

Administrative & Professional Staff ADVISORY COMMITTEE

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APSAC Updates – May 2009

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Financial Forecasts

The Indiana legislature did not complete a budget by the end of their session on April 29th. A joint House/Senate conference committee will work to develop an acceptable budget proposal and hopefully both houses will reconvene June 15th to pass a budget to send to the governor for signature. The timing of their meeting will impact the timing of the University to set tuition for 2009-11. There is a ten day notification requirement before the Trustees can act on a proposal for tuition and fees. Purdue is continuing with their internal plans based on a 2% budget reduction.

The revenue report given to the governor and legislature was lower by \$250 million than their revised forecast.

Electronic Pay Initiative

The main objective with the electronic pay initiative is for everyone to receive their check, even in a pandemic situation. With the recent concerns brought about with the North American Influenza and pandemic situations where staff may not be allowed to come to work, the business office has worked on a business recovery plan that they hope will motivate the small percentage of staff currently not using direct deposit payments to their bank accounts to switch to electronic pay check delivery. 270 of the monthly paid employees and 900 biweekly employees still receive paper checks each month or biweekly. In the event that a staff or student employee does not have a bank to send the payment to, Purdue may issue them a pay card.

2010 Medical Plan Options

The names of existing plans will likely change for the next year. HR is looking at a Health Savings Account (HSA) Plan. Preliminary estimates are that a large number of current Purdue employees could see decreased costs immediately. The advantage of a health savings plan is that the money put into it rolls over from year to year. The plan encourages healthy life style choices. HSA's are coupled with higher deductibles as

required by the Internal Revenue Service and PPO options apply after the deductible has been met. Other features of such plans include:

- coverage for preventive services is not subject to the deductible
- has an annual deductible and coinsurance
- limits the amount you pay each year in out of pocket costs
- Allows you to use any provider, but pays more when in-network providers are used

An HSA offers unique features because the account:

- Is set up in your name by you and contributions, earnings and withdrawals are tax free
- Account dollars can be used to pay for eligible medical and prescription drug expenses
- Money in the account grows with interest and may be invested in a variety of investment funds
- Money left at the end of the year rolls over to the next year for you to use. The money in your HSA is portable, even if you retire or leave Purdue. HSA funds are never taxed when used for eligible medical expenses
- The plan costs less in monthly contributions than traditional PPO plans

Individuals enrolled in this option may contribute monies on a pre-tax basis although IRS sets limits on maximum contribution amounts. Purdue will contribute to your account each pay period and this level of contribution has not been determined. The benefit of this option is that it encourages the consumer to use their health care dollars carefully as they can preserve them for use out in the future. More information about this will be presented before a decision will need to be made for the 2010 enrollment period.

HSA enrollees can only participate in a Limited Use Health Care Flexible Spending Account for dental and vision expenses only.

Investment Options

The task force is looking at investment options. Ennis Knupp is the consulting firm working with Purdue to offer additional investment options for all staff and faculty. To review the FAQ's page about this, go to:

<http://www.purdue.edu/hr/Benefits/retirementTaskForceFAQs.html>

WorkLife Programs and Staff Benefits

Cheryl Laszynski, WorkLife Program Manager, presented an overview of the Employee Assistance Program (EAP). EAP offers access to counseling and referral services that are confidential and professional. EAP's primary objective is to provide a safe harbor where one can address personal, family, or work related issues and regain perspective and productivity. For more information about this program, go to:

<http://www.purdue.edu/hr/EAP/Welcome.html>

Mental Health Benefits

Mental health benefits under the Purdue medical plans may be used for the treatment of clinical mental illness and for stressful life events. Maximum inpatient treatment per calendar year for Purdue 500, Incentive PPO or United health care allow 20 days of treatment. Maximum outpatient treatment per calendar year for Purdue 500, Incentive PPO or United health care allows 30 visits. For more information about the coverage, visit: <http://www.purdue.edu/hr/Benefits/Medical/2008MentalHealthBenefits.html>