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From revamped health plans to meditation rooms, a look inside the benefit evolution at HR strategist Diana Lee's Sesame Workshop.

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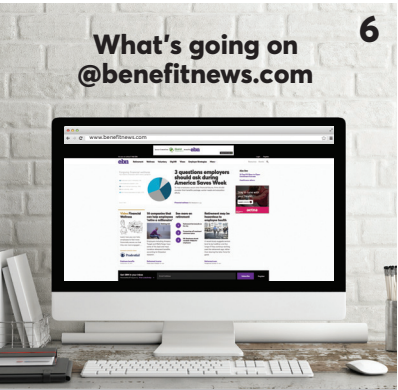
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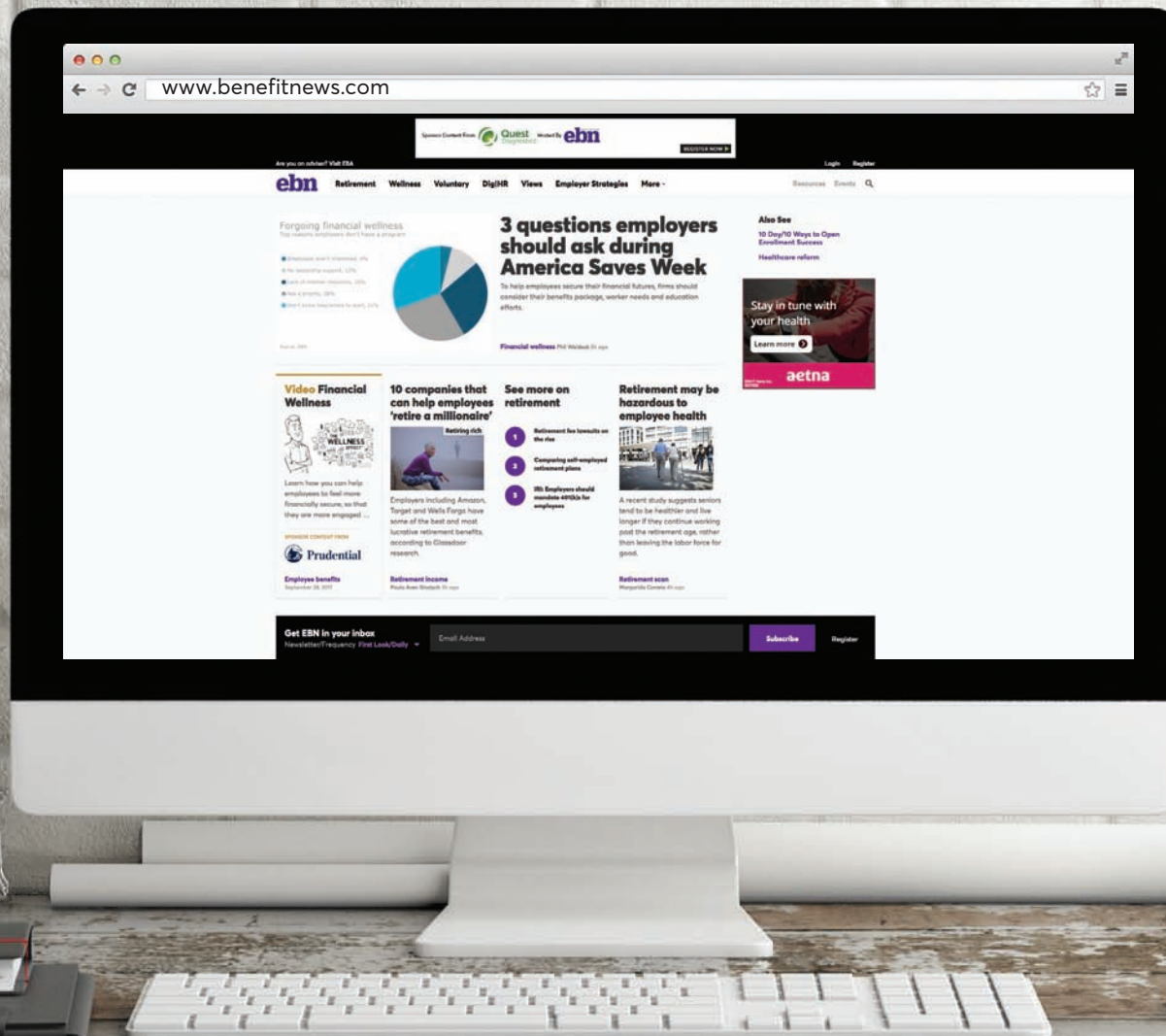
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SLIDESHOW



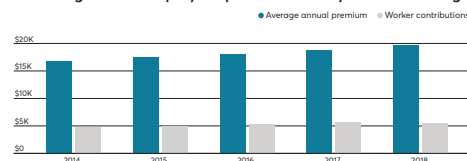
10 jobs with the worst retirement benefits

Not every business offers a good match to an employee 401(k), and these careers have some of the lowest employer contributions.

<https://bit.ly/328w3T0>

HEALTHCARE

The rising cost of employer-sponsored family health coverage

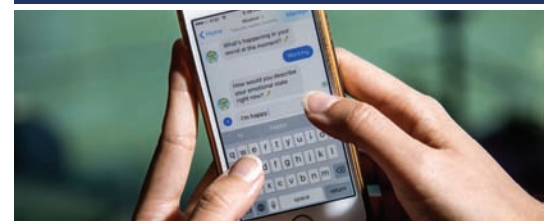


Source: Kaiser Family Foundation

New program gives bonus for saving money on healthcare

HealthJoy has launched a new platform that allows employers to incentivize employees with a bonus for using cost-effective healthcare services. Click on <https://bit.ly/2NyYwx1>

TECHNOLOGY



HR bogged down with questions? AI can help

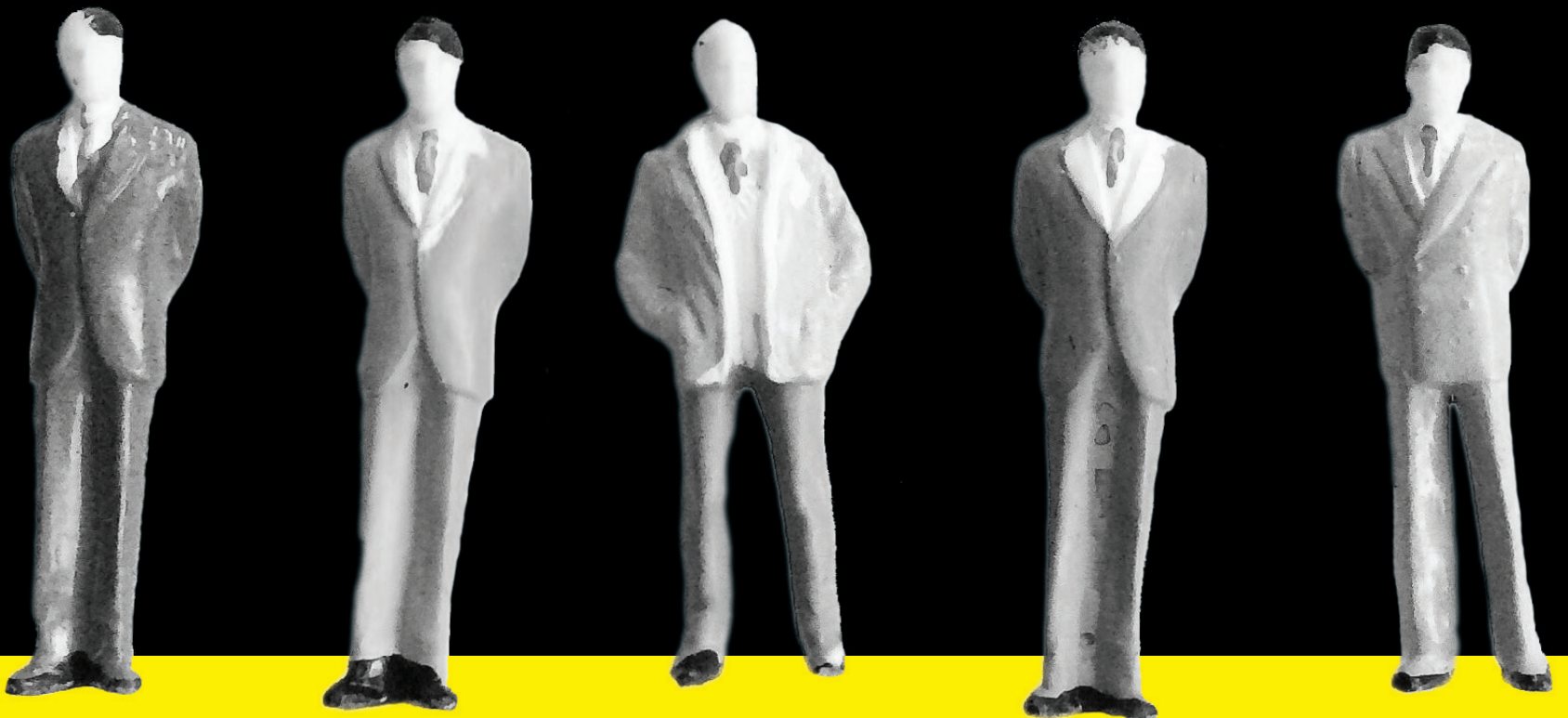
How one company used artificial intelligence to lessen the administrative workload for HR professionals. Read more at <https://bit.ly/2LdbYE2>

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Managing the 'moments that matter'

What does the future of benefits look like? This year's Benny Award winners say it revolves around better benefits — and greater attention to engagement and workplace culture.



Even after two decades in New York, it's still a city that never get old for me. One hot summer afternoon, I headed to Lincoln Center for an assignment to the corner of Broadway and West 63rd Street — also known as "Sesame Street" — for an interview with Diana Lee, the head of HR at Sesame Workshop, and the winner of *Employee Benefit News'* Benefits Professional of the Year Award.

Not only does she have the fun job of working with the creative forces behind the beloved characters of Sesame Street, Lee — like all of this year's Benny Award winners — is also a deep thinker on organizational change and the future of benefits. Among artwork that evokes characters such as Bert and Ernie and the vampirelike Count von Count, she chatted with me about her career path and philosophy for managing change and better benefits.

"Our philosophy is that we consider benefits as part of your total compensation here. We are a nonprofit, and we are a mission-first organization," she says, sitting next to an office lampshade covered with Big Bird's yellow feathers. "People come to work for us because they're drawn to our mission" of making children smarter, stronger and kinder.

At Sesame Workshop, the most popular benefits mirror the most sought-after benefits across the industry: generous medical plans, retirement offerings and paid time off, which she says are key benefits for all employers to remain competitive. A focus on engagement and wellness has led to lifestyle management (weight loss, tobacco cessation), and activities such as bowling, corporate challenges, yoga and an onsite quiet room for prayer and meditation.

Lee is one of four Benny Award winners we recognize this year for excellence and innovation in the employee benefits/human resources field.

Other industry leaders include: Jessica Adams, our Benefits Leadership in Healthcare Award winner, who helped create a culture of inclusivity and work-life balance at Brad's Deals; Garin Danner, our Benefits Leadership in Retirement Award honoree, who helps clients improve their retirement planning as director of HR for the SSI Group; and Misty Guinn, our Judge's Choice Award winner, a self-proclaimed data nerd and director of benefits and wellness at Benefitfocus, who keeps her finger on the benefits pulse through annual surveys to elicit employee feedback.

"Benefits is such a personal journey for people," Guinn told senior editor Nick Otto, "and so I think we have a lot of people who are just really experiencing certain health issues or starting to look at different milestones in life, like purchasing homes or starting a family."

Whether a new hire or an employee who recently had a baby and is going through a qualifying life event, Guinn's aim is to make it feel that the company is supporting them through those "moments that matter."

Congratulations to all of this year's Benny Award winners. I look forward to meeting many of you and many other benefits professionals at our Benefits Forum & Expo conference Sept. 25-27 in Las Vegas. —**Walden Siew**



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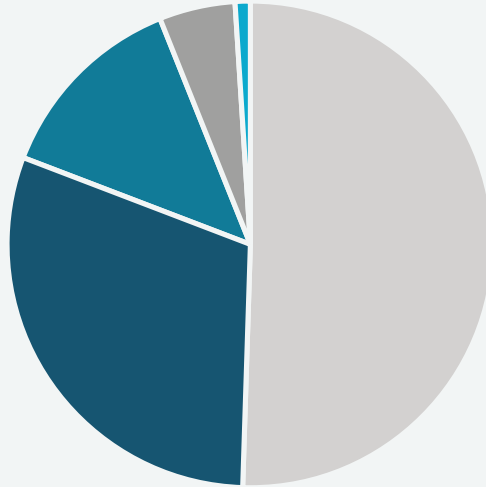
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Healthcare

IN THIS SECTION: HEALTHCARE COSTS

How employers feel virtual solutions will impact healthcare delivery

- Very significant impact, 13%
- Significant impact, 51%
- Some impact, 30%
- Slight impact, 5%
- No significant impact, 1%



Source: NBGH

Healthcare costs

Employers look to virtual services to curb rising costs

Virtual care solutions bring healthcare to the consumer rather than the consumer to healthcare, says the CEO of NBGH.

By Nick Otto

With the continued cost of healthcare benefits expected to increase by another 5%, topping \$15,000 per employee, employers are looking for ways to stem the increase and better engage employees in holistic well-being.

One of those ways is through virtual care. The number of employers who believe virtual care will play a significant role in how healthcare is delivered in the future continues to grow, up to 64% going into 2020 from 52% in 2019, according to the National Business Group on Health's annual healthcare strategy survey.

"Virtual care solutions bring healthcare to the consumer rather than the consumer to healthcare," Brian Marcotte, CEO of NBGH, said recently.

"They continue to gain momentum as employers seek different ways to deliver cost effective, quality healthcare while improving access and the

consumer experience. Of particular note is the growing interest among employers to offer virtual care for mental health as well as musculoskeletal conditions."

The majority of respondents (51%) will offer more virtual care programs next year, according to the survey. Nearly all employers will offer telehealth for minor, acute services while 82% will offer virtual mental health services — a figure that's expected to grow to 95% by 2022.

Virtual care for musculoskeletal management shows the greatest potential for growth, the study noted. While 23% of employers will offer musculoskeletal management virtual services next year, another 38% are considering it by 2022. Physical therapy is the best way to address musculoskeletal conditions and help avoid surgery, but it can be inconvenient and costly, said Ellen Kelsay, chief strategy officer at NBGH.

"Where we've seen a lot of development in areas of virtual solutions is to provide remote physical therapy treatments," she said. "Employees can access treatment through their virtual app wherever it's convenient for them."

Regardless, employee utilization of virtual services still remains low. For example, while roughly 70% of large companies provide telemedicine coverage, only 3% of employees use it, according to prior NBGH data.

But many resources are out of sight and out of mind, Kelsay said. However, employers are focusing on offering high-touch concierge services to help workers better navigate the healthcare system.

Employers are reaching a point of saturation with the number of solutions that are available, but from the employee's perspective, they just don't know where to start, she added. "These concierge and navigator services really help point employees in the direction to the solution at the point in time they need it."

"Some of these engagement platforms are getting at personal messaging and predictive analytics. It's not where we want it to be yet, but as that continues to get better, I think you'll see utilization go up," said Brian Marcotte, CEO of the National Business Group on Health.

In addition, the use of predictive analytics and claims data is also an opportunity to help employers get the right programs in front of employees in the moment, Marcotte added.

"Some of these engagement platforms are getting at personal messaging and predictive analytics. It's not where we want it to be yet, but as that continues to get better, I think you'll see utilization go up," he said. **EBN**

Nick Otto is a senior editor of Employee Benefit News. Follow him on Twitter at @Ottografs.

Surprise out-of-network bills are hurting workers' wallets and employers' bottom lines

By Evelina Nedlund

Out-of-network healthcare can be costly and is often something patients try to avoid. But when an emergency occurs, a visit to an in-network hospital can still result in an unpleasant surprise — a highly expensive medical bill because the patient was treated by an out-of-network physician.

Surprise billing and related costs are increasing among inpatient admissions and emergency department visits to in-network hospitals. From 2010 through 2016, 39% of more than 13 million trips to the emergency department at an in-network hospital by privately insured patients resulted in an out-of-network bill, a new study published by medical journal JAMA Internal Medicine finds.

"This is becoming a bigger and bigger issue," says Kim Buckey, president of client services at DirectPath. "We'll probably see more employers working at state and federal level to put some pressure on their representatives to do something about this. They're paying their share of these higher out-of-network costs and it's hitting their bottom lines as well as their employees."

Nearly half of Americans have less than \$400 on hand to cover an unplanned expense or emergency, according to the Federal Reserve Board. Unexpected, expensive medical bills may put a financial strain on employees and affect their wellbeing.

"It really has a huge effect on your stress level and your productivity because you're worrying about this issue outside work," Buckey says. "So not only are employers having to pay more,

they're also suffering a loss because of the reduced productivity of their employee dealing with this issue."

Resolving a medical bill can be very time consuming. Most medical billing office and hospital office hours are from 9 a.m. to 5 p.m., and employees may have to take time off work to resolve the bill, or to make phone calls.

In addition, they also have the financial pressure of figuring out how to pay for it.

"If you don't pay that bill or at least reach some sort of agreement, it can affect your credit rating," Buckey says.

For U.S. patients with private health insurance, the incidence of out-of-network billing at in-network hospitals substantially increased

between 2010 and 2016, the JAMA study finds.

The potential financial consequences of out-of-network billing in both settings nearly doubled during this period, and the top 10% of patients paid more than \$1,000 for emergency department visits and more than \$3,000 for inpatient care, suggesting a growing risk to patients of incurring burdensome unexpected out-of-network bills.

As of June, 25 states had enacted legislation providing patients some protection against out-of-network billing, ranging from dispute resolution processes to provisions holding the insurer responsible for the balance-billed amount. In other states and in Congress, pending legislation would curb surprise medical bills.

Industry experts have been vocal about the need for more price transparency in healthcare.

"Because our healthcare system doesn't give us a price upfront, literally every bill is a surprise," says David Contorno, founder and CEO of North Carolina-based benefit consulting firm E Powered Benefits.

"Where else do we consume anything in this country where we don't know the cost and quality of the good or service they sell until after we consume it? There's nothing, every business would take advantage of their customer," Contorno says. [EBN](#)

Evelina Nedlund is a reporter at Employee Benefit News. Follow her on Twitter at [@EvelinaNedlund](#).



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Strategy Session

IN THIS SECTION: EMPLOYEE RETENTION / BONUSES AND INCENTIVES



Employee retention

Chipotle pays more than \$700,000 toward bonuses

The chain awarded workers quarterly payouts as part of a new retention program.

By Kayla Webster

More than 2,600 Chipotle employees are a week's worth of pay richer and executives say they're loaded with happy employees since the chain paid more than \$700,000 toward worker bonuses.

Chipotle announced in June that part-time employees at all 2,500 global locations are eligible to participate in a new bonus program, that could potentially pay them an extra week's pay each quarter. The bonuses are distributed to restaurant crews that meet sales goals as a team. Tuesday marked the program's first bonus pay day for staffers at the 135 qualified restaurants.

"We are strategically investing in our people by giving all employees the opportunity to earn a performance bonus, and it's paying off," says Marissa Andrada, chief people officer of Chipotle. "It's exciting to see how many locations qualified and the high level of engagement from

our restaurant teams."

A major goal of the bonus program is employee retention, Chipotle executives say. Now the company says manager and employee turnover rates are already lower, although it declined to provide the data.

While employees qualify for the bonus as a team, the amounts divvied out are individualized based on the number of hours worked by each employee. All of Chipotle's restaurants have the opportunity to earn the same bonus in the next quarter, which ends in September. Individual restaurants are able to receive the bonus each quarter as long as they meet the predetermined sales goals.

"Our team works hard every single day. From mashing avocados to servicing the line, everyone is focused on working together to provide the best possible guest experience," says Angel

Zuniga, general manager of the Bristol Center Chipotle in Santa Ana, California. "The all-crew bonus reinforced the sense of pride and passion for what we do and how we do it."

The food industry is notorious for high turnover, which is why Chipotle offers its employees benefit programs that go beyond standard medical, dental and vision insurance, says Scott Scansen, Chipotle's senior director of total rewards.

"With current employment rates so low, today's workforce has options and can afford to be selective," Scansen says. "To remain competitive, Chipotle offers all employees best-in-class benefits and opportunities for growth, with a focus on development and promoting from within."

The company's 70,000 global employees also have access to benefits such as bonus programs based on performance and tenure, annual college tuition reimbursements, free shift meals and free English as a second language classes for employees and their families.

The food industry is notorious for high turnover, which is why Chipotle offers its employees benefit programs that go beyond standard medical, dental and vision insurance, says Scott Scansen, Chipotle's senior director of total rewards.

"At Chipotle, we're not only looking to compete for the industry's best, we're looking to keep the industry's best," says Andrada. "This bonus program provides a strategic investment in the people who make up the brand." **EBN**

Kayla Webster is an associate editor of Employee Benefit News. Follow her on Twitter at @KaylaAnnWebster.

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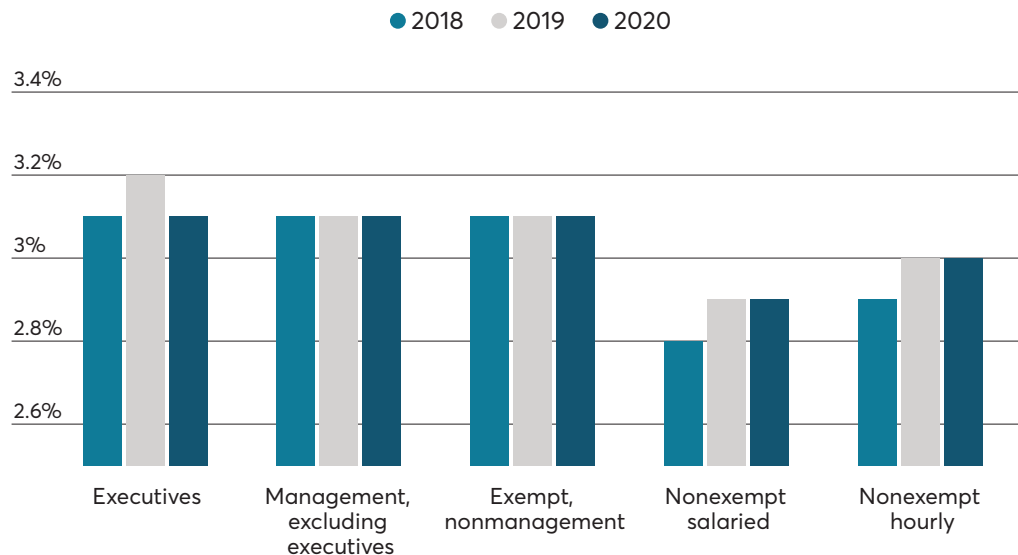


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Strategy Session

IN THIS SECTION: EMPLOYEE RETENTION / BONUSES AND INCENTIVES

Average salary increase budgeted by employers



Source: Willis Towers Watson

Bonuses and incentives

Employers slow to boost raises despite a tight labor market

Companies are turning to discretionary bonuses and other incentives to recognize and reward top-performing workers.

By Evelina Nedlund

Employees shouldn't get their hopes up for a big salary boost in 2020. Despite low unemployment and a tight labor market, U.S. employers plan to hold the line on budgeted pay raises next year.

Most companies will offer a 3% increase, which is where raises have hovered for the past decade, a new report by global advisory, broking and solutions company Willis Towers Watson finds. Instead of pay raises, companies are relying on discretionary bonuses and other incentives to recognize and reward top performers.

In areas where it is still very difficult to find labor or talent — such as cyber security, user experience, e-commerce and marketing — employers are getting creative beyond traditional annual salary increases.

"Employers are carving out increase pools for their high-potential and top performing employ-

ees, setting aside premium pay for highly valued skills, considering market adjustments for critical segments and providing more frequent increases outside of the annual cycle for in-demand jobs," says Catherine Hartmann, North America rewards leader at Willis Towers Watson.

Even with low unemployment rates, some employers are feeling uncertain about what the market will bear in 2020 and, therefore, continue to be selective on where they spend their compensation dollars, Hartmann says.

Companies continue to reward their top performers with significantly larger pay raises than average performing employees.

Employees receiving the highest possible rating were granted an average increase of 4.6% this year, which is 70% higher than the 2.7% increase granted to those receiving an average rating, according to the report.

Employers are projecting discretionary bonuses — generally paid for special projects or one-time achievements — will average 5.9% of salary for exempt employees, compared with 5.3% of salary granted for discretionary bonuses last year.

Companies should take a step back and look at their programs holistically, Hartmann suggests.

"Pay is a very important component and you need to be more competitive to be able to attract people to your organization. However, there are other reasons why people join your company, and it's important to look at those as well," she says.

In many cases, employers turn to competitive wellness benefits packages — including parental leave, elder care and sabbatical programs — to attract and retain employees, Hartmann adds.

"Pay is a very important component and you need to be more competitive to be able to attract people to your organization. However, there are other reasons why people join your company, and it's important to look at those, as well," says Willis Towers Watson's Catherine Hartmann.

"It's about making people feel whole in other ways besides pay," she says. "It could be about work environment, free food for employees, flexibility to work at home or giving employees access to great technology. For the average employee, there are many things beyond pay that employers are looking at to keep people on board and engage them." **EBN**

Evelina Nedlund is a reporter at Employee Benefit News. Follow her on Twitter at @EvelinaNedlund.

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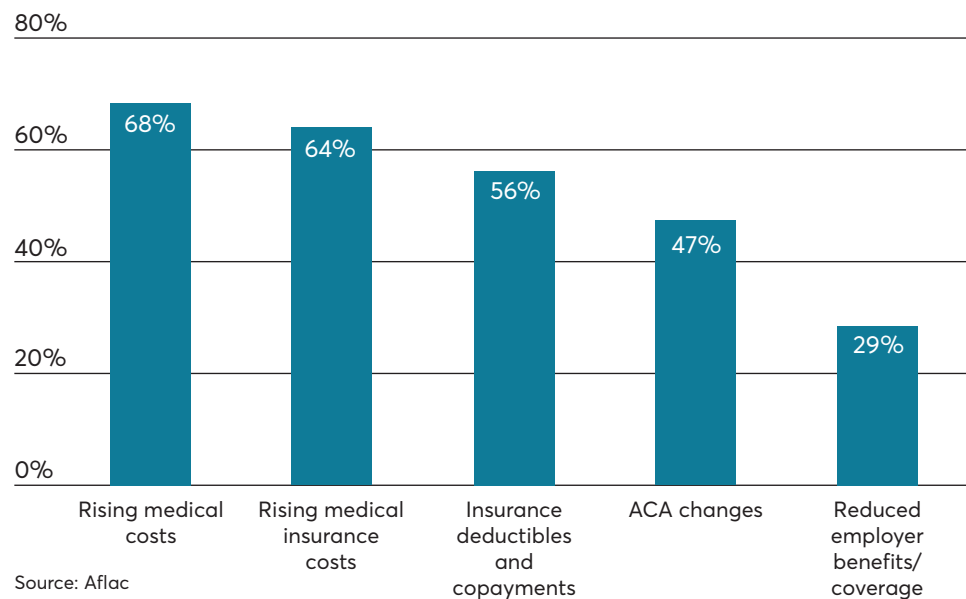
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Voluntary

IN THIS SECTION: BENEFIT STRATEGIES

Making the case for voluntary

Why employers say they are adding voluntary compared to years past



offering was custom built to work seamlessly with the company's benefits administration technology, making it easy for HR to set up the plans and for employees to enroll.

The applicant tracking developer Greenhouse and the clothing brand Life is Good are two of the more than 1,000 clients Namely works with.

The rise of high-deductible health plans has pushed many companies to offer voluntary benefits. In fact, nearly three in 10 covered workers are enrolled in an HDHP, an increase of 9% in the last five years, according to the Kaiser Family Foundation.

"With the rise in popularity of HDHPs, employees are increasingly paying medical expenses directly out of pocket," says Matthew Monahan, vice president of benefits at Namely. "Most people set aside money for planned expenses, like mortgage payments and vacations, but most do not set aside the funds they need for unexpected events — including medical expenses incurred due to illnesses or accidents."

Traditionally, voluntary life, long-term disability and short-term disability have been the most popular voluntary benefits among employers, Monahan adds.

For employers considering adoption of new voluntary benefits, listening to your employees is always key, he says. "Survey your employees to determine if offering worksite benefits makes sense for your company and your employee base."

Further, he adds, employers can consider using their savings from offering an HDHP to provide voluntary worksite benefits as a non-contributory offering.

"Attracting and retaining top talent is of the utmost importance to any company," he says, "and any way you are able to make your benefits package stand out goes a long way in achieving that goal." [EBN](#)

Namely adds voluntary perks to its portfolio

Employers using Namely will be able to offer critical illness, accident and hospital indemnity plans to complement their existing lineups.

By Nick Otto

HR technology provider Namely has partnered with the Guardian Life Insurance Company of America and Transamerica to add voluntary packages to its portfolio.

Through the new partnerships, Namely's

customers — generally mid-sized employers — can now offer their employees critical illness, accident and hospital indemnity plans to complement the benefit offerings they already provide.

Namely's new voluntary worksite benefits

Nick Otto is a senior editor of Employee Benefit News. Follow him on Twitter at @Ottografs.

Voya Financial has deal to use ADP platform

Group term life, disability income insurance and supplemental health insurance are to be offered.

By Caroline Hroncich

Voya Financial's voluntary benefits are now available to companies using HR management provider ADP.

The companies entered into an agreement this summer to provide employers using certain ADP

platforms the ability to administer Voya Employee Benefits' group term life insurance, disability income insurance and supplemental health insurance through ADP platforms.

Brad Galiney, senior vice president of employee

benefits distribution at Voya, says the company wanted to create a more integrated experience for users. Employers using ADP's Health & Welfare Services Engine, BenMark and ADP Vantage HCM systems are now able to integrate Voya's benefits.

"The benefit for employees, is they get to see everything on a very familiar integrated site," Galiney says. "It really streamlines the communications and benefits administration."

Employers are looking for more ways to integrate HR and benefits technology — a recurring pain point for many HR teams. A survey from Reward Gateway of more than 500 HR professionals found that a fifth of companies use 10 or more different systems and applications at work, while roughly 60% are using more than five systems everyday. HR pros do want more integration and about 87% of respondents say that having tools that integrate into existing systems is key, Reward Gateway found.

Michael McGowan, who leads the consulting firm BPI group's leadership and talent practice, says employers are looking for a "one-stop shop" for their HR tech. Because HR teams are not technology experts, many struggle to select the best and most integrated option for their teams, he says.

ADP has partnered with other benefits and HR tech providers in the past. For example, last year the payroll giant integrated DailyPay to give workers instant access to their pay. The company partnered with Smart Dollar to offer a financial wellness program to workers this year. ADP is used by 40 million workers in more than 110 countries and territories.

ADP's broad reach gives Voya a competitive advantage, Galiney adds. Moving forward, he says the company may look into additional agreements with other benefits providers.

"We're really excited, given their broad reach and expertise," he says.

Galiney says integrated technology can help both HR teams more easily communicate with workers. But it can also help

employees more seamlessly select and enroll in their benefits.

"I think it's just like anything else, it's communication," he says. "I think the industry has em-

braced this in many manners." **EBN**

Caroline Hroncich is a senior editor of Employee Benefit News. Follow her on Twitter at @chroncich1



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Technology

IN THIS SECTION: HR TECHNOLOGY / PAYROLL SOFTWARE



HR technology

Postmates, DoorDash, Instacart push benefits for gig workers

The employers are using a new mobile app that allows freelance workers access to insurance and other perks.

By Caroline Hroncich

Employers that rely primarily on contract workers are turning to technology as a way to provide benefits and perks for this growing group of employees.

That's what same-day food and grocery delivery giants DoorDash, Postmates and Instacart are doing. The three companies have signed on to use a new app from San Francisco-based startup Stride, whose new tool gives freelance workers the ability to access insurance and other benefits.

Max Rettig, head of policy at DoorDash, says the new app will provide their more than 700,000 independent workers access to new financial wellness benefits.

"We are looking forward to offering unprecedented freedom and flexibility to enable everyone from students to teachers to retirees to achieve their goals on their own terms, while enhancing

their economic security," Rettig says.

Using Stride's benefits platform, gig employees will access health, dental, vision, life, accident and disability insurance. They also can utilize perks such as prescription discounts, online doctor visits, checking and savings accounts, free mileage and expense tracking, tax assistance and filing, and discounts and deals on products and services. The new platform is now widely available to employers.

The news comes after Postmates announced that it would be delivering an expanded benefits package that includes free occupational accident insurance, new healthcare options, and access to free online college courses and professional certifications to its more than 350,000 gig workers.

"We're always thinking about ways to help our Postmates fleet spend less and keep more of their

earnings," says Claire Sands, head of Postmates Community.

The number of gig workers in the U.S. is growing. The Bureau of Labor Statistics says about 10.6 million workers cite contract work as their primary source of income.

Employers have debated the best way to provide benefits, to this group of employees. Some have floated the idea of portable benefits, or offerings that are connected to the individual instead of the employer and can be taken from one job to another. These universal benefits can be paid based on hours worked or other productive units, for instance, a rideshare may choose to pay based on rides completed.

Technology also may offer a solution, and a number of startups have developed tools specifically for the gig economy. For example, New York-based insurtech Trupo also offers three insurance products — accident, dental, specified disease and cancer — through its online tool for freelance workers. Gig workers in New York now

Using Stride's benefits platform, gig employees will access health, dental, vision, life, accident and disability insurance. They also can utilize perks such as prescription discounts, online doctor visits and expense tracking.

have access to the benefits, with plans to deploy more widely throughout the U.S. over the next year. Startups Zego and Bunker also provide benefits to these workers.

Stride works with a number of additional companies that rely on gig workers including major employers such as Uber, GrubHub, TaskRabbit and Care.com. Noah Lang, CEO and co-founder of Stride says the company is focused on helping independent workers achieve economic security.

"We couldn't be more proud to be working with the world's largest platforms for independent workers and helping those workers keep more of their earnings," Lang says. **EBN**

Caroline Hroncich is a senior editor of Employee Benefit News. Follow her on Twitter @chroncich1.

DailyPay, Alight Solutions partner to offer employees early access to their pay

Employees using the cloud-based benefits administration system will now be able to cash out before payday.

By Evelina Nedlund

Employers using Alight Solutions software will now be able to give their workers access to wages in advance of payday. The provider of cloud-based benefits administration and HR solutions has partnered with DailyPay, an app that gives



Jason Lee
CEO of DailyPay

workers early access to their earnings. "This new relationship underscores the fact that daily pay benefits are now becoming a mainstream benefit offering for employers in all industries," says Jason Lee, CEO of DailyPay.

"Employers have become increasingly interested in offering flexible payment options to meet the needs of their workers," says Craig Cohen, general manager of ADP Marketplace.

Some employers are turning to instant pay tools as a way to help employees who struggle with financial security. Giving employees instant access to their earned



Craig Cohen,
general manager
of ADP
Marketplace

wages can help workers who are living paycheck to paycheck — nearly 20% of Americans don't save any of their annual income, while another 21% only save 5% or

less, according to Bankrate.

However, over the last two years the number of employers offering payroll advances has decreased two percentage points, from 17% in 2018 to 15% in 2019, according to data from the Society for Human Resource Management.

DailyPay will provide Alight users with a calculation of their real-time available balance and employees will be able to transfer their accrued but unpaid wages to any bank account or pay card prior to their next payday. Fees are paid either by employees or employers, if they offer the service as a benefit. The instant pay app will be provided to Alight customers

at no additional cost, the company says.

DailyPay is offered as a benefit at about 100 companies, including Vera Bradley, Sprinkles Bakery and Westgate Resorts. Last November, it partnered with payroll giant ADP, which allowed thousands of employers using the HR software to offer their employees instant access to pay. ADP says the partnership aims to help employers "improve financial security and benefit from improved employee retention."

"Employers have become increasingly interested in offering flexible payment options to meet the needs of their workers," says Craig Cohen, general manager of ADP Marketplace.

Having early access to their earned wages can help safeguard employees against unexpected expenses, and is proven to improve employee retention and engagement, the companies say.

"Alight is focused on helping people and organizations thrive," says Colin Brennan, executive vice president of human capital management and financial solutions at Alight. "Providing people with access to tools and solutions like DailyPay, which will allow them to manage short-term financial needs in a way that doesn't create a bigger hardship, helps us achieve that purpose." **EBN**

Evelina Nedlund is a reporter at Employee Benefit News. Follow her on Twitter at @EvelinaNedlund.

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Smarter, STRONGER, Kinder Benefits

From revamped health plans to meditation rooms, lessons for employers
from HR strategist Diana Lee and Sesame Workshop

By Walden Siew

Although she didn't know it at the time, Diana Lee's career path started with her love for art and architecture.

"I had not planned a career in human resources," she confides from her New York office on West 63rd Street — also known as "Sesame Street" — where the beloved faces of Big Bird, Oscar the Grouch and the Cookie Monster adorn the walls and elevator doors.

Lee studied art at Oberlin College, where she began thinking about how to earn a living. Eventually, she found a job as a paralegal and discovered she had strong interview skills. She also got along well with people.

"I discovered that I was good at it, and I liked it," says Lee, a 2019 *Employee Benefit News* Benny Award Winner. "So it was then that I decided to pursue human resources."

That decision sparked a career that first landed her in financial services, starting at a firm that is now Chase bank, and ultimately led her to HR roles at American Express, Nickelodeon Entertainment, MTV Networks/Viacom — and finally to her job as the human resources strategist behind Sesame Workshop, the nonprofit she joined four years ago.

As an executive vice president with four decades of expertise in change management, Lee oversees organizational development, cross-cultural talent management and compensation best practices. She has been charged with transforming Sesame Workshop's employee benefits at a time when the

nonprofit best known for its public television programming formed a business relationship with HBO, under the direction of the then-new CEO Jeffrey Dunn, who joined the firm in 2014.

Sesame Workshop's global reach serves children throughout the world and has branched out beyond "Sesame Street" to far-flung offices in places as varied as South Africa, India, China and Bangladesh.

"Sesame Workshop went through a transformation," says Tony Marconi, regional vice president of the Corporate Synergies Group, headquartered in Camden, New Jersey, where he works as the broker consultant for Sesame Workshop's health and welfare plan.

"Everyone knows who they are, of course, but they really went global, and they needed to change their benefits to reflect those changes," Marconi says. "I thought about the scope and scale of what she's responsible for and the diverse needs of the organization, and it's remarkable to see the changes."

Revamped benefits

From the start, Lee says her focus was to build the right infrastructure and benefits for her employees; to create the right culture to foster professional development, diversity and inclusion; and to build the best HR team to execute all their initiatives to support their broader mission: making children "smarter, stronger and kinder."



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Four years ago, the organization offered one health plan with an in-network and out-of-network component; the nonprofit also faced a very steep premium increase. The decision was made to add a second medical plan that was in-network only, an option that employees eventually embraced. "Through the annual enrollment, we migrated 80% of employees to the new option," she says.

Working with her benefit adviser, she created an annual employee survey to gather feedback on other medical plan options. She notes that the workforce is predominantly female, with an average age of 40, which means their HR team has to account for the typical medical and financial needs of middle-aged people with family responsibilities. Sesame Workshop also attracts younger employees who don't use medical services as frequently, along with older employees who are also thinking about retirement planning.

Under Lee's tenure, Sesame Workshop has rolled out key employee benefits. The employer added three new plan designs, an exclusive provider organization plan and a high deductible health plan with a health savings account, along with parental leave of up to 12 weeks.

Sesame Workshop's retirement plan includes a 401(k) retirement savings program and after one year of service, all eligible employees are automatically enrolled at 5% of eligible compensation. Sesame Workshop matches 200%, up to a maximum of 5% of eligible compensation. Company and employee deferrals are made on a semi-monthly basis, and the company match vests immediately.

Given their international presence and humanitarian work, Lee expanded travel benefits to reflect those needs. While a majority of Sesame Workshop employees work in the U.S., 10% to 20% of employees volunteer to travel internationally to service the nonprofit's humanitarian programs and they have a presence in 150 countries, including some conflict areas.

This year employees have traveled to the Middle East to observe the nonprofit's various programs.

Lee says the organization recognized the need for a more robust international healthcare coverage, so they implemented an international medical plan through Cigna Medical Benefits Abroad, which provides health benefits that follow employees wherever they work. They also have an international SOS security assistance policy to

provide evacuation and medical emergency services.

"We've been fortunate that we've never had an incident where employees needed emergency assistance, but we have services and coverages in place in case they do," Lee says.

The mission

Lee says her team functions with a shared philosophy of treating employee benefits as a core part of total compensation.

"So being a nonprofit, we can't necessarily compete on a cash basis with our for-profit competitors when it comes to salaries and with equity and bonus programs. So that's why we do believe that we need to look at our compensation very holistically," she says.

Devising a generous benefits program is part of that total value proposition, she says.

"We compete certainly in terms of our generous package with what we can offer in the way of cash compensation, supplemented by our full menu of benefits, paid time off and 401(k). And of course people come to work for us because they're drawn to our mission."

Lee's ability to build the right team and manage change was among the key reasons that she was picked to help Sesame Workshop, according to the CEO, who had worked with Lee at MTV.

"She was a known quantity to me, and I knew that we had a lot of human resource needs in the organization. I knew her to be diligent at the numerous details of HR management, a good balancer of both company and employee interests," Dunn says. "You need all of these qualities in the leader of your human resources function."

Dunn says that Lee was willing to make the transition from a for-profit to a not-for-profit organization with smaller financial incentives because she wanted to become part of an organization that was making a difference and driving important change.

"We wanted and needed our organization to become more mission-oriented, diverse and inclusive and accountable," he says. "She wanted to become a part of the senior leadership team that would make all that happen and, hopefully, as a result, help kids everywhere grow smarter, stronger and kinder."

Among her top initiatives and accomplishments so far, Dunn said Lee has helped put many

"Being a nonprofit, we can't necessarily compete on a cash basis with our for-profit competitors when it comes to salaries and with equity and bonus programs. So that's why we do believe that we need to look at our compensation very holistically. We compete certainly in terms of our generous package with what we can offer in the way of cash compensation, supplemented by our full menu of benefits, paid time off and 401(k)s."

METHODOLOGY

2019 Benny Award winners

Employee Benefit News' annual Benny Awards recognize excellence in the employee benefits/human resources field. Four awards — Benefits Professional of the Year, Benefits Leadership in Retirement, Benefits Leadership in Healthcare and Judges' Choice — are presented to employee benefit or human resources practitioners selected by the editors.

In addition to Lee, the other winners are:

Benefits Leadership in Healthcare Award: Jessica Adams, vice president of people at Brad's Deals.

Benefits Leadership in Retirement Award: Garin Danner, director of human resources at the SSI Group.

Judges' Choice Award: Misty Guinn, director of benefits and wellness at Benefitfocus.

Benny Award winners will be recognized at the Benefits Forum & Expo, set for Sept. 25-27 in Las Vegas.

For full profiles, please turn to page 24.

new processes and policies in place. "Diana redid the salary and incentive compensation processes to bring them to market and ensure fairness across the organization; she overhauled the performance evaluation process to establish a leadership competency model to evaluate and advise employees on their leadership development; she led the rethink of our benefits packages to make sure that they were meaningful to employees and cost-effective for the organization," he says.

She also hired a number of new leaders for key divisions and functions, along with leading an organizationwide diversity and inclusion effort.

"She lets her people shine. She is great at letting the people closest to the work meet with me and own their work and ideas," he says. "More than any other functional leader, her weekly meetings with me as the CEO often include some of her team members.

"She always asks the next best question," Tony Marconi, regional vice president of the Corporate Synergies Group, says about Diana Lee. "She's still looking to learn and grow, both professionally and for the company. When you're still looking for growth opportunities after 40 years plus, that's a true professional."

For example, the upcoming companywide Halloween party is a "huge outpouring of Sesame staff creativity and the Thanksgiving lunch is a huge outpouring of the staff's culinary talents. These make a difference in the atmosphere of our workplace," he says.

As Lee mentioned, to make sure senior leadership communicates clearly with staff, her team distributes a comprehensive annual benefits-focused survey to help steer renewal decisions based on how employees prioritize health and wellness programs.

Among her corporate engagement and wellness initiatives, Lee negotiated a wellness budget with Cigna, which the nonprofit utilizes every year. The program includes options for physical, mental and emotional health, including healthy pregnancies, healthy babies, a 24-hour health information line, lifestyle management (weight loss, tobacco cessation), and activities such as bowling, cardio workout Wednesdays, corporate challenges, dodgeball, yoga and a knitting club.

Other wellness programs include employee-driven programs, such as midday meditation and a high intensity workout class. During a recent visit to Sesame Workshop, Lee gave a tour of the company meditation room, where employees can visit to disengage or re-center themselves during the workday. Lee designated the on-site quiet room for prayer, meditation and contemplation.

Because Sesame Workshop is focused on children, Lee also instituted a companywide volunteer day to give employees time off to work in schools. Other ideas for the future include on-site physician visits to facilitate ease of preventive screenings and checkups.

Among Lee's strengths, Corporate Synergies Group's Marconi said is her "dignified and thoughtful" leadership style.

"She always asks the next best question," he says. "She's still looking to learn and grow, both professionally and for the company. When you're still looking for growth opportunities and learning after 40 years plus, that's a true professional."

For Lee, working with the team that she helped build gives her the greatest satisfaction, along with working with the creative talent behind all the famed Sesame Street characters.

"I've always been drawn to creative people and drawn to the visual arts," she says. "Architecture and art and design remain, you know, very passionate interests of mine until today, but obviously not as a vocation."

Fittingly, of all the popular muppets and characters, she says she identifies most with one of the lesser-known characters: Abby Cadabby.

"Who is my favorite muppet? Well, you know, I like Abby," she says of the 4-year-old Muppet character. "What I'm taken by is her childlike wonder. Some of the things that she says just reminds me of what it's like to be a child, and, of course, the older I get, the harder it is for me to remember what it's like to feel like a child again. And that's what Abby does for me. That's perfect for what I need." **EBN**

Q&A: **The future of benefits**

To hear a podcast of the interview with Sesame Workshop's Diana Lee, visit benefitnews.com.

How did you get into HR and the benefits space? And how did you find your way to Sesame Workshop?

"I had not planned a career in human resources. I studied art as a college student, and it was while I was working at a job, preparing and earning money to go to school in architecture that I got a job as a legal analyst and they needed to expand a project. And it was after I learned how to interview, and it was all by chance. I discovered that I was good at it and I liked it. So it was then that I then decided to pursue human resources. After working with Jeff Dunn at Nickelodeon, he asked me to join him here. And so that's what led me here to Sesame Workshop."

What are you most proud of accomplishing at Sesame Workshop?

"Certainly, I'm very proud of building an infrastructure here and benefits as part of that. The other area that I'm really proud of is the work that we've done to really evolve the culture here. We do a lot of employee events and activities to bond over food and to build teamwork and to celebrate. We also have invested quite a bit in the way of leadership and management development, and really strengthened leaders here so that we can build a culture where all of our employees feel like they have room to express themselves and to feel comfortable here."

What does the future of benefits look like?

"We are a mission-first organization. People come to work for us because they're drawn to our mission. We've built a lot of infrastructure and programs, and we've worked hard to develop the culture. And I take pride in the fact that everything we do is really considered, and we really do strive to be the best in class in terms of programs that we do and practices that we follow." **EBN**



Holistic health: Supporting the entire employee

Benny award winner Jessica Adams helped create a culture of inclusivity and work-life balance at Brad's Deals.

By Kayla Webster

If your company's health benefits don't go beyond the basic medical, dental and vision, you're not doing it right, says Jessica Adams, vice president of HR and recruiting at Brad's Deals, a Shop Smart company.

Adams received this year's Benny Award in the healthcare category given by *Employee Benefit News* in recognition of her role in shaping the company culture of the Chicago-based discount website.

For Adams, fostering healthy employees means catering to their mental and emotional well-being by ensuring that work never stands in the way of personal responsibilities.

"The big thing for us is making sure you support the entire employee," says Adams, who has been with the company since 2011. "If you're happy in your personal life, you're going to be happy in your professional life."

Adams' latest contribution to the Brad's Deals employee handbook ensures workers have the

chance to say goodbye to loved ones before they pass. The "compassionate leave" policy allows employees to take up to five days off at full pay to visit relatives who are seriously ill. The number of days depends on the employee's relationship to the family member.

"Bereavement is a wonderful thing to have, and we hope nobody has to use it, but I wanted to add something employees could use beforehand to spend time with that person," Adams says. "It's a way to support them during life-changing or difficult events."

Adams' colleagues say her commitment to flexible work hours sets the tone for the company's culture. Around 35% of Brad's Deals employees work remotely and the rest have the option to work from home, according to their needs. While many workers rely on flexible hours to help with childcare, Adams says the policy also caters to those who need to take care of another family member, loved one or pet.

"We have the technology in place to be just as productive at home as we are in an office," Adams says. "I'm really proud of how we're able to support our employees to make sure they're successful professionally and personally."

The policy has also helped retain employees who might otherwise have quit because of personal circumstances. For instance, when an employee's spouse was transferred to a different state for work, Adams suggested that she join the company's ranks of remote workers rather than leave the company.

"We were able to retain an excellent employee by having her go remote," Adams says. "We see families having to make these kinds of decisions all the time. It doesn't make sense to lose them with what we're able to do with technology."

Adams also started a once-a-month program called "Diversity and Inclusion Lunch and Learns." Each month, Adams' team chooses a topic and arranges for a public speaker to visit the office or chooses a documentary for everyone to watch.

In the past, Brad's Deals has been visited by cancer patients, a tattoo artist and mental health professionals.

Once, its workforce was able to virtually meet the director of a documentary about a transgender youth in India. In the meetings, employees who identify with the subject matter are encouraged to share their experiences with co-workers.

"The whole push behind the initiative is to make sure people aren't hiding the things that make them special," says Alyssa Snyder, HR specialist at the company. "It shows how much Jessica cares about celebrating uniqueness."

Adams' contributions to the culture of Brad's Deals are recognized by the company's C-suite. They were thrilled — but not surprised — to learn she'd received a Benny Award for her efforts.

"Jessica has been an unwavering champion of our company's unique internal culture, and as a result Brad's Deals is a better organization," says Amy Bourne, the chief operations officer at Brad's Deals. "She is a thoughtful and passionate leader, a strong role model for employees throughout our organization and a key member of our leadership team."

In her spare time, Adams loves cooking with her husband and building Legos with her three kids. Recently, she was able to travel around the country with her family after earning her company sabbatical — three weeks of paid vacation for every five years of company service.

"I'm really grateful I was able to be part of building a company culture that recognizes the employee is a person," Adams says. **EBN**

Kayla Webster is an associate editor of *Employee Benefit News*. Follow her on Twitter at @KaylaAnnWebster.



An HR director who 'definitely stands out from the crowd'

Moving to benefits after the oil industry tanked in 1981 was "the best decision" Garin Danner ever made..

By Paula Aven Gladych

Garin Danner was working as a recruiter for an independent oil and gas company in New Orleans in 1981 when the oil industry tanked. His company put a moratorium on hiring for an indeterminate amount of time, leaving him wondering what he was going to do next.

Instead of laying him off, his company offered him a job in either compensation or benefits. He had never worked in either realm, but he "made a wild guess" and chose benefits.

That was "the best decision I ever made in my life," says Danner, the Benny Award recipient for retirement planning.

Danner, the director of human resources for the SSI Group in Mobile, Alabama, a healthcare technology company that creates software for large hospitals, clinics and doctors' offices, worked his way up through the benefits world from that point forward, never looking back. He has honed his skills in the retirement space from the very inception of the 401(k) plan, making sure the companies he

worked for led the pack in this area.

Danner accepted his current position 11 years ago and has "never regretted a day of it since," he says.

He began methodically going through the company's benefits plans, attempting to make them more attractive to employees. He started with the company's health and welfare plans and moved to retirement shortly thereafter.

The first thing he noticed about the SSI Group's retirement plan was that employees couldn't contribute the moment they were hired and the company was putting matching contributions into the plan only once a year.

There was another waiting period attached to the company's profit sharing plan, depending on an employee's start date, so it could be a significant amount of time before someone saw money going into that plan, he says.

He tackled the issues one at a time, beginning with the options that were not as costly to the

company. The first change he proposed was allowing all employees to begin contributing to their 401(k) plan immediately. He then started working on getting the company to pay matching contributions on a paycheck-by-paycheck basis.

Once those were in place, he implemented automatic enrollment.

"We had good participation but not fantastic participation," Danner says. About 80% of the company's employees were participating in the retirement plan at that time.

Because of auto enrollment, the plan's participation rate rose to the low 90% range, but the average percentage that employees were contributing to their plans was between 5% and 6% and he wanted to increase that number.

Danner introduced automatic escalation and increased the company's automatic enrollment percentage to 6%. Now the plan auto-escalates employees' retirement plan contributions by 1% annually until they reach a 15% contribution level.

"Each time we do this, there is no pushback from employees whatsoever," Danner says.

Since then, the SSI Group's employee participation has risen to 97% with an average deferral rate of 9%, says David Ramirez, chief investment officer for ForUsAll, SSI's plan adviser and the person who nominated Danner for the award.

When Danner arrived at the SSI Group, there was an investment committee in place and the plan had an investment adviser who met with the committee once a quarter.

The adviser would give guidance into how they were participating in the 401(k) plan but "that's as far as they took it. They didn't take on further fiduciary responsibility than that level," he says.

He decided to put a plan out to bid for a new investment adviser and found ForUsAll.

For the past two years, ForUsAll has helped Danner reduce 401(k) plan fees by 63% and increase plan engagement by rolling out a comprehensive financial wellness program that uses mobile communications to better engage participants and offers employees one-on-one sessions with financial advisers to help them manage their credit card debt, student loans, budgeting, financial and retirement planning.

"Garin definitely stands out from the crowd," Ramirez says. "First, it is rare that you meet somebody who loves geeking out on retirement plans as much as he does — anything and everything related to retirement plans and financial wellness."

He adds that Garin was not content with a 93% retirement plan participation rate and "tenaciously introduced and evangelized holistic financial wellness to help those that weren't in a position to

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save aggressively for retirement."

The SSI Group's workforce is very intellectual, with roughly 380 full-time employees working in information technology, development, analytics, marketing, sales, compliance and other professional positions.

Attracting talent and retaining it are challenges that many high-tech companies face in this era of low unemployment and high competition.

"We are constantly looking for ways to help our employees," Danner says.

That is what he loves best about his job in human resources. That and problem solving.

"I like that challenge. I like the ability to do that and have fun at it. We've got a great staff here, and

it is just enjoyable to come to work every day, so why quit?" he says.

After 38 years in benefits, Danner says he is in no hurry to retire. "I'd like to get a few more years under my belt."

His advice to other people working in the benefits space is to make sure they secure the proper type of help and assistance.

"You want to have a good third party administrator for the plan, and you want to have a good adviser," he says.

Danner also recommends using an adviser that will take on additional fiduciary responsibilities "because they can and will do more for you in the process, which takes a big burden off your mind."

Benefits professionals must keep abreast of what is going on in the industry and investment community and also keep tabs on the reports the record-keeper produces to ensure there are no mistakes or abnormalities.

The benefits industry has "really been a major passion in my life — all aspects of benefits and especially the 401(k) plan because I see the vulnerability that individuals have if they're not paying attention properly in those arenas," Danner says. "I like other aspects of HR, but benefits is my passion." **EBN**

Paula Aven Gladych, an Employee Benefit News contributing writer, is based in Denver.



How one HR pro uses data to increase benefit utilization

Benefitfocus' Misty Guinn keeps her finger on the benefits pulse through annual surveys, ensuring her workers remain "Customer #1."

By Nick Otto

A self-proclaimed data nerd, Misty Guinn, director of benefits and wellness at Benefitfocus, loves to look at numbers. But beyond the quantitative

raw numbers, she also dives deep into qualitative data, which started her on the path to the employee-focused approach she takes to benefit

planning and employee communication.

"When I first joined [Benefitfocus], I spent 90 days digging in and learning and trying to see how people are being communicated with," says Guinn, who launched a total well-being survey and discovered that employees said they were not receiving communications in an adequate time. "They couldn't navigate and find information that they needed as easily as they should be."

The irony was employees of the cloud-based benefits management platform and services provider knew more about the benefits and services their clients provided than they did of their own plans, she says.

So Guinn decided it was time for a change. It was time to start from scratch and establish her employees as Customer No. 1, says Guinn, *Employee Benefit News'* 2019 Judges' Choice Benny Award winner.

"Over the past year and a half, Misty has made a significant and positive impact on the company's benefit programs, improving our associates' lives," says Ray August, Benefitfocus president and CEO. "She is a transformative leader, and for Misty to be recognized in this fashion for her hard work and efforts on behalf of our associates makes this award especially meaningful to us."

Ensuring employees are "Customer #1"

"Essentially, the premise of the initiative was that for us to become the gold standard, we should be the role model of how to fully optimize and realize all the different tools, services and products, not just within our platform, but throughout the entire benefits industry," Guinn says. "You want to drink your own champagne."

The objective of Benefitfocus' total well-being strategy is to create an environment that enables

associates to flourish through programs, products and policies, while striving to embrace all pillars of well-being: physical, mental/emotional, financial and social/purpose.

"We essentially dug into not just our benefit plant design, but how we were communicating with them, how we were engaging with our associates," she says.

With an average employee age of 38, plan design and communication can be a challenge, with workers often being fatigued or confused with benefit offerings. According to a recent Benefit-solver report, 30% of workers say they are outright confused when trying to select benefits during open enrollment.

"Open enrollment can be a very overwhelming time. ... It's like drinking from a fire hose."

"Benefits is such a personal journey for people," she says, "and so I think we have a lot of people who are just really experiencing certain health issues or starting to look at different milestones in life, like purchasing homes or starting a family."

Whether a new hire or an employee who recently had a baby and is going through a qualifying life event, Guinn's aim is to make it feel that the company is supporting them through those "moments that matter."

"That's been a really fun thing to take on," she says, "and just see how we're not only creating better consumers of our benefits package, but we're creating more knowledgeable people in the benefit industry altogether."

The "Fortnite effect"

Continued communication outside of open enrollment continues to be a struggle for many employers.

According to an Open Enrollment Readiness Benchmark report earlier this year, planning/designing employee communications came in at just 37 in November — an 11-point drop from the score of 48 in October and a 13-point decline from the September score of 50.

The challenge hasn't been lost on Guinn. "It started out with looking at how can we break down communications," she says. "I originally started with quarterly releases, and that idea came from the 'Fortnite effect.'"

She credits the "Fortnite effect" phenomenon to her two young sons, who would wake up at 3 a.m. and anxiously await each new release of the popular online video game.

"Open enrollment can be a very overwhelming time, not for just us as benefit professionals, who live and breathe benefits all year long," she says. "I can only imagine someone that isn't used to hearing the jargon all day having to make all of these decisions within a two-week time frame. It's like drinking from a fire hose."

Every quarter will be themed with a focus on wealth, health and lifestyle; and then the fourth quarter focusing on open enrollment season.

Alongside quarterly themes, going a step further she looks at monthly awareness months. For example, during breast cancer awareness month, she highlights the preventive mammograms that are available through the health plan, she adds.

"I think that's been the biggest thing with that 'Fortnite effect,'" she says. "It's not just about communications; it's about actual enrollment at that time. [Employees] hear about what was going to be open to them, but they had to wait for some open enrollment time in the fall, it's going to lose its value."

"That's been the biggest piece for us is to see people opting in and actually making these enrollment decisions," she adds.

As a result of her efforts, Benefitfocus saw a 72% adoption rate into its high deductible health plans during the 2019 open enrollment period, above the national average of 25 to 30%. Additionally, there was a 27% increase in employee contributions to health savings accounts and significant growth in enrollment in various voluntary income protection products.

Keeping a pulse on the future of benefits

Outside open enrollment, as part of the Customer No. 1 initiative, Guinn says she utilizes her annual survey to help keep a pulse on where her employees are.

"Any time I'm looking to add a benefit or launch a communications campaign, I always want to make sure it fits into [our] culture, and that we're offering this for a reason," she says.

Offering many benefits isn't her specific goal. Instead, it's about making sure that she's offering benefits at the right time and that they make sense to her workforce.

In her most recent survey, when associates were asked if they thought benefit communication was adequate and delivered in a timely manner, the

The benefits realm has moved from being like the elementary school cafeteria to offering fine dining. Instead of being satisfied with whatever you got, now you can speak with the chef and get guided tastings and pairings.

"strongly agree" response more than doubled from the prior year, she says.

"I feel we can look at enrollment data and utilization data from our carriers and partners, but I feel the secret weapon to truly building the most innovative plant that's going to speak to your employees is employee feedback," she says.

"Too many times in benefits, we make assumptions, and we all know what happens when you assume."

And as the war for talent continues to rage on, more statistics suggest employees put even greater importance on having the ability to customize their benefit package, increasing their loyalty toward an employer, she notes.

"I think we're starting to see more and more people value, or at least put emphasis on culture and benefits outside of just a salary," she says.

When it comes to the future of benefits, it's like comparing the elementary school cafeteria with a fine dining experience.

The old mentality was more like a cafeteria experience, where an employee felt rushed and had to be satisfied with what they got, she says.

Now there's been "this shift to fine dining," she says, "where it's personalized; you can speak to the chef, and you have guided food tastings and wine pairings."

That's the paradigm shift employers must get on board with because that's what employees expect, she adds.

"It's more than that whole philosophy around 'it's not one size fits all,' which I know is used a lot in our industry, but finding a different way to engage them in that process is going to be a key thing for us," she adds. "Everyone has been in that cafeteria school lunch environment, and hopefully at some point, you experience getting to eat at that fine dining event." **EBN**

14 MUST READ BOOKS

HR and benefits professionals can't put down

Here's a peek at some of the titles that are top of mind for industry insiders this year.

By Evelina Nedlund



Every avid reader knows that every book is not for every reader. But it sometimes helps to have suggestions from people whose interests and backgrounds are similar to our own. To help you narrow your search for your next engrossing read, we've compiled a list of some industry insiders' favorite reads.

Do you have a recommendation for our editors to check out? Let us know on social media and tag us using @EBNbenefitnews.

"Unaccountable," by Dr. Marty Makary

Recommended by David Contorno, founder and CEO, benefit consulting firm E Powered Benefits

Contorno says, "If you ever wondered why our healthcare and health systems continue to decline

in quality and increase in cost, this will tell you part of the tale. Our perception of our healthcare system is much different than the reality. This book will help you understand why."

"How to Stop Worrying and Start Living," by Dale Carnegie

Recommended by Dr. Steven Rogelberg, author and professor of management, the University of North Carolina at Charlotte

Rogelberg says, "I find this to be an excellent treatment of stress and coping. The examples are highly dated (although kinda fun to read from a historical perspective), but the advice is rock solid and highly actionable. I have recommended this book to many, to friends and clients. No one has been disappointed."

"Everybody Matters: The Extraordinary Power of Caring for Your People Like Family," by Bob Chapman

Recommended by Tal Gilbert, CEO, wellness program provider Vitality Group USA

Gilbert says, "If more employers embraced Bob Chapman's mission to truly care about their people, organizations would benefit from improved happiness and well-being of their employees."

"Dying for a Paycheck: How Modern Management Harms Employee Health and Company Performance and What We Can Do About It," by Jeffrey Pfeffer

Recommended by Carrie Bartlett, senior client executive, OneDigital Health and Benefits

Bartlett says, "Are your employees working long

hours? Juggling family obligations? Stressed about their finances? Not exercising? 'Dying for a Paycheck' addresses that the relationship between employees and organizations is terribly broken.

"Many experts have established how critical the first 90 days are in a new job, whether you're early in your career or stepping into a new executive role. First impressions really do matter," says Glassdoor's Theresa Lund, of "The First 90 Days," by Michael A. Watkins.

"It provides clear evidence that employers using schemes to maximize a company's profits, such as low wages, long hours and minimal healthcare benefits, are ineffective. Pfeffer argues that implementing reforms to provide a healthier working environment for employees will benefit the company by increasing engagement, reducing turnover, increasing job productivity. This is a necessary read if you have implemented, or have considered implementing, a worksite wellness program."

"Work Rules!: Insights from Inside Google That Will Transform How You Live and Lead," by Laszlo Bock, and "The Culture Code," by Daniel Coyle

Recommended by Keith Falk, regional managing director of HR consulting, OneDigital Southern California

Falk says of "Work Rules!", "He was the senior vice president of Google people operations and is regarded as the brightest mind in HR. He has a new HR artificial intelligence company too."

Falk says of "The Culture Code," "It's incredible. It features great groups that are really tight and why they are so close-knit. [For example], Navy Seals and New Zealand All Blacks [rugby team]."

"The Remix: How to Lead and Succeed in the Multigenerational Workplace," by Lindsey Pollak

Recommended by Rebecca Ray, executive vice president of human capital, The Conference Board

Ray says, "It's important that we understand the desires and motivations of all workers and where there are generational differences, plan accordingly. Lindsey has written a great book to deepen your understanding."

"Measure What Matters," by John Doerr

Recommended by Misty Guinn, director of benefits and wellness, Benefitfocus

Guinn says, "This is my go-to book this summer. My favorite quote from it is, 'Ideas are easy. Execution is everything.' Doerr's methodology of setting objectives and key results, which the book calls 'OKRs,' brings my strategies to life. At Benefitfocus, I've used this framework on my quest to design a culture and environment that allows our associates' total well-being to flourish with different programs, products and policies. I can set OKRs based on our organization's shared vision to achieve this goal and contribute to Benefitfocus' overall success. The book helps you tell the story of why and how in order to achieve success, which makes it a must read for all benefits professionals."

"Artificial Intelligence for HR: Use AI to Support and Develop a Successful Workforce," by Ben Eubanks

Recommended by Ira Wolfe, president, Success Performance Solutions

Wolfe says, "I picked up a copy of "Artificial Intelligence for HR" in advance of my presentation "Keeping the Human in HR" at the SHRM conference. Before I got home, half the book was highlighted and pages dog-eared. This is a must read for every HR professional and business executive. Ben does a spectacular job of taking a very complicated subject and making it understandable and easy-to-apply, especially for HR non-techies."

"Trillion Dollar Coach," by Eric Schmidt, Jonathan Rosenberg and Alan Eagle

Recommended by Rod Reasen, co-founder and CEO, Springbuk

Reasen says, "[This book] is a must read for any leader or manager. The story of Bill Campbell, a personal coach, and mentor of leaders from Apple and Google encapsulates a combined approach of using tough love with relationship to encourage individuals personal growth. We bought copies for our entire leadership team and look forward to being better coaches through Bill's example."

"Belonging At Work: Everyday Actions You Can Take to Cultivate an Inclusive Organization," by Rhodes Perry

Recommended by Beck Bailey, director of the Workplace Equality Program, the Human Rights Campaign

Bailey says, "Rhodes Perry is an important voice on the emerging conversation of belonging at

work and what it means to be truly inclusive. This book has practical examples on how we can individually shape an inclusive workplace climate and strengthen the sense of belonging for everyone."

"The First 90 Days," by Michael D. Watkins

Recommended by Theresa Lund, acquisition manager, Glassdoor

Lund says, "Many experts have established how critical the first 90 days are in a new job, whether you're early in your career or stepping into a new executive role. First impressions really do matter, and how we establish ourselves within those first 90 days sets the tone for our tenure in a role or at a company. [This book] provides a practical road map on how to start out on the right foot and walk a path that will lead to long-term success. In today's workplace, where our roles evolve and grow faster than ever, this book provides masterful insights into a seamless and successful transition into a new position or job."

"Recruiting in the Age of Googlization," by Ira S. Wolfe

Recommended by Michael Thomas, district talent acquisition partner, Lowe's Cos.

Thomas says, "I picked up this book expecting it to explain how to better leverage technology in recruiting and how to create a better candidate experience — it delivered on that and it provided so much more. The book dives into the questions surrounding what the future of work looks like and explains how companies and their leaders will need to prepare for an uncertain future.. Even if you aren't a recruiter, we can all learn something from this book."

"The Price of Pettiness: Bad Behavior in the Workplace and How to Stomp it Out," by Alex Alonso

Recommended by Johnny Taylor Jr., CEO, the Society for Human Resource Management

Taylor says, "Beyond the usual everyday annoyances and exasperations we all experience in the workplace, pettiness limits careers and opportunities on a broad scale and sometimes crosses the line into unquestionably criminal behavior. Based on new SHRM research, this groundbreaking book examines the seemingly limitless depths of workplace pettiness — as well as the remarkable heights of creativity it seems to inspire in people — and delivers proven tools for anyone to spot pettiness and deal with it directly." **EBN**

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HSAs: The other retirement account

Baby boomers expect Social Security to be their primary source for paying for retirement, while Generation Xers and millennials are looking at other means, says Wells Fargo.

By Craig Keohan

Baby boomers, Generation Xers and millennials have very different thoughts and expectations about retirement, according to new Wells Fargo research.

One of the findings was that baby boomers expect Social Security to be their primary source for paying for retirement expenses, while Generation Xers and millennials foresee being more reliant on 401(k)s and IRAs. However, the researchers also found that 20% of baby boomers and Generations Xers and 30% of millennials listed "Other" as a primary source for covering retirement costs.

While the whitepaper did not provide details about what this "Other" category might be, we at HealthSavings Administrators have our fingers crossed that those respondents are using investment-focused HSAs to grow funds for retirement. Although they're often viewed as a way to reduce taxes on healthcare costs, HSAs offer unparalleled tax advantages on retirement medical expenses and are the single best way to save for retirement, period.

Not just for medical expenses

One reason HSAs get pigeonholed as medical-only accounts is their name: health savings accounts. Instead of thinking of HSAs as primarily for health-care, it can be helpful to view them as IRAs with a tax-free medical bonus.

Like IRAs, HSA contributions are tax-free at the federal and state level (in almost every state), and earnings and interest grow tax-free. What's more, HSA withdrawals for qualified medical expenses are always tax-free too; this

FINANCIAL WELLNESS

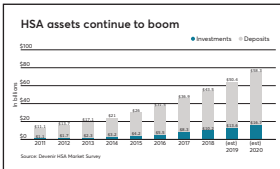


DOL MOVES FORWARD ON RETIREMENT PLANS

The Department of Labor has finalized a rule to expand the access of MEPs.

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GRAPHIC



HSA ASSETS CONTINUE TO BOOM

Total HSA investments and deposits are approaching \$60 billion, according to a recent survey.

P.32



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triple tax advantage is something other retirement plans simply can't match.

In addition, once HSA account holders reach age 65, they can use HSA dollars on nonmedical expenses and pay only income taxes on those funds, just like an IRA or 401(k). This means account holders never have to worry about overfunding their HSAs; any funds that aren't needed for healthcare costs in retirement can be used for general retirement expenses.

Also, HSAs don't have required minimum distributions, so the funds can continue to grow until account holders need to use them. And if an HSA account holder lists a spouse as the beneficiary, the HSA becomes the spouse's after the account holder's death and retains all of its tax benefits.

Bonus FICA savings

Many people understand the benefit of withholding a portion of their paycheck to their 401(k)s and avoiding paying federal and state taxes on those contributions. However, HSAs offer additional FICA tax savings that can't be accessed with any other retirement savings account.

The FICA tax consists of Social Security and Medicare taxes, and this combined tax is typically 15.3% (the Social Security tax is 12.4% on all wages up to \$132,900, and the Medicare tax is 2.9% on all wages). Employers and employees split the tax, so each typically pays 7.65%.

Contributions to a 401(k) or an IRA are always subject to FICA taxes, regardless of whether those contributions were to a traditional plan or a Roth plan. By contrast, HSA account holders never have to pay FICA taxes on contributions done via pretax payroll withholding through their employer's Section 125 plan, and neither does their employer. That's an extra 7.65% back to both the account

holder and the employer.

Let's break that down. If you contributed \$500 each month to a 401(k), you'd have \$6,000 in the account by the end of the year. If you contributed \$500 each month to an HSA via Section 125 plan payroll withholding, you'd have the same \$6,000 in your account at year's end. However, since you didn't pay FICA taxes on the HSA contributions, you'd have an extra \$460 in take-home pay by the end of the year. You can then contribute that extra \$460 of annual FICA savings back into your HSA. Assuming a 6% market rate, over 40 years those FICA savings alone could grow to over \$75,000.

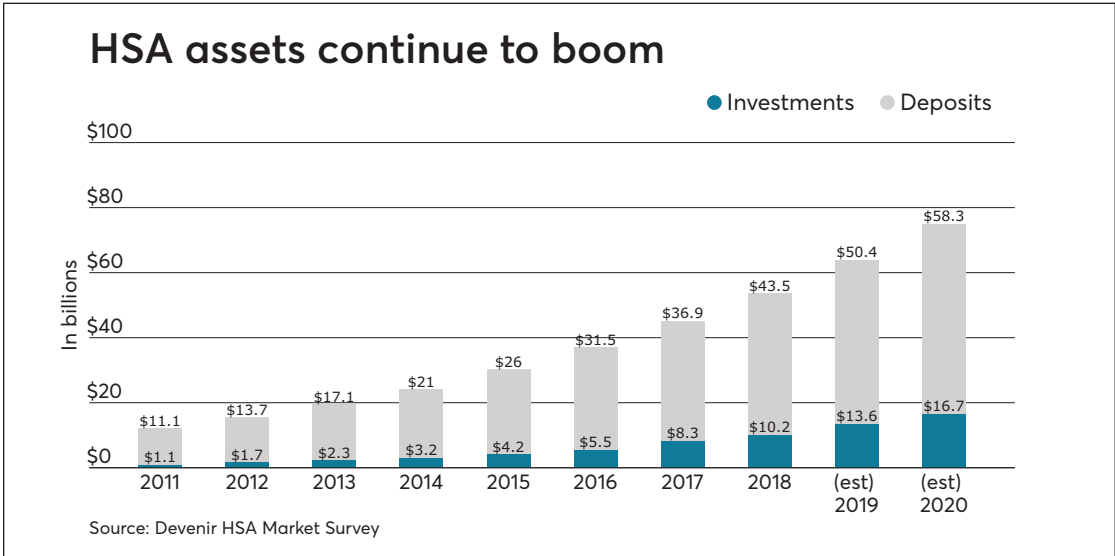
Prioritizing Your Retirement Savings

Knowing HSAs' superior tax benefits, you may want to consider structuring your retirement contributions to increase your tax savings:

- 1. Contribute enough to your HSA and 401(k) to get any employer matches. Always take advantage of any match your employer offers; there's no easier way to get free money.
- 2. Max out your HSA via payroll withholding. In 2019, the HSA contribution limits are \$3,500 for individuals under self-only insurance coverage and \$7,000 for individuals under family coverage. By contributing via payroll withholding, you're saving FICA taxes and putting money back into every paycheck. In fact, you could even calculate how much you're getting back in FICA savings and put that extra money back into your HSA.
- 3. If you have money remaining after maxing out your HSA, put it in your 401(k) or IRA. Although your contributions will be subject to FICA taxes, you're still getting significant tax savings.

We recommend consulting with a financial professional before implementing any changes to your retirement contribution plan. [EBN](#)

Craig Keohan is the CRO of HealthSavings Administrators.



FINANCIAL WELLNESS



DOL rule expands access of MEPs

By Nick Otto

The Department of Labor has finalized a rule to expand the access of multiple employer plans (MEPs), a boon to small and medium employers.

Under the rule, association retirement plans could be offered by associations of employers in a city, county, state, multi-state metropolitan area or in a particular industry, nationwide. The final rule also allows plans to be sponsored through professional employer organizations — or a human-resource company that contractually assumes certain employment responsibilities for its client employers.

The rule enables small businesses to offer benefit packages comparable to those of large employers. The DOL expects the plans to reduce administrative costs through economies of scale and to strengthen small businesses' hand when negotiating with financial institutions and other service providers. The final rule will go into effect on Sept. 30.

"The DOL took a good first step toward allowing more employers to participate in MEPs with the issuance of its final rule on association retirement plans," says Jan Jacobson, retirement policy senior counsel at the American Benefits Council. "As the DOL recognized in the final rule, cost and regulatory complexity can discourage many employers, especially small employers, from sponsoring retirement plans."

MEPs can be attractive to those employers because of potential cost savings and the MEP sponsor taking on the typical responsibilities of a sponsoring employer, including reporting, disclosure and fiduciary obligations, she adds. [EBN](#)

Nick Otto is a senior editor of Employee Benefit News. Follow him on Twitter at @Ottografts.

Commentary

IN THIS SECTION: WORKPLACE CULTURE / RETIREMENT PLANNING



Workplace culture

The invisible perk your employees actually need

Good benefits can create hype, but they fail to address employees' greatest need: care.

By Laura Hamill

Pawternity leave, unlimited vacation and margarita Fridays — these are the perks that so many employers use to compete in today's talent wars. Sure, perks can create hype, but they fail to address employees' greatest need: care.

Making sure employees feel cared for every day when they come to work is the most impactful benefit an employer can provide. Care might seem like a fluffy or intangible thing, but Limeade Institute research shows that this is simply not true.

When employees feel cared for, they are nine times more likely to stay at their company for three or more years and seven times more likely to feel included at work. They are also four times less likely to suffer from stress and burnout, and twice as likely to be engaged at work.

But the question remains: what exactly is care? Care is the provision of what's necessary for the

health, welfare, maintenance and protection of something. It's looking after and providing for the needs of someone or something.

It's not about ping-pong tables and happy hours, although those can be nice. It's about those day-to-day moments and human interactions — like when an employee meets with their manager, sits with a colleague in the lunchroom during break or runs to the pharmacy during the workday to pick up a prescription for their sick child.

These are the moments that make employees feel truly cared for by their company. Do they feel valued? Do they feel supported professionally or otherwise? This is care.

The good news is, most companies do care for their people — they just don't know how to show it in an authentic, scalable way. But it's possible and many companies already have the building blocks in place. A good way to start is by infusing

messages of care into your programs. Remove the parts that feel punitive and mandatory and replace them with opportunities for individual, whole-person improvement that reconnects employees to their purpose — at work and in life.

Create environments where employees can bring their whole selves to work and develop opportunities for employees to voice their feedback and opinions. Then put changes into action. Be transparent. Seek feedback and keep putting the effort in.

If you're not sure where to get started, here are some areas to focus on:

Start with the basics. Evaluate things like health insurance, fair pay and safety measures. Are your employees' basic needs in these areas being met?

Show your employees they are valued. Not only should employees feel like they can bring their true selves to work, this effort should be encouraged and valued. It should be cultivated. Are you actively seeking communication and feedback from your employees? Create a space for this.

"It's not about ping-pong tables and happy hours, although those can be nice. It's about those day-to-day moments and human interactions — like when an employee meets with their manager, sits with a colleague in the lunchroom during break or runs to the pharmacy during the workday."

Elevate Purpose. Look for ways to connect personal purpose to organizational purpose. Evaluate if your corporate social responsibility program matches your values or develop opportunities for employees to bring purpose to their community outside of work.

Care is invisible. It's a feeling. But it's also a legitimate business strategy that can result in incredible business gains. Benefits professionals have the power to establish this feeling through the programs they implement. **EBN**

Laura Hamill is the chief people officer at Limeade, an employee experience software company.

6 steps employers can take to enhance financial literacy across five generations

By Cheryl Johnson



Having a multigenerational workforce is a distinct advantage, but it poses a challenge to an organization's benefits and compensation leadership team to understand the needs and wants of all of its employees.

The University of Pittsburgh recently underwent a multiyear initiative to transform how we communicate about our retirement plan and boost financial literacy. Traditionally, we had placed an emphasis on those faculty and staff who were closer to retirement.

But with five generations within our workforce, we realized this initiative would provide an opportunity to demonstrate how the features of the retirement savings plan could help our faculty and staff address the financial needs and goals of their specific life stage and provide a meaningful and relevant financial educational experience for all.

We worked closely with our provider, TIAA, to design a customized program. What follows are six key lessons from our experience in how to increase financial literacy and employee participation:

Create working groups and conduct surveys to confirm areas of need or interest.

Our initiative benefitted from a cross-functional group of men and women who met on a quarterly basis. One of our professors emphasized the importance of financial literacy, which inspired us to stretch our thinking about how the goal of financial literacy could fit into the retirement program metrics.

Stress the availability and access to complementary financial advice.

The ability to meet with a TIAA financial consultant for an individual

advice session is one of the key benefits of the retirement savings plan. To ensure faculty and staff would take advantage of this benefit, we conducted surveys to learn what financial topics would be most helpful, their preferred communication methods and desired topics for workshops. The survey response rate was 73%. More than 750 one-on-one sessions were requested and attended, which marked a 54% increase as compared to the same time period in the prior year.

Use personal stories, where possible.

One thing we are really proud of that was very effective, was using real life stories in the campaign. For the transition guide, we interviewed faculty and staff to learn about their passions, goals and what drives them. The answers were surprising and the personal stories really resonated with people. We posted a story from a woman who was a custodian and recently retired. Her testimony was impactful. More than 2,000 participants increased their contribution within the first six months. It was also important to use photographs of our faculty and staff — this was not the typical older couple on the beach. We wanted to make sure the imagery was in line with the generational diversity we have so that younger people would see themselves in the picture.

Illustrate the value of benefits and related key financial concepts, like compound interest.

University of Pittsburgh has a very generous retirement benefit, but we were not sure it was entirely appreciated by those who would

benefit the most. As one example, the university matches contributions at 150% once faculty and staff are vested. So, if an employee puts in 8%, the university puts in 12%, adding up to a total of 20%. It's important for people to know they are leaving real money on the table, and how it impacts their financial picture over time.

Ensure you can measure the impact of your campaign.

We wanted to make sure we were increasing the rate of faculty and staff participating in the plan, so it was important for us to be able to measure our efforts. If we hosted a workshop, we made sure we identified and assessed the learning outcomes. We also knew that if we put in measurements focused on understanding financial concepts, we could learn if we were making an impact on the financial knowledge of our staff and faculty.

Use multiple channels to inform and engage employees.

Numerous channels were utilized to communicate to current and former employees, including human resources' website, Facebook, Twitter, television screens across campus, the employee intranet portal, our internal email system, mail, webinars, and in-person presentations.

Taking the time to understand the financial needs and goals of employees and creating a customized program is an investment, but we found it could improve plan participation and ensure our employees are confident in their retirement and future security, which was well worth the effort. **EBN**

Cheryl Johnson is vice chancellor of human resources at the University of Pittsburgh.

Attract and Retain Top Talent with Compelling Benefits



The competitive differentiator

A compelling benefits program has never been as important as it is now. The 2019 Paychex Pulse of HR Survey recently revealed that attracting and retaining good employees tops the list of challenges facing HR professionals.

That's why we put together the eBook, *"How HR Leaders Use Benefits to Attract and Retain Top Talent"* to help you build or refine a benefits program that provides a recruiting and retention edge.



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