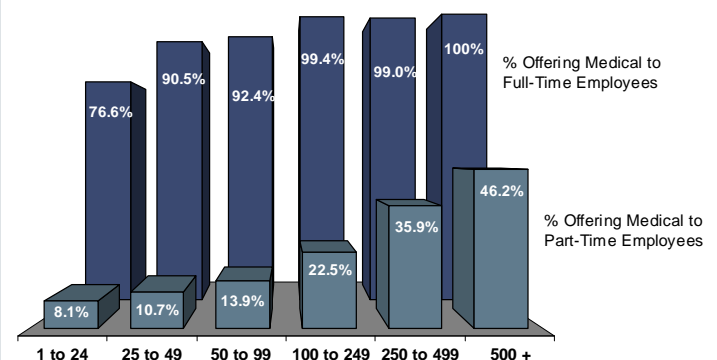


- ▶ 76.7% of full-time employees cost share premiums associated with health/medical insurance
 - ▶ Average cost share percent paid by employer for full-time employees is 67.3%
 - ▶ 22.2% of employers increased employee's cost share portion in the last year by an average of 18.7%
- ▶ 87.8% of part-time employees cost share premiums associated with health/medical insurance
 - ▶ Average cost share percent paid by employer for part-time employees is 59.5%
 - ▶ 18.9% of employers increased employee's cost share portion in the last year by an average of 9.9%

- ▶ 10.7% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 17.2% of employers stated they plan to increase employee's contribution in the next year by an average of 11.3%
- ▶ Employers offering health/medical insurance to employees varies by industry and employment status

INDUSTRY	Full Time	Part-Time
Agriculture	80.0%	11.5%
Utilities	98.6%	18.8%
Construction	83.9%	5.0%
Manufacturing	92.8%	6.4%
Wholesale/Retail Trade	87.0%	6.2%
Warehouse/Transportation	85.9%	4.0%
Information Technology	91.3%	11.9%
Finance/Insurance	94.4%	29.1%
Real Estate	81.6%	6.1%
Management/Professional Services	77.7%	11.6%
Administrative/Waste Management	73.3%	4.5%
Education	95.2%	35.2%
Health Care/Social Assistance	73.8%	24.3%
Food Service/Entertainment	50.4%	5.2%
Government	94.9%	13.9%
Personal Services	75.9%	13.0%

- ▶ Employers offering health/medical insurance to employees varies by employment size and employment status



Insurance - Prescription Drugs

- ▶ 82.1% of employers offer a prescription drug plan either separately or as part of their health/medical insurance plan
 - ▶ 72.9% of employers offer a plan in which the employee can purchase prescription drugs retail and/or by mail
- ▶ 82.1% of employers offer a prescription drug plan to their full-time employees
 - ▶ 76.5% of full-time employees cost share premiums associated with a prescription drug plan
 - ▶ Average cost share percent paid by employer is 67.8%
 - ▶ 16.9% of employers increased employee's cost share portion in the last year by an average of 21.1%
- ▶ 41.0% of employers offer a prescription drug plan to their part-time employees
 - ▶ 78.8% of part-time employees cost share premiums associated with a prescription drug plan
 - ▶ Average cost share percent paid by employer is 62.2%
 - ▶ 13.4% of employers increased employee's cost share portion in the last year by an average of 7.8%

Insurance - Vision Coverage

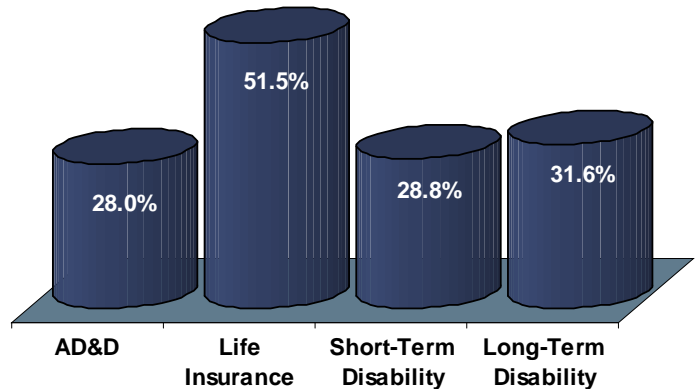
- ▶ 17.5% of employers offer vision coverage either separately or as part of their health/medical insurance plan
 - ▶ 68.9% of employers offer vision coverage that is comprehensive and includes routine eye exam, contacts, and lenses/frames
 - ▶ 31.0% of employers offer vision coverage that covers only routine eye exams
 - ▶ Average cost share percent paid by employer is 67.1%
 - ▶ 10.3% of employers increased employee's cost share portion in the last year by an average of 11.5%

Insurance - Dental Coverage

- ▶ 40.2% of employers offer dental coverage to full-time and part-time employees
 - ▶ 83.5% of employers offer a dental plan that is comprehensive and includes preventative, basic, major, and orthodontic coverage
 - ▶ Average cost share percent paid by employer is 61.4%
 - ▶ 12.2% of employers increased employee's cost share portion in the last year by an average of 11.5%

Insurance - Accidental Death & Dismemberment (AD&D), Life, Short-Term & Long-Term Disability

- ▶ The bar chart reflects percent of employers that offer AD&D, Life Insurance, and Short-Term & Long-Term Disability benefits to their employees



AD&D:

- ▶ Coverage is determined by one of three methods
 - ▶ 41.4% use total annual salary
 - ▶ 32.8% use a determined number times annual salary
 - ▶ 25.8% use a determined percent times annual salary

Life Insurance:

- ▶ Coverage is determined by one of three methods
 - ▶ 47.3% use total annual salary
 - ▶ 36.0% use a determined number times annual salary
 - ▶ 16.7% use a determined percent times annual salary
- ▶ 49.6% offer additional life insurance that employees may purchase beyond what employer provides

Short-Term Disability:

- ▶ 83.8% of employers have a waiting period prior to employees being able to utilize short-term disability
- ▶ Average waiting period is 36 days
- ▶ Average weeks of coverage is 23

Long-Term Disability:

- ▶ 100% of employers have a waiting period prior to employees being able to utilize long-term disability
- ▶ 93.6% use percent of salary to determine coverage
- ▶ Average percent used to calculate the benefit is 64.6%

Paid Leave - Vacation

- ▶ 75.1% of employers offer paid vacation leave in their compensation packages
 - ▶ 90.8% employed full-time receive paid vacation leave
 - ▶ 22.7% employed part-time receive paid vacation Leave
- ▶ Number of days earned varies by length of service and employment status

FT Employment	Years of Employment	Average # Days Provided
	1 Year	7
	5 Years	12
	10 Years	15

PT Employment	Years of Employment	Average # Days Provided
	1 Year	6
	5 Years	9
	10 Years	11

Paid Leave - Sick

- ▶ 46.1% of employers offer paid sick leave in their compensation packages
 - ▶ 55.9% employed full-time receive paid sick leave
 - ▶ 14.1% employed part-time receive paid sick leave
- ▶ Number of days earned varies by length of service and employment status

FT - Employment	Years of Employment	Average # Days Provided
	1 Year	8
	5 Years	13
	10 Years	13

PT Employment	Years of Employment	Average # Days Provided
	1 Year	7
	5 Years	10
	10 Years	12

Paid Leave - Holiday

- ▶ 73.2% of employers offer paid holiday leave in their compensation packages
 - ▶ 88.0% employed full-time receive paid holiday leave with the average number of days given each year - 7
 - ▶ 24.0% employed part-time receive paid holiday leave with the average number of days given each year - 6

Paid Leave - Personal Days/ Floating Holidays

- ▶ 25.4% of employers offer paid personal days/ floating holidays in their compensation packages
 - ▶ 30.9% employed full-time receive paid personal days/floating holidays with the average number of days given each year - 3
 - ▶ 7.9% employed part-time receive paid personal days/floating holidays with the average number of days given each year - 2

Paid Leave - Paid-Time-Off (PTO) -

lump sum/consolidated bank of paid time off that includes all paid leave offered by employer including vacation, sick, personal, and holidays versus offering each separately

- ▶ 9.2% of employers offer PTO in their compensation packages
 - ▶ 10.9% employed full-time receive PTO
 - ▶ 4.7% employed part-time receive PTO
- ▶ Number of days earned varies by length of service and employment status

FT - Employment	Years of Employment	Average # Days Provided
	1 Year	14
	5 Years	19
	10 Years	22

PT Employment	Years of Employment	Average # Days Provided
	1 Year	10
	5 Years	13
	10 Years	15

Retirement

- ▶ 63.7% of employers offer a retirement/pension plan in their compensation packages
- ▶ Average wait for employee to be 100% vested - 4 years

Defined Contribution Plan -

defined as a plan for contribution from one or both parties, e.g.: 401K, Savings & Thrift, Deferred Profit Sharing, Deferred Compensation plans

- ▶ 66.1% of employers offer a defined contribution plan
 - ▶ 70.9% offer percent match with the average of 4.0%
 - ▶ 6.8% offer a dollar for dollar match with the average dollar match of \$2.75

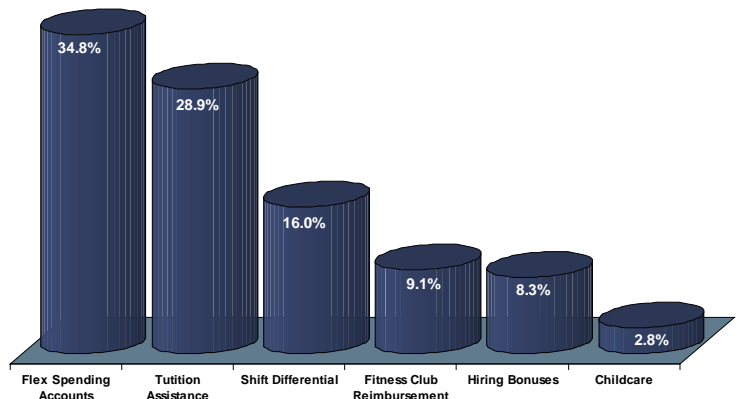
Defined Pension Plan -

defined as a plan that uses a specific pre-determined formula to calculate an employee's future benefit, i.e.: Railroad Retirement, IPERS, etc.

- ▶ 12.3% of employers offer a defined benefit plan
 - ▶ 40.4% offer percent match with the average of 6.0%
 - ▶ 2.9% offer a dollar for dollar match with the average dollar match of \$2.05

Additional Benefits Offered

- ▶ The bar chart reflects percent of employers that offer additional benefit options to their employees



Employment Range 1 - 24 Employees

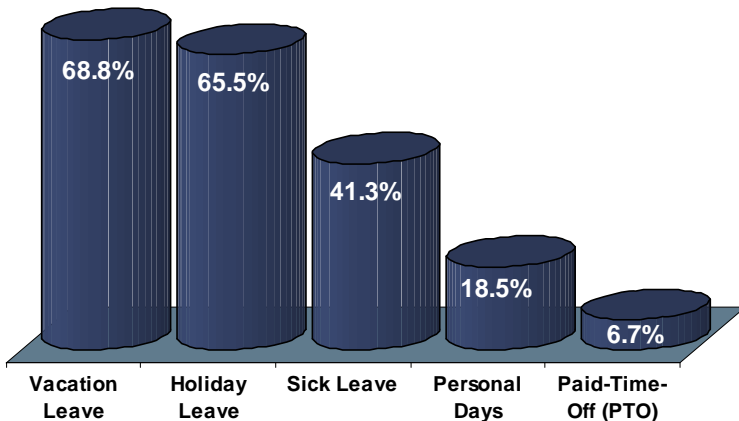
Insurance:

- ▶ 71.2% of employers who employ 1 - 24 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 21.1% of the industry make-up is Wholesale/ Retail Trade
- ▶ 10.7% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 12.5% of employers stated they plan to increase the employee's contribution in the next year by an average of 11.9%
- ▶ 9.8% of employers offer health/medical insurance to their retired employees
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	59.1%
Prescription Drugs	48.5%
Life Insurance	35.9%
Dental Coverage	25.7%
Long-Term Disability	18.5%
Short-Term Disability	18.5%
AD&D	15.4%
Medical - Retirees	9.8%
Vision Insurance	9.0%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	51.2%
Flex Spending Accounts	19.5%
Tuition Assistance	19.0%
Employee Assistance Program	6.8%
Shift Differential	3.9%
Fitness Club Membership	3.7%
Hiring Bonuses	3.3%
Child Care	1.8%
Concierge Service	1.3%

Employment Range 25 - 49 Employees

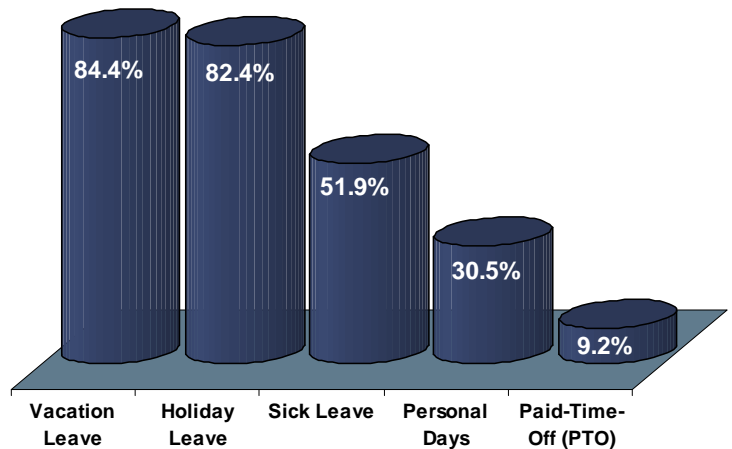
Insurance:

- ▶ 88.9% of employers who employ 25 - 49 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 15.5% of the industry make-up is Wholesale/ Retail Trade
- ▶ 10.8% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 12.1% of employers stated they plan to increase the employee's contribution in the next year by an average of 10.3%
- ▶ 16.6% of employers offer health/medical insurance to their retired employees
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	83.7%
Prescription Drugs	72.2%
Life Insurance	65.0%
Dental Coverage	48.5%
Long-Term Disability	37.9%
Short-Term Disability	33.9%
AD&D	33.6%
Vision Insurance	21.4%
Medical - Retirees	16.6%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	77.2%
Flex Spending Accounts	44.2%
Tuition Assistance	31.4%
Employee Assistance Program	18.1%
Shift Differential	13.3%
Fitness Club Membership	9.3%
Hiring Bonuses	8.8%
Child Care	4.1%
Concierge Service	2.0%

Employment Range 50 - 99 Employees

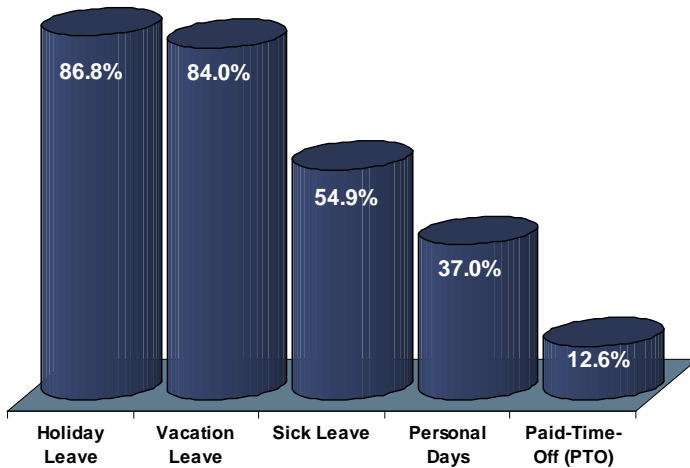
Insurance:

- ▶ 94.1% of employers who employ 50 - 99 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 18.8% of the industry make-up is Manufacturing
- ▶ 10.7% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 19.1% of employers stated they plan to increase the employee's contribution in the next year by an average of 9.8%
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	88.5%
Prescription Drugs	79.3%
Life Insurance	73.4%
Dental Coverage	60.2%
Long-Term Disability	50.4%
Short-Term Disability	43.7%
AD&D	42.6%
Vision Insurance	26.6%
Medical - Retirees	21.1%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	82.6%
Flex Spending Accounts	56.6%
Tuition Assistance	41.2%
Shift Differential	36.7%
Employee Assistance Program	28.9%
Hiring Bonuses	18.5%
Fitness Club Membership	12.0%
Child Care	2.2%
Concierge Service	2.2%

Employment Range 100 - 249 Employees

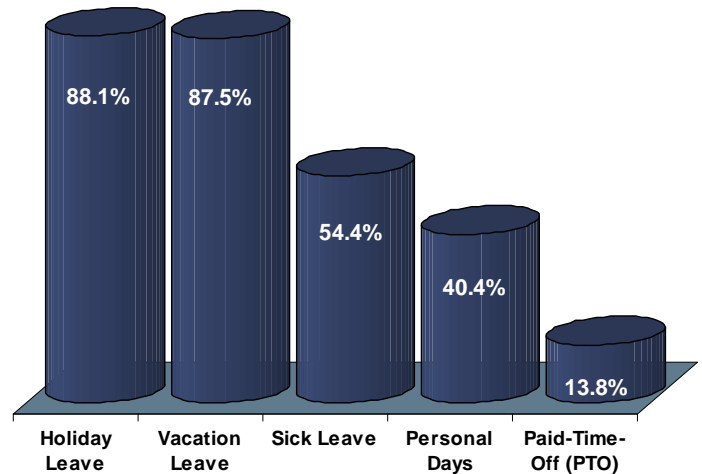
Insurance:

- ▶ 99.1% of employers who employ 100 - 249 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 26.2% of the industry make-up is Manufacturing
- ▶ 11.9% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 33.2% of employers stated they plan to increase the employee's contribution in the next year by an average of 11.5%
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	98.2%
Prescription Drugs	91.1%
Life Insurance	87.2%
Dental Coverage	76.1%
Long-Term Disability	63.3%
AD&D	60.2%
Short-Term Disability	53.2%
Vision Insurance	38.5%
Medical - Retirees	33.7%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	90.5%
Flex Spending Accounts	74.6%
Tuition Assistance	55.0%
Shift Differential	53.5%
Employee Assistance Program	49.8%
Fitness Club Membership	22.9%
Hiring Bonuses	19.6%
Child Care	5.5%
Concierge Service	3.7%

Employment Range 250 - 499 Employees

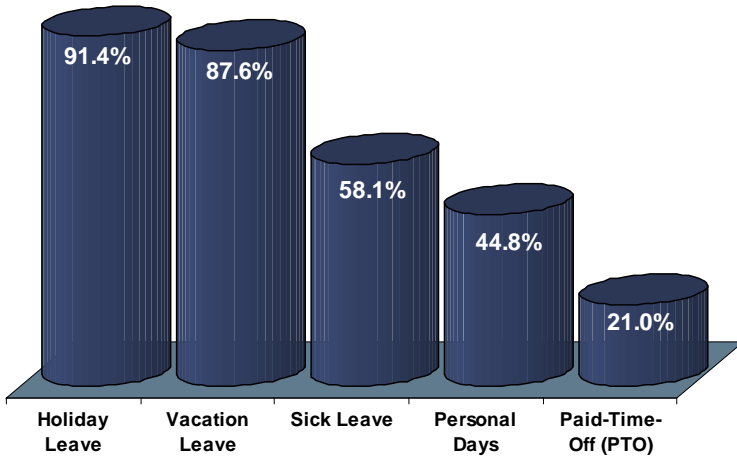
Insurance:

- ▶ 99.0% of employers who employ 250 - 499 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 30.4% of the industry make-up is Manufacturing
- ▶ 12.6% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 42.5% of employers stated they plan to increase the employee's contribution in the next year by an average of 8.5%
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	99.0%
Life Insurance	98.1%
Dental Coverage	87.6%
Prescription Drugs	85.7%
AD&D	81.0%
Long-Term Disability	79.0%
Short-Term Disability	62.9%
Vision Insurance	55.2%
Medical - Retirees	36.9%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	95.2%
Flex Spending Accounts	80.0%
Employee Assistance Program	76.2%
Tuition Assistance	72.4%
Shift Differential	60.0%
Fitness Club Membership	41.0%
Hiring Bonuses	25.7%
Child Care	5.7%
Concierge Service	4.8%

Employment Range 500 + Employees

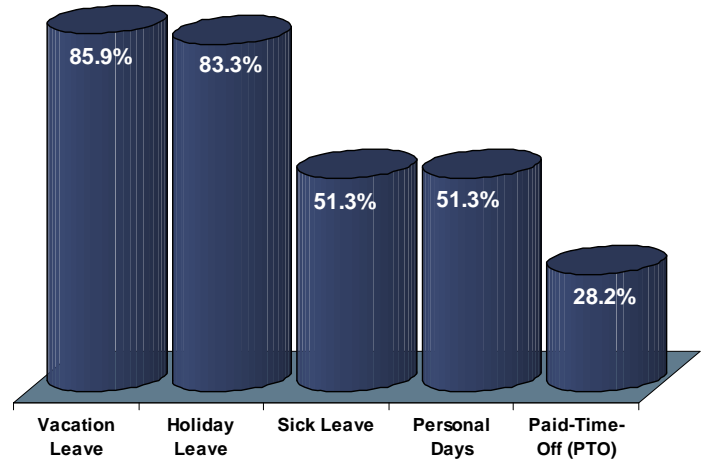
Insurance:

- ▶ All employers who employ more than 500 employees in Iowa offer a benefits package in addition to wage compensation
 - ▶ 32.5% of the industry make-up is Manufacturing
- ▶ 12.8% of employers' total payroll is applied toward providing health/medical insurance
 - ▶ 45.3% of employers stated they plan to increase the employee's contribution in the next year by an average of 15.3%
- ▶ Table below reflects the insurance benefits offered by employers

Fringe Benefit	% Offered to Employees
Medical	100%
Life Insurance	96.2%
Dental Coverage	93.6%
Long-Term Disability	84.6%
Prescription Drugs	82.1%
AD&D	82.1%
Short-Term Disability	73.1%
Vision Insurance	56.4%
Medical - Retirees	44.2%

Paid Leave:

- ▶ Chart reflects paid leave benefits offered by employers



Additional Benefit Offerings:

Fringe Benefit	% Offered to Employees
Retirement	93.6%
Flex Spending Accounts	84.6%
Employee Assistance Program	78.2%
Tuition Assistance	73.1%
Shift Differential	70.5%
Fitness Club Membership	47.4%
Hiring Bonuses	32.1%
Child Care	11.5%
Concierge Service	11.5%

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For more information regarding the Fringe Benefit Profile contact:

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