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SECURITY: WHAT AMERICANS WANT FROM A JOB

It's not just the money. A Center for State and Local Government Excellence (SLGE) poll found Americans want health insurance and security; pay ranks further down the list.

The national poll, conducted by Princeton Survey Research Associates for SLGE, surveyed 1,200 adults age 18 and older.

Whether security comes from health insurance, job security, the promise of a retirement income or clear work policies, Americans want a lot more than just a paycheck from their employment.

Given a list of 15 benefits and characteristics that may be important in choosing a job:

- » 84 percent of Americans ranked health insurance at the very top.
- » Job security and clear policies and procedures (82 percent each) were ranked next in importance; the retirement or pension plan (76 percent); and a flexible, family friendly workplace in fifth place (71 percent).
- » Pay ranked tenth with 65 percent, trailing such matters as getting quick decisions on issues (69 percent); working with talented managers (68 percent); having the potential for promotions (66 percent); and being creative and intellectually stimulated (66 percent).

In another key set of the survey's findings, Americans say state and local government jobs offer better benefits, job security and chance to make a contribution to society, while jobs in the private sector offer better opportunities for innovation, greater chances to work with the best people and better opportunities for promotion. They are divided on which sector offers the best compensation.

The full report is available on the SLGE website at www.slge.org.

Source: "Security: What Americans Want from a Job." The Center for State and Local Government Excellence and Princeton Survey Research Associates. December 2007.

U.S. LABOR DEPARTMENT PROPOSES REGULATIONS TO IMPROVE DISCLOSURE OF FEES AND EXPENSES TO WORKERS WITH 401(K)-TYPE BENEFIT PLANS

The U.S. Department of Labor recently announced a proposed rule that will make it easier for an estimated 65 million participants covered by 401(k)-type plans to make informed retirement savings decisions. The proposal would provide workers with useful summary information, including fee and expense information, for investment options available under their plans.

“Our proposal is consistent with public consensus that workers need clear and concise information, not dozens of pages of ‘legalese,’ about the investment options available under their plans, and that they would benefit greatly from having that information in a comparative format,” said U.S. Secretary of Labor Elaine L. Chao. “One of the department’s top priorities is improved disclosure to workers that will give them the information they need to make informed investment decisions.”

The centerpiece of the proposed regulation is a requirement to provide investment-related information in a comparative chart or similar format. As part of the proposal, the department has developed a model chart for complying with this requirement, while giving plan fiduciaries the flexibility to design their own

charts or comparative formats. The proposal would also require plan fiduciaries to disclose basic information about the plan and its investment options, such as what options are available under the plan, how to give investment instructions, investment returns and fees and expenses, and how to obtain more detailed information. This information would be given to participants on a regular and periodic basis.

In addition, the department is proposing conforming changes to its regulation under section 404(c) of the Employee Retirement Income Security Act.

“We want to help workers make the most of their 401(k)-type plans by ensuring that they are provided the information they need to make wise investment decisions,” said Bradford P. Campbell, assistant secretary for the Labor Department’s Employee Benefits Security Administration.

When finalized, the proposed regulation would be effective for plan years beginning on or after Jan. 1, 2009.

Source: U.S. Department of Labor, July 2008.

BENEFITS COMPLIANCE FAQS

Question: What are the notification requirements for a health plan that provides prescription drug coverage to Medicare eligible individuals?

Answer: A health plan that provides prescription drug coverage to Medicare eligible individuals has two obligations.

1. The plan must complete an online Disclosure Notice to the Centers for Medicare and Medicaid Services (CMS) in which they report whether the plan’s prescription drug coverage is creditable or non-creditable compared to the coverage available under Medicare Part D. This must be completed within 60 days of the beginning of the plan year. The online notification system is located at: www.cms.hhs.gov/CreditableCoverage/45_CCDisclosure-Form.asp#TopOfPage

The instruction booklet for the online notification is located at: www.cms.hhs.gov/CreditableCoverage/Downloads/CCUserGuide.pdf

2. The plan must distribute a Disclosure Notice to Medicare eligible individuals stating whether the plan’s prescription drug coverage is creditable or non-creditable compared to

the coverage available under Medicare Part D. Model notices are available at: www.cms.hhs.gov/CreditableCoverage/09_CCAfterJune15.asp#TopOfPage

The notice must be sent:

- » On an annual basis prior to Nov. 15 (which is the beginning of the Medicare Part D Enrollment Period)
- » Prior to a Medicare eligible individual’s effective date with the plan
- » Upon a change to the prescription drug coverage that would alter its creditable status
- » Upon the prescription drug plan’s termination
- » Upon request

A notice should be sent to any Medicare eligible individuals currently participating through COBRA. Also, it is sometimes difficult to identify Medicare eligible individuals, which could include a spouse or dependent or an individual who is eligible for Medicare due to disability. Therefore, it is recommended that the notice be distributed to all eligible participants.

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