



2024 COMPLIANCE
DMEC CONFERENCE
DALLAS, TX | MARCH 25-28, 2024



Compliant and caring: Are both possible?

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March 25, 2024





Introductions



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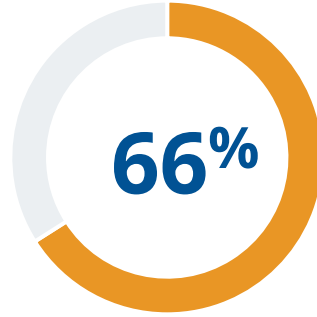


Agenda

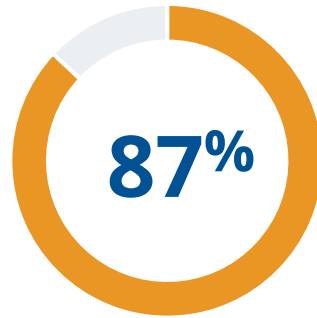
- The New Culture of Caring
- What does it mean to be a caring employer?
- Care in an environment of growing complexity
- 5 Tips for balancing compliance with compassion

What does it
mean to be a
caring employer?

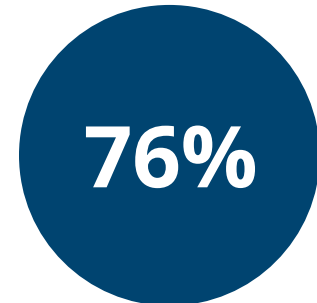




66% of employees say it is the **employer's responsibility** to make sure they are **healthy and financially secure**.¹



87% of employers agree that today's employees have greater expectations for how their employer demonstrates care and understanding for them.²



76% of U.S. adults said they experienced **health impacts due to stress** in the past month.³

¹ Employee Benefit Research Institute and Greenwald Research, 2022 Workplace Wellness Survey, 2022.

² Unum Employer Insights Pulse Survey, March 2023.

³ American Psychological Association, 2022 Stress in America™ survey, 2022.

Caring for others is time-consuming and expensive.

However, employees who feel cared for at work are **7.4 times more likely to stay** with their employers.¹

73% of all employees in the U.S. are also caregivers.²

Paid childcare costs families between **8%** and **19.3%** of median family income — per child.³

Long-term services and supports for elderly and disabled people had 2021 median annual costs of:⁴

- **\$108,405** for a private room in a nursing home
- **\$54,000** for an assisted living facility
- **\$61,776** for a home health aide

Employees **out on leave** unexpectedly bear the burden of caregiving cost coupled with **loss of income**.

1 LIMRA, Benefits and Employee Attitude Tracker (BEAT) Study, 2022.

2 Harvard Business Review, Supporting Employee Caregivers Starts with Better Data, 2022.

3 U.S. Department of Labor, Child Care Remains Out of Financial Reach for Many Families, U.S. Department of Labor Data Shows, 2023.

4 KFF, 10 Things About Long-Term Services and Supports (LTSS), 2022.



Employers must consider the dynamics of today's rapidly evolving workforce:

- Multigenerational workforce
- Demographic variability (multistate, hybrid)
- More diverse family structures
- Competitive labor market
- Increased awareness and valuing of time off benefits

Generational contrast¹

- **Five generations actively in the workforce:** The Silent Generation, Baby Boomers, Generation-X, Millennials and Generation-Z bring different mindsets and expectations to the office.
- **Older workers generally value traditional benefits** like PTO, medical, retirement savings, dental, vision and pension plans.
- **Younger employees generally expect a wider variety of benefit options** like PFML, flexible schedules, life insurance, mental health coverage, supplemental health products, wellness programs, tuition assistance, student loan assistance and a variety of other non-insurance offerings.

¹ 2023 BEAT Study, Benefits and Employee Attitude Tracker, LIMRA, 2023



The pandemic brought into sharp focus the challenges employees encounter as they navigate the balance between work and caregiving responsibilities.

“I’m not like everyone else.”

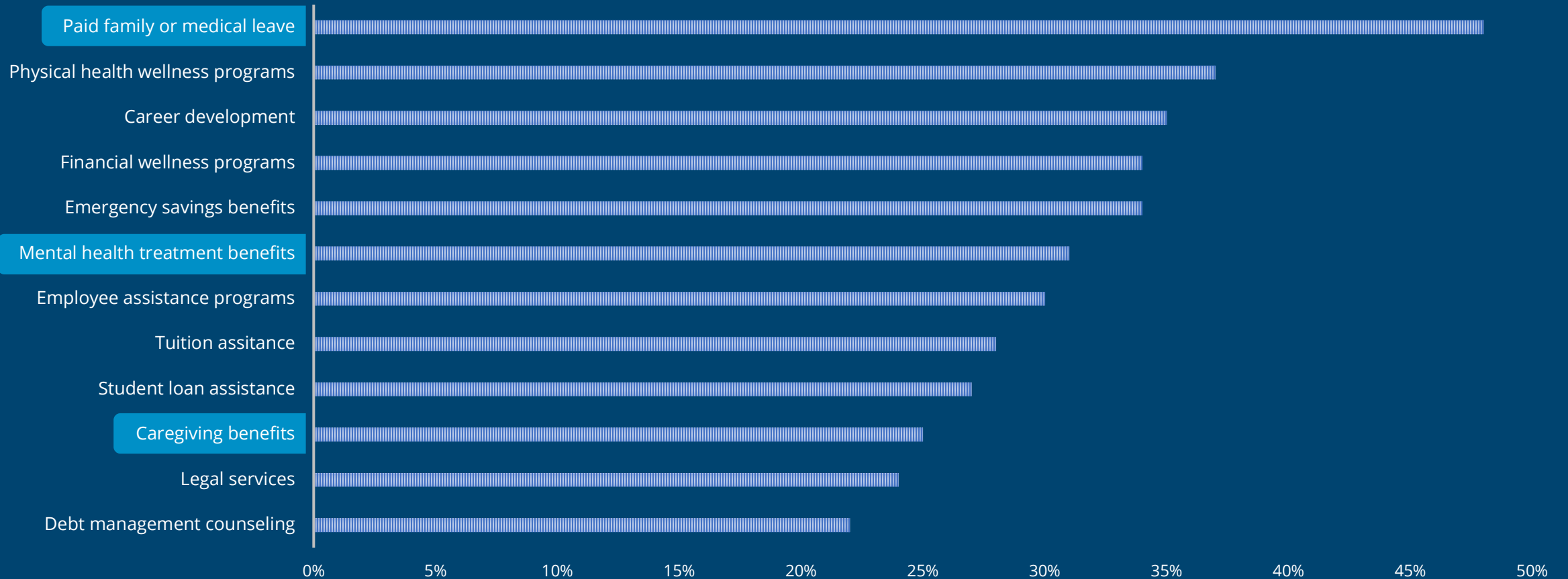
- Generational differences
 - Unique family units
 - Shifting responsibilities
-

“I have different needs at different times.”

- Childcare
- Eldercare
- Self-care

Benefits of the future — what employees want¹

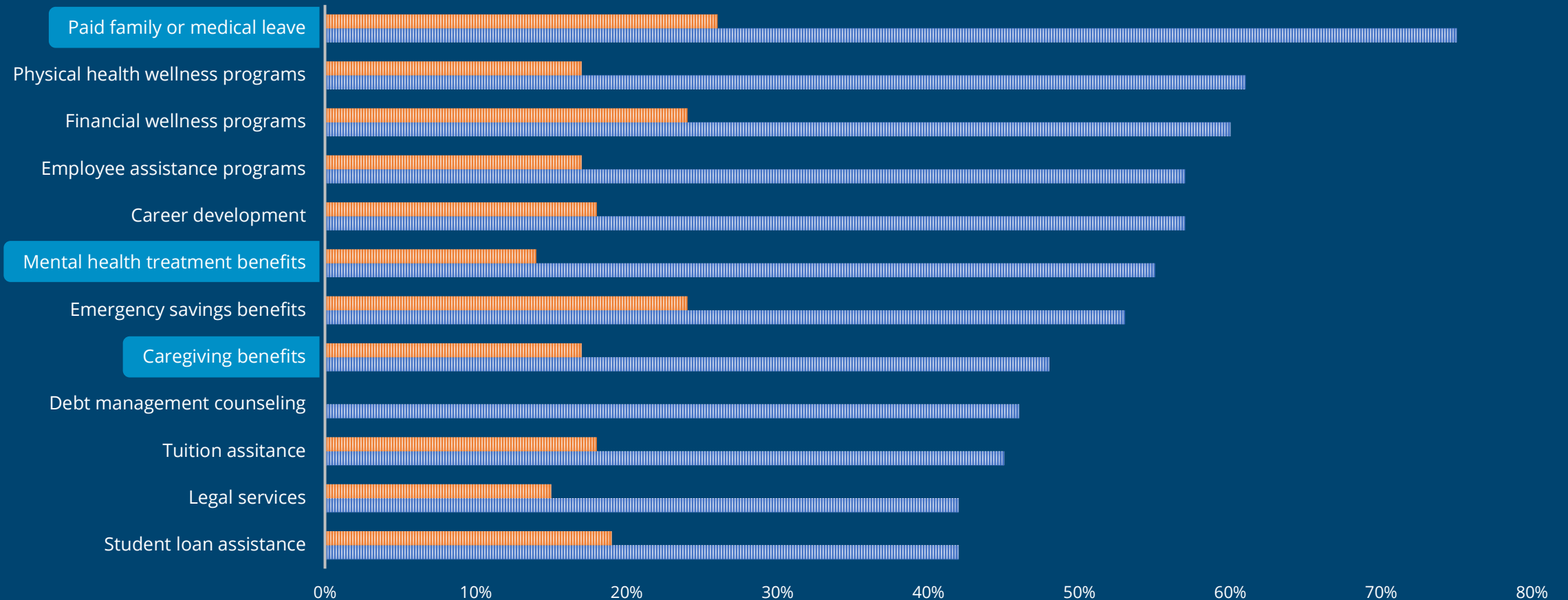
Unum key benefits



¹ Ernest Young and LIMRA, 2023 Workforce benefits, study: Harnessing growth and seizing opportunity, June 2023.

Benefits of the future — what employers think employees want¹

■ Percent of employers who believe their employees will be extremely or very interested in the benefit
 ■ Percentage point change from 2021
 ■ Unum key benefits



** Not measured in 2021 survey.

¹ Ernest Young and LIMRA, 2023 Workforce benefits, study: Harnessing growth and seizing opportunity, June 2023.

Unum leave and employee support programs' evolution

2018

- Introduced new **Paid Parental Leave** with 6-week benefit

2020

- Enhanced and modernized leave policies

Short Term Disability:

- Increased maternity leave benefit from 6 to 8 weeks, with no elimination period for first-day, inpatient hospital or date of delivery
- Added no elimination period for first-day, inpatient hospital for all disabilities

Paid Parental Leave:

- Increased flexibility with option for leave to be taken in up to 3 leave increments rather than all at once

Bereavement:

- Modernized to be more inclusive to include "loved one" as eligible relationship and inclusion of miscarriage

Adoption Assistance Program:

- Increased benefit to a one-time per family benefit of \$25,000

2021

- Introduced new 5-day **Paid Caregiver Leave**
- Introduced new **Unum Behavioral Health** digital solution with personalized support programs, wellness activities and helpful resources
- Introduced new **Family Care Services** through Bright Horizons, including Emergency and Back-Up Child/Elder Care options, as well Pet Sitter support

2023

- Enhanced **Paid Parental Leave** benefit from 6 to 8 weeks
- Introduced new **Unum Care Hub** with personalized caregiving support options, care communities and navigators

2024

Enhanced **Bereavement Leave**:

- Increased benefit from 3 days to 5 days per year, inclusive of 1 day per year for the loss of a pet

Enhanced **Paid Caregiver Leave**:

- Increased leave benefit allocation from 5 to 10 days per year
- Modernized eligible family relationships by expanding to also include partners, siblings, grandparents, grandchildren and parent in-law relationships

Navigating the complex legal landscape



How do you do this amidst the complex leave landscape

Keeping up with federal and state leave laws and coordinating protections is challenging, especially for:

- Those that manage in-house
- Those with state statutory leave
- Those with more dispersed workforces (numerous locations in different states and remote workforces)
- Larger organizations (500+ employees)

And will only become more complex

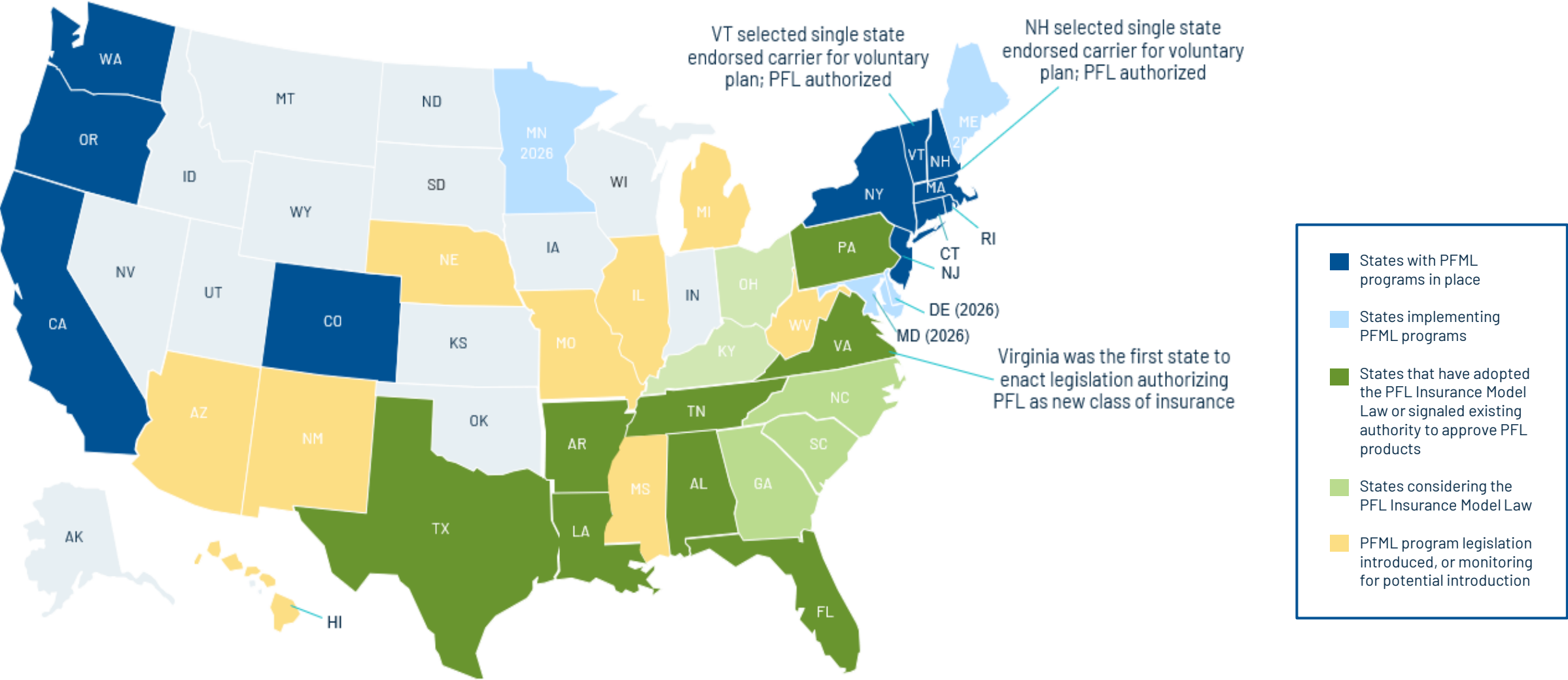
- Expansion of state leave : Maryland, Delaware, Minnesota, Maine
- Potential for federal leave law



- 79% of employers report navigating the complex state and federal leave laws is the #1 challenge they face.¹
- 68% of large employers surveyed are in favor of a federally mandated paid family and medical leave law that would supersede state leave laws¹

¹ Business Group on Health, 2024 Employer Leave Strategy and Transformation Survey: A New Era of Time Away, 2024

Increasing activity on paid family and medical leave legislation



How do you maintain a productive workforce while supporting employees needs

Complying with federal and state leave administration requirements is often challenging for employers.

Many find it complex and time-consuming to:

- Maintaining business continuity with absent staff
- Adhere to safety requirements that cannot be compromised
- Ensuring parity by creating a benefits portfolio that is equal across states with varying coverages
- Ensure against burn out because you are running lean with limited capacity to cover
- Staff appropriately and correctly



Balancing concerns about abuse with compassion.

- What percentage of leaves are actual fraudulent?
- Trends around abuse in specific departments or teams?



How do you maintain a productive workforce while supporting employees needs?

- The pandemic has shown how quickly the **rules can change**
- **Look to your partners or providers to help you** manage a rapidly changing legal landscape
- Consider the impact of **remote work and a distributed workforce** on your compliance strategy

5 ways to create compliant leave programs with a lens of compassion



Managing leave yourself?

Best practices:

- Understand the laws that apply to you and your employees
- Have clear and compliant policies and processes in place — and enforce/follow them consistently
- Centralize administration
- Educate the management team
- Use an internal tracking mechanism

Disciplined processes are necessary for efficiency, productivity and compliance.

1

Understand the complexities in an ever-changing leave landscape

Key areas to watch out for:



Initial determination of need



Timely and compliant notice of leave



Timelines for submitting information



Certifying and recertifying



Proper tracking, coding and monitoring of absences



2

Broaden your parental leave policy

- Consider adding leave for **adoption, foster care and surrogacy**
- **Ditch primary/secondary caregiver** policies
- Ensure that birth parents have equal access to bonding time with a separate bank of time for pregnancy disability.
- Allow flexibility for when employees can take paid parental leave and that access is easy and smooth for parents without undue restrictions.



3

Expand your leave categories

- **Broaden employee relationships** for caregiving/bereavement leave
- Look **beyond parental leave** and consider adding paid caregiver leave
- Support **wellness and mental health** through creative sabbatical leaves
- Normalize mental health/unplugging days – **no meeting Monday's!**
- Support **pet-related** absences
- Introduce **unpaid grandparent bonding** time for Boomer generation

Companies offering paid leave for bereavement:¹

- 97% for immediate family member
- 69% for extended family member or friend
- 58% for a miscarriage

¹ Mercer, Health & Benefit Strategies for 2024 Survey Report, 2023



4

Align leave policies with care philosophy

- Don't require **spousal sharing**
- **Don't restrict** FMLA increments
- Stop using **burdensome notice requirements**
- **Remove key employee** exceptions
- Allow use of **paid parental leave** intermittently

44% of employers are conducting claims analyses to better understand what behavioral health services employees are using, how they're using them and for what reasons.¹

¹ Mercer, Health & Benefit Strategies for 2024 Survey Report, 2023



Nearly half (49%) of employees report feeling stressed daily.¹

The employee experience should not only be easy but empathetic and supportive.

5

Improve the employee experience

Employees don't always expect to need leave and benefits, so they may not understand how it works. In their moments of need, the experience is critical:

- Offer **leave planning and education** so employees know what benefits they have and are eligible for
- Provide a **single place for employees to enter time off** requests across continuous and intermittent leave
- Leverage technology for **real-time visibility into leave** details
- Choose a vendor that **integrates with your HCM system** so leave entitlements and pay policies are applied accurately and in real-time, giving employees peace of mind

¹ Mercer, Health & Benefit Strategies for 2024 Survey Report, 2023



Key takeaways

- It is possible to be compliant and caring – with focused efforts
- Evaluate your leave offering for opportunities to be inclusive of your diverse workforce
- Ensure you're not alienating employees with overly strict or stringent policy choices
- Understand that cost-saving policies that negatively impact retention may be counterproductive
- Structured processes are necessary for efficiency, productivity and compliance

Questions?



Find out more

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