

For Your Benefit

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NEWS & NOTES



2014 COLA

Monthly Social Security and Supplemental Security Income (SSI) benefits will increase 1.5 percent in 2014.

The 1.5 percent cost-of-living adjustment (COLA) will begin with benefits that more than 57 million Social Security beneficiaries receive in January 2014.

Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2013.

Some other changes that take effect in January of each year are based on the increase in average wages.

Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$117,000 from \$113,700.

Of the estimated 165 million workers who will pay Social Security taxes in 2014, about 10 million will pay higher taxes as a result of the increase in the taxable maximum.

Source: www.ssa.gov

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6 Crucial 401(k) Employee Education Tips

Make sure you are contributing enough to receive the maximum match. You would be surprised how many employees don't do this. I estimate that in most plans at least 1/3 of all employees do not contribute enough. Employees who do not receive the maximum match are leaving free money on the table. The return on those extra contributions? At least 100%!

Don't trade your account. Employees get scared at market bottoms and overly confident at tops. They need to resist the urge to sell all of their equities when they are scared. Conversely, when equity markets are making new highs, they should not transfer everything into equities. I advise them not to open their account statements during these time periods if they believe that will help them manage their emotions.

Diversify. We all have heard this over and over again from financial planning experts. Many employees like to concentrate their account balances in one or a few funds they feel will perform well or are very safe. Having all their eggs in one basket is not a strategy for success because they are essentially betting on only one economic scenario.

Keep your money in the plan. Employees work hard to save. They scrimp, deny themselves fun, delay purchases, etc. I ask them not to take loans, withdrawals or cash their 401(k) balances out when they change jobs. Taxes and penalties can reduce what they receive from these distributions by almost 50%. In addition, they are making it impossible to ever retire by spending their retirement savings now.

Keep saving - always. Employees stop saving for a number of reasons: their spouse loses a job, they want to save outside the plan for a home, car, boat, marriage, etc. Many employees, when the equity markets fall, stop saving because they believe it is a bad time to invest in the market. I suggest that they lower their contribution rates if they have to, but never go to 0%. Remember, we all need to average 15% in savings over our entire careers to retire at our current standard of living.

The most important factor is... I am always asked, "What is the most important thing I need to do to build the 401(k) account balance I need?" I ask employees to guess what the answer might be. No one ever gets it. It's not how you allocate your balance, what funds you invest in, whether you market time appropriately, the cost of your investments or how they perform. None of these are the correct answer (although they are all important). It is how much you save. That is such an obvious answer that I always get a number of groans. But it is true. Nothing matters more than the amount that someone saves.

Make sure your next employee education sessions address these topics. Your employees will be grateful for the encouragement and support.



Content provided by Robert C. Lawton at Employee Benefit News

Cold Contamination

How to avoid this common contagious condition



As we move indoors for the season, consider that colds spread more readily when people are indoors, because the chances increase for contact with contaminated surfaces and inhalation of airborne viral particles. In addition, the most common cold-causing viruses survive better when humidity is low, especially during cold weather. Dry air also makes the lining of the nose drier and potentially more vulnerable to viral infection.

According to the Centers for Disease Control and Prevention (CDC), people with colds are most contagious in the first 2 to 3 days after infection and usually not contagious by day 10. On the other hand, workers with the flu are most contagious almost immediately after infection (a day before symptoms develop) and for only 5 days after symptoms appear.

Contamination through eyes and nose.

Cold viruses are very hardy; they can survive up to 3 hours on surfaces. A highly common pathway to infection is touching an infected surface with the hands, then touching the nose or rubbing the eyes. The virus enters the tear ducts or sinuses and infects the nasal passage. Flu viruses can also spread via this pathway.

Inhalation. Breathing in viral particles is the most common pathway for flu infection. It is also another pathway for cold viruses when infected airborne mucus droplets are inhaled into the nose or throat.

Prevention. There is no fail-safe preventive measure in a work environment that will guarantee a person will not get a cold or flu. But three measures stand out as the best defense, regardless of cost or effort:

1. **Wash hands** with soap often for at least 20 seconds. “Often” means every time hands have contacted a potentially contaminated surface, such as the hands or face of another person, a doorknob or handle, a coffee pot handle, or a phone used by others.
2. **Use a hand sanitizer** between washes.
3. **Avoid close contact** with anyone that has a cold or the flu.

Why it matters.

- According to the Food and Drug Administration, employers annually lose about 15 million workdays to the common cold.
- The common cold is the leading cause of lost workdays, rivaling the total 17.6 million lost workdays for all injuries and illnesses reported to federal OSHA in 1 recent year.
- According to the National Institute of Allergy and Infectious Diseases, people in the United States suffer 1 billion colds per year. Each person endures about four colds annually.

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Fun vs. Food

Choose people over pigging out for healthy holidays



Nutrition experts at UCLA encourage us to think more about people and less about food during the holiday party whirl. **“Concentrate on socializing, making new acquaintances, and having fun,”** they suggest. “Think about what you are celebrating, not just about how great the food is.”

Another recommendation is to **develop a plan before you arrive at a holiday party or dinner.** For example, if you will be attending a cocktail party where calorie-laden drinks and cheesy hors d’oeuvres will be served, eat a healthy snack first so that you don’t arrive famished. Examples include low-fat yogurt, whole-grain toast with peanut butter, or some fresh fruit.

Picture how you would like to feel when you leave the event—not groggy or overly stuffed—and make choices that will help you get there.

Say “no” to the alcoholic drinks and enjoy sparkling water with a twist of lime. **Load up on the veggies** but avoid the dips. Indulge in a small portion of something you love (like those mini hot dogs in pastry!), and then get rid of your plate and say “no thank you” the next time the server appears. **Don’t stand near the buffet**—it’s more fun and less fattening to mingle!

If you’re concerned that there may be no healthy alternatives at the event, **volunteer to bring something.** That way you’ve been a gracious guest and you know you’ll have at least one wise food choice.

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