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Benefits for Working Women

Women hold a growing slice of wealth in the U.S. Trends in lifestyle and employment have more women working and earning a substantial income than ever. But the female workforce has aspects unique to its gender class.

High divorce rates, higher-than-historical percentages of single women, and a greater number of women with the higher paying jobs in the family mean that women often are the main source of benefits for a household. Moreover, women are increasingly responsible for retirement savings.

Because women tend to work fewer years than men, taking time out of the work force to

have children, supervise older children or care for elderly parents, their retirement savings may be significantly reduced. Additionally, in many households, a woman's salary is

completely consumed by daily expenses. An Oppenheimer Funds survey shows that, while 90% of women say retirement is their top financial goal, fewer than half participate in a retirement plan.

The working women in your office have concerns unique to their needs. Our agents can help you design health care, retirement sav-

ings plans and other benefit packages that serve this important segment of your workforce well. Call us to review your options. ■



Contribution Changes in 2007

To keep up with increases in cost of living, the Internal Revenue Service is raising limits of contributions to defined contribution plans and the amount of benefits funded through a defined benefit pension plan in 2007.

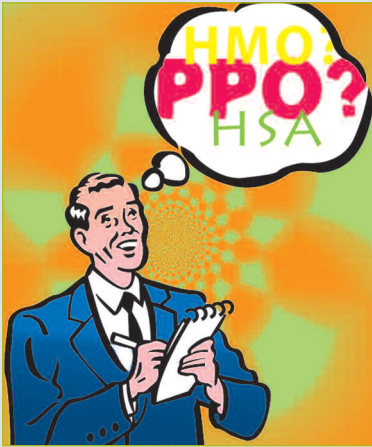
Increases include raising the maximum salary deferral to a 401(k) from \$15,000 to \$15,500. The maximum total contribution to defined contribution plans, including employer contributions, will rise from \$44,000

to \$45,000.

Additional increases include a raise in the maximum annual benefit that can be funded through a defined benefit plan from \$175,000 to \$180,000. The amount of employee compensation that can be considered in calculating pension benefits and contributions to defined contribution plans will also increase from \$220,000 to \$225,000.

For more information on these and other 2007 changes, visit the IRS Web site at www.irs.gov. ■

Is a PPO the Way to Go?



While consumer-driven health plans such as health savings accounts (HSAs) are gaining steam in the employer-sponsored health plan market, a majority of employers still prefer the preferred provider organization, or PPO, as their plan of choice.

According to a national survey conducted by United Benefit Advisors, LLC, 61% of employer-sponsored health plans are PPOs. 63.3% of employees are enrolled in them.

Other employer-sponsored health plans include health maintenance organizations, or HMOs, and traditional indemnity plans. However, these and other alternatives fail to share the popularity of PPOs. Many employers and employees prefer PPOs because they commonly offer higher coverage limits for various treatments and a larger network of providers.

How do you know if a PPO is right for your employees? To find out, call our service team today. ■

Cash-Balance Plans Might Discriminate

Another blow against employer-sponsored, cash-balance plans: Cash-balance benefit plans, when expressed as a retirement-age annuity, are age discriminatory, according to a federal judge in New York. The case involved a cash-balance benefit plan offered by JPMorgan Chase & Co., the nation's third largest bank. More than 1,000 U.S. employers sponsor similar plans.

The federal court decision was the first ruling in favor of those claiming the plans are age discrimi-

natory. Claims of discrimination came from older workers alleging the plans were discriminatory because younger workers were in a

better position to maximize the benefit than an older worker.

The federal court's ruling is reason for concern for all employers offering this kind of cash-balance benefit plan to employees.

Will this decision have an effect on other employer-sponsored savings programs? Keep up with the latest information by contacting our employee benefit professional regularly. ■

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A Steady Incline

Is it possible? Could this be good news from the health insurance front?

A recent survey by Mercer Health & Benefits, LLC, reports that health care plan costs will increase by an average of 5.6% in 2007. This would be one of the lowest increases in several years.

Why the steady incline? Major spikes in costs over recent years have forced many employers to explore new health plan designs and options. While many changes include shifting more costs to employees, new alternatives such as high-deductible plans linked to health savings accounts have helped to lower overall costs of benefits to employers.

With the growth of programs offering employees financial incen-



tives to use more cost-efficient services, employers are optimistic that escalating health costs will ease.

If you feel your current benefit plan has you on a collision course with affordability, it may be time to consider an alternative. For more information, call our service team today. ■

Is Automatic Enrollment in Your Future?

As an employer, do you often wonder why some employees choose to participate in and take advantage of their 401(k) while others don't? Piling savings into qualified investment alternatives and receiving contributions from employers seem like straightforward sales pitches, but a large percentage of employees are not enrolled.

U.S. Department of Labor statistics show that only 70% of employees eligible for a 401(k) plan actually participate. To encourage participation, many employers have expressed interest in automatic enrollment, an action encouraged by the White House to help more workers increase

retirement savings. The Labor Department believes automatic enrollment in 401(k)s could boost the



participation rate up to 90%.

But automatic enrollment plans have evolved slowly, due in large part

to employer fears of being sued by employees if the investment choices made on their behalf perform poorly. To remedy that, the current administration is pushing to limit an employer's legal liability from automatic enrollment if, among other requirements, employee contributions are invested in "qualified default investment alternatives." This protection could prove to be the deciding factor for many employers hoping to increase participation through automatic enrollment.

For more information on automatically enrolling employees into your firm's 401(k), call our service team today. ■

Tell Employees the Facts of Life Insurance

Many adults have no idea what the different types of life insurance coverage are, what different options they provide and how much is needed to care for a family.

Many employers include at least some life insurance in employee benefit plans—for example, a certain amount of term life, but this amount is usually chosen based on an "average" worker. Although employees have the option to increase coverage, statistics show that, of the adults who have life insurance, half do not know that their need for life insurance increases as their families grow. And more than half do not understand major differences in life products, such as term and whole life policies.

Often, due to confusion or lack of knowledge about products, enrollment periods pass without significant employee response. Make sure information is disseminated at the beginning of the enrollment/re-

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enrollment period. Use this kick-off time as an opportunity to educate employees. Some companies successfully use posters, mailings and e-mails to increase awareness.

To maximize the value of the life insurance your company offers, consider a seminar that educates your employees on the value of their benefits. We can work with you to set up a conference that will assist your employees in fully using their life insurance benefits package.

Insurers frequently have promotional and educational literature as well as Internet accessible resources. Some additional incentives to enrollment, such as automatic premium deductions, may also be available. Your agent will be able to show you those options. Contact our agency for help in getting the word out about enrollment and teaching your employees the facts of life insurance. ■

**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.

Getting Fully Funded

The Pension Protection Act of 2006 is the first major overhaul of pension rules in 30 years. The legislation closes loopholes that allowed companies to carry weighty debt while claiming pension soundness. It also gives companies seven years to fully fund traditional pensions with fixed benefits.

An annual review of your pension funding and liability load is always a great idea. If you are offering a pension plan, you will need to arrange for fully funding it if the plan is not already in compliance. Our team of benefit specialists can help. Call us to schedule an evaluation of your pension profile. ■
