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January 2017

Employer Focus

For the Management and Well-being of Your Employees

FORM 5500 OVERHAUL WOULD BE COSTLY FOR EMPLOYERS



Proposed changes to IRS Form 5500 reporting would be costly for employers and may not provide much additional value to the federal agencies that govern employee benefits plans, the Society for Human Resource Management (SHRM) wrote in comments to the U.S. Department of Labor's (DOL's) Employee Benefits Security Administration.

Under the Employee Retirement Income Security Act and the Internal Revenue Code, many employers must file annual reports about their employee benefits plans, operations and financial condition. The DOL, IRS and Pension Benefit Guaranty Corp. want to collect a broader range of plan information to increase transparency, improve data mining and modernize reporting requirements. The agencies seek to "help plan sponsors, fiduciaries, and participants and beneficiaries better understand their plans and plan investments," according to a DOL fact sheet.

Among other things, the proposed changes would eliminate filing exemptions for certain plans that cover fewer than 100 employees. This would force millions of employers with currently exempt plans to begin filing annual reports. SHRM said it appreciates the agencies' efforts to modernize the

reporting requirements. However, it "is very concerned that the sweeping increased burdens and costs of compliance will discourage employers (especially small employers) from establishing and maintaining health and welfare and retirement plans for their employees," wrote Mike Aitken, SHRM vice president, government affairs. He stated that the reporting requirements shouldn't be extended to currently exempt small group health plans.

Multiple-Employer Plans

The proposed changes would also finalize an interim rule requiring multi-employer plans to list each participating employer and an estimate of each employer's percentage of total contributions. "Because Form 5500 information is generally available to the general public, this participating employer information is accessible by competitors of any association, financial institution or other entity sponsoring a multiple-employer plan," according to SHRM's comments. Therefore, SHRM asked the agencies to revise the proposal to give such plans the option of separately submitting their lists of participating employers and contribution percentage estimates in a way that keeps the information confidential.

"[T]his alternative method of filing provides the department with the information it wants to receive about participating employers, while allowing multiple-employer plans to protect themselves from competitors if they determine hardships could result," SHRM stated.

Impact on Large Employers

Large employers would also be negatively affected by some of the proposed changes, according to SHRM's comments. Employers that are already required to file Form 5500 and related schedules each year would be asked for a lot more information, including information about investments, other financial transactions and service provider fees. Employers would have to develop new systems to collect, process and verify that information and would have to spend more time soliciting relevant information from vendors.

"Even for large employers, the agencies should not be willing to impose new information requirements on them without compelling reasons to support those changes," Aitken wrote. SHRM is "concerned that the changes being proposed to Form 5500 don't provide participants, regulators or policymakers with much additional useful insight," according to the comments. "Rather, the proposed changes add unnecessary burdens to plan sponsors, as well as to their accountants and record keepers who collect information on investments and service provider fees."

Source: <https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/form-5500-overhaul-would-be-costly-for-employers.aspx>





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6 TOP BENEFITS ARTICLES FROM 2016



From the Affordable Care Act to the Department of Labor's looming fiduciary rule, regulatory compliance tips were a big draw this year, along with practical steps to control costs and improve benefit offerings and administration.

As the year winds down, here's a look back at six of the most-read benefit stories on *SHRM Online*, describing developments and trends that will have continuing impact in 2017.

1. Farewell Mandates? ACA Likely to Change Substantially Under Trump Administration

It's not too soon for employers to start thinking about the implications that a repeal of the employer coverage mandate or a revision of the definition of full-time employee would have on their benefits strategy. In the meantime, the Affordable Care Act (ACA) is still the law of the land, and employers should continue to comply with its coverage and reporting requirements.

2. 'Where's My 1095?' Addressing Tax Filing Confusion

Many employees are confused over how to report that they received health coverage from their employer when filing their income tax returns. Here's a primer on the different Affordable Care Act tax forms and what to do with them.

3. How the DOL Fiduciary Rule Will Affect Plan Sponsors

The Department of Labor's (DOL's) fiduciary rule, scheduled to take effect in April 2017—it's unclear if that might change under the Trump administration—could increase liability for defined contribution plan sponsors and their advisors. Employers should continue to move forward with compliance preparation, and an important step is to ask plan advisors, "Are you a fiduciary to my plan?" and document the question and the response.

4. Employers Project Health Premium Hike of 6% in 2017

While employers have been able to keep health plan cost increases in check for the past few years, premiums are still rising at more than twice the rate of inflation and general wage increases. Here's a look at the benefit design tactics that employers are using to control rising health benefit costs.

5. Open Enrollment Tips for the Coming Season

The fall open enrollment season is a time that some HR professionals dread as an administrative nightmare. Others see open enrollment as an opportunity to personally engage with employees and help them make choices that will safeguard their health and financial well-being. Here are some suggestions for avoiding the former and achieving the latter.

6. Labor Demand Gives Push to Paid Time Off Benefits

Employers are increasing the amount of paid time off (PTO) given employees—especially for parental leave—and changing how paid leave is structured. For instance, the use of PTO banks that combine vacation, sick and personal days into one allotment has continued to increase steadily since 2002. But PTO banks aren't right for every organization.



Source: <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/2016-benefit-highlights.aspx>

WHAT WILL WELLNESS LOOK LIKE IN 2017



New year, new well.

Social Well-being

"Employees tend to adopt healthy behaviors when it benefits others rather than themselves," said Jane Ruppert, vice president of health services at health consultant Interactive Health. Wellness programs in which employees have the opportunity to positively influence a community can be a fun and socially responsible addition to workplace wellness initiatives.

For example, if a company offers to donate money to a charity if employees meet their collective wellness goal, those employees will be more intrinsically motivated to get involved.

Expand the Definition: Total Well-being

Almost every source contacted for this also mentioned the need to legitimize other types of health, such as mental or emotional, as equally important as physical health. Financial health, as well, can stress employees and impact their health and performance.

Employers will begin to recognize that these emotional and financial problems can impact the day-to-day life of employees, which is bad for employees' health and the employer's bottom line, said Steve Nyce, senior economist at Willis Towers Watson. Wellness programs will more often add resources to deal with these other types of health moving forward. "Without that support, employees are having a difficult time, and that erodes their ability to perform day-to-day," he added.

Sleep Health

As more and more employers are understanding the need to look at

health holistically, they're looking at other health measures beyond physical health. That includes mental, psychological, financial and sleep health. "There is a strong link between poor sleep quality and not only some chronic conditions but also emotional health," said Ruppert. Wellness programs will address the importance of sleep more moving forward. Coming to work with poor quality sleep can contribute to short-term implications such as impacting decision-making at work, memory, and retention, she added. This could be especially problematic in employees such as truck drivers, for whom lack of sleep could threaten employee productivity and safety.



Programs Which Aim to Reduce the Need for Prescription Drugs

As pharmacy costs rise, employers may invest more in wellness programs that address chronic illnesses, according to Dr. I-Min Lee, professor in the department of epidemiology at Harvard, who contributed her prediction to a webinar recently hosted by Virgin Pulse.

The rise of pharmaceutical costs accounts significantly to the rise in health care costs, especially specialty drugs used to treat chronic conditions like cancer and multiple sclerosis. The rate at which specialty drug prices are expected to rise (16.8 percent) in 2017 is double that of other prescription medication (7.3 percent), according to the Wall Street Journal.

Chronic illnesses, which often require specialty drugs, can often be prevented or even reversed. This is where workplace wellness programs come in,

especially ones that aim to reduce stress or tobacco use — two things that contribute to chronic diseases.

More Types of Wellness Offerings, Including Mindfulness

In the past year, three quarters (76 percent) have expanded their wellness programs, according to Carrie Varoquiers, vice president of global impact at Workday and president of Workday Foundation. Increasingly, workplace wellness will be a critical attraction and retention tool in the workplace.

"There will be an increased interest in mindfulness programs, as companies will see the productivity benefits of mono-tasking, taking intentional digital breaks, and building face-to-face social connections," wrote Varoquiers in an email interview.

Measurements Matter

"Ongoing measurement is important to prove that a program is of interest, [that it's] working and that you're getting your money's worth," said Nyce.

Meanwhile, not only is taking those continuous measurements to legitimize a program important, but also the types of measurements themselves. Companies will more often consider value on investment rather than return on investment moving forward, said Nyce. Rather than just focusing on medical costs, there are other measurements to consider in the VOI, like employee participation, repeat users and employee satisfaction.

Source: <http://www.workforce.com/2016/12/16/will-wellness-look-like-2017/>



HERE'S THE NEW I-9 YOU NEED TO START USING JAN 22

If you haven't grabbed the new Form I-9 yet, here's what you need to know about it. For starters, employers must start using the revised Form I-9 (dated 11/14/2016) by Jan. 22, 2017. Until then, the U.S. Citizenship and Immigration Services (USCIS) agency is allowing employers to use the old Form I-9 (dated 03/08/2013) for a grace period, which ends Jan. 21, 2017.

The new **Form I-9** (PDF) and the instructions for using it, can all be found on the **USCIS' website**.

Some notable changes:

- It asks for "other last names used" rather than "other names used"
- The certification process for certain foreign nationals has been streamlined
- It has dedicated areas for adding additional information, rather than having to add it in the margins
- Prompts have been added to help ensure information is entered correctly, and
- Multiple preparers and translators can now be entered.

USCIS is also saying that the revised Form I-9 is easier to complete using a computer, thanks to:

- Drop-down lists and calendars for filling in dates,
- On-screen instructions for each field
- Easy-to-access full instructions, and
- An option to clear the form and start over.

Source: <http://www.hrmorning.com/heres-the-new-i-9-you-need-to-start-using-jan-22/>



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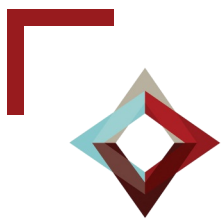
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January 2017

My Well-being and Safety News

Monthly Newsletter for the Employee



9 THINGS TO CUT OUT IN 2017 TO BE HEALTHY



Negative self-talk: Start giving yourself more compliments, and make this year about no negative self-talk — ever. The more you berate and degrade yourself, the harder your year will be; you'll also have a much harder time reaching your healthy goals.

Your scale: If you've been obsessed with the scale and every decimal point on your weight, it's time for that thing to go. In the trash. Forever. Remember that a number on a scale doesn't reflect the hard work you're putting in, and the numbers absolutely do not define you.

Workouts you hate: Forcing yourself into a workout that you hate definitely won't encourage you to keep working out. There are alternatives to running — and so many other kinds of cardio exercises. If you hate bootcamp classes, try barre. Hate barre? Stop doing it! Try yoga. If something's not working, try a new studio or new instructor. Keep going until you find something that clicks, but absolutely do not keep going to a class or attempting a workout you don't like.

Exercising to "fix" or change a part of your body: Working out because you "hate" your body is the worst thing you can do. Exercise makes you feel good — it celebrates your body, makes you feel empowered, and sends a rush of feel-

good endorphins through your body. Working out will boost your energy, improve your health, and can change your mood for the better. Celebrate your body, don't try to "fix" it.

Kale (or that one food you just can't stand): A lot of you hate kale. So stop forcing it! You don't need kale to be healthy! Maybe it's not kale, but it's another healthy food you've been forcing yourself to eat under the pretense that it's healthy and you "need it". For a more sustainable diet, experiment more with other healthy foods to find out what you *do* love. You'll be eating healthier all the time!



Perfectionism: Giving yourself unrealistic or unattainable goals is detrimental to your mental *and* your physical health. That desire for perfectionism can often be a defense mechanism, when you're either consciously or subconsciously protecting yourself from the judgment of others. Focus that energy on progress, not perfection, and you'll have a much better year.

Calorie counting: Food is fuel, and we need calories to have strong muscles, bones, and a functioning body! There are so many ways to track your food and eat healthy without calorie counting. If you need the data and numbers to stay in

control of your healthy eating, try looking into counting macros — you'll have a healthy balance of protein, fats, and carbohydrates each day.

Stress: Whether you have clinical anxiety or you've been stressing way too much in 2016, your compromised mental health can have a seriously negative impact on your health. Stress can cause weight gain, bloating, physical pain, skin problems, and more. To relax and cut out stress in 2017, get yourself a great therapist, or try a self-care practice like diffusing essential oils.

Everything that is holding you back: What is keeping you from being your best self and living your best life? Is it an unhealthy relationship, a terrible job that drains you of your energy, or a deep-seated fear? Let. It. Go. Cut the people out who don't support you. Say goodbye to work that doesn't make you feel good — or worse, makes you feel bad. Remove unnecessary obligations that keep you from reaching your physical, mental, and personal goals. This is YOUR time! Replace these things with activities that help you reach your goals, a job that fosters your creativity and empowers you, and relationships with people who build you up.



Source: <http://www.popsugar.com/fitness/Healthy-New-Year-Resolution-Tips-42870719>



National Cervical Health Awareness Month

Cervical Health Awareness Month is a chance to raise awareness about how women can protect themselves from HPV (human papillomavirus) and cervical cancer. HPV is a very common infection that spreads through sexual activity. It's also a major cause of cervical cancer. About 79 million Americans currently have HPV. Many people with HPV don't know they are infected. And each year, more than 11,000 women in the United States get cervical cancer.

Source: <https://healthfinder.gov/NHO/JanuaryToolkit.aspx>

HEALTH BY THE NUMBERS: 6 KEY FINDINGS FROM 2016

1. Flu vaccination rates are down.

Surveys from the Centers for Disease Control and Prevention show that the rate of flu vaccinations dropped in American adults between 2015 and 2016. Based on data from January to June of each year, Americans in three age groups — 18 to 49, 50 to 64, and 65 and older — all had lower rates of flu shots in 2016 than in 2015. [Flu Shot Facts & Side Effects (Updated for 2016-2017)]

2. Teen drug use is down.

Among eighth-graders, past-year use of inhalants, such as spray paints and glues, dropped from 4.6 percent in 2015 to 3.8 percent in 2016, and past-year use of MDMA (ecstasy) dropped from 1.4 percent to 1.0 percent. Furthermore, the past-year use of the prescription drugs For marijuana, past-year use among eighth-graders dropped from 11.8 percent in 2015 to 9.4 percent in 2016. Among 10th- and 12th-graders, the rates were relatively stable, at around 24 percent and 36 percent, respectively, in 2016.

3. The U.S. has more medical residents than ever before.

According to data from the National Resident Matching Program, the number of allopathic medical school seniors who were entering a residency in the United States in 2016 grew by 221 from 2015, to 18,668 — or about 1.2 percent. (Allopathic medical students earn an MD, as opposed to other medical degrees, such as DO.)

4. The percentage of Americans without health insurance dropped.

The percentage of Americans who did not have health insurance in the fourth quarter of 2016 was 8.6 percent, down from 9.1 percent at the same time last year, according to data from the National Health Interview Survey.

5. The percentage of Americans who use marijuana has increased.

Are more Americans smoking marijuana than ever before? Yes, but the change may not be drastic — a recent confidential Gallup poll found that 13 percent of Americans said they currently smoke marijuana. That's up from 11 percent of Americans in 2015, and 7 percent of Americans two years prior, in 2013.

6. The number of mass shootings remained about the same.

According to the Gun Violence Archive, the number of mass shootings in the U.S. in 2016, as of Dec. 13, was 367 — slightly fewer than the 372 mass shootings in 2015, with about two weeks left in the year to go. (A mass shooting is broadly defined by the Gun Violence Archive as one in which at least four people are killed or injured.)

Source: <http://www.livescience.com/57343-health-numbers-findings-2016.html>

CREATIVITY AND EMOTIONAL WELL-BEING: RECENT RESEARCH

Creativity and Positivity. A recent study in the *Journal of Positive Psychology* indicates that engaging in a creative activity just once a day can lead to a more positive state of mind. Researchers at the University of Otago constructed a study to understand if creativity impacts one's emotional well-being, based on the growing belief that there is a connection between creativity and emotional functioning. To test this hypothesis, they evaluated the responses of 658 young adults; After 13 days, the researchers reviewed the participants' responses and discovered an "upward spiral for well-being and creativity" in those individuals who engaged in daily creative pastimes. In brief, creative activities provided a measurable boost in positive affect during the following day. The researchers also examined participant data from a "flourishing scale" that asked individuals to rank responses to various questions such as "Today my social relationships were supportive and rewarding." These rankings correlated to creative engagement, implying that creativity may, in fact, impact both happiness in social relationships and positivity in the workplace.

How does this translate from research to practical application? A creative activity can be as simple as keeping a doodle journal, knitting, playing a musical instrument, or designing a garden for spring planting-- in other words, activities that almost anyone can do. So express yourself in some way you enjoy on a regular basis, just once a day and benefit from a more positive state of mind. In other words, being creative helps us "feel better" and in turn, it impacts other aspects of our lives.

Source: <https://www.psychologytoday.com/blog/arts-and-health/201612/creativity-and-emotional-well-being-recent-research>