



## Providing Discount Services to Employees

Budget cutting might mean discontinuing some benefits or raising co-pays and deductibles, but it doesn't have to mean the end to other kinds of perks.

*The Wall Street Journal* offers the following suggestions on less expensive (in some cases, free) benefits that employees may greatly appreciate:

**Make the Call**—If you are discontinuing vision or dental care, contact local eye care and/or dental offices and ask if they will negotiate discounted services for your staff.

**Fitness and Health**—Consider opening a group account at a local fitness club.

Many fitness centers offer discounted memberships on group accounts. Some may cost employees as little as \$10/month.

Contact local health centers about programs for health issues such as weight control or smoking cessation. Often, these programs are available free of charge if connected to a fitness club membership.

**Wholesale Club**—If there is a wholesale club in your area, a group membership is an inex-

pensive way to give your staff access to the many services available through the club, including discounted prescriptions and eye care. ■



## Automatic Enrollment Still Rising

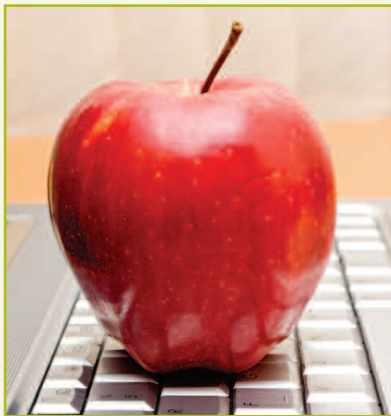
"It's really evolving into an automatic 401(k) world," says Liz Miller, senior consultant in the retirement practice of Towers Perrin. Miller is referring in part to recent data released by the Profit-Sharing/401(k) Council of America. The data suggest that more than half of large plans reported using 401(k) automatic enrollment, while the number of smaller plans doing the same almost doubled from 2006 to 2007.

Experts say that automatic enrollment increases participation rates in

401(k) plans from 75% to 90% depending on the industry. "It's very hard to save," says Pamela Hess, director of retirement research at Hewitt Associates, Inc. "People mean to save and they don't. Nothing moves participation rates like auto enrollment."

Are you still wondering if automatic enrollment is right for your firm's 401(k) plan? If so, give our service team a call. We can help you understand how this feature may enhance participation and increase retention for members of your team. Call today. ■

## Wellness Promos That Don't Break the Bank



In an era of cost cutting, some firms are looking to reduce healthcare costs by improving employee wellness.

To encourage employees to improve their health, some firms are picking up the tab for health screenings and encouraging exercise, smoking cessation and weight management programs. Some companies offer drawings for gadgets, gizmos and get-aways. Some offer less glitzy but still welcome walking time or fresh fruit and vegetables in the lunch/coffee area.

One firm started a step-it-up competition in which workers can purchase a USB-enabled pedometer and load their daily steps onto a website that compiles monthly totals. Participants compete with each other for coffee coupons and other low-cost bennies.

The logic behind the programs is simple: Show that you care about your employees' health, increase productivity and reduce health plan outlays, which can be a factor in your benefits plan costs. ■

## Wellness Programs for Retirees

For employers offering healthcare to retirees, wellness plans are not only a good idea, they are also welcomed by plan members.

Costly medical conditions among retirees add to the financial toll of retirement benefits. These conditions can sometimes be avoided or mitigated with lifestyle changes.

Many retirees, particularly those younger than 65, are embracing the opportunity since their portion of medical costs is also rising. They not only appreciate healthy-living programs; they also want information on provider quality, generics

versus brand-name medications, and chronic condition management.

Keep in mind the kinds of medical issues confronting your older employees and retirees: arthritis, osteoporosis, smoking-related conditions, cholesterol and other heart and vascular concerns, prostate cancer, and hearing and vision defects, among other problems. All of these can be addressed and the effects potentially minimized through healthy lifestyle adjustments.

Consider developing a plan for your retired and near-retirement employees. They will thank you for it! ■

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## Vision Benefits You Can Keep

Despite overall cutbacks in benefits, there has been little change in the number of employers offering a vision benefit.

Forty-nine percent of large employers offer vision care, as do 15% of small employers. In most cases, vision is an employee-pay-all benefit. Besides, vision benefits are not that costly to subsidize, so they are often not on the chopping block even if the employer is subsidizing them.

While costs may be small compared to other medical benefits, the benefits associated with vision care are extremely valuable. In addition to testing eyesight quality, eye exams can also serve as an early indicator of more serious illnesses



such as diabetes.

If your business is looking for lower-cost benefits to provide to staff and is not currently offering a vision care program, call our service team today. We can help you find a plan that is right for your firm. ■

## GAP Plans

Many employers are saving on medical insurance spending by transitioning employees to high-deductible health plans (HDHPs). Unfortunately, individual and family deductibles can be too high for many of the employees with only an HDHP available.

To assist with some of these high deductibles, many health insurance providers offer GAP plans as well as other products, such as critical illness and accident coverage.

For example, a GAP plan might insure a portion of a high deductible for hospital indemnity up to a specified amount—some as

high as \$5,000. Some GAP plans also offer assistance in paying a portion of the cost for doctor visits,



outpatient care, testing and other costly services that might not reach the HDHP deductible.

A critical illness policy is one that

provides a lump sum to cover the cost of treatment if the employee is diagnosed with a critical illness, such as cancer, until the deductible on the HDHP is met. An accident policy works much the same way in response to medical expenses relating to accidents.

Many employers are discovering that the cost to provide an employee with an HDHP along with one or more of the aforementioned plans can be less expensive than covering the same

employee through a more traditional medical plan.

Call us if you are interested in looking into your alternatives. ■

## Employer-Based Disability Insurance

**W**hen people think of employee benefits, the first thing that comes to mind is probably health insurance. But there's another insurance that could be critical: disability.

Most Americans don't believe they will become disabled, but the truth is that workers have at least a 30% chance of becoming disabled before retirement age. Social Security isn't a great answer either. The restrictions are tight, and waiting periods are long.

Disability benefits can start with a set term of available, paid sick leave and can extend to include disability insurance, both short-

and long-term.

Typical long-term disability insurance will replace about 60% of a worker's usual salary. The benefits normally start when

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short-term benefits are exhausted (but sometimes they stipulate a waiting period of 3, 6 or 12 months before payments start), and they can last for years or for life. The longer the waiting period, the lower the premium in

most cases. Normally, group long-term disability insurance is fully paid for by the employer, with no employee contribution.

There are numerous disability insurance options for you to explore, such as short- and long-term, critical illness insurance, and accident insurance. There are also funding options, including employer-paid or employee-pay-all. Some insurers offer medical and disability management to aid recovery.

Call our offices to see if this important coverage is one that your business can offer. It's key to the financial security of many working Americans. ■

**Thank you  
for your referrals.**

If you're pleased with  
us, spread the word!

We will be happy  
to give the same  
great service to all of  
your friends and  
business associates.

## Deductibles on the Rise Nationwide

**A**fter checking in at \$500 for seven straight years, the median deductible for individuals covered by a preferred provider organization (PPO) plan jumped to \$1,000 in 2008, according to human resources consultant Mercer.

The research also indicated that smaller employers aren't as likely to offset some of the additional cost faced by employees by offering tax-advantaged accounts like health savings accounts (HSAs). Some cite the lack of resources necessary to administer HSAs as a reason for not offering them.

We can help. Our service team can walk you through the necessary steps and help your firm and staff start cutting medical costs today. ■

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