



UBA **HR**Elements®

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The news keeps rolling in, and the blame doesn't spread very far.

Trader Joe's, a nationwide chain of specialty grocery stores headquartered in Monrovia, Calif., on Sept. 12 became the latest big-name retailer to announce it would cut health coverage benefits to employees working fewer than 30 hours per week. According to *Benefitspro*, Trader Joe's CEO Dan Bane informed his employees of the move last month. The company had been one of a group of several large businesses that offered part-time workers some benefits -- a group that is rapidly shrinking.

The reason? Health care reform. The Patient Protection and Affordable Care Act (PPACA), many parts of which are set to go into effect Jan. 1, 2014, will offer premium subsidies to employees with low incomes who are not eligible for employer health coverage that meets certain standards and who enter the public exchanges. Beginning in 2015, penalties will be imposed upon employers if no coverage is offered to employees who work 30 or more hours per week, but no penalties will apply if coverage is not offered to part-time employees.

As reported in the *Huffington Post*, Bane on Aug. 30 delivered a company-wide memo stating, "The company will cut part-timers a check for \$500 in January [2014] and help guide them toward finding a new plan under the Affordable Care Act. The company will continue to offer health coverage to workers who carry 30 hours or more on average. Depending on income you may earn outside of Trader Joe's, we believe that with the \$500 from Trader Joe's and the tax credits available under the ACA, many of you should be able to obtain health care coverage at very little if any net cost to you."

Trader Joe's is hardly alone in making difficult choices in response to PPACA and rising health care costs. Kroger, which operates more than 2,400 grocery stores in 31 states, cut health benefits for some employee's spouses earlier this year -- following the lead of the United Parcel Service, which made a similar move months earlier. Kroger spokesperson John Elliott told Indiana Public Media, "There is a lot of comment about the Affordable Care Act and so on and those mandates are something that we have to factor into those discussion, but frankly, health care costs were going up dramatically with or without the Affordable Care Act. It just adds some specific requirements that we have to fund to deal with."

In another PPACA-related maneuver, theme park operator Sea World revealed that it would reduce its cap on weekly hours for part-timers to 28 hours from 32. The company does plan to add full-time hourly positions next year across its 11 parks, it said in a statement. Those full-time jobs will include health care benefits.

Lands' End, an apparel maker, also has turned to the hour-cutting option, reducing hours to no more than 29 per week. WKOW in Madison, Wisc. reported a staff memo notified employees of the change, stating: "For some of you, working less hours may be what you wanted. For others, these new governmental guidelines may be very difficult. These guidelines applies (sic) to all companies in the US (unless they have less than 50 employees or are non-profit)."

Lands' End spokeswoman Michele Casper told FOX Business the company doesn't comment on internal employee practices.

"We plan to continue to employ part-time employees to best match our workforce to our workload," Casper said.



While a company's workers may differ in age, gender and in a range of other categories, new research suggests they share at least one common attribute -- a lack of confidence about retirement savings.

The youngest and oldest employees have the most confidence about retirement, according to a OneAmerica survey from earlier this year, although those numbers still don't tip to the majority. Out of more than 6,000 respondents, 44 percent of plan participants between ages 20 and 30, and 45 percent of those older than 50, reported being "very confident" or "confident" that they will be able to maintain their current lifestyle in retirement, according to the research reported in Employee Benefit News.

Workers in the middle were even more worried about their retirement prospects, with only 37 percent of 30- to 40-year-olds and 35 percent of 40- to 50-year olds expressing that level of confidence.

An information gap may be partly to blame for the retirement jitters. More than half of Generations X and Y workers say they have little or no knowledge about investments and retirement options, according to a recent LIMRA study.

"There's a lot of attention on the baby boomers (78 million workers), but there are nearly 116 million Americans ages 20 to 47, and as an industry we need to help these Americans plan and save for retirement," Cecilia Shiner, senior analyst with LIMRA Retirement Research, told PLANSPONSOR.

Research also reveals a gender gap when it comes to retirement confidence. A separate PLANSPONSOR report on the OneAmerica survey noted that 44 percent of men said they were "very confident" or "confident" about their retirement status, while only 33 percent of women said the same.

Employers that offer retirement and financial benefits need to pay close attention to some of these "at-risk" groups within their workforce and provide resources to help them better plan for the future, experts suggest.

"These findings help underscore how important it is for plan sponsors to understand where the gaps are in perception, education and confidence in order to target different groups of employees with important messages that help them prepare for retirement," Marsha Whitehead, vice president of marketing communications for the retirement division of OneAmerica, told PLANSPONSOR.



When it's cold, people tend to get sick.

With the spectre of a long winter and flu season looming ahead, employers and HR managers are reminded that they must implement solid cost-control strategies if they want to keep their health care plans viable and valuable, experts say.

The challenges for employers are evident. Total premiums for family health coverage jumped 50 percent from 2003 to 2010, according to Commonwealth Fund research reported by The New York Times. While health care headlines often expose the big offenders such as obesity, chronic conditions and smoking, other lesser-known trends are having a significant impact on health care costs.

Health Screenings

Prevention and early detection of medical problems can stave off high costs in the long run, but many

Americans aren't doing enough, according to a new Centers for Disease Control and Prevention (CDC) report. Screening rates for a number of cancers remain below the government's target levels, especially among some minority groups, according to the CDC analysis reported by WebMD. About 59 percent of men and women had colonoscopies or other colorectal cancer screens in 2010 -- well below the CDC's target of 70 percent. About 75 percent of women received mammograms, while about 80 percent had Pap tests to screen for cervical cancer. Targets for those screenings were 81 percent and 93 percent, respectively.

Induced Births

The practice of induced births to fit around a patient's (or doctor's) schedule has become a moneymaker for hospitals but a drain for insurers and employers, according to an Employee Benefit News report. Recent studies suggest that these early, scheduled births can lead to avoidable complications for both mother and baby, which can drive up costs.

Leah Binder, CEO of The Leapfrog Group, told EBN last year that plan design can go a long way in discouraging would-be mothers from moving up their delivery date for the sake of convenience. If the plan participant has to put up a larger out-of-pocket contribution for such births, she might be less likely to elect that procedure, Binder said.

Wellness Solutions

Research from the 2013 United Benefit Advisors Health Plan Survey shows a continued interest in wellness initiatives among employers: More than 44 percent of employers paid cash toward employee premiums, 401(k), FSA or other accounts; more than 6 percent of employers also awarded paid time off, gift certificates or paid employees' health club dues.

In addition to plan design and a push for preventive medical services, employers can control costs by supporting a robust wellness program that gets to the root of many health care problems, a new report by the Principal Financial Group suggests. The study found that 41 percent of employees enrolled in employer-sponsored wellness initiatives said the programs made them happier and more productive, according to a report on the research by Business Insider. About 35 percent of respondents said they took fewer sick days, and 52 percent reported increased energy.



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Employer Webinar - Keeping Your Wellness Program Compliant

With the issuance of final regulations affecting wellness programs, employers with existing programs need to review their programs to see if changes are needed to meet the new requirements. Employers considering adding a wellness program also need to understand the rules.

In this 90-minute intermediate level webinar we will explore:

- What types of wellness programs must follow the HIPAA nondiscrimination rules
- The differences between activity-based and health-contingent programs
- The new limits on wellness incentives and penalties, and how to calculate them

- The expanded reasonable alternative requirements, and ways to satisfy them
- How GINA and the ADA impact wellness programs
- Taxing wellness incentives

The presentation slides will be posted at www.ubabenefits.com the day before the webinar. The webinar will take place on Tuesday, Sept. 17 at 2 p.m. EDT. It will be presented by Jackson Lewis attorneys Frank Alvarez, Lynn Clements and Joe Lazzarotti.

WisdomWorkplace Webinar - Maximize Your Employee Benefit Dollars with Voluntary Benefits

Voluntary benefits are becoming a bigger part of employee benefit packages. Most employers want to maximize their benefit offering while being cost conscious, and employees want more choice in selecting benefits that best meet their specific needs. Effective benefit education and enrollment are crucial to minimize HR headaches and for employees to make smart benefit decisions. Join our presentation "Maximize Your Employee Benefit Dollars with Voluntary Benefits" to learn how voluntary benefits, done correctly, can maximize your employee benefit package!

The webinar is Tuesday, Sept. 26 at 2 p.m. EDT.

CONCERN ABOUT CANCER

Cancer is the top health concern among middle-age Americans, a study by Washington National Institute for Wellness Solutions found this summer. The study, reported by *InsuranceNewsNet*, discovered that 79 percent are somewhat or very concerned about a cancer diagnosis, followed by heart disease (74 percent), stroke (70 percent) and Alzheimer's disease (60 percent). Men's largest cancer concerns were prostate, colon and lung cancer, while women were most concerned with breast cancer.

MINORITY CARE

Black and Hispanic populations receive poorer-quality health care, at lower-quality hospitals than do whites, and a study suggests that it's not because minorities live in closer-proximity to these hospitals. Instead, as reported by the *Pittsburgh Post-Gazette*, patient traffic patterns are deeply ingrained, particularly for highly segregated urban areas. This results in minorities, and their doctors, selecting poorer-performing hospitals when a higher-quality option is in their backyard.

SELF-EMPLOYMENT

New research from the Urban Institute estimates that the number of self-employed Americans will be 1.5 million higher in 2014 because of the Patient Protection and Affordable Care Act. Researchers expect more people to pursue their own businesses due to subsidized insurance coverage no longer being exclusively tied to employment, eliminating a source of "job lock," in which people feel tied to their jobs and unable to leave.

SICK TIME

States and cities across the country have recently passed legislation requiring organizations to provide paid sick days, according to *Workforce*. There has been a strong pushback from employers, which has prompted some of these laws to be overturned. Among the cities to approve paid sick leave measures are New York; San Francisco; Portland, Ore.; Washington, D.C.; and Seattle. Roughly one-third of workers in the United States currently don't have access to paid sick days.

UP IN SMOKE

Smokers cost their employers nearly \$6,000 per year more than employees who don't smoke, according to research published in the journal, *Tobacco Control*. Factors contributing to the extra expense include that smokers use the health care system more, and lost productivity due to smoke breaks and absences.