## **CONTENTS**

1	THE CHANGING ROLE OF BENEFITS: A NEW PARADIGM by Ernest J. E. Griffes	1
	From the Fringe to the Center	1
	The Anachronistic Benefits Ideology	2
	The New Benefits Assumptions	6
	Changing Work/Life Attitudes	. 7
	Government, Stockholder, and Public Interests in Benefits	10
	The Economic Effects of Benefits	17
	Inflation, Depression, Economic Uncertainty	20
	The Demographics: An Older Society	22
	A New Benefits Paradigm	24
	General Assumptions of the New Paradigm	28
	Specific Assumptions of the New Paradigm	29
2	THE BENEFITS MANAGEMENT FUNCTION	
	by Ernest J. E. Griffes	34
	Traditional Benefits Management	35
	Benefits Management in the New Role	35
	The Benefit Department in the Organizational Structure	38
	Benefit Department Organizational Structure	41
	Decision Making	44
	Positive Benefits Management: The Concept	47
	Applied Positive Management	49
	A Benefit Policy and Planning System (or Philosophy)	50
	A Planning Guide for Benefit Design and Management	53
	Summary	59
	A Benefit Policy and Planning System (or Philosophy) A Planning Guide for Benefit Design and Management	50 53

## xx Contents

3	BENEFIT PLANNING SYSTEMS	
	by Ernest J. E. Griffes	61
	The Components of a Benefits Planning System	63
	Assessment of Existing Benefits	65
	External and Internal Influences and Constraints	69
	The Function of the Benefits Executive	81
	Job Description versus Functional Role	81
	Long-Range Planning	86
	Components of Long-Range Planning	86
	Plan Sponsor Long-Range Plans	87
	Information about Developing Trends	89
	Introducing Long-Range Plans into the Organization	92
	Using Long-Range Plans Effectively for Short-Term Action	95
	Controlling Benefit Changes	96
	Conclusion	99
4	THE HUMAN ASPECT OF BENEFITS	
	by Ernest J. E. Griffes	100
	Why Do Employers Provide Benefit Plans?	101
	People Perceptions of Benefits: Employee Expectations	101
	Employee Appreciation and Motivation	104
	Individualization of Attitudes toward Benefits	105
	Organized Employee Perceptions of Benefits	107
	Employer Perception of Benefits	108
	Why Do Benefits Cost So Much?	113
	The Influence of Benefits on Productivity and Work Behavior	117
	Theory of the Benefit Plan Life Cycle	121
	The Social Role of Employee Benefits	123
	Present Social Purposes of Benefits	124
	Benefits in Social Policy	125
5	ADMINISTRATION SYSTEMS AND SERVICES	
	by Joel F. Levy	137
	Introduction	138
	Effective Administration	139
	Uses of Administration Manuals	143
	Preparing Step-by-Step Procedures	148

Contents	xxi

	The Importance of Records	151
	Keeping Participants Informed	153
	Keeping Government Informed	154
	Keeping Calculation Methods Up to Date	154
	Checklists Can Help	154
	Reviewing the Administrative Process	155
	Looking Ahead	156
6	COMMUNICATIONS	457
	by William O. Shearer	157
	Effective Benefit Communication	158
	Planning	159
	Production	164
	Implementation	168
	Evaluation	169 170
	Future Trends in Benefit Communications	170
	Benefit Statements	185
	Social Security Benefits Statement Financial Education	193
	Financial Education	133
7	CLAIMS ADMINISTRATION	
	by Robert Griffith	207
	Introduction	207
	Importance of Effective Claims Administration	208
	Plan Costs	208
	Employee Satisfaction	211
	Elements of Effective Claims Administrators	212
	Types of Claims Administrators	216
	Selecting Claims Administrators	221
	Assessing the Claims Office	222
	Evaluating Claim Systems	225
	Negotiating Performance Agreements	227
	Future Trends in Claims Administration	229
8	COST MANAGEMENT AND CONTROL	25:
	by John W. Barton	231
	Introduction	231
	Managing Benefit Costs	238

## xxii Contents

What Is Cost Control?	239
Hospital-Medical Benefits	242
Group Life Insurance Benefits	253
Use of the 501(c)(9) Trust in Managing Plan Costs	255
Long-Term Disability Benefits	257
Defined Benefit Pension Plans	259
Cost Control and Plan Administration	271
Cost Containment	273
Conclusion	281
MANAGING PLAN ASSETS	
by William C. Kuehne	282
Introduction	282
The Size of Employee Benefit Plan Assets	284
Historical Answers	285
New Services for Trustees	286
ERISA Section 404—Fiduciary Responsibilities	287
Customary Management Techniques	289
Selecting Investment Advisers and Dealing with Them	294
Other Investment Functions	296
Performance and Risk Management	297
Future Investment Trends	300
EVALUATING BENEFIT PLAN EFFECTIVENESS	
by Ernest J. E. Griffes	304
Are Evaluations of Benefit Effectiveness Worth the Trouble and Expense?	305
What Is the Objective of Evaluation Techniques?	306
Effectiveness of Evaluation Techniques	307
Selecting the Techniques to Be Used	309
Employee Sensing Techniques	309
Competitive Benefit Structure and Cost Analysis	312
Benefit Indexing and Value Comparison	313
Cost versus Impact Analysis	315
Specific Plan Cost versus Benefit Analysis	320
Practical Applications of Effectiveness Evaluation	320
Correlation of Indexing Study and Employee Survey Data	324

APPE	NE	DIXES	
	1	Sample Benefits Department Annual Report	327
	2	Sample Discussion Paper	333
	3	Sample Employee Perception Survey	342
	4	Lexicon of Benefit Terms and Acronyms	350
	5	"The Winds of Change" by Victor Zink	364
	6	"How to Use Your Consultants Effectively" by Ernest Griffes	370
Reference Sources			382
Index			389

Contents xxiii