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HEALTH CARE

Attorneys provide list of 10 things you need to know about ObamaCare's employer health care mandate

The ObamaCare employer mandate—a requirement that certain employers with 100 or more full-time equivalent employees provide medical coverage to their employees or pay a tax penalty—kicked in on January 1, 2015. Fennemore Craig attorneys, Ann Morgan and Erwin Kratz, have provided *Ideas & Trends* readers with the following top 10 things you need to know about the employer mandate.

Number 1. Three transition rules apply in 2015. The first of these exempts employers with less than 100 full time equivalent employees (FTEs) in 2014 from the employer mandate in 2015. Any employee who works 120 hours or more in a month counts as one FTE. If they work 60 hours in a month they count as half an FTE. In 2016, the employer mandate applies to employers that have 50 or more FTEs in 2015.

Number 2. The second transition rule for 2015 is that employers subject to the employer mandate only need to offer minimum essential coverage (MEC) to 70 percent of their full-time employees. For this purpose, any employee who averages more than 30 hours per week during a month is considered a full time employee. In 2016 this 70 percent threshold goes up to 95 percent.

Number 3. The third transition rule for 2015 is that if an employer subject to the employer mandate fails to offer MEC to 70 percent or more of its full time employees, and even one of those employees gets subsidized coverage in a state health insurance exchange or in the federal health insurance exchange, the monthly penalty of $167 is imposed for each full-time employee you have in excess of 80. Therefore, if you have 200 full time employees and you fail to offer MEC to at least 140 of them (70 percent of 200) you could be subject to a penalty equal to $20,040 for each month that one of those employees receives subsidized coverage through the exchange (200 – 80 = 120 x $167 = $20,040). In 2016, this penalty is imposed on each full time employee in excess of 30.

Number 4. If you are subject to the employer mandate, the coverage you offer your employees also needs to be "affordable" and provide "minimum value." Coverage is "affordable" if the employee's cost of employee-only coverage is less than 9.5 percent of the federal poverty line, or less than 9.5 percent of the employee's rate of pay for the month. Coverage provides minimum value if the policy pays at least 60 percent of the cost of medical services for a standard population of claimants, as de-

termined by actuarial calculations performed by your insurance company. Any "bronze" or above plan offered on the exchange satisfies minimum value.

Number 5. If you do not offer "affordable" "minimum value" coverage, the monthly penalty is $250 for each full-time employee who gets subsidized coverage in the exchange.

Number 6. You should keep meticulous records of each offer of coverage and of the hours worked by each person to whom you do not offer coverage. This could become critical evidence to prove you complied with the employer mandate if the IRS tries to assess a penalty against you for 2015.

Number 7. There are ways to minimize your exposure to the penalties, by designating certain Measurement and Stability periods in accordance with the final employer mandate regulations. This can be very helpful in preventing employees to whom you do not offer coverage from ever being considered full time employees for purposes of the employer mandate.

Number 8. The IRS will not begin assessing employer mandate penalties until well into 2016, after your employees have filed their tax returns. So if you do not take appropriate action now, (including by designating measurement and stability periods and keeping meticulous records of each offer of coverage and hours worked by those to whom you do not offer coverage) you might not realize you are accruing penalties for many months. Employer mandate penalties are not tax deductible.

Number 9. In 2015 and 2016, it is more important than ever to get expert legal counsel before undertaking a reduction in force or restructuring your workforce. If you reduce employees' hours or terminate their employment to avoid the employer mandate, you risk being liable for retaliation under the Affordable Care Act law. For example, let's imagine that one of your employees to whom you do not offer coverage receives coverage through the health insurance exchange. This employee receives a federal subsidy for his exchange coverage, and mentions that fact to your HR manager. In June 2015, your company determines it needs to conduct a reduction in force due to a business slowdown. Your HR manager works with senior management to carefully select RIF participants based on their skills, length of service with your company and the expected needs of your business. Now, let's assume that you select this employee for the RIF. He can establish a case of retaliation under the Affordable Care Act merely by providing evidence that his receipt of a subsidy was a "contributing factor" in the RIF decision. Under the OSHA rules that have been proposed to enforce the retaliation prohibition, this employee will be able to meet his burden merely by showing that the HR manager knew he was receiving a subsidy at or near the time he was laid off. The burden would then shift to your company to establish by clear and convincing evidence (which is a high bar to clear) that it would have laid the employee off even if he had not received the subsidy. This will be difficult to do where you cannot dispute that your HR manager had actual knowledge that the employee was receiving a subsidy.

Number 10. In 2015, the Supreme Court will decide a case that might prohibit the IRS from providing individual subsidies for coverage purchased in the 36 states that have federally run exchanges. The Court's decision could cause the employer mandate to collapse entirely. ■

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CONFERENCE COVERAGE

EEOC and NLRB officials talk social media at recent seminar

A recurring theme emerged at Dilworth Paxson's recent seminar, *Social Media @Work: The #BalancingAct Between Employer and Employee: When it comes to social media in the workplace, what's old is new again*. Social media isn't breaking any new legal ground; it simply calls for an application of long-standing legal principles to the novel setting of cyberspace.

"As is frequently the case in the social media context, we address a fact pattern that essentially has very apt analogies in pre-existing law and apply it in a technologically different context," said Richard F. Griffin, Jr., NLRB General Counsel.

"It's not that the law is any different than what you or your clients have been applying," EEOC Commissioner Chai R. Feldblum added. "It's just in a different, technological context."

The seminar, held at the National Constitution Center in Philadelphia in November 2014, also featured NLRB Member Harry I. Johnson, III. Eric B. Meyer, Dilworth Paxson partner and chair of the firm's just-launched social media practice group, questioned the panel of federal agency officials about how they address the thorny legal issues that have arisen in the age of Facebook.

Far-reaching impact. Social media "has widespread implications" with regard to the National Labor Relations Act, noted Johnson. "A good 10 to 20 percent of our case load has a social media component right now—and that's just going to increase."

As Meyer observed, "most of the cases that have cropped up under the NLRA involve nonunion employers." It's long been recognized that the reach of the statute is broader than the unionized setting, but the Board of late has increasingly flexed its enforcement muscle outside the union environment, much to the consternation of employers. A source of particular frustration is the agency's close scrutiny of employer social media policies, some of which the Board has found to be unlawfully broad.

Social media policies. Indeed, there have been a number of cases involving employer rules as to "what employees can say and do on social media platforms," Griffin acknowledged. "We could spend quite a bit of time on this topic." But he summed it up with a nod to black-letter law. Essentially, when it comes to advising employers—union and nonunion alike—on the legality of a social media policy under the NLRA, the relevant question is whether an employee would reasonably construe such a rule as prohibiting employees from engaging in statutorily protected conduct. If so, "then the rule is bad." But this alone isn't enough because context is everything determining whether an employer's rule is overly restrictive under the standard. The social media rule in question has to be considered within the larger factual circumstances.

Discipline over online behavior. In addition to rulings scrutinizing employers' social media policies, the Board has resolved cases involving discipline or discharge of employees for discussions on Facebook or other social media "where they are critical of the employer in a way that the employer finds problematic," Griffin said. The key inquiry, he explained, is "whether there is some aspect of the way the employee's communications were made that will cause that individual to lose the protection of the Act."

Right to be critical. "Frequently if comments are negative the company's view is, this is disparagement; this is problematic," Griffin said. "But very few people engage in protected and concerted activity regarding terms and conditions of employment in order to praise them," he said. "If you're going to say people can't be critical, you're going to run afoul of people's right to be critical."

Employers "can't make employees chant 'Everything is awesome' like in The Lego Movie," added Johnson. "The disparagement that you can act on as an employer really comes down to malice: stating a knowing falsehood, or saying something with reckless disregard as to whether true or untrue. And that is a very high standard to meet."

EMPLOYMENT

U.S. News ranks 100 best jobs of 2015

At the beginning of each year, *U.S. News & World Report* ranks the 100 best jobs for workers in the United States. Though admittedly it is difficult to rank what one job is best, the magazine looks for really good jobs generally, explaining that really good jobs pay well, challenge employees without stressing them out too much, and provide for room to grow and advance. Most importantly, the best jobs are the ones that are hiring. The 100 Best Jobs of 2015 list is ranked according to the ability of a particular profession to offer this elusive mix. Below are the top 10 jobs of 2015.

1. Dentist
2. Nurse Practitioner
3. Software Developer
4. Physician
5. Dental Hygienist
6. Physical Therapist
7. Computer Systems Analyst
8. Information Security Analyst
9. Registered Nurse
10. Physician Assistant

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The proof is in the posting. It's not that comments on social media are held to a lower prima facie standard, Johnson clarified. It's just that social media "makes a lot of these 'he said, she said' cases much easier because you have a transcript of what everybody said. Social media is not Las Vegas," he added, "in that what happens there doesn't stay there.'

Using an analogy to underscore his colleague's point, Griffin added, "It used to be 'he said, she said' if a supervisor felt somebody was under the influence. But if you have testing, you have evidence in a way that you don't when you're going under the supervisor's impression. In the same way, a conversation at a bar involves making credibility determinations, but if you have the transcript—someone prints out a screen shot and says 'look at this,'— it's a different type of proof."

A higher standard for employers. Some employers enter the cyberspace fray themselves. But as Johnson warns, "as the employer, you have the power of hiring and firing. So you will be looked at differently than as having a conversation among equals. You're not on the same footing as an employee when you're participating out there."

Social media in hiring. "What issues arise when employers use social media to attract new talent or vet job applicants?" Meyer asked the panel. "What happens if I'm screening applicants and someone is critical of a prior employer? Or they see pro-union information on their Facebook page?"

"This is not a new phenomenon," Johnson said, likening the situation to the union movement's "long-used tactic" of salting. "These issues have been around for a long time. The same principles would apply." Like salting, in which an employer violates the NLRA if it refuses to hire an applicant whom it knows to be a union organizer, once an employer has knowledge of an applicant's online protected activity, an adverse hiring decision can become suspect. "If you don't hire the person, there has to be a legitimate business justification. You'll be stuck in a classic mixed-motive kind of defense."

The EEOC's Feldblum had much to say on this point, too—given that social media can reveal much more than just an applicant's union proclivities. "It's hard not to troll social media!" she conceded. Yet she cautioned that an employer can discover information about prospective employees that it is not permitted to use as the basis for an employment decision. "You can't ask in a job interview: 'Are you planning to get pregnant in the next six months?'" But that information can become known to a prospective employer via Facebook. And if the applicant can obtain evidence that you had such knowledge about her that you can't legally act upon, "that's almost concrete information of a problem."

Best practices. Meyer recommended some best practices that employers could adopt to help alleviate the risk. "One way is to have the hiring decision-maker not do the trolling, and have the other person sanitize the information [obtained through social media] and hand the decision-maker a clean sheet to ensure that the hiring decision is made on legitimate business reasons." Still, the approach is hardly failsafe, he warned. And Johnson advised, "under the NLRA, there is a pretty liberal 'imputation of knowledge' standard. You have to be very cautious if you take that approach. You have to make sure it's fairly hermetically sealed."

Social media recruiting. Federal antidiscrimination laws are also implicated when an employer uses targeted social media recruiting. "Apparently on Facebook you can target to a particular subgroup," Feldblum said. "Facebook captures all these demographics and advertisers can capture what it is they're interested in. And when folks buy ads on Facebook, they can target, say women between the ages 18 and 30. Is that a problem? Well, you know you couldn't put out a job ad saying only those women should apply. So if you're only using social media to recruit, that could be a problem. And some companies have shifted only to social media."

In one EEOC case involving the National Park Service, which advertises on social media, a job applicant contended that older individuals don't use Facebook or computers as much as younger applicants do and, therefore, the agency's use of online advertising had a disparate impact. But the Commission (which adjudicates cases in the federal sector workforce) found the agency was using a number of other recruiting methods too, and found the agency's social media recruiting practices were lawful.

"The more interesting question comes when an organization or business feels that it isn't getting a sufficiently diverse applicant pool, so it uses targeted social media to diversify," Feldblum said. "That's got a benign purpose, but it can be a problem."

Online surveillance. Just as employers can't undertake surveillance of employees' protected activities in the brick-and-mortar workplace, surveilling employees' online activities—or creating the impression that you're doing so—is a violation of the NLRA. "You cannot spy on your employees," Johnson stressed. Granted, he noted, it's a bit more complicated with respect to social media because such activity "usually involves some invitation to connect at some point. But even if it's a voluntary connection [between employer and employee], it's good to proceed with caution. If you start dropping hints to them that you're watching what you're doing online in terms of conversations, that becomes a trickier issue."

However, "there is a difference between monitoring for a business purpose and surveillance," Griffin interjected. Once again using an analogy from existing law, he explained: "If you have a camera set up for security purposes, generally speaking, that's not going to be a problem. But if you train the camera ahead of time to focus on a meeting going on in the parking lot where you know employees are going to meet to sign [union authorization] cards, that is going to be a problem. Similarly, if you want to surveil social media activity in order to gauge productivity that's not a problem. But to target protected online activity is a different issue."

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Scoping out cyber-harassment. On the other hand, an employer can't simply close its eyes to employees' social media activity altogether, as Feldblum stressed. And just because an employee is posting while off duty doesn't mean the employer can wash its hands of the whole affair. "Social media is a 24-7 world," Feldblum said. "And when it comes to the workplace, is there ever such a thing as purely 'off the clock' social media? If I post a sexually harassing message at 9 o'clock at night about a coworker, an employer can't just say 'I don't have to worry about that—it happened at 9 o'clock at night.'"

"For the younger generation specifically, they are using social media all the time and they might not think about privacy issues and realize that an employer can follow up on something that occurred outside the workplace. But if an employee posts a sexually harassing post, that can affect the workplace. It can contribute to a sexually harassing environment inside the workplace. As an employer, once you are told about harassment, you have to take reasonably quick efforts to stop that harassment. You do have a responsibility to track down those facts and do something about it. You may have employees asking, 'what do you mean you want me to show you what I posted on Facebook?,' but you do."

"Again, this is about the basic law. You cannot post a sexually harassing cartoon in the cafeteria that clearly identifies a coworker. Nor can you post it on your private Facebook page if it's then going to affect your workplace."

Training and other takeaways. Feldblum urged employers to "develop clear and consistent policies and articulate those policies to employees," adding "I think that's a good best practice for the EEOC as well: to articulate in guidance the positions of the EEOC on hot topics. I'm constantly pushing for more guidance."

Aside from a few EEOC federal sector decisions and written responses to letters from stakeholders inquiring about particular technologies, the Commission has yet to issue a formal guidance or informal discussion letter on the use of social media. It sought input from stakeholders in a March 2014 meeting on social media in the workplace, though—presumably with an eye to articulating a formal position on the issue. In contrast, the NLRB, particularly under former acting general counsel Lafe Solomon, has been quite proactive in articulating the agency's evolving position on these questions, issuing a series of reports on the social media cases coming through the agency's doors.

As Feldblum sees it, the rise of social media gives employers an opening to retrain their managers and employees about the basic rules of employment discrimination and harassment. She urged employers to use the explosion of social media as a chance to reinforce longstanding legal principles.

Johnson reiterated this sentiment. Asked to offer some "best practices" for addressing the interplay between social media and the NLRA, he said that "training is a big part." In particular: "training on the background principles of what the Board has found lawful or unlawful." ■

Source: *Article written by Lisa Milam-Perez, J.D., and originally published in the November 18, 2014 edition of Employment Law Daily, a Wolters Kluwer Law & Business publication.*

UNIONS

Union membership rate remains flat in 2014

Nationally, the union participation rate— the percent of wage and salary workers who were members of unions—declined in 2014 just slightly (0.2 percentage point) from its 2013 rate, coming in at 11.1 percent. Likewise, there was little difference in the number of workers belonging to unions in 2014—14.6 million—and the year before. Flip back to 1983, the first year for which comparable union data are available, and the very substantial decline in the union membership rate is readily apparent. Back then, the participation rate was 20.1 percent and there were 17.7 million union workers, according to the Bureau of Labor Statistics.

The BLS collects data on union membership as part of the Current Population Survey (CPS), a monthly sample survey of about 60,000 households that obtains information on employment and unemployment among the nation's civilian noninstitutional population age 16 and over. The most recent data was released on January 23.

Industry and occupation. The BLS provided several breakdowns for the data, including by industry and occupation of union members. In 2014, 7.2 million public-sector employees belonged to a union versus 7.4 million private-sector workers. The union membership rate for public-sector workers—35.7 percent—was substantially higher than the rate for private-sector workers—6.6 percent. Within the public sector, the highest union membership rate was in local government (41.9 percent), which includes employees in heavily unionized occupations, such as teachers, police officers, and firefighters. The highest unionization rates in the private sector included utilities (22.3 percent), transportation and warehousing (19.6 percent), telecommunications (14.8 percent), and construction (13.9 percent). The lowest rates

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were found in agriculture and related industries (1.1 percent), finance (1.3 percent), professional and technical services (1.4 percent), and food services and drinking places (1.4 percent).

Looking at occupational groups, the highest unionization rates in 2014 were in education, training, and library occupations and protective service occupations (35.3 percent each). The lowest rates were in farming, fishing, and forestry occupations (2.5 percent) and sales and related occupations.

Selected characteristics. The BLS survey also tracks selected characteristics of union members. The 2014 data reveal that union membership rate was higher for men than for women, coming in at 11.7 percent versus 10.5 percent. The gap between rates has narrowed considerably since 1983, when rates for men and women were 24.7 percent and 14.6 percent, respectively.

As to major race and ethnicity groups, the BLS found that black workers had a higher union membership rate in 2014 (13.2 percent) than those who were white (10.8 percent), Asian (10.4 percent), or Hispanic (9.2 percent).

The age data show that the union membership rate was highest among workers ages 45 to 64, with 13.8 percent for the age group 45 to 54 and 14.1 percent for ages 55 to 64.

The union membership rate for full-time workers was more than twice the rate of part-time workers—12.3 versus 5.8 percent.

Union representation. The union representation data revealed that in 2014, 16.2 million wage and salary workers were represented by a union. This group includes both union members (14.6 million) and workers who report no union affiliation but whose jobs are covered by a union contract (1.6 million).

Earnings. The BLS survey also tracked earnings and found that in 2014, among full-time wage and salary workers, union members had median usual weekly earnings of $970, while those who were not members of a union had median weekly earnings of $763. The BLS noted that in addition to coverage by a collective bargaining agreement, this earnings difference reflects a variety of influences, including variations in the distributions of union members and nonunion employees by occupation, industry, age, firm size, or geographic region.

State-by-state data. Slicing the data by state, the BLS survey revealed that in 2014, union membership rates in 30 states and the District of Columbia fell below that of the U.S. average of 11.1 percent, 19 states had rates above it, and one state had a rate equal to that of the nation. As most union watchers would expect, all states in the East South Central and West South Central divisions show union membership rates below the national average, while all states in the Middle Atlantic and Pacific divisions had rates above it. Union membership rates declined over the year in 27 states and the District of Columbia, rose in 18 states, and remained unchanged in five states.

The BLS found that nine states had union membership rates below 5.0 percent in 2014, with North Carolina registering the lowest rate (1.9 percent). The next lowest rates were found in South Carolina (2.2 percent) and Mississippi and Utah (3.7 percent each). In states the union membership rates were over 20.0 percent in 2014: New York (24.6 percent), Alaska (22.8 percent), and Hawaii (21.8 percent). ■

HR MANAGEMENT

Expect to have to work to attract, engage, and manage employees in 2015

Employers will be challenged to re-engineer the workplace, rethink jobs and reshape the way to attract, engage and manage people if they are to drive business performance amidst a growing global economy in 2015. Those are among the top new predictions for the year ahead from Bersin by Deloitte. Organizations should focus on bold, innovative strategies to develop leaders, engage employees and foster a healthy workplace culture if they want to succeed in a global environment where competition for talent will be fierce, according to the new insights in "Predictions for 2015: Redesigning the Organization for a Rapidly Changing World."

Retention and engagement remain the No. 2 issue around the world, creating a whole new focus on employee wellness and happiness as an HR strategy. A healthy workplace culture is equally important. "If we measure and understand our organization's culture well, we can then hire and develop as leaders those people who fit and use our culture to drive performance and alignment," said Josh Bersin, principal, Bersin by Deloitte, Deloitte Consulting LLP.

Enormous changes are underway in the workplace. In addition to predicting that companies will focus on global leadership development, engagement and culture, directions for 2015 include the following:

1. **The redesign of performance management will likely continue.** A more agile, transparent model

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for feedback is emerging as many people working in teams, and new social tools let people share goals, recognition and work-related information in a transparent way. This new model has been shown to create much higher levels of performance and innovation.

2. **Address the overwhelmed employee.** As more technology floods the workplace (smart watches, wearable devices and even smarter phones), HR should take a hard look at the entire work environment. Among potential solutions to consider are systems that reduce commute time and allow people to choose when and where they work.
3. **Corporate learning takes on increasing importance.** Look for an explosion in availability of high-quality, low-cost content from massive open online courses, learning management systems that provide learning recommendations and smart learning paths for employees, and mobile learning applications that look more like on-the-job performance support.
4. **Invest, refocus and redesign talent acquisition — leveraging network recruiting, brand reach and new technologies.** In addition to marketing their organization and career opportunities, organizations should also market their mission, purpose, leadership team and work experience. Millennials and high performers look at all of these factors in an employer today.
5. **Talent analytics and workforce planning become imperative for competitive advantage.** Now is the time to bring together the reporting and analytics teams in recruiting, compensation, engagement, learning and leadership, and assembling a plan to evaluate your workforce with a holistic data perspective.
6. **Revisit your HR technology plan, reduce core vendors, and look for innovative new solutions that drive high levels of value.** Look for vendors that are making a major investment in mobile applications and mobile HR applications. Also seek vendors that have a plan and program to deliver embedded analytics.
7. **Review and redesign roles and structure of your HR team and invest in HR professional development.** For example, reduce the number of HR generalists and replace them with a fewer number of senior HR business partners. Shift the focus of "centers of expertise" to "networks of expertise" so that specialists in recruitment, training and other parts of HR all connect to each other, and some are embedded in the business. ■

Source: *Bersin by Deloitte.*

HR QUIZ

May an employer automatically deny a leave request because the employee cannot specify an exact date of return?

Q **Issue:** *Kara has epilepsy and recently started having frequent, unpredictable seizures at work. She has requested a leave until her seizures can be controlled. Can you deny her leave request because she hasn't given you an exact date of return?*

A **Answer:** No. According to the EEOC, granting leave to an employee who is unable to provide a fixed date of return may be a reasonable accommodation. Although epilepsy often can be successfully controlled, some individuals may need to take extended leave because of the frequency or severity of their seizures and may be able to provide only an *approximate* date of return (*e.g.,* "in six to eight weeks" or "in about three months").

In such situations, or in situations in which a return date must be postponed because of unforeseen medical developments, employees should stay in regular communication with their employers to inform them of their progress and discuss the need for continued leave beyond what originally was granted. Employers also have the right to require that an employee provide periodic updates on his or her condition and possible date of return. After receiving these updates, the employer may reevaluate whether continued leave constitutes an undue hardship.

Source: *EEOC Publication: Revised Questions and Answers about Epilepsy in the Workplace and the Americans with Disabilities Act, http://www.eeoc.gov/laws/types/epilepsy.cfm, reported in Employment Practices Guide ¶5373.*

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HR NOTEBOOK

Payroll employment up 252,000 in December; unemployment rate down to 5.6%

Total nonfarm payroll employment rose by 252,000 in December, and the unemployment rate declined by 0.2 percentage point to 5.6 percent, the U.S. Bureau of Labor Statistics (BLS) reported January 9. The number of unemployed persons declined by 383,000 to 8.7 million. In 2014, job growth averaged 246,000 per month, compared with an average monthly gain of 194,000 in 2013.

In December, job gains occurred in professional and business services (+52,000), construction (+48,000), food services and drinking places (+44,000), health care (+34,000), and manufacturing (+17,000). Employment in wholesale trade and in financial activities continued to trend up in December. Employment in retail trade changed little in December, following a large gain in November. Employment in other major industries, including mining and logging, transportation and warehousing, information, and government, changed little in December.

Real average hourly earnings rises 0.1 percent in December

Real average hourly earnings for all employees rose 0.1 percent from November to December, seasonally adjusted, the BLS reported January 16. This result stems from a 0.2 percent decrease in average hourly earnings combined with a 0.4 percent decrease in the Consumer Price Index for All Urban Consumers (CPI-U). Real average weekly earnings increased by 0.2 percent over the month due to the increase in real average hourly earnings combined with no change in the average workweek.

CPI for all items declines 0.4% as gasoline prices continue to fall

The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.4 percent in December on a seasonally adjusted basis, the BLS reported January 16. Over the last 12 months, the all items index increased 0.8 percent before seasonal adjustment.

The gasoline index continued to fall sharply, declining 9.4 percent and leading to the decrease in the seasonally adjusted all items index. The fuel oil index also fell sharply, and the energy index posted its largest one-month decline since December 2008, although the indexes for natural gas and for electricity both increased. The food index, in contrast, rose 0.3 percent, its largest increase since September.

The index for all items less food and energy was unchanged in December, following a 0.2 percent increase in October and a 0.1 percent rise in November. This was only the second time since 2010 that it did not increase. The shelter index continued to rise, and the index for medical care posted its largest increase since August 2013. However, these increases were offset by declines in a broad array of indexes including apparel, airline fares, used cars and trucks, household furnishings and operations, and new vehicles.

EMPLOYEE BENEFITS

Voluntary benefits are important to 9 out of 10 employees

Most American employees (88 percent) at least somewhat agree they consider voluntary insurance benefits a part of a comprehensive benefits program according to the *2014 Aflac WorkForces Report*, a study released by Aflac. With plans such as accident, critical illness and hospital confinement, employees view voluntary benefits as a way to fill in coverage gaps. In fact, 63 percent see a growing need for voluntary benefits options in 2014 compared to previous years, and 48 percent of employees say they are more knowledgeable about voluntary benefits than they were last year.

"Health care reform has turned workers' attention to their personal health care situations," said Matthew Owenby, vice president of Human Resources at Aflac. "They're also looking closely at their insurance coverage to identify gaps that might leave them vulnerable to rising medical expenses. Consequently, we are seeing an increased need for voluntary benefits among American workers. One way employers can help their employees with no direct cost to the company is to offer voluntary insurance, which provides an extra layer of protection when they need it most."

Employees' financial conditions remain fragile. The study notes that many workers are unprepared to cope with a financial crisis if faced with a health emergency. For example, about 7 in 10 workers (69 percent) at least somewhat agree they regularly underestimate the total costs of an illness or injury, and 66 percent wouldn't be able to adjust to the large financial costs associated with a serious injury or illness.

What's the bottom line for employers? Benefits matter. New and innovative approaches to improving benefits communication and education strategies as well as building robust benefits packages are becoming more mainstream, including a growing reliance upon voluntary benefits. ■

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