What She Wants

Keeping Canadian 30-year-olds happy isn't as simple as writing a bigger paycheque. It turns out they'd like a lot of the same things their parents had...and more.
Boom, bust or benefits

EMPLOYERS ARE LOOKING TO THE FUTURE BUT STILL HAVE TO CONTEST WITH AN AGING WORKFORCE AND THEIR BENEFITS NEEDS. BY JEFFREY STINCHCOMBE

Large-type fonts, special website sections and long(er)-term disability. If you’re providing benefits to employees of a certain age, these are hot buttons. The front edge of the baby boomers turn 60 this year, and they will be moving through the labour market and changing the way benefits are addressed for the next 15 years.

In a recent survey conducted by HealthSource Plus, 73% of employees cited their benefits booklet as the number one source for information on their employee benefits. While employees under 35 will naturally migrate to the Web as a primary source—your older employees still rely on traditional forms of communication such as print media. However, some firms are dedicating sections of their employee intranets to age-specific categories, allowing a member to identify his age bracket before referring him to relevant sections of the site.

Employers need to get the message out now that benefits will be reduced and even eliminated in retirement.

COST DRIVERS

According to Mary Johannesson, director, sales and marketing at ESI Canada, one of Canada’s largest claims adjudicators, “while drug spending will vary by age of group, the largest cohort of drug claimers annually are your employees between the ages of 56 and 65. They represent only 12.9% of claimants, but 26.5% of annual drug claims costs.”

She adds that one way to contain costs is to conduct a Coordination of Benefits (COB) audit on your staff to obtain accurate spouse coverage information. Plan sponsors can then ensure that they are directing claims to the primary payer. Johannesson says that with a proper annual COB enrollment, the average plan sponsor “can expect to save between 10% and 12% per year on drug claims.”

As employees age, many employers are finding greater receptivity to wellness programs in the workplace. One such program is called Know Your Numbers and is administered by Quality Health Services Ltd. of Richmond Hill, Ont. In the program, all employees are provided with an at-work health clinic to report on their cholesterol and blood glucose levels, blood pressure and body-fat ratio. President Sue Dineno says, “A key to the success with the Know Your Numbers program is that the employer is provided with a summary Health Report Card, which helps in measuring the success of the health education over a period.”

Another focus will be health and wealth in retirement. Many employees are saving madly for retirement, only to find themselves in no shape to enjoy it. Employers that help their employees choose healthier lifestyles will be doing them a favour in their retirement.

Rhonda Barry is manager of human resources for the Miller Group, a leader in highway construction and waste management with employees in all corners of the country. “Our employees are looking for benefits in retirement, and they have a problem with the life insurance reduction at age 65. They also want long-term disability (LTD) benefits to continue to age 70,” she says. “Increasingly, as we have more employees working past age 65, this is becoming an issue for us, especially since many of our older employees (over 60) have, in many cases, put in more than 25 years with our organization. Although employees over 60 have special needs, legislation prevents us from dealing with them any differently than our younger employees. With no Workplace Safety & Insurance Board over age 65, no pension contribution over age 69 and insurers not supporting LTD after age 65, it’s almost like age discrimination.”

Realistically, it is unreasonable to expect employers to bear the burden of all the costs, and adding post-retirement benefits is essentially a non-starter.

Employers need to get the message out now that benefits will be reduced and even eliminated in retirement. Letting them know what they can expect will ease the transition for all and help employees appreciate the strong commitment you as an employer have for their well-being. All parties have a stake in coming together, but it’s the employer that will need to take the lead. BC