

WEATHERING THE STORM:

ADJUSTING YOUR EMPLOYEE BENEFITS PLAN DURING A CRISIS

Canada and the rest of the world are seeking to adapt to ever-changing circumstances in the wake of the coronavirus (COVID-19) outbreak, causing business owners to have to make some very tough decisions.

This infographic illustrates some of the options available to employers to maintain their benefits plan and potentially reduce their costs, as well as answer some frequently asked questions.

MEET JANE

Jane owns a small yoga studio in the downtown area. She has six yoga trainers under her employ, and she has chosen to keep them healthy and well over the last five years through a benefits plan.

She and her team have worked hard to build a loyal community and as a result, her revenues are steady and growing and she is even considering purchasing a larger space down the street as her business continues to expand.

Then the coronavirus (COVID-19) starts making headlines and she is faced with the temporary closure of her business, losing revenue and costing employees income in very uncertain times. She wants to continue employing her staff through online means and offering them employee benefits, but how?

Let's follow Jane through the process to see what changes she can make to ease the burden on everyone.



JANE'S STORY

- 1 The first thing Jane does is announce the temporary closure of her business to her staff. They brainstorm ideas to keep lessons going through online classes and let the public know.
- 2 Jane then turns to her benefits plan. She wants to continue to offer essential coverage for herself and her employees, but with revenues uncertain, she is unsure if she can.
- 3 She speaks with her Advisor, Dave, and asks if she will be able to suspend premium payments on the benefits plan. **Dave informs her that she has options to reduce costs.**



- 4 He suggests some amendments to the plan design to maintain coverage but bring the cost down, including replacing paramedical coverage, such as massage and chiropractor services, as most, if not all, are closed anyway. Both Jane and her Advisor agree that health coverage should remain in place, and so they determine they will switch to a health plan that covers only major catastrophic expenses and combine it with a Health Care Spending Account (HCSA) for some flexibility and choice.
- 5 Jane takes this opportunity to ask her Advisor about potential employee layoffs. Although she wants to avoid this as much as possible, she wants to know if she can still offer those employees benefits coverage.
- 6 Dave tells her that she is able to continue benefits for employees in the event of a layoff, provided that the employee continues to pay their portion of premiums. In Jane's case, employees pay 50% of the premiums for most benefits.



- 7 Dave suggests that, in the event of an employee layoff, Jane should consider covering the employee's premiums in full. Collecting premiums from an employee when they are not deducting payroll will be difficult, and there are potential liabilities for Jane with an employee choosing not to pay their premiums and potentially losing eligibility when they return to work.
- 8 However, Jane is still a little concerned for her employees, particularly their mental health. She knows that the mental health impacts of a pandemic, in addition to their new working situation, isolation, and the stress from all of that, can be significant.
- 9 Dave reminds her about one aspect of her coverage: an Employee Assistance Program (EAP), which offers support and assistance to employees struggling with a variety of issues. They make a communications plan to remind her staff about this program and encourage them to use it.
- 10 Dave also reminds her about telemedicine options through her benefits plan and the provincial government, which will allow herself and her employees access to essential health services from home, removing the necessity to visit an in-person clinic. Additionally, her Insurer has a mental health and mindfulness app that she and her employees can take advantage of.



Over the next several weeks, Jane and her employees adjust to their new normal. Online classes are going well and although Jane's revenues have taken a hit, things are beginning to look up. Her employees are safe and working from home, and thanks to the continuation of their employee benefits plan, they have access to the resources they need to stay happy and healthy. They continue business as usual and look forward to the day when they can reopen their doors.