



The benefit brief

DUPUIS LANGEN
Financial Management

The employee solutions newsletter for the clients and friends of Dupuis Langen

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EMPLOYEE ASSISTANCE PROGRAMS (EAP's)

December 2006

*We wish you a Merry Christmas
and a prosperous New Year!*

Our offices are complete!

As we advised in our last newsletter, we moved to our new offices on August 30th. Construction is finished, the workmen have moved out, & we look forward to seeing you there soon.

Our New Address is:

210 – 13900 Maycrest Way
Richmond, BC V6V 3E2
Phone: (604) 270-1142
Fax: (604) 270-3662

Web: www.dupuislangen.com
Email: info@dupuislangen.com

Thank you for your referrals

Business is great but new clients are always welcome!

If you know of others who may like to receive our newsletter or who would appreciate an audit of their group benefits plan, please let us know!

Words of Wisdom

"We must become the change we want to see in the world."

- Mahatma Gandhi

THE REALITY

Your employees are your most valuable resource. You depend on them – their knowledge, commitment and productivity – to help your business run smoothly, to grow and succeed. But when your employees face personal challenges, it can affect their performance at work and this can have a negative impact on your business.

WHAT WE KNOW

- ✓ There is a strong link between employee health, employee performance, and organizational success.
- ✓ Stress-related absence costs Canadian employers \$3.5 billion each year while mental health and addiction problems account for \$30 billion in lost productivity annually.
- ✓ Mental health claims are the fastest growing category of disability costs.
- ✓ On average, employees who have difficulties balancing work and life are absent from work 3 times more often than other employees.

BALANCING WORK AND LIFE

When people choose to spend excessively long hours at work, they leave themselves fewer hours to devote to activities outside of their jobs. This can contribute to feelings of social isolation. The proliferation of cell phones and increased access to work via home computers and personal digital assistants means that people are connected to their jobs around the clock, making it more difficult to separate work from family life.

It is important to create strong ties and form support networks by participating in non-work related interests that provide opportunities to make social connections,

by being involved with groups outside of work, and by close connections with family.

The fact is that the demands of the modern world are not going to slow down so employers need to look at ways to help their employees cope and to protect their businesses.

THE SOLUTION

An Employee Assistance Program (EAP) is a proactive approach that helps employees manage their personal health and well-being. Depending upon the provider, it may also include management resources to help you deal effectively with employee issues. Encouraging health solutions in the workplace can help achieve:

- ✓ Improved employee health & wellness
- ✓ Reduced absenteeism
- ✓ Increased productivity
- ✓ Enhanced performance
- ✓ Fewer accidents
- ✓ Containment of rising healthcare and disability costs

Many group insurance plans include EAP's as part of their extended health care benefit. Services vary but most offer employee services such as:

- ☞ Telephonic access for employees and their family members to 24/7/365
- ☞ Guaranteed confidentiality
- ☞ Person-to-person counselling or counselling via telephone, depending up employee preference
- ☞ Counselling in different languages
- ☞ Limited legal, financial/debt counselling.

DISABILITY INSURANCE FOR TERMINATED EMPLOYEES

Most employees covered by group benefit plans rely totally on their group Long Term Disability (LTD) coverage to meet their disability insurance needs. But what happens in the event of job termination? Even though certain benefits such as health and dental may be continued during a severance period, LTD coverage normally ceases on the last day worked, or at the end of the legislated notice period. And unfortunately, traditional disability carriers will not insure an outplaced employee. Yet their need for disability insurance is just as great as when they were working. What happens if a serious illness or injury that occurs during the job search period prevents them from returning to work?

There is a Solution

Transition LTD was designed specifically to provide temporary disability income replacement coverage to terminated employees during their career transition period. This plan features:

- Issue ages up to 60
- Monthly benefits up to \$10,000
- Choice of benefit periods to age 60 or to age 65
- Quick and liberal underwriting – 95% approval rate

WHO IS ELIGIBLE?

Anyone 60 years old or less who has been employed full-time at full pay for at least the past 12 months, who applies within 90 days of outplacement is eligible.

THE COVERAGE PERIOD

You may choose a coverage period of 6, 9, 12, 15, 18, 21 or 24 months. The coverage period applied for may not be less than the period of severance or salary continuance.

THE BENEFIT PERIOD

To age 60 (available if you are 55 or less) and to age 65. Benefits commence 90 days after the end of the coverage period.

E-MAIL AND INTERNET USE IN THE WORKPLACE

In today's world, the use of e-mail and the internet has become a way of doing business. However, some employer concerns that may arise with respect to employees' usage are as follows:

Time Theft

Conflicts of Interest

Harassment & Defamation

Violation of Copyright and Trademark Laws

Violation of Privacy Laws

Visiting Illegal Websites

Hacking

Disclosure of Confidential Information or Trade Secrets

Privileged or Private Communications

Monetary Theft

System Failure

In order to alleviate any inappropriate usage of email or the internet, it is recommended that a written company policy or employee agreements be implemented.

To go one step further to ensure that abuse of the system does not take place, surveillance software can be installed to monitor activity.

Plan Administrators' Corner

It is important for employers to note that they owe a duty of care to their employees when it comes to administration of their benefits. In a recent court case where an employee died at work, his family successfully sued his employer for failure to provide insurance coverage pursuant to his benefit plan.

The court ruled that the employee was not provided sufficient details about the coverage available and the timelines in applying for the coverage.

However, the court also noted that the employee was aware of the benefits policy and was therefore negligent in failing to apply. The final result was that the employer was held liable for 50% of the estate's damages.