




## Ouch! \$4 Gallon Gas Employers' Adjustments Help Workforce Reduce Anxiety of Rising Prices

**I**N RESPONSE to rising gas costs, a growing number of employers have undertaken a variety of initiatives to ease the commuting burden for employees. According to a 2004 Census report, 75 percent of workers in America commute alone in their cars.



Thus, options such as commuter benefits, flex-time, bike facilities (including covered secure bike racks and a place for employees to change clothes and clean up), compressed work weeks, and telecommuting are the result of employers' initiatives to soothe employees' wallets.

For example, Michigan governor Jennifer Granholm pedals a couple of days a week to the state Capitol in Lansing, demonstrating an evolving behavior shift by individuals, employers and governments struggling to adjust to the hard reality of gas at more than \$4 a gallon, as well as higher energy costs overall.

For employers who offer commuter benefits, the federal government allows spending pre-tax dollars for mass transit and vanpooling costs and also allows employers to deduct employer-paid commuter passes as business expenses. Meanwhile, online sites like eRideShare.com link commuters.

*(Continued on page 2)*

## Nest Egg Blues

### Gap Widens between Retirement Needs, Savings



**SOME 80 PERCENT** of workers who contribute a decent amount of money to their company-sponsored plans will not be able to adequately support themselves during retirement. Factoring in inflation and increases in medical expenses during retirement, a new Hewitt

Associates report estimates that employees will need to replace an average of 126 percent of their salary at retirement just to make ends meet. This is significantly more than the traditional targets of 70 to 90 percent pay replacement.

Employees who actively contribute 8 percent of their salaries into their companies' 401(k) plans over the course of their careers can replace 96 percent of their pre-retirement income at age 65, or roughly 80 percent of what Hewitt deems necessary to battle inflation and rising health care costs, according to the report.

On the other hand, new analysis by the Employee Benefit Research *(Continued on page 2)*

## Topping the Charts

### Groups Keep Health Care Reform Agenda Alive



**HEALTH CARE** for America Now, a coalition of unions, think tanks, and other groups, has launched a \$40 million advertising campaign to promote affordable health care coverage for all and to ensure that health care reform tops the U.S. political agenda after the November elections. The new group says it wants to keep the best of what already exists, without moving to a fully nationalized system.

"This is the human rights movement of our time," says Jeff Blum, executive director of USAction, a nonprofit that campaigns for strengthening Medicare, Social Security, and other entitlements.

Another camp, an AARP-led group acting on behalf of the *Divided We Fail* coalition, plans to spend more than \$20 million in cable ads through Labor Day to push for bipartisan solutions to health care and Social Security.

At the opposite end, the Centers for Disease Control and Prevention (CDC) has launched the *Healthiest Nation Campaign* to keep Americans healthy by integrating health into social policies across all sections and at all levels of government, according to Julie Gerberding, CDC director. "People are talking about health care reform, but they're not really talking about health," says Gerberding. ■

## *Ouch! \$4 Gallon Gas ...*

*(Continued from page 1)*

Likewise, large employers can also help organize car and van pools.

Several state agencies are ordering a compressed workweek. For example, state administrative offices will be open Monday through Thursday from 7 a.m. to 6 p.m. and closed on Fridays beginning the first week of August as Utah implements its *Working 4 Utah* initiative. Turning off the lights, heat, and air conditioning on Fridays in 1,000 of 3,000 government buildings will save about \$3 million a year out of a state budget of \$11 billion, according to Lisa Roskelley, spokeswoman for Utah Gov. Jon Huntsman.

On the other hand, the private sector is moving more aggressively toward telecommuting, according to Sherri Sirotzky, senior managing consultant at Human Capital Management, a division of IBM. "Environmental issues, the cost of gasoline, and the lengths of commutes are pushing a lot of companies over the edge," she says.

Unfortunately, it doesn't appear that the days of \$2 per gallon gas are going to return any time soon. In fact, during recent congressional testimony, Guy Caruso, chief administrator of the Energy Information Administration, said that prices will likely remain at the \$4 per gallon level for most of the year. Goldman Sachs estimates that gas could even reach \$5 per gallon in certain economic situations. There's even talk in Congress weighing the return of the 55 m.p.h. speed limit.

The good news is that many employers are making efforts to ease their workers' commuting burdens. ■

## *Nest Egg Blues....* *(Continued from page 1)*

Institute finds that the automatic 401(k) features enacted by the Pension Protection Act have a very significant positive impact in generating additional retirement savings for many workers, especially for low-income workers. However, auto-enrollment alone will not be enough for certain workers to be able to meet savings targets. Additional resources will still be needed for many workers.

The scenario becomes even more serious for employees who do not contribute to their 401(k) plans. For example, recent Hewitt research shows that more than a quarter (26%) of employees do not participate in their 401(k) plan, and of those that do, most (61%) contribute less than 7 percent a year.

"Without changes in behavior, most workers will either need to significantly reduce their spending or work longer in order to have enough to last through retirement," says Alison Borland, Hewitt Associates defined contribution consulting practice leader. "When employees learn how much they need to save in order to maintain a comfortable standard of living in retirement, the numbers seem overwhelming and unattainable," comments Borland. "But small, incremental changes to saving and investing habits can truly have a big impact." ■

## **Bulletin Briefs**

◆ The Center for Medicare & Medicaid Services (CMS) has updated disclosure notices to be used after June 15, 2008 for Medicare Part D eligible individuals. These replace the model notices that were issued in 2007. The new disclosure notices are available at:

[http://www.cms.hhs.gov/CreditableCoverage/09\\_CCafterJune15.asp#TopOfPage](http://www.cms.hhs.gov/CreditableCoverage/09_CCafterJune15.asp#TopOfPage)

◆ A recent unpublished decision by the 9<sup>th</sup> U.S. Circuit Court of Appeals reiterates the rule that plan sponsors do not satisfy their ERISA duty to deliver summary plan descriptions (SPDs) and other plan documents to participants by simply posting those documents to an intranet site. While the Department of Labor (DOL) regulations do give plan administrators the option of using electronic media to distribute certain plan documents and notices as required by ERISA, including the SPD, merely posting an SPD on an intranet site without taking other steps to ensure actual receipt by participants is not enough.

◆ President Bush has signed legislation that extends the Mental Health Parity Act's sunset date until Dec. 31, 2008.

◆ New legislation in New Jersey will allow employees' children to retain coverage through a parent's group health insurance plan until age 31. Likewise, numerous other states have bumped up—generally to age 25 or 26—the maximum age employees' older dependent children can retain coverage through their parents' group plans.

◆ The 9<sup>th</sup> U.S. Circuit Court of Appeals recently ruled that employees have a reasonable expectation of privacy when they send text messages on devices owned by their employers. Under the Stored Communications Act, electronic communication providers cannot reveal the contents of text messages without authorization from the end user, even if the user is an employee. Employers cannot legally force workers to relinquish their rights under the U.S. Constitution's 4<sup>th</sup> Amendment. Policy acknowledgement forms giving consent will not always protect employers. ■



## HB 1355

In the 2007 legislative session, legislators passed and the governor signed a bill that will insure out of scale increases in health insurance premiums. Below are the lists of elected officials who voted this year to give Colorado's small businesses extraordinary rate increases.

Roll Call in the Colorado House on HB1355. A "Y" beside the legislator's name means they voted in favor of the bill: (Journal date 4/12/2007)

YES	41	NO	24	Excused	00	Absent	00
Balmer	N	Gardner B	N	Looper	N	Rice	Y
Benefield	Y	Gardner C	N	Lundberg	N	Riesberg	N
Borodkin	Y	Gibbs	Y	Madden	Y	Roberts	N
Buescher	Y	Green	Y	Marostica	Y	Rose	N
Butcher	Y	Hicks	N	Marshall	Y	Solano	Y
Cadman	N	Hodge	Y	Massey	Y	Sonneberg	N
Carroll M	Y	Jahn	Y	May	Y	Soper	Y
Carroll T	Y	Judd	N	McFadyen	Y	Stafford	Y
Casso	Y	Kefalas	Y	McGhon	Y	Stephens	N
Cerbo	Y	Kerr A	Y	McKinley	Y	Summers	N
Curry	Y	Kerr J	N	McNulty	N	Swalm	N
Fisher	Y	King	N	Merrifield	Y	Todd	Y
Frangas	Y	Labuda	Y	Mitchell	N	Vaad	N
Gagliardi	Y	Lambert	N	Peniston	Y	Weissmann	Y
Gallegos	N	Levy	Y	Pommer	Y	White	Y
Garcia	Y	Liston	N	Primavera	Y	Witwer	N
						Speaker	Y

Roll call in the Colorado Senate on HB 1355. A "Y" beside the legislator's name means they voted in favor of the bill: (Journal date 4/24/2007)

YES	19	NO	16	Excused	0	Absent	0
Bacon	Y	Keller	Y	Romer	Y	Tochtrop	Y
Boyd	Y	Kester	N	Sandoval	Y	Tupa	Y
Brohpy	N	Kopp	N	Schultheis	N	Veiga	Y
Gordon	Y	May R	N	Schwartz	N	Ward	N
Groff	Y	McElhany	N	Shaffer	Y	Wiens	N
Hagedorn	Y	Mitchell S	N	Spence	N	Williams	Y
Harvey	N	Morse	Y	Takis	Y	Windels	Y
Isgar	Y	Penry	N	Tapia	Y	President	Y
Johnson	N	Renfroe	N	Taylor	N		

Governor Ritter signed the bill into law 6/2/2007. The governor's spokesman said that he signed the bill because "he felt it was the right thing to do." (Denver Business Journal 6/4/2007) This despite the calls from thousands of small Colorado businesses urging him to veto the bill so that they could still afford to purchase health insurance for their employees.

## 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

### A Full End to End Human Resource Management System a Mouse Click Away

Geminihrs.com offers a full end to end Human Resource management system that allows employers to track, deliver, and access relevant data at the click of a mouse. Through a single system, an employer can distribute company documents, benefits, and update payroll records, eliminating double entry and fragmented systems.

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.

#### System Features:

##### HUMAN RESOURCES

- Personnel File Management
- Pre-populated Forms
- Job Applicant Tracking
- Performance Reviews
- Online Employee Scheduling
- Online File Cabinet
- Employee Pictures

##### BENEFIT MANAGEMENT

- Online Benefit Enrollment
- Billing Report Administration
- Open Enrollment Tracking
- COBRA Administration
- FSA/HRA/HSA Admin.
- Workers Compensation Claims

##### PAYROLL

- Complete Payroll Integration
- Time and Attendance Tracking
- Several Time Clock Options
- Customized Time Sheets

Contact Gemini Group today for more information regarding Geminihrs.com and its full range of HR solutions.

*HRinsider*<sup>®</sup> *bulletin* is brought to you each month courtesy of **GEMINI GROUP**, a UBA<sup>®</sup> member firm. For more information, contact us at: [info@geminigrp.com](mailto:info@geminigrp.com).

Or visit our website: [www.geminigrp.com](http://www.geminigrp.com)

