

# [Cebs gba 1: assignment 1](https://assignbuster.com/cebs-gba-1-assignment-1/)

Broadview of employee benefitsany form of compensation other than dirext wages paid to employees. includes gov required benefits and private plans. employers share of soc security tax, paid vacation and pension plans. narrow view of employee benefitsany type of plan sponsored or initiated unilaterally or jointly by employers and employees engaged in provideng benefits that result from the employment relationship that are not underwritten or paid directly by the gov ONCEBS GBA 1: ASSIGNMENT 1 SPECIFICALLY FOR YOUFOR ONLY$13. 90/PAGEOrder Nowhow many categories of benefits fall under the broad view of employee benefits? 5Name the 5 categories of benefits fall under the broad view of employee benefits1. legally required benefits   
2. Payments for time not worked   
3. employers share of medical and medically related benegits   
4. employers share of retirement and savings plan payments   
5. misc benefits like employee discounts, severance pay and education expenditures. why do firms have established employee benefit plans1. to attract top talent   
2. retain employees   
3. belief that good plans will foster efficiency , productivity and better moraledescribe the 1948 national labor relations board ruling against Inland Steelthe duty to bargain in good faith over wages also included insurance and fringes such as pension benefits. describe the WW Cross and Co caseNLRB rules that wages included a health and accident planexplain the Taft Hartley Actrelated to employee benefit planning. it is the framework for good faith collective bargaining over wages, hours, conditions and terms of employment and employee benefits. works along with the Internal Revenue Code to establish the distinction between retirement benefits and welfare benefits.   
also provides the regulatory framework for administration of these benefits in a collective bargaining agreement. what is the Taft Hartley act also known asthe Labor Managment Relations ActWhich act is the legislative basis on which jointly trusteed benefit plans are founded? Taft Hartley Act also known as the Labor Management Relations ActWhy is insurance coverage provided as an employee benefit? Employment based insurance is convenient for employees. they dont have to search for individual insurance and it is less expensive.   
providers and suppliers find it more convenient and simpler to communicate and market employee benefits through an employerwhere should the design of an employee benefit begin? It starts with setting overall objecties from the standpoint of the employer and the employeeswhat are the key questions that should be addressed with setting benefit objectives1. what benefits should be provided?"   
2. who should be covered by the plan?   
3. should employees have benefit options?   
4. how should the plan be financed?   
5. how should the plan be administered?   
6. how should the benefit plan be communicated? describe the functional approach to benefit planning? the application of a systematic method of analysis to an employers total employee benefits program   
looks at the organizations employee benefit program as coordinated. has ability to meet various needs and to manage loss exposures within the employers overall compensation goals and cost parameters. why is the functional approach thought to be good for planning designing and adminstering employee benefits1. benefits are a big part of total employee conpensation   
2. they are a tax effective way of compesating employees   
3. they are a large item of labor cost for employers thus good planning is important to avoid waste.   
4. when benefits are done piecemeal and not coordinated, there are gaps and overlap   
5. systematic approaches keep the plan current, competitive and compliant   
6. allows for proper benefit integrationwhat are some of the elements that an employer should try to balance in its compensation system? 1. basic cash wages and salary   
2. current incentive compensation   
3. employee benefits3 types of total compensation/benefits policies that an employer could adopt1. follow the company's own prevailing compensation/benefits level in their firms industry or community or both   
2. high comp/benefits policies attempt to attract higher levels of managment, technical and general employee talent   
3. low compensation/benefits policies are lower than average and more modest in scalehow does an employers industry affect its compensation philosophy and benefits approach? 1. liberal approach- taken by nonprofits, larger and mature industries, financial industries   
2. short term oriented compensation- developing firms or growth industries. also applies to seasonal fluctuating businesses or ones that are highly competitive. applies to depressed industries unwilling to add to fixed labor costsdefine the compensation/service oriented benefit approachemployers with this benefit approach tend to relate employee benefits primarily to compensation or service or both when creating plans within the constriants of any nondiscrimination rules thus the level of benefits would be tied to the salary or pay of the employees and their years of servicedefine the needs-oriented benefit approachfocuses on the needs of the employees and their dependents. employers with this philosophy ten to design benefits focus on this basiswhat are the steps to applying the functional approach to employee benefit plan design, review and revisioncreate logical functional categories for employee/dependent needs   
define the types of people the employer wants to protect   
review benefits currently available under the plan according to functinal categories like objectives or needs vs who they want to protect vs regulatory requirement vs mandatory coverages   
check for gaps in coverage   
offer suggestions for changes in the current plan to address gaps/problems   
estimate the coast or savings from suggestions   
look into alternate methods of financing plan   
look at cost saving techniques in addition to the recommended or current benfits   
decide the benefits, financing, and sources of benefits   
implement changes   
communicate benefits to employees   
reevaluate the plan periodicallycommon employee needs or losses that could be met thru benefit plansmedical care, lost wages due to illness, lost wages due to death, retirement needs, capital accumulation, unemployment of temporary termination, financial counseling, losses from property and liability exposures, needs for dependent care expenses, needs for educational assistance, needs for custodial care expenses (long term care)what are the types of employees that are usually considered as unique when determining benefit coverages? 1. full time employees   
2. dependents of full time employees   
3. retired old employees   
4. dependent of retired former employees   
5. disabled employees and dep   
6. surviving dep of dead employees   
7. terminated employees and their dependents   
8. employees and dep who are temporarily separated from the employer such as due to military service, layoffs, strikes, etc   
9. people other than full time employees such as part timers and directors. what are the 2 things that are reviewed when examining the exisiting or proposed empl benefit program? 1. levels of benefits   
2. length of service requirementshow can replacement ratio be used to set benefit levels of retirement and disability plans? the retirement income objective might be expressed in terms of a percentage of the estimated final pay of an employee. when a retirement plan is created to replace income then soc sec money, various other capital accumulation benefits and the retirement plan itself would be considered

for disablity plans can also apply the replacement ratio using average or normal earnings. income from all sources under the total compensation package as well as the disability income plan itself should be considered

replacement ratioa percentage of the estimated final pay of an employeehow might the length of service or probationary periods vary with respect to protection oriented benefits and accumulation oriented benefits? benefits with shorter probabtionary periods are offered due to the immediate needs of employees and their dep.

accumulation oriented benefits have a longer probationary period to reward longer service and usually dont equal urgency to the employee... such as 401k

define protection oriented benefitsconsist of medical expense benefits, life insurance benefits, and short and long term disability income benefits that protect employees from loss exposures that could be financial disaster. define accumulation oriented benefitstypically pension plans, profit sharing plans, savings or thrift plans. have longer probationary periods. viewed as a reward for long servicetruetrue or false: if participation in a contributory plan is mandatory, it will create an employee relations problemtruemaking a plan contributory will improve employee participationwhat are the conflicts between flexibility in a plan versus functionalitythe more flexibility an employee has the more likely they will select a benefit that best meets their needs. flexibiltiy in plan design helps the functional approach.   
flexibility in the types and amounts of benefits works against the functional approach because employees may not see all their needs and leave some important needs uncovered