

September 18, 2023

Dear Iowa State University faculty and staff,

Iowa State University feels deeply grateful for the dedication and commitment of our faculty and staff. While the university continues to face financial pressures, performance-based salary increases and competitive benefits remain a priority to support our employees.

**Performance-based salary increases.** Employees with a satisfactory performance review (faculty, professional and scientific staff, contract staff and post-doctoral researchers) will be eligible for a discretionary salary increase of up to 3%, effective January 1, 2024. It is expected that these increases will be differential. This follows the 1% increase that was implemented July 1 as part of a [previously announced transition](#) to shift the annual salary policy timeline.

Merit staff received a 3% across-the-board increase on July 1, consistent with the state's collective bargaining agreement with the American Federation of State, County and Municipal Employees, Iowa Council (AFSCME) and Regents Merit System rules. Merit employees may also be eligible for an additional 1% performance-based increase on their review date.

**Benefits changes.** Senior leaders have accepted recommendations from the [Employee Benefits Advisory Committee](#) to implement targeted changes to certain health care plan features and premiums beginning January 1, 2024, and pending Board of Regents' approval at their Sept. 27-28 meeting.

**Why these changes?** Health care costs continue to rise significantly. Iowa State has a self-funded benefits program, which means the university is responsible for paying the full cost of health care claims generated when employees and dependents receive care. Both the university and employees contribute monthly premiums; however, in recent years this hasn't been enough to cover claims costs. Annual incremental changes are needed to help close the gap. More information about the gap between rising health care claims and the amount collected from premiums can be found [here](#).

**Premium Changes.** While employee premium costs will be slightly higher, the university will continue to bear the vast majority of the expense, approximately 88% in 2024, and **overall health care coverage will not change**. The chart below shows what employees and the university will pay monthly for the HMO and PPO plans, with the increase over prior year noted in parenthesis.

Beginning Jan. 1, 2024	BlueHMO		BluePPO	
	Employee Monthly Premium	University Monthly Premium	Employee Monthly Premium	University Monthly Premium
Employee Only	<b>\$33</b> <i>(up \$4)</i>	<b>\$635</b> <i>(up \$64)</i>	<b>\$55</b> <i>(up \$6)</i>	<b>\$636</b> <i>(up \$65)</i>
Employee + Spouse	<b>\$184</b> <i>(up \$32)</i>	<b>\$1,351</b> <i>(up \$125)</i>	<b>\$332</b> <i>(up \$34)</i>	<b>\$1,247</b> <i>(up \$128)</i>
Employee + Child(ren)	<b>\$120</b> <i>(up \$20)</i>	<b>\$1,080</b> <i>(up \$103)</i>	<b>\$246</b> <i>(up \$25)</i>	<b>\$986</b> <i>(up \$101)</i>
Employee + Family	<b>\$234</b> <i>(up \$41)</i>	<b>\$1,719</b> <i>(up \$159)</i>	<b>\$425</b> <i>(up \$43)</i>	<b>\$1,599</b> <i>(up \$164)</i>
Double Spouse	<b>\$154</b> <i>(up \$25)</i>	<b>\$1,799</b> <i>(up \$175)</i>	<b>\$302</b> <i>(up \$32)</i>	<b>\$1,722</b> <i>(up \$175)</i>

Even with the incremental increases, ISU employee monthly premiums remain well below the national median for colleges and universities.

- For HMO plans, the national median employee premium for single coverage is \$128/month compared to \$33/month for Iowa State’s plan, and family coverage is \$449/month compared to \$234/month for Iowa State’s plan.

Comparison data from the College and University Professional Association for Human Resources (CUPA-HR) for all coverage options is available [here](#).

**Changes to Health Care Plan Features.** To further address rising health care costs, the university is making key changes to certain plan features as outlined below. While these changes will impact out-of-pocket costs, ISU employee costs will remain significantly lower than plans offered by other colleges and universities. Please carefully review the chart below and the comparison data from CUPA-HR available [here](#).

Beginning Jan. 1, 2024	BlueHMO	BluePPO (in-network)
	Employee Cost	
<a href="#">Preventive Care</a>	Free (Decrease from \$15 to \$0)	Free (Decrease from \$25 to \$0)
Office Visit Copay	\$15 (No change)	\$25 (No change)
Annual Deductible	Increase from \$0 to \$250 (Employee only)	Increase from \$0 to \$400 (Employee only)
	Increase from \$0 to \$500 (All other coverage options)	Increase from \$0 to \$800 (All other coverage options)
Coinsurance	Increase from 0% to 10%	Increase from 10% to 20%
Annual Out-of-Pocket Maximum	Increase from \$0 to \$1500 (Employee only)	\$2,000 (No change, employee only)
	Increase from \$0 to \$3000 (All other coverage options)	\$4,000 (No change, all other coverage options)

**Dental and Prescription Plans.** Moderate increases will be made to employee monthly premiums for Dental Plans. No changes are being made to out-of-pocket maximums for the Prescription Drug Plan.

**Resources and Town Hall.** Beginning Oct. 2, University Human Resources will provide additional information and resources to help employees fully understand the changes and how to get the most value from their benefits.

- **Oct. 4 at 9:00 a.m.**, employees are invited to attend a virtual town hall. More information about how to join the town hall will be shared in the coming days in *Inside Iowa State* and on the [UHR website](#).

**Open Enrollment.** All employees will have the opportunity to review, compare and make changes to their benefits during the annual open enrollment period, beginning November 1, 2023, for the 2024 plan year. Please contact UHR's Benefits Team, [benefits@iastate.edu](mailto:benefits@iastate.edu), with your benefits-related questions.

Sincerely,

Wendy Wintersteen President	Jonathan Wickert Senior Vice President and Provost	Shawn Norman Senior Vice President for Operations and Finance	Toyia Younger Senior Vice President for Student Affairs	Kristi Darr Vice President for University Human Resources
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*This email was sent to all faculty and staff at Iowa State University and is available on the [Office of the President Communications webpage](#).*