

University of Illinois at Urbana-Champaign
School of Labor and Employment Relations
LER 590EB: Employee Benefits
Fall 2019

Instructor: Mengjie Lyu, Ph.D.
Visiting Assistant Professor, LER
Schedule: Thursdays, 11:00am–1:50pm (August 29–October 17)
Location: TBA
Office Hours: By appointment
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Course Description

The goal of this course is to provide students with a solid understanding of employee benefits practices in today's business environment. We will introduce the socio-economic and institutional context of the development of employee benefits system, with a special focus on the design and management of benefits programs in the changing workplaces. Special topics from basic protection benefits programs, e.g., health care and retirement plans, to emerging enhancement programs such as financial wellness will be discussed in this course. Students will obtain essential knowledge and professional views to effectively manage employee benefits in a variety of companies.

The course format consists of lectures, case exercise, class discussions and presentations. Course grades will be based on a formal group presentation of an employee benefits issue, general class participation, and completion of two thought papers.

Course Materials

- Required Textbook:
Martocchio, J. J. (2018). *Employee Benefits* (6th edition). Burr Ridge, IL: Irwin/McGraw-Hill.
- Supplemental reading from time to time (provided by the instructor).

Course Website

- <https://compass2g.illinois.edu>.
- Supplemental readings, lecture notes, and useful resources will be posted there. Please check frequently for updates.

Course Policy

- Please show respect for your classmates by limiting distractive behavior. Turn your cell phones off during class and please keep any side discussions short and quiet.
- You are expected to adhere to all of the rules pertaining to academic integrity outlined in the [Student Code](#). Failure to do so will result in an automatic F for the course.

- It is expected that each student will be courteous and respectful to all members of the class and will carry him or herself in an orderly manner for the entire duration of the course as outlined in the [Student Code](#).
- Regular class attendance and punctuality are expected.
- There will be a 20 percent grade reduction on any late assignments.

Special Accommodations

If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as it has been outlined or which will require special accommodations, please notify the instructor during the first week of the course with the appropriate written documentation. To contact the Division of Rehabilitation- Education Services (DRES), you may visit 1207 S. Oak St., Champaign, IL 61820, call (217) 333-1970, or email disability@illinois.edu.

Student Evaluation and Grading Scale

<i>Thought paper:</i>	15% (150 points)
<i>Quizzes (4 at 100 points each):</i>	40% (400 points)
<i>Case memos (3 at 100 points each):</i>	30% (300 points)
<i>Team presentation of an employee benefits issue:</i>	15% (150 points)
Total:	100% (1,000 points)

Calculation of Course Grades

Grade	Points
A	95-100% of 1,000 points, and so on...
A-	91-94.9%
B+	87-90.9%
B	83-86.9%
B-	80-82.9%
C+	77-79.9%
C	73-76.9%
C-	70-72.9%
D+	67-69.9%
D	63-66.9%
D-	60-62.9%
F	< 60%

Thought Paper:

The purpose of the thought paper is to enable you to think over pressing issues in employee benefits (e.g., should the health care law be repealed?). In your paper, (a) take a position on the issue (e.g., I believe that the health care law should be repealed because the costs to small employers are too high...), and (b) provide rationale for your position, calling on outside sources to help substantiate your position. Base your presentation on 2 or 3 articles from HR practitioner publications (e.g., *HR Magazine*, published by the Society for Human Resource Management, *Benefits Quarterly*, published by the International Foundation of Employee Benefits, *Harvard Business Review*, published by Harvard Business Publishing), business periodicals (e.g., *Fortune*), or major newspapers (e.g., *New York Times*, *The Wall Street Journal*). Quantitative data from survey reports, recent research results and your own experiences are also encouraged to be used in the paper. Assume the role of an HR professional who is briefing his/her HR

colleagues on a timely employee benefits topic. In the example, you would provide rationale for each point that you raise after the word “because” in (b).

The thought paper should be about 3 pages (more than four pages is unacceptable) based on standard formatting (double spacing, 12 point font, and 1-inch margins all around). Listing of references does not count toward the page limit. I will hand out the issues to you at least four class sessions prior to the due date of **October 17**.

Submission via Compass is required. If technical problems occur, you can send your papers as an attachment to my email by the due date.

The submission deadline will be **11am** on the due date. Not submitting your thought paper on time will result in a 20% deduction from your grade for each day late.

Quizzes:

5 short quizzes (20 minutes) will be given at random throughout the semester, of which the top 4 scores count toward your grade. The quizzes will be closed-book and closed-notes.

How should you prepare to answer questions? *First*, read the assigned materials. Some questions will be based on key terms, which are the words or terms highlighted in bold within the chapters. For instance, “Define qualified plans.” *Second*, be familiar with the learning objectives stated in each chapter. Within the chapters, the all-capital letters headings correspond to learning objectives. Within the objectives, you will see secondary headings (left, mixed case). I might ask: “Define three types of retirement savings plans.” The answer would be defined benefit, defined contribution, and hybrid, and you would briefly talk about each one.

Case Memos:

A case memo is required at each class which has case reading assignment. In the memo, you need to answer the questions in detail listed below in the course schedule. Each case memo should be **2** pages based on standard formatting (double spacing, 12 point font, and 1-inch margins all around). Memos are required to be submitted via Compass prior to the start of the class.

Team Presentation of an Employee Benefits Issue:

Your team will make one 20–25 minute presentation on an employee benefits issue of your choice. Base your presentation on about 3 or 4 articles from the types of publications listed in the Thought Paper section. Assume the role of HR professionals who are briefing their HR colleagues on a timely employee benefits topic. Please use 10 to 12 PowerPoint slides for the presentation. Following the presentation, please lead a class discussion. To lead a discussion, write three questions about the topic in the article you presented. *Please hand in your PowerPoint slides (a printed black-and-white copy).* Your grade will be based on a logical presentation of ideas in your oral and PowerPoint deliveries. I will make team assignments and your presentation dates will be randomly determined by drawing lots. ***Team assignments will be posted on Compass on September 4. Presentation dates will be assigned on September 5.***

Course Outline and Readings

Week 1:

August 29 ***Introduction to Employee Benefits***

Required reading: Martocchio: Chapters 1

Week 2:

September 5 ***Theories of Employee Benefits and
Contextual Influences on Employee Benefits***

Required reading: Martocchio: Chapters 3 and 10

Week 3:

September 12 ***Government-Mandated Social Security***

Required reading: Martocchio: Chapter 7

Week 4:

September 19 ***Employer-Sponsored Retirement Plans,
Disability Plans and Life Insurance, and Workers' Compensation
Programs***

Required reading: Martocchio: Chapters 4 and 6

Case: "Redesigning a 401(k) Plan at Haley-Midland." Harvard Business School
case #9-311-128

Questions: What options does Haley-Midland have to increase participation rates?
If Haley-Midland elect to use automatic enrollment, should they use a
QACA or an EACA?
What types of investment options do different employee groups likely
want?

Week 5

September 26 ***Employer-Sponsored Health Care Plans***

Required reading: *Martocchio: Chapter 5*

Case: "Pitney Bowes: Employer Health Strategy." Harvard Business School case
#5-709-483

Questions: What is Pitney Bowe's overall approach to employee health benefits?

What are the limitations of Pitney Bowes' approach to employee health?
What recommendations would you make to Michale Critelli?

Week 6
October 3

***Paid Time-Off, Flexible Work Schedules, and
Accommodation and Enhancement Benefits***

Required reading: Martocchio: Chapters 8 and 9

Week 7
October 10

Executive Benefits

Required reading: Martocchio: Chapter 11

Week 8
October 17

***Managing the Employee Benefits Program and
Global Employee Benefits at a Glance***

Required reading: Martocchio: Chapters 10 and 12
Case: "Lattelecom: Flexible Benefits System Implementation." William
Davidson Institute Case #1-429-251

Questions:
What are the external and internal factors that influenced the decision to
develop the FBS?
What are the unique and potentially contradictory motivations/needs
among stakeholders that should be considered?
Develop a plan to evaluate the success of the new FBS after Year 1 of
implementation.