



### *Solutions Start Here*

## Independent Group Urges Health Overhaul to Relieve Small Business

**S** MALL BUSINESSES generate half of America's Gross Domestic Product (GDP) and create two-thirds of net new jobs annually, yet the lack of quality, affordable health care is crippling their success, according to the National Federation of Independent Business (NFIB).



The NFIB's grass-roots politics, which included a massive direct mail and telephone campaign, along with a blitz of lawmaker lobbying, helped derail President Bill Clinton's

effort to overhaul the health insurance system during the 1990s. "The situation for small business is much worse than it was in 1994 in terms of cost," says Todd Stottlemeyer, NFIB president. "We can't just say 'no' today."

According to a study by the Commonwealth Fund, a nonprofit research group, small business workers pay 18 percent more for insurance premiums than their counterparts at larger firms. Similar research from the RAND Corporation found that the economic burden of providing health insurance for workers increased more for small businesses than for large ones from 2000 to 2005, but the spike did not cause a significant number of small employers to abandon the benefit.

However, new data from the NFIB show that nationally, 51 percent of small-business owners and 47 percent of their

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### *Preparing for the Future*

## Workplace Shifts to Financial Supermarket; Employers on Board with Retirement Help



**THE WORKPLACE HAS** become the dominant starting point for building a strong financial safety net, according to MetLife's 6<sup>th</sup> Annual *Employee Benefits Trends* study. More workers have a greater interest in obtaining financial planning advice at work, and nearly half of all

employees surveyed want their employers to provide retirement advice. It is not unusual, then, that employees view the workplace as a credible source for receiving this information.

Consequently, personalized content and support tools should be part of every employee communication campaign in order to optimize employees' decision making, according to Bill Mullaney, President, MetLife Institutional Business.

"This increased employee appetite for advice at the workplace is a significant development," says Mullaney. "It presents a tremendous opportunity for U.S. employers to optimize the real and perceived value of their benefit plans. [In addition,] employees are continuing to express increasing concerns on a number of different issues, whether it's having the appropriate level of health care, job security, or making ends meet." *(Continued on page 2)*

### *Aging of U.S. Workforce*

## Employers Strategize to Keep Older Workers



**NEARLY 19 MILLION** jobs will be added in the U.S. from 2004 through 2014—about 2.6 million more jobs than were added in the 10 years prior to that time. However, during the same time, 36 million workers are projected to leave their jobs permanently. Moreover, by 2030, almost 20 percent of the U.S. will be age 65 or older.

According to the *Report of the Taskforce on the Aging of the American Workforce*, a large percentage of the workers in many high growth and strategic industries—such as aerospace, energy, transportation, advanced manufacturing, health care, financial services, and information technology—are age 45 or older. As a result, the *Report* acknowledges the fact that this aging workforce could lead to both fewer workers being available and fewer leaders to train and support those workers "in the pipeline."

A shortage of skilled and talented workers has become the most pressing concern among employers, supplanting the perennial leading *(Continued on page 2)*

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employees say they have had difficulty keeping up with the cost of health care.

Polls among NFIB members have found that one in three small business owners say their No. 1 voting issue in the 2008 presidential election will be fixing health care.

The group recently released its grass roots, multi-million dollar campaign, *Solutions Start Here* — a set of 10 principles for small business health care reform — to give the small business community a voice in the national debate on health care reform. The following is a summary of its principles:

1. *Universal*—Everyone should have access to quality healthcare.
2. *Private*—Private business, not government, should provide most health care and health insurance.
3. *Affordable*—Health care costs should be reasonable, predictable, and controllable.
4. *Unbiased*—Big companies, small companies, and individuals should all buy health insurance on the same level playing field.
5. *Competitive*—Consumers shopping for health insurance should have many choices among insurers, doctors, and hospitals.
6. *Portable*—You should be able to move or change jobs without worrying about losing your health insurance.
7. *Transparent*—Information on costs and quality of care should be easily available. Also, patients' privacy must be protected.
8. *Efficient*—You should get the highest quality and most value out of the dollars you spend on health care.
9. *Evidence-Based*—The best treatment choices require good information on the available options.
10. *Realistic*—Health care reform must proceed quickly, but not recklessly.

More detailed information is available at [www.fixedforamerica.com](http://www.fixedforamerica.com). ■

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A consistent finding in MetLife's annual benefits trend survey is that benefits are linked to job satisfaction, which bolsters retention. In the latest poll, 85 percent of employees who were highly satisfied with their workplace benefits expected to stay on the job 18 months from now versus 50 percent of employees who were dissatisfied. Mullaney believes investing more in benefits that resonate the most within each workplace will help close the so-called loyalty perception gap between employers and their employees.

Over the last six years, Mullaney notes that the entire body of evidence suggests a gradual shift away from cost-containment toward using benefits in a strategic way to help employers attract and retain talent, as well as meet business objectives. But without personalized communications, the thinking is that organizations will be unable to take full advantage of this trend.

Another substantive conclusion is how employee needs have evolved. As people's lives become more complicated, Mullaney says "there's a much greater focus on understanding the benefits they have available to them at work and what they should be doing today to prepare for retirement." ■

## Aging of U.S. Workforce.... (Continued from page 1)

problem, rising cost of health care, according to Deloitte Consulting LLP's and the International Society of Certified Employee Benefit Specialists' (ISCEBS) 14<sup>th</sup> annual *Top Five Total Rewards Priorities* survey. However, the *Report* concludes that the prospects for older workers remaining in the workforce is promising for a number of reasons, including to be productive and socially engaged, but also because they may need to build and maintain financial security.

Other research shows that small businesses are outpacing their larger counterparts in planning for the age-based demographic shift. For example, a report from Novations Group, a global consulting and training firm, found that slightly less than 25 percent of larger-sized employers (those with more than 2,500 employees) are making any effort to transfer knowledge from soon-to-be retired employees to younger workers.

"As the U.S. population ages and the number of people reaching traditional retirement age increases, employers may need to do more to attract and retain older workers, many of whom are highly experienced, knowledgeable, and skilled, according to Lauren Eyster, Richard W. Johnson, and Eric Toder, authors of the Urban Institute's *Current Strategies to Employ and Retain Older Workers*. ■

## ..... Bulletin Briefs .....

◆ Small businesses wondering about the best retirement plan design have a new resource from the government available online at [http://www.dol.gov/ebsa/compliance\\_assistance.html#section7](http://www.dol.gov/ebsa/compliance_assistance.html#section7). The online video, *Choosing a Retirement Solution for Your Small Business*, introduces employers to the three most popular retirement arrangements. A companion booklet of the same title is also available at [www.dol.gov/ebsa/publications/choosing.html](http://www.dol.gov/ebsa/publications/choosing.html). ■

## Voluntary Products to Complement Your Core Package

Find out how Gemini Group can help you implement a voluntary benefits package that will complement your company's core benefits. Three of the most important objectives for an employer in managing personnel issues are:

- Attracting and retaining loyal workers
- Providing employees choice and security in their benefits package
- Managing the organizations dollars

Voluntary benefits have proven to be important offerings that address each of the three objectives. Selecting the right benefits, communicating them properly and administering them efficiently is the Gemini advantage.

Gemini is licensed with over 20 of the largest voluntary companies in the country thus allowing us to pick the carrier and product to fit your company's needs. We seek to achieve the right balance that ultimately helps your organization better manage costs and attract and retain loyal workers. ■

## Introducing Gemini HRS

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Employers can deliver company forms and documents, complete online performance reviews and manage employee recruiting online. Geminihrs.com allows employee self service so employees can update personal records, check leave balances and request time off from any computer. All changes flow seamlessly through the system, ending the need for multiple entries in multiple programs. HR is now seamless, consolidated and at your fingertips.

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- FSA/HRA/HSA Admin.
- Workers Compensation Claims

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