

Student name: _____

Flexible benefits plans enable employees to choose from among a set of benefits and different levels of these benefits.

true

false

Cost-of-living adjustments (COLAs) are based on changes in prices as indexed by the consumer price index.

true

false

The Fair Labor Standards Act first legitimized bargaining for employee benefits.

true

false

Flexible work schedules are considered part of accommodation and enhancement benefits packages.

true

false

The U.S. federal government requires that most employers, employees, or both make contributions so that certain government-sponsored benefits can be provided—referred to as “welfare practices.”

true

false

The Federal Insurance Contributions Act (FICA) helps support the Old-Age, Survivor, and Disability Insurance (OASDI).

true

false

Employer-sponsored disability insurance is less encompassing than workers' compensation.

true

false

Defined benefits plans, defined contribution plans, and hybrid plans are types of health care funding plans.

true

false

Competitive strategy refers to the series of judgments, made under uncertainty, that companies direct toward making strategic decisions.

true

false

The top-down approach to strategic benefits planning is a reactive process that evaluates the benefits program only after problems arise.

true

false

Incentive-pay only rewards employees for completely attaining predetermined work objectives.

true

false

Workers' compensation insurance programs, run by the federal government, are designed to cover employee expenses incurred in work-related accidents and injuries.)

true

false

Most unionized private-sector and public-sector organizations continue to base salary on seniority.

true

false

Total compensation represents both core compensation and employee benefits.

true

false

Strategic benefit plans describe the use of compensation and benefits practices that support both HR strategies and competitive strategies.

true

false

Unemployment insurance is funded solely by the Federal Unemployment Tax Act (FUTA).

true

false

Core compensation programs reward employees according to their job performance levels or for acquiring job-related knowledge or skills.

true

false

Employee benefits represent compensation other than wages or salaries.

true

false

Employees' knowledge and skills are said to generate human capital for firms and are the basis for incentive-pay.

true

false

The Social Security Act was enacted due to the effects of WWII.

true

false

Union workers cannot negotiate paid time-off benefits.

true

false

Employers are free to offer discretionary benefits but specific laws influence the application of these practices.

true

false

Benefits are defined as compensation that includes wages and salary as well as other services.

true

false

Benefits professionals craft benefits strategies based on information contained in strategic benefit plans.

true

false

Vacations are a type of accommodation benefit.

true

false

Protection programs most closely parallels legally required benefits.

true

false

Person-focused pay rewards employees with periodic additions to base pay, according to length of service.

true

false

Workers' compensation laws are state laws.

true

false

Life insurance is considered an accommodation and enhancement benefit.

true

false

Employees are most likely to endorse benefits that fulfill their needs.

true

false

Incentive pay is a permanent increase of compensation based on individual goal achievement.

true

false

In financing discretionary benefits, employers always pay the total cost incurred.

true

false

During the 1940s and 1950s, companies expanded their discretionary benefits as an alternative to wage increases or as a motivational tool.

true

false

The existence of labor union has limited the use of welfare practices by companies.

true

false

Health care was a discretionary benefit until passage of the Family and Medical Leave Act in 1993.

true

false

The COVID-19 pandemic prompted companies to consider more comprehensive wellness approaches in their strategic employee benefits planning process.

true

false

When paying for discretionary benefits, contributory financing is when the company and its employees share the costs.

true

false

Under the Patient Protection and Affordable Care Act, dental care is included under the required health care offered to employees.

true

false

The planned use of company resources to promote and sustain competitive advantage is referred to as competitive strategy.

true

false

Total compensation strategies detail different scenarios that may affect the company, emphasizing long-term changes in how a company's benefit plan operates.

true

false

Which of the following is NOT one of the fundamental roles characterizing benefits programs?

Accommodation and enhancement

Paid time-off

Protection programs

Total compensation

Which of the following adjustments to core compensation rewards employees for acquiring new knowledge and skills through designated curricula sponsored by an employer?

Merit pay

Person-focused pay

Seniority pay

Incentive pay

Discretionary benefits can be categorized into programs that

Protect health and income, provide job security, provide accommodation and enhancement benefits

Provide job security, protect health and income, allow for paid time-off

Protect health and income, allow for paid time-off, provide accommodation and enhancement benefits

Provide job security, allow for paid time-off, provide accommodation and enhancement benefits

Which of the following is NOT an example of a discretionary benefit?

Retirement plans

Workers' compensation

Life insurance

Paid vacations

Which two are the possible approaches that can be used in strategic benefits planning?

Backing-out & top-down

Backing-in & top-down

Backing-up & top-in

Backing-down & top-in

Which of the following laws does not mandate legally required employee benefits?

Social Security Act

Family and Medical Leave Act

Civil Rights Act

Patient Protection and Affordable Care Act

During the COVID-19 pandemic, many companies chose to adjust their discretionary benefits to include more of which type of benefits?

Disability insurance

Protection programs

Retirement plans

Wellness programs

The Family and Medical Leave Act (FMLA) permits employees which of the following?

12 work weeks of paid leave during any 12-month period

10 work weeks of paid leave during any 12-month period

12 work weeks of unpaid leave during any 12-month period

10 work weeks of unpaid leave during any 12-month period

When considering information used in strategic planning, which of the following options is not considered an external environmental factor?

COVID-19 pandemic

Collective bargaining agreements

Government regulation of employee benefits

Employer costs for compensation and benefits

In which social context were workers' compensation laws enacted?

Post-Depression

Post WWII

Industrial expansion in the early 1900s

The end of the 19th century when no laws ensured worker safety

What are the four main classes of health insurance programs that employers have to choose from to offer its' employees?

Fee-for-service plans, alternative managed care plans, point-of-service plans, consumer-driven plans

Consumer-driven plans, point-of-service plans, alternative managed care plans, person-focused plans

Fee-for-service plans, substance abuse plans, point-of-service plans, alternative managed care plans

Point-of-service plans, consumer-driven plans, alternative managed care plans, flexible benefits plans

Which common feature of a benefits plan allows companies to limit benefit participation to current employees?

Noncontributory financing

Point-of-service plans

Eligibility provisions

Wellness programs

Which of the following adjustments to core compensation and not a permanent pay adjustment?

Incentive pay

COLAs

Merit-pay

Seniority-pay

Which three are the three fundamental roles that characterize discretionary benefits?

Protection programs, paid time-off, retirement programs

Protection programs, paid time-off, accommodation and enhancement programs

Paid time-off, accommodation and enhancement programs, retirement programs

Retirement programs, protection programs, accommodation and enhancement programs

Flexible benefits allow employees to do which of the following?

Choose which benefits they want and at what level

Only choose the level of benefits they want

Only choose which benefits they want

Choose whether they want all base pay or pay and benefits

Companies can generally choose from which four programs for financing their discretionary benefits plans.

Noncontributory, contributory, employee-financed, a combination of the other three

Alternative managed care, contributory, employee-financed, a combination of the other three

Employee-financed, noncontributory, voluntary benefits, a combination of the other three

Flexible benefits plans, contributory, employee-financed, noncontributory

Profit-sharing payments are examples of which type of core compensation package?

Incentive pay

Merit pay

Person-focused pay

Seniority pay

Which of the following are the three main types of retirement programs that companies can offer?

Employee-financed plans, defined benefits plans, hybrid plans

Hybrid plans, defined contribution plans, employee-financed plans

Defined contribution plans, employee-financed plans, defined benefits plans

Defined contribution plans, defined benefits plans, hybrid plans

Which two make up the internal environmental factors?

Labor force demographics, governmental regulations

Mergers and acquisitions, labor force demographics

Governmental regulations, collective bargaining agreements

Workforce demographics, collective bargaining agreements

The Social Security Act of 1935 set up which two programs?

Retirement income & unemployment insurance

Medicare & disability insurance

Disability insurance & retirement income

Unemployment insurance & Medicare

Which of the following is an internal environment factor used for strategic benefits planning?

Government regulation of employee benefits

Employer costs for compensation and benefits

Economic conditions and forecasts

Workforce demographics

Which of the following is not a fundamental employee goal?

High wages

Leadership

Job security

Safe working conditions

Which of the following is not an example of an accommodation and enhancement program?

Disability insurance

Tuition reimbursement

Family assistance

Stress management

In 2021, benefits accounted for what percentage of total compensation costs in the private sector?

29.6%

25.5%

20.3%

10.7%

In 2020, about how many million persons were employed by private sector companies?

90 million

122 million

118 million

125 million

Briefly describe the origins of employee benefits in the United States.

List and briefly describe the seven common features of employee-benefits programs.

Discuss the influence of external market conditions on strategic benefits planning of companies.

Briefly discuss the adjustments to core compensation a company may choose to provide for its employees.

Answer Key

Test name: CH1 Employee Benefits E7

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