



**BENEFACTION**  
INSURANCE AGENCY, INC.

*benefits + satisfaction*

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## How Can We Control Costs and Still Meet Our HR Responsibilities?

In this difficult economy, we are all wearing many hats. HR staff is often pulled into many different and important areas of the company. In addition, employers are also faced with everyday staffing challenges such as medical leaves, vacations, and job vacancies. And yet, HR is a critical part of the overall company business plan.

This is yet another area where Benefaction can help ensure your business goals are satisfied. We work directly with you to develop a plan customized to your specific HR needs.

We can provide project-specific assistance – allowing you to outsource specific projects. From developing or updating of Employee Handbooks to auditing personnel files for completeness to conducting required training sessions such as harassment prevention and creating HR policy and procedures, we can help.

We can provide ongoing support for a flat monthly consulting fee. Services under this type of arrangement may include paperwork completion and creation of employee files for new employees; notification for newly eligible employees regarding benefit program; insurance carrier billing reconciliation; and payroll audits.

Finally, Benefaction also provides qualified HR staff to supplement your HR staff while a key member is out on a leave or vacation. We'll work with you to develop specific duties and pricing.

Benefaction Insurance already administers your benefit program and we have an understanding of your business. If you'd like to discuss any of the above services, just give us a call and we can develop a business plan that meets your needs and your budget.

# BENE *facts*

QUARTER 1  
2009

A QUARTERLY NEWSLETTER FROM BENEFACTION INSURANCE

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## Important Changes to FMLA – What Do You Need to Know?

First, FMLA does not apply to all employers. FMLA (Family Medical Leave Act) applies to employers who employed 50 or more employees in 20 or more workweeks in the current or preceding calendar year.

Second, not all of your employees will be eligible for FMLA benefits. To be eligible for FMLA benefits, an employee must:

- Work for a covered employer
- Have worked for the employer for a total of 12 months
- Have worked at least 1,250 hours over the previous 12 months



A covered employer must grant an eligible employee up to 12 workweeks of unpaid leave during any 12 month period and maintain the employee's benefits as if the employee was actively at work (continue employer contribution) for one or more of the following reasons:

- Birth and care of a newborn child of the employee
- Placement with the employee of a child for adoption or foster care

- Care for a spouse, son, daughter or parent with a serious health condition
- Medical leave when the employee is unable to work because of a serious health condition
- Qualifying exigencies arising because the employee's spouse, son, daughter or parent is on active duty as a member of the

National Guard or Reserves in support of a contingency operation

On January 16, 2009, a comprehensive overhaul of the U.S. Dept. of Labor's FMLA took effect. The overhaul contains changes, clarifications, modifications

and updates which all need to be adopted by employers. Here are some of the highlights:

- New FMLA posting requirement
- Two new leave entitlements for covered military service members
- Clarifications and updates regarding medical certification
- Clarification regarding the definition and implications of light
- Update to the definition of serious condition

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# ARRA COBRA Changes – What's Next?

As you all know, the American Recovery and Reinvestment Act of 2009 was signed into law on February 17, 2009 and had serious changes to COBRA coverage that took effect on March 1, 2009. If a terminated employee qualifies as an “assistance eligible individual” (AEI), they are entitled to receive a 65% subsidy of their total COBRA premium for up to 9 months.

So now, what else is left? You sent out all the new required notices by the April due date, what more do you need to do? That answer depends on your COBRA status.

For employers that are classified

as Cal-COBRA (less than 20 employees total), you are probably receiving COBRA inquiries from your insurance carriers. Your insurance carriers need information from you to determine if terminated employees are eligible for the subsidy. Each carrier has a different form and you will need to complete the received forms to ensure the carrier can comply with the COBRA requirements.

For employers that are classified as Federal COBRA employers (more than 20 employees total), you shoulder the COBRA notification responsibility. At this point, you've already sent out the required

COBRA notices. Now, you may be receiving paperwork back from your terminated employees claiming subsidy eligibility. You will need to determine that member's eligibility for the subsidy and then promptly submit the COBRA paperwork along with your approval/denial to Benefaction Insurance so we can complete the COBRA enrollment.

For Federal COBRA employers that have approved AEIs, you will claim your paid COBRA subsidy premiums using IRS Form 941.

Please remember to give us a call if you need any assistance. ☎

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The changes to FMLA administration require much more information than we can cover in our newsletter. Benefaction has put together a white paper highlighting these changes. Please give us a call and we will schedule a meeting with your HR staff to review these changes and ensure that your team is in compliance.

## Calendar Year-Based Plan Benefits

Most benefit plans are based on a calendar year. Remind your employees that calendar year deductibles start again in January. In addition, dental calendar year maximums and other benefits limited to calendar year periods such as outpatient mental health visits or chiropractic visits are also refreshed in January.

EMPLOYEE CORNER

## In Difficult Times, Who Can Help?

Employee Assistance Plan (EAP) benefits are the most under-utilized benefit typically offered by employers. But when EAP benefits are used, the impact is dramatic.

Basic EAP plans provide phone counseling sessions to assist employees with family issues, stress, depression, and many other issues. Enhanced plans may provide face-to-face counseling sessions, financial and legal advice, and childcare and elder care advice.

Many of us are feeling an impact from our weakened economy. We're having to make tough financial decisions, creating stress that impacts many areas of our lives. Your EAP can help. Highly utilized EAPs mean that employees and their families are getting the assistance they need.

Successful EAP programs require advertising. We suggest these methods:

1. Send an email to all employees with an EAP description flyer attached, so employees know about the service. If you need an electronic copy, give us a call.
2. Cover the EAP benefit in your management training sessions. Your managers are your direct line of contact with employees, and they're often aware of individual situations. And if the employee approaches the manager with an issue, the manager can again ensure the employee knows about your company's EAP benefits.
3. Benefaction has custom payroll stuffers that highlight your specific EAP benefits and the EAP phone number. Just give us a call and we will create a customized payroll stuffer for your plan as one of the added services we're happy to provide.



## Another Reminder of the Benefits of Diet and Exercise

*A report from the World Cancer Research Fund and the American Institute for Cancer research found that 45% of colon cancer cases and 38% of breast cancer cases in the U.S. can be prevented by maintaining diet and exercise and through weight management.*