

# BENECOM

## Bulletin

your benefits communication resource

Issue No. 7



*BeneCom Bulletin is a quarterly publication produced by BeneCom Associates, LLC. Our mission is to create complete and cost-effective custom employee benefit communications that work — for employees and for our clients. As we see it, our role is to make sure an employer's benefit program has every chance of succeeding. In this publication, we share our ideas and experiences.*

### IN THIS ISSUE

#### Proposed New COBRA Notice Requirements

Letter from Bill

Online Enrollment?  
Yes, We Can!

Evolution Benefits'  
Benny Card

Spotlight on . . .  
Meghan Lenehan -  
Client Service Associate

Videos

## Proposed New COBRA Notice Requirements

**T**he old saying is that there's no rest for the weary. The government seems to be making sure that's true for Human Resources' departments around the country. Just when you're done communicating the HIPAA-required privacy practices, the Department of Labor (DOL) has offered up proposed regulations regarding communication of the various notices and disclosures required by the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Fasten your seatbelts...**the DOL is also proposing that the regulations become effective as early as January 1, 2004.**

And, they've added two additional notices that don't appear to be required in the Act.

In brief, the proposed regulations specify:

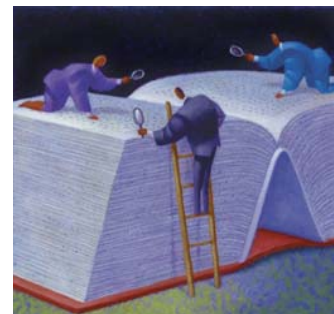
- ◆ A 90-day deadline for providing COBRA's general or initial notice to covered employees and covered spouses;
- ◆ The content requirements of the initial notice;
- ◆ A revamped model "General Notice of COBRA Continuation Coverage Rights"\*;
- ◆ Notice requirements employers are required to provide to plan administrators;

- ◆ Notice requirements employees and qualified beneficiaries may have to provide to plan administrators;
- ◆ A detailed Election Notice plan administrators must furnish to qualified beneficiaries within 14 days after receiving a notice of a qualifying event\*\*;
- ◆ A new "Notice of Unavailability of Continuation Coverage" that, broadly, must be provided if a beneficiary is no longer eligible under the same plan; and
- ◆ A notice to beneficiaries if COBRA coverage is to be terminated earlier than the maximum coverage period.

\* *Use of the old model will no longer be considered good faith compliance.*

\*\* *The DOL did provide a model COBRA Coverage Election Notice that, if used, provides plan administrators a safe harbor.*

So what's a weary HR manager to do? Given the specific content and timing requirements of some of the notices, we recommend setting up a meeting with either your internal or external counsel ... sooner rather than later.



# Letter from Bill

**F**all is almost here, and things are really cooking at BeneCom! I'm excited to tell you about several new developments within our organization.



First, we're teaming up with Ascentis Software and their online enrollment capability (see News You Can Use below). Ascentis is the developer of HROffice®, human resource information management software specifically designed for the small- to mid-sized employers. We certainly can attest to its capabilities. We also participated in the beta testing of the latest software release — version 5.0 — and, I must say, we're impressed.

Also in this issue of *BeneCom Bulletin*, be sure to read up on the Department of Labor's proposed COBRA notice requirements. It may affect your workload this fall and winter. And we think you'll find this issue's case study of great interest: it focuses on Evolution Benefits' Benny Card which applies debit card technology to flexible spending accounts.

Finally, most of you know that I've always been outnumbered in our office, but now it's official. We've been certified by the State of Connecticut as a Woman-owned Enterprise. We know this is welcome news to many of our clients and potential clients — especially those who are — or whose customers include — local, state and federal government agencies.

All the best,

Bill Griffin

## NEWS

### You Can Use

## Online Enrollment? Yes, We Can!

**O**ver the years, many of our clients have asked whether we offer an online benefits enrollment capability to complement our popular paper-based enrollment services. Up until now, our answer has been a very reluctant "No."

Enter Ascentis Software, the developer of HROffice®. This human resource information management software has been specifically designed for the small- to mid-sized employer and offers:

- ◆ Complete employee and employment administration capabilities;
- ◆ Benefits management;
- ◆ Attendance;
- ◆ Compensation;
- ◆ COBRA administration;
- ◆ FMLA tracking;

- ◆ More than 200 pre-defined (but customizable) reports; and
- ◆ Employee self-service.

Without a doubt, the most attractive feature to us is its online enrollment capability that's appropriately named "Open Enrollment." With its Windows-like operation, employers can quickly and efficiently enroll employees in their benefits program.

- ◆ Employees enroll in their benefits or make changes to their benefits information — including beneficiary designations — online.
- ◆ After enrolling, the employee receives an e-mail confirming whatever elections have been made.
- ◆ Plan administrators have the ability to track where employees are in the enrollment process. This means they can take whatever action is necessary to ensure that enrollment is completed on time.



***We're very excited to be able to add the online enrollment capabilities of HROffice® to our traditional benefits communication portfolio. Want to learn more about it or see a demonstration? Call Doug Ketchum in Atlanta, Karen Warlin in Chicago or any of us in our Avon, Connecticut office. We'd be happy to give you more details.***



## Evolution Benefits' Benny Card

**T**he concept of debit cards is nothing new. But applying debit card technology to employee benefits? Downright revolutionary!

**Then:** When Avon, CT-based Evolution Benefits' Benny Card, a special purpose MasterCard, was closing in on its January, 2002 launch date, the company knew effective employee communication was critical — especially with a Fortune 20 utility as its first major customer! So Evolution Benefits chose BeneCom to assist with this communication project, based on our experience with employee benefits communication — especially with large national employers.

**Our marching orders were clear:** employee-directed media had to be conceived, created and produced in time to meet critical product launch dates. In addition, to ensure an effective

link between the employer-directed and employee-directed collateral materials, Evolution Benefits decided to expand BeneCom's assignment to include business-to-business media as well.

**Now:** An entire array of sales and marketing materials created by BeneCom is being used by the Evolution Benefits sales force to promote the unique advantages of the Benny Card to many of the nation's largest employers (maybe you've seen them). And supplementing their sales efforts to employers and third party administrators is a complete portfolio of employee communication materials including:

- ◆ Announcement letters;
- ◆ Brochures;
- ◆ Posters and tent cards;
- ◆ Newsletter articles; and
- ◆ Online Q&A support.

Yes, the Benny Card is off and running, and now part of the benefits programs of hundreds of employers — including many in the Fortune 1000.



“In many ways, this project was different from others we've worked on,” observed Kay Griffin, a BeneCom Principal and head of BeneCom's Benny Card project team. “But it has been very exciting playing a role in launching such an innovative employee benefit.”

Donna Porritt, Evolution Benefits' Senior Vice President and Chief Marketing Officer adds, **“In this business, a positive experience at point-of-service is critical. BeneCom's expertise helped us achieve consistently high marks in the industry for our attention to the employee experience and the overall caliber of our employee communications.”**

Spotlight on . . .

## Meghan Lenahan - Client Service Associate

**E**very organization needs someone who seems to be able to make the impossible ... well, possible! We've found that quality in one of the newest members of the BeneCom team, Meghan Lenahan. She joined BeneCom in October of last year, a recent graduate of the University of Connecticut where she majored in Communication Sciences.

Needless to say, Meghan has quickly become a valuable member of the organization. We truly value her extraordinary attention to detail, her willingness to take on difficult

assignments and her can-do attitude. She has even become our resident World Wide Web expert, bolstering her interest in Web design with evening courses.



Something else you should know about Meghan: if she tells you to go take a hike, it's really a good thing. After all, she is an avid hiker, having tackled trails in the Rockies, Yellowstone and the Grand Tetons. She has even spent seven weeks hiking and backpacking five of the Hawaiian Islands! Next on her list? She'd like to spend a week hiking a portion of the Appalachian Trail.

# what we do . . .

summary plan descriptions

payroll stuffers

enrollment kits

ID cards

posters

newsletters

**videos**

highlights brochures

claim kits

personalized benefit statements

interactive voice response

procedure manuals

wellness programs

Internet/intranet support

401(k) brochures

plan documents

## Videos

**W**hen you think of communicating to your employees, do you automatically think of printed materials or even e-mail? If so, you might want to also consider another effective benefits communication tool: video. Through scripting, music, graphics, on-screen personalities (either professional talent or company officials) and more, you have a great deal of control over your message's content, tone and delivery. And videos offer an excellent way to convey emotion, something paper just doesn't do well.

Other benefits of using video? The message videos deliver is concise, consistent and in a form that is familiar to most viewers. They also are easily distributed to other locations or can be given to employees to take home for future reference or viewing by a spouse. They can be "burned" onto a CD for playback on stand-alone computers or could even be viewed through a company's Intranet.



## Comments? Questions?

**We look forward to hearing from you.** Give us a call or send an e-mail, and tell us what's on your mind!

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