

University of Illinois at Urbana-Champaign
School of Labor and Employment Relations
LER 590EB: Employee Benefits
Fall 2021

Instructor: Mengjie Lyu, Ph.D.
Visiting Assistant Professor, LER
Schedule: Tuesdays, 8:00am–10:50am Central Time (August 24–October 22)
Location: Room 35/43, LER Building
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Office Hours: By appointment or just stop by
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Course Description

The goal of this course is to provide students with a solid understanding of employee benefits (EB) practices in today's business environment. We will introduce the institutional contexts, the design, and the management of benefits programs, with a special focus on evaluating various choices of providing each benefits program. Topics ranging from government mandated benefits, traditional employer-sponsored retirement and insurance plans, paid time off plans, to emerging voluntary benefits such as flexible work schedule and mental health plans, will be discussed in this course. Students will obtain essential knowledge and professional views to design, evaluate and manage employee benefits plans in an organization for competitive advantage. The course format consists of lectures, in class exercise, case discussions and presentations. Course grades will be based on quizzes, a presentation of an employee benefits issue, a group case project, and general class and discussion participation.

Course Objectives

- Introduce the basic roles of employee benefits in total compensation.
- Analyze employee benefits in the employers' and employees' perspectives.
- Introduce and apply necessary information, approaches, and common considerations of strategic benefits planning.
- Discuss contextual impact of laws, regulations, and societal needs on benefits practices.
- Discuss alternative choices of providing a specific employee benefits program.
- Discuss employee benefits practice issues.

Student Learning Outcomes

- Understand the system of employee benefits.
- Discuss the strategic objectives of providing employee benefits.
- Identify and assess one's benefits needs and preferences from the perspective of employee.
- Understand the contextual impact of laws, regulations, and societal needs on benefits practices.
- Analyze and evaluate an organization's benefits system with necessary information, approaches and important considerations of strategic benefits planning.

- Compare and evaluate the alternative choices to provide a specific employee benefits program and the underlying costs and value.
- Communicate the value of employee benefits to both the employees and the employer.

Required Textbook and Readings

- Martocchio, J. J. (2018). *Employee Benefits* (6th edition). Burr Ridge, IL: Irwin/McGraw-Hill.
- Supplemental readings, in-class exercise material, lecture notes, and useful resources will be posted on Canvas. Please check regularly for updates.

Student Evaluation and Grading Scale

Weekly Quizzes (5 quizzes)	30%
Group Project Report and Presentation	30%
In-class Discussions and Summary	15%
Presentation on an EB Issue	15%
Class Attendance and Participation	10%
Total	100%

Calculation of Course Grades

Grade	Points
A	96-100%
A-	92-95.9%
B+	88-91.9%
B	84-87.9%
B-	80-83.9%
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%

Weekly Quiz (30%)

5 weekly quizzes will be given to facilitate students' understanding on the assigned readings and the specific benefits topic discussed in each week. Several questions on the assigned readings will be posted every week on the course Canvas page. The quizzes are open book and due at the start of the class. The lowest score will be dropped.

Group Project (30%)

Teams of 4 class members will be established to conduct a research project to **analyze, evaluate, and improve one company's EB system.** A group written report (20%) and a group presentation (10%) will be the major outcomes of the project. The report is due by 5pm on **October 20, 2021.** The presentation is scheduled in Week 8 (**October 12, 2021**). The grade for the project will be a group grade, but peer evaluation will be used so that each group member does not necessarily receive the same grade.

Each team will choose a real organization to study its EB system, prepare a report that identifies the challenges/problems of the current EB system, and propose recommendations to improve the current system.

Information and data could be gathered through various channels such as company employee benefits book and websites, Summary Plan Descriptions, financial reports, CSR reports, media coverage, employee reviews, and research papers/reports. Interview with key stakeholders (such as HR professionals and employees) and comparison with major competitor(s) could be helpful to identify the challenges/problems. The analysis should be based on the basic benefits design considerations you learn from this class. The recommendations should be given on basis of the organization strategy with strong rationale. More detailed instruction will be provided in class.

In-Class Exercises, Discussions and Summary (15%)

In each class, there will be an in-class exercise and/or a case discussion. Groups of 4 class members will be established to work together in each activity. You will submit the responses through Canvas and may make a presentation to the class.

Group Presentation on an EB issue (15%)

Starting from Week 3, each course project team will give a 15-minute presentation on an employee benefits issue of your choice. Base your presentation on article(s) from HR practitioner publications (e.g., *HRMagazine*, published by the Society for Human Resource Management; *Workspan*, published by WorldatWork; *Benefits Magazine*, published by the International Foundation of Employee Benefit Plans; *Benefits Quarterly*, published by International Society of Certified Employee Benefits Specialists), business periodicals (e.g., *Fortune*), major newspapers (e.g., *New York Times*, *The Wall Street Journal*), or research articles. You can also base your presentation on reading materials of your assigned week. Assume the role of HR professionals who are briefing their HR colleagues on a timely employee benefits topic. Following the presentation, please lead a class discussion based on two questions.

We will have a discussion board on the course Canvas page as a supplemental communication method to collect topic summaries, comments, and questions. Please have team representative(s) post a short summary and the links of the articles on the discussion board by 10am on the Monday of your assigned week. Please also submit your PowerPoint slides on Canvas.

Grades will be given based on the logical presentation of ideas in your oral and PowerPoint deliveries (10%), the summary and links posted (2%), and the class discussion after the presentation (3%).

Class Participation (10%)

There will be ample opportunity to contribute to the class. Questions and comments are encouraged! You are expected to be actively participating in all class discussion and group activities. 10% of the total points will be awarded for your regular attendance and general class participation including answering and asking questions in class, facilitating the group activities, speaking as the representative of the discussion group, and posting your comments on the discussion board.

Course Policies

The University of Illinois “Academic Integrity-All Students” policy in the Code of Policies and Regulations Applying to all Students applies to this course and will be strictly enforced. Adhering to the highest academic integrity standards is expected from all students in this course. Violations of academic integrity will result in appropriate penalties.

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 <http://studentcode.illinois.edu/>.

There will be a 20 percent grade reduction on any late assignments.

University Resources

Request for Special Accommodations

To obtain disability-related adjustments and/or auxiliary aids, students with disabilities should contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES, you may visit 1207 S. Oak Street, Champaign; call 217.333.4603; email disability@illinois.edu ; or go to the DRES website, <http://disability.illinois.edu> . Please also schedule a private meeting with the course instructor to discuss your needs and requirements. Please note accommodations are not retroactive to the beginning of the semester but begin the day you contact your professor with a current letter of accommodation from DRES.

Writing Resources

The UIUC’s Center for Writing Studies provides free workshops and writing assistance. The Writers

Workshop's mission is to support the University of Illinois community by providing free writing assistance for students, faculty, and staff from all disciplines and at all stages of the writing process. The Workshop has multiple locations and offers both face-to-face and online tutoring. Find more information at <https://writersworkshop.illinois.edu/>.

Support Resources and Supporting Fellow Students in Distress

As members of the Illinois community, we each have a responsibility to express care and concern for one another. If you come across a classmate whose behavior concerns you, whether in regards to their well-being or yours, we encourage you to refer this behavior to the Student Assistance Center (333-0050) or online at <https://odos.illinois.edu/community-of-care/referral/> . Based upon your report, staff in the Student Assistance Center reaches out to students to make sure they have the support they need to be healthy and safe.

Further, as a Community of Care, we want to support you in your overall wellness. We know that students sometimes face challenges that can impact academic performance (examples include mental health concerns, food insecurity, homelessness, personal emergencies). Should you find that you are managing such a challenge and that it is interfering with your coursework, you are encouraged to contact the Student Assistance Center (SAC) in the Office of the Dean of Students for support and referrals to campus and/or community resources.

Course Outline and Readings
(Supplemental readings will be posted on Canvas)

Week 1:
August 24

Course Overview, Introduction to Employee Benefits

Required reading: Martocchio: Chapter 1
Cappelli, P. (2014). Google Adds Benefits, Walmart Cuts Them; Oddly, the Logic Is the Same. Harvard Business Review. <https://hbr.org/2014/11/google-adds-benefits-walmart-cuts-them-oddly-the-logic-is-the-same>

Class activity: Employee Benefits Changes at Wal-Mart

Week 2:
August 31

Contextual Influences on Employee Benefits, and Government-Mandated Employee Benefits

Required reading: Martocchio: “Information used in Strategic Benefits Planning” in Chapter 1 and Chapter 3
Smith, A. Estée Lauder, EEOC Agree to Settle Paid-Child-Bonding-Leave Case. SHRM. 2018. <https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/paid-child-bonding-equal-benefits.aspx>

Class activity: A Discriminatory Employee Benefits Policy?

Week 3:
September 7

Social Security Pension and Employer-Sponsored Retirement Plans

Required reading: Martocchio: Chapter 4
Center on Budget and Policy Priorities. 2020. “Top Ten Facts About Social Security”. <https://www.cbpp.org/sites/default/files/atoms/files/8-8-16socsec.pdf>

Class activity: Searching for a Retirement Plan. Harvard Business School Case # 314022-PDF-ENG

Week 4:
September 14

Employer-Sponsored Health Care Plans

Required reading: Martocchio: Chapter 5 and Section 3 “managing the cost of EB” of Chapter 10

Class activity: Choose a Health Insurance Plan; Group Meeting

Week 5:
September 21 ***Disability Insurance, Paid Time-Off and Flexible Work Schedules***

Required reading: Martocchio: Chapters 8 and “Disability Insurance” in Chapter 6

McCord, P. (2014). How Netflix Reinvented HR. Harvard Business Review.
https://hbr.org/2014/01/how-netflix-reinvented-hr?goback=.gde_86154_member_5822058177071439873&utm_source=Members&utm_campaign=b5ef5c4ccc-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_a79b9ce96e-b5ef5c4ccc-22097153

Gratton, L. (2021). How to Do Hybrid Right. Harvard Business Review.
<https://hbr.org/2021/05/how-to-do-hybrid-right>

Class activity: Transitioning to a Paid Time Off Bank?

Week 6
September 28 ***Work Life Benefits: Support, Accommodation and Enhancement***

Required reading: Martocchio: Chapter 9
SHRM. (2021). Do Corporate Wellness Programs Work?
<https://www.shrm.org/hr-today/news/hr-magazine/spring2021/Pages/do-corporate-wellness-programs-work.aspx>

Class Activity: Do We Need a Wellness Program?

Week 7
October 5 Course review and ***Group Meeting***

Week 8
October 12 ***Group Presentations***

(Group project report due on October 20, 2021)