



BOSTONIAN
GROUP®



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Benefits Beacon

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Customized Higher Educational Solutions The Bostonian Group Partners with ConnectEdu

The Bostonian Group is pleased to announce our newest partnership with ConnectEdu. ConnectEdu offers specialized Web-based solutions to students and parents engaged in the college planning, application and financing processes. Through this partnership, The Bostonian Group will now offer ConnectEdu's interactive technology and professional guidance to clients.

Through ConnectEdu's proprietary technology platform— Connect!® – ConnectEdu and The Bostonian Group will provide interactive tools, a proven process, customized college plans, valuable content and dedicated education professionals to deliver personalized support and advice through each step of the college process. In the end, employees and their dependent children matriculate to schools that are right for them when they use Connect!:

- Robust and interactive profiles on all 3,700 schools;
- Customized college plan and process for each user;
- Interactive tracking of all admission process steps;
- Engaging resume building and letter of recommendation wizards;
- Complete and accurate submission of all financial aid forms; and
- Live, expert professionals to support each family.

Traditionally, this benefit has only been available to employers with more than 5,000 employees, however as a result of this part-



nership, The Bostonian Group is able to provide it to all of our clients!

Through this partnership, employees and their dependent-stakeholders will interact and establish meaningful relationships in a secure, on-line, community environment, thereby increasing the rate at which those struggling in this economy go to and succeed in college.

The Bostonian Group will be hosting three informational web-based sessions to introduce ConnectEdu and the Connect! platform to clients. If you would like to register for any of these sessions please email info@bosgroup.com and indicate which session you would like to attend.

The scheduled webinar dates are as follows:

- Tuesday, September 12, 2006 – 1:00pm
- Wednesday, September 20, 2006 – 10:00am
- Tuesday, September 26, 2006 – 1:00pm

The Bostonian Group is pleased to share with you our newsletter. This publication is designed to provide you with helpful information pertaining to employee benefits, retirement, compensation and human resources.

We hope that you will find this newsletter informative. Please feel free to send comments or questions to info@bosgroup.com.



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Employers Should Schedule Periodic Review to Ensure Value of 401(k) Plan

With employees responsible for most of the decision-making involved in a 401(k) plan, it can be easy for an employer to let the plan run itself, once set up. However, it's important not to lapse into such a routine. Though the day-to-day "management" of the plan rests with participants, a 401(k) plan sponsor cannot put a plan in place and then fade into the background. A plan sponsor has the fiduciary responsibility to ensure that the plan operates in the best interests of plan participants. Administrative processes, investment offerings, investment managers, and compliance processes should be reviewed periodically to make sure that all fiduciary obligations are being fulfilled.

In addition to the fiduciary issues, periodic plan review makes good business sense. Over time, an organization's goals and needs can change; employee demographics can shift; technologies will evolve; and the investment climate can change. All of these events, and others, might make plan revisions appropriate.

Several aspects of a 401(k) plan should be part of a thorough, periodic review:

- **Cost**—What is the plan costing participants, and you, the plan sponsor? Participants pay their share of plan costs through reductions in the investment return credited to their accounts. Plan sponsors need to examine the extent of this reduction, and understand the fees that are being charged. High expense ratios can eat away at the growth of participants' accounts. The employer should also examine the plan costs that it shoulders—legal compliance fees, consulting costs, staff expenses, cost of communications—and determine whether they are reasonable.
- **Investment offerings/Investment performance**—Do the available investment options offer plan participants an appropriate array of choices from the risk/return spectrum? Are the choices a good fit for your employees? How does performance measure against benchmarks or similar investment options offered by different vendors?
- **Administration/Compliance**—From the employer's perspective, is the plan running the way you had ex-

pected? How much human resources/benefits staff time is devoted to administrative issues and oversight? If the responsibility for compliance matters (e.g., nondiscrimination testing, annual filings) has been outsourced, is the vendor completing these tasks in a timely and correct manner?

- **Administration (from the employee's perspective)**—Are employees' contribution elections/changes and investment elections/changes being processed promptly and correctly? The same question should be asked of loans and withdrawals, and distribution requests.
- **Self-service features**—A decade or more of advances in telephone, and then Internet, capabilities have removed much of the paperwork from 401(k) plans. Today's 401(k) plan participant usually can perform many tasks (such as changing investment elections) and get information (what's my account balance?) without taking the time of plan administrative staff. Are the self-service features available to your employees user-friendly and easily accessible? Do they in fact help empower employees to get the most from the plan?
- **Customer service**—Even with extensive self-service features, employees still at times may need human assistance. How readily does your vendor make this available? Are the hours generous enough to accommodate your employees? Are the customer service reps knowledgeable and courteous?
- **Employee participation**—Are participation rates where you'd like them to be? Any of the above factors can affect employee participation, in a positive or negative way. Additionally, the quality and adequacy of plan communication materials can drive participation.

A 401(k) plan is one of the most important benefits an employer can make available to its employees. A thorough, periodic review of the plan is important to ensure that this significant benefit operates as efficiently and effectively as possible, both for the plan sponsor and for employees.

Promotions and New Hires

In August, John Donohue was promoted to Managing Director, Employee Benefits Practice. John joined The Bostonian Group in April of 2000 and brings over 15 years of experience in employee benefits, with specific expertise in the health insurance industry. Prior to his promotion, John was an Employee Benefits, Managing Consultant and team leader. He has provided stra-

tegic advice and consulting expertise to many of the firm's largest clients and helped develop comprehensive, cost effective programs.

Dan Daley and Zoe Damplo joined The Bostonian Group's Small Business Solutions Practice this past August. Dan will focus on helping SBS clients with strat-

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Know Your Liabilities When Hiring Temporary Workers

The importance of the temporary worker has increased in the last ten years due to gaps in staffing caused by downsizing, mergers and acquisitions. A temporary worker can be hired to fill in for an employee on leave or they can be used to augment a company's permanent staff during seasonal fluctuations. Regardless of the reason for their employment, any business owner who hires temporaries should understand that they are entitled to certain considerations even though they will only be with you for a short time.

That entitlement rests on the answer to an important question of whether or not the temporary is an "employee" or an "independent contractor". This is especially relevant when it comes to the area of discrimination. The Equal Employment Opportunity Commission (EEOC) says that temporaries are covered employees under the federal and state anti-discrimination laws if the right to control the means and manner of their work performance rests with the hiring company, rather than with the temporaries themselves.

It's important to note that even though the staffing agency pays the temporary based on the number of hours reported by the business owner; it is the hiring company that oversees the temporary's work. Moreover, the temporary uses the hiring company's supplies and equipment and works on-site. In this instance, the liability for providing a discrimination free environment is not transferred to the staffing agency, as most companies would believe. The EEOC says the liability is shared by both the staffing agency and the hiring firm.

The issue of safety in the workplace is another area of vulnerability when it comes to hiring temporary workers. The Occupational Safety and Health Review Commission has taken the stance that companies employing temporary workers are primarily responsible for compliance with the Occupational Safety and Health Act with regard to those workers' safety. The rationale for this position is again based on the fact that the hir-

ing company controls the means and manner of their work.

Employing temporary workers also has ramifications for the hiring company when it comes to the Family and Medical Leave Act (FMLA). This law requires employers with 50 or more employees to allow any eligible employee to take up to 12 weeks of unpaid family and medical leave in any 12 month period, while still maintaining the employee's health insurance benefits and usually, to restore the employee to the same or equivalent position upon his/her return. While the hiring firm does not grant FMLA leave to temporaries, they do have to count temporary workers as part of their contingent when determining if they meet the 50 or more criterion. They must also allow a temporary employee returning from FMLA leave to continue working at their site, even if that means letting another temporary worker go who was hired to replace the worker on leave.

The National Labor Relations Board considers hiring companies and staffing agencies to be joint employers for purposes of the National Labor Relations Act (NLRA) when both make determinations that affect the terms and conditions of the temporary worker's employment. An important consequence of this joint employer determination for the hiring company is that it may be held liable for the staffing agency's unfair labor practices toward the temporary worker it has hired.

And finally, hiring companies must include most temporary employees in their employee headcounts to see if their benefit plans qualify for a favorable tax treatment under the Internal Revenue Code. However, several courts have ruled that there is no provision in either the Internal Revenue Code or the Employee Retirement Income Security Act that hinders hiring companies from excluding temporary workers from their benefit programs.



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egy and benefits planning. He has over 10 years of experience implementing new programs and managing client accounts as both an HR professional and a benefits consultant.

Zoe Damplo is the Small Business Solutions new HR Consultant. Zoe will be responsible for managing the 'value-added HR services' many SBS clients have

come to rely upon. Prior to joining The Bostonian Group Zoe worked at Mercer as a HR Consultant in New York.

Maureen Ervin joined The Bostonian Group in August as the company's Controller. Maureen reports to Sharon Keefe, The Bostonian Group's Chief Financial Officer.

Host Your Holiday Party at Celebration for Kids Gala Event This December

The Bostonian Group would like to invite local businesses to consider joining us at the fourth annual Celebration for Kids on Saturday, December 2, 2006. The fundraising gala is part of the Rodman Ride for Kids Charities and raises money to benefit local children's charities. The event includes food from more than 40 of Boston's best restaurants, local celebrities, live music and a huge auction.

Through The Bostonian Group's corporate sponsorship, the company pays for their employees and employees significant others to attend the event. The black-tie optional gala provides The Bostonian Group with the opportunity to hold their annual holiday celebration at a first-class event and by sponsoring the gala the company is able to live one of its values "to give back to the community". As a result, everyone benefits and The Bostonian Group would like to encourage other firms to consider joining us. Local charities win because they raise much deserved and needed

money and The Bostonian Group employees enjoy themselves because the event is so much fun.

To find out more about how your company can get involved and plan their 2006 holiday party at this year's Celebration for Kids visit www.celebrationforkids.org or call 800-395-7433.

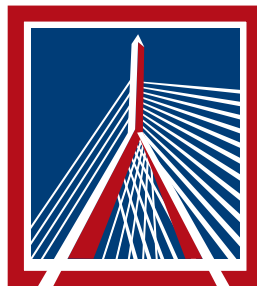
What: ***Celebration for Kids***

When: **Saturday, Dec. 2, 2006;**
6:00pm – 12:00am

Where: **Seaport World Trade Center,**
Boston, MA

To find out more:
www.celebrationforkids.org
800-395-7433

Our clients come in many shapes and sizes. • As a result, so do our solutions.



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