



2009 Benefits Changes You Should Know About

2009 is proving to be the most exciting year in the benefits arena in a decade. Not only does it include the kick off dates for benefit upgrades from legislation in the pipeline (e.g., the 2006 Pension Protection Act), but 2009 also includes President Obama's economic stimulus package (ARRA), which has certainly forced benefits folks to be "shovel ready." Here are the specifics that you should know:

- **Family Medical Leave Act (FMLA)**—As of January 16, 2009, FMLA (unpaid leave for up to 12 weeks, which runs concurrently with sick leave, SDI & PFL) has been extended to include certain reasons related to military service. We also have all new forms to work with. And each location needs to post a new poster (found at <http://www.dol.gov/esa/whd/regs/compliance/posters/fmlaen.pdf>). Please contact the Benefits Manager if an employee requests FMLA leave at your location.

FMLA

- **Americans with Disabilities Act Amendments Act (ADAAA)**—This Act strengthens the ADA in a variety of ways, mostly by including more disabilities (e.g., epilepsy, diabetes, intellectual and developmental disabilities, muscular dystrophy, and cancer, among many others). Effective January 1, 2009, employers will need to refocus their attention away from excluding employees from ADA coverage to making reasonable accommodations for employees claiming a disability.

ADAAA

- **403(b)**—According to the Pension Protection Act (PPA), as of January 1, 2009, church 403(b) plans are required to have a plan document and summary plan description (SPD). The SPD should be distributed to all 403(b) participants. We have anticipated this change, and our Archdiocesan plan has had a plan document and SPD since January 2006. We have updated our plan document, and expect to distribute the updated SPD this year. Due to the changes required by the PPA, high school employees who desire to participate in a 403(b) to set aside tax-free payroll deductions for retirement must use the Archdiocesan plan. Over 120 high school employees have switched to the Archdiocesan plan with award-winning Diversified Investment Advisors to date.

January 1,

403(b)

- **COBRA**—The new economic stimulus package (American Recovery and Reinvestment Act, aka ARRA) includes a subsidy of 65% of the cost of COBRA (continued health coverage) for employees terminated involuntarily between 9/1/2008 and 12/31/2009. Without the subsidy, most people can't afford COBRA since it amounts to the full cost of health insurance plus an administration fee of 2%. The ARRA puts COBRA into reach at least for those dislocated by the present recession. When your location's site administrator terminates the benefits for an employee in

COBRA

the OLE (online enrollment) system, (s)he will be asked whether the person terminated voluntarily or involuntarily. The answer alerts HealthSmart, which administers our RETA plans, to send out the proper COBRA notification to the terminating employee.

- **Section 132 FSA**—The ARRA also increased the monthly limit for the Section 132 Public Transportation flexible spending account from \$120 to \$230 for 2009. We have about 50 employees participating in this new tax-free benefit.

Section 132 FSA

You may also be interested in some statistics about our benefits programs—

- We have 1722 employees (priest, religious & lay) participating in **RETA health insurance**. Of these 46% are in the Kaiser plan, 30% in the Anthem Blue Cross EPO plan, and 24% in the Anthem Blue Cross PPO 90/70 plan. In terms of coverage levels, 74% are in single coverage, and 13% in both the employee + 1 level and the employee + family level.
- We have over 640 employees participating in our **403(b) plan**; 3 index funds (two Fidelity funds and 1 Vanguard fund) were added to the portfolio in mid-January
- We have about 300 employees participating in the Section 125 (unreimbursed medical expenses and dependent child care) **flexible spending accounts** and about 50 employees in the new Section 132 (public transportation) flexible spending accounts; all for an estimated cumulative tax savings to employees of \$170K in 2009
- We had only 63 **workers comp** claims in 2008, down 32% from 2007



Lastly, a couple reminders—

- ✓ Workers comp claims since January 1 are to be reported to Hartford, not Travelers
- ✓ The EAP (Employee Assistance Program) is available for all employees, whether they are benefits-eligible or not, and their immediate family members. Their contact number is (866) 248-4104, and our access code is *ArchdioceseSF*.

If you have further questions, please contact Tom Hoffman, Benefits Manager of the Office of Human Resources at (415) 614-5539 or e-mail at hoffmant@sfarchdiocese.org.