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Employee Benefits

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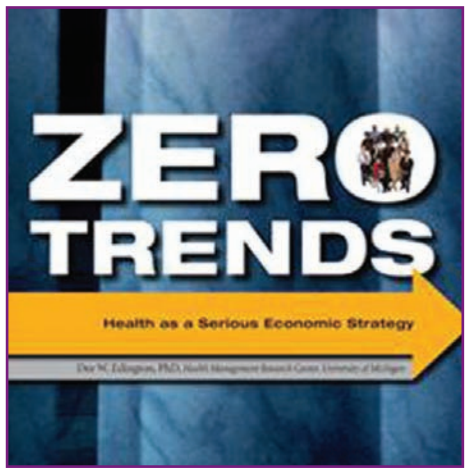
Healthy Workplace Ideas

The University of Michigan is offering a book that is based upon years of studying corporate benefit plans' strengths, weaknesses and outcomes. In *Zero Trends: Health as a Serious Economic Strategy,* Dee Edington covers the underlying problems of escalating healthcare costs, low productivity and the data-driven evidence supporting the business case for a change in workplace behavior.



Edington looks at the objectives of company-sponsored health management programs, their impact on healthcare costs, and their fundamental ingredients. From there, he arrives at a three-pronged set of goals for future healthcare benefit program success:

- Don't get worse
- Keep healthy employees healthy
- Create a culture of health.

A roadmap for business and health plans and practitioners of health promotion programs, *Zero Trends* may help you in crafting an effective workplace wellness plan that can not only help keep your employees healthy, but also contain your healthcare costs and improve productivity.

To learn more about the book and its possible application to your workplace, access a video and executive summary at www.hmrc.umich.edu/content.

IRA Assets from Old Jobs

When employees who participate in a 401(k) leave their employer, what do they do with those plan assets? According to the Employee Benefit Research Institute (EBRI), a significant percentage simply spend the money. Others leave the assets under the custody of the former employer's fund manager.

Many people say that confusion over what alternatives are available and what procedures are necessary to effect the tax-free transfer of assets to new funding vehicles is their reason for not rolling funds over.

Have you offered a rollover option not only to your new employees but also to those experienced personnel who may still have active accounts with a former employer?

Talk with your current retirement benefits advisor about assisting these employees with rolling over their funds to your current plans. Employees will gain the benefits of combining assets into a single account while avoiding tax penalties, and you'll gain plan assets along with a happier employee.

Make Vision Care Easy to Access

Recent studies all reveal a clear trend: Vision care is steadily taking its place as a major benefit offering. Employees increasingly ask for it, and employers increasingly provide it.

Yet the benefit is only as good as the ease of access to doctors and optical care providers. Many benefits companies have established alliances with professional eye care specialists and leading retail optical locations. Using these partnerships, employers give employees more choices and access to private practices and/or convenient retail locations. Expanding care-provider options also allows employees to shop around for coupons and discounts.

At the same time, employers get the credit for increasing the usability of a benefit many employees now rank alongside prescription drugs and dental care as a key need beyond medical coverage.

Contact us for more information on how to improve your vision care offerings.

Voluntary Benefits for Younger Employees

Accidents and complications resulting from them are the leading cause of death for Americans under the age of 45. In light of these statistics, it makes sense to consider (or reconsider) accidental death and dismemberment insurance (AD&D) as an integral part of your benefits program, especially for younger employees.

Basically, AD&D pays the insured person or beneficiary a set amount of money if the insured's death or dismemberment is the direct result of an accident. Typically, in the event of a fatal accident or an accident that results in the insured losing eyesight, speech, hearing or a limb, AD&D pays a specified amount. For example, if the insured loses one member (a hand, foot, limb, sight in one eye, speech or hearing), the insurance company will usually pay 50% of the full benefit. If two members are lost, the insured will receive the whole benefit. Coverage amounts for partial or complete paralysis vary, but are usually 25% or 50%.

The restriction of coverage to only those deaths or injuries resulting from an accident makes AD&D narrower than full life or major medical coverages. But as a part of an overall benefit program, AD&D may be well worth a discussion with your benefit care provider.

Encourage Responsible ER Use

Emergency rooms (ERs) have long been the location of choice when employees suffer unexpected injuries or illness.

And when facing a life-threatening situation, such as chest pain or a sudden and severe pain, the emergency department of the nearest hospital is the only option. Yet for a sprained ankle, minor burn, animal bite or ear infection, patients may end up waiting for many hours in the emergency room and paying hundreds of dollars.

When the condition is not a life-or-death emergency but still requires immediate attention, an alternative to the ER is an urgent care facility. Covered under many health plans, these facilities are typically open for extended hours and can treat patients more quickly than ERs.

If urgent care is covered under your health plan, encourage appropriate use of these facilities by providing employees with a current listing of those in your area. Consider posting it in community areas of your workplace, as well, so they become familiar and top-of-mind.

Help your employees get the care they need quickly, while saving both them and yourself money.

Hidden Fund Charges

When selecting a retirement investment advisor or mutual fund provider, it's important to ask the right questions and dig deep into financial statements to understand how fees affect your retirees' investments.

You may be paying charges that you didn't know about and don't follow.

Total fees paid are made up of three basic factors: (1) An asset-management fee or advisor's fee, which is usually a percentage of your assets; (2) fixed expenses, which are included in the annual expense ratio and cover the operating costs of the individual fund; and (3) brokerage commissions/trading expenses—the cost to the individual fund for buying and selling securities.

While the first two are disclosed in account documents, the third is often only detailed in the fund's Statement of Additional Information (SAI), which can be found at most fund websites but is not always mailed to the investor. Depending upon how actively the fund trades, these commissions can put a significant, yet often overlooked, drag on your earnings.

A professional and effective investment advisor is a valued member of your benefit team and should be paid for their services. Just be sure that you ask about your total costs and compare each segment to the competition. It's part of your fiduciary duty, and you can be held responsible for investment losses if you haven't been duly diligent.

Ask Employees What They Want

As part of your annual review of benefits, consider surveying employees on their healthcare needs and preferences. Following is a breakdown that might be useful for a questionnaire.

Costs:

1. We can offer savings in several different ways. Where would you most like to save: monthly premiums, co-payments, deductibles, out-of-pocket maximums?

2. Would you like a higher deductible if you could use a savings account funded by non-taxed money?

Coverage:

1. Rate the coverage most important to you: seeing a specialist, major surgery, prescription medications, pregnancy, preventive care.

2. Would you prefer to choose your own doctors and hospitals from a list of preferred providers or use any doctor or facility you like without concern for their participation in your plan?

Where would you most like to save?

Exclusions:

1. Some plans don't cover or don't completely cover some problems and procedures. Do you want coverage for any of the following: substance abuse, mental illness, elective or cosmetic surgery, or alternative therapies (e.g., acupuncture, massage, etc.)?

2. Do you have a pre-existing condition (e.g., high blood pressure, diabetes, multiple sclerosis, etc.)?

Wellness:

1. Would you be willing to participate in screenings, coaching and other wellness programs that address weight, smoking, cholesterol and other problems?

2. Would you be willing to contribute to some of the cost of any of these programs?

Tailor your list to best fit your needs. Once you know your employees' health profile and preferences, we can help you find a selection of compatible plans from which to choose.

Advantages of Actuarial Consultation

Any employer looking at benefit plan changes knows how complicated it is to compare the potential cost differences associated with different types of medical delivery systems, provider networks and fee schedules within similar systems, as well as variations between benefit plans.

Enter the actuarial accountant. Trained in the analysis of just such details, an actuarial accountant can advise you on issues like pricing, appropriateness of chosen benefits to your workplace needs, external audits of self-funded plans, how your actual claims experience compares to what's expected by the plans you are looking at, and actuarial studies of possible outcomes, such as best case, worst case and most likely results of implementing a given plan alternative.

Thank you for
your referral.

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