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## Get Employees the Right Information

Economic conditions and governmental requirements are leading many employers to make changes to current employer-provided health plans, but a recent Rand study found that, even when these changes offer improved benefits to employees, the message is being lost.

For example, a typical key offset for the higher deductibles of high-deductible health plans is 100% coverage of preventive care, such as physicals and screenings. Yet the study found employees subject to such plans often cut back on taking advantage of such care. Why?



According to Rand, those employees didn't realize that high deductibles did not apply to these services—that these services were in effect “free” to the insured.

If employees feel every benefit change is made only to improve the employer's bottom line on the back of the workforce, your benefits plan isn't functioning the way it should.

Take steps to be sure your valuable benefit plans are gaining you every advantage possible. Our professionals are ready to work with you on getting your message out.

## Small Firms Missing Out on Voluntary Value

In what seems a confusing, unsettled health benefits environment, many small employers are evidently overlooking a major potential light in the darkness: voluntary benefit programs. Unlike programs purchased by the employer, which have various levels of cost shifted to the employee, voluntary benefits fees are typically 100% borne by employees.

Such a cost burden may seem like a deal-breaker for employees in this economic environment, but a recent major insurance study of employees at small firms found a

quite different picture:

- Over half say they would be likely to purchase voluntary benefits if offered.
- Some 58% say such benefits would provide more comprehensive coverage and/or better allow them to meet individual needs.
- Only 38% are currently offered voluntary benefits by their employer.

How would your employees respond? To discuss starting, or adding to, a menu of voluntary benefits for your workers, schedule a time with your benefits advisor today.

## Are High Deductibles the New Norm?



Have you been considering whether a high-deductible health plan is right for your workplace? That seems to be the trend.

A recent Towers Watson survey found that 70% of large companies are planning to offer high-deductible insurance by 2013. For nearly a fifth of companies surveyed, high-deductible coverage—often called “consumer-driven health plans” or CDHPs—would be the only option in 2013.

These plans come with numerous savings options, and they can be complemented with other insurance that pays for bills that aren’t covered by the plan—including the deductible itself. If you choose a high-deductible plan through us, we can help you set up appropriate employee savings plans that are funded by you, by the employee, or by a combination of the two. We can also talk to you about group medical gap insurance, accident insurance, and disability insurance, all of which can be offered on a voluntary basis.

## Add Self-Service to Your HR Administration

Is your human resources department laboring under the load of employee requests for information on benefits, guidelines, approvals, qualifications, reimbursements and the like? Employees need answers to many benefits questions, but sometimes the workload of simply responding to such requests is overwhelming.

Enter the self-service portal. Many benefits providers now offer self-serve Internet access to employee accounts and plan information.

Advantages of using a portal include:

- Getting users up and running quickly with the help of

user-friendly interfaces

- Streamlining personnel and managerial transactions with employees
- Allowing employees and managers to update information on their own, which cuts down on admin costs and implementation delays.

Be certain that any portal solution you consider interacts seamlessly with your current technology/back-office systems. If you and your HR personnel feel a self-service portal may be a good option for you, start by talking to our benefit professionals about what self-service solutions are currently available that coordinate with your benefit plan providers.

## Turn Hibernation into Winter Wellness

Your employees should know that living a healthier lifestyle can cut costs on medical bills, health insurance and life insurance.

Still, chilling winds and less daylight during the winter months tend to send people scurrying indoors to a life of hibernation and inactivity, resulting in a dual blow to wellness: less exercise and overeating.

A wellness benefit plan can come to the rescue. It can help employees stay warm and healthy and save both them and you money. Here are a few reasons to start a wellness benefit at your workplace:

- Improved morale resulting from positive lifestyle changes
- Employees working together to obtain both individual and group goals
- Lowered medical costs
- Lowered overall health insurance rates
- Increased productivity
- Fewer on-the-job illnesses and injuries.

Employers looking for suggestions on how to facilitate a program should start by talking with us about your current group health insurance provider’s wellness programs. We can also help you with plan administration.



## FMLA Can Yield Employment Practices Claims

Many employers are hauled into court over violations of the Family Medical Leave Act, where it is discovered that their requirements for employee health leave are either (1) not in compliance with FMLA requirements and/or (2) not clearly explained to employees.

For example, the FMLA states it is “unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise” any FMLA right. If an employer has a policy that any employee taking medical leave from work must provide a physician certification of the validity of the condition, the company could be walking a fine line between smart verification practices and running afoul of the law.

If an employee claims multiple



separate absences from work over a period of time and the employer requires written notes from a physician for each of those separate

absences verifying they relate to the same approved leave, the employer could well be in violation of the FMLA. A recent United States District Court ruling came to exactly that conclusion.

Talk with your legal counsel about your current medical absence and leave requirements. What is a perfectly valid guideline under most circumstances may be considered unlawful under others. Violations can lead to serious and costly employment practices liability claims.

## 401(k) Under-Enrollment

If employee uptake of your 401(k) plan is low, consider automatic enrollment with an opt-out provision. An Employee Benefit Research Institute 2012 survey indicates use of 401(k) plans is not as high as it could be.

- Fewer workers this year report that they and/or their spouse have saved for retirement (66%, down from 75% in 2009).
- Fewer workers say that they and/or their spouse are currently saving for retirement (58%, down from 65% in 2009).

• An increased percentage of workers report they have virtually no savings and investments: 30% say they

have less than \$1,000 in savings.

- 60% of workers report that the total value of their household's



savings and investments, excluding the value of their primary home and any defined benefit plans, is

less than \$25,000.

- Less than half of workers (42%) report they and/or their spouse have

tried to calculate how much money they will need to have saved for a comfortable retirement by the time they retire.

The Department of Labor says that automatic enrollment can cut non-participation by 50%. Set-up is similar to a standard 401(k) but with notice of auto enrollment and opt-out procedures provided to employees. Auto enrollment can

also be used in 403(b) and 457(b) plans. Give us a call to talk about the details.

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**Thank you for  
your referral.**

If you're pleased with us,  
spread the word! We'll be  
happy to give the same great  
service to all of your friends  
and business associates

## **Financial Planning Is More Than a 401(k)**

While much has been made about the large percentage of employees who are far short of the funds needed for retirement, many employers are missing the boat in terms of offering benefits that enhance employees' future asset holdings.

A 401(k) is an excellent basic benefit employers can offer, but there are many more options that you can add to your benefits menu, all of which can build retirement assets for your employees. A sampling includes annuities, life insurance and individual retirement accounts (IRAs).

You might also consider providing periodic financial planning seminars or advice to your staff. We can arrange group meetings or invitations to webinars that give your employees an opportunity to learn more about their future needs and investment vehicles that meet those needs. Give us a call to find out more about broadening your financial benefits.