



BENEFACTION
INSURANCE AGENCY, INC.

benefits + satisfaction

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'Tis the Season.

At this time of year, we want to take a few moments to thank each of you for your business and support during this past year. We appreciate the opportunity to work with you and your employees and look forward to another successful year together.

Just as we did last year, Benefaction Insurance is continuing our efforts to support good causes in our communities.

Every year, all of us in the business world receive baskets of cookies, chocolate treats, and other goodies that our business contacts send to remember us at the holidays. And every year, our office ends up eating too much of these treats or never knowing what to do with all of them.

We want to remember what the holidays are about – giving, remembering how fortunate we are, working together to make next year even better, and of course, our families. This year, Benefaction will again scale back our client holiday gifts and instead make donations in our clients' names to charitable organizations. For 2008, Benefaction is making contributions to The Ritter House, The Food Bank, and the Alzheimer's Association. We hope you will join us in trying to make our world a bit brighter for those in need by giving up some of the holiday goodies.



If you'd like more information on the services and programs offered by these organizations, please visit:

www.rittercenter.org

www.marinfoodbank.org

www.alz.org

BENE *facts*

QUARTER 4
2008

A QUARTERLY NEWSLETTER FROM BENEFACTION INSURANCE

INSIDE:

Help employees maximize their benefits and reduce their out-of-pocket expenses at the end of the year **2**

2 Did you know that your medical insurance carrier may help you carry out that New Year's resolution this year?

An important tip if you're traveling this holiday season – or any time! **3**

3 Find out how your carrier's mail order pharmacy plan could save you money!

Human Resource Task List For End of Year.

The holidays are coming, the business year is coming to a close and you and your employees are focused on family, enjoying the holidays, and cruising into next year.

There are some house-keeping steps you should be taking before the end of the year to ensure your benefit plans are working properly and you are in compliance with your employer responsibilities.



need to update your insurance carriers if your COBRA status has changed from last year.

2. Audit your employee participation in your premium-only plan or Section 125 plan.

POP Plans allow you to take your employees'

contribution toward insurance premiums out of their paychecks on a pre-tax basis. However, POP Plans follow Federal Tax requirements.

This means that premiums for same-sex domestic partners cannot be taken out of employees' checks on a pre-tax basis. In addition, some step-children's premiums cannot be deducted. If you've been taking these deductions, you'll want to re-calculate the correct deductions and fix the error as it can result in significant tax penalties for you and your employee. If you have any questions, talk with your POP provider or give us a call.

3. Audit payroll records.

If the majority of your employees are hourly and their hours fluctuate, you may want to conduct a payroll audit. First, check your

1. Determine your COBRA status for 2009.

Your COBRA status for next year is determined based on your employee count in December of 2008, so count your employees as of December. Count each full-time employee. Then count your part-time employees based on how many work one-half of typical work days in a calendar year. Don't include owners or officers in your

total count. If your total employee count is 20 or more, you are a Federal COBRA employer. If your total employee count is fewer than 20, you are a Cal-COBRA employer. If you are owner in multiple companies, give us a call to determine if you need to include the employees from all your companies in your count. You'll



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Helping Employees Get the Most from Your Benefit Plan.

The end of the year is fast approaching and with the new year comes new deductibles and new calendar year maximums. Employees have an opportunity to maximize their benefits and reduce their out-of-pocket expenses at the end of the year, and you can help.

First, employees who may need major dental work and have money remaining in their calendar year maximum should make dental appointments now to leave time to start work before year's end. If multiple procedures are necessary, employees can have the dentist do some of the work in 2008 to utilize their 2008 calendar year maximum and then complete the remaining work in January to use their 2009 calendar year maximum.

Secondly, employees enrolled on a deductible medical plan who have

met their calendar year deductible should be reminded to make any necessary preventive medical visits now in 2008 – colonoscopies, mammograms, and annual exams. Receiving these exams and preventive procedures in 2008 once their deductible has been satisfied will cost them less and help ensure they remain in good health.

Finally, employees should be reminded about benefits that are limited to calendar year limits. For example, many medical plans cover up to 20 chiropractic visits per

calendar year. Employees who have not fully utilized this benefit, but may need chiropractic care, should be sure to schedule visits in 2008. Other examples of calendar year limited benefits may include vision coverage and mental health visits.

Benefaction Insurance offers a payroll stuffer that can be customized to reflect your specific benefits to help remind your employees to get the most from your benefit program. Just give us a call and we'll send you the print file. ☎

offer discounts for local gyms, weight loss programs such as Weight Watchers, as well as discounts for structured smoking cessation programs. Call the 800 number on your ID Card or check the insurance carrier's website to see what specific programs they offer. ☎



Traveling?

Are you planning on traveling to see family or friends this holiday season? If so, remember to check in with your medical carrier to see what hospitals are covered on your plan in the area and pack that list in bag as well. You don't want a large medical bill if you need care while on vacation. ☎

Prescriptions?

Do you take regular, daily medication such as cholesterol medication? If so, be sure to utilize your medical plan's mail order pharmacy program.

Typically, these programs let you receive 3 months worth of medication for the cost of 2 months. In addition, the medication arrives in your mail – no trip to a pharmacy. If you aren't using this service, be sure to call the 800 number on your ID Card and ask about the program. ☎

I'm a Federal COBRA Employer – Now What?

If you need help understanding your COBRA responsibilities, we're here to help. We will direct you to necessary resources, gather the plan information needed, and assist in the development of a written COBRA and HIPAA Procedure Manual.

You can obtain template COBRA General Information Notice and Qualifying Event Notice letters on the Department of Labor website: www.dol.gov/ebsa. Just give us a call and we'll sit down with you and walk through the process together.

HR End of Year, *continued from front cover*

insurance contract to determine employee eligibility – most plans state that eligible employees must work 30 or more hours per week. Pull your last quarter payroll records and calculate the total number of hours worked for each employee. Include any paid time off hours for that time period (sick time, vacation time). Determine how many weeks are covered in that quarter's payroll and multiply by 30 to determine how many hours an employee must work to be eligible for insurance benefits. Compare each employee's worked hours to the required hours. If any employees are not meeting the requirement, you should explain the eligibility requirements to the employee and terminate their coverage at the end of the month unless their hours are back up to the requirement. Employees whose benefits are terminated for a reduction in hours are still able to elect COBRA coverage.

Call us to review your audit findings and discuss next steps to ensure

employees are treated fairly and you comply with COBRA responsibilities.

4. Remind employees about using benefits.

You can use the article included in our newsletter under "Employee Corner" to help your employees get the most from your benefit program. As of January 1st, dental calendar year maximums will start again, as will medical insurance deductibles. If an employee has met their 2008 calendar year deductible, remind them to refill prescriptions and schedule physicals and any other medical work before December 31st. If an employee needs dental work and still has not used their 2008 dental calendar year maximum, they can start the work in 2008 to use the remainder of their 2008 maximum and then complete the work in 2009 if necessary to utilize the 2009 maximum.

The Employee Corner article is available as a payroll stuffer. Just give us a call and we'll send you what you need to help your employees. ☎

New Year's Resolutions?

Will you be one of the many who set a resolution to lose weight, stop smoking, or reduce your stress level? Did you know that your medical insurance carrier may offer complimentary programs to support you? Most insurance carriers offer free online services on many topics and most also