Employee Benefits Law – Spring 2013

Reading for January 17, 2013 Class

Langbein Text 47-60 (up to #5); 63-64; 70-77; 152-157 (up to #3); 170-175 (up to E); 220-223.

Plan Design Discussion/Practicum Questions:

Scan the following scenarios. During the last part of class small groups will discuss these scenarios and very briefly present their suggested approaches to the class.

Scenario #1: You are a 24 year old computer programmer who is unmarried and has been at the same highly paid job for 2 years. What would your optimal choice for a health and pension benefits package be?

Scenario #2: You are a 52 year old textile factory worker with two kids and a spouse who works as a grocery checker and you have been at the same non-union job for 18 years. What would your optimal choice for a health and pension benefits package be?

Scenario #3: You own an architecture firm (22 employees – half architects half support). About half the architects are long term, the remainder are architects that have been with you less than 5 years and about half of those tend to move on to other firms. The support staff is largely long term. You also hire both architect and support temps occasionally when a big project requires more help. Explain the health and pension benefit program you would choose for your employees and explain the reasons.

Scenario #4: You are the CEO of an automobile manufacturing company with tens of thousands employees who are largely governed by UAW contracts. It is contract negotiation time. The existing workers are covered by Defined Benefit Retirement Plans, and have Health coverage where the employee contribution covers about 25% of the cost of coverage. Explain what health and pension benefits you would want to bargain and why.