



Introducing Zywave

Lambert & Carney Benefits Group is continuously looking for ways to bring value to our clients. As such, we are pleased to introduce Zywave, an internet based tool that offers our clients access to employee communication materials, legislative briefs, compliance information along with membership to a peer network community where you gain knowledge from a vast network of some 200,000 of your colleagues from around the country. Throughout the summer, we will be rolling out this tool to our clients. Shortly we will contact you about Zywave and setting you up for usage.

Here are some of the new features we think will bring value to your organization:

- Survey Benchmarking
 - Allows you to determine how your plans and programs compare to other employers across the U.S.
- Collaboration Center
 - A streamlined way for L&C to communicate with you electronically
 - Ability for you to download and distribute documents relevant to YOUR business
 - Saving you time on everyday work tasks
- Community
 - MyWave Community gives you access to 200,000 of your peers
 - Post questions and get answers on best practices from your colleagues
 - Share information and resources with your peers
 - Topics include
 - Compensation, Employee Relations, HR Development, HR Management, Recruitment, Risk Management and more.

Best of all, as a valuable L&C client, this is being offered to you free of charge. You can use it as much or as little as you like. However much you plan to use it, we will still always be here for you as your trusted advisor to answer your tough questions and help you become a more efficient company.



Technology-Based Enrollment

The open enrollment period is a daunting time for both employers and employees; it is a lot of work for companies and can be a confusing process for workers. For instance, if you have 500 employees and offer 10 benefit plans with several documents correlated to each plan, you may be sifting through as many as 20,000 documents during open enrollment. However, by using technology during open enrollment, you will eliminate the need for those paper documents –allowing your Human Resources department to save both time on tedious tasks and money on such things as paper, ink and postage. Therefore, “dreaded” open enrollment may take only a week to complete, as opposed to a month of sifting through employee documents.

Technology-based enrollment may also ease stress for your employees. During open enrollment, they are introduced to new health insurance carriers, new doctors, and new retirement plans while also receiving a dent in their paychecks (if rates increase). Yet, technology can reduce employee stress, as it is user-friendly and comprehensive.

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Lambert & Carney Benefits Group, LLC

1700 Post Road, Suite B-1, Fairfield, CT 06824
Phone: 800-357-1840 Fax: 203-256-9907
Web: WWW.LCBENEFITS.COM
Providing 360° Benefit Solutions

Paul Lambert: plambert@lcbenefits.com
Sean Carney: scarney@lcbenefits.com
Jason Jaworoski: jjaworoski@lcbenefits.com

Benefits of Technology-Based Enrollment

- Every step of the benefits management process is automated, eliminating the need for paper-based processes and improving efficiency and accuracy.
- Online enrollment lowers the overall cost of providing services to your employees by eliminating the costs of distributing and collecting paper enrollment packets.
- Online enrollment enables employees to self-enroll in benefit programs, review their benefit data, and report life event changes.
- Online enrollment shortens the enrollment cycle.
- Employees can choose plans based on eligibility criteria and can compare costs and coverage of previous elections against new offerings.
- Elections may be automatically applied to employee records.
- Employees may receive written confirmations detailing their elections.
- Employees can easily view and update their records and plans.
- HR can check the status of enrollment in real time and may be able to generate detailed reports regarding the cost of employee benefits.

Disadvantages of Technology-Based Enrollment

- Employees may be intimidated by the software and may also desire interpersonal assistance, rather than making their selections via computer.
- Employees may not make solid benefit decisions if they are only advised via the computer and are not provided personalized recommendations.
- For smaller employers the cost may outweigh the advantages.

Recommendations

- Meet with your employees as a group in person and assist them in becoming familiar with the new enrollment software before open enrollment begins. Teach them how to manage plans and their dollars throughout the plan year.
- Use various communication mediums for initial alerts concerning open enrollment to get employees geared up for the process.
- Use existing resources to promote technology-based enrollment such as an inter-office newsletter or postings in common areas such as bathrooms and cafeterias.

- Encourage higher-ups to promote the use of technology-based enrollment to further excite employees.
- Establish online communities or blogs where employees can discuss successes and problems they are having while enrolling. That way, they can assist one another with the process and HR can address any problems that employees may be having.

Technology-based connectivity between your company, your employees and insurance companies ensures that the highest level of satisfaction and accuracy is met during open enrollment. Employees are more satisfied when they can gather up-to-date information instantly, while employers are not bogged down with piles upon piles of information to go through.

Lambert & Carney Benefits Group, LLC can help you find the open enrollment solution that is best suited to your needs.

Tier 4 Drug Categories Growing

Tier 4 categories are the fastest-growing segment in private insurance. Tier 4 plans were created in response to employers who were looking for ways to keep costs down. This new pricing system adds another tier that covers very expensive drugs and requires employees to pay generally 20 to 33 percent of the cost of these drugs. Generally there are no cheaper alternatives for this class of drugs, so patients are forced to pay the hefty price or do without. Tier 4 drug categories were nonexistent five years ago, but now 10 percent of private plans have them.

Use of Incentives an Emerging Trend

As mentioned in the April Lambert & Carney newsletter, employers are beginning to adopt a value health approach toward their benefit plans. One element of this approach is to address the chronically ill. Employers are beginning to use incentives (lowering or waiving drug co-pays or coinsurance) in their plan designs as a way to improve drug compliance.

According to a recent survey, only 6 percent of employers are using financial incentives for diabetes treatment, while a quarter are considering such an incentive program for diabetes therapy in the future and are also considering the same approach to treat other chronic conditions like high blood pressure and asthma.

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Anticipated Dates for Loss of Patent Protection for Brand Name Drugs

Over the next several years a number of block buster prescription drugs are scheduled to go off patent. This means that for many of these medications, less expensive generic alternatives should become available. The following is a list of the scheduled dates that certain medications are going to lose their patent protection. Keep in mind that some of the manufacturers will try to extend the patents even though they are scheduled to lose them. While generics may be available, employers will have to overcome heavy drug manufacturers' advertising to get employees away from the name brand medications.



The following is a listing of name brand drugs scheduled to lose their patent protections this year. If you would like Lambert & Carney Benefits Group, LLC can prepare a payroll stuffer that promotes the use of generic drugs. Just ask us and we will send you a sample.

2008 Scheduled Patent Expirations

Brand	Generic	Manufacturer	Target Patent Expiration Date
Fosamax®	alendronate	Merck	February 6, 2008
Camptosar®	irinotecan	Pfizer	February 20, 2008
Cardura XL	doxazosin e.r.	Pfizer	February 22, 2008
Prograf	tacrolimus	Fujisawa healthcare	April 8, 2008
Requip®	ropinirole	GlaxoSmithKline	May 19, 2008
Sarafem®	fluoxetine	Lilly	May 20, 2008
Sonata®	zaleplon	Wyeth	June 6, 2008
Effexor®	venlafaxine	Wyeth	June 13, 2008
Risperdal®	risperidone	Janssen	June 29, 2008
Lamictal®	lamotrigine	GlaxoSmithKline	July 22, 2008
Depakote®	divalproex	Abbott	July 29, 2008
Imitrex® Injection	sumatriptan	GlaxoSmithKline	August 6, 2008
Paxil CR™	paroxetine, controlled-release	GlaxoSmithKline	October 1, 2008
Casodex®	bicalutamide	AstraZeneca	October 1, 2008
Trusopt®	dorzolamide	Merck	October 28, 2008
Keppra®	levetiracetam	UCB Pharma	November 1, 2008
Alkeran	melphalan inj.	Glaxo Wellcome	November 18, 2008
Razadyne™	galantamine	Ortho McNeil	December 14, 2008
Razadyne™ ER	galantamine e.r.	Ortho McNeil	December 14, 2008
Zerit®	stavudine	Bristol-Myers Squibb	December 24, 2008
Imitrex® tablets	sumatriptan	GlaxoSmithKline	fourth quarter 2008
Precose™	acarbose	Bayer	2008 Patent delisted
Yasmin®	drospirenone/ethinyl estradiol	Berlex	Mid-2008 Patent recently invalidated

Form 5500 Annual Return/Report of Employee Benefit Plan

Each year, pension and welfare benefit plans generally are required to file an annual return/report regarding their financial condition, investments, and operations. The annual reporting requirement is generally satisfied by filing the Form 5500 Annual Return/Report of Employee Benefit Plan and any required attachments. Under ERISA, the requirement to file an annual Form 5500 applies to all ERISA plans. Department of Labor Regulations exempt certain welfare plans from all or part of the Form 5500 reporting requirements.

As of 2002, the IRS suspended the requirement for employers with cafeteria plans to file an annual information return for the cafeteria plan since it is merely a funding vehicle and not itself an employee welfare benefit plan as defined by ERISA. An ERISA Form 5500 will be required for any component benefit plan that is an ERISA welfare plan (e.g., health FSAs, dental, long-term disability, AD&D, and group term life plans) unless an exemption applies. For example, there is an exemption from ERISA reporting for any component welfare benefit plans that are small (fewer than 100 participants at the beginning of the plan year) and unfunded, or small and fully insured or a combination of the two.

Other plans exempt from filing:

- Plans for certain select employees (management or highly compensated employees)
- Employer-sponsored day care centers
- Certain apprenticeship and training plans
- Plans not subject to ERISA

What qualifies as a small plan? Small plans cover fewer than 100 covered participants at the beginning of the plan year.

Who are covered participants? Participants are covered by the plan on the earlier of 1. The date the plan says participation begins; 2. The date the individual becomes eligible to receive a benefit; or 3. The date the individual makes a voluntary or mandatory payment.

What is the deadline for filing? The 5500 Report must generally be filed by the last day of the seventh month following the end of the plan year, unless an extension has been granted. For calendar year plans, the deadline is normally July 31st of the following year. Form 5500 or 5500-EZ must be filed with the Employee Benefits Security Administration (EBSA), not the IRS. Refer to the form instructions to determine the filing address for your form. You may want to mail your 5500 filing by certified or overnight delivery for proof of mailing. Refer to the IRS list of approved private delivery services in the instructions. Since the date of mailing is treated as the filing date, it is important to retain written proof of mailing in the event of a dispute.

How can I obtain an extension for filing? Generally, you may request an extension by filing IRS Form 5558 by the unextended due date of your Form 5500. An extension of up to two and one-half months may be granted. You can request a copy of Form 5558 directly from the IRS. Plans eligible to file Form 5500-EZ are automatically granted an extension for filing Form 5500-EZ until the extended due date of the employer's Federal income tax return, provided certain conditions are met. Please refer to the IRS *Instructions for Form 5500-EZ* for details.

What if a company failed to file previous years' reports properly? In an effort to encourage pension and welfare plan administrators to file overdue annual reports, the EBSA is providing plan administrators with the opportunity to pay reduced civil penalties for voluntarily complying with the annual reporting requirements. Plan administrators are eligible to pay reduced civil penalties under the program if the required filings under the **Delinquent Filer Voluntary Compliance Program (DFVC)** are made prior to the date on which the administrator is notified in writing by the Department of Labor of a failure to file a timely annual report under Title I of ERISA. See www.dol.gov for more information about DFVC.

Need help with your 5500's, just contact your account manager at Lambert & Carney.



We are pleased to present you with this Lambert & Carney Benefits Group, LLC Newsletter. It is designed to give you timely and important information regarding employee benefits, government regulations, new products, and other areas of interest to employers. We value your business and will continue to strive to provide you with the very best service possible. The information contained in this newsletter is informational only and should be relied on as tax or legal advice.