

## BENEFITS CORNER



Mitch Michener  
Kennedy, Michener Benefits, LLC

### “Building A Benefits Program”

The Affordable Care Act has rightly received so much attention lately that one might think that is all there is to a benefits program. There are actually many elements that go into building a solid benefits package for your employees. Building an intelligent program takes a bit of time and thought, but can pay huge dividends for your business.

Benefit programs are essentially a tool for you to attract and retain the best employees. If you can keep your staff intact, your training costs will diminish greatly and your customers will come to know and appreciate these dedicated employees. How many times have you gone into one of your vendors, only to find that they have all new faces to greet you and to serve you? Your customers appreciate dealing with the same employees as well! Too many times have I heard of an employer losing its best people to a competitor because the benefits were better across the street or down the hill.

One of the questions that you will inevitably find yourself asking is, “Should I offer benefits to my employees?” The answer to that question will vary given the number of employees you have, the length of time you have been in business and the stability of your business.

There are some businesses where the answer to that question will most certainly be a resounding NO! These businesses usually have employees that are “part-time” workers or that don’t require special skills or education to perform their jobs well. In these types of

businesses, the job itself is the benefit! Additionally, with the subsidies that are now available for the purchase of personal health insurance plans you might be inflicting financial hardship on your employees if your business cannot afford to pay for a substantial share of the employee’s premium amount.

On the other hand, most businesses today do require certain special training, education or skills from their employees to make the business a success. If that is the case for your business, a benefit program should be considered an essential requirement to get the best people for your company.

So, what benefits should you consider offering to your employees? I like to break this down into three different categories of benefits. The first category, Level One, is comprised of a simple, basic package. The second category, Level Two, is what I call a core benefit package and meets more needs. While the third category, Level Three, can be built up to what would be considered a “rich” benefit program.

Benefits in Level One would contain only health insurance, a formal plan to allow the pre-tax payment of premiums required and a written time-off policy. This type of package would be most suitable for a newer business, or for one that has not offered any benefits in the past. Health insurance is the number one concern for most employees. You might be able to offer a high deductible plan (bronze or silver) that would keep premiums relatively affordable, while easing the concern of a catastrophic illness forcing your employee into a difficult financial situation. A written time-off, or vacation, policy allows your employees to know that you care about their family and their time away from the workplace. A time-off policy would indicate the maximum days allowed away from the office and whether this would be comprised of paid or unpaid days.

Benefits in Level Two include those in Level One, but add a group life insurance plan, long term disability coverage and a retirement plan. The life insurance benefit is an inexpensive benefit that shows that you care about

that person and his or her family. A long term disability program is a plan that would allow for an employee to have an income replacement plan in the event of a partial or total disability. Most disability plans are designed to replace up to 60% of a person’s wages should they become disabled. The most advantageous retirement plans for your employees are typically offered through employers. With the questions about the stability of Social Security in the future, your employees need an easy way to save for their retirement. The Level Two benefits program would be great package for many small businesses!

Benefits in Level Three would add dental coverage, short term disability coverage, vision coverage, long-term care insurance, and a wide range of other payroll deducted coverages. Benefits in Level Three are considered true “perks” of employment. This level of benefits program might be needed by some small employers that have to compete for a very skilled labor force.

As an employer, your employees are vital to the success of your business. Is it time to review your benefit plan? Or, is it time to implement your first plan? If that is the case, I would enjoy the opportunity to assist you designing a solid, cost-effective program for you and your business!

Robert Kennedy – rkennedy@kmb-llc.com  
Mitch Michener – mmichener@kmb-llc.com  
Paul Chaput – pchaput@kmb-llc.com  
Deanna Clark – dclark@kmb-llc.com  
Kim Cavey – kcavey@kmb-llc.com  
Cyndi Fritzler – cfritzler@kmb-llc.com

Phone: 303-399-9411 Fax: 303-394-7153

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