

# To Bolster Employee Loyalty, Be Sure to Educate Them

A recent Harris Interactive Study, commissioned by insurer Unum Group, found that employees who receive frequent and thorough education on their available benefits are more likely to view their employer positively, and to feel that they are valued by them.

The survey establishes a positive correlation between employees' understanding of their benefits and productivity.

Your employees will only value your health plans, 401(k) plans and other benefits after an intensive effort by management and HR professionals to educate them.

Think of it this way: After all the time and expense you have gone through to create a powerful menu of benefits for your employees to choose from, all of it will go unappreciated if you don't make an effort to brief and educate them on your benefits package.

## **Tips from the study**

**Give employees time to review their benefits** – The study found that workers who had at least three weeks to review their benefits were much more likely to report they were given enough time to consider benefits materials, and much more likely to report that they were able to make informed decisions.

**Use three forms of media** – The study found that the best results were obtained by companies that reached employees using at least three forms of media, including the Web, printed materials, and employee meetings and presentations.

The survey also found that communications are growing more and more important to employee relations.

**Put your HR staff to work** – Your HR staff should be working hard to communicate with your employees in a variety of ways, because they have a lot of clutter to cut through. That's because workers are inundated with choices.

The days of perhaps having a health plan and pension plan and not much else are over. Section 125 "cafeteria"-style plans give workers a wide menu of benefits to choose from, which requires that employees process more and more information about their benefits.

They also have to learn about flexible spending arrangements and various kinds of health plans, as well as long-term care and disability insurance. Further, medical benefits have evolved from one-size fits all plans to increasingly consumer-directed options.

All of this places a higher burden on the employee, and requires much more in terms of educational services on the part of the employer.

## **The takeaway**

Your employee benefits briefings have a half-life and thanks to staff turnover, this is an ongoing process. It is an effort you need to renew time and time again.

Fortunately, help is available. We have a variety of tools at our disposal to help you convey the benefit

and value of each component in your employee benefits menu.

This can boost enrollment, cut your payroll taxes in some cases, and help ensure your best employees – the ones with the most options – stay with you.

## **Maximum Family HSA Contribution Reduced for 2018**

One of the unintended consequences of the tax bill that was signed into law by President Trump in December was a change to the HSA contribution limits for 2018, and action needs to be taken for some participants immediately.

As a result of the new tax law, the IRS announced in March that the maximum family contribution to a health savings account for 2018 is being reduced by \$50 (from \$6,900 to \$6,850).

The tax bill, however, did not make changes to the contribution limit for self-only coverage (\$3,450), and there is no change to the catch-up contribution for people over the age of 55 (\$1,000 per year).

The change only affects your employees who have HSAs, are covering dependents and have chosen the maximum contribution to their HSA. For those employees who are affected, they should follow these instructions:

- If the employee is making equal contributions out of their paycheck to total \$6,900 for the year, they will need to reduce this contribution amount by a total of \$50 for the remainder of the year. They can do this by lowering the contribution a couple dollars per paycheck, or by reducing a single contribution by \$50. It might be convenient to reduce the last one by that amount.
- If the employee has front-loaded their HSA and has already contributed the full \$6,900 for their family, they will need to request an excess contribution form from the HSA provider to back \$50 out of the account. If they don't do this, they'll be subject to a tax penalty on the excess amount.

## **Addressing Workplace Bullying Can Head off Lawsuits**

While poor employment practices, harassment and discrimination are coming to the forefront in the U.S., one workplace liability that organizations should not overlook is bullying.

Social media trends have shined the spotlight on a variety of ways people are treated poorly, but the bullying focus has mostly been on schools and not workplaces, which can be breeding grounds for bullying as well. And workplace bullying can lead to lawsuits against your organization, in addition to possible workers' comp claims.

There has been a bit of an epiphany recently that many employment practices lawsuits concerning stress in the workplace, psychiatric injury, harassment and other issues have their root in bullying by someone in the workplace – often a superior.

Bullying has been present in workplaces for as long as they have existed, and for the most part it has just been swept under the rug. This is especially true for sales people and management with production goals hanging over their heads. Many people are browbeaten by superiors, but the question is: When does leaning on an employee to perform cross the line and become bullying?

### **Bullying statistics**

- 19% of workers have been victims of workplace bullying.
- 61% of the perpetrators are described as a boss or supervisor.
- 65% of the workers who reported being bullied also said they had lost their jobs.
- 37% of workers said their workplace bullying experiences were covered up by others in the workplace.

*Source: Workplace Bullying Institute survey (2017)*

### **Seven essential elements of workplace bullying**

- Repeated behavior
- Inappropriate behavior
- Direct or indirect behavior
- Verbal, physical or otherwise
- Conducted by one or more persons
- Takes place at the workplace in the course of employment
- Capable of being reasonably regarded as undermining a person's dignity.

*Source: Johan Lubbe, partner at law firm Jackson Lewis LLP*

Bullies in the workplace appear to be gender neutral. Women account for 58% of workplace bullies, according to the Workplace Bullying and Trauma Institute.

That said, women are the primary targets, according to the WBTI. Women bullies choose female targets 87% of the time, and male targets only 13%. Men bullies choose female targets 71% of the time, and male targets 29%.

### **Workers' comp ramifications**

Workplace bullying can lead to stress and, if it becomes debilitating, a worker can file a workplace stress injury claim. This is mostly the case in California, but workers' comp stress claims are becoming more common throughout the country.

More and more jurisdictions are accepting stress as a valid workers' comp claim, particularly if it leaves someone unable to work because of their nerves.

### **Employment practices liability**

Employers should address workplace bullying before it is too late, because it can create liability issues when left unaddressed.

Employers should pay attention to company culture, watch out for cliques that may make newer employees feel unwelcome, and resist making allowances for the companies' best performers if they are accused of bullying, according to experts.

If you have an employment practices liability policy, coverage for bullying claims may already be covered. But EPLI is very fact-specific and the facts of each case determine a lot on the coverage provided.

Workplace bullying might fall under wrongful acts or workplace harassment. Another area where coverage could be triggered is accusations of “infliction of emotional distress.”

While bullying is not currently covered by any laws, there have been efforts in state legislatures to get laws on the books making workplace bullying an actionable offense.