

EmployeeBenefit

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news

FEATURED

No stone unturned



BY LYNN GRESHAM

This winter's blizzard of pink slips took unemployment to a staggering 8.1% in February. Unlike in previous recessions, though, many employers have not continued slashing staff to cut costs, says Scott Olsen, a consultant in the human resource services division of PriceWaterhouseCoopers. Instead, they sliced rewards — freezing salaries, resetting merit increases, deferring bonuses and commissions, reducing or eliminating retirement plan matches, and increasing employee contributions to health care premiums and scaling back other benefits.

“Clearly, organizations are under tremendous pressure to find ways to reduce costs,” says Ken Abosch, head of Hewitt’s North American compensation consulting practice. “We’ve gone through the first-wave responses, which were layoffs and salary/bonus actions. In

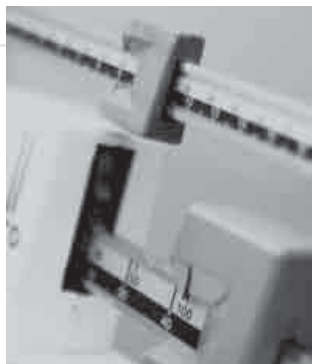
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COURT RULING

‘Freak case’ reminds employers of delicacy of layoffs

BY KATHLEEN KOSTER

In February, the Massachusetts Supreme Court ruled that Claire Cole, a former secretary for the department of public works in Salem, Mass., should have received full disability benefits after she suffered a heart attack within an hour of learning she would be laid off due to budget cuts in March 2000.

Cole, who died of a separate illness in 2006, claimed that past years of job-related stress in addition to hearing that her position would be eliminated caused the attack, leaving her unable to do her job and thereby deserving full disability benefits. Countering Cole’s assertions,

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EMPLOYMENT LAW

HR policy high on Washington agenda

BY LYDELL C. BRIDGEFORD

“It’s an exciting and important time for our voices and leadership to be heard in Washington, D.C.,” said Lon O’Neil, president and CEO of the Society for Human Resource Management, during the organization’s employment law and legislative conference.

In March, O’Neil spoke before nearly 650 attendees at the three-day event,

which focused on employment laws and legislation affecting how corporate America manages its workforce.

“The issues that are being debated in this city and on the airwaves are our issues. They are HR issues,” he added, noting the first law President Obama signed was an HR-related law, The Lilly

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PRIVACY RULES

New HIPAA regs could bring more enforcement, lawsuits

BY LEAH CARLSON SHEPHERD

New provisions to the Health Insurance Portability and Accountability Act that were included in the economic stimulus law signed in February could have broad implications for employers, their relationships with health insurers and their liability in protecting personal health

information.

Kathy Reardon, an attorney with Bryan Cave, says: “It potentially could have a very big impact in a couple of fronts. You have a new administration that is very much committed to mov-

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Quality of Life



Happiness money can't buy

In tough economic times, adoption benefits strengthen employee satisfaction, loyalty

BY LEAH CARLSON SHEPHERD

At a time when financial uncertainty could discourage some people from adopting a child, many employers are staying committed to providing adoption benefits to their workers. Such offerings could enable a family to proceed with adoption plans, and allow employers to provide or maintain a valued but inexpensive benefit, despite the cost-cutting environment. "The economy has not affected the continued increase in the number of adoption benefit policies nationwide," notes Rita Soronen, executive director of the Dave Thomas Foundation for Adoption. "It's the one benefit employers can add without negatively impacting the bottom line. Even though [adoption benefits]

are popular with employees, utilization rates are extremely low. Adoption benefits give companies an affordable opportunity to help their employees and impact the

lives of children without families."

Each year, the foundation releases a ranked list of the country's Best Adoption-friendly Workplaces (see sidebar for list of

this year's top 10 companies). The foundation was started by Wendy's founder Dave Thomas, who was adopted. The company appears to be continuing its founder's commitment to making adoption a more affordable option for families; Wendy's is the No. 1 company on this year's list. The rankings are based on financial reimbursement for adoption and paid adoption leave offered by U.S. employers. This year, 49 employers on the list enhanced their existing policy, and 43 more established adoption benefits. Utilization rates reported by employers remain consistently low, with less than half of 1% of eligible employees using the benefit in an average year. Most HR/benefits executives cite this and the minimum of paper-

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2009 Top 10 Best Adoption-friendly Workplaces

1. Wendy's International
2. RBS Americas/Citizens Financial Group, Inc.
- 3.* LSI Corp.
- 3.* United Business Media
- 3.* Liquidnet
6. Subaru of America
7. Bowen Engineering Corp.
8. Timberland
9. Barilla America
10. Time Inc.

* There was a three-way tie for third place.

Source: Dave Thomas Foundation for Adoption, 2009

Adoption

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work as the reasons they administer the benefit in-house, according to

the foundation. "Utilization is not typically high, but the payback as far as how meaningful this is for parents and employee is amazing," says Jackie Mitchell, senior manager of

work-life programs at Timberland (ranked No. 8 on the 2009 list). "It really strengthens your community. It's the type of program that everyone feels good about because

it brings so much happiness." Timberland, which has 5,400 employees worldwide, has provided adoption benefits for 25 employees over the last 15 years. "It helps to fulfill our

responsibility to society," Mitchell remarks. In addition to being affordable, adoption benefits can improve recruitment and retention, provide equity for adoptive parents and enhance work-life programs. A financial reimbursement for adoption is offered by 90% of employers in the foundation's survey, and the reimbursement ranges from \$750 to \$25,000 per employee, with an average of \$5,000. For 12% of employers in the survey, the maximum financial reimbursement includes an average of an additional \$1,900 for special-needs adoptions. Paid leave is offered by 48% of employers on the list, at an average of five weeks. Some companies provide unpaid leave beyond what's required by the Family Leave and Medical Act. It varies widely from one week to three years and is often handled on a case-by-case basis, according to the foundation. At about 58% of employers in the foundation's survey, adoption benefits are granted to full- and part-time employees. Companies are split evenly on whether to allow participation immediately upon hire, within the first year of employment or after one year. The foundation offers a free toolkit to help employers implement adoption benefits. Mitchell advises pros to arrange adoption benefits to be on par with the benefits that their company offers to birth parents. Also, she suggests, "Develop a program that aligns with your company values and is consistent with your benefits philosophy."

Jerilyn Medrea, head of global talent engagement at Liquidnet (ranked No. 3 on the list), sums up why her company offers adoption benefits: "The short answer is we are committed to our employees and their families, regardless of how they evolve. Our adoption assistance program is one example of this commitment. The broader answer is a big part of our culture."

Grateful employees

The cost to adopt a child can range anywhere from zero (for a public adoption of a child from a local foster care system) to more than \$35,000 (for a private international

adoption requiring several trips abroad). Adoption costs include application fees and services provided by an adoption agency, such as a home study, medical services for the birth mother, legal services, document preparation, advertising and post-placement supervision.

Wendy's offers its workers a generous maximum of \$24,300 in adoption assistance and up to six weeks of paid adoption leave. Brenda Overturf, a capital control coordinator for Wendy's, adopted brother and sister, Regina and Jimmy, from Ohio's foster care system in 2003. "Adopting from foster care was actually very affordable, but the need for time off was crucial. Wendy's adoption leave allowed me to have the time I needed to bond with my children, who were nine and 10 years old, to help them adjust to their new environment and to prepare for their new school. I couldn't have done it without those benefits," she says. Kevin Kidney, a firmware engineer at LSI Corp. (No. 3), adopted his daughter, Lauren, from China. "Our decision to adopt a little girl could have been met with many obstacles. Instead, we were fortunate to have received encouragement, support and assistance in all aspects of our lives," he says. "The adoption process is not for the faint of heart. There is an amazing amount of work, paperwork, stress and financial obligation associated with the process. In a time where the costs associated with adoption make it unattainable for many, it is truly a blessing to have the financial and moral support from one's employer. Adopting our little girl was one of the greatest experiences of our lives, and we appreciate the help and compassion that LSI provided." Ed Storrs, project manager for Bowen Engineering (No. 7), says, "Having experienced the process of adopting a child myself, I had the pleasure of leading the steering committee that brought this benefit to Bowen Engineering. I know that our adoption policy will allow more people to achieve their dreams of becoming adoptive parents. Beyond the financial assistance that this benefit provides, excellent counsel-

ing is also provided, allowing prospective adoptive parents to fully understand the adoption process. Prior to Bowen including this benefit, we had accepted that we would

only be able to go through the adoption process once. Now we have the option to experience it again." Likewise, Charles Wallace, a consultant at First Horizon National Corp. (No.

63), adopted two children, now ages three and five, and is fostering an infant with the hopes of adopting her soon. He also has three biological children over the age of 25. "Any-

thing [employers] can do, no matter how little or how much, will be appreciated," he asserts. "There are so many children out there who need a home." —L.S.