

# Employee Benefits Program — Ideas for review in 2010

BY KIM PILLEY



**A**ttracting and retaining skilled personnel is critical in any industry and especially so in the construction business. Comprehensive benefits programs play a major role in attracting the best talent so periodically reviewing your employee benefits program is important. Below are a few suggestions of how you can review your plan design to optimize what matters most to your employees:

## Group claims experience

Let's face it — benefit programs are expensive. Taking a moment to review where your group's Health and Dental claims dollars are being used could help your group get the most bang for your buck. Are you paying dental premiums that include orthodontics and the majority of your employees are not using this aspect of the dental plan? Do your employees really value their vision care benefit and professional practitioner coverage such as chiropractor and massage? Eliminating what is not being used and directing some of the premium dollars to improve your plan where it would be valued would be a great place to start.

## Group demographics

In recent years, a popular topic has been looking at different age groups in the workplace and how their work needs and benefit desires differ. For example, your 20 something employees may value enhanced professional practitioner coverage and dental benefits whereas your 45+ employees may place a higher value on your prescription drug coverage and group retirement program. Your benefits consultant will work with you to understand your group demographics and how your benefit plan design can meet the goals of your group.

## Policy Contract/Employee Booklets

It sounds like a no-brainer to have current policy contracts and employee booklets on hand, but in our experience reviewing benefit programs for clients and prospects, it is anything but that. We have reviewed numerous plans where the policy contract and employee booklet is not up to date. Changes have been made to the plan but the materials in circulation and available to the administrator and employees are not updated.

You could have a great benefit plan with comprehensive coverage, but if the information on the coverage is not readily available for employees, you are not getting full value out of this fact.

## Communication

Getting the message out that you have changed carriers or made changes to any of the benefit lines or even that the provincial government coverage has

changed is critical to the success of your program. On site education meetings, bold bulletins in locations where employees actually visit and read are great ideas and your broker can assist with communication strategy.

## Value Added Services of the Insurer

We all know the insurer's job is to pay claims, but are you aware of the other value added services and products they offer?

Many insurers are offering on-line Plan Administrator and Plan Member / Employee websites. Secure access is granted with a confidential ID and password.

Plan Administrators can enjoy the convenience of having access to plan information, monthly billing statements, and a variety of forms at their fingertips. Online administration is also an expedient way to enroll new employees and makes employee changes, like salary changes.

Employees can take advantage of having access to partially completed claim forms, an easy way to ask questions direct to their insurer, view when they can visit their dentist next, as well, some insurers are even offering online claims submissions for certain benefits, with turnaround time for payment being one or two days. Many insurers are also providing extensive health and wellness libraries, providing reliable information on medical conditions and medications.

## Group Critical Illness Insurance

Almost everyone knows someone or some family whose lives have been affected by cancer or a heart attack. Often overlooked for being too expensive, critical illness insurance could be invaluable to your employee in the unfortunate event they are diagnosed with a critical illness. Benefits are non-taxable, and would be paid out in a lump sum to your employee upon the diagnosis of a covered critical illness. The benefit paid could be used however your employee wishes.

Cancer, heart attack, kidney failure and stroke are typically the core conditions offered, but many carriers offer coverage for additional conditions.

Explore offering critical illness insurance to your employees — this can be added as a stand alone benefit or as a rider to your Accidental Death and Dismemberment policy with certain specialty carriers.

## Group Tax Free Savings Account

The Tax Free Savings Account (TFSA) was introduced in the Canadian budget in 2008. Since January 1, 2009 Canadian residents who are 18 or older are eligible to contribute up to \$5,000 annually to a TFSA. Details can be found on the Canada Revenue Agency at [www.cra-arc.gc.ca/tx/ndvdl/tpcs/tfsa-celi/menu-eng.html](http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/tfsa-celi/menu-eng.html).

Canadian insurers are offering their group clients a Group TFSA. Consider offering a group TFSA to your existing Group RRSP or Group Pension plan.

The TFSA is not the same product nor does it have the same tax treatment as a Registered Retirement Savings plan (RRSP). TFSA offers the flexibility to withdraw money from the account whenever you want, for whatever you want without paying taxes on the withdrawn amount. As with any new benefit product, a strong communication plan is essential for the success of the strategy. **CB**

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