



NEWS RELEASE

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**CTHRA Establishes Employee Benefit Benchmarks for the Industry  
Releases Highlights from 2011 Benefits Survey**

**NAPERVILLE, ILL., July 26, 2011—** Employee benefits are currently being impacted by a myriad of factors: the recession's impact on budgets, increasing costs, healthcare reform, higher taxes, and changes in federal regulations. As a result, human resources (HR) professionals, chief financial officers, and other corporate executives are facing their most challenging benefits planning cycle ever. With concern for cost control measures' impact on recruitment and retention efforts, cable telecommunications employers identified a need for industry-specific benchmarks. In response, the Cable and Telecommunications Human Resources Association (CTHRA) expanded its existing survey initiatives, including its renowned Annual Compensation Surveys and its Human Capital Metrics Survey to benchmark benefits practices and costs within the industry.

Pamela Williams, CAE, CTHRA's executive director, explained, "Data about benefit levels, costs and contributions are typically general in nature and are not released until August or later. To aid members in their strategic decision making, CTHRA developed an industry-specific Benefits Survey, collected data during the first quarter of this year, and released the compiled results to participants in April 2011. Today, CTHRA is pleased to share highlights of the survey findings with the industry at large."

**Survey Methodology**

The scope of CTHRA's 2011 Benefits Survey focused on medical plans: total and net medical cost per employee and covered employee, costs as a percentage of salary, contribution levels, Relative Benefit Values (RBV), and plan features such as co-pay levels, deductibles, and co-insurance for each major medical offering. In addition, data was collected and compiled for life insurance, disability insurance, dental insurance, and retirement plans.

CTHRA retained Willis, a leading global financial and human resource consulting firm and insurance broker, to conduct the survey on its behalf. Nineteen industry employers participated including Bright House Networks, Cablevision Systems Corporation, Charter Communications Inc., Comcast Cable Communications Inc., Insight Communications Company, Time Warner Cable Inc., A&E Television Networks, CBS Corporation, Crown Media Holdings-Hallmark Channels, C-SPAN, Discovery Communications Inc., Home Box Office Inc., HBO Latin America Production Services, NBC Universal, Rainbow, Scripps Networks, Starz

Entertainment, The Weather Channel, and Turner Broadcasting System Inc. The confidential survey data was separated into two participant categories: multiple system operators (MSOs) and programmers (cable and broadcast networks), and each participant received a detailed report including the median, average, high, and low for each metric, as well as the participating company's data for comparison purposes.

"Each year, in preparation for Discovery Communications' Open Enrollment process, we go through a comprehensive analysis of our benefits programs to determine whether or not changes are needed. CTHRA's 2011 Benefits Survey was an important analytical assessment tool for us. It provided a unique opportunity for us to quantify our total medical benefit spend relative to our peers in the industry. It not only helped us understand our relative benefits costs but it also established a quantifiable benchmark to compare the "value" of our benefit offerings with peer companies. To top it off, data submission for the survey was probably the most user-friendly process we've ever experienced. It took less than two hours of our staff's time to complete the survey," stated Ted Stewart, retired senior vice president of total rewards/human resources for Discovery Communications.

### **Standard Benefits**

Because employees view benefits as a critical component of their overall compensation plans, nearly every employer in the industry offers the same core package. All 19 of CTHRA's survey respondents offer medical coverage, dental coverage, life insurance, accidental death and disability (AD&D), long-term disability (LTD), and a retirement savings plan.

"Offering a competitive benefits program puts industry employers in a better position to attract and retain key talent," shared CTHRA's Williams. She also noted that companies differentiate themselves by providing onsite wellness centers, children's day care centers, concierge services, and perks.

"Overall, we were very pleased with CTHRA's Benefits Survey. The results confirmed many of our assumptions, but it also provided new benchmark information. Participation in the survey gave Discovery Communications a higher level of confidence about the competitiveness of our benefits offerings. The information from the survey will be a helpful design tool as we continue to fine tune our programs to provide added value for our employees," Stewart added.

### **Healthcare**

In an era of skyrocketing healthcare costs, medical insurance is probably the most highly valued benefit among the workforce. Consequently, it is uniformly offered by all industry employers participating in CTHRA's survey. The most prevalent forms offered are Preferred Provider Organization (PPO) and Point of Service (POS) plans, but a few companies offer Health Maintenance Organizations (HMOs) or Exclusive Provider Organizations (EPOs).

On average, CTHRA's survey respondents spend approximately \$10,000 on medical costs per eligible employee. However, CTHRA's Benefits Survey found that in some aspects of their healthcare expenses, MSOs and programmers differed widely. For example, MSOs' average

net medical cost was 18 percent of the average employee salary (average salary represents the total payroll divided by the number of employees), and for programmers it was 9 percent.

In their medical contribution targets (the employer's estimated cost sharing with employees for both employee and dependent contributions in total), the findings for MSOs and programmers were much closer. Among MSOs, the employer's share of medical coverage is 82%, for programmers it is 78 percent.

## **Retirement Plans**

Next to health benefits, retirement plans rank high on most employees' must-have lists.

As a result, 100 percent of CTHRA's survey respondents provide one. There are two types of retirement plans: a Defined Contribution (DC) retirement plan where the payout is determined by the amount contributed into the plan (such as a 401k), and a Defined Benefits (DB) plan, a more traditional pension plan where payouts are determined by personalized factors such as length of employment.

The majority of CTHRA's survey respondents, 67 percent of the MSO survey participants and 62 percent of the programmers, offer defined benefits plans. In addition, 18 of the 19 survey respondents also offer a DC retirement plan. However, employers vary in the time they require employees to be on the job before they become eligible to participate in a DC plan. Half (50 percent) of the MSOs surveyed enroll new hires immediately, 33 percent offer participation in the first 90 days, and 17 percent require employees to serve 90 days before they begin to receive benefits. On the programming side, 54 percent of those surveyed provide enrollment from day one, 8 percent allow employees to participate 30 days after they join the company, 15 percent require two months on the job, and 23 percent stipulate a 90-day waiting period. Individual employers also differ in their matching contributions for DC plans. However, CTHRA's survey determined on average MSOs matched \$3,600 per employee contribution and programmers matched \$4,145 per employee.

"It was interesting to compare the CTHRA survey data with other national surveys. On the surface, in terms of raw cost numbers, it was reassuring to see that the surveyed group of CTHRA participants had medical costs in line with other major survey norms. However, the variance in design among the members was striking, and those with the richest benefits did not necessarily have the highest cost plans. All of this goes to underscore the importance of fully understanding data when making design decisions," shared Bill Danish, senior vice president, of Willis.

CTHRA will provide an Employee Benefits Webinar on August 9 at noon Central Time during which the data from its survey results will be discussed in detail. For more information and online registration, please visit [http://www.cthra.com/educational\\_events.php](http://www.cthra.com/educational_events.php).

## **DEFINITIONS FOR CTHRA'S 2011 BENEFITS SURVEY**

**Covered Employees:** employees electing coverage

**Covered Participants:** the total number of individuals (employees and dependents) covered under the plan

**Eligible Employees:** all active benefit-eligible fulltime hourly and salaried non-bargained employees

**Net Costs:** total costs less employee contributions

**Relative Benefit Values:** actuarial benefit values based on plan design features and like demographics. A higher RBV represents a richer plan design.

**Total Costs:** total costs for coverage (claims and administrative costs)

### **About CTHRA**

The Cable and Telecommunications Human Resources Association (CTHRA) is the premier human capital resource for the industry and a growing nonprofit organization with more than 1,900 members spanning 100 companies. CTHRA provides industry-specific benchmarks, information and resources, as well as networking and educational opportunities. Its groundbreaking initiatives include compensation, employee benefits, and human capital metrics surveys, an Annual HR Symposium, roundtables and webinars. For more information, visit [www.cthra.com](http://www.cthra.com).

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