



Employee Benefit News



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CGI Employee Benefits Group, Inc. (CGI) is a diversified full service employee benefits brokerage and consulting firm dedicated to providing the highest level of personalized service and objective advice.

Our goal is not to meet expectations but to exceed them in ways our clients have never experienced before. Creativity is the hallmark of our approach. At CGI we strive to develop innovative solutions to meet the demands of an ever changing and increasingly complex employee benefit and Human Resources landscape.

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Simple Tips for Safe Winter Driving

Winter driving is a completely different experience than driving is in any other season. Luckily, many of the preventative measures you take for each type of driving condition are the same. Before you start your drive, be sure to check all of the following vehicle safety points.

Vehicle Safety

Brakes: Check both your vehicle brakes and trailer brakes for their effectiveness.

Tires: Before you drive in snow, ice and slush, you need to make sure your tires have tread. Balanced, rotated and aligned tires will help you reduce the possibility of bald spots. You should use special snow tires in the winter or put chains on. Since cold weather helps to decrease your tire pressure, make sure you have enough air in your tires.

Lights: Make sure your headlights, taillights, brake lights, reverse lights and turn signals are all working properly. In heavy snow fall it is impossible to guess the intentions of other drivers, so any lights that indicate behaviors (like stopping and turning) are extra important.

Windshield: For winter weather and windshield visibility you need a properly functioning heater and defroster. Also, make sure to monitor the health of your windshield wipers. Ice and snow can make them hard and cracked, so be sure to test them before you begin driving.

Items to Carry

There are certain necessities you should carry with you when you drive in winter weather. These include:

Scraper: Carry a scraper with you so that you can clean your windshield off before driving. You should also carry de-icer fluid.

Sand: Carrying sand or cat litter with you will give you something to throw on top of snow or ice to give you added traction if you get stuck.

Chains: If you do not have snow tires, carry chains with you for your vehicle and trailer tires.

Rags: If your defroster should stop working, you will need something to wipe your windows with. Carry rags for this possibility.

Driving Methods

Follow at a safe distance: Ice and snow make for difficult braking and frequent skidding. Stay far from the cars ahead of you so that you have an extra cushion of space in which you can keep control of your vehicle. While you might normally follow the three-second rule in good weather, winter weather requires that you increase that to a six or nine-second rule.

Follow appropriate braking procedures: Remember, if you do not have anti-lock brakes you should pump when you need to stop but anti-lock brakes should never be pumped.

Never forget to wear your seatbelt: Your seatbelt can mean the difference between walking away from an accident with a few scratches and not walking away at all. You should wear your seatbelt no matter what the weather conditions are, but with the additional risk of accident in winter weather, seatbelt wearing becomes even more important.

Taking the time to learn and follow the above guidelines will make winter weather easier to drive in and will lower your risk of having a preventable accident.

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Help Is At Hand to Answer “How Much Will I Need to Retire?” Question

Retirement for today's workers will be a much different experience than it was for recent generations. The good news is that people are living longer. Life expectancies have increased dramatically over the past century: according to the National Center for Health Statistics, an individual born in 1900 could expect to live to age 47, while one born in 1950 could expect to live to age 68. Furthermore, that individual born in 1950—now in his or her mid-50s and nearing retirement age—can expect to live almost 14 years past age 65, once that age has been attained.

The not-so-good news is that individuals are becoming increasingly responsible for financing the cost of retirement. Many people in previous generations retired after a long career with one employer, and exited the work force with the security of a guaranteed income for life, courtesy of an employer-sponsored defined benefit plan. Social Security benefits added another layer of income, and some retirees also enjoyed company-paid retiree health benefits.

Today's workers—tomorrow's retirees—are more likely to have careers that span many employers. Thus, even if covered under a traditional pension plan, they will not have built up as big of a benefit as individuals with one-employer careers. However, most workers are no longer covered by a traditional pension plan; they are more likely to be covered under a defined contribution plan, such as a profit-sharing plan or 401(k) plan. These plans typically rely heavily on employee contributions in order to build up a sizable account balance.

Factor in concerns about the future of Social Security and Medicare, and it's evident that workers today must do a lot more to financially prepare for retirement. But even if you're convinced of this fact, just getting started can be overwhelming. How much money will I need to retire? How much do I need to save every month? Where can I find room in my current budget for retirement savings?

An old time management slogan advises, “When eating a large elephant, take one bite at a time.” The same applies to retirement planning, and in this case the first bite should be to estimate the size of retirement nest egg you will need.

Most experts in the financial planning field give this rule of thumb: you will need 60%-80% of your pre-retirement salary (adjusted for inflation) in order to maintain your lifestyle during retirement. A periodically conducted analysis by Georgia State University's Department of Risk Management and Insurance puts this percentage in the 75%-85% range. A careful assessment of your existing retirement savings, expected benefits, and plans for post-retirement lifestyle will help you come up with a reasonable estimate.

The emphasis is on the word “estimate.” Planning for any future event comes with its share of uncertainties. Planning for retirement is no different...and perhaps even more tentative. However, the inability to come up with a dollar amount that is carved in stone shouldn't prevent you from taking this important first step in retirement planning.

Help is available to get you started. The website of the American Savings Education Council (www.asec.org) con-

tains a worksheet called the “Ballpark Estimate,” designed to give a basic idea of the savings one will need in retirement. In six steps, the Ballpark Estimate computes a figure that approximates the amount you will need to save annually in order to fund a comfortable retirement. To keep things simple, it estimates your Social Security benefits and rate of return on investments; you need to fill in the amount you expect to receive from a traditional employer pension, and the amount of any current savings.

The ASEC website also contains about 100 other calculators on a wide variety of financial planning issues, including a more in-depth “Am I Saving Enough?” for retirement planner and several on budgeting issues.

If you currently are a participant in a 401(k) plan or have other investments, the financial firms that administer and/or manage these funds may offer online retirement planning tools. For people seeking more detailed and personalized assistance, a call to your insurance agent or financial planner is a good place to start.

Don't be daunted by the uncertainties of the future or fears that you've waited too long to begin to save...take that first bite, and savor the fact that you're beginning to take your financial future in hand.



HRAs Help Introduce Employees to Health Care Consumerism



Discussions of consumer-directed health plans frequently focus on high-deductible health plans coupled with health savings accounts (HSAs). Sometimes overlooked are health reimbursement arrangements (HRAs), employer-funded accounts that can be a solid first step in transitioning to a consumer-directed approach to health care.

In some ways, HRAs work like other kinds of account-type health care plans. Employees can use an HRA to pay for their qualified medical expenses, along with those of a spouse and children. Such expenses could include deductibles, copayment and coinsurance amounts, and any type of expenses that fall under the Internal Revenue Code definition of a qualified medical expense. Funds withdrawn to pay for qualified medical expenses are not taxable to the employee.

From an employer's perspective, one of the great advantages of HRAs is that they have tremendous design flexibility. Unlike health savings accounts, they do not need to be tied to a high-deductible health plan. Their design, however, can complement the company health care plan; for example, if you have had to make changes to your company health plan to make it more affordable-such as increasing deductible or copayment amounts-you can offset the impact of such changes on employees by setting up HRAs and letting employees know that they have access to HRA funds to pay for these increased costs. The employer can also, by plan design, limit the expenses that can be paid for through the HRA (such as only for those increased deductibles or copayments); change or enlarge the scope of reimbursable expenses year to year; and change the contribution it makes to the plan each year.

For employers unable to sponsor a comprehensive type of medical plan, an HRA can be a way to provide some health care benefit to employees. The cost of the plan would be predictable-whatever amount the employer chooses to contribute to employees' accounts-and could vary year to year. Employees could use their HRA funds to pay for medical expenses, or apply them toward the premium of a health plan they purchase on their own.

As noted above, HRAs are employer-funded accounts; no employee contributions are permitted. However, as with any type of health plan contributions, the contributions an employer makes to an HRA are deductible. Though funding HRAs entails some expense for employers, strategic implementation can sometimes be used to offset these costs to some degree. For example, if the HRA is implemented along with health plan design changes that help control plan costs-such as an increase in deductibles or copayments-the employer can use any premium cost savings to help fund the HRA.

HRAs also have the advantage of helping employees develop more awareness of the cost of health care. Just as when withdrawing funds from any type of savings account, each time employees contemplate using the HRA to pay for a medical expense they're faced with considering whether they're meeting the medical expense in the most cost-effective way possible. Such thinking is an incentive to take the steps necessary to make informed, cost-conscious health care spending decisions. And, since HRA funds carry over year to year (and are not forfeited, such as are unused amounts left in health care flexible spending accounts), employees have additional reasons to be careful about how they spend HRA money. By design, however, an employer can limit the carry-over feature of the HRA and decide whether to make unused funds available for retirees to use.

HRAs offer the opportunity to provide a cost-defined, tax-advantaged health benefit that can help employees become more informed, savvy health care consumers. Of the many options employers have to choose from in providing health benefits to employees, HRAs are an attractive one to consider.

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7. Encourage the use of stairways instead of elevators by placing signs near the elevator and stairs highlighting the health benefits of stair use. Ensure that stairways are accessible and are properly lighted.
8. Discourage employees from eating at their desks. Even a short walk to the cafeteria/lunch room can be helpful.
9. Support physical activity breaks during the workday.
10. Allow employees enough time for lunch so that they can walk or use the gym.

Although there may be an initial cost associated with implementing these provisions, the ROI will prove that the expense was well worth it when employers begin to see the improvements in productivity and the decline in obesity-related health claims. Even more important than those two benefits are the residual benefits received from implementing these changes. When employees see that their employers care enough to provide not just a safe workplace, but also a healthy workplace, these gestures encourage a real sense of loyalty that will ultimately translate into a healthy boost to everyone's bottom line.



Make No Mistake - Obesity is Expensive

Two critical tasks in managing any business are to control costs and maximize productivity. Many business owners feel confident that they're doing all they can in both of these areas. However, if employers aren't considering the shape their employees are in, they are missing a huge piece of the puzzle that may be adversely affecting both costs and productivity.

According to a study by the Centers for Disease Control and Prevention, 26.1% of American adults were obese in 2008, compared to 25.6% in 2007. If we count Americans who are either overweight or obese, a staggering 2 out of three fit the bill. These statistics become of even more concern for business owners when you add the findings of the Department of Health and Human Services (DHHS) survey entitled "Prevention Makes Common Cents: Estimated Economic Costs of Obesity to U.S. Business." DHHS discovered that the total cost of obesity to U.S. companies is estimated at \$13 billion per year. Health insurance costs related to obesity comprise the largest percentage of the total coming in at a whopping \$8 billion.

Of course, increased insurance costs aren't the only story here. The ballooning American waistline is the cause of 39 million lost work days; 239 million restricted activity days; 90 million bed days; and 63 million physician visits; numbers which add up to an immense drain on productivity.

What can employers do to combat this growing problem? Start with some suggestions offered by the American College of Occupational and Environmental Medicine:

1. Offer healthy choices in cafeterias and/or vending machines.
2. Provide nutritional information for cafeteria selections.
3. Provide healthier snacks at meetings and other employee events. For example, serve fruit, popcorn, and low-fat yogurt, rather than doughnuts or pastries.
4. Provide bottled water in the vending areas or cafeteria.
5. Institute a workplace wellness program that provides mechanisms to aid employees in adopting healthy lifestyles.
6. Provide educational material on the health risks of being overweight and how to eat healthier.

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