

Questions to ask before you say ‘Yes’

By **Christina L. Greathouse, PhD**

In the excitement of receiving an appealing job offer, often the only things people remember to ask are, “How much does the job pay?” and “When can I start?” However, as savvy job seekers know, there is much more to consider than direct compensation. The difference between a good offer and a great offer often comes down to the indirect compensation or benefits. So before you sign on the dotted line, make sure you have the information you need to accurately assess the quality and range of employee benefits the organization offers.

Much of the information you will need concerning health, disability, life, retirement, and other benefits can be found in the organization’s standard benefits brochure you received during the interview or along with your offer letter. Read this material carefully and ask for clarification or more detail if necessary. A detailed list of questions to ask can be found online at www.pharmacist.com/articles/C_t_0006.cfm.

Health insurance

When assessing medical and dental insurance plans, the more choices a plan offers, the better. Many employers offer a choice between a traditional indemnity plan, which allows you to visit any doctor you wish, and a managed care plan, which restricts your choice of doctors but lowers your out-of-pocket costs. Best of all is a flexible benefits plan that allows you to spend your health benefits dollars any way you wish. Also, look for a plan that offers prescription drug coverage and vision care.

Most organizations require employees to contribute something toward their health insurance coverage, both for themselves and their dependents. In lieu of high premiums, a plan may require a higher co-payment, deductible, or maximum out-of-pocket expenses. Medical costs have skyrocketed in recent years, and in some fashion or another, employers have had to pass that cost along to employees. So look at all costs combined. If the premiums are low, co-payments and/or deductibles may be high. If you do not visit the doctor often, this might be preferable. If you make frequent visits or take many costly medications, higher premiums and lower out-of-pocket costs might be better.

What if you can’t work?

If you were unable to work for a period of time, how would you support yourself? Most people do not give a lot of thought to disability insurance, particularly when they are just starting their careers. However, the chances you will need disability insurance are much greater than the chances you will need life insurance.

There are two types of disability insurance, short-term (STD) and long-term (LTD). STD usually provides salary continuation for up to 90 days if you become ill or have an accident that prevents you from working. After 90 days, LTD kicks in. The best

plans cover at least 60% of your salary while you are disabled. Keep in mind, however, that disability benefits are taxable if the premium is paid by your employer.

When evaluating both STD and LTD plans, ask about the waiting period before you start to receive benefits. The best plans have short waiting periods. The ability to purchase additional LTD insurance is also attractive, since coverage offered in a standard plan might not be adequate to meet your expenses. Finally, look carefully at the how the plan describes disability. Inferior plans require that you be totally unable to work at any job, while the best plans simply require you to be unable to work in your chosen profession.

Life insurance and retirement

Evaluating life insurance is fairly simple. The more the plan pays upon death, the better. Having the option to purchase additional life insurance is also attractive since many people want more coverage than is provided in a standard plan, particularly if they are the sole breadwinner in their family.

Retirement plans are often difficult to evaluate. But, a good retirement plan can be worth 10% or more of your salary, so it is well worth your time to analyze it carefully. The keys to a good retirement plan are flexibility and portability. In addition, the most attractive plans include a significant employer contribution, with or without the requirement that you contribute as well. Being able to access the funds in your account is also important. Some organizations allow the employee to own, or is vested in, his or her fund immediately; others require 5 years employment with the organization before 100% ownership.

Taking days off

There are two key questions to consider when evaluating leave policies: How many days are offered, and can leave be accumulated and carried over and/or be converted to cash? In addition, you may want to inquire about special leave, such as for jury duty, bereavement, or maternity/paternity. Progressive organizations often offer combined vacation, sick, and other leave, which they simply call “paid time off.” This provides more flexibility.

Employers may also offer a host of other benefits, which should be evaluated according to your needs and interests. For example, if you work in a city and parking is at a premium, paid parking may be worth up to \$200 a month. Similarly, if you are earning an advanced degree, tuition reimbursement might be a critical benefit. Less tangible, but perhaps just as valuable, are benefits such as telecommuting, flex time, and casual dress codes.

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