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Employee Benefit News

# THE DISRUP-TERS

CommonBond's David Klein and Happify's Ofer Leidner are two of the many innovators leading the digital transformation of employee benefits, which is resulting in happier, healthier and more productive workers

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(Benefits Administration as you know it is fading away.)

**Say hello to something new this April | byebenadmin.com**

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# CONTENTS

April/May 2017
VOL. 31, NO. 2


## FEATURES



**On the Cover:** Photograph by Jordan Hollender

## STRATEGY SESSION



## HEALTH CARE



## COMMUNICATION & ENGAGEMENT



## VOLUNTARY



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# CONTENTS
April/May 2017




EDITORIAL HEADQUARTERS
4401 Wilson Blvd., Suite 910, Arlington, VA 22203
Fax 703-527-1791

**Editor-in-Chief** Kathryn Mayer
kathryn.mayer@sourcemedia.com
**Executive Editor** Phil Albinus
philip.albinus@sourcemedia.com
**Senior Online Editor** Nicholas Otto
nicholas.otto@sourcemedia.com
**Associate Editors** Amanda Eisenberg, Brian M. Kalish, Cort Olsen
**Contributing Editors** Elizabeth Galentine, Nathan Golia
**Contributing Writers** Joseph Goedert, Chris McMahon, Paula Aven Gladych, Richard Stolz, Bruce Shutan, Sheryl Smolkin
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**Director of Content Operations** Theresa Hambel
theresa.hambel@sourcemedia.com
**VP, Research** Dana Jackson

EDITORIAL ADVISERS
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BPA WORLDWIDE

ADVERTISING HEADQUARTERS
1455 Lincoln Parkway, Suite 220, Atlanta, GA 30346
770/381-2511 Fax 770/935-9484

**Vice President & Group Publisher** Jim Callan
jim.callan@sourcemedia.com
**Publisher Mid Atlantic/Southeast** Michael Pirro, 770/935-0231
michael.pirro@sourcemedia.com
**Midwest** Thomas Cahill, 312/777-1376
thomas.cahill@sourcemedia.com
**Northeast/Southeast** Michelle Yosslowitz, 770/935-0260
michelle.yosslowitz@sourcemedia.com
**West/Southwest Regional Manager** Kurt Kriebel, 770/325-7523
kurt.kriebel@sourcemedia.com
**Provider Profiles and Benefit Marketplace** Michael Flynn, 480/754-9049, michael.flynn@sourcemedia.com
**Marketing Manager** Amy Metcalfe
amy.metcalfe@sourcemedia.com

CIRCULATION
One State Street Plaza, 27th floor, New York, NY 10004
212-803-8200 Fax 800/235-5552

**Customer Service**
help@sourcemedia.com
(212) 803-8500
For more information about reprints and licensing content from *EBN*, please visit www.SourceMediaReprints.com or contact PARS International Corp. (212) 221-9595.

**List Rental** Michael Pirro, 770/935-0231
michael.pirro@sourcemedia.com
**Fulfillment Director** Christopher Onyekaba

CONFERENCES
Benefits Forum & Expo
**National Account Executive, Conference and Exhibitions Group**
Michael Flynn, 480/754-9049
michael.flynn@sourcemedia.com

SOURCEMEDIA, INC.
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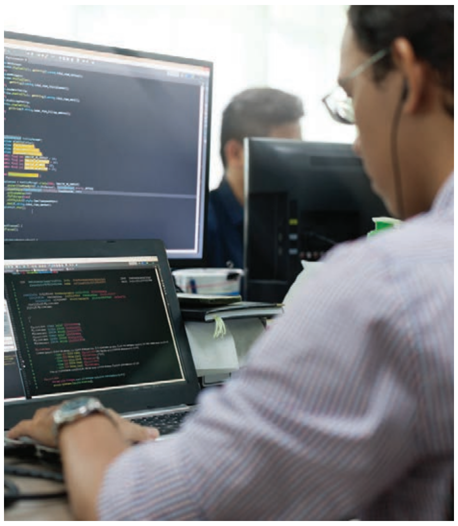
## READ

April's don't miss, web-only content at benefitnews.com

### EMPLOYEE BENEFIT VIEWS

An excerpt from our *Employee Benefit Views* blog, written by Betsey Banker, wellness market manager at Ergotron.



**Why employers should adopt the 'moving mindset'**

In the continuing conversation about employee health, there's a workplace component that isn't getting the attention it should — and it's something that workers do the majority of every workday.

Sitting has become the most common posture in today's workplace, and computer workers spend more than 12 hours doing it each day. Science tells us that the consequences are great, but our shared cultural bias toward sitting has stifled change. Many employees and company leaders struggle to balance well-being and doing their work. And it's time for employers to do something about it.

Rather than accept the consequences that come as a result of the sedentary jobs employees (hopefully) love, it's time to elevate the office experience to one that embraces movement as a natural part of the culture. Such a program will address multiple priorities at once: satisfaction, engagement, health and productivity. Organizations of every size and structure should embrace a "Movement Mindset" and say goodbye to stale, sedentary work environments.

There are many benefits to incorporating the movement mindset:

• **Encourages face time.** As millennials and Generation Z take over the office, attracting and retaining top talent is a key initiative for companies. That's evident in recent findings from the Society for Human Resource Management, which found that about half of employees are likely to look for new jobs within the next year. Research has shown that Gen Z and millennials crave in-person collaboration, and users of movement-friendly workstations (particularly those ages 20 to 30) report being more likely to engage in face time with coworkers than those using traditional sit-only workstations.

Standing meetings tend to stay on task and move more quickly. Their informal nature means they can also be impromptu. Face time has the added benefit of building culture and social relationships, increasing brainstorming and collaboration, and creating a more inclusive work environment.

• **Keeps employees focused.** For those who sit behind a desk day in and day out — which, according to our research, about 68% of workers do — it can be a feat to remain focused and productive. More than half of those employees admit to taking two to five breaks a day, and another 25% take more than six breaks per day to relieve the discomfort and restlessness caused by prolonged sitting.

To read this blog in its entirety,check out http://bit.ly/2nl6lZV.

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## VIEW

*EBN*'s slideshow gallery:

**25 best-paying jobs in the U.S.**

As salary continues to be a major driver in attraction and retention efforts for employers, keeping up to date with current market values is essential. This new list of the most lucrative careers in the country from Glassdoor gives employers insight into offering competitive salaries to attract and retain top talent.
http://bit.ly/2mYSzZm

**7 simple ways to show employee appreciation**

A company's greatest asset is its people. But in the everyday maze of meetings and never-ending to-do lists, it's easy to let employee appreciation slip. The good news? Employee recognition doesn't have to be complicated or expensive.
http://bit.ly/2nMcpLN

**Top 10 most boring industries to work in**

An engaged workforce tends to lead to higher productivity, but some jobs can just be so dull. Research from salary benchmarking site Emolument may help benefits managers know who might need a little motivation.
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# EDITOR'S DESK

"Technology has the ability to provide care in a way employees can access when convenient for them."

# Tech solutions that inspire

**KATHRYN MAYER**
EDITOR-IN-CHIEF

DESPITE MY MILLENNIAL status, I've never been that interested in technology. New gadgets? Standing in line for the latest iPhone? Frequently downloading apps? Not really my bag.

But, after talking to digital innovators who are making a difference in healthcare, I have a new attitude.

Poring through dozens of nominations for the Digital Benefit Innovators Awards, which *EBN* does in partnership with SourceMedia's *Employee Benefit Adviser*, I was impressed not only by benefits executives and brokers who are embracing technologies to make their jobs easier and more effective, but by disruptors who are inventing new solutions for employers that are resulting in a happier, healthier and more productive workforce.

Take, for instance, Happify, a digital platform that targets mental health. Through evidence-based techniques, Happify helps employees understand the source of their feelings. Then, it teaches them how to turn negative feelings into positive ones.

"Technology has the ability to provide care in a way employees can access when convenient for them," Happify co-founder and president Ofer Leidner told me. "From an employer perspective, we've seen anywhere from 25% to 50% of employees exhibit elevated levels of stress, depression and anxiety that have gone undiagnosed. Employee emotional health has a huge impact on productivity and effectiveness of the company. The smartest employers are the ones who address emotional well-being in a preventative way — preempting the problem by giving employees access to benefits and plans that help them develop skills like resilience, grit and gratitude."

Other innovators are targeting such areas as student loans, well-being and transparency — all major pain points for both employers and employees, and areas that, I predict, will only become bigger in the next couple of years. Check out our full list of innovators (p. 16) and you'll meet David Klein, the brains behind CommonBond, a company that uses data and technology to lower the cost of student loans; Jason Langheier, founder and CEO of Zipongo, which offers employees healthy food options via mobile device, whether users are grocery shopping, eating in their workplace cafeteria or out at a restaurant; and Bill Hennessey, who founded Pratter, a medical cost savings and transparency company that allows employees to search and compare prices for medical tests and procedures.

And you'll read about what benefits executives are specifically doing to embrace technology.

As a journalist covering this space, I'm excited by the way technology is changing the employee benefits industry.

But new technologies excite me even more from an employee standpoint — simply as a consumer who wants to better understand my healthcare and benefits and have tools available that will help me compare costs, eat better and get fit. Here's hoping more employers feel the same way, too. ■

*Send letters, queries and story ideas to Editor-in-Chief Kathryn Mayer at kathryn.mayer@sourcemedia.com.*


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# STRATEGY SESSION

**In this section:**
>Financial help
>Well-being

FINANCIAL HELP

# Employees clamoring for student debt benefit

## Nearly 90% of young workers say they'd stay with a company for at least five years if their employer helped pay student loans

BY **KATHRYN MAYER**

Employees are eager for employers to offer a benefit that will help them tackle their student loans, arguing the move will not only help them personally, but it also will increase their motivation and loyalty to their employer.

That's the main finding from research by American Student Assistance, a Boston-based nonprofit that focuses on eliminating finances as a barrier to further education and professional growth. In the organization's survey of more than 500 employees between ages 22 and 33 (as well as more than 400 HR managers), student loan repayment was the third most important employee benefit, behind health insurance (82%) and a 401(k) match (74%).

Significantly, 86% of employees said they'd stay with a company for at least five years if their employer helped pay down their student loans.

That statistic, says Julie Ryder Lammers, director of consumer advocacy for ASA, "should be a highly motivating factor for companies to step up and gain immediate loyalty from their employees."

"If employers want to set themselves apart in order to attract and retain the best talent, they should start considering offering student loan assistance, whether (it's) repayment or student loan counseling," Lammers says.

"Our research also shows that while human resources managers are starting to recognize this issue, there is still a gap in understanding [how significant the problem is]. Many companies today already offer a variety of benefits and perks — more than just healthcare and 401(k) plans — and student loan assistance should be factored into their offerings."

If companies offered perks like signing bonuses for student debt, a matching program for student loan payments, or financial planning, more than 80% of employees say they would take advantage of them, according to the ASA research.

Though only a small amount of employers offer student loan repayment benefits, the category is increasingly getting more attention. Companies including Aetna, Staples and Penguin Random House have recently implemented the benefit.

Student debt is a growing problem for employees: There are more than 44 million borrowers with a total of $1.3 trillion in student loan debt in the U.S., according to the latest statistics. And, according to ASA, the burden is impacting workers on the job: 56% worry about repaying their loan either all the time (26%) or often (30%). Forty percent report that worrying about their student loans has impacted their health, while 61% have considered getting a second job to help pay off their student loans.

Though young employees were the focus of the ASA survey, Lammers says, "employees of all ages are feeling the impact of student debt — whether it's millennials trying to pay down education debt while simultaneously forming their own household, Gen X struggling to repay their existing college debt while at the same time save for retirement and their kids' college, or baby boomers figuring out how to pay for their children's or grandchildren's college with retirement right around the corner."

The strong desire for student loan repayment as an employee benefit, she explains, stems from that financial stress and the struggle to pay off loans.

Still, "loan repayment isn't the only option for companies," she says, noting that employees would also welcome help with financial planning or student loan counseling.

"There is no silver bullet that will eliminate the burden that millions of Americans are facing from college debt," she continues. "But for the 44 million Americans already struggling with student debt, a benefit that encourages their employer to help replay their existing student loans will go a long way to ease the financial burdens these borrowers struggle with on a daily basis." ■

Image from Adobe Stock

# Health coaches drive wellness participation

BY **NICK OTTO**

Simply having a comprehensive wellness program doesn't mean employees will gravitate to it. But rather than embracing all the new technology and tools available in an attempt to drive participation, employers might want to consider what employees really want out a wellness program: A highly personalized experience.

New research from HealthFitness finds that health coaching, a uniquely personalized experience for wellness plan participants, offers measurable costs savings, health behavior improvement, risk reduction and very high employee satisfaction.

"When considering how to bring personalization to your wellness program, it's important to think of how best to match the program with the people," says Cherie Buraglio, senior director of product management at HealthFitness.

Coached employees reported a greater health impact compared to non-coached participants, the HealthFitness study notes. On average, they gained 70% less weight (.24 lbs. for the coached participant compared to .80 lbs. for non-coached participants).

And the benefits of having a coached wellness program were twofold, with the study showing employers saw cost savings on these programs.

Employers whose wellness program participants worked with coaches recognized the incremental 6.1% of cost savings:

- $586 – Average savings per year for coaching participants, or 11.3% of medical costs
- $261 – Average savings per year for non-coached participants, or 5.2% of medical costs

In addition to personalization/customization, the other top drivers of wellness participation, according to HealthFitness, are: ease/convenience, motivation/incentive, mental health support and company culture. ■

# HEALTH CARE

**In this section:**
>Family benefits

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FAMILY BENEFITS

## Employers pursue new eldercare ideas

### HSA contributions and other products and services can help workers care for their aging, ailing parents

BY **AMANDA EISENBERG**

As baby boomers age out of the workforce, their Gen X children increasingly will look to offset expensive long-term care costs for their parents. Adding their parents to their employee benefit policies and using HSAs for services could be two solutions for young and middle-aged workers as this trend grows.

Healthcare costs for elderly parents, particularly for home healthcare and nursing facilities and continuing care retirement communities, will grow by 20.8% and 25.8%, respectively, over the next decade, according to new research from The Conference Board, a nonprofit business membership and research group organization. Due to these factors, services like HSA contributions, paid family leave, employee assistance program and vendor-based products will become increasingly necessary for workers caring for a sick or elderly parent, especially as healthcare costs continue to grow.

"There's evidence of grandparents moving back in with their children while the working-age parents work. Why couldn't older people be on the healthcare plans of their children?" asks Brian Anderson, associate program director at The Demand Institute, a division of The Conference Board.

Some workers can list their parent as an eligible dependent and use an HSA to cover medical expenses, including long-term care insurance, says L. Stephen Bowers, an attorney with law firm Cozen O'Connor. However, workers who use their HSA on non-dependents can bear substantial tax penalties.

Retirees are expected to use their savings, entitlement benefits like Medicare and voluntary benefits to fund any medical expenses. With the rising cost of care, even for out-of-pocket expenses, their children might need to contribute.

"It just adds emphasis on why people should be encouraged to build up savings, hopefully in an HSA, in order to afford the inevitably rising cost of healthcare in their senior years," says Kevin Robertson, senior vice president, director of sales at HSA Bank, a health savings account administrator based in Wisconsin.

Those costs tend to jump at retirement age.

Employees between the ages of 45 and 64 pay about $9,500 annually in healthcare costs, but that number jumps to nearly $17,000 after age 65. If workers make it to age 85, that annual cost doubles to $32,411, according to the latest data from the Centers for Medicare and Medicaid Services.

To offset these costs, some employers offer HSA contributions or matches, similar to a 401(k), as well as family leave if employees need to care for an ailing parent.

Flexible scheduling also can make a huge difference to employees looking to find care for their parents.

"It's extremely stressful," says Diane Menio, executive director of Center for Advocacy for the Rights and Interests of the Elderly. "You're adding lots of hours onto your day to do what you need to do to support the older person."

Benefit professionals can add certain products to their plan design to alleviate the emotional burden employees might feel during that process. Those might include Edge Hosting's Premier Elder Solutions, which allows family members to store information and conversations about an ailing parent, and Sequoia's BookMD, which uses claims data to determine if a parent missed a doctor's visit and can book an appointment on the spot — plus send an Uber to bring the patient to and from the office.

While vendors can make the transition of care easier, employers should also promote their employee assistance program to help with strategizing care and coping.

"Those programs are extremely helpful, because they can help direct them to get the support they need," Menio says. "Some employers also sponsor seminars or workshops. Employees want to learn how to support their parents." ■

# COMMUNICATION & ENGAGEMENT

**In this section:**
>Total rewards

TOTAL REWARDS

# Employee engagement critical to company success

## Promoting teamwork as well as offering competitive pay and benefits will make workers feel appreciated, research says

BY **BRUCE SHUTAN**

Researchers warn that organizations pay a high price for failing to accomplish employee engagement. Disengaged employees reportedly cost an estimated $450 billion to $550 billion a year in the U.S., while no more than one-third of employees are truly engaged at work worldwide.

These are a few of the highlights in a new report from The Engagement Institute, a joint venture of The Conference Board, Deloitte Consulting LLP, Sirota-Mercer, ROI Institute and The Culture Works, which suggests a way to crack the code on employee engagement and boost profits. In a nutshell, corporate leaders are urged to bolster employees' personal responsibility by regularly connecting their work to the mission of the organization, recognizing their contributions and promoting a collaborative team environment.

"It's one thing to assume that people come to work and want to be engaged; it's another to see it in black and white," says Rebecca Ray, executive director of The Engagement Institute and a co-author of the report.

One positive indicator is when employees or managers recognize which steps need to be taken if they start to feel disengaged at work. "It's incumbent upon the organization, as well as managers and senior leaders, to think about what they are doing that removes the ability of, and perhaps the propensity to, remain engaged by these employees," Ray says.

She describes employee benefits and compensation as a cornerstone of the employment contract upon which important intangibles can be built. "Part of the reason why people remain engaged in the workplace is because they feel that they have been treated with respect, and I think that respect takes many forms, not the least of which is that they're paid fairly," Ray explains.

Career development is a critical part of that equation. If employees feel like they don't have additional opportunities for growth or change, then she says they'll be more inclined to leave their employer. Sometimes, she says, they don't understand the opportunities that are available to them because they're simply not communicated.

### Individual choices

Ray also has noticed more employers adopting a holistic view of wellness in the workplace that extends beyond physical health to also include mental, emotional and fiscal health. Those efforts include anything from onsite financial literacy programs and meditation or yoga classes to corporate cafeterias that are stocked with discounted healthy food choices.

In light of this trend, she recommends having an informed employee population that's able to make choices that meet their individual needs.

"It's partly education, it's partly opportunity, and it's partly making things open and transparent for people to understand," she says. This approach, in turn, will help people recognize great places to work and retain top talent.

Younger generations, in particular, value transparency, and therefore, "are less likely to put up with things that are opaque," she believes. That means having an understanding of how decisions are made on promotions or pay raises that don't work in their favor.

"There's so much more information available to people who can benchmark themselves against workers in other companies," Ray says, citing Glassdoor as one helpful source.

It's also critical to practice what's being preached.

"One of the biggest destroyers of engagement is when people say one thing and do another," Ray says.

She offers as an example instances of companies breaking a pledge to treat employees with fairness and respect, whether it's pertaining to compensation, promotion or performance management. ■

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# Voluntary

In this section:
>Health tech


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HEALTH TECH

## Mobile vision service increases eye exams

2020 On-site works with hundreds of employers, including Wayfair, to provide in-network, on-site testing

BY **AMANDA EISENBERG**

Employees can now get eye exams in the same amount of time it takes to grab a cup of coffee.

2020 On-site is a Boston-based company that brings concierge-style mobile vision centers to employers like Yankee Candle, Microsoft and Wayfair for about $5 per employee as an added HR benefit.

"Before us, on-site healthcare was only available to offices of 10,000 people or more. We're making it incredibly economical. Almost no one in HR has thought about on-site healthcare because it's never been close to being economically viable," says Howard Bornstein, 2020 On-site's founder and CEO.

The service parks its 34-foot van outside an employer's office for one day or more, depending on need, with proper permits and an optometrist waiting to see scheduled employees.

"In terms of the work, it's been very touchless for us," says Alyssa McLaughlin, benefits specialist for HubSpot, a Cambridge, Mass.-based inbound marketing, sales, and CRM software provider. "They will send us the content to send to employees or the content to post to the portal. There's no action needed on our part."

The system is solely managed by 2020 On-site, so if the schedule fills up, HR doesn't need to do anything but schedule another visit.

"They've done all of it behind the scenes where it hasn't disrupted us at all," says McLaughlin. "It's out of our hands."

> **"It's a pretty low cost, massively low time commitment to roll out a cool employee perk."**
>
> *— Kate Gulliver, vice president of talent operations at Wayfair*

### A covered benefit

Because 2020 On-site functions as a benefit, it evaluates the company's insurance plan and creates a landing web page for employees at the company it is servicing, says Bornstein.

It also offers a co-pay match guarantee to ensure employees don't pay more by taking advantage of the employer-provided benefit. Employees who are out-of-network can also pay a flat $70 fee for an appointment.

Boston-based ecommerce site Wayfair has used 2020 On-site for its largely millennial workforce since 2014.

Of the 2,000 employees located in the Boston office, 550 of them have visited 2020 On-site, according to Wayfair.

"It's a pretty low-cost, massively low time commitment to roll out a cool employee perk," says Kate Gulliver, vice president of talent operations at Wayfair and a member of 2020 On-site's advisory board. "Our employees like it and it's a benefit to them. It's obviously a benefit to us because they're not out of the office for long."

Gulliver says 2020 On-site's scheduling platform and ease of getting an eye exam right outside the office made the HR benefit an easy choice, especially when Wayfair's millennial employees expect on-demand and technology-enabled benefits.

The company currently offers telemedicine options and fitness classes — benefits employees can leverage quickly, she says.

### Seeing is believing

The service is also useful to employees who don't normally go for an annual eye exam.

Seventy percent of 2020 On-site patients had an exam for the first time ever or for the first time in two years, according to the company.

Similarly, 82% of patients received new prescriptions, which indicated that they had been living and working with less than optimal vision.

Russ Campanello, executive vice president of HR for technology company iRobot, is part of that majority.

"I'm one of the people who discovered they needed glasses," says the executive for the company based in Bedford, Mass. "I was getting by with cheaters for reading glasses but I hadn't known my distance had deteriorated."

Four in 10 iRobot employees hadn't had an eye exam in the past two to five years, says Campanello. "While we always offered a vision benefit to our employees, we were not always getting the utilization you'd like to see," he says.

HubSpot also found utilization rates increased when they began offering 2020 On-site in 2014.

Since offering the benefit, 2020 On-site has performed close to 200 eye exams for iRobot employees and 492 eye exams for HubSpot employees.

iRobot, HubSpot and Wayfair are part of the 250 employers serviced by 2020 On-site in the Boston area; the vision company has also has begun expanding to cities outside of Boston like Atlanta and Chicago.

While 2020 On-site doesn't take up office space, its bright white van interior, paperless records, completely digital eye exams, a customer service hotline and concierge amenities attract not just millennials but the entire workforce, says 2020's Bornstein.

"We're the Apple store for your eyes, and we bring it to your office," he says. ■

## BY THE NUMBERS: 2020 ON-SITE

- More than **320** companies are using 2020 On-site
- **20,000** patients seen
- **$5** — cost per employee for concierge-like services
- **70%** of clients are either having exams for the first time ever or for the first time in the last two years
- **82%** of patients received new prescriptions

# 2017 BE TECHNOLOGY INNOVATORS

These industry pioneers are creating products to meet evolving needs of employers and employees.

**BY KATHRYN MAYER | PHOTOGRAPHY BY JORDAN HOLLENDER**

**David Klein**
Co-Founder and CEO,
CommonBond

# NEFIT

**Ofer Leidner**
Co-Founder and President,
Happify

Employee benefits are no longer predictable. Visionaries and entrepreneurs are using technology to disrupt the industry, creating new offerings for employees — think healthy food management and reducing student loan debt — and payroll and administrative solutions to remove as many burdens as possible for overworked employers. Meanwhile, benefit executives are working smarter by using leading-edge tech to increase engagement, help employees understand their benefits and drive down healthcare costs.

*Employee Benefit News* and *Employee Benefit Adviser*'s Technology Innovator Awards recognize the individuals who are driving such technologies and making these innovations possible. After poring through dozens of nominations from *EBN* and *EBA* readers, editors consulted with industry experts and called on their own field of knowledge to choose this year's award recipients.

## ARISA AMANO

### Vice President of Product, Zenefits

Amano oversees Zenefits' software suite, including benefits, HR and payroll, managing a team that spans product design, product management and product marketing. She led her teams in the complete redesign of the overall product and the delivery of a platform for third-party integrations, culminating in the launch of Z2 in October 2016, and the company's significant HR One Winter Release in January 2017.

## RACHEL CARLSON

### Co-Founder and CEO, Guild Education

Since founding Guild Education in 2015, Carlson has led the education-as-a-benefit tech company's growth — from three full-time employees to 51 today — and secured $8.5 million in Series A funding last fall. She continues to lead aspects of business development and strategic partnerships with universities and employers. Guild Education's online platform has gained traction among major employers, such as Chipotle, Denver Public Schools and the Public Service Credit Union. Guild's innovative approach provides a double-bottom-line service that gives employees the opportunity to pursue their educational aspirations while providing meaningful business value to employers.

## NORMAN COPPINGER

### Director of Administrative Services, League of California Cities

The control of healthcare expenditures, including those of retired employees, is a significant concern of members of the League of California Cities, an association of 474 member cities representing 98% of the urban areas in California. To address this issue, as well as other business concerns, the organization — under Coppinger's direction — last summer launched the League of California Cities Health Benefits Marketplace. The exchange features a technology platform powered by Connecture and Willis Towers Watson that provides flexible tools to help all public agencies manage their unique benefits, contributions and eligibility structures.

## TOM AVERY

### Owner and Founder, Innovative Broker Services

Avery doesn't believe in taking products off the shelf to meet employer needs. Instead, the founder of benefit firm Innovative Broker Services in Folsom, Calif., builds customized technology platforms to address specific employer goals and objectives. In May 2014, Avery launched PaperlessHR, a product designed to help businesses manage their HR onboarding process, benefits enrollment and payroll data. It is fully automated and keeps employers in compliance based on their specific company needs. He developed PaperlessHR because he saw a gap in the market that no broker was filling, he says, as large-scale HRIS benefit administration software is often unaffordable for small- and medium-sized businesses.

> "We are on the brink of a radical transformation in benefits technology, especially considering the future of artificial intelligence. On-demand everything is the new normal, and the constant need for better, faster, more intuitive service will continue to drive employee benefits innovation."
>
> — RYAN FAY

## RYAN FAY

### Global Chief Information Officer, ACI Specialty Benefits

Since joining ACI more than seven years ago, Fay has been on a mission to make certain that ACI's benefits technology is built for the new workforce. To do so, he successfully implemented mobile optimized benefit websites, text referrals and reminder services, HIPAA-compliant live video chat sessions with ACI's clinical network, and mobile apps for smartphones and smart wearables. He's also made it a mission to simplify online access to benefits, with online intake forms and live chat available on ACI's benefits websites. To improve access and engagement, Fay has developed an integration process that assures all of ACI's benefits programs and portals can be blended with customers' existing HR portals and platforms.

## MARK FITZGIBBONS

### Head of Benefit Communication and Engagement, Holmes Murphy & Associates

With more than 20 years of employee engagement under his belt, Fitzgibbons knows the key to success: customization. In 2016, his firm rolled out a new engagement service for a multi-generational workforce. That included a library of short videos for employers to help inform and engage plan participants on smarter ways to utilize their benefit resources, including open enrollment; a "benefits flipbook," an interactive digital experience that enables plan participants to access relevant content, video and links on a tablet or phone; and a "benefits navigator," a platform for helping clients identify a style guide that fits their brand.

## CAROLYN GORDON

### Director of Benefits, Fujifilm

In 2011, Gordon was experiencing difficulty engaging Fujifilm's employees. Only 17% of eligible employees participated in their health risk assessment, incentive reward programs weren't being utilized, and healthcare cost growth stood at 12%. She saw it was time for a change and decided to pilot an early-stage employee communication platform called Airbo. Within the first year of Airbo's adoption, health assessment completion rates increased from 17% to 54%. Incentive reward program participation jumped, and healthcare cost growth decreased from 12% in 2011 to 0% in 2012. By 2013, healthcare trend dropped even further to -5%. According to Gordon, the adoption of an employee communication platform contributed to Fujifilm saving more than $5 million of their $565 million medical budget.

## DEAN HARRIS

### Chief Technology Officer, iGrad

Financial wellness is quickly becoming a necessity for both workers and workplaces as salaries stagnate, debt accrues and savings deplete. While financial literacy is a desired benefit for most employees, many employers still don't offer the benefit. Harris realized that in order to make financial wellness appealing to both employers and employees, he had to design a platform that delivered flexible, multi-layered and comprehensive financial education in a way that's enjoyable for the user. Harris created and maintains the iGrad and Enrich platforms, which deliver choices to make financial wellness the backbone of any benefit program. The product aims to offer the financial wellness benefits with minimal cost and time to the employer.

"Innovation is important to save employers and employees money on healthcare. America is at a critical point of unsustainable, skyrocketing healthcare costs."

— BILL HENNESSEY

## BILL HENNESSEY

### Founder and CEO, Pratter

Driven by his experience as a physician, Hennessey founded Pratter, a medical cost savings and transparency company, to empower healthcare consumers to save thousands of dollars per year by searching and comparing prices for a medical test or procedure, including blood work, imaging and elective procedures. The Pratter technology solution includes engaging and re-directing consumers to low-cost and high-quality providers in network. Pratter, which is available as an employee benefit with per-employee-per-month pricing, also provides employers with a medical cost-savings analysis of their de-identified medical claims data focusing on outpatient care, giving employers the knowledge and power to manage their claims and reduce healthcare costs.

## DAVID KLEIN

### Co-Founder and CEO, CommonBond

Klein is the brains behind CommonBond, a company that aims to lower the cost of student loans using data and technology. Since he co-founded CommonBond five years ago, Klein has led the company in helping thousands to save millions of dollars on higher education. In October 2016, Klein led the launch of CommonBond for Business, a new SaaS benefits platform that empowers employers to help their employees better manage and pay down their student loans. Also in 2016, CommonBond signed more than 100 new partnerships across the U.S. and acquired personal finance management startup Gradible, in large part to incorporate Gradible's proprietary student loan evaluation tool into CommonBond For Business. The evaluation tool enables employees to get personalized recommendations about how best to pay off their student loans.

## JASON LANGHEIER

### CEO and Founder, Zipongo

Langheier, a physician, knew that poor diet was a major problem in the U.S. But he also knew employers could be part of the solution. That's why he created Zipongo. Through technology, it reshapes the food landscape for employees and health plan members by surfacing the healthiest options via mobile device, whether users are grocery shopping, eating in their workplace cafeteria or out at a restaurant. At home, Zipongo offers healthy recipes customized to the user's biometric data, food allergies and preferences. Zipongo's solutions are currently in use at more than 150 companies, including Google and IBM. The company offers food benefits management services as a new employee benefit, similar to pharmacy benefit management. The program includes digital nutrition coaching, diabetes management and a "step therapy" approach to prescribe healthy food as a first-line therapy before prescribing pharmaceutical drugs where medically appropriate.

## OFER LEIDNER

### Co-Founder and President, Happify

Leidner helped create Happify, which aims to disrupt the mental health space by providing a digital platform that helps employees understand the source of their feelings. Then, it teaches them how to turn negative feelings into positive ones. The company recently launched Happify Health, which offers evidence-based emotional health solutions for employers, health plans and enterprise organizations. Based on decades of scientific research on interventions that foster well-being and resilience in individuals, Happify Health provides more than 60 programs created by leading experts through its online platform. Topic areas include resilience and mindfulness, as well as conditions ranging from depression and anxiety to chronic pain and insomnia.

> "For many employees, emotional health tools are inaccessible because they either can't take time off from their jobs, have to travel far for help or want to maintain their privacy. Using technology is one of the most effective ways to achieve integrated support that improves outcomes for employees."
> — OFER LEIDNER

## DAVE O'BRIEN

### CEO, Zywave

O'Brien is all about driving growth, retention and efficiency with the right technology. Zywave's software products for insurance brokers are used by more than 4,000 agencies around the world to help them differentiate themselves from the competition, enhance client services, improve efficiencies and achieve organic growth.

## SALLY POBLETE

### CEO, Wellthie

After years of wearing multiple hats in the healthcare industry, Poblete wanted to act on her true passion:  making healthcare and insurance simpler. In 2013, she founded Wellthie, a healthcare technology company that offers a comprehensive software and analytics platform to help employees understand their health insurance options and bottom-line costs in a simple way with the help of their brokers. Last year, Wellthie launched the "Affordable Care Advisor for Business," a product that gives brokers the online storefront they need to sell faster and more efficiently while simultaneously expanding market opportunities with small businesses that previously considered coverage out of reach.

## MYRON PREVATT

### Head of Product Development, Consumer-Directed Accounts, Exchange Solutions, Willis Towers Watson

After conducting a survey with more than 300 healthcare industry professionals, Willis Towers Watson found that consumers are still very much behind the curve in understanding health savings and reimbursement accounts. That educational gap led the Willis consumer-directed accounts product team — led by Prevatt — to develop a pre-enrollment "Welcome Center," as well as a post-enrollment interface set to roll out over the next several months. The consumer education center is available to the general public at myhealthsavingsinfo.org. The site includes a variety of account-specific content to help employees make the right choices for themselves and their families. In addition to informational videos about the spending accounts, the site has quick start guides, calculators, answers to frequently asked questions, infographics explaining the account types and other educational content.

> "Now more than ever, employers are harnessing the power of data to make real-time decisions about where to invest and how to best engage their members."
> — ROD REASEN

## ROD REASEN

### Co-Founder and CEO, Springbuk Analytics

Springbuk, an employer-facing health intelligence platform, was born out of the national "Healthiest Employer" award program that it conducts in 45 U.S. cities and attracts 8,000 employers nationally. Reasen leads product innovation and develops strategic partnerships with industry benefits, wellness and clinic leaders. The health analytics platform unifies mountains of data generated by a company's workforce — such as medical claims, pharmacy, labs, dental, biometrics, wearables, workers compensation, disability, vision and payroll information — and turns it into a decision dashboard that's designed with non-medical, HR users in mind.

## ERIC SCHUCHMAN

### Head of Product Management, Benefits Team, Gusto

Schuchman is leading the charge to bring new benefit account capabilities to Gusto, a provider of payroll, benefits and HR to more than 40,000 small businesses. Under Schuchman's leadership, Gusto delivers health benefit accounts that streamline the entire consumer healthcare funding experience. All of Gusto's benefit account offerings (HSAs, FSAs, HRAs and others) are managed in one place, with a single smart debit card payment solution, mobile application, and sophisticated and integrated electronic banking technology. This gives employees an easy way to enroll, plus an account they can access any time.

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## NATE SASSANO
### Statewide Wellness Coordinator, State of Colorado

Colorado Gov. John Hickenlooper is on a mission for the Centennial State to be the healthiest in the nation. Sassano was brought on board in 2013 to launch the state's employee wellness program and he recognized immediately that the best way to engage a diverse and mobile employee base was with technology. From a pedometer program to a health platform powered by IBM Watson, Sassano has successfully grown the state's wellness initiatives with the use of several innovative technologies. One such offering is the CaféWell Concierge application, developed with IBM, that guides and inspires employees to be healthier. They can receive personalized recommendations that will help them achieve optimal health and get the most out of state health plan benefits. Concierge is available via the web as well as through a downloadable app.

## DENNIS WEINBERG
### CEO, Hixme

Weinberg's Hixme officially launched last year, and its platform enables large employers — generally those with 500 or more employees — to set their benefits contributions and then facilitates employee access to the retail health insurance marketplace. Employees don't buy from public exchanges, but from carriers.

## RICHARD WOLFE
### CEO and Co-Founder, Empyrean Benefit Solutions

Since co-founding Empyrean in 2006, Wolfe has overseen development of the Empyrean Platform, which offers employers a suite of technology and services that help them meet regulatory compliance standards and streamline benefits administration. As part of the platform, Wolfe led Empyrean to build a comprehensive host of new ACA tools and processes — which helped its employer clients to navigate the law's reporting requirements. As a result of this effort, Empyrean and its clients achieved unparalleled ACA success during the first year: All mailings were sent out on time; all filings were submitted ahead of the June 30 deadline; and 100% of clients' Empyrean-derived data was accepted as compliant by the IRS.

## JEFF YOUNG
### Senior Vice President and General Manager, WEX Health

Young leads WEX Health's efforts to simplify the business of consumer-driven healthcare so that employees better understand HSAs, HRAs, wellness plans, health exchanges and more. The main way he does so? Through WEX Health Cloud, an online healthcare financial management platform that drives efficiency for benefit administration technology, consumer engagement and advanced billing and payments. Through its network of partner organizations, WEX Health delivers its service to 225,000 employers and more than 24 million employees across the United States and Canada.

> "Technology plays an incredibly important role in healthcare benefits: it can simplify the business of healthcare and can empower employees to better engage with their benefits."
>
> — JEFF YOUNG


# FRIEND OR FOE?

**Benefit messaging can recruit, motivate and encourage healthy behaviors, but it also can compromise credibility, fuel addiction and unleash harassment**

BY BRUCE SHUTAN

Social media can help employers elevate appreciation for their benefit packages, but there are potential pitfalls to consider along the way to informing employees about various coverages and programs.

Employers of all sizes are increasingly using social media not just to educate employees about their benefits, but also to create meaningful social connections, notes Elizabeth Byerly, a director in the communication and change management consulting practice at Willis Towers Watson. Mobile apps and wearable devices can be utilized for friendly competitions that encourage healthy activities, she says, and instant messaging, and YouTube videos can shed light on particular initiatives.

She explains that peer-to-peer platforms can actually help shape benefit programs, while a chat room or Skype call can be used to learn about such benefits-related topics as how to maximize a health savings account.

Gregg Nevola, vice president of total rewards at Northwell Health, describes social media as "a really great tool for us to communicate to our employees."

As New York's largest private employer with about 61,000 employees from Long Island to Staten Island and Westchester, Northwell finds that the approach comes in handy. With so many disparate locations — 21 hospitals and 450 ambulatory physician sites — Nevola says, "we rely on social media channels to help us reach our employees and level the communication playing field."

About 150 wellness liaisons at Northwell use Instagram and Facebook to spread the word about their benefits offerings, along with countless photos and postings that personalize employees' wellness journeys. They help employees load apps on their smartphones and encourage workers to be fully engaged.

Nearly 25,000 participants are on the company's wellness platform, which helps employees support and challenge one another.

In addition, an employee-advocate service pushes out notifications to more than 18,000 subscribers who are urged to join various wellness challenges. Social media also is used to promote meditation rooms in some of Northwell's hospitals and adjacent walking paths.

As part of a rewards platform, Northwell employees who participate in program challenges throughout the year earn points that can be used toward gifts or travel. Last summer, employees pegged the number of steps they walked to a wonders-of-the-world theme, while recent months featured U.S. attractions.

Social media also can be used to showcase intangibles to recruit and retain top talent, as well as to improve benefits appreciation. Case in point: a day-with-pay program that allows employees at Ceridian, a human-capital management software company, a paid day off for volunteering at a community activity of their choice.

These types of initiatives resonate with prospective employees who want to know how social responsibility fits into a company's corporate mission and purpose, says Maurice Fernandes, the company's employment brand manager. He says social media also is a great way to promote learning and development benefits.

"Transparency is going to be a major theme for job seekers," he says, "especially in 2017."

## Downside assessments

Despite the positive power of social media, there are downsides to consider, cautions Stephanie Pronk, innovation group and health transformation team leader at Aon Hewitt. These include employees who have problems connecting with others or even an addiction to such forms of communication. And with so much talk about the spread of online fake news lately, she notes the importance of disseminating credible information that helps employees make healthy and positive choices.

"There's also an opportunity for somebody to get into that social setting and shame people," she says, noting how sometimes it can be more difficult to stop cyberbullying than face-to-face negativity. It is critical, she says, to ensure safe, private, appropriate and comfortable interactions online.

Another area of concern is information overload. "Think how many messages we get in a day. We get bombarded," observes Pronk, adding that when information is deemed valuable, it's easier for employees to take positive action steps that improve individual health outcomes or morale.

In addition, there are legal concerns that need to be addressed when developing a social media strategy pertaining to employee benefits. When gathering or providing confidential information, any such tools must be password protected and encrypted, according to Michelle Capezza, an employee benefits attorney for Epstein Becker Green who co-leads the firm's technology, media and telecommunications service team.

"Agreements with any vendors for these services should address security and breach issues," she says, "and protocols should be followed to protect the sensitive data in accordance with company policies and applicable laws.”

One larger aim of social media is to influence positive benefits behaviors, which Byerly describes as a key piece of the employee value proposition. All the data points gathered from various social media platforms lay the groundwork for creating a more meaningful narrative about the benefits package and “making very smart strategic decisions in a timely and agile way,” she believes.

With technology tracking which emails or text messages employees are opening, when those messages are being read and on what type of devices, Byerly says, a “data story” is created that can inform an employer’s benefits strategy. “It helps to better plan your communication and engagement, but also how much you’re spending on certain things, what people are paying attention to and what they’re not,” she adds.

Fernandes notes that social media has become a huge part of people’s lives in a short period of time, swelling to more than 400 platforms. A growing comfort level with mobile devices and enterprise platforms has led to greater engagement in those tools, he observes.

There are generational differences to keep in mind when devising a social media strategy for communicating employee benefits information. For example, “Facebook has some of the highest engagement with older generations,” Fernandes says. “So if that’s the audience that you’re trying to engage with, then you definitely have to have a strong social media strategy on that platform.” The same can be said about younger workers who are more comfortable on Snapchat, “which has become a lot more prevalent in business.”

From an analytics perspective, Fernandes notes that while having a high number of followers on a particular network or platform is a good mark of success, what’s becoming even more relevant is who’s engaging with the content being shared.

“I review on a monthly basis how are our posts are doing and which ones are getting the most attention,” he says. “The ones that are getting the most attention, that’s the ones we spend most of our resources and time on.” ■

*Shutan is a writer based in Los Angeles.*

EMPLOYEE ENGAGEMENT

# 3 ways employers can retain workers with benefits

## A proactive, digital strategy will help keep top talent

BY **CHRIS BRUCE**

**AS THE SEARCH FOR TALENT HEATS** up, firms need to work harder than ever to retain top talent with attractive benefits. Here are three steps that organizations need to take when rethinking their benefits strategy and engaging with employees.

**1. Reconsider your benefits evaluation process.** The benefits process at most companies is reactive — HR only looks to evaluate current offerings when insurance contracts expire or a problem emerges. When the evaluation does happen, the two factors that often concern employers the most are product and price. Employers often gravitate toward well-known insurers that offer the schemes that appear familiar, often leading companies to choose providers who fall short on innovation and overall customer experience for employees.

This approach needs to be flipped on its head. Companies should be proactive in determining which benefit schemes best meet the needs of their workforce by going straight to the source: employees. Employers can't know what benefits would be most appealing to their employee base unless they ask. By turning the evaluation process to employees first, companies can better tailor new benefits to meet the needs of their workers, and also identify existing benefits that might be outdated or irrelevant, therefore saving resources on wasted offerings. HR should also leverage technology solutions so they can track benefits usage and engagement.

**2. Think digital engagement.** Employee education is another area of benefits that can often perplex companies. According to an Aflac survey, half of employees only spend 30 minutes or less making benefit selections during the open enrollment period each year. This means employers have a short window of time to educate employees on their benefits selection.

To do this effectively, HR needs to move past flat communication like brochures, handouts and lengthy employee packets and look for ways to meet employees where they live — online. By testing out innovations that create a rich experience, while still being simple and intuitive, employers can grab the attention of their workforce and make sure key information is communicated. For example, exploring opportunities to create cross-device experiences for employees so they can interact on-the-go, including augmented reality applications or digital interactive magazines. Additionally, for large corporations, hosting a virtual benefits fair can provide a forum for employees to ask questions in a dynamic setting.

**3. Embrace the next-generation of benefits.** As organizations become more savvy and nimble, personalization will have a huge impact in encouraging employee engagement and driving satisfaction among today's increasingly diverse workforce. Adding out-of-the-box items to normal offerings — from debt consolidation services and wearable health tracking technology to genome testing and wedding concierge services — is key. Companies need to be proactive in evaluating benefits regularly and using analytics to track usage, identify opportunities to implement digital communication elements and look for ways to introduce new benefits to meet the needs of their employee base.

Following these steps can help companies gain a competitive edge when it comes to attracting and retaining talent. ■

*Chris Bruce is managing director and co-founder of Thomsons Online Benefits.*

Image from Adobe Stock

Q&A

# 401(k) vendors work to thrive in a competitive market

BY RICHARD STOLZ

**SINCE 1995, 401K SOURCE, A RESEARCH COMPANY** based in Towson, Md., has published the 401k Averages Book, a comprehensive reference tool used to assess the competitiveness of 401(k) recordkeeping, investment management and trustee fees. The publication is edited by the company's co-founders, David Huntley and Joe Valletta (pictured, left). *EBN* recently spoke to Valletta about market dynamics in the 401(k) plan services industry.

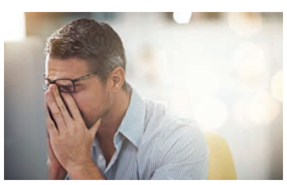
***Employee Benefit News:*** **Do you expect to see more consolidation of players in the DC plan recordkeeping industry?**

**Valletta:** It's a business of scale, so I expect that the players will continue to look for acquisition opportunities to increase profitability, and smaller players that find it hard to be profitable may welcome the opportunity to be acquired. The required investment in technology is huge, and it's hard for some of the smaller players to keep up. Others will focus on niche markets. It's also possible that some of the players that have already left the market will, with the benefit of better technology, come back. And some that have only been serving the large plan market may see an opportunity to expand into the small plan market.

***EBN:*** **Is it really just all about information technology?**

**Valletta:** No, not really. It's still a people business. You need to be able to hire good people to do the job well, and provide responsive service. That's still the core business. You have to pay people well to do that, and you have to be able to continue. Plan sponsors will maintain their relationships based on the quality of vendor performance with the basic tasks of recordkeeping. That's more important than all the bells and whistles. Nothing will get a recordkeeper


FINANCIAL WELLNESS



**FINANCIAL STRESS HURTS WORKERS**

Emotional and physical well-being are at risk, study shows.

P. 32

CASE STUDY



**FIRM'S PROGRESSIVE BENEFITS TARGET FINANCES**

Company offers student loan repayment and 529 options.

P. 33

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fired faster than poor customer service.

***EBN:* How often do you find bids are widely divergent?**

**Valletta:** When it's a true apples-to-apples comparison, it's typically going to be a pretty tight range. But it can vary depending on the role of the adviser. But overall the market has gotten pretty efficient, and record-keepers know where they need to come in to be competitive.

***EBN:* In what other areas do plan sponsors need to be looking to be sure they're getting a good deal? Are any recordkeepers still trying to get sponsors to only used their proprietary investment products?**

**Valletta:** I don't see much of that any more, except in the small plan market. But it may be that the recordkeeper's own funds, like target date funds where there are such heavy fund flows, have better pricing. Of course cost is not the only criterion you would use in selecting a target-date fund or, for that matter, choosing a recordkeeper. But if you independently determine, using all the applicable selection criteria, that the recordkeeper and its target date funds are right for your plan, you might save a bit this way.

***EBN:* Does it often work out that way?**

**Valletta:** Yes, if the recordkeeper considers it an advantage to have its clients also use their funds, they might make the pricing attractive.

And typically the recordkeeping cost is borne by the participants would use in selecting a target-date fund or, for that matter, choosing a record-keeper.

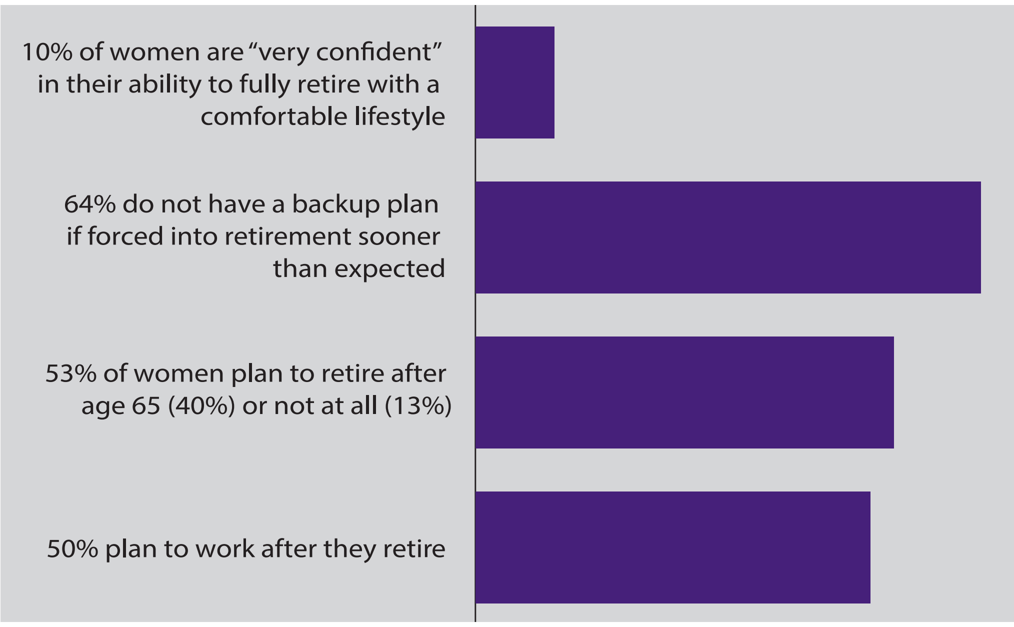
***EBN:* What macro forces do you see emerging over the next decade or so?**

**Valletta:** Much of it comes down to workplace demographics. Baby boomers are worrying about how to turn their nest eggs into an income stream to live off of. Many of them haven't used their 401(k)s enough to make that possible.

The good news is that we're seeing younger employees like millennials benefitting from all the automated services. They're getting defaulted into the plan, their deferrals rates are being increased automatically, and there doesn't seem to be a lot of opt-out pushback. So there will be a lot of focus on the older employees who aren't doing as well. But that will require hard choices on the part of those employees about how much to save and when to retire; the record-keepers, investment managers and for that matter, the employers, can only do so much to help them. But all plan participants are benefiting from a steady improvement in the quality and variety of services available. ■

## COMING UP SHORT

Despite tremendous progress over the years on educational attainment and career opportunities, women are still struggling to prepare for retirement.




Source: Transamerica Center for Retirement Studies, 2017

FINANCIAL WELLNESS

# Financial stress hurts well-being

BY AMANDA EISENBERG

**Americans aren't able to save for** their financial goals, and that stress is affecting their emotional and physical well-being. A study by Guardian Life Insurance found that financial outlook is the most significant driver of working Americans' overall well-being, constituting 40% of the insurance company's Workforce Well-Being Index, and money is cited as the No. 1 source of stress for a majority of workers.

"Even among people working full-time with benefits, many still do not have access to adequate insurance coverage or retirement plans," says Dave Mahder, vice president of Guardian's Group and Worksite Markets business. "And few take advantage of the health and wellness programs available through their employers, which often contain a much broader menu of resources than workers realize."

Half of millennials surveyed in Guardian Life's "Fourth Annual Guardian Workplace Benefits Study" said they don't have disability insurance, while a third have yet to sign up for a retirement plan. And they're not the only group of employees struggling to purchase voluntary benefits. One in three single working parents does not have a retirement plan, compared to 20% of the 1,439 workers surveyed. Similarly, one in four workers don't have life insurance, and one in three workers don't have disability insurance, according to the survey.

To offset expenses, Americans are increasingly turning to debt, whether through loans or credit cards, to temporarily relieve their financial burdens. Four in 10 Americans have car loans, 32% of workers are carrying a mortgage, 17% have student loans and 12% have home improvement debt, according to the study. Overall, 75% of Americans are carrying debt.

Non-mortgage debt — particularly automobile and education loans — contributes to lower financial wellness, according to Guardian Life's report.

But there's good news: Employers can help alleviate the burden by providing education and benefits to employees, among other services, Guardian says. ■

CASE STUDY


# Firm's non-traditional benefits help workers' financial futures

BY PAULA AVEN GLADYCH

**Live trees indoors, pets at** work and an in-office happy hour — Underground Elephant is very forward-thinking when it comes to how it treats its employees and the benefits it offers.

From its fun headquarters space in the east village of San Diego to its outside-the-box thinking on workplace benefits, the digital marketing company "wants to really create an environment where employees want to come to work every day and feel like they are being rewarded," says Amy Zebrowski, HR business partner at Underground Elephant. And, the firm's benefits to help its employees plan for their financial futures are part of that.

Underground Elephant, which was founded in 2008, provides marketing and technology services to financial service and insurance companies. It offers staffers healthcare and retirement benefits but wanted to show them that it is invested in their education and their family's education by offering a choice between three non-traditional benefits — all of which put its employees in a better place to save for retirement. Employees who have worked for the company for one year can choose between a student loan repayment program through Student Loan Genius; a 529 college savings plan through Gradvisor; or $2,000 in company stock options.

If they choose the student loan or college savings plan options, Underground Elephant will contribute $1,500 a year to the program.

"We know a lot of employees with student loan debt. We wanted to help them address that and support their financial well-being," Zebrowski says. "We didn't want to exclude employees who don't have student loans. Our goal was to create a more inclusive program."

Student Loan Genius' platform allows employees to explore different loan repayment options and to find the one that best fits their situation. Employees can also have their student loan payments taken directly out of their paycheck each month.

The Gradvisor 529 college savings plan helps parents and grandparents save money for future educational expenses. Gradvisor founder and CEO Marcos Cordero says that his 529 platform is popular because recent Gallup data shows that "for employees with children under 18, this is their No. 1 financial concern. It supersedes retirement and unexpected medical bills."

Both the student debt repayment and college savings benefits programs were introduced to the company's employees in January for implementation in March. So far, the employee response has been great, Zebrowski says.

"All of our employees are excited about it," she says. "It can be a huge help with financial expenses. If you are paying toward a student loan, it is reducing the overall interest of the life of the loan. Overall it is very positive.

The company's primary goal in offering these three benefits was to retain good employees and to "show we are invested in their education and their family's education and financial wellness," Zebrowski says.

The company also offers a 1% employer match on all employee contributions to its 401(k) plan and a full suite of health benefits. ■

HEALTHY RETIREMENT

## Participants taking fewer plan loans

BY PAULA AVEN GLADYCH

**RETIREMENT PLAN SPONSORS** are doing a good job of educating employees about how their savings plans work — and why they should continue saving through their 401(k)s — research from the Investment Company Institute shows.

According to its report, "Defined Contribution Plan Participants' Activities, First Three Quarters of 2016," the ICI culled information from the latest recordkeeper data and found that withdrawal activity from defined contribution plans remained low during the first nine months of 2016.

Just 2.8% of DC plan participants took withdrawal, compared with 2.9% during the same time period in 2015. Hardship withdrawals were also low at 1.2% of DC plan participants, compared with 1.3% during the first three quarters of 2015.

"From the plan sponsor perspective, the fact that so few folks take withdrawals and so many folks keep on contributing — each time we've taken the survey, snapshot after snapshot — highlights that the messages from employers are getting through [to employees]," says Sarah Holden, senior director of retirement and investor research at the ICI.

As of September 2016, 17% of DC plan participants had loans outstanding from their workplace retirement plans, compared with 17.4% at year-end 2015, according to ICI data.

The ICI has tracked 401(k) loan activity since 2002. In 2008, before the Great Recession hit, only 15.3% of 401(k) plan participants had outstanding loans. That jumped to 18.5% by 2011 and has slowly crept down since that time.

Employers include a loan feature in their 401(k) plans because it offers "flexibility or a safety valve for their workers," says Holden, noting loan numbers often increase in the wake of financial stress. ■

# BY THE NUMB3RS: Prioritizing mental health

As the number of mental health conditions — as well as the cost in treating them — continue to rise, employers are increasingly resolving to take action. The National Alliance on Mental Illness estimated the annual cost of unaddressed mental conditions to be $100 billion just in lost productivity. So what are companies doing to step up efforts? Willis Towers Watson surveyed 314 U.S. employers to find out.

**88%**

**of U.S. employers say behavioral health will be an important priority over the next three years**

## Over the next few years, employers say they plan to:

**63%** Locate more timely, effective treatment

**61%** Create a more holistic view of employee health by integrating behavioral health into plans

**56%** Provide better support for complex behavioral health conditions

**52%** Expand access to care

**47%** Reduce employee stress

**41%** Provide educational programs about the warning signs of behavioral health issues

## Going mobile


**Employers are also showing more interest in mobile apps to help employees manage mental health needs. New mobile offerings are designed to help employees focus on:**

| | Today | Increasing in the next 3 years |
|---|---|---|
| Stress reduction or resiliency | 11% | 38% |
| Anxiety | 7% | 31% |
| Sleep disorder | 5% | 27% |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[1]The high completion rate to prescribed hepatitis C therapies managed through the Walgreens Connected Care program has demonstrated the same level of treatment success as seen in the clinical trials for hepatitis C medications. Trombatt W, Koerner P, Craft Z, Miller R, Kamal K. Retrospective Analysis of the Medication Utilization and Clinical Outcomes of Patients Treated with Various Regimens for Hepatitis C Infection. Journal of Pharmacy Practice 1-8. First published 13 Jan 2016. Research approved by Duquesne University IRB (protocols #11-148, #12-127, and #2014-12-3).



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