

BENEFIT

Plan Developments



A report covering plan design and legislative changes

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Bringing Mom Back On The Job After Having A Baby

Losing experienced, hardworking employees can be costly for your business. So when one of your valued employees announces she is pregnant, do more than just congratulate her—think about ways to encourage her to return to work once the baby is born. While it may be necessary to allow for some adjustments to her work environment and schedule, your organization will benefit by retaining a proven contributor.

Some employees who become pregnant make a firm decision that they will stay home with their child for an indefinite period of time after giving birth, and they decide to hand in their notice. But studies indicate that many mothers of young children want to remain active in the workforce: According to a 2007 Pew Research Center survey, 33% of stay-at-home moms would prefer

to be working part time, and 16% would rather be in full-time employment. When women fail to return to their jobs after having children, it is often because they do not receive the necessary support from their

employers in juggling their roles as parents and employees.

Developing a strategy for meeting the needs of the parents on your staff not only raises the odds that an expectant employee will return to work after giving birth—it also improves the likelihood that the employee will remain a loyal and productive part of your team. Begin by familiarizing yourself with your basic obligations as an employer under federal, state, and municipal laws. Under the Pregnancy Discrimination Act, companies with 15 or more employees are required to treat employees affected by pregnancy, childbirth, or related medical conditions in the same manner as other workers with temporary disabilities. It may be necessary to adjust the employee's work duties or grant a pregnant employee time off for doctors' appointments.

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J & D Goodliffe Associates, Inc.

103 Briar Hill Dr.
Scotch Plains, NJ 07076-2064

Insurance Consultants to Business
Health • Life • Disability

908•233•2800 - Phone
908•233•2804 - Fax
judie@goodliffeassoc.com



The findings also showed that 79% of respondents believe the cost of prescription drugs is unreasonable, and 70% say pharmaceutical companies are too concerned about making profits and not concerned enough about helping people.

Companies with 50 or more employees are subject to the Family Medical Leave Act (FMLA), which mandates up to 12 weeks of unpaid leave per year for medical reasons or maternity leave. Even if the FMLA does not apply to your company, you may wish to offer paid or unpaid parental leave to employees. By allowing her to combine sick days, vacation days, and even a brief paid maternity leave, a new mother may be able to piece together the time she needs to recover and care for her baby without forfeiting pay.

Remember, too, that new fathers may wish to take time off or work a more flexible schedule when a child is born. Depending upon their size, employers may also have a legal obligation to provide the same amount of leave to new fathers as they do to new mothers. Before extending benefits to expectant or new mothers, check to see whether failing to provide the same benefits to new fathers would constitute discrimination.

While it is not always possible for an expectant employee to predict what changes to her current working arrangements she might prefer after the baby arrives, it is useful to set up a preliminary plan for her return before she heads for the hospital. If the position allows it, you may wish to offer the employee the option of reducing her hours, adopting a flexible schedule, job-sharing, or telecommuting. After actually returning to work, a new mother may find she needs more or less flexibility than she originally anticipated, and she may want to revisit these arrangements.

Making the adjustments necessary to allow a new mother to return to her job may cause some short-term disruptions and inconveniences for the employer. But sometimes even a temporary change in work schedule or location can ease the transition back to work for a new mother—or even tip the scales in her decision about whether to stay on the job. Over time, providing a supportive environment for employees through all

their life stages will likely reward you with a dedicated and motivated workforce.

Cost Of Prescription Drugs Worries Many Americans

While Americans generally appreciate the potential benefits of taking prescription drugs, a majority believe prescription medicines are too expensive, and four in ten have had problems paying for drugs prescribed for themselves or for family members, according to a poll conducted by *USA Today*, together with the Kaiser Family Foundation and the Harvard School of Public Health.

The survey of 1,695 adults ages 18 years and older found that 47% have a favorable view of pharmaceutical companies, while 44% have an unfavorable opinion of drug companies. The findings also showed that 79% of respondents believe the cost of prescription drugs is unreasonable, and 70% say pharmaceutical companies are too concerned about making profits and not concerned enough about helping people.

At the same time, however, 73% of the adults surveyed agree that the prescription drugs developed over the past 20 years have made the lives of people in the U.S. better, and 63% said that prescription medications have had a positive impact on their own lives and/or the lives of family members. Some 59% told pollsters they believe prescription drugs reduce the need for expensive medical procedures and hospitalizations, and 56% agreed that prescription drugs can lower health care costs by preventing illnesses.

More than half (54%) of those surveyed said they are currently taking prescription drugs, and 19% indicated they are taking four or more prescription medicines. Asked about their ability to pay for the medications they and their families need, 41% reported that

their family has had problems paying for prescriptions, with 29% saying that, in the last two years, they have not filled a prescription because of the cost, and 23% admitting they have cut pills in half or skipped doses to make medication last longer. Results further showed that the respondents most likely to report having problems paying for drugs are those who take a larger number of medications, those who lack insurance, and those with lower incomes.

The survey also found that many Americans have ambivalent views on prescription drug advertising. While more than half (53%) of respondents said they believe prescription drug advertising is mostly a good thing, and 67% agreed that these ads educate people about treatments and encourage them to seek help for conditions of which they may have otherwise been unaware, 77% said they believe the cost of advertising prescription medications makes the drugs too costly, 66% think ads encourage people to take drugs they don't need, and 68% believe there are too many prescription drug ads on television.

Nearly one-third (32%) of respondents said they have asked a doctor about a drug they saw advertised. Of this group, 44% said their doctor wrote them a prescription for the drug they asked about, and 54% said their doctor recommended another prescription drug. Researchers noted that this means that 82% of patients who discussed with their doctors a drug they saw advertised were given a prescription of some kind as a result.

When asked to identify their sources of information about prescription drugs, 72% of respondents said they rely to a large extent on their physician to provide accurate information about medications, while 51% said they consult pharmacists, 43% said they read drug product packaging, 22% said they look to government agencies like the U.S. Food and Drug Administration (FDA), and 15% indicated they speak to family and friends. At the same time, however, fewer than half

(44%) of the adults surveyed said they talk to their doctors about the cost of prescriptions, while 61% said they speak to their pharmacist about whether less expensive alternatives to the drugs they are purchasing are available.

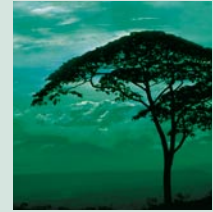
Employers Find Group Life Insurance A Key Benefit

Imagine one of your employees passes away unexpectedly. Just think of the emotional and financial transition his or her family would face. You can see why group life insurance is such a valued benefit for the spouses and families of your employees. When reviewing your group life insurance plan, here are a few points you may choose to consider.

Group life insurance plans frequently provide coverage based on a multiple of an employee's salary or wages. For example, in a matching salary arrangement, an employee who earns \$30,000 would have a death benefit of \$30,000. If the plan were to provide coverage at two times salary, the benefit would be \$60,000. One important feature with this option is that the amount of life insurance increases with an employee's salary. As a result, if an employee suffers an untimely death, his or her family would receive compensation equal to a year (or two) of gross income—certainly a welcome benefit for a family in grief.

On the other hand, some plans provide coverage in multiples of \$10,000 up to a maximum amount that you, the employer, may select for the plan. The amount the employee chooses, however, is level and does not increase with inflation or salary increases.

With either option, the type of coverage usually provided is group term. Term insurance premium rates are relatively inexpensive for the amount of coverage provided. You may also allow employees



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to purchase additional insurance with after-tax dollars through a payroll deduction mechanism.

If you have a certain number of employees, insurers may offer group life insurance without medical underwriting requirements. In this way, employees who would normally be denied coverage due to pre-existing health conditions may obtain life insurance. However, the smaller the employee group, the lower the amount of the death benefit the insurance carrier may issue without individual underwriting. As the number of your employees grows, you may inquire about increasing the maximum amount of the death benefit or seek a lower group premium. If your plan provides coverage for spouses or children, some insurers may also waive medical underwriting for them.

Finally, there may be some additional options available to your employees if their employment is terminated or they retire. Some insurers allow group term policyholders to convert all or part of their death benefits to guaranteed issue whole life policies at standard premium rates without any underwriting requirements. This opportunity may be beneficial for employees who are medically ineligible for private life insurance policies.

As a business owner, you may find that some of your employees have little or no private insurance coverage, because individual policies tend to have more expensive premiums. Your willingness to implement or redesign a group life insurance plan for your employees may be welcomed, since group coverage is often more affordable and provides employees with improved financial security. At the same time, group life insurance may offer additional benefits to your company in helping to attract prospective candidates, while retaining valued employees.

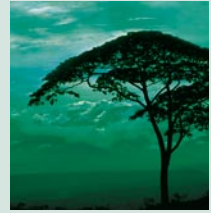
Workers Want Help From Employers In Losing Weight

With growing numbers of Americans on a quest to lose weight and improve their health, most employees say they would welcome help from their employers in achieving their weight loss, fitness, and other health-related goals, a recent study conducted by employee assistance program provider ComPsych concluded.

Responses from employees at more than 1,000 companies showed that 87% of employees are interested in an employer-sponsored wellness program, and 67% would be likely to use its services. In addition, 74% of respondents agreed that health and lifestyle have a significant impact on productivity at work.

When asked about their health goals, 42% of workers said they are highly motivated to eat right, and 23% said they are highly motivated to exercise. Specifically, many employees reported feeling tired at work and longing for physical activity during the day to boost their energy levels. Only a small minority of respondents reported getting enough exercise, and lack of energy was cited as the number one hindrance to productivity.

A full three-quarters of the employees surveyed said they had made a New Year's resolution to lose weight. When those employees were asked what forms of assistance would be most helpful in reaching their weight loss goals, 41% said a personal trainer or a nutritionist, 21% said a wellness program at work, 11% said a diet program they paid for themselves, and 5% said books or videos on diet and exercise.



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