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Immediate Annuities Offer Long-Term Security

Does market volatility have your employees wishing your retirement savings plan offered more income stability through an immediate annuity?

If they haven't already talked to you, it could be time to ask them. A previous lack of employee interest has been the top reason for the low use of the immediate annuity option, but economic conditions have changed and a re-evaluation of employee interest might be warranted.

An immediate annuity can take several different forms, so it will be important to learn what's available before diving in. At its most basic, an immediate annuity is purchased by a single deposit, and in exchange an insurance company pays a monthly

income for the life of the annuitant. They vary in duration, payout and beneficiary. Multiple sources can be used to purchase an annuity, including employer-sponsored retirement plans

and individual retirement accounts. In many cases, funding sources have never been taxed, so the entirety of the annuity payment will be taxed. That will be important for your benefits administrators to understand as they counsel employees.

A good place to start to understand the fundamentals of immediate annuities

is www.annuityadvantage.com/immediate.htm. To find out about offering this benefit at your company, give one of our service team members a call. ■



Preparing Benefits for the Next Wave of Employees

Emloyment recruits from the newly graduated pool of workers have clear priorities when it comes to selecting an employer.

According to the National Association of Colleges and Employers (NACE), these workers are more focused on secure employment and solid benefits than on extra perks. When asked to rate the relative importance of employer attributes, the top three chosen were opportunity for advancement, job security, and a good insurance package. These are interesting changes from surveys last year that indi-

cated younger workers wanted access to high technology, high salaries, and high-level recognition for accomplishments.

Human resources professionals and employers can use the new data in creating a platform for communicating with young workers about employee benefits, as this education may be crucial in meeting recruitment and retention goals over the short term.

Give us a call if you would like assistance in revisiting some of your plan options. ■

Smoking Out the Costs of Smoking



Employers, smokers cost you money...lots of money.

Here are some numbers:

- Smokers cost their employers around \$2,000 in excess medical costs annually.
- Businesses pay an average of \$2,189 in workers compensation costs for smokers, compared with \$176 for non-smokers.
- Smokers are out of work sick 6.16 days annually vs. 3.86 days for non-smokers.
- Construction and maintenance costs are 7% higher in buildings that allow smoking.

For information on creating and implementing an effective smoking cessation program, consult the National Business Group on Health's *A Purchaser's Guide to Clinical Preventative Services: Moving Science into Coverage*, available at its website: www.businessgrouphealth.org/tobacco. ■

Underused Wellness Benefits

How well do you know your firm's group health plan?

Many employers are not using the wellness resources that are already available for no extra charge from their health plans. Often, large group health plans provide benefits such as a toll-free, 24-hour, nurse-staffed help line. Many plans also include online education resources that employees can use to make better health choices. The problem is that many employees are not aware of such benefits and, therefore, don't use them.

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Some employers have access to confidential, aggregate health claims data from their group plans, another feature of which many fail to take advantage.

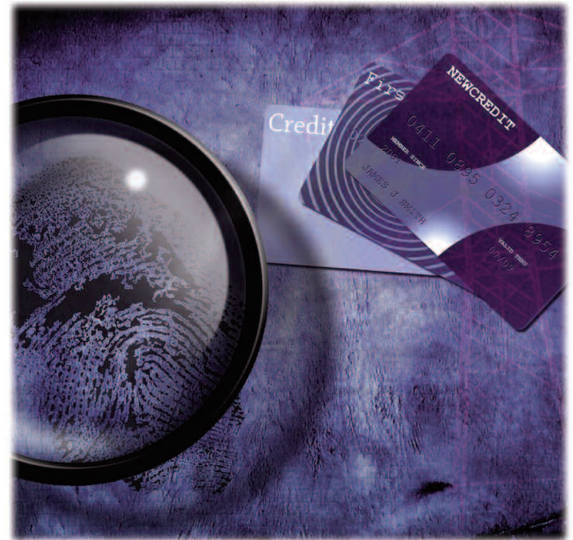
Those claims data can provide employers with information on health issues facing their staff and can assist employers in the development of a wellness and health management plan tailored to the specific needs of their workforces.

Want to know more about the options available under your firm's group health plan? Call our service team today. ■

ID Theft Benefits Available

The numbers aren't pretty. According to the FBI, more than 40 million Americans were exposed to identity theft in 2008. The Federal Trade Commission, using its most recent data, reports that 8.3 million U.S. residents were actual victims of identity theft in 2005. Of those, half involved the theft of goods and services totaling \$500 or less. In 10% of the cases, criminal activity cost the victim at least \$6,000.

In response, many employers (24% surveyed in 2008) offer legal assistance that may help cover the costs associated with ID theft as a voluntary benefit to employees. These plans range in cost from \$8 to \$26 monthly for employees, with some of the pricier benefits offering additional legal services, such as



will preparation. Some employers will share the cost of the coverage, but most offer employee-pay only.

Could this coverage interest your staff? If so, consider joining other employers who have begun offering this voluntary benefit. For more information, call our service team today. ■

Worksite Clinics Might Be for You

Worksite clinics receive favorable marks for services, according to a recent survey conducted by Mercer. Of employers surveyed, 31% said the ability to provide occupational health services is the primary reason for their clinic. Fourteen percent said they use the clinic to provide primary care services, and another 10% said they planned to offer a primary care clinic on-site in 2009.

Worksite clinics are being used by employers as an increasingly popular method to control escalating health costs and enhance productivity. While large employers are more likely to offer the clinics, the survey also reports that smaller

employers are more likely to share clinics with other employers.

Other data reported include:

- 34% offering clinics allow



retirees to access them.

- 34% provide access to dependent adults, and 32% allow covered dependent children.

- 68% allow employees from other locations to use the clinics.
- 86% of employers say the primary reason for offering a worksite

clinic is that it is a convenience to employees, 77% cited better access to preventative care, 75% said it was to encourage participation in wellness programs, and 74% said it was to control healthcare spending.

- A number of respondents said they were considering adding health screenings (71%), immunizations (61%), urgent care for non-occupational injuries (56%), and chronic disease management (50%) to their clinics' services. ■

Are Your Company Benefits Competitive?

The Society for Human Resources Management's 2008 *Employee Benefits—How Competitive Is Your Organization?* survey gives the following statistics for employers providing benefits:

- 96% provide a prescription drug benefit
- 94% provide dental insurance
- 81% offer accidental death and dismemberment coverage
- 78% offer some coverage for long-term disability
- 69% offer some coverage for short-term disability.

PPO plans remain the most popular, while indemnity and consumer-driven plans such as health savings accounts—currently offered by about 12% of companies surveyed—remain the least popular (although the percentage is growing annually).

Employees respond that health insurance is by far and away the most important benefit an employer can offer, but employees say they also like certain measures designed to promote healthy living and decrease health costs. Examples of favored initiatives include:

- Wellness Resources 72%
- On-site Vaccinations 67%
- CPR/First-Aid Training 55%
- Glucose/Cholesterol Screen 41%
- Smoking Cessation 40%
- Gym Membership 36%
- Lifestyle Coaching 33%
- Weight Loss Programs 31%

How does your firm compare with these companies? Are you offering the benefits employees say are most important to them? If you would like to learn more about benefits that can help your firm stay competitive in the search for and retention of talent, give our team a call. ■

**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.

HSA Enrollments Up

Still haven't considered the benefits of a health savings account (HSA)? While these are offered by a small minority of employers, more are signing on. And, when offered, especially through payroll deduction, employees join.

The HSA option may be an excellent alternative for employers considering suspending health insurance benefits for staff. The high-deductible health plans associated with HSAs can be considerably less expensive than other plans. Moreover, employees can fund the savings account with tax-deferred dollars that become tax-free if used for qualified medical expenses.

Before cutting benefits that your workers count on, consider giving the HSA a try. For information on creating and implementing an HSA for your firm, call our service team today. ■
