

The New Norm in Employee Benefits

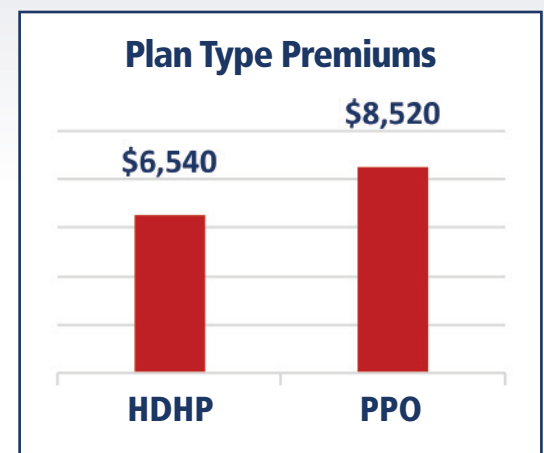
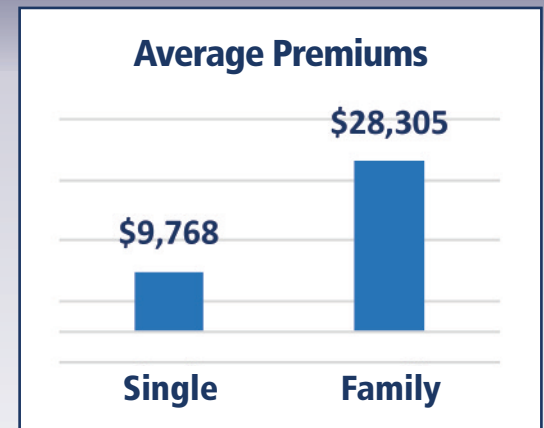
Group Insurance and employer sponsored retirement plans such as 401ks are going through major changes in many categories. New legislation, new products, new technology, new procedures, and new employee population needs, all contribute toward a “New Norm” that employers should become aware of to control costs, avoid liability, and maintain or improve employee appreciation.

Health Insurance: Costs continue to skyrocket. According to the Kaiser Permanente Annual Benefits Survey, the average annual health insurance premium in the Northeast is \$9,768 for a single person and \$28,305 for a family. New products are available to help reduce costs such as ICHRAs, QSERAs, Reference Based Pricing, and Sub-Network plans. Rates are averaging over 7% increases each year. Many claims are temporarily denied, awaiting additional information from the provider, but covered individuals interpret the denial as permanent. Consumer Driven plans like High Deductible Health Plans (HDHPs) are usually 25% to 35% less than traditional copay plans and help employees better understand how the benefits work and over time reduce costs. Wellness Programs help employees deal with

stress and better understand their benefits. Most carriers offer self-assessment tools in their benefit portals. Many brokers are promoting level and self-funding which transfer a lot of risk to the employer.

Employer Sponsored Retirement Plans:

Some mutual funds have as many as 19 share classes of the same fund. Each share class charges a different expense which can be a means of hiding fees. Other investment types such as Target Date Funds (TDFs) and Collective Investment Trusts (CITs) can be offered. All should be thoroughly reviewed before accepting. Guaranteed Retirement Income accounts are promoted but may actually generate low or even negative rates of return. Employers should be ready to properly respond to requests for cryptocurrency options.



Technology: Online benefits administration, integration between payroll services and benefit vendors, beneficiary tracking, videos instead of PDFs for use on mobile phones, all create both enhancements and risks. Contact Conestoga for a no charge review.



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