



1

Meet the Speakers:



Mary Jo Spiekerman, SPHR,
SHRM-SCP
VP of Human Resources



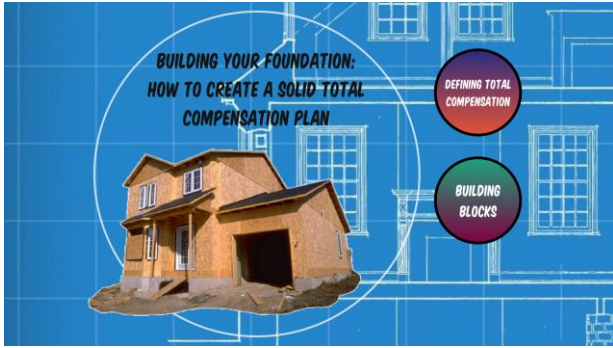
Alissa Martin
Benefits Consultant

2

Agenda

- Defining Total Compensation
- Defined Contributions and Voluntary Benefits
- Retirement Plan Considerations
- Programs and Policies in Total Compensation

3



4



5



6

What makes your house a *home*?

Is there only one approach?



7

Building Your Foundation

Where are you building? (Demographics)

- Industry
- Geography
- Types of job positions you offer



8

Building Your Foundation

What are the emerging economic trends you are facing?

- Level of overall employment
- Availability of workers with the skills set you need
- Growth or shrinkage of other competing industries
- Rise or fall in the cost of living



9

Building Your Foundation

What are your business demands?

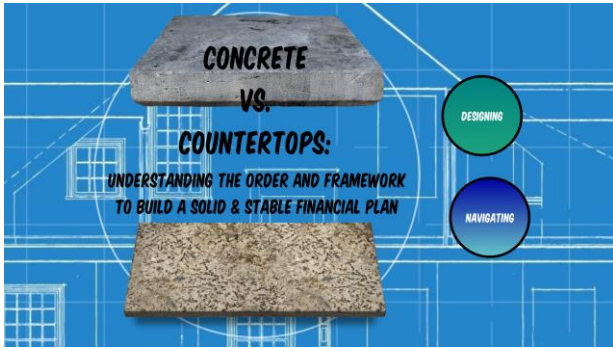
- Projects or contracts that need fulfillment
- Seasonal work



10

CONCRETE VS. COUNTERTOPS:

UNDERSTANDING THE ORDER AND FRAMEWORK TO BUILD A SOLID & STABLE FINANCIAL PLAN



11

Fiduciary Steps

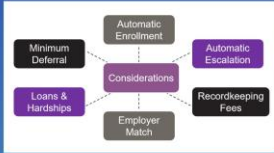
- Plan Governance
- Fiduciary Compliance
- Investment Due Diligence
- Target Date Fund Selection
- Benchmarking Record-keeping Fees
- Benchmarking Advisor Fees
- Plan Design



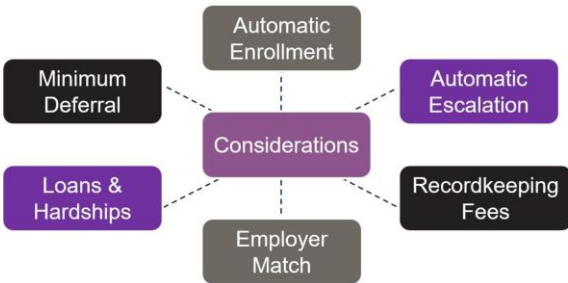
12

High Impact Plan Design

• To what extent will you consider plan design changes proven to materially enhance participant retirement outcomes?



13



14



15

Defined Contribution vs. Defined Benefit

Employers give employees a defined dollar amount for voluntary benefits



16

Employee Benefits

Health Insurance

	Proposed	Proposed
	2019	2020
Medical		
Employee Contribution	\$ 200	\$ 200
Employer Contribution	\$ 1,200	\$ 1,200
Net Cost of Product	\$ 1,000	\$ 1,000
Employee Annual Premium	\$ 2,000	\$ 2,000
Employer Annual Premium	\$ 4,000	\$ 4,000
Total	\$ 6,000	\$ 6,000

17

	Proposed		Proposed	
	2019	2020	2019	2020
Medical				
Employee Contribution	\$ 200	\$ 200	\$ 200	\$ 200
Employer Contribution	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Net Cost of Product	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Employee Annual Premium	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Employer Annual Premium	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Total	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Voluntary				
Employee Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Employer Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Net Cost of Product	\$ 0	\$ 0	\$ 0	\$ 0
Employee Annual Premium	\$ 0	\$ 0	\$ 0	\$ 0
Employer Annual Premium	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0
Life Insurance				
Employee Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Employer Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Net Cost of Product	\$ 0	\$ 0	\$ 0	\$ 0
Employee Annual Premium	\$ 0	\$ 0	\$ 0	\$ 0
Employer Annual Premium	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0
Acc. Insurance Premium				
Employee Annual Premium	\$ 215,747	\$ 215,747	\$ 215,747	\$ 215,747
Employer Annual Premium	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 215,747	\$ 215,747	\$ 215,747	\$ 215,747

18

Test
Report as of 8 February 2019, page 1 of 1

	Proposed		Proposed	
	Single	Family	Single	Family
Deductible	\$ 250	\$ 500	\$ 500	\$ 1,000
Employee Coinsurance	10 %	10 %	10 %	10 %
Out-of-Pocket Max	\$ 1,250	\$ 2,500	\$ 1,250	\$ 2,500
Employer Funding	\$ -	\$ -	\$ -	\$ -
Net Out-of-Pocket Max	\$ 1,250	\$ 2,500	\$ 1,250	\$ 2,500
Employee Annual Prem	\$ + 2,919	\$ + 5,791	\$ + 2,962	\$ + 5,959
Employee Max Am. Cost	\$ 4,169	\$ 8,261	\$ 4,112	\$ 8,089
Medical Copays				
Copay	\$ 30	\$ 30	\$ 30	\$ 30
Primary Care	\$ 60	\$ 60	\$ 60	\$ 60
Specialty Care	\$ 60	\$ 60	\$ 60	\$ 60
Urgent Care	\$ 325	\$ 325	\$ 325	\$ 325
Emergency	\$ -	\$ -	\$ -	\$ -
Out-Patient Hospital	\$ -	\$ -	\$ -	\$ -

19

Net Out-of-Pocket Max	\$ 1,250	\$ 2,500	\$ 1,250	\$ 2,500
Employee Annual Prem	\$ + 2,919	\$ + 5,791	\$ + 2,962	\$ + 5,959
Employee Max Am. Cost	\$ 4,169	\$ 8,261	\$ 4,112	\$ 8,089
Medical Copays				
Copay	\$ 30	\$ 30	\$ 30	\$ 30
Primary Care	\$ 60	\$ 60	\$ 60	\$ 60
Specialty Care	\$ 60	\$ 60	\$ 60	\$ 60
Urgent Care	\$ 325	\$ 325	\$ 325	\$ 325
Emergency	\$ -	\$ -	\$ -	\$ -
Out-Patient Hospital	\$ -	\$ -	\$ -	\$ -
In-Patient Hospital	\$ -	\$ -	\$ -	\$ -
Rx				
No Deductible	\$10, \$40, \$75, \$150	\$10, \$40, \$75, \$150	\$10, \$40, \$75, \$150	\$10, \$40, \$75, \$150
Enrollment				
Employee Only	10 \$ 495 ¹ 50 % \$ 243 ²	10 \$ 477 ¹ 50 % \$ 238 ²	10 \$ 477 ¹ 50 % \$ 238 ²	10 \$ 477 ¹ 50 % \$ 238 ²
Employee + Spouse	10 \$ 1,579 ¹ 50 % \$ 789 ²	10 \$ 1,544 ¹ 50 % \$ 772 ²	10 \$ 1,544 ¹ 50 % \$ 772 ²	10 \$ 1,544 ¹ 50 % \$ 772 ²
Employee + Children	10 \$ 584 ¹ 50 % \$ 292 ²	10 \$ 572 ¹ 50 % \$ 286 ²	10 \$ 572 ¹ 50 % \$ 286 ²	10 \$ 572 ¹ 50 % \$ 286 ²
Family	10 \$ 950 ¹ 50 % \$ 475 ²	10 \$ 931 ¹ 50 % \$ 465 ²	10 \$ 931 ¹ 50 % \$ 465 ²	10 \$ 931 ¹ 50 % \$ 465 ²
Ann. Insurance Premium	\$ 431,495 ³	\$ 423,034 ³	\$ 423,034 ³	\$ 423,034 ³
Employer Prem Contribution	\$ 215,747 ⁴	\$ 215,517 ⁴	\$ 215,517 ⁴	\$ 215,517 ⁴
Budgeted WFA + WFA	\$ -	\$ -	\$ -	\$ -
Employer Ann. Cost	\$ 215,747 ⁵	\$ 211,517 ⁵	\$ 211,517 ⁵	\$ 211,517 ⁵

20

Employee Benefits

Disability Insurance Tax Structures

- **Employer paid benefits:** Premium is paid pre-tax so the benefit is 100% taxable
- **Employee paid benefits:** Premium is paid post-tax so the benefit is tax free
- **Gross up benefits:** Premium is paid post-tax so the benefit is tax free; premiums are reported as taxable income for the employee through their W2

21

Employee Communication Tools

alex
the Basics

What is ALEX?
ALEX is a platform of research and analysis that helps employees make informed decisions about their health care options. It provides a clear, easy-to-understand overview of the various options available, including medical, dental, vision, and life insurance. ALEX also provides a comparison of the costs of each option, so employees can make the best choice for their budget and needs.

A Brief History
ALEX was created in 2010 as a result of a partnership between Aflac and the U.S. Department of Labor. It was designed to help employees understand their health care options and make informed decisions. Since its launch, ALEX has been used by millions of employees and has helped them save billions of dollars in health care costs.

800+ employees
14 million+ employees
\$90 billions in savings

Our Customers:
Aflac, UnitedHealthcare, Anthem, Kaiser Permanente, Humana, Cigna, Aetna, Blue Cross of Michigan, Blue Cross of New York, Blue Cross of California, Blue Cross of Illinois, Blue Cross of Indiana, Blue Cross of Kansas, Blue Cross of Kentucky, Blue Cross of Louisiana, Blue Cross of Maryland, Blue Cross of Massachusetts, Blue Cross of Minnesota, Blue Cross of Missouri, Blue Cross of Nebraska, Blue Cross of North Carolina, Blue Cross of North Dakota, Blue Cross of Ohio, Blue Cross of Oklahoma, Blue Cross of Oregon, Blue Cross of Pennsylvania, Blue Cross of Rhode Island, Blue Cross of South Carolina, Blue Cross of South Dakota, Blue Cross of Tennessee, Blue Cross of Texas, Blue Cross of Virginia, Blue Cross of Washington, Blue Cross of West Virginia, Blue Cross of Wisconsin, Blue Cross of Wyoming.

ALEX Customer Addressing Needs

After using ALEX:

- 1. Know more about their options
- 2. Understand the pros and cons of each option
- 3. Know how to compare options
- 4. Know how to make a decision
- 5. Know how to get help if needed
- 6. Know how to get help if needed

Why ALEX is Better Than the Competition:

- 1. ALEX is easy to use
- 2. ALEX is personalized to every employee
- 3. ALEX is available 24/7
- 4. ALEX is available in multiple languages
- 5. ALEX is available in multiple formats
- 6. ALEX is available in multiple channels
- 7. ALEX is available in multiple devices
- 8. ALEX is available in multiple locations
- 9. ALEX is available in multiple countries
- 10. ALEX is available in multiple currencies

22

BIG PURCHASES
Doing a little research up front can help you get better health care at a lower cost.

What is an HSA?
An account that you put money into for future medical expenses.
What expenses apply to an HSA?

23

UTILITIES

Programs

Policies

SECOND FLOOR CEILING

FLOOR

24

Transparency in Compensation Programs

- Salary Range Structure
- Determining Market Rates
- Merit vs. Market Pay Increases
- Incentive or Variable Compensation



25

Transparency in Compensation Programs

- Putting it All Together - Career Ladders
- Communicating Compensation Programs to Managers and Employees



26

Communication Targeted at Applicants "Agents"

- Who is your Audience?
- When in the process are you introducing your company to them?
- What are the components of your benefit package that are most appealing to them?
- How will you promote your culture to them?



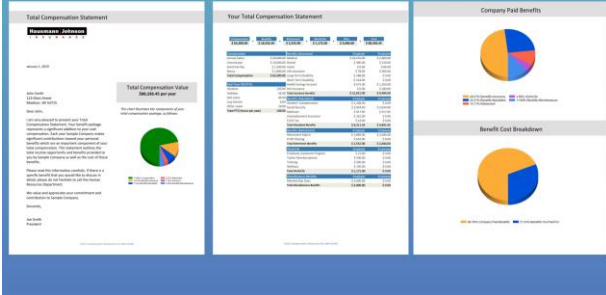
27

Emerging Programs, Policies & Products

- Circumstance specific paid leave time
- Pay or reimbursement related to Education
- Voluntary insurance programs
- On site amenities
- Emergency/Crisis support

28

Total Compensation Statement Sample



29

TOTAL COMPENSATION

MMSHRM Spring Conference
April 30th, 2019



30
