



It Benefits You

Your Employee Benefits Newsletter

May 2024

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We're celebrating each and every one of our valued clients in May as part of our "May We Say Thank You" month.

Please know that we're grateful for you each and every day. One way we show our appreciation is by sharing our thought leadership through publications such as this newsletter, *It Benefits You*. Keeping you abreast of important matters relating to the administration of your employee benefits is a top priority at McGriff. Our Client First philosophy drives everything we do, and we want you to know how much we truly value our partnership.

From all of us at McGriff, again, thank you for trusting us to be your partner.

Upcoming Compliance Deadlines

June

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Reporting on Pharmacy Benefits and Drug Costs

Plan sponsors must report information about prescription drugs and health care spending to the Centers for Medicare & Medicaid Services (CMS) each year. Data for the 2023 reference (calendar) year is due by June 1, 2024. This reporting is required for fully insured and self-funded group health plans of all sizes. The McGriff Compliance Team's updated [reference guide](#) provides employers with practical steps to help them comply with reporting obligations.

July

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PCORI Fee Deadline

If an employer sponsors a self-insured health plan, including a level-funded plan or an employer-sponsored HRA, the ACA requires the employer to submit the annual Participant-Centered Outcomes Research Institute (PCORI) Trust Fund Fee. Plan sponsors must report and pay the PCORI fee using IRS Form 720.

July

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Form 5500 Filing Deadline (Calendar Year Plans)

Generally, a Form 5500 must be filed no later than the last day of the seventh month after the end of the plan year for ERISA pension and welfare benefit plans. For calendar-year plans, the deadline is July 31. With few exceptions, an employer must file a 5500 if any of its ERISA benefit plans had 100 or more covered participants on the first day of the plan year.

Hop on the 'Let's Get Digital' Soapbox

I've been on a "Let's Get Digital" soapbox for delivering employee benefits communications for several years. Digital is more effective than print in SO many ways, many of which I will outline below.

But first, let's acknowledge that there is no surefire way for any organization to get employees to pay attention to and understand their message. And, sometimes, we can't squelch the desire to put something tangible (printed) in one's hands. But if you're willing to ditch the "template" and try new delivery methods, here are a few considerations to keep in mind. There's room for you on the "Let's Get Digital" soapbox, too!

Outdated resistance

As a communications consultant, I've heard clients push back on digital communications with objections such as these:

- Our employees don't work at desks or have email
- Our industry is low-tech
- The population here just doesn't get it

While these things may have been true 15 years ago, in nearly all cases they're outdated complaints today.

Despite pockets of resistance, the truth is that so much of life today occurs online or on mobile devices. Real estate transactions, virtual care visits, and even take-out orders are now common tasks we take care of right from the palm of our hands. Technology even makes personal relationships easier, with grandparents eagerly grabbing the phone or tablet to spend time with the grandkids from afar!

Or consider QR codes. No longer odd, pixelated squares requiring instruction, QR codes are now intuitive and part of everyday life. But if you're still not sure about your employees' comfort with receiving information through modern methods like a text message, info hub, or QR code, **ask them!** A survey may help confirm or guide your communication delivery decisions.

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Digital can be more captivating

Digital communications done well can be a great way to grab and keep a viewer's attention. For example, using video to relay messages about your benefits program can include compelling visual cues, narration, sound elements, and on-screen wording to reinforce messaging. If it's short, sweet, and flashy, employees are more likely to retain the main points to help meet your objective. The most effective communication campaigns go both ways, allowing viewers to navigate to the information they most need.

With text messages, you can send out a brief message with a call to action, such as: "ABC Co's Open Enrollment starts Monday! View your benefits guide at tinyurl.com/McGriffDigitalGuide. Reply WATCH to see a video on our new virtual care provider. Don't wait until you're sick! Reply READY for instructions on registering in advance for 24/7 online care."

Have a lot of Open Enrollment changes to communicate? Video, text messages, and QR codes are a great way to break up information into smaller bits and help avoid attention fatigue.

Not many changes this Open Enrollment? Maybe a one-page memo with the deadline to elect, bullets of main points, and a QR code to a digital benefits guide is better than handing out a ton of information that could overwhelm employees.

Environmentally friendly and ADA compliant

Companies of all sizes are increasingly adopting policies to reduce their environmental impact. A digital communication campaign can not only help reduce print waste but also reduce a company's carbon footprint by not relying on the supply chain for the shipping and delivery of physical materials.

Many digital communication methods also allow you to fold in ADA-accessible features. For example, someone with low or impaired vision may need a screen reader or a way to zoom in on a document. Those with hearing difficulties can read transcriptions or closed captioning.

Long live the printer!

While digital delivery can eliminate the need to back print production into your overall communication timeline, there are times when print is more effective. Just be sure to keep your messages concise and on-point. It would be best to provide highlights, calls to action, and where to go for more information, not detailed manuals.

Here are a few examples where printing makes more sense:

- **When you need to reach spouses** – Open enrollment is an excellent example of a time when connecting with your employees' spouses can be important. Since spouses are often decision-makers in benefits enrollment, postcards mailed to homes are an effective way to alert them to deadlines. Postcards are also a great way to easily break up information and provide QR

delivery methods for supporting materials or opt-ins for text message campaigns.

- **Benefit contact cards** – As more and more carriers move to digital ID cards, a consolidated wallet card with your insurance contacts is a great thing to have. If you have room, include the company name, group number, website, and phone number. This way, if an employee is ever having internet connection issues, they'll still know how to contact someone.
- **Posters in high-traffic areas** – Placing posters in strategic areas with quick informational tidbits and QR codes can be a great way to grab attention with bold headlines. Places like breakrooms, timeclocks, vending machines, and yes, even restrooms (after all, you have a captive audience) can help spread your message.
- **When you have specific instructions to relay** – If you have a multi-step process or a new enrollment site, for example, sometimes having a printed quick-sheet is more convenient than having to toggle between different internet browser tabs or web pages. An informative summary, including screenshots, can be beneficial in these instances.

When in doubt, test it out!

If you're still unsure if digital communication methods are the right approach for your organization, start with small steps and seek feedback. With a new delivery model, gather viewer statistics and track efficiencies where possible. Does the new method increase employee access to information?

Were you able to do less hand-holding, allowing you to focus on other initiatives? How much money, production time, and stress did you save by eliminating or reducing print? Was there an increase or decrease in rushes to deadlines or the need to follow up?

Based on your answers to these questions, you'll gain insight as to whether continuing or improving your communication delivery methods is in your best interest. If you end up seeing positive results, hop on the soapbox with me and let's sing, "Let's Get Digital!"



Christina Biddle
McGriff Director of Employee Benefit Communications

Author's footnote: RIP and thanks to Olivia Newton-John for her inspiration in naming McGriff's "Let's Get Digital" campaign. May her positive spirit and impact on pop music and movies live on!

This article was previously published in HR Professionals Magazine. For your free digital subscription, [click here](#).



2024 McGriff Benefit Trends Survey

McGriff recently released its fourth annual National Benefit Trends Survey for employee benefits decision makers. This year's report reveals the primary strategies and benefits in play for employers as they navigate challenging market conditions, including rising healthcare costs, access to quality care, and trending high-cost drugs.

Some key insights include:

- Retention of top talent remains the highest priority for employers in 2024, with employee engagement now ranking as the second most important focus for HR teams across the country to help support those retention efforts. Recruitment of new employees is also of great importance, ranking as the third highest priority.
- With 56% of employers expecting to increase their headcount this year, employers are looking at creative ways to lower benefit costs, including targeted programs to control costs, plan design and employee contribution changes, and network design.
- Anti-obesity drugs and GLP-1 medications have increased in popularity over the past year and are driving a large portion of pharmacy costs. 58% of employers say they cover these medications only for those with a formal diabetes diagnosis while 27% do not cover and are not considering covering these drugs.

As your organization prepares to discuss future benefit strategies, we invite you to review our survey results to learn more about what employers across the country are doing to address rising healthcare costs and provide quality benefits to their workforce

[Review the 2024 McGriff Benefit Trends Survey](#), and please reach out to your McGriff Benefits Consultant with any questions you may have.

Nick Pearce, ASA, MAAA, FCA
McGriff EB Insights & Analytics Practice Leader



2024 Webinar Series

May 23 | 2:00 pm ET | 1.0 PDC SHRM/HRCI

Join a group of our McGriff National Specialty Practice Leaders to review the results of our latest trend survey and learn about which benefit strategies are gaining traction in 2024.

Register



Compliance Q & A: Fiduciary Duties in Vendor Selection and Management

A recently filed ERISA lawsuit has gathered national attention as a novel case alleging an employer breached its fiduciary duty by mismanaging its prescription drug benefits program. [McGriff's Compliance Q&A: Fiduciary Duties in Vendor Selection and Management](#) discusses fiduciary obligations under ERISA and provides reminders about what regulators consider to be legal obligations for most employers in their capacity as sponsors of group health plans.



[Read the full McGriff Compliance Q&A: Fiduciary Duties in Vendor Selection and Management](#)

EEOC Releases Final Rule Implementing PWFA

On April 15, 2024, the U.S. Equal Employment Opportunity Commission (EEOC) released [a final rule](#) to implement the Pregnant Workers Fairness Act (PWFA). The final rule clarifies definitions and limitations under the PWFA and seeks to help employers understand their duties under the law. The final regulation will be published in the Federal Register on April 19, 2024, and becomes effective on June 18, 2024.



DOL Announces Final Overtime Rule

On April 23, 2024, the U.S. Department of Labor (DOL) announced [a final rule](#) to amend current requirements that employees in white-collar occupations must satisfy to qualify for an overtime exemption under the Fair Labor Standards Act (FLSA).

The final rule will take effect on July 1, 2024 when the standard salary level for white-collar employees will increase from \$684 to \$844 per week (\$35,568 to \$43,888 per year) and from \$107,432 to \$132,964 per year for highly compensated employees. On January 1, 2025, the standard salary level for white collar employees will increase again, from \$844 to \$1,128 per week (\$43,888 to \$58,656 per year) and from \$132,964 to \$151,164 per year for highly compensated employees.

Impact on Employers

The first salary level increase in July is expected to impact nearly 1 million workers, while the second increase in January is expected to affect approximately 3 million workers. Employers should become familiar with the final rule and evaluate what changes they may need to adopt to comply with the rule's requirements. Legal challenges to the rule are anticipated, which may delay the final rule's implementation.

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The Transformative Impact of Generative AI on Wellness

By now, many people have heard of ChatGPT and the broader field of Generative Artificial Intelligence (GenAI). The popularity of GenAI tools is soaring, garnering millions of users globally, and has become a powerful resource in areas like education, computer programming, travel planning, creativity, and even emotional support.

GenAI's rapid popularity has also led people to ring alarm bells in terms of its misuse (e.g., for writing academic papers or college admissions essays) or its use as a substitute for professionals (e.g., bank tellers and clerks, TV and movie writers, travel agents, actors, artists and musicians). As GenAI and AI in general become more sophisticated, it will become an even larger challenge for HR leaders to help their companies and employees navigate this transformative technology so that it can be deployed beneficially.

GenAI in Wellness

One area where HR leaders may not have considered GenAI is wellness. But there are actually several ways GenAI can have a positive impact on mental, emotional, and physical well-being:

1. **Therapeutic Conversations:** AI-powered chatbots like Woebot offer 24/7 emotional support by engaging users in conversations that mirror therapeutic sessions. This accessibility can alleviate feelings of loneliness and provide a safe space for expression.
2. **Personalized Meditative Experiences:** GenAI is being used to create personalized meditation sessions. These sessions adapt to users' preferences and emotions, enhancing relaxation and mindfulness practices.
3. **Creative Expression:** For those seeking creative outlets, GenAI tools assist in generating art, poetry, and music. This creative expression can be immensely therapeutic, enabling individuals to channel their emotions into something beautiful.
4. **Health Tracking and Insights:** GenAI is also utilized to analyze health data and provide actionable insights. This helps individuals make informed decisions about their well-being, from fitness routines to dietary choices.

5. **Wellness Routines:** GenAI could be used to create a customized workout plan, meal plan, or even a wellness itinerary for the day. With the right prompts around restrictions or preferences, people can continuously fine tune the recommendations to their goals and lifestyle.

Flaws and Risks of GenAI in Wellness

While the potential benefits of GenAI in wellness are significant, it's important to acknowledge the potential drawbacks and risks:

6. **Lack of Human Connection:** Relying solely on AI for emotional support might lead to a decline in genuine human interactions, potentially exacerbating feelings of isolation.
7. **Bias and Inaccuracy:** GenAI systems can inadvertently amplify biases present in their training data or incorrect assumptions, also referred to as "hallucination." This could lead to inaccurate or insensitive advice, affecting users' emotional well-being.
8. **Privacy Concerns:** Sharing personal information with AI tools raises concerns about data privacy and security. Unauthorized access to sensitive data could lead to breaches of trust and psychological distress.
9. **Depersonalization of Therapy:** While AI chatbots offer accessible therapy-like interactions, they cannot replace the depth and expertise of human therapists. Relying solely on AI for mental health support might hinder users from seeking professional help when needed.

(Continued...)



Conclusion

GenAI can undoubtedly add value to the wellness landscape, offering innovative ways to enhance emotional, mental, and physical well-being. However, to fully harness its benefits, we must remain cognizant of its limitations and potential risks. At this stage, companies would be best served to leverage GenAI tools only as complements to humans.

Think of it this way: People have the ability to take GenAI output and add context that the data models underlying the tools are not (yet) sophisticated enough to incorporate: cultural, societal, ethical, and even commonsensical. By striking a balance between AI-assisted support and human interactions, we can pave the way for a future where technology and well-being harmoniously coexist.



Nirav Desai
Peak Health Managing Director

McGriff Brings You Mineral!

May 21 | 2:00 p.m. EST

McGriff is excited to provide our Employee Benefits clients with MINERAL – a robust web-based HR and compliance resource. Through your McGriff relationship, you have access to **Mineral Live**, a team of HR experts standing by to answer your questions or provide advice on virtually every HR or compliance-related issue; **Mineral Comply**, an award-winning online resource center for all of your workforce issues, including a Living Handbook Builder; and **Mineral Learn**, an incredible online training platform with more than 250 web-based courses for your employee training needs.

Join us to learn about these exciting features and many more within your McGriff-provided Mineral account.

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