



# Summary of ERCOT Employee Benefits

ERCOT Human Resource &  
Governance Committee  
June 16, 2009

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**Director Compensation & Benefits**

# Summary of Benefits Available to ERCOT Employees

- **401(k) Plan**
- **Two Health Insurance Options**
- **Dental Insurance**
- **Vision Insurance**
- **Group Term Life Insurance**
- **Accidental Death & Dismemberment Insurance**
- **Short & Long Term Disability**
- **Long Term Care**
- **Flex Plan**
- **Vacation/Holidays/Sick Leave**
- **Tuition Reimbursement**
- **Employee Assistance Program**

## Existing Features

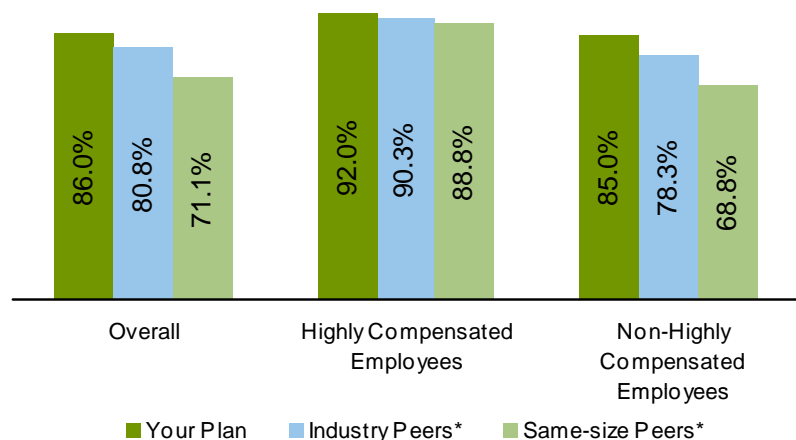
- Current Assets \$58.8 M
- 22 Investment choices plus 11 Fidelity Freedom Funds (Target Date Funds)
- Match 75% of first 6% (Vesting 20% per Year)
- Fixed Non-Elective Contribution 10% (Vesting 100% after 3 years)
- Employee Participation Rate for deferrals is approximately 86%
- Employee average deferral rate approximately 7.1%

## New Features

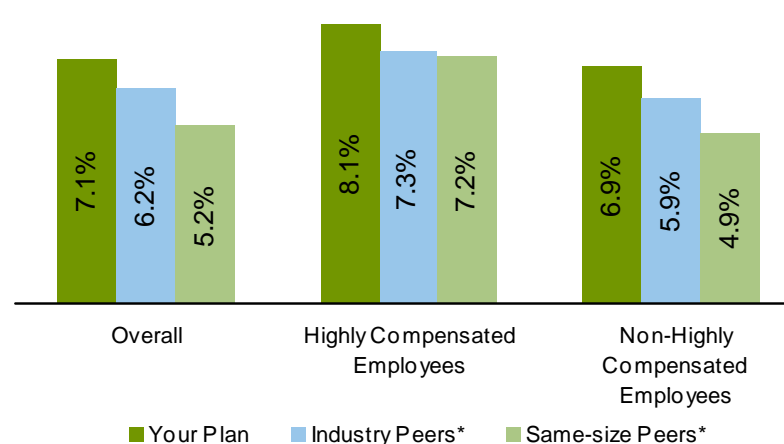
- Added Roth 401(k) option 1/1/09
- Added Self directed brokerage option for participants

# 401(k) Plan Statistics

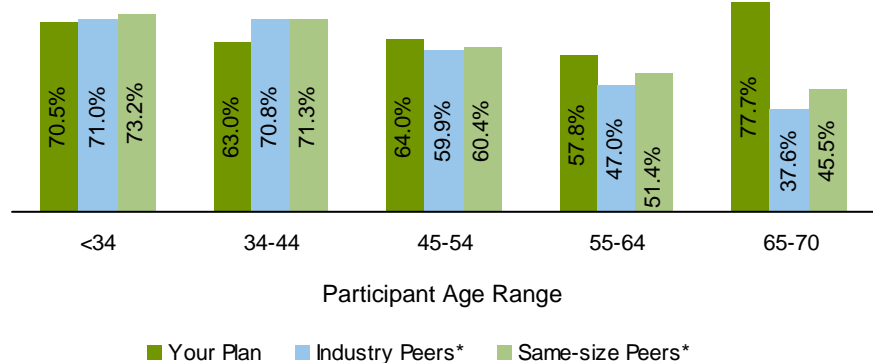
Participation Rates as of 2008 NDT Test Year



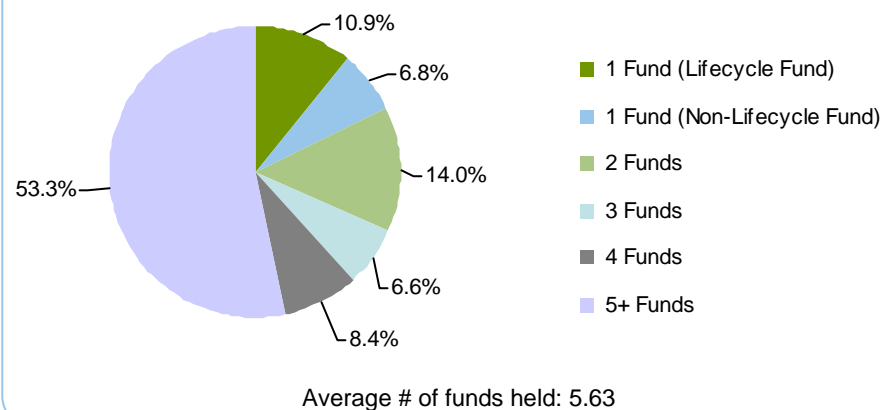
Deferral Rates as of 2008 NDT Test Year



Asset Allocation: % of Equities as of 4/30/2009



Participant Holdings as of 4/30/2009



# Two Health Insurance Options for Employees

## **Basic Plan - Cigna**

- 80/50 Plan
- 258 employees + dependents (as of May 2009)
- Employee only – ERCOT pays 100% of premium
- Employee + Dependents – ERCOT pays around 95% of premium

## **Buy Up Plan - Cigna**

- 90/60 plan
- 436 employees + dependents (as of May 2009)
- Employee only – ERCOT pays 90% of premium
- Employee + Dependents – ERCOT pays around 84% of premium

## **RFP Issued and Awarded for Plan Year July 2009**

- Cigna retained as administrator for Health, Dental, Life and AD&D
- FDL (BCBSTX) Hired as Administrator for STD & LTD
- Increased premiums, out of pocket maximums and annual deductibles
- Increased lifetime maximum to \$2 Million with no cost to ERCOT

## Other Insurance and Benefit Plans Available

- **Dental Insurance (Cigna) – Employee only paid by ERCOT. Premium increase for dependent coverage 7/1/09**
- **Vision (VSP) – Premium paid by ERCOT - no change for 2009**
- **Group Term Life & AD&D (Cigna) – ERCOT pays for 1x employee's annual salary; additional coverage available, paid by employee**
- **Short & Long Term Disability (Fort Dearborn Life) – Premium paid by ERCOT**
  - New carrier 7/1/09
  - 7 Day elimination for Short term, 90 days for Long term
  - Pays 60% of salary

## Other Insurance and Benefit Plans Available

### **Long Term Care (Unum) – Basic Plan coverage paid by ERCOT**

- Basic Plan \$1,000 per month benefit
- Additional Coverage available at employee's expense
- No change in 2009

### **Flex Plan (Section 125) – Discovery Benefits**

- Health and Dependent Care Reimbursement Account
- No change in 2009

### **Tuition Reimbursement**

- Work-related education expenses reimbursed, with approval of management, up to \$2,500 per year
- Employee's requested increase but no change in 2009

# Paid Time Off – No Changes in 2009

## **Vacation**

- 2 weeks (1-5 years of service)
- 3 weeks (6-10 years of service)
- 4 weeks ( 11+ years of service)
  - Managers, Directors and Officers slightly higher

## **Holidays 8 + 2 floating per year**

## **Other types of paid time off**

- Sick leave 10 days per year for employees and immediate family
- Military Leave
- Bereavement Leave
- Other mandatory leave and benefits in accordance with Federal & State law



## Other Benefits Provided

- Annual Wellness Fair including blood pressure, diabetes and cholesterol screening
- Various Wellness Programs included in Health Plan
- On-line Health Risk Assessment
- Employee Assistance Program
- On-site retirement investment education quarterly
- Casual dress work environment
- Employee recognition Awards
  - Thanks, Team Player, Exceptional Performer Awards
- Employee Activity and Community Involvement Committees
- Sick Leave Pool

## Accomplishments

- **Completed Medical Claims audit – November 2008**
  - 99.4% Financial Accuracy for Cigna
- **Added Roth 401(k) option to plan – January 2009**
- **Designated Qualified Default Investment Alternative (QDIA) for the 401(k) Plan - 2008**
- **Issued RFP and hired Aon Consulting, Inc. as the new Investment Consultant for the 401(k) Plan – January 2009**
  - Reduced expenses from 15 basis points to 11 basis points
  - Higher quality reports and fiduciary training
- **Completed annual 401(k) audit by Maxwell, Locke & Ritter – September 2008**
- **401(k) Plan audited by the IRS -- no findings -- 2008**

## Future Initiatives

- **Annual 401(k) Plan Audit – September 2009**
- **401(k) Plan document restatement –Fall 2009**
- **Automating demographic data and funding transfer information with all benefits vendors including 401(k) Plan.**
- **Consolidate investment choices and add index funds – August 2009**

Questions ?