

Overwork in America

Effective Workplaces Make Work 'Work'

THERE IS NO question that work demands are continuing to escalate and many Americans have too much work to do, according to The Families and Work Institute's recent study, *Overwork in America: When the Way We Work Becomes Too Much*.



Our fast-paced, global 24/7 economy, the pressures of competition, and technology have blurred the traditional boundaries between work

life and home life. The way we work today appears to have a negative impact on our health and effectiveness at work. According to the study, approximately one-third of all U.S. employees are chronically overworked.

The study found that the very skills that are fundamental to succeeding in this global economy—specifically, moving quickly from task to task with little time for recovery in between, facing many interruptions, and working outside normal work hours, including vacations—can be useful but also can become detrimental.

According to the study, overworked employees are more likely to make mistakes at work; feel angry at their employers for expecting them to do so much; and resent coworkers who don't work as hard as they do. Personally, overworked employees are more apt to have higher levels (Continued on page 2)



Saving While There's Time

Employers Nudge 401(k)-Wary Workers; Provide Features to Encourage Saving



SURVEY AFTER SURVEY reveals that employees just aren't saving enough to retire—and oftentimes don't even know how much they actually need to retire. According to the

Employee Benefit Research Institute, 50% of all workers and 34% of workers ages 55 and older say their total savings, excluding the value of their homes, are less than \$50,000. Nonetheless, it is estimated that employees need to replace 80% to 100% of their income in retirement to retain a comfortable lifestyle.

Meanwhile, Lori Lucas, director of participant research at Hewitt Associates, says that only 45% of employees in their 20s participate in retirement programs, while 71% in their 40s, and 72% in their 50s, contribute to 401(k) accounts. Since no employer wants to be left holding the 'retirement bag', and to ensure that American workers can safely retire when they want or should, it behooves employers to provide more incentives now. (Continued on page 2)

2005 Health Care Trend Survey

Medical Costs to Increase 8.7% to 14.9%



MEDICAL CARE cost increases are expected to be between 8.7% and 14.9% in 2005 depending on the type of coverage, according to Mellon's semi-annual *National Health Care Trend Study*. The plans with the highest expected increases are Indemnity plans (14.9%), followed by high deductible consumer-driven plans (14.2%); PPOs (13.4%); POSs (13.3%); HMOs (12.1%); and Medicare Supplement with Rx (11.5%) and without Rx (8.7%).

Medical care cost trends continue to be high due to increased utilization of health services, medical inflation, increases in the intensity of services, and continued government mandates, according to Mellon.

Likewise, stand-alone Rx drug plans are expected to increase 14.7% in 2005, with Pharmacy Benefits Managers at 14.25% and health insurers at 15.9%. Increases of 6.6% are expected for dental PPOs; 4.6% for dental HMOs; and 3% for vision care. ■

Effective Workplaces . . .

(Continued from page 1)

of stress, experience more symptoms of clinical depression, be in poorer health, and neglect caring for themselves.

A significant aspect of the study involves examining the relationship between overwork and vacations. Employees, who take a higher percentage of vacation days just to relax and enjoy themselves, even when they feel overworked on the job, are significantly *less* likely to return to work feeling overwhelmed by all they have to do after taking a long vacation (more than 7 days). Consequently, this finding may have implications on how employers structure their paid time-off programs.



As baby boomers retire and the competition to attract and retain talent heats up, companies are looking more closely at the powerful retention benefits of extended time off, according to Rose Stanley, practice leader of compensation and benefits for World at Work, an association for compensation professionals. One such strategy is the sabbatical. Stanley says that employers find that “employees are more engaged, more productive, and more loyal when they return from sabbaticals.” Whether they last for a month or a year, sabbaticals have a restorative emphasis.

Instituting a sabbatical policy is not without challenges. However, if employees and employers work together to avoid the pitfalls, a little ‘time off’ may be the best way to keep employees healthy and on the job. ■

Encourage Saving . . .

(Continued from page 1)



Getting employees to sign up for 401(k) plans isn't always easy. Regardless of the investment tool, “the three challenges that employers have with respect to 401(k) plans are getting employees to enroll, getting them to save enough money, and getting them to make the proper asset allocation,” says Bill Carey, president of Fidelity Institutional Retirement Services Company.

To increase employee participation and the quality of participation, employers of varying sizes are introducing automatic programs designed to motivate employee enrollment and raise deferrals in their 401(k) plans. “Once in, they tend to stay in,” says Martha Terry, Towers Perrin retirement consultant.

Even though some employers are sticking with more conservative routes, they have vastly improved their retirement plans by raising the company match, eliminating the waiting period, and vesting employees immediately to encourage saving for retirement. ■

Bulletin Briefs



◆ *Security Rules Effective April 20 for Large Group Health Plans*

Business Associate (BA) agreements must be amended by April 20, 2005 in order to reflect a BA's compliance with the HIPAA Security Rule. Consequently, BAs must be required by covered entities to implement

safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information (ePHI) they create, receive, maintain, or transmit on behalf of the covered entity. BAs must also require any agent or subcontractor that the BA engages to have reasonable and appropriate safeguards in place.

Additionally, BAs must be required by covered entities to report any security incident to the covered entity and to make its policies and procedures available to the Secretary of Health and Human Services for review.

◆ *EAPs Are Most Commonly Outsourced Function*

With 62% of respondents identifying it as the most popular HR function to outsource, employee assistance programs led background screening (54%), payroll processing (50%), benefits administration (49%), and payroll tax filing (42%), according to a Genesys Human Capital Management poll. The most popular benefit: freeing up internal staff (51%), streamlining operations (46%), accuracy and predictability in monthly costs (40%), and a focus on core business (39%). Leading priorities in human capital management for the coming year: talent acquisition and retention (57%), performance management (54%), streamlining processing (52%), and talent and leadership development (50%). ■

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. ■

Do you have part-time or non-eligible employees not covered on your group health plan? Gemini Group, Inc. can help!

Recent changes to Colorado insurance law have made it easier to get these workers health insurance coverage. Gemini Group, Inc. can show you how to best use these changes to your advantage.

Benefits at no cost to the employer- Under the new guidelines, a company can now help workers obtain affordable individual health insurance coverage at no cost to the employer.

Helps eliminate C.O.B.R.A. problems- An employer can now help terminated employees obtain an option to C.O.B.R.A. that usually will cost less and move them off the group plan.

Cover dependants no longer eligible for a group health plan-

When a dependant graduates or reaches an age where they are no longer eligible for a group plan, an employer can help by contacting Gemini Group, Inc. to get them covered on an individual health plan. It's easy to apply for individual health coverage at www.geminigrp.com.

Call Gemini Group, Inc. at (303) 757-1234 to find out how our team of consultants can help find exciting new solutions to all your benefit needs. ■

The HRinsider SM bulletin is brought to you each month courtesy of **Gemini Group Inc.**, a UBA member.

For more information, contact us at info@geminigrp.com

Or visit our website:

<http://www.geminigrp.com>

