



## It Benefits You

### Your Employee Benefits Newsletter

January 2024

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McGriff Brings You Mineral!

## Welcome to the Inaugural **It Benefits You** of 2024!

As we embark on a new year, we are thrilled to continue to bring you insights into the ever-evolving landscape of employee benefits.

In 2024, we expect to continue to see the following trends:

- overall increases in employee benefits spending, including rising pharmacy costs,
- more legislative changes affecting employer plan sponsor compliance requirements,
- innovative recruitment and retention strategies to redefine workforce dynamics.

The new year also brings a great opportunity to learn from organizations like yours on how they are meeting the challenges created by these trends. The McGriff 2024 National Benefit Trends Survey will again dive into the benefit strategies that employers are using to control costs and enhance value to their workforce this year. With over four years of data from thousands of employers, we can help you pinpoint specific solutions to get ahead of potential challenges and prepare for the future. By using this data, as well as insights from our National Specialty Practice resources such as compliance, actuarial and underwriting, and benefit administration teams, McGriff Consultants can help you ensure your benefits package remains relevant and attractive in a competitive job market.



*Jed Skeete*  
National Director  
McGriff Employee Benefits

At McGriff, we look forward to traveling with you again this year on your journey to reach the forefront of employee well-being and organizational success.

## New Year, New Vision

Thursday, January 18, 2:00 p.m. EST | 1.0 HRCI/SHRM PDC

Successful organizations know that from time to time the vision of the company needs to be adjusted to fit with new circumstances. Successful people should adjust their personal vision as well, and what better time than the start of a new year? This session will explore the idea behind having a personal vision, how to align it with corporate vision, and how a personal vision can sometimes limit our career success when it isn't big enough. This webinar is ideal for any professional who wants to jump-start (or reinvigorate) their success journey and start thinking beyond self-imposed limits.

Presented by: Janie Warner  
McGriff HR Advisory Practice Leader

Register

2024

# Upcoming Compliance Deadlines

January  
**31**

## Form W-2 Reporting Cost of Employer-Sponsored Health Coverage

Under the ACA, employers who issued 250 or more W-2s in the prior calendar year are required to provide employees with the aggregate cost of employer-sponsored group health plan coverage on employee W-2 forms.

This reporting is optional for employers who file fewer than 250 W-2 forms.

March  
**1**

## IRS Forms 1095-B/1095-C Due to Individuals

A self-funded employer (including level-funded) with fewer than 50 full-time employees is required to provide 1095-B individual statements to full-time employees covered under their group health plan; however, the IRS allows an employer to meet this obligation using an alternative manner of furnishing. [See IRS Instructions of Furnishing 1095-B Forms](#) for more information.

An Applicable Large Employer (ALE) must provide 1095-C individual statements to full-time employees with specific information relating to each employee's offer of coverage for every month during the 2023 year (1095-C form, Parts I and II). If an ALE is self-funded, it must also complete Part III of the 1095-C form reporting the months in which the employee and any dependents were covered under the plan.

April  
**1**

## IRS Transmittal of Forms 1094-B/1095-B and 1094-C/1095-C

An ALE must file Form 1094-C as well as the 1095-C forms sent to all full-time employees with the IRS. A self-funded employer with fewer than 50 full-time employees will file Form 1094-B with the 1095-B forms.

The IRS has now lowered the 250-return threshold for mandatory electronic reporting to 10 returns (aggregated count includes all information returns). This means almost every employer is now required to complete their ACA reporting electronically.



## 2024 HR Compliance Calendar

An HR compliance calendar is a valuable tool to help your business stay on track with key employment-related deadlines throughout the year. HR compliance is a complex area with many moving parts. Keeping track of HR deadlines during 2024 can help your business stay organized and avoid the penalties or workplace disruption that may be triggered by noncompliance.

There are a number of HR compliance tasks with predictable deadlines that you can anticipate from year to year, such as providing your employees with Form W-2 and filing Form 5500 for your employee benefit plans. Other deadlines can be unpredictable or triggered by certain events, such as when you hire a new employee or an employee gets injured at work.

Knowing what your business is required to do and when is the best way to stay compliant. [Use this HR calendar to keep track of important compliance tasks for 2024.](#) This calendar includes a month-by-month summary of key compliance deadlines and helpful reminders for compliance tasks to complete throughout the year. It also describes dynamic compliance tasks, which only occur when certain events happen, to help you anticipate those deadlines.

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## Compliance Q & A: Excepted Benefits



**My company offers a health flexible spending account (FSA) funded by employees. I saw on the IRS website that health FSAs are subject to Patient-Centered Outcomes Research Institute (PCORI) fees unless they are an excepted benefit. When is a benefit considered “excepted” and why else might this status matter?**

Broadly speaking, excepted benefits are types of coverage that are not subject to Affordable Care Act (ACA) mandates in the way traditional medical group health plans are. The term “excepted benefits” originates from the Health Insurance Portability and Accountability Act (HIPAA), and the ACA later used the same definitions to describe benefits that are not required to comply with certain mandates. Common examples of excepted benefits include dental, vision, flexible spending arrangements, disability, and employee assistance programs (EAPs).

It is important to know whether or not a plan is considered an excepted benefit because, as the name suggests, excepted benefit status means the benefit is not subject to some onerous rules. For example, excepted benefits are not subject to ACA

lifetime and annual dollar limit rules, the ACA preventive services mandate, PCORI fees, HIPAA portability rules, and the Mental Health Parity and Addiction Equity Act (MHPAEA). Excepted benefits are also not subject to newer rules such as the Consolidated Appropriations Act, 2021’s prescription drug and health care reporting requirements or the anti-gag clause rules.

There are two conditions health FSAs must meet to be considered an excepted benefit – the Availability Condition and the Maximum Benefit Condition.

Read our [McGriff Compliance Q&A: Excepted Benefits](#) to learn more.

## Building a Culture of Wellness and Safety: Where to Start?

It is not uncommon to hear that while many employers have both safety and wellness committees, they rarely interact with one another. Employees, managers, and leaders may inherently realize that there are benefits to combining safety and well-being efforts, and quite a bit of overlap, but they also may encounter difficulties when it comes to where the rubber meets the road with integrating initiatives and strategies. Although it can require a revamped approach, there are many benefits to developing a holistic safety and well-being benefits and cultural workplace strategy. Decreased costs and risk, increased engagement, improved employee morale, decreased absenteeism, and improved connectivity are just a few examples.

Developing these plans from both a strategic and tactical level can vary widely among employers and industries, but here are some key points to discuss with your team and ideas on how to start building stronger communications between wellness and safety.

*(Continued...)*





### Recognize the common connection points:

Certain injuries and conditions are quite common to see present on both Workers' Compensation and medical claims, such as musculoskeletal injuries and problems. While those back, neck, and shoulder injuries are costly and numerous, there are many points of intersection between health and safety that might not be as obvious. For example, if an employee is an undiagnosed or unmanaged diabetic, they could experience neuropathy, which could impact balance, coordination, and walking. They also could experience changes in vision and problems with wound healing. Sleep apnea, which can often be underdiagnosed can lead to decreased alertness and reaction times. Stress, depression, and anxiety can alter focus and engagement at work.

### Change the culture around wellness:

Part of the reason that wellness programs can experience less engagement than safety programs, can be because they may be seen as participation-based, whereas safety is a fundamental requirement. By tying wellness initiatives with safety checklists (for example, encouraging stretching and strengthening breaks, stress reduction, annual physicals, and condition management), you can help managers and employees see how they connect, and are of equal importance to safety checks. While you cannot require participation in wellness programs, building their value and developing a greater awareness of how they can improve workplace safety can help build better engagement and results.

### Communications:

Consider including a seat for wellness and safety people on both committees, developing a joint committee, or periodic meetings to align initiatives. While this seems like a simple step, it is one of the most important to help open discussions to discuss challenges and brainstorm solutions. Leveraging multiple channels of employee communications (such as signage, on-site events, digital apps, and pre-shift meetings) and streamlining messaging can help to reduce information overload and still reinforce important goals. Having the additional insights and feedback from people working in all areas of the organization can also be helpful in being mindful of the real challenges they see day to day, and how those might be overcome.

### Holistic data reviews and strategy:

Claims and reporting from medical and Workers' Compensation are subject to different rules and may look different, but often the right analysis and approach can identify where risks might carry over. For example, if medical reflect concerns with opioid use and chronic pain, it is a good indicator to start becoming more proactive with your safety team to address prevention, awareness, and evaluate the need for additional resources. These claims can occur simultaneously, or switch back and forth, and having full view of the claims experience and costs holistically can provide good intel on where there might be areas of concern.

### Look at your work environments holistically:

We are quick to make sure we identify safety risks in the workplace, and understandably so, but are we also evaluating how the workplace environment could be influencing health risks? Apply the same lens to how employee health can be impacted by what types of foods are on-site, work/life balance, and accessibility to preventive care. This also includes employees who are working off-site; are there ways to help improve communications and tools for them to eat healthier, sleep better, or manage stress? Small things such as providing lists of healthier convenience food options for on-site and field workers, digital programs for improved mobility and fitness, or a PTO day for self and preventive care can serve as part of your approach to considering health as a function of safety.

### Start small:

Adding additional responsibilities, communications, and initiatives can always seem daunting, but the overall goal is to make things more united and seamless for everyone. Starting with simple awareness strategies, such as adding communications apps for wellness and safety, signage about Employee Assistance Programs with your safety notices, and opening the lines of communication can ultimately reduce the amount of work required for everyone by creating a more simplified approach and cohesive culture of health and safety.

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



*Katie O'Neill*  
McGriff Clinical Wellness Practice Leader

*Chronic medical conditions such as diabetes, hypertension and heart disease can drive up medical claims costs, making proactive management a crucial investment in the future of healthcare.*



## Silent Epidemic: The Crucial Role of Managing Chronic Conditions to Control Medical Claims Costs

In the ever-evolving landscape of healthcare, one key factor stands out as a linchpin in the pursuit of a healthier and more sustainable system: the effective management of chronic medical conditions. Chronic diseases, such as diabetes, hypertension, and heart disease, pose a significant challenge to both individuals and the broader healthcare space. Beyond their impact on individual well-being, these conditions drive up medical claims costs, making proactive management a crucial investment in the future of healthcare.

### Chronic Conditions on the Rise

Chronic medical conditions have become a silent epidemic, affecting millions globally and contributing significantly to the burgeoning costs of healthcare. According to the World Health Organization (WHO), chronic diseases are responsible for 71% of all deaths worldwide, and their prevalence is steadily increasing. This rise not only places an immense burden on individuals and families but also strains healthcare systems and insurers, leading to skyrocketing medical claims costs.

### The Cost Conundrum: The Impact of Chronic Conditions on Claims

Unmanaged chronic conditions often lead to a cascade of health issues, resulting in frequent hospitalizations, emergency room visits, and prolonged medical treatments. These factors contribute significantly to escalating medical claims costs. Individuals with poorly managed chronic conditions may require more intensive and costly interventions, including surgeries, medications, and specialized care, driving up the overall expense of healthcare services.

Moreover, chronic conditions are intertwined with comorbidities, further complicating the healthcare landscape. For instance, a person with diabetes may also develop cardiovascular issues, amplifying the complexity of their medical needs. This interplay of conditions increases the financial strain on healthcare systems, insurers, and, ultimately, the broader economy.

### The Economic Imperative: Investing in Chronic Disease Management

Recognizing the economic imperative, stakeholders across the healthcare spectrum are increasingly focusing on proactive chronic disease management as a means to curb escalating medical claims costs. Investing in preventive measures, early detection, and comprehensive management programs can yield substantial returns by mitigating the progression of chronic conditions and reducing the need for costly interventions.

Health insurers, employers, and policymakers are exploring innovative strategies such as wellness programs, telehealth services, and personalized care plans to empower individuals in managing their chronic conditions. These initiatives not only enhance the quality of life for those affected but also contribute to a more sustainable and cost-effective healthcare system.

### The Path Forward: Collaborative Solutions for a Healthier Future

Addressing the challenge of managing chronic conditions requires a collaborative approach. Healthcare providers, insurers, employers, and individuals must work together to implement strategies that promote prevention, early intervention, and ongoing management. This collaborative effort can lead to a healthier population, improved quality of life, and a significant reduction in overall medical claims costs.

The effective management of chronic medical conditions is not only a moral imperative for ensuring the well-being of individuals but also a strategic investment in the sustainability of our healthcare systems. By prioritizing preventive measures and comprehensive disease management, we can pave the way for a healthier future, where the economic impact of chronic conditions is mitigated, and the overall cost of healthcare is brought under control.



*R. Edward Johnson, ASA, MAAA, FCA  
McGriff Actuarial & Underwriting Practice Leader*

# An Offer Letter They Can't Refuse

It's hiring time. You've reviewed the applications, interviewed lots of fascinating people, and are ready to extend an offer. You've worked hard to get to this point, not only to find the right person, but also to sell them on the job. You're probably both excited and nervous. You call the candidate, extend the offer, and give them a set time in which to make their decision.

After the call, you follow up with the formal offer letter. This part is no less important than everything that's come before. According to a [Glassdoor survey](#), 1 in 6 job offers are declined. An offer letter can reaffirm to the candidate that accepting the offer is the right decision, but it can also give them pause and cause them to question the wisdom of accepting. A letter with poor grammar or typos, confusing sentences, details not previously discussed, or a tone at odds with the culture you've conveyed so far may speak to a lack of professionalism and scare them away. But a clear, polished, accessible letter that shines can help make their decision to accept an easy one.

## Good Practices When Drafting the Letter

As you start writing, keep the following in mind:

- Provide a warm welcome. The letter should communicate your excitement about the individual joining your organization.
- Consider starting with a template—we have several on the platform—but make it your own.
- Make sure the letter's voice, tone, and style match your culture and brand, as well as the experience the candidate has had during the recruitment process. Playful or formal, the letter should be an extension of your company's culture.
- Avoid jargon, legalese, and other terminology the candidate may not understand. The letter should be clear, concise, and easily digestible, communicating all the relevant information the candidate needs to make a good decision, but without overwhelming them.
- Remember, you're still selling the role, and you haven't yet closed the sale. Use this opportunity to highlight the importance of this role to the organization and the advantages it will bring to the candidate if they accept. You want them visualizing themselves in the role and feeling excited about it.

## Details to Include in the Letter

We recommend including the following key elements:

- Job title and general description. The full official job description may be best sent as an attachment, however.
- Logistics such as start date, work schedule, work location, whether the role is full or part time, and whether it's exempt or nonexempt.
- Reporting structure as applicable, including their manager's name, title, and contact information.
- Any contingencies such as passing a drug screening and background check prior to the start date.
- Compensation, including base pay rate, pay periods, and any bonuses or commissions they may be eligible for.
- A brief overview of benefits and a timeline of when they become effective. You can include an attachment with additional details, including coverage and costs.
- A statement that the employment relationship is at-will (if applicable).
- Instructions on how and by when to accept the offer.

**Close your letter by sharing your excitement for them to join!**

*(Continued...)*



## Steps to Take Before You Send the Letter

When you've finished drafting the letter, don't send it just yet. Ask a few others in your organization to review it for grammar, spelling, readability, and brand consistency. Don't let your good news be overshadowed by avoidable mistakes.

We also recommend having an attorney or internal HR professional sign off on the letter. Offer letters are not meant to be legal documents, but that doesn't mean there aren't legal implications. It's best to avoid accidentally creating an employment contract, making promises you can't keep, or inserting discriminatory language.

Consider making the final version into a template for others in your organization to use. They'll likely appreciate the time you've saved them.

Once the letter is ready, send it out, and then take a moment to smile. Whether the candidate accepts or rejects the offer, you've done what you can to define and sell the role. Be proud of the work you've done. Even if the candidate rejects the offer, you've got an easily revisable letter draft ready to go.

*This article was published in December 2023 by our strategic partners at Mineral and is reprinted with permission.*



## McGriff Brings You Mineral!

**Tuesday, January 16, 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.

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