# BENEFIT Plan Developments

*A report covering plan design and legislative changes* Volume 51, Number 3


## Eldercare Programs Can Improve Productivity

Companies that have corporate eldercare programs in place to assist employees in managing their care responsibilities for older family members have seen an improvement in engagement levels among these workers, according to a study released by work/life benefits consultancy, LifeCare Inc.

The study, "Corporate Eldercare Programs: Their Impact, Effectiveness, and the Implications for Employers," was conducted for LifeCare by the National Alliance of Caregiving and Center for Productive Aging, Towson University. The 18-month study examined the extent to which workplace caregiving programs helped the employees who used them by making a positive difference in their own health and on-the-job performance. The findings were based on several surveys of workers with access to geriatric care management (GCM) and eldercare resource and referral programs, with a focus specifically on employees with caregiving responsibilities for an elderly family member.

Most employees reported first contacting the resource and referral program after a crisis had occurred in their caregiving situation, with relatively few having researched the program before needing help. The study found that, overall, users valued the program and had few complaints about their experiences. Many users expressed gratitude at having a source of information about the options available to them and said the program made them feel less alone in their struggles. Employees who used GCM services also said they appreciated the support the program provided in helping them manage the care of an elderly relative. However, some users of GCM programs also expressed a desire for more extensive services.

While caregivers who took advantage of these eldercare programs continued to struggle with their responsibilities, they tended to be healthier and more productive at work than caregivers who had not accessed the programs, according to the study. Results showed that users of eldercare

### *In This Issue*


- Companies Not Doing Enough To Ease Workplace Stress
- Enhancements To Saver's Tax Credit Could Help Americans Save For Retirement
- Lack Of Health Insurance Leads To Late Cancer Diagnosis



**J & D Goodliffe Associates, Inc.**

103 Briar Hill Dr.
Scotch Plains, NJ 07076-2064

908•233•2800 - Phone
908•233•2804 - Fax
judie@goodliffeassoc.com

Insurance Consultants to Business
Health • Life • Disability

*Nearly half (48%) of the employers surveyed conceded that asking employees to work long hours and do more with less could have a negative impact on the company's performance.*

programs reported a greater improvement over time in their ability to be focused and on-task at work than employees who used no programs for assistance. The study also found that users of GCM programs were more likely than non-users to report being in good health themselves.

The study's authors recommended that employers that have eldercare programs in place educate employees about their availability and train supervisors to become more proactive in identifying workers who may benefit from using these programs. In particular, researchers emphasized, employees should be encouraged to take advantage of caregiving resources as early as possible to maximize their effectiveness.

"Employees must be made aware of the likelihood of becoming caregivers at some point in their lives," the report said. "Educational materials, seminars, and workshops are potential methods for reaching large numbers of employees on an ongoing basis."

In addition to training managers and supervisors to offer support to caregiving employees, the study suggested that employers consider creating a mentor system, asking employees with experience in dealing with these issues to advise co-workers who are in the process of taking on new caregiving roles and responsibilities.

## Companies Not Doing Enough To Ease Workplace Stress

Despite the fact that stress is the most frequently cited reason among U.S. workers for quitting a job, most employers fail to acknowledge the link between employee stress levels and business performance, and relatively few take action to reduce stress in the workplace, a report published by human resources consultancy Watson Wyatt has warned.

Based on the results of two surveys conducted by Watson Wyatt, the study found that 40% of employees cite stress as one of the top three reasons why they would leave an employer, but employers tend to believe that workers quit their jobs for other reasons, including insufficient pay, lack of career development, and poor supervisor relationships.

"Many companies don't appear to appreciate how stress is affecting their business," said Shelly Wolff, national practice director of health and productivity at Watson Wyatt. "Too much stress from heavy demands, poorly defined priorities, and little on-the-job flexibility can add to health issues. By leaving stress unaddressed, employers invite an increase in unscheduled time off, absence rates, and health care costs—all of which hurt a company's bottom line."

Nearly half (48%) of the employers surveyed conceded that asking employees to work long hours and do more with less could have a negative impact on the company's performance. When asked to identify other causes of employee stress that could affect business results, 32% of employers cited a lack of work/life balance; 29%, technologies that expand employee availability; 24%, managers' inability to recognize stress; and 20%, managers' inability to find solutions for stress.

However, the study also found that very few employers are doing anything to address these problems. According to the survey findings, just 5% of employers are taking strong action to correct the problem of long hours and the pressure to do more with less, and only 6% of employers are taking steps to minimize the stress associated with increased availability due to new technologies. Meanwhile, 16% of employers reported taking action to help workers achieve work/life balance, and 14% said they are encouraging managers to find ways to reduce stress levels.

"Pay alone is not enough to retain and engage today's workers," said Laura Sejen, global director of strategic rewards at Watson Wyatt. "To remain competitive,

companies need to understand fully what causes employees to join or leave and what causes them to be productive if they stay. A total rewards approach that includes both monetary and non-monetary rewards is more meaningful for employees and more effective for employers."

## Enhancements To Saver's Tax Credit Could Help Americans Save For Retirement

Praising the "saver's credit," enacted in 2001 to encourage low- and moderate-income Americans to save for retirement, a white paper published by the AARP Public Policy Institute called upon Congress to expand and improve the credit so that it is used more widely by the target group.

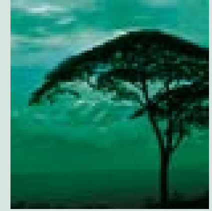
Written by researchers Lisa Southworth and John Gist, the paper, "The Saver's Credit: What Does It Do For Saving?" looked at the history of the saver's credit and the options for promoting its use. Officially referred to as the "Retirement Savings Contribution Credit," the credit was introduced in the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 and made permanent by the Pension Protection Act of 2006. The credit allows taxpayers with low and moderate incomes to reduce their federal income tax liability by making eligible contributions to a retirement or savings plan, and to receive a non-refundable credit against their federal income tax.

Filers who meet the income criteria can claim the credit on the first $2,000 ($4,000 for married couples) of eligible contributions to a retirement account in a given tax year. The credit rate ranges from 50% for taxpayers with very low adjusted gross incomes (up to $16,000 for single filers and $32,000 for married couples filing jointly in 2008), 20% for taxpayers with slightly higher incomes, (up to $17,250 for singles and up to $34,500 for married couples in 2008), and 10% for those with moderate incomes (up to $26,500 for singles and up to $53,000 for married couples in 2008).

The saver's credit has been useful in helping to offset the primary structure of retirement tax savings incentives, which provides the largest subsidies to affluent taxpayers with the highest tax liabilities, the authors said. However, they added, the saver's credit in its current form has several limitations that make it less attractive to lower-income filers, especially those who also claim the child tax credit.

The report noted that, in 2002, the first year it was available, only 8.5 million of the 28 million taxpayers in the income groups eligible to receive the credit contributed to a qualifying retirement account. Of these 8.5 million taxpayers, 5.3 million actually claimed the saver's credit, and 3.6 million of this group claimed the lowest credit of 10%. Of those filers whose income was low enough to qualify for the 50% credit rate, nearly 43% did not have an income tax liability high enough to claim the full credit for which they were eligible. In short, the study found, the saver's credit appears to be underutilized since only 30% of those Americans eligible to claim it make savings contributions, and only 60% of those actually claim the credit.

To improve the effectiveness of the saver's credit, Southworth and Gist recommended that Congress consider making the credit refundable for filers who do not have positive income tax liabilities or whose liabilities are too small to allow them to take full advantage of the credit. The authors also suggested that lawmakers consider better coordinating the saver's credit with the partially refundable child tax credit, which can crowd out the saver's credit in some cases. Finally, researchers asked Congress to consider expanding eligibility by changing the



*Of those filers whose income was low enough to qualify for the 50% credit rate, nearly 43% did not have an income tax liability high enough to claim the full credit for which they were eligible.*

credit rates and income thresholds, and by smoothing the credit rate drops.

## Lack Of Health Insurance Leads To Late Cancer Diagnosis

While cancer sufferers in the United States without health insurance are usually able to get treatment eventually, they are significantly more likely than those with private insurance to receive their cancer diagnosis at a more advanced stage of the disease, according to an article by researchers from the American Cancer Society (ACS) that appeared in the March issue of the medical journal *The Lancet Oncology*.

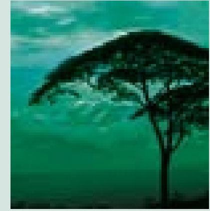
The article, "Association of insurance status and ethnicity with cancer stage at diagnosis for 12 cancer sites: a retrospective analysis," was written by a group of researchers led by Michael Halpern, M.D., Ph.D., strategic director of health services research at ACS. The study compared insurance status and stage of diagnosis among cancer patients using the National Cancer Database, a hospital-based registry containing patient information from some 1,430 medical facilities. The analysis included data about adult patients diagnosed with any of 12 cancers between 1998 and 2004.

Compared to patients with private insurance, uninsured patients were found to have significantly increased likelihoods of being diagnosed with cancer at more advanced stages. The greatest risk for being diagnosed with moderately advanced cancer (stage II), instead of at the earliest stage (stage I), was found to be among uninsured colorectal cancer patients. Meanwhile, uninsured breast cancer sufferers faced the highest risk of receiving their first diagnosis at stages III or IV.

The gaps between patients with different insurance statuses were found to be greatest for cancer sites that are part of routine screening, such as breast and colorectal cancer, and cancer types for which symptoms present at early stages, such as melanoma and urinary bladder cancer. On the other hand, the study found no major differences in the chances of being diagnosed with later stages of cancer among forms of the disease for which no screening tests are available, such as ovarian and pancreatic cancers.

The analysis also showed that patients insured through Medicaid faced a higher risk of late diagnosis than patients with private insurance. Researchers noted, however, that many of these Medicaid patients were likely to have been enrolled after diagnosis, and they may have been previously uninsured. Additionally, the study found that African American patients were significantly more likely than other ethnic groups to be diagnosed with cancer at a more advanced stage.

"The findings of this major study are critical, not only for the 47 million Americans who have no health insurance, but also for our nation," said John R. Seffrin, Ph.D., chief executive officer for the American Cancer Society. "The fact is, too many cancer patients are being diagnosed too late, when treatment is harder, more expensive, and has less chance of saving lives. We must begin to remove the barriers that stand in the way of early diagnosis and timely access to medical care if we are to give all cancer patients an equal chance in the fight."



*The greatest risk for being diagnosed with moderately advanced cancer (stage II), instead of at the earliest stage (stage I), was found to be among uninsured colorectal cancer patients.*

The information contained in this newsletter is for general use, and while we believe all information to be reliable and accurate, it is important to remember individual situations may be entirely different. The information provided is not written or intended as tax or legal advice and may not be relied on for purposes of avoiding any federal tax penalties. Individuals are encouraged to seek advice from their own tax or legal counsel. This newsletter is published by Liberty Publishing, Inc., Beverly, MA. Copyright © 2008 Liberty Publishing, Inc. All rights reserved.