

Total Remuneration Analysis

2023

A business of Marsh McLennan

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Introduction and Methodology

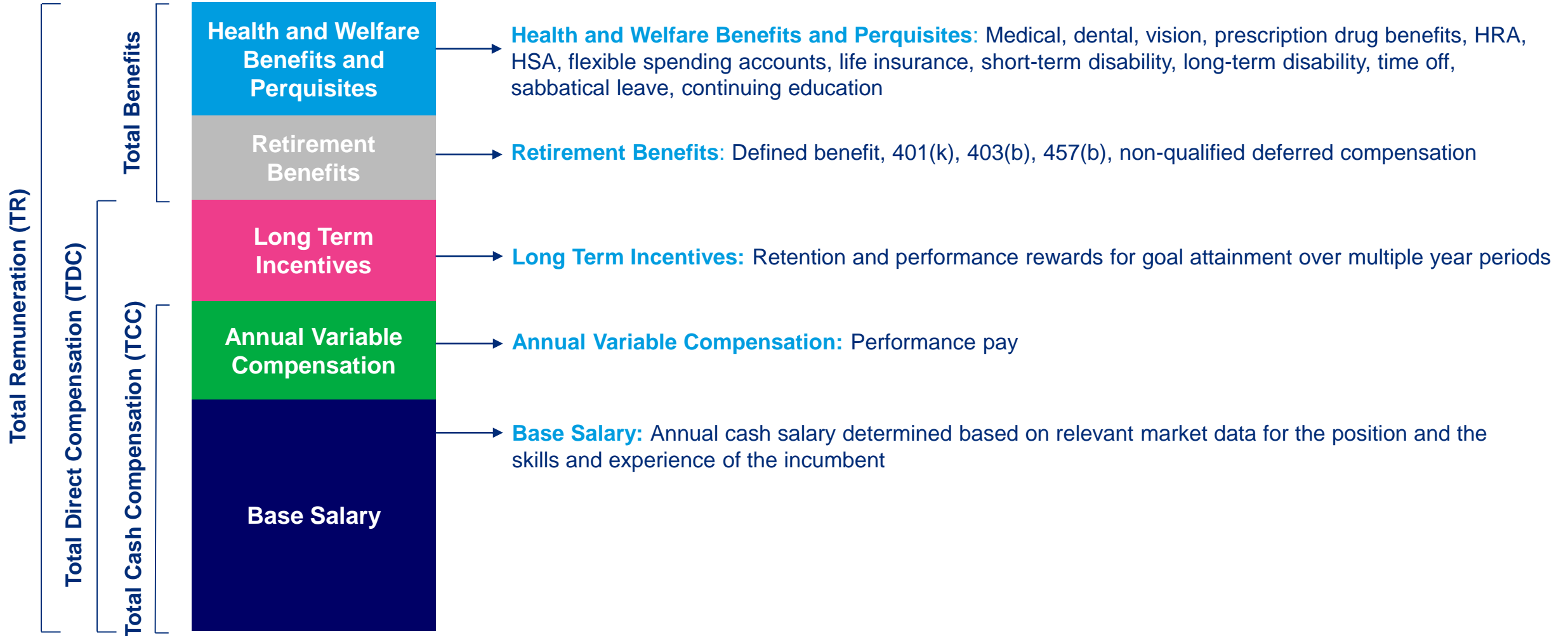


Introduction

- Your Organization partnered with Mercer to conduct a **total rewards study for 28 key positions** within your industry
 - **378 employees** were included in the study, 100% of those reported in the census file provided by Your Organization
- This **total rewards study** includes an assessment of:
 - **Annual Base Salary** compared to the market
 - **Benefits** compared to an established peer group, assessing plan design competitiveness without the influence of pay
 - **Total Remuneration**, analyzing market positioning when salary and benefits are combined
- Your Organization provided Mercer with cash compensation, benefits, and demographic data for their 28 benchmark jobs; market compensation data was collected by Mercer and reflects a combination of union and non-union data
- Market benefits data is based on **Mercer's US Benefits Benchmarking Database** and consists of 10 key organizations selected by Your Organization
- Mercer benchmarked all employee benefit programs and calculated annualized values for each employer-paid benefit, which were added to compensation for Your Organization and the market to calculate total remuneration
- This report summarizes the methodologies used for the study and includes our findings and observations
 - The appendices contains further information needed to support various workstreams

Introduction

Reward Elements



Methodology

- This study reflects the **relative positioning of employer-paid benefits provided to newly-hired employees** as compared to a custom peer group:
 - The peer group consists of **10 key organizations** selected by Your Organization as key competitors for talent; a complete listing is provided in the Appendix
- Benefits are assessed by individual benefit and by four primary benefit groupings:
 - **Retirement** (Defined Benefit, Defined Contribution, Stock Purchase)
 - **Health** (Medical, Dental, Vision)
 - **Life/Disability** (Life Insurance, Short-Term Disability, Long-Term Disability)
 - **Paid Leave** (Paid Time Off, Vacation, Holidays, Personal Leave, Sick Leave, Parental Leave)
- Benefit comparisons **focus on both plan provisions and employee cost-share** of total benefit premiums
 - This study reflects active employer-provided benefits provided to new hires (i.e., legacy benefits provided to a closed group of employees are not included in this analysis)

Methodology

- Values for cash compensation and benefits (excluding Paid Leave) were combined to generate a total remuneration value for each position
 - Results are shown for the workforce as a whole and by job based on **individual incumbent data**
- Actuarial benefit values are calculated using the **employee market value perspective**:
 - These employee-focused values **do not represent actual cost to the employer** and hold constant the impact of utilization, marketing, administrative, underwriting, and/or negotiating costs associated with specific plans
 - Values are calculated based on **both plan provisions and employee cost-share** of total benefit premiums
- Benefits were valued using Your Organization's reported workforce and demographic data
 - Benefit values will vary based on benefit offering as well as employee **pay, age, service, gender, and benefit elections**
- Mercer assumes employees participate in the primary plans offered and take **full advantage of the maximum** employer-provided benefit provisions, even if they are voluntary (the same assumptions are made for the market)

Total Rewards Analysis

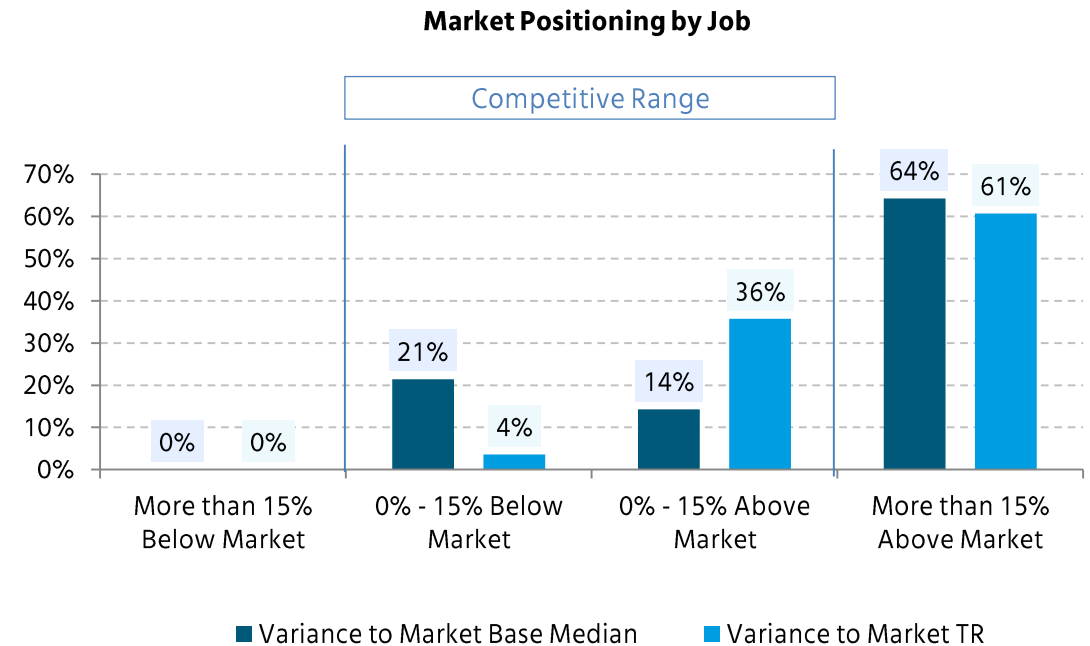
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Total Rewards Analysis

Summary

- While competitiveness varies by job, in aggregate, Your Organization is:
 - 14% above median for Base Salary and 12% above median for Total Benefits
 - 13% above median for Total Remuneration (TR = Base Salary + Total Benefits)
 - Your Organization's TR position of +13% above market median stayed relatively flat from the +14% positioning for Base Salary, reflecting a Total Benefits offering that is 12% richer than that offered by the custom peer group
- 100% of benchmark jobs are positioned within or above the competitive range (+/- 15% of market median) for both Base Salary and TR
- 64% of Your Organization's jobs are more than 15% above median for Base Salary, compared to 61% of jobs for TR
- When benchmarking against union data only, Your Organization is still 10% above median for Base Salary

	Avg Base Salary	Avg Total Benefits	Avg TR
Your Organization	\$58,000	\$19,700	\$77,800
Variance to 25th	+30%	+14%	+26%
Variance to Median	+14%	+12%	+13%
Variance to 75th	0%	+10%	+2%



Total Rewards Analysis

Competitiveness by Job

- Positions 1 and 2 show highest variance above median for both Base Salary (all at least 35% above median) and TR (all at least 30% above median)
- Positions 3 and 4 are positioned furthest below median for Base Salary (both at least 4% below median), while Position 5 is furthest below for TR (4% below median)

Job Title	Incumbent Count	Base	Variance			Total Benefits	Variance			TR	Variance		
		Your Organization Avg	25th	50th	75th	Your Organization Avg	25th	50th	75th	Your Organization Avg	25th	50th	75th
Position 1	3	\$54,800	31%	15%	3%	\$16,300	12%	9%	8%	\$71,200	26%	14%	4%
Position 2	6	\$62,900	60%	28%	-3%	\$17,900	16%	12%	7%	\$80,800	48%	24%	-1%
Position 3	4	\$61,200	14%	-4%	-21%	\$31,300	18%	14%	10%	\$92,500	15%	1%	-13%
Position 4	17	\$56,000	34%	18%	5%	\$17,600	12%	10%	8%	\$73,600	28%	16%	6%
Position 5	12	\$62,900	60%	28%	-3%	\$19,000	16%	13%	8%	\$81,900	47%	24%	-1%
Position 6	9	\$55,500	36%	23%	9%	\$18,800	13%	12%	10%	\$74,300	30%	20%	9%
Position 7	43	\$52,400	49%	32%	18%	\$20,200	17%	15%	13%	\$72,700	38%	27%	17%
Position 8	5	\$53,000	30%	18%	4%	\$18,700	13%	11%	9%	\$71,700	25%	16%	5%
Position 9	5	\$62,900	29%	9%	-5%	\$19,400	13%	11%	8%	\$82,300	25%	9%	-2%
Position 10	6	\$54,100	29%	14%	2%	\$17,500	12%	10%	8%	\$71,700	25%	13%	3%
Position 11	29	\$58,000	11%	-3%	-13%	\$19,800	11%	9%	7%	\$77,800	11%	0%	-8%
Position 12	12	\$60,200	48%	29%	15%	\$21,800	19%	16%	15%	\$82,000	39%	25%	15%
Position 13	4	\$60,500	49%	30%	15%	\$20,100	17%	14%	13%	\$80,600	39%	25%	15%
Position 14	2	\$58,600		37%		\$26,100		20%		\$84,700		31%	
Position 15	27	\$71,400	11%	-6%	-20%	\$20,100	11%	7%	2%	\$91,500	11%	-4%	-16%



More than +10% above market 50th percentile



Less than -10% below market 50th percentile

Total Rewards Analysis

Competitiveness by Job

- Jobs with most incumbents (Positions 16 and 17) are both at least 10% above median for Base Salary and TR
- Your Organization's jobs with highest average salary (Positions 18 and 19) are both below market median for Base Salary and TR
- Overall, Your Organization is most closely aligned with the market 75th percentile for both Base Salary and TR

Job Title	Incumbent Count	Base	Variance			Total Benefits	Variance			TR	Variance		
		Your Organization Avg	25th	50th	75th	Your Organization Avg	25th	50th	75th	Your Organization Avg	25th	50th	75th
Position 16	11	\$71,600	35%	25%	15%	\$21,000	16%	15%	13%	\$92,600	30%	22%	15%
Position 17	4	\$58,400	49%	36%	19%	\$22,400	19%	18%	16%	\$80,700	39%	30%	18%
Position 18	11	\$60,500	33%	18%	3%	\$21,800	16%	15%	12%	\$82,300	28%	17%	5%
Position 19	10	\$55,400	46%	32%	19%	\$17,900	14%	12%	11%	\$73,300	36%	27%	17%
Position 20	2	\$60,500	3%	-3%	-9%	\$20,000	11%	10%	9%	\$80,500	5%	0%	-5%
Position 21	11	\$56,000	58%	38%	22%	\$21,700	20%	17%	15%	\$77,700	45%	32%	20%
Position 22	108	\$54,100	26%	12%	-2%	\$18,100	11%	10%	8%	\$72,200	22%	11%	0%
Position 23	7	\$55,600	47%	36%	22%	\$20,200	17%	16%	14%	\$75,800	37%	30%	20%
Position 24	10	\$59,200	20%	6%	-4%	\$25,200	17%	15%	13%	\$84,400	19%	9%	0%
Position 25	5	\$60,800	17%	-1%	-18%	\$26,600	18%	14%	10%	\$87,400	17%	3%	-11%
Position 28	2	\$62,900	47%	31%	14%	\$23,900	20%	18%	16%	\$86,700	38%	27%	14%
Position 29	11	\$67,700	13%	-2%	-13%	\$18,900	11%	8%	4%	\$86,700	13%	0%	-10%
Position 30	2	\$60,500	45%	27%	14%	\$25,700	21%	19%	17%	\$86,200	37%	24%	15%
Workforce	378	\$58,000	30%	14%	0%	\$19,700	14%	12%	10%	\$77,800	26%	13%	2%



More than +10% above market 50th percentile



Less than -10% below market 50th percentile

Total Rewards Analysis

Benefits Competitiveness by Job

- Health benefits are the primary driver of value for Your Organization's Total Benefits offering
- Health benefits' position to market is relatively tight across jobs, varying only from 11% up to 23% above median

Job Title	Incumbent Count	Base Variance			Benefits Variance			TR Variance		
		25th	50th	75th	Retirement 50th	Health 50th	Total 50th	25th	50th	75th
Position 1	3	31%	15%	3%	23%	11%	9%	26%	14%	4%
Position 2	6	60%	28%	-3%	32%	11%	12%	48%	24%	-1%
Position 3	4	14%	-4%	-21%	3%	23%	14%	15%	1%	-13%
Position 4	17	34%	18%	5%	25%	11%	10%	28%	16%	6%
Position 5	12	60%	28%	-3%	32%	12%	13%	47%	24%	-1%
Position 6	9	36%	23%	9%	31%	12%	12%	30%	20%	9%
Position 7	43	49%	32%	18%	43%	14%	15%	38%	27%	17%
Position 8	5	30%	18%	4%	27%	12%	11%	25%	16%	5%
Position 9	5	29%	9%	-5%	16%	12%	11%	25%	9%	-2%
Position 10	6	29%	14%	2%	22%	11%	10%	25%	13%	3%
Position 11	29	11%	-3%	-13%	2%	13%	9%	11%	0%	-8%
Position 12	12	48%	29%	15%	39%	16%	16%	39%	25%	15%
Position 13	4	49%	30%	15%	39%	13%	14%	39%	25%	15%
Position 14	2		37%			19%			31%	
Position 15	27	11%	-6%	-20%	-3%	13%	7%	11%	-4%	-16%



More than +10% above market 50th percentile



Less than -10% below market 50th percentile

Total Rewards Analysis

Benefits Competitiveness by Job

- Retirement benefits position to market is driven primarily by Base Salary's position to market
- As a result, Retirement benefits' position to market shows more variation across jobs, from 3% below median up to 53% above median

Job Title	Incumbent Count	Base Variance			Benefits Variance			TR Variance		
		25th	50th	75th	Retirement 50th	Health 50th	Total 50th	25th	50th	75th
Position 16	11	35%	25%	15%	29%	14%	15%	30%	22%	15%
Position 17	4	49%	36%	19%	48%	17%	18%	39%	30%	18%
Position 18	11	33%	18%	3%	26%	16%	15%	28%	17%	5%
Position 19	10	46%	32%	19%	41%	11%	12%	36%	27%	17%
Position 20	2	3%	-3%	-9%	4%	13%	10%	5%	0%	-5%
Position 21	11	58%	38%	22%	52%	16%	17%	45%	32%	20%
Position 22	108	26%	12%	-2%	20%	11%	10%	22%	11%	0%
Position 23	7	47%	36%	22%	49%	14%	16%	37%	30%	20%
Position 24	10	20%	6%	-4%	15%	19%	15%	19%	9%	0%
Position 25	5	17%	-1%	-18%	9%	20%	14%	17%	3%	-11%
Position 28	2	47%	31%	14%	39%	17%	18%	38%	27%	14%
Position 29	11	13%	-2%	-13%	2%	11%	8%	13%	0%	-10%
Position 30	2	45%	27%	14%	41%	19%	19%	37%	24%	15%
Workforce	378	30%	14%	0%	21%	13%	12%	26%	13%	2%



More than +10% above market 50th percentile



Less than -10% below market 50th percentile








Benefits Valuation Analysis

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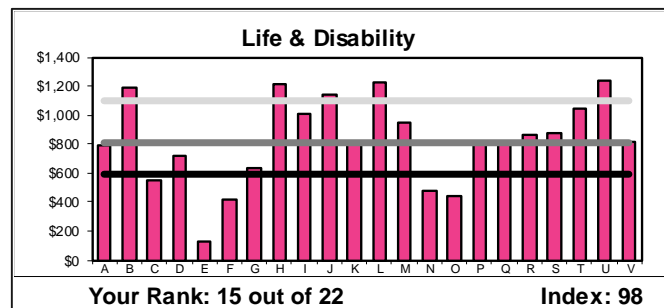
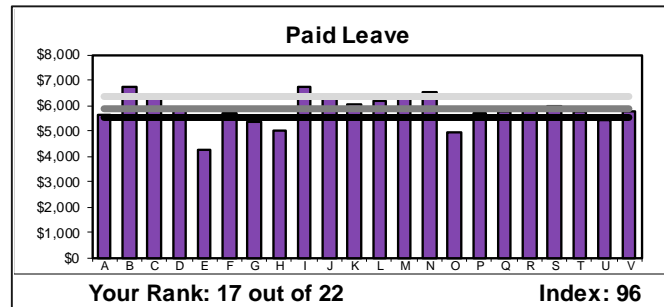
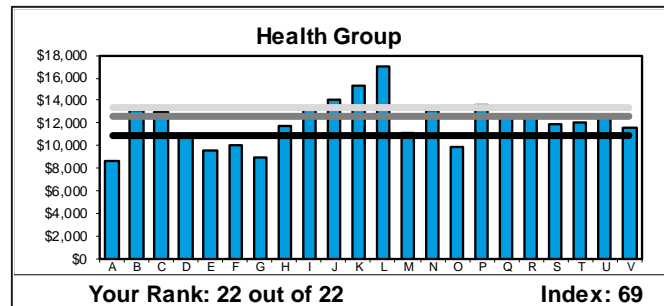
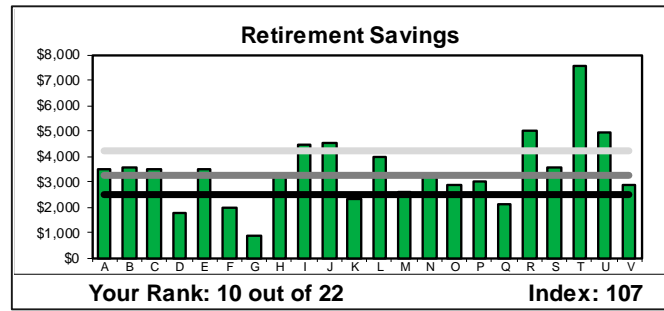
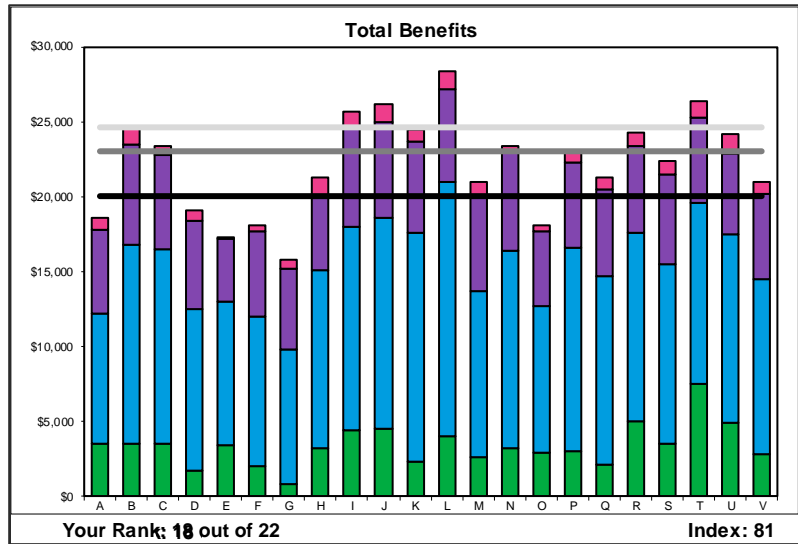
Executive Summary

Your benefits are:



Benefit	Market Position	Commentary
Retirement	Rank = 10 th Index = 107 	<ul style="list-style-type: none"> ABC Company's overall Retirement Savings position is above the median peer group values as a result of providing a total employer contribution of 6% using total pay compared to the median design that has a total employer contribution of 6.5% using base pay only ABC Company is above the peer group median thus no changes are recommended.
Medical	Rank = 22 nd Index = 76 	<ul style="list-style-type: none"> ABC Company's higher employee cost-share combined with higher coinsurance generate a below-median comparison. Consider lowering the employee cost-share as well as the coinsurance amount in order to be aligned with peer group median.
Dental	Rank = 18 th Index = 33 	<ul style="list-style-type: none"> ABC Company's below peer group median position is a result of higher employee cost-share offset by competitive plan provisions. Consider lowering the employee cost-share in order to be aligned with peer group median.
Paid Leave	Rank = 17 th Index = 96 	<ul style="list-style-type: none"> Total number of paid leave days is competitive among the peer group median. ABC Company is aligned with the peer group median thus no changes are recommended.
Life Insurance	Rank = 8 th Index = 100 	<ul style="list-style-type: none"> ABC Company provides a 1 times base pay coverage which is aligned with the median plan design. ABC Company is aligned with the peer group median thus no changes are recommended.
Short-Term Disability	Rank = 14 th Index = 75 	<ul style="list-style-type: none"> ABC Company's below-median position is a result of providing a 67% pay replacement for 26 weeks compared to the median plan design that provides up to 9 weeks of 100% pay replacement based on service. Consider providing some weeks at 100% pay replacement in order to be more aligned with the peer group median plan.
Long-Term Disability	Rank = 6 th Index = 100 	<ul style="list-style-type: none"> ABC Company provides 60% pay replacement which is aligned with the median plan design. ABC Company is aligned with the peer group median thus no changes are recommended.

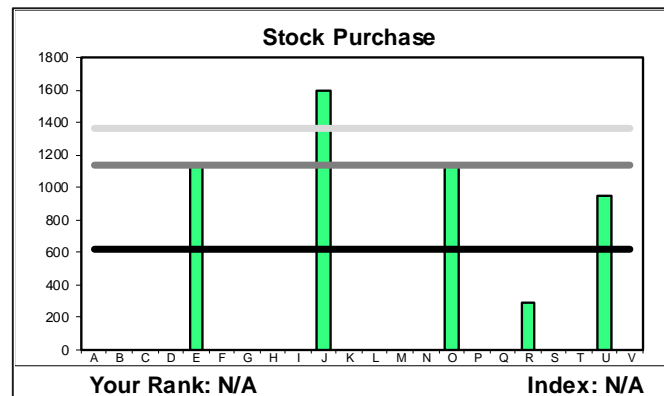
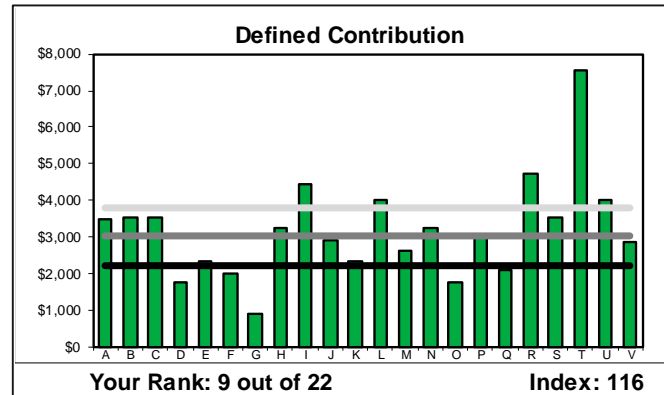
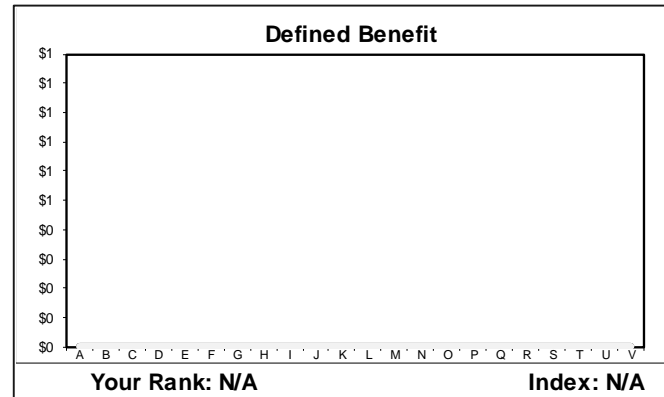
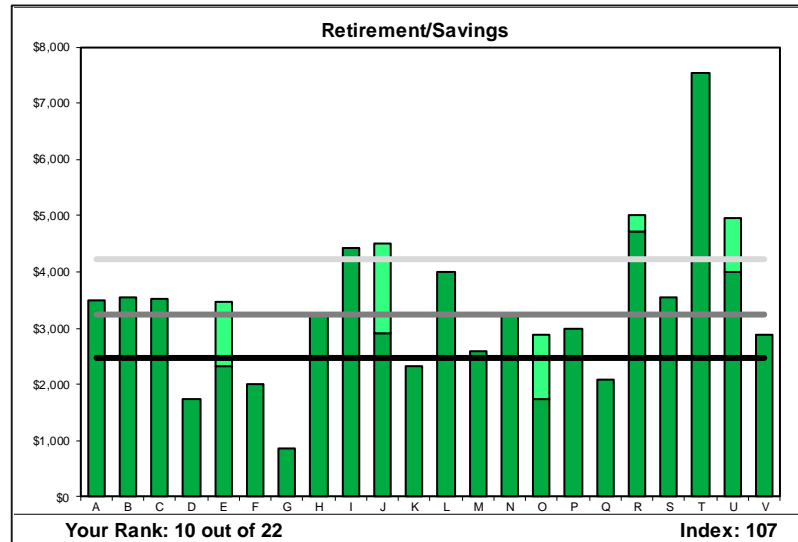
Total Benefits



Market Position

- ABC Company's overall Total Benefits position is generated by:
 - Above-median comparison for Retirement Savings as a result of a total employer contribution that is slightly higher than the median plan as well as including bonus with in the salary definition.
 - Competitive comparisons in the Paid Leave by offering a similar number of days off to the median plan and in the Life & Disability areas by offering competitive plan provisions in the Life Insurance and LTD areas.
 - Below-median comparison for Health/Group due to requiring employees to pay a higher share of benefit cost for both Medical and Dental plans.

Retirement Savings

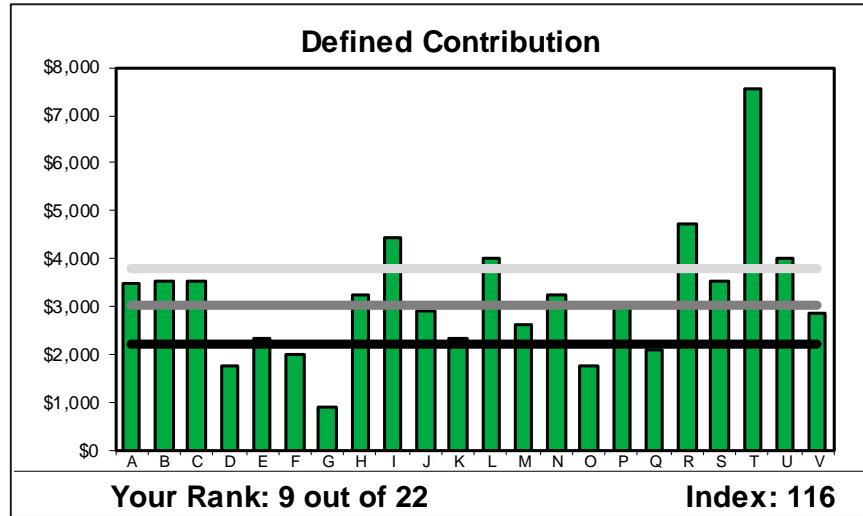


Market Position

- ABC Company's competitive comparison is driven by a rich employer contribution into the 401(k) plan.
- None of the peers provide a Defined Benefit plan to newly hired employees.
- Only five peers offer a Stock Purchase plan that gives a discount on the purchase of company stock. These plans only slightly enhance the overall value.

Retirement Savings

Defined Contribution



Median Plan Design	
401(k)	Plan type
4% (100% of 4% of pay)	Matching contribution
Base + Bonus	Salary definition

Market Position

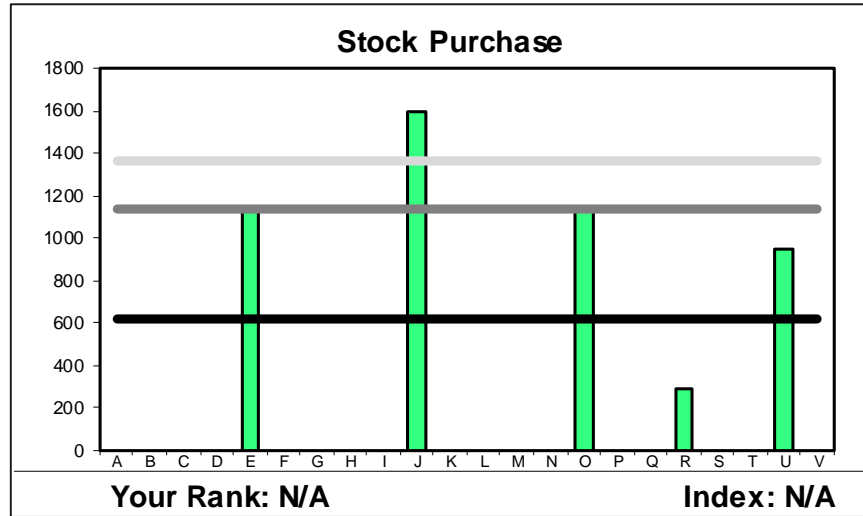
- ABC Company is above median as a result of including bonus within the salary definition combined with providing a total employer contribution that is richer than the peer group median.
- ABC Company's total employer contribution is derived from a matching contribution of 50% of the first 6% of employee contributions combined with a 3% non-matching contribution.
- Ten peers provide both matching and non-matching contributions; ten peers provide a matching contribution only and the remaining peer provides a match only contribution.

General Industry Commentary

- **81%** offer employer match.
- The median employer match rate is **100%** with a median contribution of **6%**.
- **47%** offer employer non-match.
- The median employer non-matching contribution is **5%**.
- **61%** include bonus in the definition of pay.

Retirement Savings

Stock Purchase Plan



Offer a discount



Offer match



Include bonus in the definition of pay

Median Plan Design

Market value determination	Price at end of purchase period
Salary definition	Base Only
Discount on stock	15%
Maximum allowable purchase amount as percent of pay	100%

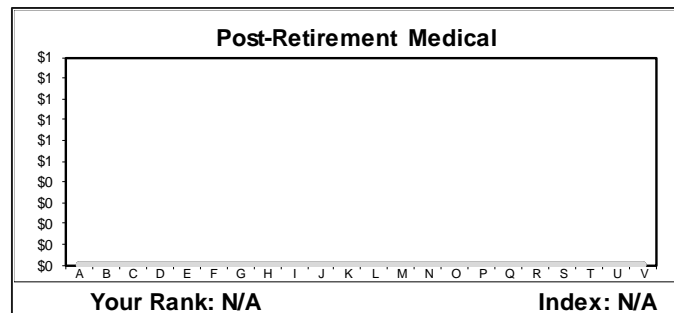
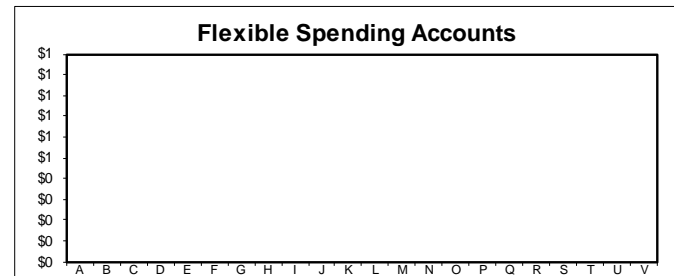
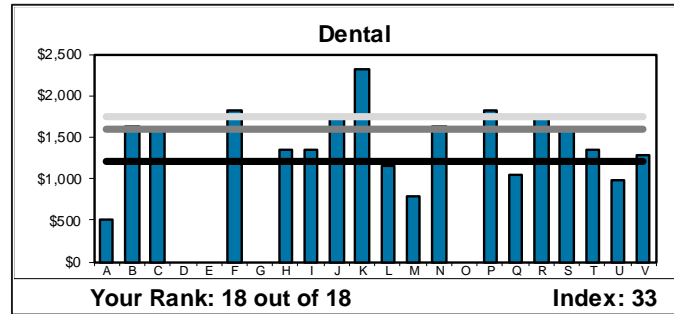
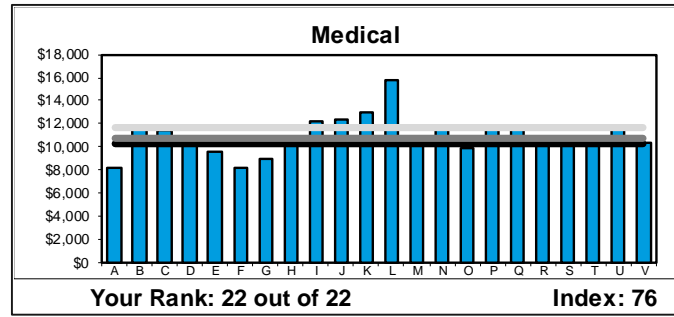
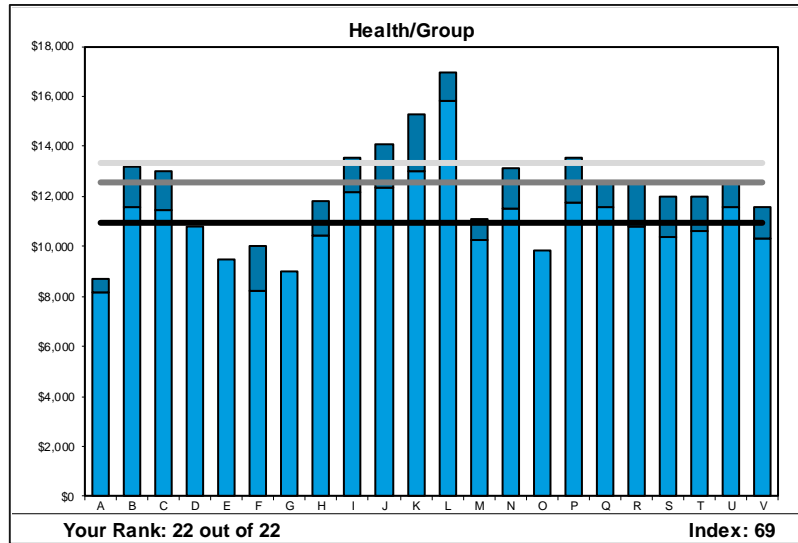
Market Position

- The primary driver of value in a Stock Purchase plan is the level of employer funding via a match or discount on the purchase of the stock.
- Six peers provide a Stock Purchase plan to employees of which five of them provide a value as a result of providing a discount.
- One peer provides a 5% discount and the remaining peers provide a 15% discount.

General Industry Commentary

- Offered by **14%** of organizations, where **80%** of these organizations provide a plan with a discount.
- The median discount is **15%**.
- **25%** include bonus in the definition of pay.
- The median maximum employee contribution amount is **10%**.

Health Group



Market Position

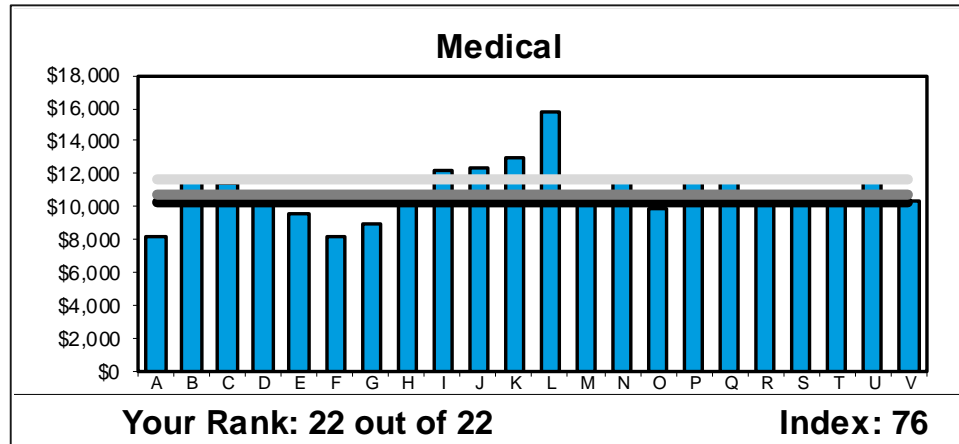
- Medical and Dental benefits are below median plan designs for each benefit.
- None of the peers provide employer-subsidized Post-Retirement Medical coverage, though four peers offer access to both pre-65 and post-65 Post-Retirement Medical coverage.
- None of the peers provide an employer-subsidized Flexible Spending Accounts.

General Industry Commentary

- Benefits make up about **30%** of total compensation according to the Bureau of Labor Statistics, and health insurance is the most costly and the most valued by employees. Still, Mercer's *Inside Employee Minds* survey found that more than two-thirds of workers (**68%**) feel challenged to get needed healthcare for themselves and their families, with younger workers, caregivers, and LGBTQ+ employees the most likely to face challenges.
- Health care affordability is a top concern for many workers, in particular low-wage earners or those coping with a chronic medical condition. While high-deductible health plans have grown rapidly over the past decade, employers have recognized that these plans are not a good fit for some employees.

Health Group

Medical



	Median Plan Design	Your Plan Design
Plan Type	HDHP PPO	PPO
Employee Cost-Share	15% Employee Only 12% Family * Varies by salary	34% Employee Only 34% Family
Annual Deductible	\$1,600/Individual \$3,200/Family	\$1,000/Individual \$3,000/Family
Out-of-Pocket Limit	\$4,350/Individual \$8,700/Family	\$3,500/Individual \$7,000/Family
Coinsurance/Copayments	20% Inpatient Hospital 20% Office Visit 20% Rx	30% Inpatient Hospital 30% Office Visit \$50 Rx
Employer HSA/HRA Funding	\$0/Individual \$0/Family	Not applicable

Market Position

- The plan with the largest percentage of employee participation was valued for all organizations in this study; ABC Company's Traditional PPO plan was valued.
- ABC Company's below-median position is driven by higher employee cost-share combined with higher coinsurance compared to the median plan design.
- The average employee cost-share for valued plans is 17% for employee only coverage and 20% for family coverage. Six peers vary their cost share by salary.

General Industry Commentary

- 74% offer PPO plans, with an average cost share of 19% for employee only and 24% for family.
- 77% offer HDHP plans, with an average cost share of 13% for employee only and 17% for family.
- 22% offer HMO plans, with an average cost share of 16% for employee only and 25% for family.

Health Group

Medical



65%

Offer an HDHP

94%

Offer a PPO

59%

Offer an HMO

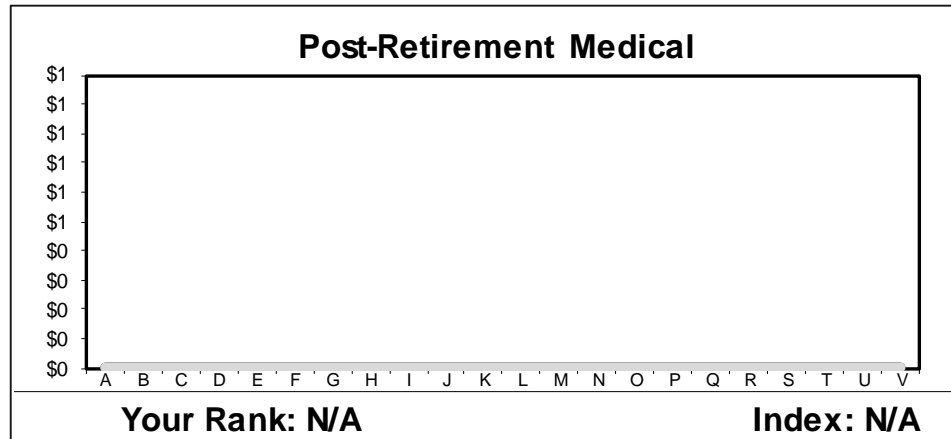
Median Medical Plan Features

	Your Plan Design PPO	HDHP	PPO	HMO
In-Network Deductible	\$750/Individual \$1,500/Family	\$1,750/Individual \$3,600/Family	\$550/Individual \$1,400/Family	\$0/Individual \$0/Family
In-Network Inpatient Hospital	10% Coinsurance	20% Coinsurance	15% Coinsurance	20% Coinsurance or \$325 Copay
In-Network Office Visits	\$25 Copay	20% Coinsurance	\$20 Copay	\$15 Copay
In-Network Out-of-Pocket Limits	\$3,000/Individual \$6,000/Family	\$3,750/Individual \$6,925/Family	\$3,150/Individual \$9,000/Family	\$1,500/Individual \$3,000/Family
Employer HSA/HRA Funding	Not applicable	\$750/Individual \$1,100/Family	Not Applicable	Not Applicable
Employee Cost-Share	25% Employee Only 30% Family	12% Employee Only 15% Family	19% Employee Only 22% Family	17% Employee Only 25% Family

*The details on this page do not represent the median value, rather the median plan features for each of the various plan designs offered among the peers and is inclusive of all plans offered (not just the ones with the largest percentage of employee enrollment).

Health Group

Post-Retirement Medical



Pre 65



96%
Not Offered

4%
Access Only

0%
Employer Sponsored

Post 65



100%
Not Offered

0%
Access Only

0%
Employer Sponsored

Market Position

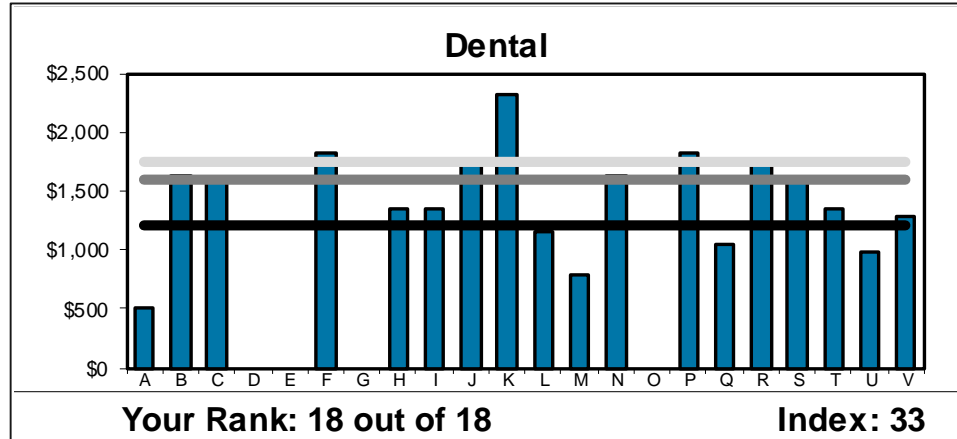
- None of the organizations, including ABC Company, provide an employer-subsidized post-retirement medical plan.
- One peer provides an access plan.
 - Access-only plans allow retirees to enroll in an employer sponsored plan, but require the retiree to pay the full cost of coverage, therefore no value is generated.

General Industry Commentary

- Over the past five years we have seen a **9%** decrease in organizations offering retiree medical coverage to newly hired employees.
- **25%** of organizations offer an employer-subsidized plan for pre-65 coverage.
- **17%** of organizations offer an employer-subsidized plan for post-65 coverage.
- Many organizations have opted to grandfather/freeze these plans or provide access-only plans, which allow retirees to enroll, but require the retiree to pay the full cost of coverage.

Health Group

Dental



	Median Plan Design	Your Plan Design
Plan Type	Silent PPO	Silent PPO
Employee Cost-Share	40% Employee Only 40% Employee + Child 40% Employee + Spouse 40% Family	79% Employee Only 78% Employee + Child 81% Employee + Spouse 76% Family
Annual Deductible	\$25/Individual \$50/Family	\$50/Individual \$150/Family
Maximums (Annual/Lifetime)	\$1,000 Annual / \$1,500 Orthodontia	\$1,500 Annual / \$2,000 Orthodontia
Coinsurance	100% Preventative 80% Basic 80% Major 80% Orthodontia	100% Preventative 80% Basic 50% Major 50% Orthodontia

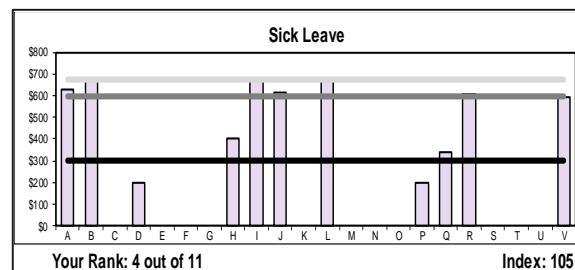
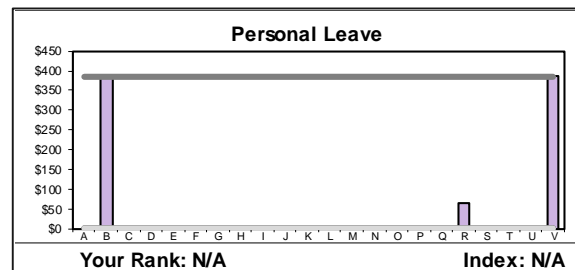
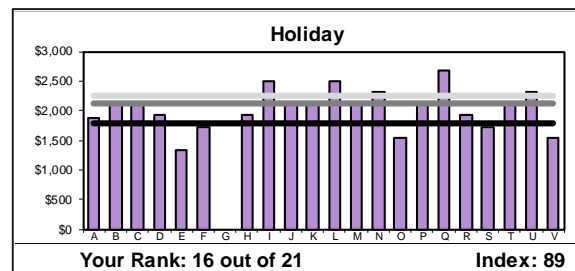
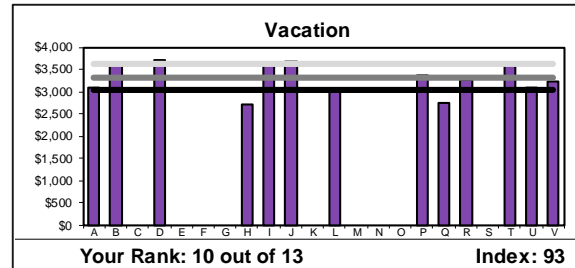
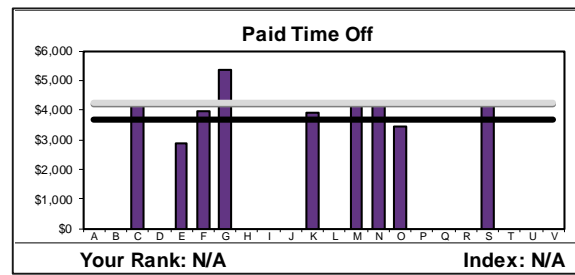
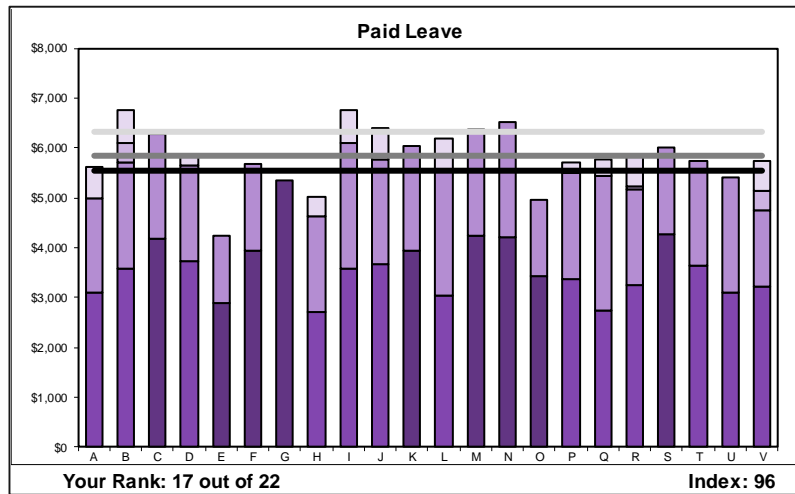
Market Position

- The plan with the largest percentage of employee participation was valued for all organizations in this study.
- ABC Company's below-median comparison is a result of higher employee cost-sharing at all coverage tiers, offset with a competitive plan design.
- The average employee cost-share for valued plans is 41% for employee-only and 40% for family coverage.
- Four peers require the employee to pay the full cost of the premium, therefore, no value is generated for these peers.

General Industry Commentary

- Median employee cost share is **40%** for employee only coverage and **47%** for family coverage.
- Median plan coverage is **100%** for preventive, **80%** for basic, **50%** for major and **50%** for orthodontia coverage.
- Median annual maximum is **\$1,500** and median lifetime orthodontia is **\$1,500**.

Paid Leave



Market Position

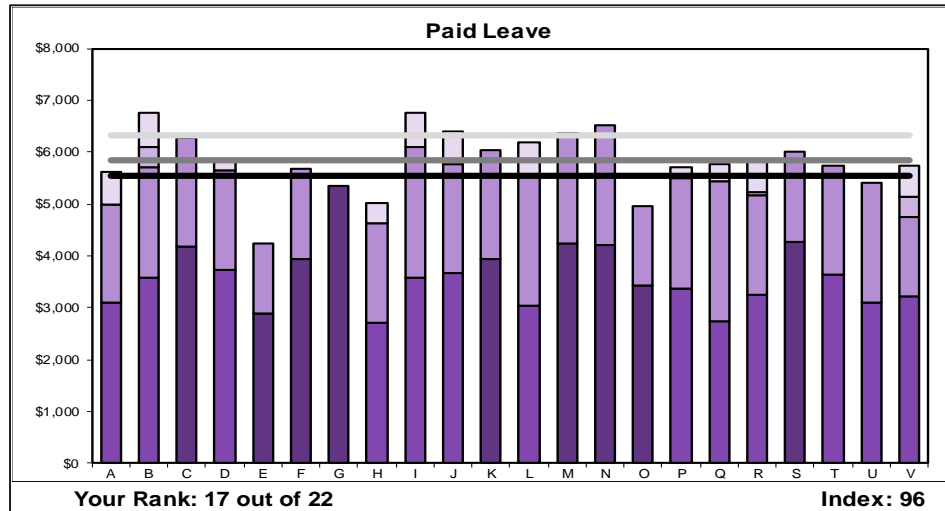
- ABC Company's competitive position is driven by above-median Sick Days offset by below median Vacation and Holiday schedules.
- 57% of peers provide a Traditional Vacation plan
- 43% provide a Paid Time Off plan that combines various elements of Paid Leave
- 95% of the peers provide a separate Holiday plan
- Eleven organizations, including ABC Company, provide a separate Sick Leave plan.

General Industry Commentary

- Only **42%** of respondents with PTO plans say that most of their employees take all of their allotted time, down from **51%** in 2018 — and **15%** say employees actually use less than 50% of PTO days.
- More than half report that open accruals/balances at the time of transition from a standard vacation/PTO plan were forfeited (where allowable); about two-fifths paid out balances and the rest allowed the accruals/balances to be used for STD top-off pay.

Paid Leave

Total Leave



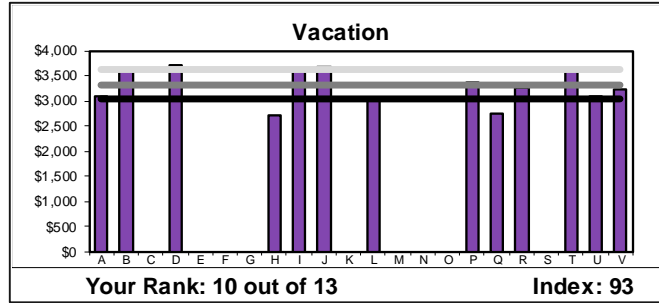
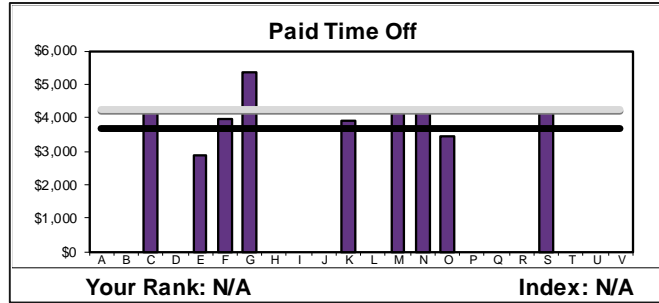
Years of Service	Median Total Leave*	Your Total Leave**	Difference
1 Year	38 Days	43 Days	+5 Days
5 Years	38 Days	47 Days	+9 Days
10 Years	43 Days	48 Days	+5 Days
15 Year	43 Days	48 Days	+5 Days
20 Years	48 Days	48 Days	0 Days
25 Years	48 Days	48 Days	0 Days

Market Position

- ABC Company provides a traditional Vacation plan with a separate bank of days for Holidays and Sick Leave.
- Note that both ABC Company and the organization at the median for Paid Leave have informal Sick Leave plans which do not state a set number of days; we assume 10 days are provided for informal plans.
- ABC Company provides 5 more Holidays than the peer that represents the median Total Leave category.
- ABC Company does not provide a separate bank of days for Personal Leave and neither does the median.
- ABC Company provides 4 to 8 fewer weeks for Parental Leave than the market median; Parental Leave is not included in the relative dollar value, rank, or index positioning as this benefit is not utilized by all employees on an annual basis.

Paid Leave

Vacation / Paid Time Off



Years of Service	Median Traditional Vacation	Your Plan Design
1 Year	15 Days	13 Days
2 Years	15 Days	13 Days
3 Years	15 Days	13 Days
4 Years	15 Days	13 Days
5 Years	15 Days	15 Days
6 Years	15 Days	15 Days
10 Years	20 Days	20 Days
15 Years	20 Days	20 Days

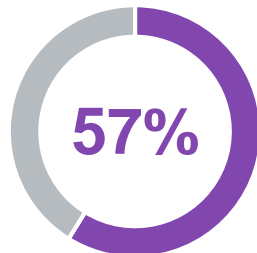
Market Position

- Thirteen organizations, including ABC Company, provide a Traditional Vacation plan.
- Nine peers provide a Paid Time Off policy whereby vacation days are included with other elements of paid leave such as personal leave and/or sick leave.

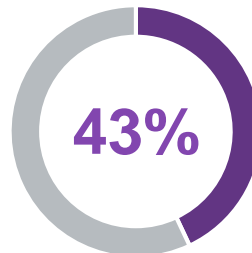
General Industry Commentary

- Types of Paid Leave:*
 - 52% offer a Traditional Vacation plan
 - 50% offer a Paid Time Off (PTO) plan
 - 5% offer an Unlimited Time off Plan
- 72% allow carryover of unused days for traditional plans with a median of 30 days.
- 80% allow carryover of unused days for PTO plans with a median 30 days.

*Some employers may offer a PTO plan to one group of employees and Traditional Vacation plan to another group



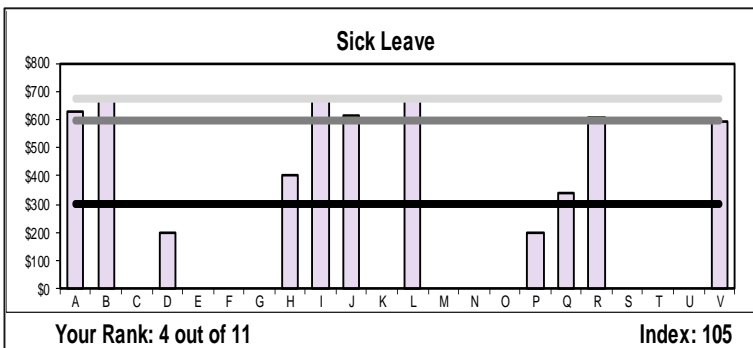
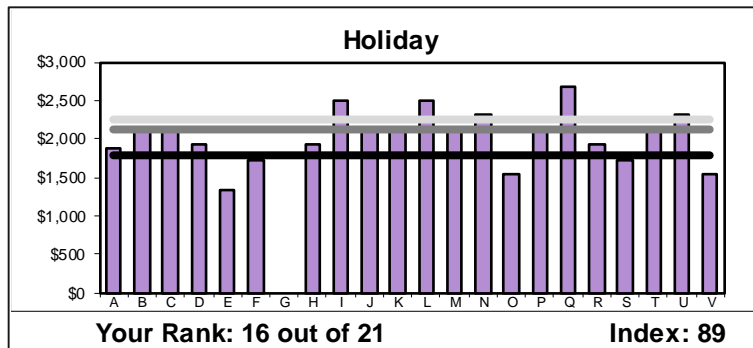
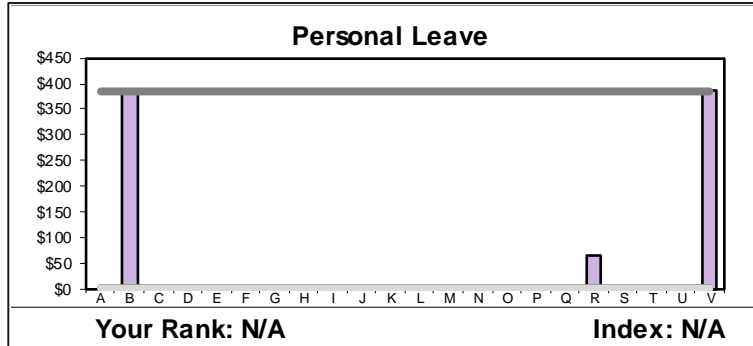
Offer a Traditional Vacation Plan



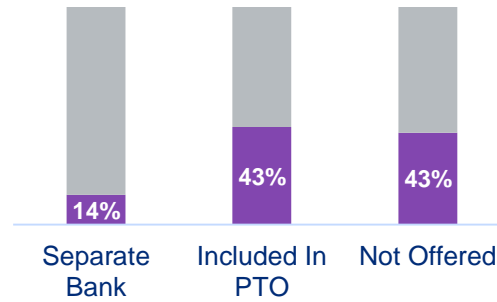
Offer a PTO Plan

Paid Leave

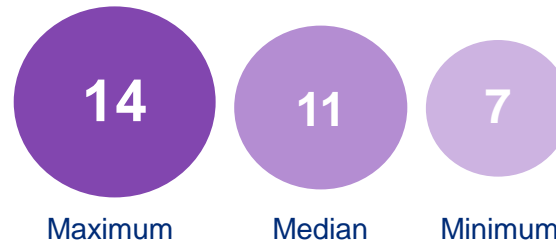
Personal Leave / Holidays / Sick Leave



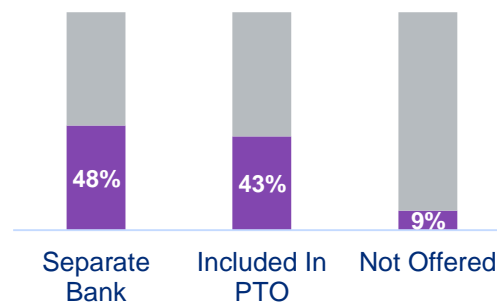
Personal Leave



Paid Holidays



Sick Leave



Market Position

Personal Leave

- ABC Company does not provide a separate bank of personal days.
- The two organizations which provide a separate bank of Personal Leave each provide 5 days.

Holidays

- ABC Company's below-median position is a direct result of providing 9 paid Holidays, compared to 11 days provided by the median plan.

Sick Leave

- Sick Leave Methodology has an assumed usage rate of 35%.
- When informal plans are used or Sick Leave left to the discretion of management, 10 days are used to generate the values.
- ABC Company's Sick Leave policy is aligned with median as a result of providing an informal plan where 10 days per year are assumed.

General Industry Commentary

- 16% offer a separate bank of personal days.
 - Median number of personal days is 3 days.
- 100% offer paid holidays.
 - Median number of holidays is 10 days.
- 95% offer paid sick leave.
 - Median number of sick days is 10 days.

Paid Leave

Parental Leave

	Median Plan Design	Your Plan Design
Plan Type	Parental Leave	Maternity + Parental Leave
Number of Weeks	7 weeks	2 weeks + 2 weeks at 80%
Percent of Pay Replaced	100% of pay	100% of pay for 2 weeks + 80% for 2 additional weeks



50%

Offer Parental Leave

38%

Offer Maternity Leave

10%

Offer Paternity Leave

*Parental Leave is not included in the relative dollar value, rank, or index positioning as this benefit is not utilized by all employees on an annual basis.

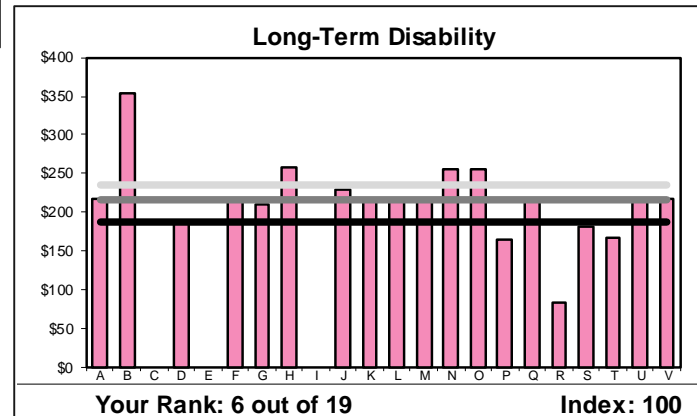
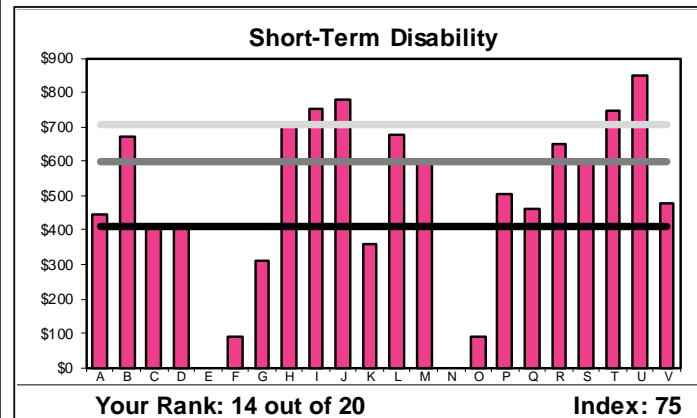
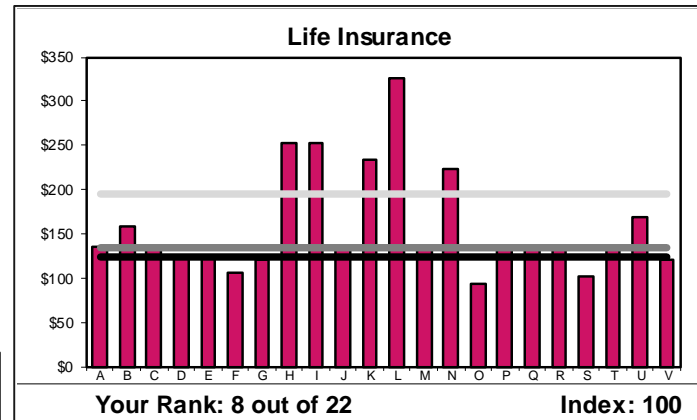
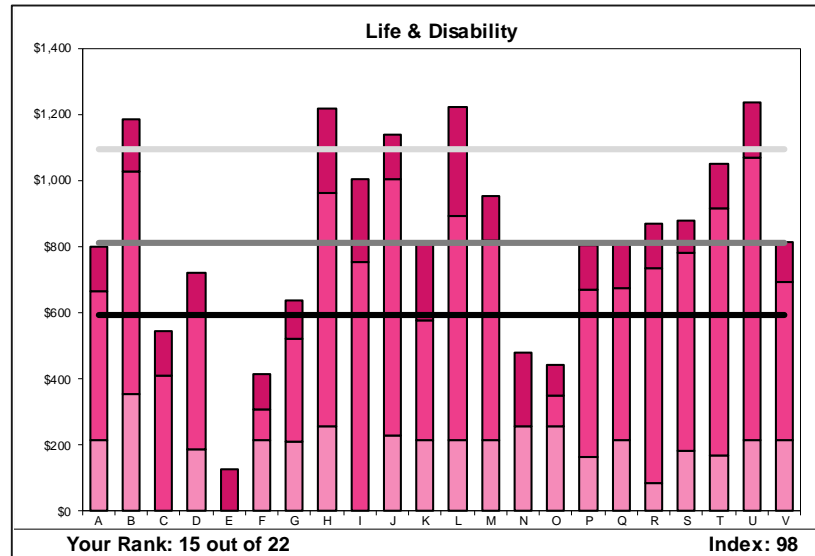
Market Position

- Sixteen organizations, including ABC Company, do not provide a separate Parental Leave benefit.
- Five peers reported data for this benefit.
- 60% of those that provide a Parental Leave policy provide coverage for non-birth parent.
- 75% of those that provide a Parental Leave policy provide coverage for adoptive parent.
- Parental Leave/Maternity Leave varies from 2 weeks to 12 weeks paid at 100%.

General Industry Commentary

- **16%** provide a Maternity Leave, with the median benefit being **8 weeks**.
- **5%** provide Paternity Leave, with the median benefit being **2 weeks**.
- **49%** provide a Parental Leave benefit, with the median Parental Leave benefit being **6 weeks**.
- Of organizations offering Parental Leave, **79%** of organizations allow leave to be used for Adoption, and **40%** of organizations allow leave to be used for placement of a Foster child.

Life & Disability



Market Position

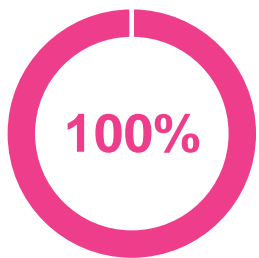
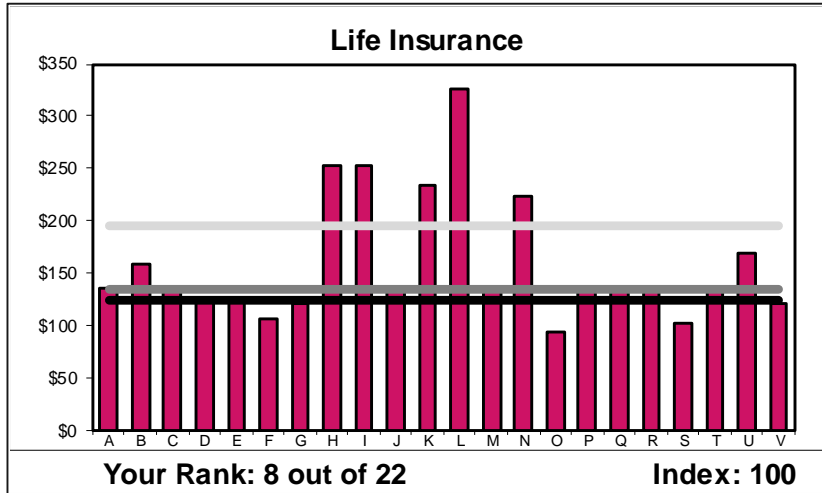
- Life Insurance and Long-Term Disability benefits are aligned with the median.
- Short-Term Disability is below median and drives the overall Life Insurance/Disability comparison by pulling the comparison down slightly below the median value.
- Two peers do not provide an employer paid STD plan, therefore no value is generated.
- Three peers do not provide an employer paid LTD plan, therefore no value is generated.

General Industry Commentary

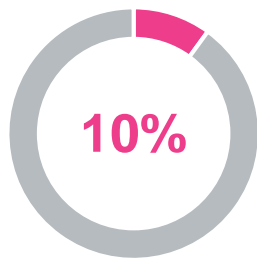
- 98% provide employer-paid Basic Life Insurance.
- 78% provide employer-paid Short-Term Disability.
- 80% provide employer-paid Long-Term Disability.

Life & Disability

Life Insurance



Offer employer-paid Basic Life Insurance



Offer employer-paid Spouse/Dependent Life Insurance

	Median Plan Design	Your Plan Design
Multiple of Pay	1.0 x pay	1.0 x pay
Maximum Coverage Amount	1,000,000	\$500,000
Salary Definition	Base Pay	Base Pay

Market Position

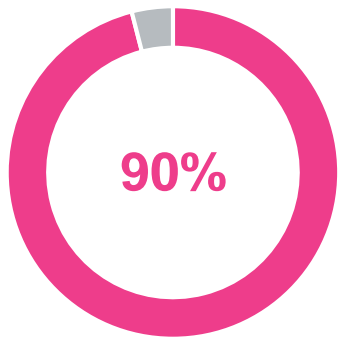
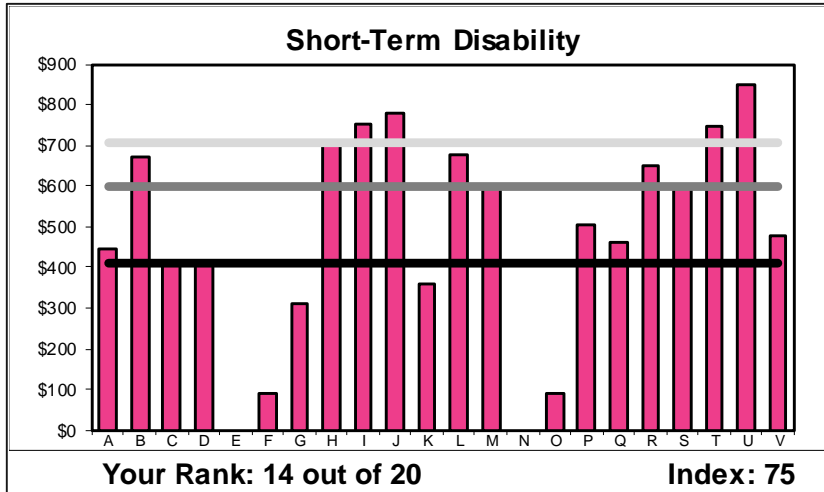
- ABC Company's aligned-with-median position is the result of offering 1x base pay as does the plan at the median. ABC Company's maximum benefit amount of \$500,000 is competitive among the peers.
- Amongst broad-based employee benefits, the multiple of pay ranges from 1 to 3 times pay.
- Three peers provide a flat dollar payout instead of a multiple of pay benefit.
- The maximum Benefit amount ranges from \$50,000 - \$2,000,000.
- Two peers provide employer-paid spouse and dependent life insurance.
- Two peers include bonus in the salary definition.

General Industry Commentary

- The median plan design equals **1.5x pay benefit**.
- **85%** provide a percent of pay Life Insurance plan, while **15%** provide a flat benefit plan.
- **86%** provide a Basic AD&D benefit equal to the Basic Life Insurance benefit.
- **9%** provide employer paid spouse/dependent Life Insurance.

Life & Disability

Short Term Disability



Provide employer-subsidized Short-Term Disability

	Median Plan Design	Your Plan Design
Benefit	Ranges from 1 – 9 weeks at 100% based on years of service and 66.67% there after	66.67% of pay for 26 weeks
Salary Definition	Base pay	Base pay
Elimination Period	3 days	7 days
Maximum Weekly Benefit	Unlimited	\$1,800

Market Position

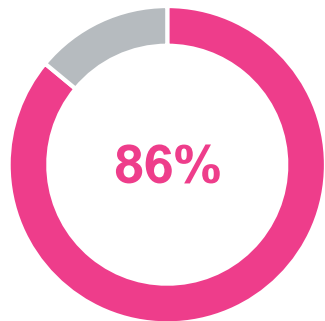
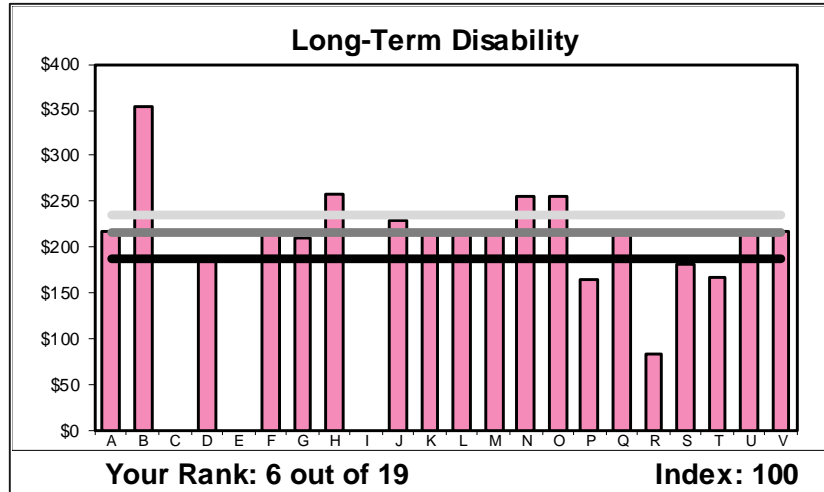
- Short-Term Disability benefit values are based on amounts payable in the first 6 months of disability; Sick Leave carryover and LTD commencing before 6 months of disability are included in Short-Term Disability.
- ABC Company's below-median comparison is a result of not providing any weeks at 100% pay replacement combined with an \$1,800 weekly maximum.
- Eleven peers provide some or all weeks at a 100% pay replacement.
- Two peers require employees to pay 100% of the plan cost; therefore, no value is generated.

General Industry Commentary

- 78% provide employer-paid coverage
- Typical plan covers **60% of base pay up to 26 weeks** with an **unlimited** weekly benefit
- **42%** of participants provide all or a portion of the disability at **100% pay replacement**

Life & Disability

Long Term Disability



Provide employer-subsidized Long-Term Disability

	Median Plan Design	Your Plan Design
Benefit	60% pay replacement	60% pay replacement
Salary Definition	Base pay	Base Pay
Maximum Monthly Benefit	\$15,000	\$15,000
Social Security Offset	Family Offset	Family Offset

Market Position

- ABC Company's aligned-with-median position is a result of providing a pay replacement that is the same as the median plan.
- Three peers require employees to pay 100% of the plan cost; therefore, no value is generated.

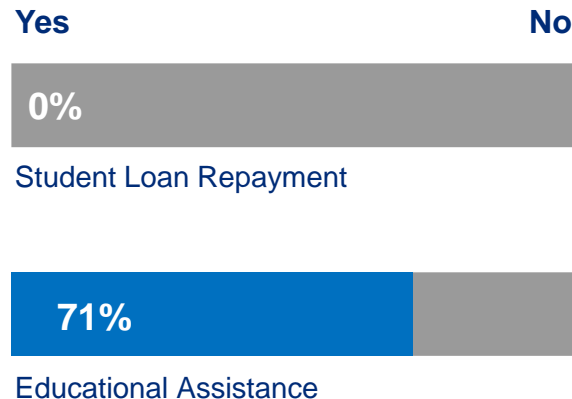
General Industry Commentary

- The median pay replacement is **60% of base pay**.
- Median monthly maximum is **\$10,000**.
- The majority of the peers provide a family Social Security offset.

Non-Traditional Benefits

Educational Assistance

	Median Plan Design	Your Plan Design
Reimbursement %	100%	90%
Maximum Annual Dollar Limit	\$5,250	\$3,000 Undergrad/ \$5,000 Graduate
Require Payback upon Termination	Yes	No
Covers Books	Yes	No



Market Position

- Reimbursement limits amongst the peers range from \$2,000-\$5,250 per year for undergraduate and \$2,000-\$10,000 for graduate.
- Ten of the peers vary their tuition reimbursement based on grade.
- None of the peers provide tuition reimbursement to an employee's spouse or children.
- None of the peers reports a Student Loan Repayment program.

General Industry Commentary

- **82%** provide educational assistance.
- The median reimbursement limits is **\$5,250** per year for both undergraduate and graduate courses.
- **78%** require employees to payback upon termination.

*Nontraditional benefits are not included in the relative dollar value, rank, or index positioning.

Non-Traditional Benefits

Additional Benefits

	*Peer Group	Your Plan Information
Wellness Program	100%	Yes
Adoption Benefits	100%	N/A
Child/Elder Care Assistance	80%	N/A
Onsite Childcare	21%	N/A
Job Sharing	29%	N/A
Flextime	87%	N/A
Work-at-Home Policy	94%	N/A
Telemedicine	94%	Yes
Infertility Services	80%	Yes
Onsite Fitness Facility	81%	N/A

*Percentage based on those that responded.

Market Position

- Mercer conducted the 2022 Flexible Working Policies and Practices survey with 749 respondents and found that the happiest employees are hybrid workers; 77% report being able to maintain a reasonable work-life balance.
- 53% of employers are working to expand the types of flexibility offered
 - 42% offer part-time schedules
 - 70% offer flex time (e.g., adjusted start and stop times)
 - 32% have, or are considering offering, a 4-day workweek to all or some employees
 - 18% offer variable or alternative shifts
 - 14% offer phased or flexible retirement

Appendix

5

Appendix

Participant Listing

Peer A
Peer B
Peer C
Peer D
Peer E
Peer F
Peer G
Peer H

Appendix

Supporting Documents

The following supporting documents were used in the production of this report and may be provided by request:

Summary of Plan Features

This report displays participant data imported from Mercer's national benefits database and is the basis for the valuation.

Methodology

This document details the methods used by Mercer to value the benefit plans included in the Summary Plan Features for each comparator organization.

