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Employee benefits

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They're Asking What's Going On

More employees are spending time online, making personal phone calls or just talking to each other about the fate of their companies, reports the *Wall Street Journal*. They want to know what is going on and how the changes in the economy and the government are going to affect them.

The Dalbar WebMonitor, which tracks and highlights excellence in financial services websites, recently awarded top performers for their support of client needs via website information. These practices can be adapted to and instituted by any company. Key components include:

- Links to sites for fund and health plans provided at your company.
- Frequently updated information on investment plan performance.
- Outlook and other expert commentaries.
- Regulatory changes, particularly regarding taxes, rollovers, deposits and withdrawals.
- Changes in plan requirements or employer contributions or procedures.
- Comparison tables for plan shopping.
- Links to webinars, podcasts and blogs that discuss health and investment strategies and issues.

Take a look at your company website and see if there is a place for employee-only information. Providing employee benefits data and updates online gives your staff access 24/7 and can reduce demands on your fiduciaries and management as well. ■

Carrying Grown Children on Health Plans

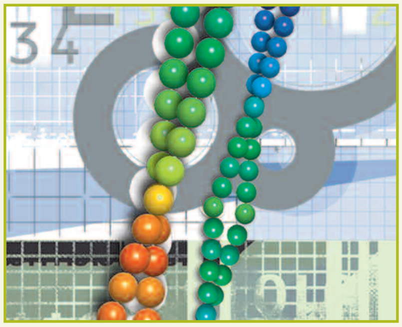
Employees with children enrolled in college could be directly affected by the passage of "Michelle's Law." The provisions of this law mandate that plan administrators take the necessary action to implement the changes effective for plan years beginning more than one year on or after October 9, 2008 (i.e., January 1, 2010 for calendar year plans).

Michelle's Law requires group health plans to continue covering dependent college students when medical leave is considered necessary for up to one year. This affects students who are unable to attend class or are able to attend but only maintain part-time status as defined by the school.

Any notice regarding official certification of student status must also include details for ensuring how coverage may continue during a medically necessary leave.

For more information on Michelle's Law, its effects on your group benefits plan, as well as assistance with compliance, call our service team today. ■

GINA Health and Wellness Compliance



Are you aware of how the passage of the Genetic Information Nondiscrimination Act of 2008 (GINA) affects your group health insurance and wellness plans?

GINA prohibits employers and group health plans from discriminating on the basis of genetic information in terms of eligibility, contributions and premiums. Any genetic information permissibly acquired by employers must be kept confidential and separate from employment records. Acquisition of such information is tightly regulated, so be sure to check with your legal staff before requesting, requiring or purchasing any genetic information on employees or prospective hires.

GINA has implications for wellness and disease management plans, too. If an employer's wellness program is part of, or related to, employer-provided health insurance, it will likely be covered under Title I of GINA, which prohibits questions about family history in an initial risk assessment and proscribes the use of family history in decisions about benefits and rewards for enrollees.

GINA compliance is mandated by January 1, 2010. ■

Prepare Staff Early for Open Enrollment

According to medicalnewstoday.com, studies show that consumers typically do more research on what car or major appliance they would like to buy than they do in selecting a health insurance plan. Start now to help your staff be best prepared for open enrollment season.

Offer a benefits plan meeting or two. Invite an expert in to point out plan basics and methods of comparing options. One of your employee benefits managers or one of our team might be a good choice for such a presentation.

Encourage individual preparation early. Suggest that employees review their past year's costs and services so they have a good handle on their specific needs before looking at provider information.

Highlight plan changes. Most staff will continue the same benefits plan they already have simply because it's less work, but plan changes can result in higher co-pays or deductibles and reductions or restrictions in coverage and doctor availability. A memo from your benefits department that highlights such changes can make the comparison process much easier.

For more information on helping your staff understand complicated health insurance choices, call our service team today. ■

Benefits for Working Women

Women hold a growing slice of wealth in the U.S. Trends in lifestyle and employment have more women than ever working and earning a substantial income, but the female workforce has aspects that are 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 workforce 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 that are unique to their needs. Our agents can help you design healthcare, retirement savings plans and other benefit packages that serve this important segment of your workforce well. Call us to review your options. ■

Small Business Owner's 401(k)

Based on current guidelines, small business owners under 50 years old can invest up to $46,000 a year into a 401(k) ($51,000 if over 50). Of that amount, $15,500 ($20,500 if over 50) can come from the owner's income, with the remainder invested from business profits under the "profit-sharing" provision.

Small business owners considering the 401(k) option must decide between a regular and a Roth 401(k). Much like their IRA counterparts, the regular 401(k) holds money that is tax-deferred. It comes from pre-tax income and is taxed only when the money is distributed after retirement. In contrast, the Roth account is funded with after-tax income, and withdrawals are not taxable after retirement.

The Roth option has been particularly attractive in recent years. This is because tax rates have been historically low and people expect that rates will rise in the future, according to Richard Meigs, president of 401khelpcenter.com.

Stuart Robertson, general manager of ING Direct's Sharebuilder 401(k), says that doesn't mean putting everything into the Roth is necessarily a good idea. "If you think taxes are going to increase, or if you think you're going to be in a higher tax bracket, I would put some in your Roth and some in your traditional, as a hedge," he says.

Options can be overwhelming. We can help. For more information on the best retirement plan for you, call our service team today. ■

Employee Benefits Under a Merger or Acquisition

More companies are buying and being sold these days. If yours is one of these, employee benefits will surely be an issue. Part of the negotiation process must be the continuation or alteration of benefits. Decisions need to be communicated to employees clearly and thoroughly.

You might start with a "frequently asked questions" outline to let employees know that you are aware of their concerns, even if you have to tell them that these issues are all still under negotiation. Offering Web access to the information or sending e-mail notifications of progress can help quell rumors and alleviate anxiety.

If the transaction includes a business from another state, transfer of benefits can get hairy.

Part of the negotiation process must be the continuation or alteration of benefits.

You will need the advice of a benefits expert no matter what, but you might need the help of multiple advisors, especially if part of either company's benefits package includes regional health plans or personal lines coverage offered as a voluntary group benefit.

Rolling employees into new retirement plans might also be necessary, and they might have options outside of an employer-provided plan. Your benefits personnel will have to know how to handle such transfers and provide full information on employee options.

Our specialists have the know-how to assist you through benefits changes. Contact us for help if you are contemplating or planning a merger, acquisition or sale of your business. ■

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.

Review Your Fidelity Bond Requirement

ERISA requires firms offering benefit plans to employees to carry a fidelity bond for every plan fiduciary and every person who handles funds or other property of a plan.

The amount of the bond is 10% of the funds handled. The minimum coverage amount is $1,000 and the maximum amount is $500,000. In order to avoid having to obtain and file an accountant's opinion, firms offering smaller plans may need additional bonding.

When was the last time you reviewed the dollar amount of your firm's benefit plan to confirm that fidelity bonding was up to date? Failure to carry an adequate bond amount is a violation of ERISA guidelines and may be subject to penalty. For information on determining how much protection your firm must carry for its benefit plan, call our service team today. ■