

THE INSURANCE INSIDER



5 TIPS FOR GETTING PLAN MEMBERS TO OPEN BENEFITS MATERIALS

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“...Blasting out information that is not relevant to all members can drain your communications budget and undermine the effectiveness of your program.”

According to the results of a recent survey by the International Foundation of Employee Benefit Plans the top challenge with benefits plan communication is getting participants to open and read materials. With so many competing interests constantly vying for our attention, this is hardly a surprise.

Here are five tips for grabbing plan members’ attention:

1. Make sure frontline leaders play a visible and vocal role in promoting your message

Your members will always take their cues first and foremost from their leaders, both official (such as managers) and unofficial leaders (influencers). Your frontline leaders need to understand that they have an important role to play in promoting important messages, such as getting people to complete their annu-

al benefits re-enrolment or informing them of a change in investment options. These leaders need to understand and support your objectives. They also need to be equipped to respond to questions – or, at the very least, know where to direct members for more information.

2. Don’t waste time on “off-the-shelf” communication

Pension and benefit plans are complicated enough without giving your members the extra challenge of sorting out whether the investment classes described in the newsletter they just received actually apply to their plan, or if dental implants are a covered benefit. Your job is to

capture attention and then keep the information relevant and meaningful to your audience.

3. Target your message

Blasting out information that is not relevant to all members can drain your communications budget and undermine the effectiveness of your program. Younger employees have different financial priorities, health needs and learning styles than boomers closing in on retirement. High-income earners have different concerns than hourly-paid workers, and so on. Tap into your plan’s demographic data to deliver the right message to the right audience at the right time.



5 TIPS CONTINUED...

4. Keep it short, compelling and personal

Quick, clear communication makes an impact. Give members short nuggets of information that can be absorbed quickly and entice the audience to learn more. Getting bogged down in details is one of the biggest pitfalls of pension and benefits communication – and one of the biggest turnoffs for your audience.

All plan communication, whether an email, newsletter or video, should present key points or action items early. And, it should help your members answer a very important question – *what's in it for me?*

5. Lighten up!

Face it, no one really wants to think about the possibility of death or disability. And the mere mention of retirement saving is

enough to send most Canadians into a depressive funk. But that doesn't mean your communication has to look or sound like a tax notice. Laugh-out-loud humour might be asking too much. But tone, language and imagery can be inviting or discouraging, authoritative or friendly. Don't be afraid to show you care.

Susan Deller

WILL 18 MONTH PARENTAL LEAVE BECOME A REALITY?

When the federal government presents its 2016 Budget on March 22, employers will be listening to hear more about the proposed changes to parental leave.

Prime Minister Justin Trudeau's Liberal government said it would introduce more flexible parental benefits, which would allow working parents to receive benefits in smaller blocks of time over a period of 18 months, and would make it possible for parents to take a longer leave – from 12 months up to 18 months when combined with maternity benefits – at a lower benefit level.

In his mandate letter to Jean-Yves Duclos, Minister of Families, Children and Social Development, Trudeau said the minister would be expected to work with the Minister of Employment, Workforce Development and Labour to “fulfill our commitment to provide more generous and flexible leave for caregivers and more flexible parental leave.”

The proposed changes are expected to go out to a stakeholder consultation in the spring, with a potential roll-out date in 2017. But at this point, “there's a lot more unknown than there is known,” said Nora Spinks, CEO of the Vanier

Institute of the Family.

She warned, however, that there are two parts to the proposals: one is the extension of the duration of the leave, which is under the Employment Standards Act, and the other is the benefits received through Employment Insurance from the federal government.

“Most people talk about them as if they're one and the same, but they're not,” said Spinks. “The benefits may come before the leave ... some provinces have their leave written in such a way that it's in alignment with the



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PARENTAL LEAVE CONTINUED...

benefit, and others will actually have to make a legislative change to their own employment standards.

“The expectation is that parental leave will become more flexible,” continues Spinks.

Spinks also said not to expect that the government is just going to be making the changes for mothers.

“Whether some of that will be dedicated exclusively to Dads, the way it is in Quebec, we don’t know yet, or whether there will be some incentives to share, or whether there will be other adults that will be able to share in the benefits, say a grandparent if you’re a single parent,” she added.

“We don’t know what that means yet, but that’s part of what the consultation

period would determine.” In its latest budget, on March 16, Britain announced it would be launching a consultation in May to determine the feasibility of extended its shared parental leave program to working grandparents. It also announced more details about its tax-free childcare scheme, which it will begin phasing in this year.

-Jennifer Patterson

GENERIC DRUG PRICES FALLING

Generic drug price levels in Canada experienced significant declines in the period from 2010-14, according to research by the Patented Medicine Prices Review Board. Its report, [*Generics360*](#), monitors and reports on the latest developments in generic drug pricing and markets in Canada and compares them to 11 other industrialized countries. The analysis, published in February, covers a set of 554 leading generic drugs.

According to the report, Canadian generic prices fell, on average, by 45%, exceeding the generic price declines in all other foreign markets analyzed. Relative to their brand-name counterparts, average generic prices in Canada declined from 63%

to 36% over this time period. The report also found that the difference between generic prices in Canadian and foreign markets gradually decreased from 40% in 2010 to 19% in 2014. The differential was mainly the result of provincial generic pricing policies.

“While provincial generic pricing policies have been at the centre of the generic price reductions in Canada, their impact is not fully reflected in this report due to the limited time frame examined, the analysis of data at a national level, and the broad basket of drugs included in the analysis,” said the report.

“The national prices examined do not necessarily correspond to the prices in the public sector, particu-

larly for drugs that fell outside the generic pricing policies.

“While the weakening of the Canadian dollar in recent years contributed to an improvement in Canada’s relative position, this change was nearly offset by the price reductions that took place in foreign markets, with most of the remaining gains being accounted for by domestic generic price reductions.”

Through the implementation of generic pricing policies, the provinces have reduced the price of generic drugs for all Canadians, according to the report. “While these policies have narrowed the gap in generic prices between Canadian and international markets, prices in other countries continue to be lower.” *-Benefits Canada*



“...provincial generic pricing policies have been at the centre of the generic price reductions in Canada...”

HEALTH BENEFITS KEY AREA OF FOCUS IN M&A TRANSACTIONS.

The top rewards-related issue during a merger and acquisition transaction is medical benefits, a key area of focus in 92% of projects analyzed by Mercer for its first *People Risks in M&A Transactions* report.

The report, which included the analysis of nearly 450 transaction assignments and some 300 M&A professionals, found that about 80% of the transactions included an evaluation of defined contribution pension plans and almost 20% included an evaluation of defined benefit pension plans.

Almost 50% of respondents said they're willing to consider taking on pensions and post-retirement medical obligations following an M&A.

"Understanding the pay and benefits practices relative to industry benchmarks for all components of rewards is key during diligence," said the report. "This includes base pay and total cash to market, internal equity, incentive metrics/targets, and non-cash rewards."

Additional findings of the report include:

- 89% of the companies surveyed included talent issues among their top three integration challenges.
- 64% cited senior talent acquisition and retention.
- 54% of respondents said they engage advisors to evaluate human capital-related risks.
- 34% said they're spending more effort on HR issues than in the past, while 65% said they are spending about the same.
- 55% of those surveyed report that talent challenges will remain a significant

HR issue in future M&A transactions.

63% said they track HR synergies after an M&A deal.

"Poorly executed integrations, failure to consider culture and organizational fit, and lack of clarity in employee communications are prime examples of people risks that can severely undermine deals and destroy value.

"The magnitude of these risks means that companies must consider the people issues at the outset if they hope to protect the value of the transaction. Our findings show that organizations that bring the same discipline and rigor to addressing the human capital investment and people issues as they do to managing balance sheet risk and the other key operational aspects of a deal realize the most value from the transaction."

-BenefitsCanada

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