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# Making it personal

Benefits best practices from  
*The Principal 10 Best Companies—2011*

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**CELEBRATING 10 YEARS OF 10 BEST**



# Congratulations

TO THE PRINCIPAL 10 BEST COMPANIES FOR  
EMPLOYEE FINANCIAL SECURITY—2011



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“The level of commitment is outstanding. These companies obviously want to meet the needs of their employees. It isn’t always easy from a financial perspective, but they make it a priority.”

KAREN RHODES, human resources director, Red River Credit Union (one of *The Principal 10 Best Companies—2010*) and a judge of *The Principal 10 Best Companies—2011*

## Ten Years of *The Principal 10 Best Companies*



These impressive organizations clearly understand that **helping their best and brightest to achieve their dreams can help their business thrive** as well.

This year marks a milestone for *The Principal 10 Best Companies for Employee Financial Security* — 10 years of honoring outstanding organizations that help their employees achieve financial well-being. Looking back at the past decade, it's amazing how much has changed. And how much has remained the same.

Consider these trends over the last 10 years:

- **A shift from do-it-for-them to do-it-with-them.** Benefit programs have shifted from the employer making most decisions to employees facing more choices and personal financial responsibility. *The Principal 10 Best Companies* continue to share significantly in the cost while working with employees to help them make the best use of their benefits.
- **From cookie cutter to customized.** Today more of *The Principal 10 Best Companies* customize their benefit programs to meet specific employee needs and demographics.
- **Security is now considered both financial and physical.** *The Principal 10 Best Companies* use a holistic approach to financial security with an increased focus on wellness. This can help lower health care costs for both the companies and their employees.

**What hasn't changed is the winners' unwavering commitment to their employees.** They maintain this commitment, not just because a well-managed employee benefit package helps boost the organizations' bottom lines — but also because it's the right thing to do. And they continue to look to their financial professionals to help them design and implement benefit programs and educate employees.

This year's winners undoubtedly live up to the standards set by their predecessors. These impressive organizations clearly understand that **helping their best and brightest to achieve their dreams can help their business thrive as well.** The 2011 winners continue to make it personal with tailored benefits designed to meet the specific needs of their employees.

This guide offers an in-depth look at the employee benefit strategies and tactics of *The Principal 10 Best Companies—2011*.

**Consider using their best practices to help your organization attract, retain and motivate employees** over the next decade — and beyond.

Sincerely,

A handwritten signature in black ink that reads "Luke J. Vandermillen". The signature is written in a cursive, professional style.

Luke Vandermillen

Vice President, the Principal Financial Group®

## The Principal 10 Best Companies for Employee Financial Security—2011

In June 2011, an independent panel of employee benefit experts and business leaders selected *The Principal 10 Best Companies—2011*. The program recognizes outstanding companies for excellent benefits that help their employees achieve long-term financial security.

ORGANIZATION	LOCATION	INDUSTRY	NUMBER OF EMPLOYEES	YEARS IN BUSINESS
AIRINC	Cambridge, Mass.	Human Resources	89	57
Consolidated Federal Credit Union	Portland, Ore.	Credit Union	39	57
Educational Commission for Foreign Medical Graduates	Philadelphia, Pa.	Nonprofit	829	55
Greeley and Hansen	Chicago, Ill.	Engineering	300	97
Home Builders Institute	Washington, D.C.	Construction	282	44
Postal Credit Union	Woodbury, Minn.	Credit Union	136	85
RED F Marketing	Charlotte, N.C.	Marketing Communications	51	12
Veridian Credit Union	Waterloo, Ia.	Credit Union	517	77
Water Environment Federation	Alexandria, Va.	Association for Water Quality Professionals	97	83
Western National Mutual Insurance Company	Edina, Minn.	Insurance	374	111

“What runs through in a theme of all the winners is their well-rounded programs. These companies focus on all aspects of their employee benefits.”

ANGELO M. NARDI, executive vice president, Gallagher Benefits Services, Inc., and a judge of *The Principal 10 Best Companies—2011*

## How the winners are chosen — the judging process

An independent panel of financial services and human resources experts selects the winners based on their commitment to benefits that contribute most to the long-term financial security of employees.

Judges evaluate entries in the context of current economic realities, recognizing many companies may need to make adjustments to their benefit programs.

### CRITERIA

The evaluation process was designed in conjunction with Mathew Greenwald & Associates, Inc., a leading independent research firm based in Washington, D.C. Entrants are evaluated based on criteria such as:

- **The variety of financial benefits offered:** Do the numbers and types of benefits cover key life events such as retirement, disabilities, death and illness?
- **The financial value of benefits offered:** How well do the benefits cover life events as measured by employer matches, co-pays, eligibility requirements, etc.?
- **The level of commitment to the financial security of employees** as demonstrated by how benefits are presented and managed. The judges look at education, communication and the culture of the company to determine how well benefits are maximized by employees and, thus, contribute to a sense of financial security.
- The judges consider each entrant's **industry, strength of benefits** for that industry, and the **demographics** of each company's work force when making their selections.

### OBJECTIVE, INDEPENDENT JUDGING

Providers of benefits are not named or considered during any part of the entry, judging or recognition process.

Entrants do not have to be clients of The Principal® to enter. In fact, judging is done “blindly,” meaning the names of the entrants are not revealed until the final list of 10 winners has been chosen.

“Those who win *The Principal 10 Best Companies* can know that it's a totally open and objective judging process and that they truly deserved to win.”

DALLAS SALISBURY, chief executive officer,  
Employee Benefit Research Institute and a judge of  
*The Principal 10 Best Companies—2011*

## This year's judges

### NEVIN E. ADAMS

*Editor-in-Chief – PLANSPONSOR magazine, PLANSPONSOR.com, PLANADVISER magazine\**  
10 Best judge for the last eight years

### LISA G. KOTTLER

*Senior Vice President – Retirement Services for NFP*  
Financial professional in employee benefit industry

### ANGELO M. NARDI

*Executive Vice President – Gallagher Benefits Services, Inc.*  
Financial professional in employee benefit industry

### PAMELA PETERSON

*Human Resources Director – Davidson Technologies, Inc.*  
Past winner: *The Principal 10 Best Companies—2010*

### KAREN RHODES

*Human Resources Director – Red River Credit Union*  
Past winner: *The Principal 10 Best Companies—2010*

### COREY ROSEN

*Senior Staff Member – National Center for Employee Ownership*  
10 Best judge for the last eight years

### DALLAS L. SALISBURY

*Chief Executive Officer – Employee Benefit Research Institute*  
10 Best judge for 10 years

### TIMOTHY A. WELSH

*Director – McKinsey & Company*  
10 Best judge for the last four years

### DAVID L. WRAY

*President – The Plan Sponsor Council of America*  
10 Best judge for 10 years



\*As of Nov. 1, 2011, Mr. Adams is director of Education and External Relations, and co-director of the Center for Research on Retirement Income, Employee Benefit Research Institute.

## Are you making the *right* investment in benefits?

### How the winning companies do it

There's no doubt that *The Principal 10 Best Companies*—2011 offer impressive employee benefit packages. But that doesn't necessarily mean they spend more on benefits than their peers.

Instead, **they work hard to offer the right benefits for the unique needs of their employees.** John Robak, chief operating officer of Greeley and Hansen, explains. "As the COO, I'm always concerned about making sure we operate in a fiscally responsible way. We don't just do what others are doing. We do what's right for our organization — and that may not be what's right for the organization down the street."

How do you find out which benefits are right for your employees? Thorough, ongoing communication is the key. **Ask for employees' input — through surveys, meetings and an open-door policy.**

"What we also try to do," says Robak, "is sit down with employees after their first 30 days and ask them, 'During the interview process, what did you pay attention to, and what was not so positive? What were some of the differentiators in our benefit plan?' That helps you design a package that's effective for your organization."

#### MEET EMPLOYEES' NEEDS OVER TIME

It's also important to recognize that employees' benefit preferences will evolve over time. Creating a benefit program for different life stages can ensure that employees' needs are met throughout their careers with your organization.

"When people start, they may be at a different life stage compared to when they leave, so we have a variety of benefits to protect everyone," says Julia Pilleri, assistant controller at AIRINC. "We try to identify who needs what at what stage."

"For younger employees, for instance, we have fitness reimbursements and commuter benefits. For older employees, we have retiree health insurance and financial counseling. Within all of our platforms, there is enough flexibility for anyone moving through different life stages," Pilleri says.

"Many of these companies have been in existence for decades, and they've weathered the financial hardships that we've gone through. Part of the reason they've been able to get through that is what they've invested in their employee benefit programs and their employees."

ANGELO NARDI, executive vice president, Gallagher Benefits Services, Inc., and a judge of *The Principal 10 Best Companies*—2011

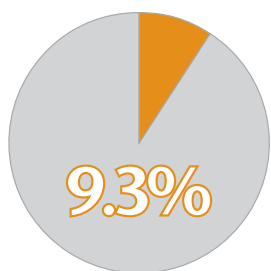
## Smart investments in benefits can pay off

For *The Principal 10 Best Companies—2011*, focusing on the specific needs of their employees pays off. Smart investments in benefits help the winners to:

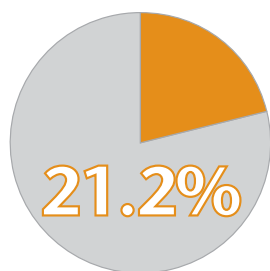
- Attract great employees
- Boost employee morale
- Reduce turnover
- Improve productivity
- Increase profits

“We need to both recruit and retain the best people. We feel that benefits are a big factor in our ability to do that. So benefits make sense from a business standpoint — if we can keep good people, we don’t have to recruit and train new ones,” says N. Emmanuel Cassimatis, M.D., president and CEO, Educational Commission for Foreign Medical Graduates (ECFMG).

“But it’s also the right thing to do,” Dr. Cassimatis continues. “Working in a positive environment and having colleagues who are happy to be here makes for a better atmosphere for everyone. And ultimately, it results in better services to our customers.”



Average voluntary turnover rate of *The Principal 10 Best Companies—2011*: **9.3%**



Average voluntary turnover rate among all U.S. companies\*: **21.2%**

\*U.S. Department of Labor, Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), August 2011.



## Low-cost (or no-cost) benefits

What benefits do *The Principal 10 Best Companies—2011* offer that are big hits with employees but cost next to nothing? See what the winners say.

- **Voluntary benefits.** All of this year’s winners offer some form of voluntary benefits, which are great ways to give employees access to additional coverage at group rates. AIRINC’s vision plan, for example, costs pennies and has made an enormous impact on people, says Julia Pilleri, assistant controller, AIRINC.
- **Flexible schedules.** This year, an increasing number of winners offer flexible scheduling — telecommuting, flexible hours and more. RED F Marketing, for instance, offers a program called Maximum Accountability/Maximum Flexibility. “If employees have maximum accountability for their job performance and meeting their client expectations, then they have maximum flexibility to manage their personal concerns in their lives. We found that this new way of looking at the organization has empowered people to manage their time inside and outside of the office,” says Stacey Dennis, the firm’s human resources manager.
- **Discounts on entertainment options and discounts to wholesale clubs.** ECFMG says its employees love their discounted memberships to local wholesale clubs. They also offer employee discount programs for amusement parks, the local zoo and more. “Sometimes those low-cost benefits can have a big impact,” says Betty LeHew, director of human resources at ECFMG.
- **Deals on the employer’s products or services.** Consolidated Federal Credit Union’s loan discount program is extremely popular with employees. “As long as you qualify, you’ll get our lowest rate. And when you get a mortgage loan with us, we waive our fee,” says Larry Ellifritz, the credit union’s president.

## Winning companies turn to financial professionals for help

Managing a top-tier employee benefit package is a big responsibility. That's why all of *The Principal 10 Best Companies*—2011 use brokers, advisors and other financial professionals to help with one or more aspects of their employee benefit plans. **From strategic guidance to rate negotiations to education and communication, these advisors and brokers provide a wealth of expertise and assistance to this year's winners.**

One of the biggest advantages of working with benefit advisors and other financial professionals is their knowledge of the latest benefit trends and developments. "We use a broker for all of our benefits. They're watching the market all the time," explains Stuart Henderson, JD, CPCU, president and CEO of Western National Mutual Insurance Company.

"They help us know if there are other benefits out there," Henderson continues. "Long-term care is a great example. It wasn't commercially available with the features we wanted for our group size. Our broker did some research and found a company that was coming out with the kind of policy we needed."

### DIFFERENT BROKERS FOR DIFFERENT BENEFIT PROGRAMS

**Most of this year's winners use different financial professionals for different programs.** "We have two different advisors. The first works with us on retirement programs — everything from plan design to helping participants understand their investment choices. Our other broker helps us with all other non-retirement plans. They work with us to develop a comprehensive plan for employees," says Julia Eller, human resources director at Water Environment Federation.

Financial professionals can become integral to a benefit team, bringing value in a variety of ways. **"Our broker is a critical part of our process.** When we plan, when we create our strategies, whether it's wellness or how to design our benefit plan, he's been a key part of our communications for our staff," says Renee Christoffer, senior vice president of administration at Veridian Credit Union.

Today's financial professionals **increasingly focus on employee education as a way to help their clients get the most out of their investment in benefits.** Postal Credit Union, for instance, implemented a health savings account (HSA) a few years ago. At the time, their employees were very hesitant about the new plan.

With the help of their financial professionals, however, the credit union's human resources staff met individually with each employee who wanted help understanding the plan and to answer questions. As a result, the credit union's HSA has high enrollment and a high level of employee satisfaction.

"Our benefit advisors do a lot for us. They understand what we're looking for and what our employees need, and they help us negotiate with insurance companies. They're also a big help with open enrollment and are readily available to answer questions."

BETTY LEHEW, director of human resources, Educational Commission for Foreign Medical Graduates

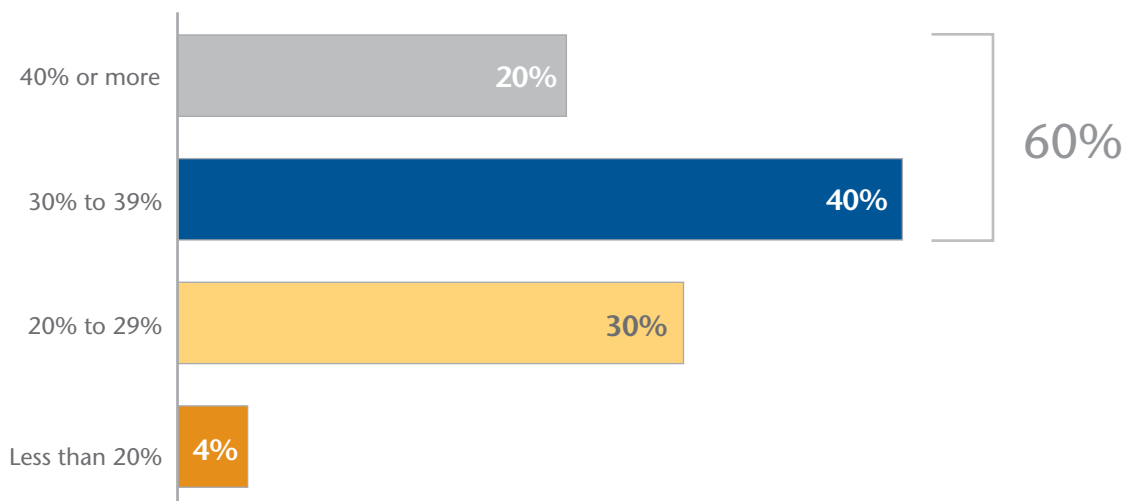
## Measuring benefit effectiveness

*The Principal 10 Best Companies—2011* know that benefits are an investment in the future of their employees and their organizations. To determine the effectiveness of this investment, the winners look at a variety of measurements, including:

- Participation rates
- Average employee tenure
- Retention rate
- Employee satisfaction surveys
- Benchmarking
- Performance of retirement plan investment options

## Benchmarking benefit costs

Six in 10 of *The Principal 10 Best Companies* devote at least 30 percent of their total compensation package to benefits.



Source: *The Principal 10 Best Companies Results 2004-2011*

## How the winning companies protect employee financial security

Here's a quick glance at how *The Principal 10 Best Companies—2011* continued to protect the financial security of their employees:

- AIRINC **maintained its employer-funded health care** program.
- Consolidated Federal Credit Union **added a cash-balance pension plan**.
- Educational Commission for Foreign Medical Graduates **avoided layoffs — and maintained small salary increases** — by reducing spending across the organization.
- Greeley and Hansen **absorbed cost increases** in health insurance and other benefits.
- Home Builders Institute **brought in an independent financial professional for one-on-one meetings** with employees.
- Postal Credit Union **avoided benefit cuts** by shopping among different providers.
- RED F Marketing **increased benefits** by switching from voluntary disability to employer-sponsored disability.
- Veridian Credit Union **maintained salary increases and benefits**.
- Water Environment Federation **increased caps** on several insurance benefits.
- Western National Mutual Insurance **made no benefit changes** to give employees a sense of stability.

“One of the most productive things you can do to maintain morale is to help employees think about other people. We started our match on charitable contributions, we organized more outings into the community to help other people, and we gave paid time off for volunteering. It allows you to feel more in control of your destiny because you can have a positive impact on your community.”

DAN ROSELLI, president, RED F Marketing

## Words of Wisdom

What advice would leaders of some of *The Principal 10 Best Companies—2011* give to other organizations?



“Look at what other people are doing, and ask other people for advice. Employees don’t care where the idea came from. They care about how it impacts their lives.”

DAN ROSELLI, president, RED F Marketing

“Don’t be cheap. It’s very common to look around at places to save — especially benefits. None of that will make your company win or lose. Looking at cutting benefits or making a poor benefit plan never made a great company.”

STUART HENDERSON, JD, CPCU, president and CEO of Western National Mutual Insurance Company

“Really spend time understanding your culture. Demonstrate your commitment by walking the talk — listening to employees, responding if there’s a program they’re interested in and being honest with them if you can’t provide it.”

JEFF EGGER, executive director, Water Environment Federation

“You’ll only win if employees win.”

RUSS PLUNKETT, president, Postal Credit Union

“Communicate, communicate, communicate. You have to make sure people know about benefits. It’s a waste of resources to have benefits that don’t get used because people don’t know they exist. You have to find creative ways to communicate.”

JOHN ROBAK, COO, Greeley and Hansen

“Ask your employees what they want in benefits. Every culture is different, and every company is different.”

BETTY LEHEW, director of human resources, Educational Commission for Foreign Medical Graduates

# Benchmark your benefits

How does your company stack up? Measure your benefits against those of *The Principal 10 Best Companies—2011*. For an electronic version of the benchmarking guide, visit [www.principal.com/benchmark](http://www.principal.com/benchmark).

Benefits that Contribute to Employee Financial Security	Your Firm's Offerings	Percentage of <i>The Principal 10 Best</i> – 2011 Offering These Benefits (39-829 Employees)	National Averages for Benefit Offerings By Total and Number of Employees		
			<100 ees	(100-499 ees)	(500+ ees)
HEALTH BENEFITS		100%	57% <sup>1</sup>	82% <sup>1</sup>	90% <sup>1</sup>
Employee premiums paid (50%+) by firms		100%	96% <sup>2</sup>	98% <sup>2</sup>	
Dependent premiums paid (50%+) by firms		100%	68% <sup>2</sup>	93% <sup>2</sup>	
Offered to part-time workers		60%	39% <sup>3</sup>		
Offered to retirees		50%	25% <sup>3</sup>		
DEFINED CONTRIBUTION RETIREMENT PLAN		100%	93% <sup>3</sup>		
Participation rate		88%	64% <sup>4</sup>	71% <sup>4</sup>	77% <sup>4</sup>
Average employee deferral		7.6%	5.3% (non-HCE); 6.6% (HCE) <sup>5</sup>		
Offer employer match		100%	70% <sup>3</sup>		
DEFINED BENEFIT PLAN		40%	22% <sup>3</sup>		
RETIREMENT OFFERED TO PART-TIME WORKERS		50%	38% <sup>1</sup>		
GROUP LIFE INSURANCE		100%	85% <sup>2</sup>		
SHORT-TERM DISABILITY INSURANCE		90%	66% <sup>3</sup>		
LONG-TERM DISABILITY INSURANCE		100%	76% <sup>3</sup>		
ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE		100%	80% <sup>3</sup>		
LONG-TERM CARE INSURANCE		40%	29% <sup>3</sup>		
FLEXIBLE SPENDING ACCOUNTS		100%	73% <sup>3</sup>		

<sup>1</sup> United States Department of Labor: Bureau of Labor Statistics. *National Compensation Study: Employee Benefits in The United States*, March 2011. NOTE: Statistics represent the access rate for private-nonfarm and state/local government employees in a medical/health plan (excludes Federal government employees).

<sup>2</sup> Kaiser Family Foundation and Health Research & Education Trust, *Employer Health Benefits 2011 Annual Survey*. NOTE(S): Indicates percentage of workers who have at least 50% of their premiums covered, NOT percentage of firms.

<sup>3</sup> Society for Human Resource Management. *2011 Employee Benefits Survey: Examining Employee Benefits in the Midst of a Recovering Economy*.

<sup>4</sup> United States Department of Labor: Bureau of Labor Statistics. *National Compensation Survey*, March 2011. NOTE: Statistics represent the take-up rate or estimate of the percentage of private industry employees with access to a plan who participate in the plan.

<sup>5</sup> Plan Sponsor Council of America. *54th Annual Survey of Profit Sharing and 401(k) Plans*, October 2011. NOTE: Reports 2010 plan year. HCE (Highly Compensated Employees): employees earning over \$100,000/yr.



## SUCCESS STORIES

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Learn how this year's winners met challenges to maintain benefits, attract and retain employees, manage costs and much more.

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Associates for International Research, Inc. (AIRINC)

Consolidated Federal Credit Union

Educational Commission for Foreign Medical Graduates

Greeley and Hansen

Home Builders Institute

Postal Credit Union

RED F Marketing

Veridian Credit Union

Water Environment Federation

Western National Mutual Insurance Company



HEADQUARTERS | Cambridge, Mass.  
 TYPE OF BUSINESS | Human resources consulting firm focusing on global mobility  
 NUMBER OF EMPLOYEES | 89  
 FOUNDED | 1954  
 WEBSITE | [www.air-inc.com](http://www.air-inc.com)  
 ADVISORS

- Kevin O'Connor and Robert Williams, Strategic Employee Benefit Services
- Jonathan Wolff, Lightship Wealth Strategies, Inc.

## The Benefits of Long-Term Relationships

For 10 years, AIRINC has relied on financial professionals to help them get the most out of their benefits.

Managing benefits isn't easy. Evaluating service providers, administering plans, educating employees, keeping up with the latest regulations and more — all while controlling costs — takes a lot of time and expertise.

That's why AIRINC, as well as the rest of *The Principal 10 Best Companies*—2011, rely on employee benefit financial professionals.

"We have long-standing relationships with our brokers," explains Julia Pilleri, assistant controller at AIRINC. "Because of that, they have a very thorough knowledge of our benefits and how we treat our employees. When we make benefit decisions, they know that we look at not just the numbers but also how employees will be affected."

Their financial professionals are involved in all facets of the benefits they help to manage. AIRINC's retirement financial professional, for instance, helps the company hold group education meetings, which are tailored for employees at different life stages, and offers one-on-one consultations for a discounted fee.

Although Pilleri and her team have the knowledge to manage the benefits on their own, Pilleri recognizes that financial professionals can bring added value. "Having a broker involved takes some of the decision-making responsibility off my shoulders," she explains. "And it gives employees an outside resource to go to for sensitive issues."

### What can you learn from AIRINC?



Benefit brokers and other financial professionals can help ease the burden of managing benefits.



The longer you work with a financial professional, the better he or she will understand your company, your benefits and your employees.



Employees may feel more comfortable talking with an outside resource about sensitive issues.



HEADQUARTERS | Portland, Ore.  
 TYPE OF BUSINESS | Credit union  
 NUMBER OF EMPLOYEES | 39  
 FOUNDED | 1954  
 WEBSITE | [www.consolidatedfcu.com](http://www.consolidatedfcu.com)  
 ADVISOR  
 • William Heestand, Heestand Company

## The Turnover Turnaround

Benefits help Consolidated Federal Credit Union buck its industry's high-turnover trend.

Credit unions are known for high turnover. In fact, many credit unions experience turnover rates in the high teens or even low 20s. That can get expensive — fast. In fact, according to studies by the American Management Association and other experts, turnover costs can range from 25-250 percent of salary for each employee who leaves.\*

That's not the case at Consolidated Federal Credit Union, where the average turnover rate is just 8 percent. One way they keep employees is through their investment in benefits.

"A strong benefits package plays a big role in retention," says Jenifer Phillips, executive vice president and CFO. These benefits help the credit union set itself apart from other employers:

- 401(k) plan with a fixed, non-matching 8 percent profit sharing contribution

- Cash balance pension plan
- One-on-one meetings with a financial planner who specializes in retirement
- Health care plan with 100 percent employer-paid premiums for employees (50 percent for dependents)
- Health reimbursement account (HRA) that's 100 percent employer-funded
- Wellness program with preventive screenings

Low turnover helps to retain the credit union's customers as well. "Our members don't like to see new employees," says Larry Ellifritz, the credit union's president. "If you have happy employees, that translates to happy members. Our investment in benefits is money well spent."

\*"The High Cost of Employee Turnover," *American Express Open Forum*, April 7, 2010.

What can you learn from **CONSOLIDATED FEDERAL CREDIT UNION?**



Controlling turnover can have a positive impact on the bottom line.



Benefits are effective at keeping quality employees.



Happy employees can lead to happy customers.



HEADQUARTERS | Philadelphia, Pa.

TYPE OF BUSINESS | Nonprofit organization that certifies international medical graduates

NUMBER OF EMPLOYEES | 829

FOUNDED | 1956

WEBSITE | [www.ecfm.org](http://www.ecfm.org)

ADVISORS

- Christine Ament and Craig Shechter, Gallagher Benefit Services, Inc.
- Timothy Ryan, Mercer Health and Benefits

## Giving Health Care Costs a 1-2-3 Punch

A combination of plan choices, wellness incentives and employee education helped ECFMG control health care costs.

For the first 54 years of its existence, the Educational Commission for Foreign Medical Graduates (ECFMG) paid for 100 percent of employees' health insurance. But after years of snowballing health care costs, the organization knew things had to change.

Instead of simply asking employees to pay a large portion of their health care costs, however, ECFMG looked at the bigger picture. It revamped several aspects of its health care program to minimize the impact on employees' wallets.

The health care program now includes:

- **A choice of plans based on health care needs.** "Employees who are generally healthy can choose a plan with less out of their paycheck and a slightly higher co-pay at the doctor's office. We have another plan that offers the reverse for high users of the health plan," explains Joe Plush, benefits and training manager at ECFMG.
- **Wellness incentives.** Employees can save on their insurance premiums by participating in biometric screenings and health

risk assessments. And the organization's Total Health Rewards system lets employees accrue points for participating in wellness events and activities. Employees can redeem their points for gift cards, iPods and other goodies.

- **Increased education.** ECFMG made sure employees understood their new choices and the reasons for the changes. "We shared all available information with the staff and told them what we proposed to do given the challenges we were facing," says N. Emmanuel Cassimatis, M.D., ECFMG president and CEO. ECFMG also offers ongoing education about its health care options and wellness program.

Thanks to ECFMG's careful planning, the organization can maintain its health care benefits with minimal cost sharing from employees. And the changes were well-received. "The transparency of information helped," Plush says. "Employees understand how generous the organization has been."

### What can you learn from ECFMG?



Be honest with employees about benefit costs. It will help them understand and accept needed changes.



A choice of plans can help employees find the right mix of out-of-pocket costs and plan coverage.



Tying wellness participation to premium discounts can help control costs.



HEADQUARTERS | Chicago, Ill.

TYPE OF BUSINESS | Civil and environmental engineering firm

NUMBER OF EMPLOYEES | 300

FOUNDED | 1914

WEBSITE | [www.greeley-hansen.com](http://www.greeley-hansen.com)

ADVISORS

- Ellen Ogan Martel, Ellwood Associates
- Scott Welch, USI

## Winning the War for Talent

A standout retirement program helps Greeley and Hansen attract top employees in a competitive industry.

In the world of engineering, it's an employee's market. There are simply not enough engineers to meet the industry's growing demand.

That puts employers like Greeley and Hansen in a challenging position. It's a challenge the firm intends to win, however. And, its using exceptional employee benefits to help do it.

"When you look at our place in the market, we're probably one of only a few entities that not only have a 401(k) plan but also a (defined benefit) pension plan — as well as a suite of other benefits. From a differentiation standpoint, it really does set us apart," explains Andy Richardson, CEO of Greeley and Hansen.

The company's pension plan tends to surprise job candidates, according to Richardson. "When we go through our benefits and mention the pension plan, a lot of people say, 'You do that still?!' So many companies today are freezing their pension plans or having difficulty maintaining their funding status, so we're proud to offer this option."

The company's equally impressive 401(k) plan includes:

- Employer matching contribution
- Annual profit sharing contribution
- Automatic enrollment
- Automatic annual deferral increases
- One-on-one meetings for customized retirement and investment planning

"Our main motivation for offering great benefits is right out of our strategic plan — positioning ourselves as the employer of choice," Richardson says. "We know that if we take care of our people, our people will take care of our clients, and our clients will take care of us. The best way to do that is provide benefits that show our people we genuinely care."

What can you learn from **GREELEY AND HANSEN?**

✓ Benefits can give your company the edge it needs to attract top talent in a competitive market.

✓ Having a defined benefit plan within your retirement program can be a "wow" factor.

✓ Top-tier employers offer automatic features and one-on-one guidance to help employees get the most out of their retirement benefits.



HEADQUARTERS | Washington, D.C.

TYPE OF BUSINESS | Residential construction training and education organization

NUMBER OF EMPLOYEES | 282

FOUNDED | 1967

WEBSITE | [www.hbi.org](http://www.hbi.org)

ADVISORS

- Glen Buco, West Financial Services, Inc.
- Todd A. Miller, Miller & Shook Co.'s

## Building Financial Security One Employee at a Time

Home Builders Institute provides employees with expert, one-on-one financial guidance.

“Our employees are not financial planners. They’re teachers in the construction business, and they’re troubled by what they see in the news about the economy.” That, according to Fred Humphreys, CEO of Home Builders Institute, is precisely why the organization offers its employees individual financial guidance.

“We have one of the top financial professionals in the country come in each year and have one-on-one conversations with our employees. This is something that could easily cost employees \$1,000 to \$2,500 if they got this on their own, and we provide it at no additional cost,” explains Faye Nock, the organization’s vice president of human resources.

The advisor helps employees with retirement planning, investing, saving for college and a variety of other topics. And because employees aren’t necessarily the financial decision-makers in their families, spouses can participate in the meetings as well. Employees can also contact the advisor throughout the year with questions.

“We get very strong, positive feedback on the meetings,” says Nock. “The fact that we can offer employees stable, thoughtful financial advice and planning on a consistent basis — year after year — is very important. It takes financial professionals who will sit down with employees and their spouses and help them put things in perspective in terms of what they’re earning, what they’re saving. That’s an incredible benefit to employees.”

### What can you learn from HOME BUILDERS INSTITUTE?



One-on-one meetings with an outside financial professional can help employees achieve long-term financial security, at no additional cost.



Open one-on-one meetings up to employees’ spouses.



Bringing in an independent financial advisor can help calm employees’ fears about the economy.



- HEADQUARTERS | Woodbury, Minn.
- TYPE OF BUSINESS | Credit union
- NUMBER OF EMPLOYEES | 136
- FOUNDED | 1926
- WEBSITE | [www.postalcu.org](http://www.postalcu.org)
- ADVISORS
  - Chad Lay, CUNA Mutual Group
  - Jim Odegard, Strategic Employee Benefit Services
  - Field Olson, Horizon Agency, Inc.

## Smoothing the Way for an HSA

Before Postal Credit Union rolled out its new health savings account, one-on-one meetings were held with each employee to explain the plan.

In the fight against rising health care costs, health savings accounts (HSAs) are proving to be effective weapons.

But as any human resources professional knows, benefit changes — even adding an HSA alongside a traditional health care plan — can make employees a little nervous. That’s why Postal Credit Union went the extra mile to educate employees when rolling out its HSA in 2008.

“Employees were definitely hesitant at first,” says Jeanine Swanson, the credit union’s senior vice president of human resources. “But we brought in our staff, our provider and our advisor to educate employees.

“We went on-site to each branch and met individually with every employee who wanted to meet,” Swanson continues. “We explained how the HSA worked and what it might cost the employee. And we showed them how to use a worksheet to help with their planning. Education is the most important thing you can do, so we spent a lot of time working with employees.”

As a result of the credit union’s efforts, the addition of the HSA went very smoothly. “I’ve had employees who’ve said how happy they are with the HSA,” Swanson says. “And today, we have 65 percent of employees participating in the HSA and more than \$160,000 in the accounts. Those dollars would have gone to the carriers in the past.”

What can you learn from **POSTAL CREDIT UNION?**



Benefit changes can be a worry for employees.



Thorough education can help employees accept and value new benefit options.



Implemented properly, HSAs can help control health care costs.



HEADQUARTERS | Charlotte, N.C.

TYPE OF BUSINESS | Marketing communications firm

NUMBER OF EMPLOYEES | 51

FOUNDED | 1999

WEBSITE | [www.redf.com](http://www.redf.com)

ADVISORS

- Scott A. Fligel, Fligel Financial Services
- Suzanne (Suzy) K. Johnson, Strategic Employee Benefit Services of the Carolinas, Inc.

## Treating Employees Like Customers

RED F Marketing uses a tailored benefit program to lure talent from larger companies.

With just over 50 employees, RED F Marketing is far from being the biggest employer in Charlotte, North Carolina — especially compared to the many Fortune 500 companies (such as Bank of America and Lowe's) that call Charlotte home. For a firm that relies on top creative talent, that poses a tough recruiting situation.

Or so you'd think.

In reality, RED F Marketing does quite well, thanks to its carefully crafted employee benefit program. "As a medium-sized company, we can't always compete with larger companies on salary. Benefits are how we compete for talent. As a result, we're able to attract top talent who may decide that working for a large organization is no longer their cup of tea," says Sara Garcés, the company's CEO.

To do that, RED F Marketing applies its knowledge of attracting and keeping customers to the task of attracting and keeping employees. As the company's president, Dan Roselli, explains, "A lot of companies spend money on benefits they think employees will value or that they themselves value. But they have to understand that employees are like customers. You have to find what employees value."

That customized approach to benefits serves as an equalizer between small and large employers. "Ten years ago, people used to say the reason you go to a big company is great benefits that you can't get anywhere else," says Roselli. "That's not true anymore. A new order is emerging where any company of any size can have a competitive advantage by how they structure their benefits."

What can you learn from RED F?



Benefits can help smaller organizations compete against Fortune 500 companies for talent.



Effective benefit programs are designed for employees' unique needs.



Companies that can't compete on salary can differentiate the organization through employee benefits.



HEADQUARTERS | Waterloo, IA

TYPE OF BUSINESS | Credit union

NUMBER OF EMPLOYEES | 517

FOUNDED | 1934

WEBSITE | [www.veridiancu.org](http://www.veridiancu.org)

ADVISORS

- John P. Monaghan, Group Benefits Design Corporation
- Michael J. Roche, CUNA Mutual Group
- Sharon Severson, CUNA Mutual Group

## A Confidence Booster

Veridian Credit Union’s extensive wellness program helps employees feel — and work — better.

After just a few years, the benefits of Veridian Credit Union’s wellness program are plain to see. Employees are changing their lifestyles — exercising more, watching what they eat, taking care of health issues and feeling great.

“One employee told us it’s been a lifestyle change for herself and her family. She said she didn’t know she would enjoy exercising so much. It’s been a confidence booster. These are all great things that will carry over into her work,” says Renee Christoffer, senior vice president of administration for Veridian.

That’s exactly why the credit union started its wellness program in the first place. “We feel if we have healthier, more satisfied employees, the productivity and cost improvements will come,” Christoffer says.

Veridian’s successful wellness program includes:

- A wellness coordinator (provided at no additional cost through their broker) who works with employees in groups and individually

- Health screenings with customized recommendations for each employee
- Weight loss and stay-fit challenges
- On-site smoking cessation program
- Company volleyball and softball teams
- Thorough communication

The wellness coordinator works with the credit union’s wellness committee to help manage the program. “Our broker’s wellness coordinator has a master’s degree in public health. She coordinates the education, and she can work with employees who have chronic conditions,” explains Christoffer.

The credit union’s leadership is very pleased with the results of the wellness program. “We want employees here — healthy and happy,” Christoffer says, “and we’re confident the program will make a difference in health care costs.”

What can you learn from **VERIDIAN CREDIT UNION?**



A company-sponsored wellness program can help employees — and their families — live healthier lives.



Healthier employees are happier and more productive.



Benefit brokers may offer resources to help manage the wellness program.



HEADQUARTERS | Alexandria, Va.  
 TYPE OF BUSINESS | Association for water quality professionals  
 NUMBER OF EMPLOYEES | 97  
 FOUNDED | 1928  
 WEBSITE | [www.wef.org](http://www.wef.org)  
 ADVISORS  
 • Paul Love, Foster Soltoff & Love, Ltd.  
 • Laurie Siegal, Keller Benefit

## Getting Engaged

Staying in touch with employees' wants and needs makes for more effective — and efficient — benefits at Water Environment Federation.

Most companies recognize the importance of employees' on-the-job engagement. But just as important to an organization's success — and the return on its investment in employee benefits — is the company's engagement with employees.

"It's so important to spend the time on your culture," explains Jeff Eger, executive director, Water Environment Federation. "Demonstrate your commitment by walking the talk — listening to employees, responding if there's a program they're interested in and being honest with them if you can't provide it."

It all comes down to communication, according to Eger. "It happens on a formal and informal basis," he says. "Our human resources staff seeks feedback and asks questions. They make sure information is shared. And they're quick to respond to employees' requests and comments."

Julia Eller, Water Environment Federation's human resources director, explains the variety of resources the organization

uses to get — and share — information:

- "We survey our employees annually on their satisfaction with benefits and any problems. Then we address those early in the year so we're prepared for renewals."
- "We're a close-knit community, so we do a lot of one-on-ones with employees."
- "We do a lot of written communication. As we find a need, we constantly add information."
- "We publish a bi-monthly newsletter. Ninety-six percent of employees say they read it."

A high level of engagement with employees can help control costs by making sure the right benefits are offered and that employees understand the benefits. "We offered a managed care option because it appealed to some of our staff," Eger says. "We heavily promoted those options, and that helped us control expenses."

What can you learn from WATER ENVIRONMENT FEDERATION?

✓ Engagement with employees can help control benefit costs.

✓ Two-way communication is key to engagement with employees.

✓ Use a variety of methods to get — and share — information with employees.



HEADQUARTERS | Edina, Minn.  
 TYPE OF BUSINESS | Property and casualty insurance company  
 NUMBER OF EMPLOYEES | 374  
 FOUNDED | 1900  
 WEBSITE | [www.wnins.com](http://www.wnins.com)  
 ADVISORS

- PK Kriha, RFJ, a Marsh & McLennan Agency LLC Company
- Debra Newman, Newman Long Term Care
- John F. Ryan, Acumen Financial Advisors, LLC

## When the Going Gets Tough

Western National Mutual Insurance Company uses stability to help employees through hard financial times.

If the economy has your employees' nerves on edge, pick another time to shake up your benefits. That's the advice of Stuart Henderson, JD, CPCU, president and CEO of Western National Mutual Insurance Company.

"Be as stable as you can with benefits. People don't like change, and they hate changes to their benefits," says Henderson. "We survey employees about what's important. One big thing is stability, so we keep the benefits stable."

"We decided to make no change to what we charge for benefits," continues Henderson. "We've reduced the average raise to 2 percent instead of 4 percent, but we try to be very slow to make any change to the benefits, because people are counting on that."

Another way the company helped employees through the recession was by implementing a loan program. "We realized that some of our employees could be one broken furnace or car repair away from real financial problems," says Henderson.

To give employees access to a financial cushion, the company instituted a short-term, no-interest loan program. Employees can borrow between \$250 - \$1,500 and pay it back via payroll deduction. "Within five minutes of announcing it, we had a loan out," says Henderson.

If employees need one-on-one financial guidance, they can get it through the company. Western National's retirement plan broker is also a financial advisor. "He's available anytime by phone or in person," Henderson says. "It's a tremendous help."

Henderson believes that when employees can count on their benefits, they're more engaged at work. "Employees care about you if you care about them," he says. "Benefits are proof. And engaged employees give you something over and above what's minimally required of them. That's their interest and their innovation."

What can you learn from **WESTERN NATIONAL MUTUAL INSURANCE COMPANY?**

✓ Stable benefits can help employees focus on their jobs.

✓ If you show your employees you care about them, they'll care about the company.

✓ One-on-one financial guidance can help employees manage their worries — and their money — through good times and bad.

## How to enter in 2012

# Does your company have what it takes to be one of *The Principal 10 Best Companies*?

*The Principal 10 Best Companies for Employee Financial Security* is a prestigious, nationwide program. For 10 years, the program has been recognizing growing companies for excelling in everything from retirement plans to benefit education.

The program's esteemed judges come from the nation's leading sectors of business, human resources and academia. These judges, in affiliation with Mathew Greenwald & Associates, select companies based on criteria such as the breadth and depth of financial benefits offered and the level of company commitment to employees' financial security.

Companies chosen as *The Principal 10 Best Companies* are role models — setting standards by which other businesses measure their benefits. Additionally, the winners receive:

- Extensive recognition in national and local news media
- Exposure on The Principal website and in the best practices summary report
- A stunning, custom-designed award for company display, presented during a local recognition ceremony including employees, local dignitaries and representatives from the Principal Financial Group
- A \$2,500 donation to the charity of their choice
- Use of the recognition title in any internal or external marketing materials
- Membership in *The Principal 10 Best Alumni Association*, which offers ongoing networking and other special privileges

All entrants will receive a **free customized employee benefits report**.

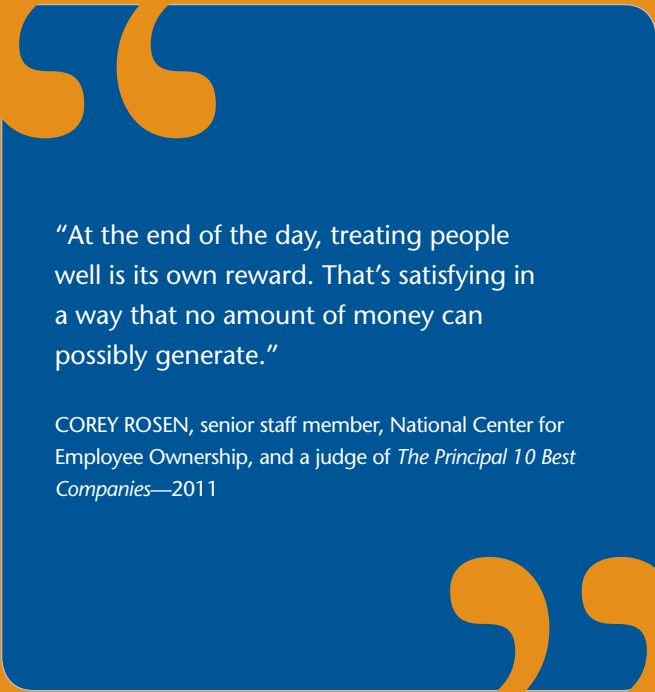
Companies qualify to enter if they:

- Are organized and located in the United States
- Employ between five and 1,000 workers
- Have offered a broad range of traditional employee benefits for at least five years

To find out if your company qualifies to enter in next year's program, visit [www.principal.com/theprincipal10best](http://www.principal.com/theprincipal10best).

**NOTE: Companies do not have to be clients of The Principal to enter.**





“At the end of the day, treating people well is its own reward. That’s satisfying in a way that no amount of money can possibly generate.”

COREY ROSEN, senior staff member, National Center for Employee Ownership, and a judge of *The Principal 10 Best Companies*—2011



WE'LL GIVE YOU AN EDGE®

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