

LinkedIn – IT'S NOT JUST ABOUT "FRIENDS"
THREE WAYS TO IMPROVE YOUR EFFECTIVENESS
By Peter R. McClung

The emergence of social media sites like Facebook and Twitter have exploded the opportunities for us to interact with others, but sometimes that barrage of messages overwhelms us from using a site like LinkedIn to its full potential.

Has LinkedIn become just another email or "friends" listing for you? How can you use LinkedIn for your business or job search? Do you have a project on which you want feedback? LinkedIn has all these capabilities and more!

Here's how to immediately improve your usage of LinkedIn and your effectiveness online:

- **Ask for advice.** Join the PEBA group on LinkedIn to get free advice and specialized feedback on your next compensation or benefits project.
 - Log into LinkedIn (www.linkedin.com)
 - Join or click the PEBA Home page.
 - Click on "Start a Discussion."
 - Fill out the free form box with your question or comment. Make sure the "Follow this discussion" option is checked to receive emailed responses.
 - When you're ready to post, click on "Submit for discussion."
- **Perform "blind" or "reverse" company checks.** Interviewers often use LinkedIn to check on specific results for an individual, but why not turn that on its head and perform a check on the position, manager, or company you are interviewing with or prospecting positions for?

Simple searches by name or company can give you a sense of whether a position has been a pass through doorway or a solid contributing spot for a company. Finding out more about your interviewer—where he or she went to school, interests, length in the position—can be helpful during the formal interview process. You can also view by company to see if the organization is expanding, contracting or if turnover is an issue.

For an additional fee, you can use LinkedIn's Reference Check feature to scope out the references of potential employers and managers for your next job.

- **Share an article with the PEBA community.** Contribute the latest article from multiple media sources you read every day. Instead of emailing an article around the office or printing it, check to see if the media source allows for "sharing" on LinkedIn. PEBA members can comment on shared articles. (Since not all media outlets allow sharing, check your favorite online periodicals for their capabilities.)

To share an article (from USA Today, for example):

- Read the article at www.usatoday.com.
- Click on the "Share" feature, usually at the top right of the article.
- Click the "more" link under the "Share" heading, which will typically bring up LinkedIn as a choice.
- Sign in and click on the groups to which you'd like to post, such as PEBA.
- Add comments to the article or simply post on its own.

You can also set up a daily email with headlines posted throughout the day. PEBA's LinkedIn site automatically gets benefits and compensation-related headlines and articles from the New York Times, Kaiser Health News and the Philadelphia Business Journal, so PEBA can easily become your single source for benefits and compensation news on the web.

Be creative and see how LinkedIn can work for *you!*

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**MORE COBRA CHANGES FOR 2010:
WHAT YOU NEED TO KNOW
By Christopher J. Marren**

As we have all witnessed, the frenzy of activity on Capitol Hill has only intensified since the end of 2009 and throughout the first and second quarters of 2010.

Since our last newsletter when we summarized the requirements of ARRA and the COBRA premium subsidy, the duration of the subsidy was extended from 9 months to 15 months and the eligibility period was extended twice: to March 31, 2010 and again to May 31, 2010.

Besides the extensions, the provisions did the following:

- Allowed for a 60-day period for retroactive premium payments for assistance eligible individuals ("AEIs") – individuals entitled to the subsidy – whose subsidy period expired on November 30th and who failed to pay their premium for December coverage. The same refund/credit rules under the original bill applied to any AEI whose subsidy expired in November and who had paid the full COBRA premium;
- Required a special notice describing the new subsidy provisions to all AEIs who were on COBRA on or after November 1, 2009 or whose qualifying event was an "involuntary termination" of employment occurring on or after November 1, 2009;
- Conditioned eligibility for the COBRA subsidy on only one factor: a qualifying event that is an "involuntary termination" of employment occurring on or before the February 28, 2010 sunset date. The previous version of the subsidy took into account when the COBRA coverage period actually began. This meant that employees who were involuntarily terminated before February 28, 2010 but were receiving employer-subsidized coverage that deferred the COBRA start date past February 28, 2010 were still able to receive the subsidy.

Articles and releases from a variety of sources suggest the eligibility period will be extended again through December 2010, but let's not get ahead of ourselves...

What do the latest changes mandate?

In addition to extending the eligibility period, the Extension Acts signed in March and April included a few "tweaks:"

- New Penalties: The Act adds punitive measures for Plan Administrators who fail to comply with Department of Labor (DOL) or Department of Health and Human Services (HHS) rulings regarding Qualified Beneficiaries' (QBs') entitlement to ARRA subsidies. Plan Administrators may now be sued by both QBs and the government, and there is a new \$110/day penalty for Plan Administrators who do not comply with DOL (or HHS) determinations.
- COBRA Notifications: All relevant COBRA notifications, including the ARRA notice, must contain language provided by the DOL explaining the changes.

- Definition of AEI/new Second Qualifying Event: Previously, an AEI was a person involuntarily terminated from employment between September 1, 2008 and March 31, 2010. Qualification for that status is now extended to May 31, 2010, AND includes: (1) anyone with a Qualifying Event (QE) that resulted from a *reduction of hours* after September 1, 2008; (2) anyone who wasn't on COBRA as of March 2, 2010; and (3) anyone who was also involuntarily terminated on or after March 2, 2010 but before June 1, 2010.
- Second Election Period: People deemed AEIs due to a reduction of hours and a subsequent involuntary termination are entitled to a new 60-day COBRA election period. A new modified ARRA notice must be sent to these individuals within 60 days of the passage of the new law. These individuals will only be entitled to COBRA continuation coverage (and any subsidy) starting on or after March 2, 2010 and ending a maximum of 18 months from their **original** QE.

Easy, right?

As noted above, many sources have indicated there are more changes to come. With potential further extensions and additional requirements, an already complex topic will become even more confusing. As a result, more employers will likely seek the assistance of third parties for COBRA administration services that will help their organizations remain compliant.

Christopher J. Marren is Director, Benefits Consulting and Administration, at The Elite Group.

**“SAY ON PAY” HEATS UP:
SHAREHOLDERS SEEK VOTE ON EXECUTIVE COMPENSATION PLANS**
By Christine Stanton

In light of the recent economic downturn, it's no surprise that Executive Compensation continues to be under the spotlight. One hot topic: should shareholders have an up/down vote on executive pay? As Congress evaluates passing legislation to mandate shareholder voting rights on executive pay, voluntary “Say on Pay” proposals are showing up with increasing frequency and, in the last two years, shareholders have voted “yes” to this proposal at many prominent companies.

Let's take a quick look at “Say on Pay,” including a brief history, and a view on where things might be heading.

What is “Say on Pay”?

“Say on Pay” gives shareholders a non-binding vote on executive pay. It basically allows investors to vote on whether or not they approve of the executive pay set forth on the proxy filed with the Securities and Exchange Commission. Although non-binding, the advisory vote is likely to have influence as it would present a public relations challenge for a company to ignore shareholder concerns.

What is the status of voluntary advisory “Say on Pay” votes?

Support for proposals asking for an advisory vote has been steadily growing. According to the Risk Metrics group, a firm that tracks shareholder proposals, more than 75 shareholder proposals seeking “Say on Pay” came to vote in 2008, averaging more than 41% support. In 2009, more than 75 “Say on Pay” shareholder proposals came to vote, averaging more than 46% support. As of early March, over 70 companies have an advisory vote scheduled in 2010.

What is the status of “Say on Pay” legislation?

Legislation is pending. The **Corporate and Financial Institution Compensation Fairness Act of 2009**, which passed the House of Representatives in July 2009 requires a mandatory advisory vote on executive compensation. In March 2010, Sen. Christopher Dodd (D-Conn.) released his revised financial reform bill, which also includes a mandate on annual advisory votes on compensation. “There are some differences between the House-passed bill and Senator Dodd’s version, but they are more alike than they are different. I believe that we will be able to work constructively together to meet the public need for a tough, comprehensive bill,” said Rep. Barney Frank (D-Mass.), who chairs the House Financial Services Committee.

Are there any US companies currently required to hold an advisory vote?

At this point, the only instance of a compulsory advisory vote was implemented in February 2009 under the **Troubled Asset Relief Program (TARP)**. Any recipient of TARP funds during the period for which the financial assistance remains outstanding is required to give its shareholders a non-binding vote on the company’s disclosed executive compensation.

Which companies currently have adopted an advisory vote on executive pay?

Over 50 companies have agreed to hold an advisory vote. Here are some of the companies on a list published by the **Interfaith Center on Corporate Responsibility (ICCR)**: Aflac, Alaska Air, American Express, Ameriprise Financial, Apple, Bed Bath & Beyond, Blockbuster, Bristol-Myers Squibb, Caremark, Charming Shoppes, Colgate Palmolive, CVS, Hewlett-Packard, Microsoft, Motorola, Pfizer, Prudential, Verizon, and Wells Fargo.

Have any recent “Say on Pay” proposals failed?

Yes. In 2009, “Say on Pay” proposals at Comcast and Quest did not get enough shareholder votes to pass.

What does the future look like for “Say on Pay”?

It's impossible to predict the outcome of pending legislation. However, it's clear that as several advocacy groups and fund management firms turn up the pressure, many more companies will face this vote at annual shareholder meetings. “We think that the process of disclosing compensation practices, discussing them openly and submitting them to a shareholder vote is an important part of aligning management's interests with those of shareholders,” said Stu Dalheim, Director, Shareholder Advocacy, of Calvert Asset Management Company, Inc.

Update: *The Risk Metrics Group reported that Motorola received just 46% support during an advisory vote on its executive pay practices at the **May 3, 2010** annual meeting, and noted that the vote marks the first time a U.S. company has failed to earn majority support from shareholders during a non-binding vote on compensation.*

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WITH YOUR HELP, PEBA CONTINUES TO GROW

Have you told anyone about PEBA lately?

We welcome the following member companies who joined in recent months:

Madlyn & Leonard Abramson Center for Jewish Life

(Ailee Strausser, HR Generalist)

Based in Horsham, the Abramson Center enhances the quality of life of seniors by providing innovative living environments, assisting family caregivers, and answering important questions about aging through research. They are committed to continuing their historic role in serving the Jewish community and to their distinguished heritage of honoring elders.

The William Penn Foundation

(Suzanne Frederick, Human Resources Consultant)

Founded in 1945, The William Penn Foundation improves life quality in the Greater Philadelphia region through efforts that foster rich cultural expression, strengthen children's futures, and deepen connections to nature and community. In partnership with others, the Foundation works to advance a vital, just, and caring community.

Creative Financial Group

(Luciann Givonetti, Senior Associate)

Creative Financial Group delivers comprehensive financial solutions to executives, business owners, and others who have unique planning and wealth management needs. Founded in 1976, their services range from estate planning, investments, insurance, and total wealth management to corporate solutions such as strategic purchasing, risk management, and employee benefits.

Godiva Chocolatier, Inc.

(Tracy Giorgio, Benefits Coordinator)

Godiva Chocolatier was founded 80 years ago in Belgium, when master chocolatier Joseph Draps founded a chocolate company named in honor of the legend of Lady Godiva. Today, they own and operate over 450 boutiques and shops worldwide where consumers can find chocolates and seasonal and business gift collections.

Montgomery, McCracken, Walker & Rhoads, LLP

(Gregory J. Fox, Partner)

Founded more than 95 years ago, Montgomery McCracken is a multi-disciplinary law firm offering clients litigation, legal counseling, and business transactional services. Based in Philadelphia, they have offices in DE, PA, and NJ, providing a strong regional presence with an established national practice.

GSI Commerce

(Suzanne Baker, Benefits Specialist)

GSI Commerce is a leading provider of e-commerce and interactive marketing services for the world's premier brands and retailers. Their advanced technology, fulfillment, customer care, and interactive marketing services enable clients to elevate and cost-effectively sustain the consumer experience.

Westminster Theological Seminary

(Karin J. Deussing, HR Director)

For nearly 80 years, Westminster Theological Seminary has been committed to academic training and to a high standard of helping students grow in grace as they study for ministry. Located in Glenside, their principles of relevance, leadership, resources, and discovery guide their mission.

Quad656

(Randi Goltz)

A Certified Women Owned Business, Quad656 places accounting, financial, human resource, insurance, administrative, engineering, information technology, and enterprise resource planning professionals on a direct hire, temporary, and project staffing basis.

Unisys

(Donna L. Brown, Manager, International Benefits)

With a 136-year history, Unisys designs, builds, and manages mission-critical environments for businesses and governments. They focus on security, data center transformation and outsourcing, end-user outsourcing and support services, and application modernization and outsourcing.

Beneficial Bank

(Audrey V. Croley, AVP Compensation)

Beneficial Bank is a full-service bank assisting Greater Philadelphia region customers with their savings and credit needs. With over 65 offices in PA and NJ, they are the oldest and largest bank headquartered in Philadelphia.

InR Advisory Services

(Robert M. Flood, III, Vice President)

InR is a leading pension consultant and provider of investment advisory services for public and private sector clients and non-profit organizations. Their emphasis on personal guidance enables them to provide sound investment advice beyond a general education.

Renée L. Rosenfeld, CEBS, SPHR, is Assistant VP for Human Resources at Holy Family University

SOCIAL MEDIA'S NEXT FRONTIER IS THE WORKPLACE

By Dan Tipton

Companies that effectively use social media tools in their employee and benefits communications programs could be “twittering” their way into better financial performance. A recent study by Towers Watson (“Capitalizing on Effective Communication”) confirmed that companies that communicate most effectively with employees are also the best financial performers, and those high performing companies were more likely to use social media tools as part of their employee communication programs.

“Companies continue to explore using social media as the next communication frontier,” said Kathryn Yates, Global Leader of Communication Consulting at Towers Watson, in a March 2010 *Employee Benefit News* article. “Today’s workers are looking for authentic, timely messages that address how business changes affect them personally. Social media engages employees in real time and on a variety of topics.”

Bank of America’s credit card operation, headquartered in Wilmington, DE, recently used social media tactics to reinforce the company’s values and build pride in the organization. Employees were prompted with various messages about the business and encouraged to participate in an online dialogue to discuss what the statements meant to them. Several thousand employees participated in the initiative. “It created buzz around the company and reminded our associates of the attributes that make Bank of America special,” said Christine Reeves, Senior Vice President of Communications for Bank of America.

At Best Buy, social media served as the catalyst for a significant increase in employee 401(k) contributions. In January 2007, Best Buy launched a contest on its internal social networking site, BlueShirt Nation, for employees to create online, YouTube-style videos about the 401(k) plan. The grand prize for the contest was a three-day trip to Best Buy’s corporate offices, where they would meet company executives and present their video to the Board of Directors. Best Buy received 27 entries (more than expected) and many were team efforts among several employees. As a result of the contest, 401(k) participation increased by 30%. “It was wild to see the creativity and talent among our workers,” Ann Bender, a Best Buy HR team member, said to *Workforce Management* in October 2008, “and the buzz throughout the company was amazing. People couldn’t believe that something like this came from HR, which is traditionally more conservative.”

When Peter Swinburn became CEO of Molson Coors in June 2008, he had the daunting task of trying to link together 15,000 employees on three continents. Part of his solution included using Yammer, a web service with similar functionality to Twitter, but targeted at companies and allowing employees to provide updates and collaborate on projects through messages only colleagues can access. Currently, over 2,000 employees at Molson Coors use the service.

From a human relations standpoint, Yammer helps provide a boost in communication which keeps employees on the same page. According to Towers Watson’s 2009 independent surveys, 87% of Molson Coors employees said the company had a “clear vision for the future,” up from 73% in 2008.

“Yammer – which is free – has spread like wildfire inside every HR department we’ve introduced it to,” Jason Averbook of Knowledge Nation told Human Resource Executive Online in September 2009. Averbook said Yammer is being used within HR to collaborate and build teams. While companies may be hesitant to use these newer media to communicate with employees, Matt McOsker, product development manager at T. Rowe Price, a Baltimore-based mutual fund company and 401(k) plan provider, told *Workforce Management* he thinks social media will be part of many future internal communications plans. “I definitely think this is the next wave,” he said, “and it could be used for communicating all kinds of benefits, not just 401(k) plans.”

Even with increased usage, many firms still balk at implementing social media programs. When asked why they do not implement or expand their social media efforts, company respondents to the Towers Watson survey said they do not have the knowledge, capability, staff, or resources to implement or

expand their use of social media within their communication strategies. However, in an increasingly paperless age, social media has the potential to serve multiple purposes in the workplace while supplementing or replacing paper communication. It can be used internally to facilitate better communication within the organization, support team building, collaborate on ideas, or adapt to organizational or HR changes. Whether developing podcasts for employees to listen to while traveling, a blog from HR for employees to read, or wikis to explain benefits jargon, social media tactics can be advantageous because employees can access these virtual resources on-demand.

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**RETIREMENT PLAN CHALLENGES:
GETTING EMPLOYEES TO JOIN AND PARTICIPATE FULLY**
By Phil Zimmerman, CFP®

With volatile markets, a struggling economy, and the uncertainty of Social Security, it is vital that employees take full advantage of the tools available to help them save for retirement. The challenge for you, the Plan Sponsor, is this: How do you get your employees to join and participate fully in your plan?

Automatic Enrollment and Automatic Increase

One of the best ways to combat inaction by employees is to eliminate the need for them to take action. By using automatic enrollment an overwhelming majority of employees stay in the plan once enrolled. For example, the average opt-out rate for plans with automatic enrollment at our firm is only 7%, and we have had 122,281 participants enrolled through this program feature to date.

Further positive results may be achieved by coupling automatic enrollment with automatic contribution increases. Default investment vehicles for these increases assists by providing immediate diversification, and employees can select an automatic increase rate, which helps ensure increases beyond the default contribution elections. Currently, 50% of our clients who use automatic enrollment also use automatic contribution increases. Many plan sponsors chose to offer automatic enrollment only for newly-eligible employees. Others also automatically enroll eligible non-participating employees. The latter approach has the greatest immediate impact on overall plan participation. Currently, 57% of our plan sponsors who use automatic enrollment include only newly-eligible employees, while 43% use automatic enrollment for their entire eligible employee population. In 2008, we saw a 63% increase in automatic enrollment among our clients over 2007.

Annual Health Benefit Enrollment

A fast growing trend has been the coupling of 401(k) enrollment with the annual health benefit enrollment campaign. A number of plan sponsors have found this a very successful approach to increasing plan participation. By coupling 401(k) enrollment with a benefit election that has a hard deadline, a sense of urgency is created, often prompting employees to take action. Although it may seem counterintuitive, many sponsors have found that by giving participants the option to change their contribution percentage, participants have been inclined to increase their contribution rates, even during difficult economic times.

Of course, unlike annual health enrollments, participants are free to change their 401(k) contribution amounts at any time.

Targeted Campaigns

Targeted campaigns utilizing messaging with very specific calls-to-action for employees can be a simple but effective way to net powerful results. Messaging should be based on a number of factors, such as the employee's age, since factors that appeal to and motivate a 22-year-old are often quite different than those that appeal to a 50-year-old. This level of targeting and personalization can help drive strong results.

Employee Meetings, Live and Online

Communication is important particularly in times of high market volatility in order to help assuage employees' fears and concerns. In-person meetings are one of the most effective communication tools, but only if employees attend. Our experience has shown that making education meetings mandatory can be a good approach. Many plan sponsors schedule employees for specific seminar slots and require "sign-ins" to validate attendance. Completion of the enrollment process is encouraged prior to leaving the meeting and employees electing not to enroll are asked to sign an acknowledgement of that fact.

We have also seen significant success with pre-recorded online meetings with e-mailed invitations. Embedded in the e-mail is a link to the online meeting, which employees may view at their convenience

and, as the sponsor, you may then choose to follow up with those who did not enroll with additional reminder notices. This strategy works best for companies with decentralized workforces and whose employees have ready access to e-mail.

Electronic Enrollment Kits

Electronic enrollment kits can be customized and delivered via e-mail or the plan sponsor's intranet. This new "e-kit" allows an employee to learn about the plan with the help of a virtual guide who explains the benefits of participating and offers the ability to enroll while viewing. Our experience shows that more and more plan sponsors are moving from traditional hardcopy plan materials to this new e-kit because of its flexibility, ease of use, speed of distribution, and overall effectiveness. Many plan sponsors are scheduled to implement these innovative e-kits in 2010.

Advocacy Programs

Success has been demonstrated in training human resource representatives, regional/branch managers and other designated influential employees as employee champions or advocates at our client's companies. Plan advocates conduct seminars and/or informally promote the plan internally, maintaining enthusiasm among their peers.

By using these innovative methods, you may be able to increase your employees' interest and participation in your company's retirement plans.

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**PHILADELPHIA YOUTH NETWORK (PYN) –
A VALUABLE RESOURCE FOR PEBA MEMBERS
By Renée L. Rosenfeld, CEBS, SPHR**

If your organization is located in Philadelphia and needs an intern, Philadelphia Youth Network (PYN) may be just the organization for you. As the managing partner of two citywide initiatives, **WorkReady Philadelphia** and **Project U-Turn**, PYN helps prepare Philadelphia's emerging workforce to thrive in a regional and global economy.

WorkReady Philadelphia coordinates public, private, and foundation investments to place young people in high-quality programs that incorporate work experience, academic enrichment, and college exposure. WorkReady provides skills training and industry pipeline programs and coordinates school-year and summer internships for Philadelphia high school students with paid workplace experiences at area businesses. These internships afford Generation Xs and Ys a taste of the working world, exposure to career opportunities, and an understanding of how school is connected to economic success.

Project U-Turn is a citywide campaign to raise awareness of, and develop strategies to, address Philadelphia's dropout crisis. Designed to enhance the career prospects of struggling students and out-of-school youth by expanding the availability of high-quality education and training options, PYN manages a collaborative of citywide leaders and stakeholders to oversee the Project U-Turn campaign.

PEBA and PYN are now working together to increase awareness about PYN and to offer PEBA members an outlet to get involved. Through this collaboration, PEBA members will also be given access to PYN's Employer Education Series programs, career panels/fairs, and mock interviews, including training in child labor laws and instituting pipeline programs.

To learn more about PYN and their educational and volunteer opportunities, contact Festo Okidi at (267) 502-3724 or fokidi@pyninc.org. For information on hiring a summer intern, contact Farrah Farnese at ffarnese@pyninc.org or (267) 502-3702 or visit www.workreadyphila/internships.com.

Look for more information about PYN programs through PEBA in the months ahead.

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WELLNESS: FUTURE WAVE OR CURRENT FAD?

By Peter R. McClung

What does wellness mean to you? A spa day? How you feel on the beach soaking in the rays? Giving away your daughter on her wedding day? Losing those 10 pounds that have been nagging you all winter? Finally being rid of that back pain you've had since shoveling during that last storm? While wellness means something unique to everyone, it's where you may be heading next in your health benefit design. Benefit organizations are asking: are wellness programs the next wave, or the next flavor-of-the-month fad?

Most employers want their employees to be well. A well employee is productive and generally not consuming health care benefits. We know that wellness is good for your employees, but how much should you invest and will there be a specific Return on Investment to your organization? According to Wayne Burton, MD, Medical Executive from JPMorgan Chase: "The stars are all aligned. You have the health plans saying this is the right thing to do. You have benefits people hearing it. You have the senior executives at the corporations saying this is what we have to do to manage our healthcare costs and that it is the right thing to do for our employees. This is a golden window of opportunity for our country."¹

In the past several years, investments in chronic disease management have had varying success rates, based on the 80/20 rule (20% of your population is responsible for 80% of the cost), so it would make sense for management to focus on changing employee behavior to help limit costs. Wellness programs inherently assume that investing in the 80% of employees not yet causing the highest cost can mitigate future healthcare costs through behavior change. This modification can be categorized in two forms:

- **Behavior change for the emerging ill.** With obesity increasing at alarming rates, obesity-related claims do not arise until very late in an individual's health status. Thus, if a proactive, wellness engagement can change or delay the emergence of obesity, there is potential for savings due to the reduction of health risk. While earlier screening for disease can result in increased findings, the hope is it is much earlier when health costs would be less than finding later, where significant costs would occur.
- **Maintenance for the current well.** As we age, our consumption of health care steadily increases. Employers who are eliminating jobs are not generally bringing in new (younger) employees to offset the cost of aging in their existing populations. Wellness programs attempt to defy those costs by maintaining good practices of the well to avoid behavior-related future costs.

These two focus areas do have a consistent theme: how do you measure non-events that could have occurred as a result of behavior change? In addition, employers are unsure how long an employee will stay with the company, and wonder if they will reap the rewards of wellness programs and behavior change, with longer lag periods for potential savings than benefit or employee cuts.

So what do employers say? Roberta Murray, the Wellness Manager for Tyco Electronics based in Berwyn, PA, describes "The Healthy Point\$ Tracker" (the incentive program of **The Wellness Advantage**, Tyco Electronics' wellness program) which allows employees and their spouses to each earn up to \$250 for the year by completing certain tasks such as gym membership, weight loss programs, disease management participation, lifestyle modification program, attending an on-site class, or completing a preventive exam. "We have organized 40 wellness champions nationwide who oversee the wellness activities in all our US locations. The champions are made up of RN/HR/other employees who have a passion for wellness."

¹ Edington, Dee W., PhD. *Zero Trends: Health as a Serious Economic Strategy*. Health Management Research Center, University of Michigan. 2009. Print.

Tyco developed **The Wellness Advantage** two years ago after discovering that 67% of their population was overweight (26% of the population was considered obese) based on self-reported weights in their Health Risk Assessment (in which 87% of employees participated). One measure of success of Tyco's wellness programs has been early detection of high blood pressure and melanoma through onsite screenings.

Tyco Electronics' management is taking the wellness program global due to their belief in not only bottom line cost savings associated with wellness activities, but the increased productivity and morale of employees currently involved in the program. As Roberta Murray states, "From an employer standpoint, it will help us address and plan for future medical costs with an aging population and chronic disease."

Not all employers feel that wellness programs provide enough rewards to their organizations to invest significantly in formalized multi-site programs. For example, a large national hospital system feels that wellness programs and activities are best managed on the local level, with drives, runs, and activities providing a level of connection with each site that corporate structure and corporate oversight don't provide.

Wellness programs and initiatives are highly individualized for each employer and plan sponsor – approaches that work for some plants or sites don't work for others – because of various factors including company culture, employee age, and current values. In some cases, an automated phone call from the CEO has resulted in a 90% of Health Risk Assessment completion, where others needed a significant contribution penalty to achieve the same result.

The need to reduce current medical health trend expenses will continue and health care reform will encourage increased wellness efforts. Wellness programs in multiple forms will emerge as employers struggle with how to affect employee behavior, reduce risk, and manage medical expenses.

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