

Be Aware of Social Media's Risks for Businesses

When just about any business these days is deeply involved with social media, it is apparent that these sites and tools have become mainstream. Indeed, it is hard to imagine that their use will not grow in coming years. They bring businesses to the places where their customers are and enable conversations. However, as with anything, the use of social media comes with risks of which every businessperson should be aware.

The great thing about social media is that a business's customers can talk about it. The bad thing about social media is that a business's customers can talk about it. When they're happy, social media is a boon, but when they're not, it can be a public relations nightmare. A disgruntled customer can post a negative comment on Twitter or Facebook at 3:30 p.m. on a Sunday, and by 4:00 a few million people may have seen it or passed it on. There is little a company can do to control the spread of this kind of message.

A major concern with social media is that a business may unintentionally violate local laws and regulations, since messages on Facebook and similar sites spread all over the world. Among the areas of concern are:

- **Advertising** — Businesses may land in hot water if statements on social media sites are false or misleading, if they improperly influence bloggers to write favorably about their products, or if they improperly use user-generated content.
- **Defamation** — Not all countries defer to free speech rights to the extent the United States does. A statement that U.S. law might not consider defamatory may be just that under the laws of another country.

- **Privacy** — Social media sites are easy to use; without much effort, employees can publicly reveal trade secrets, information about products under development, troubles within the business, or even private information about employees.
- **Employee use** — Employees can create a "hostile work environment" (as U.S. law defines that term) by making inappropriate and derogatory posts about their colleagues.
- **Securities disclosure** — If employees post information that could appear to be an attempt to manipulate financial markets or that appears to be insider information, securities regulators may take action against the company.

There are a number of steps a business can take to manage social media risks, including:

- Developing and enforcing a company policy for using social media
- Designating an individual as the point person for social media
- Learning the requirements of every country's laws and regulations
- Reviewing insurance policies with an eye toward social media risks and purchasing additional insurance to fill in gaps

Social media sites and tools are important ways for a company to market and brand itself. However, they must be used with care and forethought. With the proper controls in place, a company can reap the benefits of social media while minimizing the risks.

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Start Planning Now for New W-2 Reporting Requirement

The Patient Protection and Affordable Care Act (PPACA) enacted this year has many titles and subtitles that don't actually have much to do with how health care coverage is provided or delivered by health plans. One such provision includes a requirement for employers to use employee W-2 forms to report the value of whatever health insurance is provided to an employee. This provision was originally set to become effective in 2011, but the IRS has since followed up and made the reporting optional for 2011. So all W-2 Forms issued in January 2013 must include the health insurance value information, and employers can optionally report the values on the 2011 w-2s.

However, employers need to be primed for the new requirement before the effective date, as IRS regulations have a "quirk" where former employees can request a W-2 from employers at any time during the year. By law, the previous employer only has 30 days to respond to the W-2 request. Essentially, this quirk means that employers should be ready to comply with the valuing health insurance provision by early 2012.

There are two main reasons behind the new provision to value health insurance. Firstly, it should provide a means to educate employees about the cost of whatever health insurance benefits are being received. Congress decided that the W-2 Form would be the best portal for employees to get this information. The second reason has to do with the excise on "Cadillac" health plans. It was determined that compliance with the provision to value health insurance would also help employers to know if they have a high-cost plan subject to the excise tax on "Cadillac" plans. This knowledge would then provide ample time for any desired coverage modification before the excise tax takes effect in 2018. A third reason is that this provision could be a tool to monitor compliance of the PPACA employer and individual "pay or play" mandates that will become effective in 2014.

While the IRS has yet to issue specific compliance guidance and such for this new health insurance valuing provision, there are a few points that are already clear.

- Employer-provided health insurance is still a tax-free benefit; the provision will not change the existing tax status.
- All employers offering applicable employer-sponsored coverage must report the collective cost of coverage. Amounts under self-funded medical reimbursement plans, amounts under health reimbursement

arrangements or HRA's, employee assistance plans, employer-provided Medicare supplemental insurance, mini-med, limited coverage plans, or any other major medical coverage are all examples of applicable employer-sponsored coverage.

- The following would be examples of that which isn't required to be reported—value of a specific illness or disease coverage, health savings account contributions, stand-alone vision and dental plan values, and medical flexible spending accounts salary reduction contributions.
- The basis of the value placed on the W-2 form will be the coverage provided to an employee and employees that are similarly situated. A "similarly situated employee" is determined by the coverage option selected under the plan. Take a plan that offers family, employee plus 2, employee plus 1, and employee only coverage for example. This plan will have four categories of similarly situated employees, with each category being representative of each of the offered coverage types. Employers will report the value of the appropriate coverage option for all employees that select each coverage type.
- Value is determined using the same method that COBRA premiums are calculated. The determined value will have nothing to do with usage. Employers that aren't familiar with COBRA, a smaller employer that isn't subject to COBRA for example, and those that haven't calculated COBRA premiums for all coverage options will need to start. It will also need to be broken down for similarly-situated employees.

It's clear that employers need to start planning to implement the requirements of this provision now. Employers are being counseled to periodically monitor for incoming technical IRS guidance on the provision. For example, guidance related to setting COBRA premiums for self-funded plans is expected to be released by the IRS shortly. Until the guidance is available, employers should instruct payroll personnel to initiate system updates that will add a feature to obtain and report the information needed for compliance.

Make Workplace Safety Top Priority

Despite a downward trend in workplace injuries, many employees may still be choosing to bypass safety mechanisms due to employer pressure for more productive employees. That said, many HR departments might consider revisiting their safety training and incentive programs to ensure workplace safety is being put first.

When one stops to consider that workplace safety can often be a life or death issue, it shouldn't be so shocking that employees would pick workplace safety over family leave, overtime pay, wages, and sick day pay as the most important labor issue to them.

Tracking statistics on worker injuries first started in 1992. According to data by the Bureau of Labor Statistics, both nonfatal and fatal injuries have actually declined for several years. In fact, the 4,340 fatal workplace injuries that occurred in 2009 was the least amount recorded since 1992. Statistics for illnesses and nonfatal injuries have also trended downward since 2003.

Despite downward trending statistics, one 2008 study showed that eighty-nine percent of workers ranked workplace safety as their greatest labor concern. This data is congruent with a new study released by the National Opinion Research Center (NORC) at the University of Chicago. In the new study, work place safety was cited as the most important labor issue by eighty-five percent of respondents, or roughly eight in ten workers. Meanwhile, seventy-eight percent of respondents ranked maternity and family leave as their second most important labor-related issue. Sick day pay and overtime pay were each cited by sixty-nine percent of those participating.

These findings may be somewhat surprising to employers based off of the political verve and influence that accompanies other issues like wages and benefits, but experts say that considering those issues aren't actually life and death matters and workplace safety is, the findings make logical sense.

According to experts, the media, the economy, the decline of unions, and stress levels could be factors behind the large percentage of workers listing safety as their top concern.

The media often overlooks the human toll of workplace accidents. The British Petroleum (BP) Gulf of Mexico disaster is a recent example; the media coverage almost exclusively focused on the environmental implications of the disaster, while almost completely overlooking the worker safety aspects of the incident. If optimal safety would've been maintained, then the

eleven deceased workers might not have died and the environmental disaster would've been nonexistent.

Studies concerning satisfaction levels for workplace safety have generally shown improvement over the last ten years, with one exception—levels of stress. While most workers aren't in work environments that have high physical danger levels, most workers are in occupations that involve high levels of job-related stress. High stress levels can have a substantial impact on the health and safety of the stressed worker and those around him/her.

Experts also point to employees being subjected to performance pressure from employers. This might especially be related to the desire for employers to have more productive employees in such a down economy. Workers may choose to bypass safety mechanisms in an effort to comply.

One common complaint from employees is that their employer is only concerned with having appealing safety numbers on paper. These employees feel that their employer isn't genuinely concerned with real safety issues. The recent union decline might also be prompting employees to turn to the federal government for additional safety protection. However, as unions reorganize, they will most likely focus heavily on addressing workplace safety concerns and attracting new membership by simply showing that employers aren't giving safety issues the attention they merit.

In light of this study, employers might think about using rewards recognition for employee suggestions to improve safety vs. accident-free type rewards. Since many companies are still using generic safety training applications that frequently have little relevancy to a particular occupation, employers might also consider revisiting training programs for relevancy and effectiveness.



Wellness Programs Can Reduce Health Risks, Study Finds

Based on the findings of "The Impact of The Prevention Plan on Employee Health Risk Reduction" study, within just a year, measurable health risk reduction is achievable through health promotion and wellness programs that are based on preventive medicine.

The study was published in the Population Health Management journal. It examined changes in fifteen health risk measures within a group of 2,606 employees from various American employer groups utilizing the U.S. Preventive Medicine wellness program. In 2008, the group completed a baseline health risk appraisal, biometric screening, and blood testing. The group was then reassessed in 2009.

The U.S. Preventive Medicine wellness program, also commonly known as The Prevention Plan, is comprised of multiple intervention steps designed to spur employee awareness of their own personal health risks. Based on the findings from a detailed initial assessment, members are given a personalized prevention plan, access to innumerable online tools, and continuing coaching and support from a health advocate. The program has a strong engagement, motivation, and participation rate, especially when supported by employer incentives, regular communication, and a culture of health.

Study Highlights

The study of The Prevention Plan participants found that:

- Forty-two percent of the 2,606 plan participants had a decrease in how many high health risks they faced after one year, with eighty-seven percent of the low risk plan participants maintaining an existing health status and sixty-four percent of the high risk plan participants actually lowering their risk status.
- The greatest declines from the high risk health factors were: cholesterol at twenty-three percent, alcohol consumption at twenty-four percent, stress at twenty-five percent, blood sugar (fasting) at thirty-one percent, and blood pressure at forty-three percent.

Many experts say that a large part of the severe health care cost crisis America is facing today is caused from the increased burden of chronic illness. Data from The U.S. Department of Health and Human Services is in line with this thought. The government agency estimates that preventable chronic conditions, such as cancer, heart disease, diabetes, stroke, and chronic obstructive

pulmonary disease account, accounts for seventy-five percent of health care costs.

Health risks are also commonly identified as being the subsurface driver of increasing health care costs. Health risks play a part in health care cost because as increasing numbers of Americans are having their length of life and quality of life eroded by succumbing to avoidable lifestyle risks, they're also increasingly utilizing medical services, which in turn places an economic burden on all of society.

Health risks and chronic illnesses also have a direct impact or burden on employers. Employees with poor health are likely to be less productive workers and have more work absences on their record, a combination that usually places a serious profitability drain on businesses.

One thing is clear to expert and novice alike; the trend of health care cost is simply un-sustainable. According to a survey done by Kaiser Family Foundation in 2009, the average premium for family health insurance is 131% higher than it was in 1999. This study might be the compelling scientific evidence that many need to realize that wellness, when structured atop prevention, can work.

