

Exercise 8.1. Smokers Need Not Apply

To lower health insurance costs and encourage employee wellness, many employers are refusing to hire smokers. Baylor Health Care Systems in Texas no longer hires smokers, made its facilities smoke free, and imposes a health insurance surcharge on employees who smoke. The Cleveland Clinic also will not hire smokers. Years ago, the Florida Supreme Court upheld the right of Florida sheriff departments to discriminate against smokers. Tobacco is addictive and can be attributable to 450,000 deaths per year.

In twenty-one states, it is lawful for employers to refuse to hire smokers. They include Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Maryland, Massachusetts, Michigan, Nebraska, Ohio, Pennsylvania, Texas, Utah, Vermont, and Washington.

Questions

1. Do you think employers should be permitted to discriminate against smokers during the recruitment process? Is it fair to ask incumbent employees who smoke to pay more for health insurance?
2. Conduct research on smoker cessation plans. Do you think it is an employer's responsibility to offer them? Explain your positions.

Sources: Hanna (2012); Smokers need not apply (2012).

Exercise 8.2.**Public Pensions Are Undergoing Changes**

States and local governments across the country are attempting to make changes to their retirements systems. In some states where only employers were required to contribute to retirement systems, now employees are being required to contribute a percentage of their annual salary to retirement. Other changes include asking employees to contribute more than they have in the past. Some public employers have eliminated defined-benefit retirement systems for new employees and offer only defined-contribution plans. Some plans are requiring new employees to work longer before they are vested in a retirement plan, and some employers have raised the age for employees to be eligible to collect their pensions.

Question

1. If you are working for an organization that offers a pension/retirement plan, review the terms of the plan and answer the following questions:
 - a. How many years do you have to work for that organization to be vested in the plan?
 - b. At what age can you receive the pension?
 - c. Does the employer, the employee, or both contribute to the plan?
 - d. Using your current salary, based on the plans provisions, what would be your monthly and yearly pension benefit?