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THE CASE FOR CAREGIVING

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EMPLOYEE BENEFIT VIEWS

An excerpt from our Employee Benefit Views blog, written by Laura Hamill, chief people officer at employee engagement company Limeade.

How to keep work-life integration on track this fall

Life is complicated and stressful — and even more so when trying to combine a personal life with work.

That's why employees need a different mindset to achieve balance between their personal and professional lives. Though some employers prefer to keep work and home life separate, after more than 20 years as an organizational psychologist, here is what I've found to be true: As employers, we must focus on the whole employee, rather than separating who they are in the office and who they are at home. And as employees, it's our job to find ways to connect and integrate the two.

When organizations provide work-life supports — like flexible work hours, job autonomy and more — they enhance employee engagement, satisfaction, retention and well-being, all of which yields better company results. And when employees believe their employer cares about their health and well-being, they are 38% more engaged, 28% more likely to recommend their workplace and 18% more likely to go the extra mile for the organization.

Here are some tips employers should share with their employees for how to start prioritizing so they can achieve better work-life integration:

Shift your mindset. Working longer doesn't mean working better. This can be a hard habit to break, especially if you're surrounded by people who think burning the midnight oil is their ticket to the top. Instead, work smartly. Be efficient when you're working, but give yourself the time and space to relax and recover. You'll start to realize that prioritizing the things you need — whether it's striving to leave by 5 p.m. every day or choosing to work on the weekend so you can chaperone your child's field trip — means you're that much more productive and happy both in and out of the office.

Block off time on your calendar. Is a meeting-packed schedule leaving you little time for "heads-down" work (not to mention, thinking time)? Do you find yourself skipping your morning workout to make a meeting? Put up a few calendar guardrails to designate time each day to complete assignments or honor your morning routine. Whether it's two hours in the afternoon or one hour every morning with an appointment that says "no meetings" or "busy" — you're prioritizing what you need.

To read Hamill's other tips, check out http://bit.ly/2rGZb1J.

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EDITOR'S DESK

Perhaps the biggest benefits trend young workers are driving is one that has historically been a blind spot for employers: Help with debt

What millennials want

KATHRYN MAYER
EDITOR-IN-CHIEF

I RECENTLY RETURNED FROM *EBN*'S Benefits Forum & Expo in Boca Raton, Fla., where the word of the week was definitely "millennials."

Young employees and the impact they are making on the workplace — and on employee benefits in particular — was a common theme among keynote speakers, conference attendees and a host of other industry experts during the annual show. And for good reason: Millennials — as well as the close-behind Generation Z (those born after 1994) — are revolutionizing the workforce. And HR and benefit professionals best pay attention.

In particular, Gen Zers have a completely different approach to communication, technology and benefits preferences than previous generations. They will expect their companies to keep up with their needs, said Jim Link, chief human resources officer at Randstad North America, a recruitment and employment agency for temporary and permanent staffing.

"They're going to be welcoming us into a whole new world of the workforce," he said. (Read more on p. 11). For example, younger employees, he said, now care more about workplace flexibility than healthcare benefits, which means flexibility benefits will become all the more important.

Meanwhile, the millennial population suffers from depression and anxiety in record numbers, said Laurie Zaugg, chief operating officer of Happify. That makes it all the more imperative for employers to act fast and to offer a variety of tools and benefits that promote emotional wellbeing.

But perhaps the biggest benefits trend the young generation of workers is driving is one that has historically been a blind spot for employers: Help with debt.

Combine overwhelming stress over finances and a lack of savings with $1.4 trillion in student loan debt, and there's no question employees are beginning to clamor for loan repayment assistance. In one session, David Aronson, founder of the student loan administrator Peanut Butter, noted that 26% of the overall U.S. workforce has student debt, but the issue is growing in importance: 71% of the class of 2017 graduated with debt.

A student loan repayment benefit "really helps [companies] become an employer of choice," Aronson said. "The student loan problem is felt by so many people. Employers are choosing to add this because it's meaningful to their workforce."

Make no mistake: Young employees still expect the standard healthcare, retirement and disability benefits. But it's going to take much more for employers to truly engage them and get them to stick around.

HEALTH CARE

In this section:
>Mental health
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MENTAL HEALTH

Mental health services increase ROI for staffing firm

CHG Healthcare's on-site counselors have helped employees decrease their healthcare spend and increase productivity

BY **AMANDA EISENBERG**

With a high number of anxiety, post-traumatic stress disorder and substance abuse cases plaguing employees at CHG Healthcare's Salt Lake City clinic, Nicole Thurman decided the medical staffing firm needed to hire a mental health counselor.

"We have a young population, so we have an opportunity to help with mental health issues before they turn into substance abuse issues or physical health issues," says the senior director of talent management. "I look at this as preventative care."

The staffing firm, which temporarily places physicians in hospitals and clinics, is still in its first year offering mental health counselors to its employees, but the benefit has earned $1.73 on every dollar it spends on its Salt Lake City on-site clinic. The ROI was based on claims where high costs claims that cost more than $25,000 were not factored, according to CHG Healthcare.

The mental health counselors are solely available for about 1,300 CHG healthcare employees in the Salt Lake City location. CHG Healthcare plans to roll out the service to 600 employees in its Fort Lauderdale office this January, and is still thinking about its approach for bringing mental health services to locations with fewer than 100 employees. The company started out in Salt Lake City to find doctors and medical professionals for the rural west but it now has four subsidiary companies that all operate under CHG Healthcare. So far, only the Utah-based CHG Healthcare offers this service to its employees.

> **"I look at [mental health] as preventative care."**

In conjunction with their onsite health partner, Marathon Health, CHG Healthcare added two counselors to its on-site clinics in November 2016 and said about a third of the 75 visits each month are related to mental health.

"We have a really high stress, high intensity workplace because most of our people are recruiters. They need to make their numbers," Thurman says. "[The counselors] see a lot of people with anxiety, home and work-life balance problems, depression, marital issues, substance abuse, financial wellness. If we didn't have our clinic here, [our employees] would go elsewhere."

The clinic, managed and staffed by Marathon Health, offers services such as primary care, health coaching, orthopedic injury treatment, pediatric services and women's health, among a myriad of other services, so it's impossible for the company to know if an employee is seeking mental health services or treatment for a bad back, Thurman says.

Thurman declined to reveal the cost of the mental health services out of concern that it would deter other employers from offering similar services. However, she says the service is easily scalable.

Originally, the mental health services started out as a referral system, where CHG healthcare leaders could direct their employees. From there, CHG Healthcare has expanded its advertising to fliers, benefit brochures, online communications and physician assistant-led lunch-and-learn sessions, Thurman says.

"There is an undercurrent that happens here," she says. "It's all word of mouth. Someone will have a good experience and tell someone else. It's exciting to me because that stigma is broken down."

Thurman admits that the company has a good culture built upon trust, which makes a service like mental health counseling more widely used by employees.

"It's convenient, it's no cost and it's high quality," Thurman says of the benefit that is not charged to the employees. "That's why it works." ■

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Small firms' health plans staying competitive

BY **BRUCE SHUTAN**

Small employers are offering competitive health insurance benefits relative to larger employers and, in fact, some are doing a surprisingly better job of containing costs. That's the underlining message of a report from health insurance agency United Benefit Advisors. The research also suggests it's a winning formula in the war on talent.

"You don't have to be a Fortune 100 company to be a great place to work," says UBA President Peter Weber. "Telling current and prospective employees that, for example, your PPO plan offers the same coverage, deductibles and copays as very large companies, or that your monthly premiums are lower than what other employers your size are offering, is a great way to challenge misconceptions, win talent and build loyalty."

When analyzing the average annual cost per employee, UBA found that part of the small-business market is cutting a better deal than comparably sized and even larger firms.

That sweet spot appears to be groups with 25 to 49 employees, whose average cost is only $9,165 compared to $9,727 for all employers. There also was just a 5.3% difference between employees in small groups who paid $3,557 toward annual health insurance benefits relative to $3,378 on average for those across all plan types.

To be fair, Weber notes that many small groups, unlike their larger counterparts, were able to maintain pre-Affordable Care Act plans at better rates says because of various rules designed to level the playing field. They included so-called grandmothering and the Protecting Affordable Coverage for Employees Act.

In addition, those with 25 to 49 employees also led other small and midsize firms on employer contributions to an HSA. For example, they contributed $543 on average to a single HSA vs. $474 for all employers. ■

STRATEGY SESSION

In this section:
>Leave management
>Tech

LEAVE MANAGEMENT

American Express' concierge program helps new parents

The financial giant aims to ease concerns of new moms and dads by providing guidance on its leave program

BY **PHIL ALBINUS**

American Express has established a concierge program to help employees who are new parents take advantage of the firm's parental leave program.

The financial giant offers 20 weeks of paid parental leave to mothers and fathers who are full and part-time workers of the company, according to Tammy Yee, American Express' vice president of benefits and mobility, who spoke recently at *EBN*'s Benefits Forum & Expo in Boca Raton, Fla.

To help employees during a stressful time of new adjustments, American Express established a parent concierge program this year to help employees with what Yee calls "the ABCs around parental leave."

The concierge is tasked with answering questions and easing concerns of new parents. They not only offer advice to nursing mothers, they interact with parents about the new challenges that may impact their workload, Yee said.

> "Parents are coming back to the workforce more productive and more loyal to the company."

The parent concierge can address issues ranging from, "'I'm just starting to think about starting a family' or 'I'm pregnant with my second child' to 'what exactly is a leave, what do I have in terms of health benefits and financial wellness benefits and then all the way to coming back to work,'" she said.

"It's really important to have access to someone with those answers so that when you're already back to work or you are coming back, you understand your options," Yee said.

The concierge also can work as an informal liaison between the parent and their manager.

"We have a number of programs and guidelines for workers and their leaders, and this is often a missing factor in the equation … that when the employees go on leave, there is an impact to the team," she said.

"Some leaders don't know how to handle certain situations, like, 'How do I handle my team members wanting to take a break for nursing in the lactation room, and how do I talk about the workload?'" she said.

The parent concierge can reach out to the employee and the manager and establish some guidelines, according to Yee. American Express hires lactation experts, for example, to help new mothers schedule and manage their nursing routines.

The parent concierge also can help a new mother answer any questions about easing into work and solving new childcare concerns. This service also is available to parents who are adopting and need to take time when the child enters the employee's life for the first time.

Yee says the new programs have helped with company morale. She noted the mental, physical benefits, and the fact that when new mothers take longer leaves, it reduces the occurrence of postpartum depression.

"Parents are coming back to the workforce more productive and more loyal to the company," she said, noting that it's also important for new fathers to get time off as well.

American Express isn't the only company that has expanded parental benefits this year.

Hotel chain Waldorf Astoria extended family leave services this year, according to Maria Burns, director of HR, Boca Raton Resort and Club, a Waldorf Astoria Resort, who also spoke at the panel session.

"We were responding to the survey response from our team members," she said. "We didn't know much about parental leave and adoption, and we have created paid leave and adoption service programs."

So far, the employees have responded positively to the new parental programs, Burns said, referring to the "Boca Babies" who have been part of the program. ■

How Gen Z will change the workplace

BY **AMANDA EISENBERG**

As they begin to enter the workforce, Gen Z is prime for disrupting.

These young workers, who were born 1994 or later, have a completely different approach to diversity, communication, technology and benefits preferences than the previous generations, and will expect their companies to keep up with their needs, said Jim Link, chief human resources officer at Randstad North America, a recruitment and employment agency for temporary and permanent staffing.

"They're going to be welcoming us into a whole new world of the workforce," he said recently at *EBNs*' Benefits Forum & Expo in Boca Raton, Fla.

Younger employees, for the first time, care more about workplace flexibility than healthcare benefits, he said, which means the benefit will become all the more important.

They also will likely push continuation of student loan repayment benefits; both millennials and Gen Z are concerned by loans, particularly because college tuition has increased by more than 1,000%, Link said.

These young workers, who have just begun entering the workforce, tend to record all their interactions through social media platform. That will mean that companies will need to take on a similar approach through attraction and open enrollment strategies, Link said.

Very few employers leverage platforms like YouTube to produce, record and publish videos that give a prospective employee a look at what it's like to work at that company, although Link said that type of strategy would work well for Gen Z.

Link also noted that Gen Z workers, along with millennials, want real-time feedback. Annual performance reviews, while slowly becoming obsolete, won't cut it for younger employees, Link said. ■

Voluntary

In this section:
>Financial help
>Accident insurance

FINANCIAL HELP

Student loan program pays off for Rise Interactive

The firm implemented the benefit after employees complained debts were stopping them from contributing to their 401(k)s

BY **KATHRYN MAYER**

Rise Interactive, a Chicago-based digital marketing firm, makes it a point to consistently survey employees about engagement and get their thoughts on issues ranging from company culture to employee benefits. The general consensus? They were happy and engaged.

But in the last year, employees began to complain about the company's 401(k) plan.

That confused Nicole Skaluba, the company's director of employee services.

"Our 401(k) plan was pretty average, it was market competitive, so we asked them more questions about it," she explained recently at *EBN*'s Benefit Forum & Expo in Boca Raton, Fla. "We wanted to dig into the reasons why they weren't happy because we really didn't understand it. Turns out they were OK with our 401(k), but bummed out they couldn't contribute more to it because they were paying off student loans," she said.

Recognizing that burdensome student loans had become a problem, Rise Interactive looked for a way to help.

That's why earlier this year, the company partnered with Peanut Butter, a student loan administrator founded in 2015 by David Aronson. Rise decided to contribute $50 a month toward employees' student loans, and told its 230 workers about the new offering through a variety of vehicles, including newsletters, in-office signage and in recruiting materials.

It was an immediate hit: On the first day the benefit was announced, more than 10% of employees signed up.

Employee participation is now at 24%, but Skaluba expects that number to grow significantly, especially as new young employees, often with massive amounts of student debt, join the company. (The average age of Rise's employees is 27.)

The student loan repayment benefit has already been a huge recruiting and retention piece for Rise, she said. "People are really proud to work for an organization that's offering this. It's been a great benefit for us."

Companies can reap high rewards — from retaining and attracting talent to helping to eliminate financial problems that tend to affect employee productivity — by offering a student-loan-repayment program, Aronson said during the session with Skaluba.

"It really helps them become an employer of choice. The student loan problem is felt by so many people," he said, noting that 26% of the U.S. workforce has student debt. But it's a growing problem: 71% of the class of 2017 graduated with debt.

"Employers are choosing to add this because it's meaningful to their workforce," he said.

Aronson said that Rise's experience showcases lessons for other companies in developing an effective plan design, such as:

Start low and grow. Aronson said that though many employers target a $100 monthly contribution, $50 a month is a good starting point. It minimizes enrollment risk, and then employers can see how it works out. They can increase their contribution later if they decide to.

Keep it simple. "Rise is making all employees eligible for the benefit, making it available day one, and there are no tiers or special requirements related to their plan," Aronson said. "Tactically what that means is the program is very easy to communicate, and it's easy to understand for the employee."

Recognize that it's about people. Ultimately, student loan repayment is a benefit that employees want and need.

And while it benefits the employee, it also benefits the company. "While a student loan program will not be the sole reason somewhere like Rise is a great place to work, it's one reason it is," Aronson said. ■

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Carriers bulk up accident plans

BY **BRIAN KALISH**

Accident insurance products are expanding with additional coverage and richer benefit levels.

In the last year, carriers have started to expand previously limited coverage to include emergency care, hospitalizations, fractures and follow-up care, explains Jim Boyman, president of enterprise voluntary at Cigna in Hartford, Conn.

Some are also adding enhanced benefits, such as travel coverage or gunshot protection.

The innovation is coming as a result of increased competition, with only so much carriers can do to make their accident plan stand out, says Doug Kreszl, vice president of business development at National Benefit Partners, a Paoli, Penn.-based independent marketing firm.

"[Carriers] are trying to say, 'How can we enhance what we deliver and attract more people to buy an accident plan?'" Kreszl says.

"Not everyone is interested in the same benefit because everyone has a different lifestyle. If you throw in a [new coverage], someone who didn't have accident insurance in the past may now buy it. '"

With the increased coverage, the product has seen continual growth. In the past three years that Cigna has offered accident, the firm has doubled sales every year and continues to see that trajectory today, Boyman explains.

In addition to the move to high-deductible plans leading to the growth, the other big trend is accident insurance enrollment being integrated with core benefits enrollment, Boyman says.

"It's being viewed more as a traditional product and loaded onto a benefit enrollment platform," he explains. "It is sequenced differently [and] the products are being seen as complementary to medical coverage, which helps provide that additional financial protection."

The increased demand has led to some downward pressure on the product's pricing and, in some cases, employers paying for the coverage, which was traditionally exclusively employee-paid, Boyman says. ■

COMMUNICATION & ENGAGEMENT

In this section:
>Disaster plans

DISASTER PLANS

How to stay in touch, help employees during disasters

Recent hurricanes have companies thinking about how best to provide assistance, resources to employees

BY **AMANDA EISENBERG**

The historic weather events of summer 2017 have many employers thinking about how to best communicate benefits and other assistance to employees affected by natural disasters.

Industry experts say it's important for employers to be in contact with employees before, during and after such events. Communications should address the status of company headquarters and projects, as well as the benefits and resources that are available to workers. Repetitive communication is essential for affected employees.

"The most important thing to communicate is what the employers are doing for the employees and the community," says LuAnn Heinen, vice president of the National Business Group on Health.

Employers also have to be flexible in times of crisis, she says. Employees need to know if they are expected to come into the workplace, and if they can't, whether they can work remotely. Many will be dealing with family issues. Schools are likely to be closed, and relatives might have been relocated from nursing homes or hospitals to shelters. Employees might need access to childcare or eldercare, and companies should be in constant communication to relay those benefits, Heinen says.

Another vital resource for workers in times of crisis is an employee assistance program. Not only can employees use an EAP during a storm and in its aftermath, but EAP providers also can supply resources that teach employers how to communicate in a supportive manner, says Rachel Schacht, senior analyst at the National Business Group on Health.

"Some people will be experiencing stress and PTSD," she says. "There may be a need for employers to take a different approach to things."

ComPsych, the world's largest employee assistance provider, has a 24-hour call center to help employees navigate claims and find additional resources, such as mental health counselors, legal assistance and eldercare services. Prior to Hurricane Harvey, which brought historic flooding to Texas in August, ComPsych distributed a disaster plan to its clients to help keep relief efforts organized and streamlined.

"It relieves a lot of anxiety, reduces a lot of reactionary response," ComPsych CEO Richard Chaifetz said of the disaster plan. "It gives the employees the sense that management is on top of the situation."

Similarly, in hurricane-prone areas like Miami, employers rely on a preparedness program to keep employees in the know and focused on the continuation of business.

"We anticipate it. It's part of everyday life down here," says George Boué, a SHRM member and vice president of human resources at Stiles Corporation, a Fort Lauderdale-based real estate agency. "It's easier for us to think about what we can do."

Boué notes that the toughest part about a hurricane preparedness plan is communication efforts, which can be stymied by a lack of electricity or cell service.

"Most of these companies have the ability to connect with their associates via mobile phone," he says. "If the associates are able to get onto the company website, [employers] can also post on their website."

Still, employers have to be quick on their feet, realizing that a storm could impact many aspects of their job.

Paid time off might be used in the aftermath of natural disasters, and employers have a variety of options to give their employees the time they need to take care of their families or homes, Heinen says.

Employers can advance employees' sick days or vacation, but Boué notes that employers need to be understanding and as generous as possible.

"They need flexibility; they need understanding," he says. "Their lives have been uprooted." ■

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THE CASE FOR CAREGIVING

As the population continues to age, more employees are worried about taking care of older parents. Deloitte, Fannie Mae and other employers are responding with comprehensive eldercare benefits.

By Sheryl Smolkin

Some employers are starting to get it: The U.S. population isn't getting any younger.

In fact, by 2040 the percentage of people aged 65 and older will have nearly doubled to nearly 22%, up from 13% in 2010. Even more telling, the age 85-plus cohort is slated to triple. Yet the past few years has seen little growth in the number of employers offering benefits for employees who care for older and disabled relatives.

According to the Families and Work Institute's 2016 National Study of Employers, 42% of employers offer eldercare resource and referral services and 78% provide some amount of either paid or unpaid time off for employees who need to care for aging relatives. These figures, however, have remained virtually unchanged since the same study was conducted in 2012.

"I remember we said that eldercare was going to be the benefit of the '90s because the population was aging. Then we said it was going to be the benefit of the 2000s and the 2010s," says Ellen Galinsky, president of the FWI and a co-author of the report. "Yet we haven't seen the response we should have, given the demographics."

The typical "sandwich-generation" employee who simultaneously cares for children, spouses and parents is purported to be a woman in her late forties, who works a full or part-time job while also providing 20 hours a week of care for aging relatives. But that characterization can be misleading. In fact, 25% of all family caregivers are younger millennials and 50% are under the age of 50.

"So this is an issue for all employers, whether or not they currently realize it," asserts Drew Holzapfel, the Executive Director of Respect a Caregiver's Time (ReACT).

ReACT is a coalition of more than 40 companies and non-profits dedicated to addressing the challenges faced by employee caregivers and reducing the impact on their employers. The group has conducted studies on Best Practices in Workplace Eldercare (2012), followed by others on Determining the Return on Investment (2016) and Supporting Working Caregivers (2017) in partnership with the AARP. "Our goal in producing this research is to provide evidence that helps employers respond to or improve the way they respond to care giving in the workplace," Holzapfel says.

Employers that care

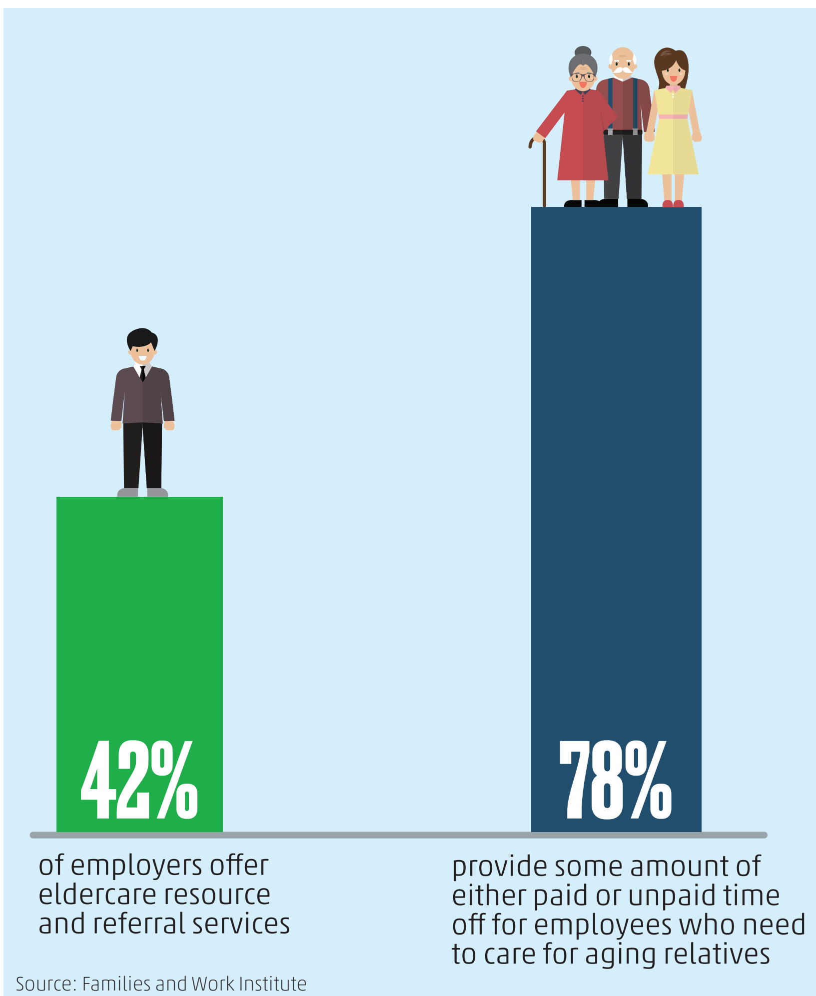
In addition to documenting the need for more caregiver support in the workplace, the reports highlight several employers that have launched programs to assist employees with eldercare responsibilities. One is Emory University in Atlanta, where a 2009 dependent-care needs assessment of the school's more than 13,000 faculty and staff members included both a demographic analysis and a campus-wide survey.

"The survey revealed that 15% of respondents were currently caring for an adult family member, and nearly 60% expressed concern about managing the care of an adult loved one in the next one to three years," explains Audrey Adelson, Emory's manager of work-life. In response, the university launched the Emory Caregiver Support Program in early 2013.

The program includes an onsite care specialist, hired in 2014 to help university staffers take advantage of the resources available to them through both the university and the surrounding community.

"Our care consultant has over 10 years of experience working in aging and in doing research and referral, so she can help employees understand how and when to best use our programs and locate community services and support," Adelson says.

There also is a senior care management service that makes it possible for an Emory employee to meet with a professional senior care manager anywhere in the U.S. Emory pays for six hours of care management services per employee per year and offers additional services at a discounted rate. In addition, there is a 24 by 7 call center staffed by senior care specialists that provides information, referrals and answers to care giving questions via phone, mail or email.



Another employer at the forefront of eldercare is the Federal National Mortgage Association — better known as Fannie Mae. The government-backed home mortgage lender first instituted an elder care support program as far back as 1999.

"We found that around 70% of our employees were either caregivers or would be in the near future," recalls Michelle Stone, Fannie Mae's work-life benefits program manager. "And we knew people were struggling and missing work trying to get through the red tape and figure out where to start with eldercare issues."

The program employs a geriatric care manager who is also a licensed clinical social worker to provide confidential consulting services, including referrals and crisis support counseling. Fannie Mae's current consultant, Montrella Cowan, is a contractor with Iona Senior Services, a non-profit service agency, and is accessible to employees via phone, email or in person.

In a recent survey, Cowan says, "90% of employees responding said how happy they were just to know the program is there if they need it."

Paid time off

Many employers currently offer personal days and flexible hours, including part-time and work-at-home arrangements, to help employees who must juggle work with their elder care responsibilities. In addition, roughly half of all U.S. employees may be eligible for up to 12 weeks per year of unpaid job-protected caregiver leave under the federal Family and Medical Leave Act. Yet even these flexible work options are not enough for many caregivers who can't afford to take an extended unpaid leave.

That was the case at Deloitte, where its 80,000 employees in more than 80 U.S. offices receive up to eight weeks of paid parental leave a year. Until recently, however, employees

with elder care responsibilities had to use their paid time-off days or take an unpaid FMLA leave.

But the professional services firm, which recruits some 20,000 new employees each year, now has four generations in its workforce, "and the concept of going from young children to having to care for parents or others is something that really started to come up in the lives of our people," acknowledges Jennifer Fisher, Deloitte's national managing director for well-being.

To better meet the needs of its multi-generational workforce, last fall the company unveiled a new program that allows all employees to take up to 16 weeks of paid time-off a year to care for a new child or a family member with an eligible health condition. The leave must be taken in increments of at least three days and FMLA, along with any other government-mandated leave period, runs concurrently, Fisher explains.

The Deloitte's program is very generous by industry standards, but other employers have gone even further. In an instance where the shoemaker's children are sporting some of the best footwear around, Caring.com is providing unlimited paid time-off for all 200 of its exempt employees.

When the San Mateo, California-based referral service for senior living solutions took part in the 2012 ReACT study, it offered employees up to five paid days each year for eldercare emergencies, in addition to 10 paid holidays and four weeks of paid time off. By the time the company took part in the 2017 study, however, it had adopted the unlimited PTO policy.

"We were purchased by Bankrate.com and they put our whole executive team on unlimited PTO," says Caring.com CEO Karin Cassel. "Extending the benefit to a wider group, instead of making people track their hours every time something came up, seemed like a natural extension of our existing culture," she explains. "We wanted to alleviate some of the stress employees face when they try to balance their responsibilities. We knew people were going to work just as hard and remain accountable."

Eldercare litigation: The new fault line

Employee lawsuits claiming discrimination due to their family obligations are piling up.

By Sheryl Smolkin

As the number of employees that care for sick or aging parents increases, so do their claims of employer discrimination. A 2016 Family Responsibilities Discrimination Litigation Update from the University of California Hastings College of the Law documents a 650% jump in litigation involving eldercare during the previous decade.

There is no one overarching federal law that protects employees with eldercare responsibilities. Under the Family and Medical Leave Act of 1993, however, an employee who has worked for a government employer or a private employer with more than 50 employees for at least 12 months, may take up to 12 unpaid weeks of leave to care for a parent with has a serious health condition.

In certain cases, FMLA leave can be taken intermittently and upon return the employee must be restored to his or her original job, or to an equivalent job with equivalent pay and benefits. Employers are also required to continue group health insurance for employees on FMLA leave under the same terms and conditions as when they were actively at work.

Cynthia Thomas Calvert, the attorney who authored the UC Hastings report, estimates that the FMLA covers slightly more than half of the U.S. workforce. And while there is no a single federal statute that protects employees from family responsibilities discrimination (FRD), she notes that there are almost 100 state and municipal jurisdictions that have enacted legislation that expressly prohibit employment discrimination based on FRD or family status.

But she concedes that employees experiencing eldercare discrimination generally have fewer legal options than employees facing other types of FRD.

Since the Americans with Disabilities Act was amended in 2008, an increasing number of claims involving eldercare have alleged violations of the ADA's prohibition barring discrimination against employees who associate with disabled individuals. With the amendment in place, "Temporary conditions can be considered disabilities if they are sufficiently severe," Calvert says. "Previously if your mother fell and broke her hip, that would be considered temporary and did not qualify as a disability under the ADA."

The protection afforded by the statute is flimsy, however, since employers are not required to give employees any special accommodation due to their responsibilities for disabled relatives. As a result, most claims involving eldercare are brought under the FMLA or a comparable state law. For example:

- Some claims allege interference with statutory rights, such as denying an employee leave, discouraging leave or failing to reinstate an employee to her original position, once the leave is over.
- Others concern retaliation for having taken a leave, including negative evaluations, harassment, demotion and termination.
- Employees have also brought claims of emotional distress, wrongful discharge, breach of contract, defamation and negligence.

"Even though the FMLA and the ADA don't allow for a lot of damages, additional claims for emotional distress, where damages are not capped, can really inflate the awards," explains Calvert.

Most civil cases are settled in confidence, making it often difficult to track the amounts of the settlements., In 2002, however, a jury awarded $11.65 million to a 26-year-old hospital maintenance worker who was fired while caring for both his father, who had Alzheimer's, and his mother, who suffered from congestive heart problems and severe diabetes. The case was later settled on appeal.

Implications for employers

Even when employees do not go to court and win big awards, poor treatment of workers who need time off to care for sick relatives can backfire on employers.

"Employers should fear workplace disruption. If you have a caregiver who is being poorly treated by a supervisor, everyone knows about it," Calvert warns. "They could be thinking to themselves, 'I may be a caregiver someday; should I look for another job?'" Likewise, a reputation for such treatment can make it harder to recruit and damage the business' brand.

To prevent such incidents, Calvert recommends that her clients ready a work coverage plan for each of their employees, "so they will be prepared if anyone has to be away for two or three months, whatever the reason."

Backup care to the rescue

Every employer's nightmare is that an employee with aging family members will need time off or quit with little notice. That has made eldercare backup care programs, like the ones offered by Bright Horizons, a provider of work-life solutions, increasingly popular. With more than 600 clients and 10 to 20 million potential users worldwide, CEO David Lissy says "it's rare these days that a Bright Horizons client will buy our child care backup services without also including elder care."

At Emory, employees have access to emergency backup care that can be used for child and adult care as well as self-care. Staff members receive up to 10 days of emergency care per calendar year for an adult, and are charged a co-pay of $6 an hour. Employees seeking to hire personal care companions on a more regular basis can access an online database of qualified providers.

At Deloitte, each U.S. employee is entitled to an even more generous 30 days of annual back up care, which can be used for either a child or an adult relative for a nominal co-payment.

Depending on usage levels and the size of its workforce, Lissy estimates that the annual cost to the employer for providing backup benefits ranges from several hundred dollars to around $1,000 per covered employee.

But he also notes that the return on investment can be 10 or even 20 times greater. A Bright Horizons study of more than 5,000 employees with access to backup elder-

Getting started

For employers who don't offer eldercare benefits or who want to enhance an existing program, what's the best way to get started? Here are three tips.

Survey employees. Employers interviewed all agree that the most important thing employers can do before implementing or modifying an eldercare program is to find out what their employees need and want. "Begin with a survey of your employees and then consider staring small with a pilot project in one area," Fannie Mae's Stone says.

Get senior leadership support. Making sure the entire organization is on board with changes is vital. Deloitte's Fisher believes that senior management support at the consulting firm made all the difference when they enhanced eldercare benefits. "Our U.S. CEO Cathy Engelbert was very passionate about our new family leave program, and made it an organizational priority."

Incorporate small changes. Introducing support for caregivers doesn't have to be expensive or difficult, says ReACT's Holzapfel.

"The goal is not just to spend more money and have more benefits.There are low cost and no cost ways to support employee caregivers by incorporating community resources and using EAPs more effectively," Holzapfel says. "But we need to create a culture shift that will remove stigma and normalize care giving through effective top down communication."

care found that, on average, they worked six days more over a six-month period than they would have if a backup care program had not been in place.

The 2016 ReACT and AARP Determining the Return on Investment study found that businesses offering flextime and telecommuting programs saw an ROI of between $1.70 and $4.45 for every dollar invested.

The ROI study also cited research showing that a work-family human resources policy is associated with a share price increase of 0.32% on the day that the policy is announced. And the effect on share price was almost three times larger (0.94%), when the firm was one of the first in its industry to adopt such a policy.

These results are in line with Fannie Mae's experience. The mortgage provider reported that in a dependent care survey conducted by the company, 92% of the employees surveyed reported that the company's backup care program saved them time; 100% indicated that they would use the program again and 100% said they would recommend the service to a co-worker. Says work-life manager Stone: "We are definitely getting a return on our investment."

And introducing support for caregivers doesn't have to be expensive.

"The goal is not just to spend more money and have more benefits. There are low cost and no cost ways to support employee caregivers by incorporating community resources and using EAPs more effectively," says ReACT's Holzapfel. "But corporate leadership needs to create a cultural shift that removes any stigma and normalizes care giving." ■

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PS Form 3526-R, July 2014 (Page 3 of 4)

9 benefit trends to watch in 2018

Student loan assistance and handholding guidance among some of the newer offerings employers are looking at next year.

BY BRUCE SHUTAN

A bevy of meaningful employee benefits that largely fall under the financial well-being category are in store for 2018, according to several industry leaders and experts. The need for a more holistic view of financial security in the workplace is so critical, in fact, that the industry's premier benefits researcher, Employee Benefits Research Institute, hopes to finally establish a beachhead for this hot topic. While the chief target appears to be younger employees who are faced with enormous debt from student loans — a related key trend — the benefit is said to have wide appeal. It also dovetails into yet another major development: the long-simmering convergence of healthcare and retirement benefits.

After speaking with a handful of experts, employers and insiders, *EBN* has rounded up nine benefit trends to watch in the coming year.

1 FINANCIAL WELLNESS

Evren Esen, research director at the Society for Human Resource Management, notices that more organizations are offering programs that help employees with their finances. Roughly half of the SHRM members polled in the latest annual employee benefits survey say they offer investment planning, 48% offer individual retirement planning and 44% offer retirement-preparation advice. One noteworthy development is that financial advice of any type increased to 49% from 37% five years ago, Esen says.

The issue resonates so much that EBRI hopes to open a financial wellbeing research center in response to this trend, with backing from a critical mass of organizations. More rigorous data collection and surveys on financial wellbeing priorities will not only deepen employer understanding of critical issues in the space, according to Harry Conaway, EBRI's president and CEO, but also help them attract and retain top talent. One challenge is that there's no agreement or consensus about how to even measure this area, he cautions.

"I think financial wellness is huge," says Sylvia Francis, total rewards manager for the Denver-based Regional Transportation District who's also a member of SHRM's Special Expertise Panel. To capitalize on that benefit trend, RTD this year began offering money management expert Dave Ramsey's SmartDollar program, which has helped some participants pay off more than $60,000 in debt. It costs RTD about $125 per employee per year, which Francis deems well worth the investment "because financial upset causes a lot of problems in the workplace."

While these programs often appeal to older employees, Francis believes millennials also crave this knowledge because many of them would like to retire in their 60s and may be more financially savvy than their elders think.

After the Great Recession of 2008, she says many of them saw their parents struggle and would like to learn how to hold onto their money. There's also a growing sense of pragmatism whereby she believes many of them are electing to attend less expensive community colleges to load up on prerequisites before transferring to a four-year college.

2 Student loan assistance

"More employers are looking at how they can help employees deal with student loan debt," reports Jim Klein, president and CEO of the American Benefits Council. He believes the issue has crossed into the public policy realm because it's imposing on the ability of younger employees to participate in a 401(k) plan or deepen that commitment.

It shows just how many components to financial security there are beyond having adequate funds in a retirement plan, according to Klein, who also points to the importance of disability insurance and long-term care. Together, he says they're part of a much larger tapestry requiring a more holistic view of benefits from a recruitment and retention standpoint.

One idea Klein says is being considered on Capitol Hill is for employers to contribute into a retirement savings plan an amount that would match what employees pay each month in terms of their student loans.

"It's indicative of thinking in creative ways about how to not only help people with their student loan debt, but also see the value of retirement savings," he says.

While Francis sees student loan reimbursement programs gaining traction even among smaller companies, she offers up a caveat. "We're finding that millennials, and to a lesser extent, Generation X, don't stay with jobs as long as boomers do," she says. Therefore, employers will need to assess whether the looming threat of turnover is worth the cost of providing this benefit.

Only 4% of SHRM benefits survey respondents provide student loan repayment programs, but that number is expected to grow, many industry insiders suggest. So far, though, SHRM's Esen says, the benefit appears to be confined to the finance and tech sectors, as well as larger employers.

3 Cadillac-style health coverage

By postponing the proposed 40% excise tax on Cadillac-style health plans under the Affordable Care Act, lawmakers preserved a competitive balance in tight labor markets, observes Doug Hessel, a partner with Johnson & Dugan Insurance Services, which is part of the United Benefit Advisors network of companies.

Many of his clients are based in the San Francisco Bay Area where it's difficult to keep up with Google, Apple, Facebook and other tech giants. As a result, he says they're more comfortable about moving forward with augmenting their plans, including health reimbursement accounts and medical expense reimbursement accounts.

"The gold-plated or platinum-plated types of plans are alive and well in our market," he says.

4 Convergence of healthcare and retirement

Another way employers are thinking about employee benefits in a more unifying way is to use health savings accounts to pay for healthcare needs in retirement. Klein says it reflects a need to be "more vigilant about monitoring investments or seeking investment options with lower fees in light of a lot of the increased scrutiny around the fiduciary issue." There also could be more opportunities within a retirement savings plan to provide for healthcare needs, with Klein citing the idea of retiree healthcare accounts within 401(k) plans or more favorable tax treatment for investments made in lifetime-income products.

5 Handholding guidance

Conaway is anticipating regulatory or legislative clarification on whether certain pro-retirement plan designs and features are acceptable. Examples include a stretch match, which raises up to 12% the threshold for matching deferred pay, and changes to pre-retirement distributions aimed at reducing so-called leakage.

He believes "handholding guidance" from the IRS, Treasury and Labor Departments or in any tax-reform bill will encourage employers to pursue more aggressive strategies to boost retirement savings. Such action also would enjoy bipartisan support, he notes.

6 Workplace wellness

An emphasis on healthier living dates back about five to seven years in SHRM's annual benefits survey, according to Esen. "There is an increase in wellness-type of benefits," she reports, noting a desire to manage rising healthcare costs as the primary motivator.

Nearly a quarter of participants in SHRM's latest benefits survey plan to increase their wellness benefits, a percentage higher than other categories such as professional and career development, flexible work schedules, retirement and family-friendly policies. One unusual offering, workstations that allow people to stand, soared to 44% from just 13% in 2013 when the data was first tracked. While only 7% of organizations offer meditation and mindfulness programs to help reduce stress, Esen expects the number will grow.

7 Flexible work schedules

Francis notes a movement toward more flexibility in the workplace. One key component includes a "9/80" schedule featuring nine hours a day for the first week and then nine hours for four days that amounts to an extra day off every other week. She believes these compressed workweeks largely appeal to millennials and startups.

"I think companies that are sort of died in the wool, blue chip or like us, transportation, have to change their mindset" about flexible schedule to compete for talent, RTD's Francis says. The thinking is that employees can work just as hard, or harder, at home, Starbucks or wherever they might be than those in an office.

More employees are expecting greater flexibility in their work schedules, Esen says. Telecommuting on an ad hoc basis rose to 59% in 2017 from 45% in 2013, while flextime benefits have remained stable during that time frame at 57%. The number of companies offering a compressed workweek, however, fell to 29% this year from 35% in 2013.

8 Paid leaves of absence

Francis predicts more paid leaves of absence related to maternity and paternity benefits as part of a more family-friendly approach to recruitment and retention. This can come in handy for employees who haven't been able to accrue six to 12 weeks of paid time off. However, she cautions that the arrangement can cause problems in other areas. For example, what happens to employees who are diagnosed with cancer?

Another challenge for employers is complying with local or state mandates for paid leave, which Francis describes as "a nightmare" scenario for multi-state employers. She lauds SHRM for advancing the notion of mandated paid leave at the federal level so that it supersedes the regulatory patchwork that ties the hands of these larger employers.

9 Flat fees for brokers

Hessel believes broker commissions will continue to be squeezed in the small-group health benefits marketplace — and rightfully so. "If the premium is going up, why should brokers get increases for not doing increased work for their clients?" he asks. A fee-based approach that includes a strategic scope of services better defines the deliverables timeline and makes for a more rewarding client relationship, he adds. ■

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What's fueling voluntary benefit provider growth?

CDHPs, broker promotion and streamlined enrollment practices are all playing a role.

BY RICHARD STOLZ

The Affordable Care Act has survived multiple kill attempts and remains a polarizing piece of legislation — except, possibly, among purveyors of voluntary benefits. Nearly eight years after the ACA's enactment, voluntary carriers still attribute their ongoing rapid growth to the continuing impact of that law.

"The ACA put supplemental health benefits in the fast lane," says Gene Lanzoni, an assistant vice president with responsibility for thought leadership in The Guardian's group worksite unit. LIMRA research suggests that 40% of employers say bolstering their current voluntary offerings is a priority, he says.

Guardian itself has been in the fast lane in terms of voluntary product sales growth. It is the largest voluntary player in *EBN*'s fastest-growing ancillary carriers ranking.

The ranking, created in partnership with business intelligence data analytics firm miEdge, lists the top 13 fastest-growing ancillary benefit carriers in the United States. The ranking is based on year-over-year growth of each company by factoring commissions paid.

It is focused on companies with at least 10% growth. Plan sponsors include this information in Form 5500 Schedule A data they submit to the Department of Labor. Note: Groups under 100 lives, government entities and church plans are not required to file, and any disclosure on Schedule C's are not

included in these numbers.

The voluntary market is booming, research confirms. According to Eastbridge Consulting Group, voluntary sales grew 7% from 2015 to 2016 with dental, hospital indemnity, and life and disability being among the hottest categories.

Branding power

EyeMed Vision Care and three Delta Dental plans were the only benefit providers referred to as “ancillary” benefit plans that by tradition are more heavily subsidized than products like CI and accident insurance.

EyeMed’s growth rate clocked in at 33%, placing it at the No. 3 spot on the list.

EyeMed CEO Lukas Ruecker attributes much of the company’s growth to a focus on the ease of the customer experience and price transparency.

“We like to challenge the status quo,” he says. For example, the company has been deploying an online tool akin to OpenTable that enables users to input parameters for the type of vision service, lens or frame they are looking for, and the system will identify appropriate providers within the closest geographic proximity. It also allows them to book appointments.

EyeMed’s transparency tool gives users an estimate of what they should expect to pay based on their parameters, so they can ask informed questions before buying if the provider quotes prices that turn out to be significantly higher.

The company also facilitates direct communication between an employee’s eye care provider and other medical providers (within the Anthem network) so that medical professionals can tag team treatment for conditions, such as diabetes, that may be evident and to some extent addressable by all of them.

“Anthem could say to the optometrist, ‘Please ask the patient to enroll in a diabetes program,’” Ruecker says.

Tapped out

Employees expect to be tapped out, thanks to high deductibles in their health plans if they or family members land in the hospital. As a result, they see hospital indemnity plans as a smart way to ensure they will have a cash infusion to keep themselves afloat should a medical disaster strike, experts suggest.

2017 FASTEST GROWING ANCILLARY CARRIERS

	CARRIER	YEAR OVER YEAR GROWTH	PERCENT OF CHANGE
1	DELTA DENTAL OF TENNESSEE	$22,539,729	40.24%
2	DELTA DENTAL OF INDIANA	$17,405,470	36.73%
3	EYEMED	$109,498,080	33.29%
4	TRANSAMERICA LIFE INSURANCE COMPANY	$17,584,842	24.98%
5	NATIONAL GUARDIAN LIFE INSURANCE COMPANY	$23,922,320	24.65%
6	FIDELITY SECURITY LIFE INSURANCE COMPANY	$31,381,814	24.21%
7	LIBERTY MUTUAL	$189,267,188	20.89%
8	DELTA DENTAL OF RHODE ISLAND	$12,246,856	19.19%
9	HM INSURANCE GROUP	$14,948,241	14.74%
10	ALLSTATE BENEFITS	$6,441,721	13.10%
11	AMERICAN UNITED LIFE INSURANCE COMPANY	$5,815,249	12.43%
12	AFLAC	$16,231,829	11.68%
13	GUARDIAN	$142,787,056	10.87%

Beyond the intrinsic appeal of the coverage itself, Lanzoni believes part of the rapid growth of such voluntary products can be attributed to the influx of brokers looking to expand their horizons after seeing their small employer health plan business shrinking post-ACA.

Lanzoni emphasizes the importance of thinking though an effective enrollment strategy as the first step in generating employee acceptance. John Stanley, Transamerica Life’s managing director for employee benefits, underscores the point. “Having a spot on the shelf is nice,” he says, “but we need employer support” in order to connect with employees.

Transamerica experienced a 25% leap in voluntary premiums last year with a full range of products, according to the miEdge tabulation.

Strict attention must be paid to the fundamentals of communication, education and tools that help employees easily determine “whether this makes sense for me,” Stanley says.

“Technology is changing the way employees are engaging with the market,” he adds. This, in turn, could account for some of the growth in voluntary sales.

Streamlining implementation

For its part, Transamerica is trying to streamline the entire implementation process. Transamerica’s “express plan solution,” with fewer bells and whistles in the product offering, “reduces turnaround time significantly,” Stanley says.

Although term and permanent life insurance have been a staple of voluntary offerings since the beginning, increasingly flexible insurance policies is contributing to uptake rates. That’s particularly true with permanent life policies that give policyholders more choices about how they can access accumulated cash value.

For example, living benefit riders enable insureds with terminal illnesses to tap into some of what otherwise would come in the form of a death benefit in advance to help with medical costs. Such a feature could allow a life policy to serve a similar purpose as a CI policy.

Liberty Mutual, another large carrier that made the top 13 list, only recently (in July 2016) expanded its voluntary menu from life and disability income insurance to include critical illness, hospital indemnity and accident insurance.

The company, whose traditional group product customer base consists of large employers, also decided to reach out to companies with 50-500 employees.

Although Liberty is hardly the first player to “discover” the smaller employer market, “we still see a lot of market growth ahead,” says Daniel Lyons, a senior vice president and manager of employer distribution for the company.

Expanding the offering “was a very logical step that complements our focus on enhancing financial wellbeing and helping employees bridge the gap” between their savings and the funds they would need to cover a major medical event, Lyons adds.

Liberty Mutual’s rapid sales growth in the voluntary space may have been fueled to some degree by the name recognition the company has through its aggressive consumer advertising for its auto and homeowners insurance — products that are also available on a voluntary platform.

Meanwhile, Guardian had $143 million in voluntary revenue growth over a recent 12-month period, representing an 11% gain, according to the ranking.

And while any double-digit growth rate is impressive, that pace was actually the lowest of the 13 carriers on the list. However, meteoric growth is harder to achieve for a large player than a relatively small one.

The primary products propelling voluntary growth at Guardian are its critical illness and hospital indemnity plans, with cancer insurance also in the running. CI premiums have grown at a 15% compound average rate over the past four years, Lanzoni says. ■

LANGUAGE LESSONS

Thanks to Rosetta Stone software as a benefit, employees of **Panda Restaurants** are opening the lines of communication.

BY PHIL ALBINUS

In the hectic restaurant world — where patrons want delicious food that is served quickly and doesn't bust the bank — the last thing managers, servers and diners want is a communication breakdown. But what happens when a restaurant that is famous for serving Asian food is staffed with Chinese-speaking managers who work with a primarily Spanish-speaking workforce? During lunch hour? Now throw in the fact that management wants them to speak English, the primary language of their customers.

This was the challenge for the management of Panda Restaurant Group, the parent company of Panda Express, Panda Inn and Hibachi San establishments, which serve Asian cuisine in more than 2,000 restaurants across the nation. To keep the lines of communication open among its 30,000 employees, Panda has been investing in Rosetta Stone, the popular language education software program, and recently upgraded to the latest version, called Catalyst.

Once a staple at computer stores, where its ubiquitous bulky yellow boxes came packed with an armful of CD-ROMS, Rosetta Stone has evolved for the digital age. Catalyst works as an online and mobile application designed to determine a user's language skillset faster than the previous incarnation of the software, Rosetta Stone Foundations. Designed for global businesses, Catalyst offers lessons in 24 languages, including Italian, Spanish and German.

Global businesses appear to be paying attention. Rosetta Stone says its software is being used by nearly 50 firms globally and is offered as an employee benefit by such global firms as Citi, Experian, Fender Musical Instruments and BASF. It's viewed as a nontraditional benefit that helps attract and retain talent, as well as provide professional training and development to employees, a well-known boost to employers. Nontraditional perks, such as career development, are growing in popularity. In fact, according to the latest benefits report by the Society for Human Resource Management, 16% of organizations said they are likely to increase professional and career development benefits in the next 12 months.

According to Kevin Kwan, technology manager, learning & development, for Panda Restaurant Group, offering Rosetta Stone as a benefit is one example of how the restaurant invests in its employees.

"Panda is very invested in our associates, so we see Rosetta Stone as another resource and tool to elevate them," Kwan says. "We don't want language — English-speaking in particular — to be an obstacle for an associate to do his or her best. We don't want that to be something that will deter them from achieving greater things at our store and also in their lives."

He adds that Rosetta Stone is "one of those tools that just helps us invest more in our associates and it helps them feel that we care about their growth and not just see them as an asset."

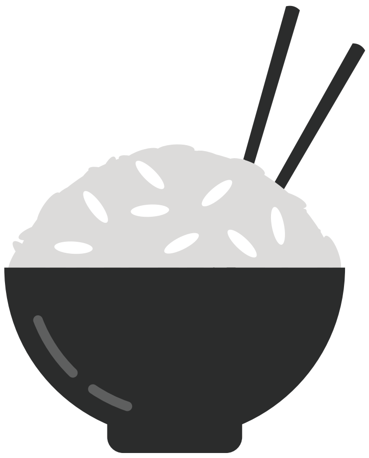
Panda employees use the online-based software to solve certain problems when dealing in a workplace with three languages: English, Spanish and Chinese. Panda management primarily wants employees to speak English. "Most of our users have a Hispanic or Chinese background," Kwan says.

This echoes what Rosetta Stone is hearing from its clients. While U.S. businesses appear to be primarily interested in English and Spanish tutorials, the demand for the popular Chinese dialect Mandarin is growing in popularity, according to Shari Hofer, Rosetta Stone's vice president of marketing.

Alvin Tang, learning and development coordinator at Panda Restaurant Group, says the company is thinking of urging employees to learn other languages in the near future. "With Rosetta Stone being so versatile with so many languages, as our company expands, we also expect them to learn languages other than English," he says. "That's an opportunity that we can have later on in the future."

How it works

Instead of loading a dozen Rosetta Stone CD-ROMS, as users did in the late '90s, Panda Restaurant employees sign onto the Rosetta Stone software with their personal email accounts



Three-quarters of workers say language training helps them be more effective in their daily jobs.

from their home computers, laptops, tablets or smartphones. Panda pays for the licenses, but employees are expected to use the software on their free time away from the restaurant.

"We definitely encourage all of our associates to take advantage of the mobile access that Rosetta Stone offers," Tang says. "That is a huge benefit, not being required to sit in front of a computer to do their learning."

Catalyst features visual and audio tutorials, and the company even offers the option of using Skype for in-person classes.

"Businesses may want their employees to have the experience because that's where people technically have the hardest time — actually speaking to someone who is a native speaker," Rosetta Stone's Hofer says. "Having that experience with a native speaker can also help them, for example, if they were delivering a PowerPoint presentation and wanted to make sure that their language and their confidence level was high enough so that they could do it in a very eloquent and professional manner."

Rosetta Stone is pushing to make the software experience as interactive and fun as possible. Instead of asking employees to sit in a classroom and conjugate verbs, Rosetta Stone tries to get them speaking right away.

"I studied German when I was younger, and it was a program where you sat in the classroom and you memorized," Hofer says.

"Given the different way that people learn now, there's some immersion, speaking, games and apps, and there's writing and grammar. The goal is as soon as possible to get people speaking, because that's the hardest part."

Tang says employee feedback on Rosetta Stone has been positive. Workers see it as a tool for improving their English speaking, writing and overall language skills — in and outside of the workplace.

"It's something where you get out what you put in," he says. "Panda does its part by providing this resource, covering the cost, handling the registration — that's the part that we control." After that, he says, it is up to the employee to put in the work. (Both Panda Restaurants and Rosetta Stone declined to reveal the cost for offering this benefit.)

"We've had some superstar learners who we've been tracking and communicating with as well," he says. "We have our own Facebook page that we just launched, so we're trying to use that to leverage high-performance learners, to encourage our other learners, and also to recognize those who are very inspired to participate in this program."

Making a difference

According to Rosetta Stone's 2015 Business Language Impact Study, which surveyed roughly 1,900 employees from more than 300 companies across six continents, learning a new language was a high priority for employees. Three-quarters of workers in the survey responded that language training helps them be more effective in their daily jobs, and that learning a language has made them more confident in their work with international counterparts.

It's helping them to work more efficiently, too. More than half of survey respondents said they saved a minimum of three hours per week on work-related tasks thanks to their newly acquired language skills.

Offering language classes also helps when it comes to recruiting the newest and most eager members of the workforce.

"When we do surveys to get a sense of what millennials want from companies, language learning always is one of the higher ranked items because they want more from their companies," Hofer says.

Tang says moving to Rosetta Stone Catalyst has been a smooth transition. "We're lucky to have [Rosetta Stone] representatives who have been able to help us along the way, to help us feel more comfortable with the migration," he says.

He adds that Panda was impressed with the improvements that were made to the software based on its feedback and suggestions from other firms.

Rosetta Stone made "enormous changes to innovate their program to make it much more immersive and a little bit revolutionary in terms of their approach to capturing learners' attention, and also placing them in the right spot so they can accelerate their learning and their learning trajectory," he says.

The original Rosetta Stone Foundations seemed "very general," Tang says. "It felt very one-size-fits-all, where everyone starts at the same place and goes forward."

To evaluate the update, Kwan and Tang both signed up and were impressed with the new features.

"We both agree that it's quite intensive in terms of evaluating exactly what the learner's needs are, and it also includes a survey for the user to specify why they want to improve their English overall skills," Kwan says.

After taking Catalyst's online surveys and placement test, Panda employees are placed in a lesson plan based on their skills and experience with the language.

"They don't have to start at the very beginner level, as it was with Foundations," Kwan says. "Users are able to accelerate their learning because they're placed where they were supposed to be since the beginning. That was the biggest difference with the program." ■

RE:INVENT | RETIREMENT

Q&A

When does the buck stop when 401(k) errors occur?

BY RICHARD STOLZ

Providers of retirement plan administrative services have proliferated over the years as the complexity of plan administration has mushroomed. In a litigious environment, plan sponsors need to pay close attention the role of fiduciaries and the level of responsibility assumed by external administrators. *EBN* spoke to Ken Waineo, senior director of business development and retirement plan operations for The Standard, to explore these topics.

***Employee Benefit News:* Is a plan sponsor by default the plan administrator?**

Ken Waineo: The most common structure is for an employer to be designated as the plan administrator in the plan document, or employees who are serving on a committee. But there are many external providers stepping up and saying that they can sign on as a third-party plan administrator, or TPA, to support the plan administrator. Some act in a fiduciary capacity, and others do not.

***EBN:* But even if the employer retained another entity to act as plan administrator, it still couldn't escape its ultimate responsibility for overseeing service providers anyway, right?**

Waineo: Yes, the employer can never completely get away from their fiduciary responsibility. They still have the obligation, at the very least, to oversee the plan administrator, and one of the plan administrator's primary obligations is to overview the service providers and be sure that the services that are being provided are accurate and delivering value for what they're being paid.

FINANCIAL WELLNESS

GIG WORK HURTING FINANCIAL FUTURES?

The employment model's lack of benefits will affect personal security, new research finds.

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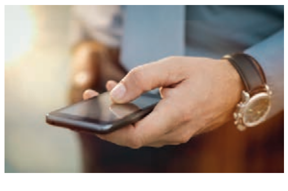
CASE STUDY



FINANCIAL WELLNESS ADDS BITE TO DELTA DENTAL

The insurance company implemented Best Money Moves, a mobile-first program.

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MORE ONLINE

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***EBN:* So where does 3(16) fiduciary status fit into the equation?**

Waineo: Section 3(16) of ERISA describes a set of plan administrative services that are carried out by an entity that typically would act in a fiduciary capacity. But we're starting to see more TPAs state that they're doing 3(16) services, but they are not actually acknowledging it in their contracts that they're assuming a fiduciary responsibility. They may be tracking participant eligibility, sending fulfillment notices, approving loans, hardship and other distributions, and compliance corrections at the plan administrator's direction. But the way they operate, if anything goes wrong, the liability is with the plan administrator who hired them, because the TPA or recordkeeper has disavowed taking on the fiduciary obligation.

***EBN:* Does not being held accountable as a fiduciary change anything about the quality of service they provide?**

Waineo: If you're a fiduciary, you're required to act in the best interests of the participants. One would hope a TPA would do that even if it didn't explicitly state that it's acting in a fiduciary capacity, but there is still an important distinction there. Fiduciaries are obligated to correct any errors they make. If an employer is looking at service providers offering 3(16) services that don't also want to assume the role of fiduciary, employers should ask them why.

***EBN:* Can a recordkeeper or TPA act in the fiduciary capacity with respect to some services, and not others, or is it an all-or-nothing proposition?**

Waineo: Yes. For example, our work can be structured so that we act in a 3(16) capacity and act as a fiduciary on certain plan administration functions, and not on others.

***EBN:* This sounds complicated. Do you think employers are always clear on what they are buying, whoever the service provider?**

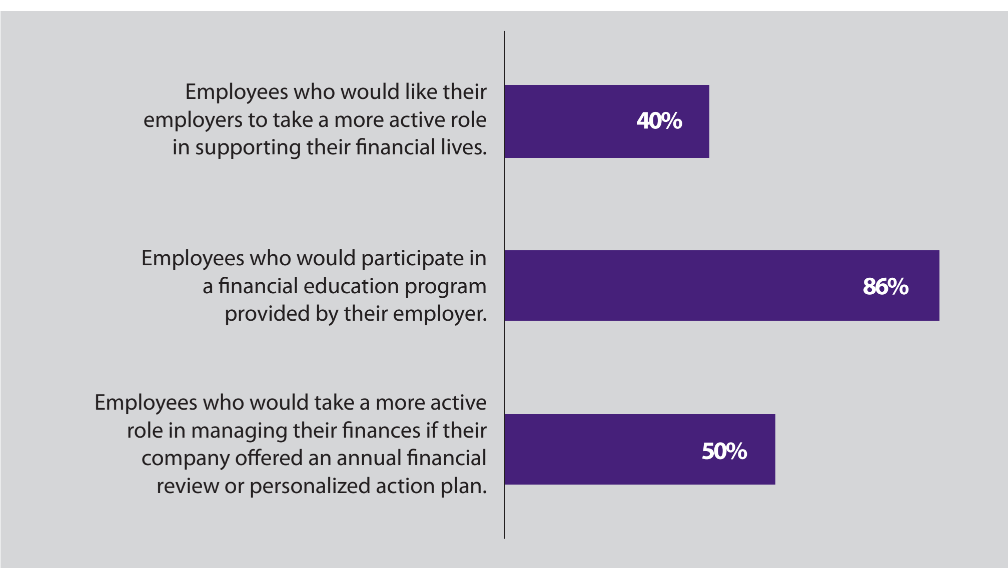
Waineo: This is why it's critical to read the service contracts. You'll see providers saying, "We're taking on responsibility for these things but maybe not these others." Our language says we hold harmless and indemnify the plan sponsor should there be any failure that's caused by us in these particular services. It should be spelled out very clearly.

***EBN:* What does it actually mean on a practical level that you take responsibility?**

Waineo: The service agreement will absolutely spell out what happens or what's expected to happen if there is any sort of litigation. ■

LOOKING FOR HELP FROM EMPLOYERS

More than half of employees say they are stressed about their financial situation, according to the latest Bank of America Merrill Lynch Workplace Benefits Report. With that stress impacting their focus and productivity at work, more workers are looking to their employers to help manage several aspects of their financial lives.



Source: Bank of America Merrill Lynch, 2017

FINANCIAL WELLNESS

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Gig work hurting financial futures?

BY AMANDA EISENBERG

THE GIG ECONOMY, THE EMPLOYMENT model where workers act as independent contractors rather than employees, is expected to have a destabilizing effect on personal financial security, according to a new report from Prudential Financial.

Gig economy workers do not receive employee benefits, leading to a major gap in coverage for short- and long-term disability, life insurance and employer-sponsored retirement plans, according to the research.

For example, only 16% of gig economy-only workers — those without access to employer-sponsored benefits — have access to a retirement savings account, compared to 52% of full-time employees.

"The money made by gig work may contribute to reducing the national income gap, but the decline in employer-sponsored savings and insurance plans is doing little to address the wealth gap," says Andy Sullivan, president of group insurance at Prudential. "Without benefit protections, many gig workers are left financially vulnerable. While working independently has its rewards, the uncertainty of gig income makes it difficult for people to prepare for emergencies or save and invest toward achieving important financial goals."

Seven in 10 millennial gig-only workers, have no access to benefits, compared to 44% of gig-only workers over the age of 55, according to Prudential's research, which polled nearly 1,500 workers.

The implications of an entire generation without retirement savings can be detrimental, says Snezana Zlatar, senior vice president of full service solutions, product and financial wellness, at Prudential Retirement. "Without a sizable savings for healthcare and other basic services past retirement age, the number of Medicare enrollees could skyrocket.

"That should be one of the main incentives to encourage the public sector and private sector to seek solutions," she says. "It's not just about the wellness effect for individuals. It's about reducing future reliance on government programs." ■

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Like access to the largest physician network in our service area — 25% more than the competition.[1] And, through the BlueCard network, national access to 93% of providers and 96% of hospitals — more than any other health plan in America.[2] Even adult vision care with every plan.
Plus the demand of every small business: plan choices, access and value.
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Empire BlueCross BlueShield
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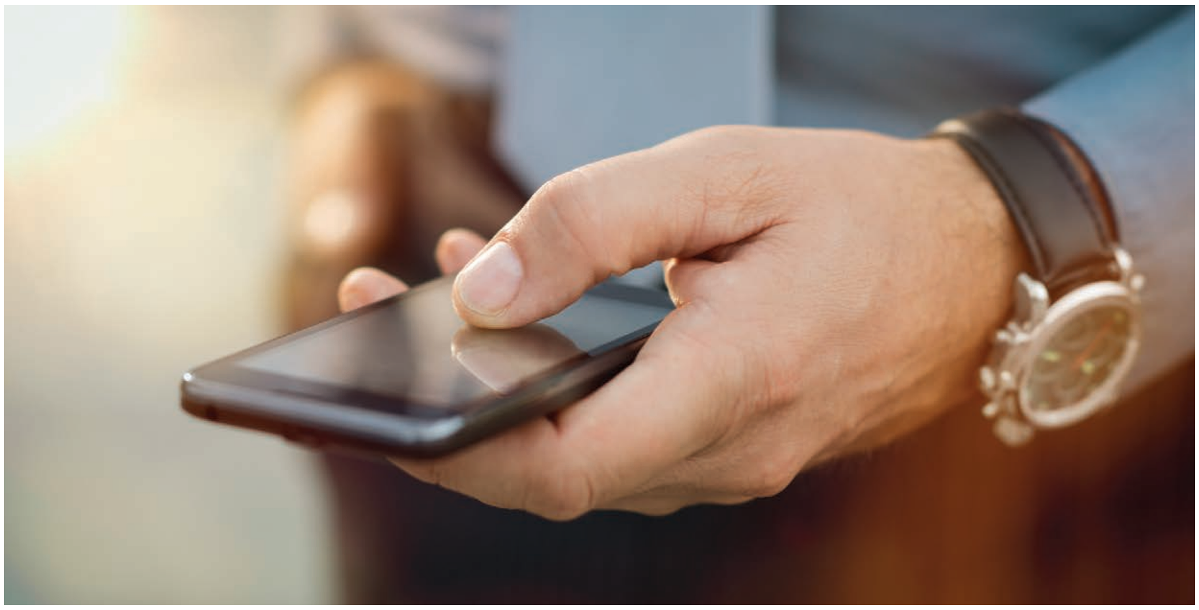
[1] Empire's 28-county service area and competitor network information based on Netminder Physician Head Count Summary May 2016.
[2] 2017, Blue Cross Blue Shield Association, www.bcbs.com Blue Cross and Blue Shield Association PPO/EPO network comparison data from websites of other national carriers as of 2016. Network data include the BlueCard program's extensive networks of doctors, hospitals and other providers that participate in independent Blue Cross and Blue Shield plans across the country.
Services provided by Empire HealthChoice HMO, Inc. and/or Empire HealthChoice Assurance, Inc., licensees of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans.

CASE STUDY



Financial wellness program adds bite to Delta Dental's benefits

BY PAULA AVEN GLADYCH

WHEN HELEN DREXLER took over as CEO of Delta Dental Colorado last December, she was impressed by the robust benefits package offered to employees of the insurance company. But there was one benefit she felt was missing: financial wellness.

"I think financial wellbeing is something many employers are beginning to see as a foundational part of any benefit strategy," Drexler says. "If employees aren't feeling financially healthy, they suffer stress and it impacts their ability to be focused and work effectively in the workplace."

So Drexler worked with Sunday Sotomayor, Delta Dental's human resources director, and the two implemented Best Money Moves, a Chicago-based mobile-first financial wellness program that helps employees make better money decisions based on their biggest financial stressors.

Delta Dental rolled out the program in May, and has already seen a big impact. Since the program was implemented, 65% of Delta Dental's employees have engaged with the tool.

Drexler says she loves that the program is a digital first application. "In this day and age, people do use their phones more often than their home-based PCs," she says.

Best Money Moves first asks participants to list their main financial stressors. Those could include fear of losing their job, healthcare costs, not saving enough for retirement, paying off credit card or student loan debt. Once a person's top financial worries are listed, the program gives them a list of links to articles that offer suggestions and next steps on how to mitigate their financial stress.

It uses a points-based program, cash prizes and contests to incentivize employees to participate. Most employers see the return on investment very clearly, explains Ilyce Glink, founder and CEO of Best Money Moves. Best Money Moves uses information algorithms to customize the information a user receives based on their responses to the Stressometer.

"My 64-year-old employee might have different financial questions than my 25-year-old employee," Drexler says. "Their ability to customize based on the end user was really innovative."

Delta Dental has made a concerted effort to acquaint new employees with the tool as part of the company's orientation program.

"We find a lot of people really appreciate it," Sotomayor says. "They have access to it through their phones, and the program as a whole works well with the company's 401(k) plan and other wellness programs."

Delta Dental also offers a robust 401(k) plan that includes a 4% match on the first 5% contributed plus an additional employer contribution of 4% after a person has worked for the company for a year. Employees are eligible to participate in the program after working there for six months.

"We know employees appreciate that. It is not everywhere you go you will find an enhancement like that where the company contributes a certain percentage," Sotomayor says. "That's what makes us very competitive." ■

RETIREMENT EDUCATION

Considering retirement health costs

BY PAULA AVEN GLADYCH

When people sit down to figure out how much they need to save for retirement, many times they don't take healthcare expenses into account. That could be because they believe government programs will step in and cover all of their expenses or just that the idea hasn't crossed their minds, says Adam Stavisky, senior vice president, Fidelity Benefits Consulting.

Fidelity takes a look at retirement healthcare expenses each year to determine how much the average 65-year-old couple will spend on healthcare expenses in retirement. The 2017 estimate of $275,000 is a 6% increase over last year's estimate of $260,000.

The data means that both employees and employers must work to prepare for healthcare needs during post-work years.

"With ongoing uncertainty across the healthcare landscape, it's more important than ever for individuals to educate themselves on steps they can take to prepare for their healthcare needs in retirement," Stavisky says. "These expenses are only expected to increase in the future, so it's critical that people include healthcare as a significant part of their retirement plan."

Stavisky points out that most people probably assume Medicare pays for everything in retirement, but "by design it doesn't cover everything."

Employers can help by taking a more active role in helping employees manage their health and wellbeing during their pre-retiree years and providing benefits that can contribute to improved health and potentially lower healthcare costs in retirement.

Many companies, too, are encouraging employees to save for retirement medical expenses through a health savings account. ■

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COMMENTARY

In this section:
>Retirement planning

RETIREMENT PLANNING

Why employers should educate employees on HSA contributions

In addition to being triple tax-free, health savings accounts can make a significant difference for workers' retirement planning

BY **ROBERT C. LAWTON**

With open enrollment season quickly approaching, plan sponsors may want to spend some time educating participants on the use of health savings accounts. I believe that nearly everyone eligible to contribute to an HSA should max out their HSA contributions each year. Here's why.

HSAs are triple tax-free. HSA payroll contributions are made pre-tax and when balances are used to pay qualified healthcare expenses, they come out of HSA accounts tax-free. Earnings on HSA balances also accumulate tax-free. There are no other employee benefits that work this way.

HSA payroll contributions are truly tax-free. Unlike pre-tax 401(k) contributions, HSA contributions made from payroll deductions are truly pre-tax in that Medicare and Social Security taxes are not withheld. Both 401(k) pre-tax payroll contributions and HSA payroll contributions are made without deductions for state and federal taxes.

No use it or lose it. Unlike flexible spending accounts, where balances not used during a particular year may be forfeited, with HSAs, unused balances carry over to the next year. And so on, forever (at least until the employee passes away). HSA balances are never forfeited due to lack of use during a year.

Funds can be used for retiree healthcare expenses. Anyone fortunate enough to accumulate an HSA balance that is carried over into retirement may use it to pay for many routine and non-routine healthcare expenses. HSA balances can be used to pay for prescription drugs, medical premiums, COBRA premiums, dental expenses, Medicare premiums, long-term care insurance premiums and, of course, any co-pays, deductibles or co-insurance amounts. There are no age 70.5 minimum distribution requirements on HSA accounts like there are on 401(k) and IRA accounts. This makes HSA accounts a much more tax-efficient way of paying for healthcare expenses in retirement, especially if the alternative is taking a taxable 401(k) or IRA distribution.

Modest contribution limits. Maximum annual HSA contribution limits (employer plus employee) for 2018 are modest — $3,450 per individual and $6,900 for a family. Another $1,000 in catch-up contributions is permitted for those age 55 and older.

Helps with retirement planning. Most employees would likely benefit from the following contribution strategy incorporating HSA and 401(k) accounts: First, employees should contribute the percentage that allows them to receive the maximum company match in their 401(k) plan. There is no better investment any employee can make than receiving free money. Then, employees should fill up their HSA accounts using payroll contributions. If the ability to contribute still exists, employees should then max out their contributions to their 401(k) plan by making either the maximum percentage contribution or reaching their annual limit.

The keys to building an account balance that can carry over into retirement include maxing out HSA contributions each year and investing unused contributions so account balances can grow. If your HSAs don't offer investment funds, think about adding them soon.

HSAs will continue to become a more important source of funds for retirees to pay healthcare expenses as high-deductible health plans become more prevalent. Make sure you educate your employees on their use.

Robert C. Lawton, AIF, CRPS, is the founder and president of Lawton Retirement Plan Consultants, LLC.

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LAWS & REGULATIONS

In this section:
>FMLA

FMLA

Is leave required after disasters?

What employers need to know about time off laws after crises

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BY **JEFF NOWAK**

Natural disasters, like the recent spate of hurricanes in September, raise a host of issues for employers, including about paying employees and providing benefits.

The aftermath of disasters also raises questions about an employer's obligation to provide a leave of absence to employees under laws such as the Family and Medical Leave Act.

It's worth pointing out a few general things about FMLA: The law does not, in itself, require employers to give employees time off to attend to personal matters arising out of a natural disaster, such as cleaning a flood-damaged basement, salvaging belongings or searching for missing relatives. Case in point: poor Joe Lane, whose FMLA lawsuit was dismissed after he sought FMLA leave, in part, to clean up his mom's flooded basement because her health conditions precluded her from doing so.

However, an employee would qualify for FMLA leave when, as a result of a natural disaster, the employee suffers a physical or mental illness or injury that meets the definition of a "serious health condition" and renders him unable to perform his job. It also would apply if the employee is required to care for a spouse, child or parent with a serious health condition who is affected by the natural disaster.

Some examples: As a result of the natural disaster, an employee's chronic condition (such as anxiety or soaring blood pressure) flares up, rendering him unable to perform his job. The medical certification supports the need for leave as a result of the natural disaster, FMLA leave is in play.

Another example is when an employee is required to care for a family member with a serious health condition for a reason connected with the natural disaster. Take, for instance, an employee's parent who suffers from diabetes. If the event took out power to the parent's home, the employee may need to help administer the parent's medication, which must be refrigerated. Similarly, the employee may need to assist a family member when her medical equipment is not operating because of a power outage.

What if an employee was already on FMLA leave when the disaster hit and the business now is shut down for a period of time? Here, FMLA regulations are clear: If business activity has temporarily ceased and employees generally are not expected to report for work for one or more weeks, these days do not count against the employee's FMLA leave entitlement.

Finally, do employers have to pay employees on FMLA leave while the workplace is closed down? In short, employers treat those workers the same way they would treat another employee on non-FMLA leave. This issue is governed by 29 C.F.R. § 825.209(h), which states: "An employee's entitlement to benefits other than group health benefits during a period of FMLA leave (e.g. holiday pay) is to be determined by the employer's established policy for providing such benefits when the employee is on other forms of leave (paid or unpaid, as appropriate)."

Put in simple terms, employers should look to treat the leave in the same manner they treat other forms of non-FMLA leave. If FMLA is being taken in conjunction with paid leave, employers should look to the manner in which they treat workers on paid leave.

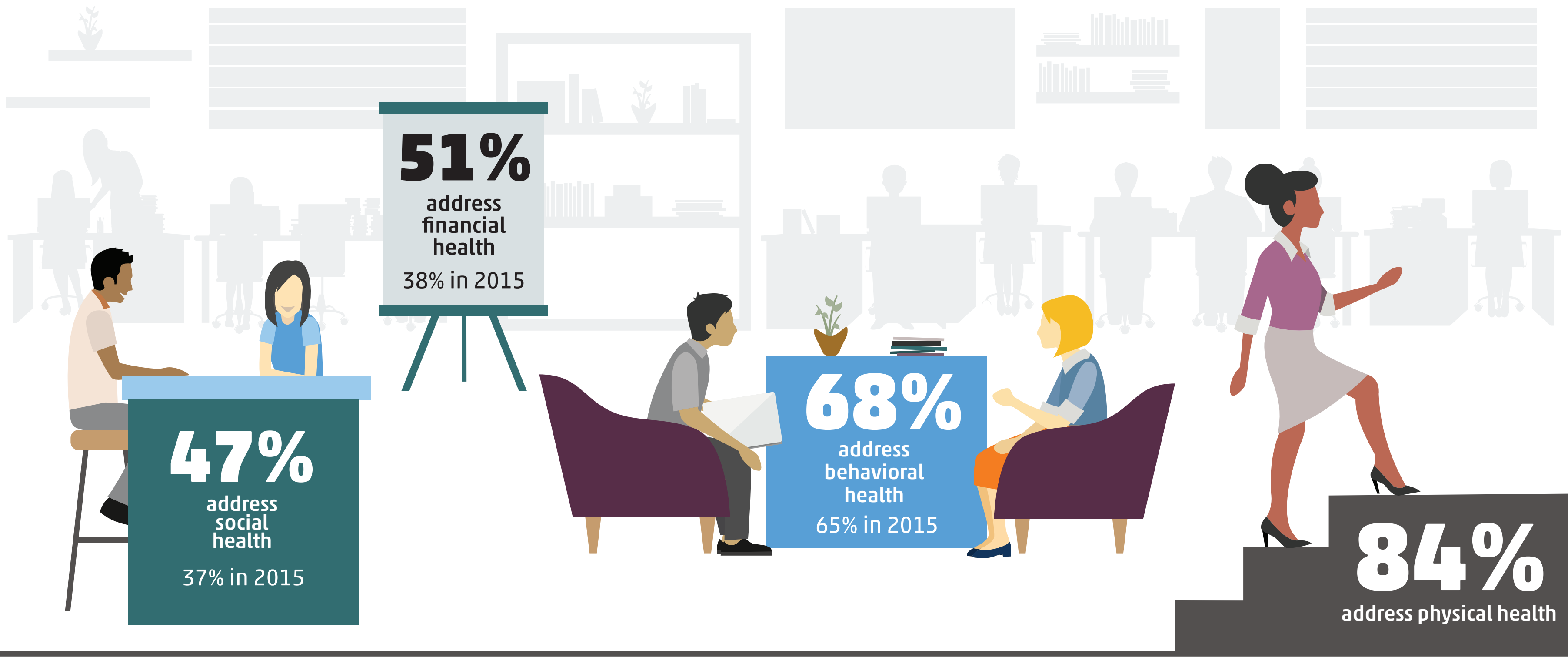
Where an employee is requesting leave as a result of the natural disaster, employers should obtain as much information as possible from the employee to determine whether the absence qualifies as protected leave. Where there is doubt, employers should provide the requisite FMLA paperwork and allow the employee to provide the necessary information to support FMLA leave. Also, employers should ensure that medical certification is sufficient to cover the absence at issue. Where more information is required, employers must follow up with an employee to obtain the information necessary to designate the absence as FMLA leave. Moreover, when an employer has reason to doubt the reasons for FMLA leave, they have the right to seek a second opinion to ensure FMLA leave is appropriate. ■

Jeff Nowak is co-chair of the labor and employment practice at Franczek Radelet, a labor and benefits law firm. The article originally appeared on Franczek Radelet's website.

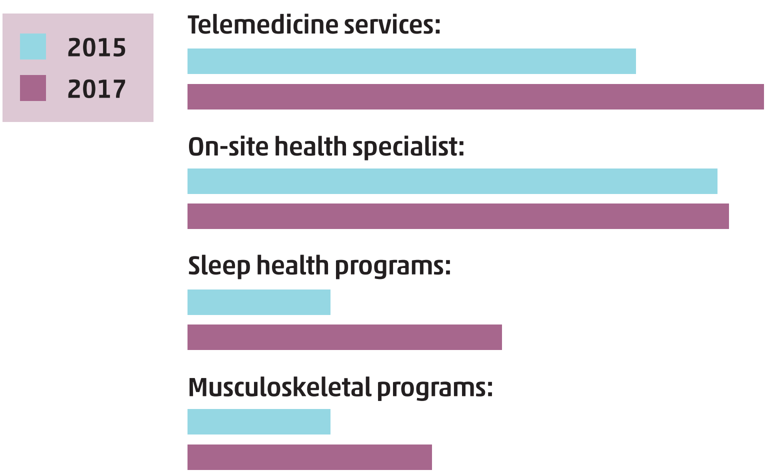
BY THE NUMB3RS: Widening workplace wellness

A look at how large employers are increasing their focus on financial, social and behavioral health programs for their employees.

Dimensions of workplace wellness

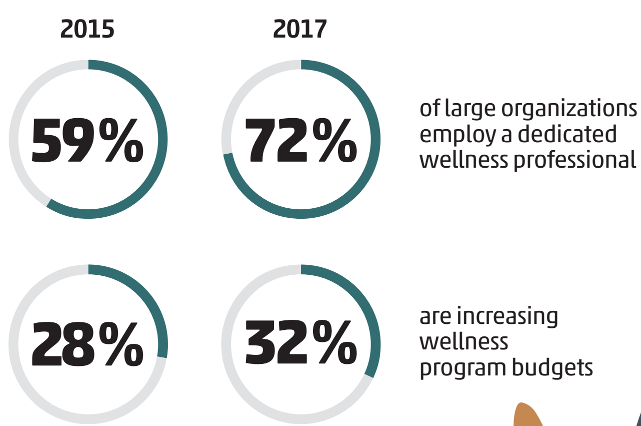


Health management services: What's included:

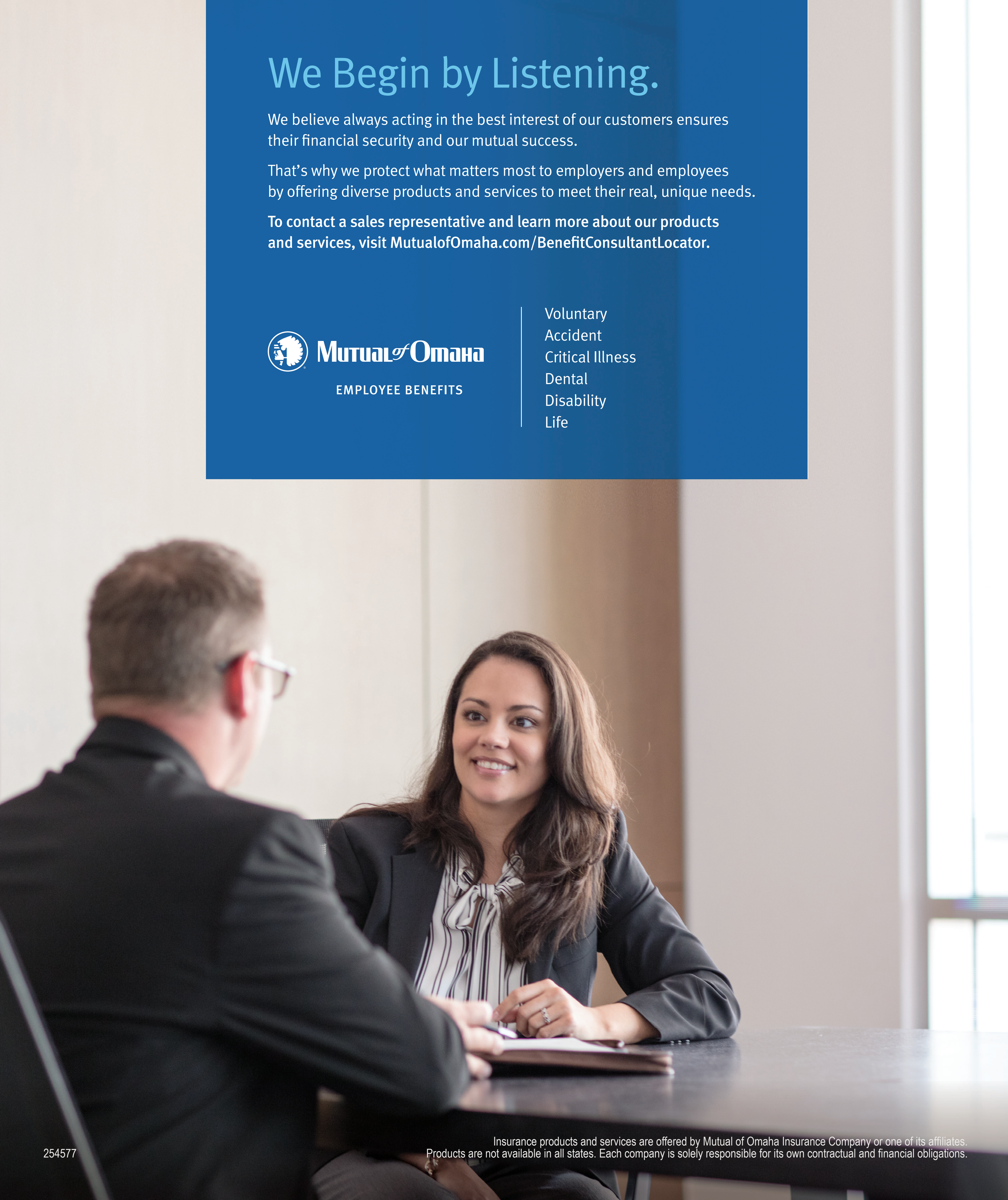


A growing investment

Employers are ramping up investments in health and wellness program budgets and staff:



Source: Optum, 2017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