

Employee benefits

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Smoking Out the Numbers on Smoking

Health problems caused by smoking increase health plan costs for employers and all insureds through policy premium increases. Employers seeking to control rising insurance costs have been exploring different methods of promoting healthy lifestyles that include the cessation of smoking.

Many states have “lifestyle statutes” that prohibit employers from discriminating against an employee or applicant based on that person’s behavior off the clock. These laws also protect an individual’s legal use of consumable products outside of work hours and off the employer’s premises.

Some employers are opting for education

over penalties. Cessation clinics, “smoke-outs” and heart-and-lung exercise campaigns can be coupled with healthcare cost education.

Employers can request a statement from their health insurer detailing the increased premium due to smoking and then share this information with employees. Some states allow employers to pass that additional cost along to those employees who smoke. Employers can review policy costs with employees and demonstrate the decrease in premium if they were



to quit smoking.

For more information about a course of action allowable by law in your state, call your health plan provider. ■

Use Open Enrollment to Boost Retirement Savings

Even when given the opportunity to invest in their retirement through employer-sponsored plans, such as a 401(k), more than two thirds (69%) of Generation Y workers do not participate. Reasons cited include confusion and lack of knowledge about the plans.

When was the last time you reminded your staff about the benefits of contributing to your firm’s deferred-compensation plan? Make it a point to remind young workers of this important savings opportunity and the simple steps for enrollment. Further, encourage

young workers to visit a financial education Web site like www.360financialliteracy.org.

Once employees are aware of your plan and are educated as to the benefits of saving, make open enrollment periods an occasion to play up the importance of saving for the future. Consider offering direct deposit into these accounts.

Our team can help you with educating your staff during open enrollment and with making depositing into a deferred-compensation plan easy. Call us to get more information. ■

Health Bennies for the Pets?



The American Pet Products Manufacturers Association reports that pet owners spent an estimated \$9.8 billion on veterinary care in 2007, up from \$7.1 billion in 2001. The average cost of a surgical visit in 2006, the most recent figure available, was \$453 for dogs and \$363 for cats. Treating a pet for a serious illness can cost thousands.

Considering these facts and the new willingness of pet owners to opt for extraordinary veterinary care, some employers have begun offering pet insurance, usually costing between \$10 and \$40 per month, as a low-cost benefit to workers. Veterinary Pet Insurance, the nation's largest pet insurer, reports that 15% of its policies—about 50,000—now come from corporate accounts.

Employers do not typically fund the policies, though. Instead, they make the coverage available to workers as a supplementary product. Pet insurers typically discount policies (5-10% is normal) for workers who purchase coverage through their employer. ■

Automatic Enrollment Is Up

More employers are choosing to automatically enroll employees into 401(k) plans unless the employee objects.

Since legislation in 2006, the percentage of employers using automatic enrollment has risen from 24% to 44% in 2008, according to a survey by Hewitt Associates.

The survey also indicates that, of employers that do not currently offer automatic enrollment, 30% are very likely to add it by the end of 2008. Another 27% said they are some-

what likely to do so.

As more employers have phased out defined benefit pensions, 401(k) plans have become the lead-

ing retirement savings plan. Often, they are the only plan offered by employers. Automatic enrollment increases the likelihood that more employees will enter retirement years with at least some 401(k) savings. To

learn more about automatic enrollment options for your firm's plan, contact your plan administrator. ■

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Paid Time Off for Volunteering

Professionals with a sense of service have been doing pro bono work for non-profits, smaller businesses and individuals for many years. Recently, according to *The Wall Street Journal*, some companies have begun offering "paid volunteering" as a benefit to employment.

In response to data indicating that an overwhelming percentage of so-called "Millennials"—workers born after 1980—desire to work for a company that is socially responsible, companies have begun allowing workers to perform volunteer services for others without leaving the comfort of the payroll.

The Wall Street Journal says that companies participating in corporate volunteer programs report excellent returns; young workers gain tremendous experience working in different



environments, some actually traveling overseas for months at a time. Further, they are more likely to remain loyal to the company that made such an opportunity possible.

Implementing a program like this takes a little planning regarding insurance for such workers, so call our service team to discuss your company's options. ■

Senior Year Jitters

Finally your employee's child is in his last year of college. While this should be a time of glad tidings, your employee is concerned that the child will soon no longer be eligible for your group health insurance plan.

That concern is justified. Depending on the plan your firm offers and the state in which you live, your health insurer might no longer extend coverage to children of employees once those children have reached a certain age—usually between 21 and 25—and/or graduate from college. Of additional concern for many young adults

and grads: many potential employers are not offering jobs with health insurance.



Employees concerned about their children's coverage can be informed about COBRA. Among other func-

tions, this federal law allows an adult child to remain on a parent's policy for up to 36 months beyond the cut-off age. Although insurance under COBRA can be more expensive than a child obtaining an individual health insurance policy, it may be the best option, particularly if the child has a pre-existing medical condition.

You might also refer your employees to our offices for assistance in getting the best health insurance outside of your group plan. We will be happy to find a solution tailored to their needs. ■

Financial Advice for Older Workers

With the trend over the past two decades of "job-hopping" coupled with the elimination of traditional pension benefits, many workers who might seem to be nearing retirement age don't have a firm financial future. As a result of this trend and the huge assets potentially to be inherited by baby boomers, financial planners are popping out of the woodwork to assist by offering free seminars and loads of advice on how to get set for life after work. Unfortunately, not every offer of assistance is genuine, and

not all the advice is good. In fact, some of these meetings are out-and-out scams.

A useful benefit that you can

Our professionals can help you design a seminar that really helps get your employees planning for the future.

offer your employees is some true-blue, professional advice on financial planning. Sessions can be targeted at different

sectors of your workforce, or they can be general enough to appeal to everyone. They can be offered in the evening so spouses can attend, or they can be offered as a brown-bag lunch conference.

Our professionals can help you design a seminar that really helps get your employees thinking about and planning for the future. Moreover, we provide a resource you can trust. Consider offering a financial planning seminar to your employees, and call us for ideas on making it a real success. ■

**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.

Can Your Business Afford Disability Insurance Benefits?

Only 58% of full-time workers report being protected by a disability insurance policy, and most working Americans don't carry disability at all.

While health insurance will pay medical costs, most health plans do not cover lost wages to pay bills. In addition, worker's compensation benefits are payable only if the disabling injury occurs at work. A disabling injury to a breadwinner can financially disable a whole family.

There are affordable disability policies that employers can offer their workers, even if other insurance coverages are financially out of reach. Our service team can help your business find disability options that work for your employees and your budget. Give us a call. ■
