

# Benefit Insights

## **Economy Challenges HR to Keep Employees Happy While Tightening the Benefits Budget**

Today's economic climate is tough on individuals and businesses alike. Rising energy, food and transportation prices, a volatile investment market, and plunging home values have severely shaken consumer attitudes, and businesses in all trades are feeling the pinch. Within any business, the HR department faces unique challenges during trying economic times. HR may see its benefits budget cut in order to help overall company finances, and then find itself tasked to motivate employees who feel the squeeze of any cuts.

What can an HR department do when faced with such a challenge? Consider the following ideas, some geared to containing benefits costs and some to easing the additional financial burdens today's employees face—

- In most companies health benefits costs represent, by far, the largest item in the benefits budget, and therefore can provide the most potential for cost cutting. If you haven't put your health plan out to bid recently, now could be a good time to do so. We will put your health plan out to bid seeking competitive bids for your current type of coverage and for different plans that might offer a better value. Look closely at plan features that can reap savings, such as prescription drug programs that demonstrate a track

record of high generic use. Make sure you are using all available means to help employees get the most from the money they spend on benefits, such as through tax-advantaged flexible spending accounts and premium-conversion plans. And, if your company hasn't yet explored consumer-directed health plans and health savings accounts, now would be a good time to assess whether this type of plan might be a good fit for your company and employees.

- With gas prices so high, commuting costs have become more burdensome for many employees. You can offer qualified transportation benefits at little cost to your company, through a reimbursement arrangement funded with employee pre-tax dollars. Qualified transportation benefits can include transit passes, qualified parking, and rides to and from work in a commuter highway vehicle (also known as vanpooling). This type of arrangement can save employees money on federal, Social Security and (in most cases) state taxes, making it less expensive for them to commute to work.
- You also can help employees save on transportation costs through scheduling changes that make it easier for

*continued on page 2*

### **Benefit Advisors Team**

Jason Beyrouthy  
Joanie Leaton  
Mike Beyrouthy  
Heidi Carter

John Wallace  
Grant Moore  
Donna Boswell

Fadd Beyrouthy  
Heather Schwartz  
Lance Barnwell

### **Welcome to Our Newsletter!**

By the time this newsletter reaches you, we'll be relocated to our new office. We're moving to brand new facilities in mid-November. Our new address is noted in the contact information. There may be slight disruptions in our systems as we transition, so hang in there with us.

**AKT Benefit Advisors Team**



680 Hawthorne Ave. SE  
Suite 140  
Salem, OR 97301

Phone: 503-588-0002  
Fax: 503-589-9399

5665 SW Meadows Rd.  
Suite 200  
Lake Oswego, OR 97035

Phone: 503-639-1087  
Fax: 503-624-1349

Website: [www.aktbenefitadvisors.com](http://www.aktbenefitadvisors.com)

## Community AKTion Day

Photography by Aimee Leaton



From left, Mike Beyrouty, Lance Barnwell



Front from left:  
Joanie Leaton, Donna Boswell, Heather Schwartz, Diana Tran  
Back from left:  
Lance Barnwell, Mike Beyrouty, Jason Beyrouty

### **continued from page 1...Economy Challenges HR to Keep Employees Happy While Tightening the Benefits Budget**

employees to carpool, or by permitting work-at-home arrangements on a day or two of the week for employees whose job responsibilities make this a possibility.

- Consider implementing flexible work schedules, if this is an option for your type of business. Some businesses are moving to four day, 10 hour per day work weeks. This saves the business on energy costs and employees on transportation costs. Plus, many employees will appreciate the additional free day, whether it gives them a three-day weekend or a day during the week for running errands or relaxing.
- Make sure your benefits offerings include the types of benefits that are not costly, yet play a key role in attracting and retaining employees. Life insurance and disability benefits are examples.
- Add voluntary benefits to your benefits package, or expand the voluntary benefits choices you currently offer. Voluntary benefits are paid in full by the employees who choose to enroll. They offer advantages to

employees over purchasing these benefits in the open market: Employees typically enjoy some savings and convenience, since they are purchasing the benefits at a group rate and paying for them via payroll deduction.

- Though the money in the benefits budget may be tight, it's worth spending some dollars on communications that clearly show employees the value of their benefits. You're probably spending a fair amount of money and providing a valuable benefits package for employees and their dependents. Surprisingly, many employees don't realize the extent to which their employers are paying for these benefits; they only know their own out-of-pocket costs. A brief, to the point "Capsule of Your Benefits" can summarize coverage for employees, and include the price tag being shouldered by the employer.

Ideas such as these can be starting points in discussions of how your HR department can meet the challenges it faces from today's uncertain economy.

## Heather Schwartz: Client Manager

When you see Heather Schwartz at AKT Benefit Advisors, you may not know about her “other life.” A mild-mannered person at work, after hours she has been known to don a Habit and masquerade as a nun, or even pull a football away from Charlie Brown as smart-mouthed “Lucy.”



Heather Schwartz

Of course this means Heather moonlights as an actress and can be seen in various Salem area community theater productions. From Mother Abbess in *The Sound of Music* in college and recently Sarah Brown in *Guys & Dolls*, Heather has always acted as a hobby.

“It’s part of what I do to keep life interesting,” she said. In person, “I’m way too practical. What I enjoy about Community Theater, is it is all volunteer run—it’s about community. People are working together to accomplish a goal; the end product is great and it’s great to be involved in an experience that enriches people’s lives.”

Heather has enjoyed entertaining people her whole life. As a Music and Communications Major at George Fox she appeared in various college theater productions. Returning to her family home in Cave Junction during the summers, she was a tour guide at the Oregon Caves.

“It was great,” she said. “Students from all over the country came to work at this national monument.”

Heather didn’t enter her professional life planning to be in the insurance industry. “I sort of ‘fell’ into the position when I started working as a receptionist at a brokerage firm in Portland right after college,” she said. She began learning about the industry and developed an interest in how it could positively affect people’s lives. She continued her professional development by gaining both a health and life insurance license.

Helping people and enriching their lives is one of the reasons that Heather likes her job at AKT Benefit Advisors. It is

a way to use her college degree in communications to assist others.

“I always felt I was sensitive to other people. I like to think I’m ‘people-focused’ and that is a natural transition to this type of work we do because we deal with a lot of people and sometimes difficult situations. It is sometimes hard for people to think about these subjects (health insurance and group benefits) and I’m glad if I can help people make decisions.”

After 2 ½ years working for AKT Benefit Advisors she has found that there is an environment that promotes a sense of creativity that she appreciates.



Left: Winnifred from “Once Upon A Mattress”



Right: Vera from “And Then There were None”

Photography by Steve Rice

“At work, we are allowed to pursue our ideas. One of my personal goals is to always increase the communication level between our staff and our clients. I want our clients to be able to easily access information, whether through technological means or through person-to-person.”

When Heather isn’t working or acting she likes to travel and spend time with her Border collie. You can reach Heather at 503-485-2426 or [hschwartz@benefitadvisorsllc.com](mailto:hschwartz@benefitadvisorsllc.com).

### **continued from page 4...Medicare...November 15th is an Important Date**

panies offering prescription drug coverage disclose to all Medicare eligible individuals with prescription drug coverage under the plan whether such coverage is “creditable.” This information is essential to an individual’s decision whether to enroll in a Medicare Part D prescription drug plan. If you offer a prescription drug plan to Medicare eligible individuals, you are required to:

- Determine if the plan provides “creditable coverage.”
- Communicate the creditable or non-creditable status of the plan to Part D eligible individuals at least once a year no later than November 15th.

For further information, there’s a Medicare Part D tab on our website at <http://www.aktbenefitadvisors.com>. You’ll find:

- 2 employee notices -- one that can be personalized with name, date of birth, etc.; the other is more generic for use in notifying all employees;
- a link to the disclosure form; and
- a link to the CMS website.

If you still have questions, please call your agent or Joanie Leaton, 503-588-0002.

---

## **Medicare....November 15th is an Important Date**

---

### **It's Time to Review your Medicare Policy**

November 15th marks the start of the Annual Coordinated Election Period (AEP) which runs through December 31st. In simple terms, the AEP is the time of year when you can make changes to your Medicare plan. You can enroll in a Medicare Advantage plan, change the insurance company who administers your Medicare Advantage plan, change your drug benefit, or go back to original Medicare. After December 31st you can still make changes to your plan, but Medicare places restrictions on what changes you can make. If you want to make a change, the AEP is the best time to do it.

If you are thinking about making changes to your benefits here are a few things to consider:

- 1) If you don't join a Medicare drug plan when you are first eligible and don't have other creditable prescription drug coverage, you may be subject to a penalty if you later decide to join a Medicare drug plan. The amount of the penalty depends on how long you go without a drug plan.
- 2) Make sure your doctor accepts the plan you are considering. Many advertisements say you are free to go to any doctor. The real truth is that many doctors do not accept all plans, so be sure to call your doctor and double check before signing up for a new plan.

- 3) If you are currently on original Medicare you may want to look into a Medicare Advantage plan. These plans can increase your medical benefit for not much more than you are currently paying. Plans in Oregon range from \$0 to over \$100 per month depending on what kind of coverage you would like.

- 4) Be careful if you are currently on a Medicare Advantage plan without drugs and are considering enrolling on a drug plan with another company. By enrolling in a drug plan with a different company, it may cause Medicare to disenroll you from your current Medicare Advantage plan. Be sure to check with your current plan before submitting any paperwork.

A great resource on the internet is [www.medicare.gov](http://www.medicare.gov). You can search through all of the local plans and compare benefits and prices. If you need help reviewing your current plan or comparing new options, please feel free to contact Mike Beyrouy (503-588-0002). Mike is licensed and appointed to sell multiple Medicare Advantage plans in Oregon.

### **Medicare Part D Deadline...Employer Requirement**

November 15th marks an important employer deadline. The Medicare Modernization Act (MMA) mandates that com-

*continued on page 3*



680 Hawthorne Ave. SE  
Suite 140  
Salem, OR 97301

Phone: 503-588-0002  
Fax: 503-589-9399

5665 SW Meadows Rd.  
Suite 200  
Lake Oswego, OR 97035

Phone: 503-639-1087  
Fax: 503-624-1349

Website: [www.aktbenefitadvisors.com](http://www.aktbenefitadvisors.com)