

FYI[®] Roundup

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Recent Research in HR and Employee Benefits 2014 — Summer Edition

Our latest *FYI Roundup* highlights selected reports and surveys relevant to our industry, released in the last few months.

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Career — Compensation

One countermeasure in the “war for talent” relating to rewards is bonuses. The latest version of an ongoing survey provides helpful data for employers interested in benchmarking their bonus programs.

[Bonus Programs and Practices](#) — The survey analyzes various types of bonus programs from North American employers. The results were broken down by sign-on, referral, spot, and retention bonuses. Additional results provide data arranged by organization size, program type, and industry, and include information on the use of bonus programs in attracting new employees, and how companies award bonuses. Voluntary turnover rates by bonus program are also included (WorldatWork, June 2014).



Health Care

The future of employer-sponsored health care has been under discussion since the enactment of ACA four years ago. A recent study reveals the thinking of chief human resource officers (CHROs) in large corporations who are responsible for deciding the fate of health care benefits for their firms:

[What CHROs Think about Employee Health Care: A 2014 Snapshot](#) — Over 360 CHROs were asked about their thoughts relating to the current US health care system, and their perspectives about the impact of the ACA on employer-provided health care, strategies they are considering (defined contribution strategy, consumer-driven health plans, exchanges), and the long-term viability of employment-based health care (Jeffrey C. McGuinness and Tevi D. Troy, American Health Policy Institute, 2014).

Health Care — Private Exchanges

Research indicating that employers are moving more quickly than predicted in offering employees health insurance through private exchanges has heightened interest in what the future holds for them. A recent survey attempts to gauge the industry's thoughts around the private exchanges:

[Health Check: A Survey of Private Health Exchanges](#) — The survey, in its second year, offers a snapshot of health insurance leaders' expectations about private health exchanges. The responses reveal insurers have embraced the notion that private health exchanges are viable sales distribution channels. Some key takeaways from this year's survey: more employers are expected to move their sponsored health benefits onto private exchanges by 2016; there is greater optimism that employers will adopt defined contribution strategies in their health benefit plan designs, and health insurers are expanding their private exchange benefit offerings that go beyond core medical, dental, and vision. Overall, the survey results support forecasts that the private exchange industry will see tremendous growth over the next two to three years (Array Health, June 2014).

Health Care — Wellness



Increasingly employers are seeing that wellness programs help keep employees engaged and productive, and that they have a positive impact on corporate culture. The results from the annual Pulse survey were based on responses from 361 organizations, and the results were analyzed to provide a better understanding of how wellness programs benefit the workplace:

[The Business of Healthy Employees: A Survey of Workplace Health Priorities](#) — The survey data examines the cultural impact of wellness programs, looks at employee participation and motivation, and notes how employees who participate in wellness programs influence their family and colleagues. Measurement practices to determine return on investment are presented. This year's survey includes data about the utilization of ACA wellness incentives and contains a

chart that compares wellness programs employees prefer with those currently offered by their employers (Virgin Pulse and Workforce Magazine, 2014).

International — Health Care Reform

The health care system in the Netherlands is considered a high-performing system from the consumer's point of view. One research study compared Canada's health system with the Netherlands' to gain insight and information that may be helpful to the Medicare debate in Canada:

[Lessons from Abroad: A Series on Health Care Reform-Health Care Lessons from the Netherlands](#) — The comparisons provided in this research paper focus on the average performance of health care systems in Canada and the Netherlands with data from other developed nations (member nations of the Organization for Economic Cooperation A discussion of the Netherlands' health policy framework and key lessons for Canada are addressed with an infographic comparing Canada's universal government run health system with the Netherlands' mandatory private universal health system. Data used for comparison includes: financing, total health spending as a share of the GDP (gross domestic product), number of physicians, nurses, beds, CT scanners, MRI machines and wait

times for emergency room treatment, access to physicians, nurses, and specialists, and waiting times for elective surgery (Nadeem Esmail, Fraser Institute, June 2014).

International — Retirement

Adequate retirement savings is a universal concern. In the United Kingdom major changes have occurred over the last two years including the introduction of automatic enrollment. The annual report from Scottish Widows presents an update of the retirement landscape in the UK:

[Scottish Widows Retirement Report 2014](#) — The report focuses on the British public's attitudes on long-term savings and retirement and looks at key savings trends. The data covers the percentage of workers who are adequately saving and their beliefs, expectations, and attitudes about saving for retirement. The role of government and industry in helping multigenerational British workers meet their savings goals for a comfortable retirement is also presented (Scottish Widows, June 2014).



Workplace Issues — Millennials

Providing benefits to a multigenerational workforce is a top concern for most employers. A recent article examines how millennials are influencing changes in the employee benefits landscape:

[How the Millennial Generation is Transforming Employee Benefits](#) — The article presents an in-depth look at the traits that characterize millennials and concentrates on what they want in the areas of financial planning and health insurance. Citing survey results from MetLife, University of Michigan, Kaiser, and other studies, the author highlights some emerging trends and predicts that an employer will be acting “in loco parentis” to ensure that the younger generation has adequate benefits coverage including educational benefits and proper on-the-job training for future advancement (Neil Howe, Benefits Quarterly, Second Quarter 2014).

Workplace Issues — Social Media

The use of social media in the workplace has evolved from novelty to business norm. Many businesses have taken the initiative to create social media policies as one approach to reduce risk associated with its misuse on the job. A recent annual survey captures how social media is used in the workplace and reports on recent legal developments:

[Social Media in the Workplace Around the World 3.0](#) — The survey provides benchmarks for a number of areas pertaining to social media in the workplace including: prevalence of social media use in business, what employers should be doing to reduce risk, disciplinary actions related to the misuse of social media in the office, and the number of businesses with social media policies in place. Summaries of recent legal developments in the US and selected countries focus on employers' rights to monitor employees using social media. Related privacy and protection laws are also highlighted in the study (Proskauer, April 2014).

Workplace Issues — Telecommuting

Telecommuting is still a popular benefit among employees according to a recent poll of decision makers and office workers at all types of organizations across the US and Canada:

[Views on Telecommuting](#) — Highlights of this survey provide insights on why telecommunicating is a popular option for workers and employees alike. For workers the benefits are savings and work/life balance issues and for employers the benefits are attracting employees and increased productivity. The survey also looks at how many companies allow a BYOD (bring your own device) approach to telecommuting, concessions employees are willing to make to keep the telecommuting option, biggest challenges working from home, and how many companies are willing to provide furniture services for home offices (Staples, June 2014).



Wealth — Retirement

MetLife first conceived the Qualified Retirement Plan Barometer (QRPB) in 2011 to learn if the Fortune 1000 companies were creating a retirement income culture. This year, MetLife has released a follow-up study to evaluate the present state of retirement income culture among the largest US firms:



[MetLife 2014 Qualified Plan Barometer Study](#) — The 2014 study focuses on differences in attitude and practices of firms with and without DB plans and looks at the “forces of change” in repositioning the focus to retirement income now that DC plans are taking center stage. Information about the components of the barometer are provided, and recommendations for plan sponsors to consider regarding pension plan objectives, plan design, communication and retirement savings outcomes are summarized in the conclusion of the report. The table below highlights key findings (MetLife, June 2014):

Key Highlights — MetLife Qualified Retirement Plan Barometer 2014

Companies with broad coverage DB plans and DC plans have a much stronger retirement income culture than those with a DC plan only.

Retirement plan objectives and communication are key indices for building a strong retirement income culture.

DC-only plan sponsors are more focused on savings than income as a plan objective.

DC-only plan sponsors are more than twice as likely to believe that workers reach retirement age with inadequate savings to generate sufficient retirement income.

DC plan sponsors have begun to broaden education and communication to retirement income-related topics.

If annuities are not currently offered, more DC-plan-only sponsors are exploring lifetime income options for the future than any other plan type category.

Plan design simplicity is now favored by a large majority of sponsors, regardless of the types of plans they provide.

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