



Michigan Bankers Association

507 S. Grand Ave.
Lansing, MI 48933
www.mibankers.com

517-485-3600
Fax 517-485-3672

March 9, 2010

The Honorable Michael D. Bishop
Chairman of the Senate Reforms and Restructuring Committee
State Capitol
Lansing MI 48909

Dear Senator Bishop:

The Michigan Bankers Association appreciates the opportunity to comment on the issue of current trends for employee benefits. Since 1936, the Michigan Bankers Association has surveyed base pay and incentive information that banks offer their employees. For the calendar year 2008, which is the most recent year of data available, the MBA Compensation and Benefits Survey contained information for over 90 positions and a multitude of information relating to employee benefits. This is the most comprehensive survey of Michigan banks with 70% of our banks providing data. Of the banks participating in the survey, the largest was a Michigan headquartered bank with nearly \$4 billion in assets.

This survey is not a public document, but I wanted to share with you some important findings. Approximately, 40% of Michigan banks offer a high deductible health plan that is coordinated with either a Health Savings Account or Health Reimbursement Arrangement. Banks pay nearly 80% of the billed premium for their employees. The average premium for a single employee is \$302 per month. The MBA fully expects that these figures will be higher for 2009, especially the percentage of banks offering Health Savings Accounts and Health Reimbursement Arrangements. Participants reported that they increased pay to current employees at a median rate of 3% in 2008 and planned to significantly lower increases of only 2% for 2009. More than a quarter indicated no plans for increases in salaries for 2009.

Our 2010 survey is in process as we speak and I would be happy to share with you a similar summary when it is complete. But nonetheless, Michigan banks and businesses in Michigan have been adjusting pay and benefits in response to the economic climate. I hope this information is helpful as you debate employee benefits for the public sector.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Joelle Demand', is written over a horizontal line.

Joelle Demand
Policy Director

CC: Members of the Senate Reforms and Restructuring Committee