

Service Associate Q&A

Al Jaeger of Associated Financial Group covers employee wellness programs, OPEB and other benefits issues



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Q. *Is it important for school board members to be educated in employee benefit issues? Why?*

A. Absolutely! Ultimately the board answers to the community in terms of being responsible for decisions made. Therefore, being informed on why the district is doing what they do is critical and fundamental to their responsibilities.

Q. *Employee wellness programs are gaining momentum with school districts. What benefits can such a program offer to employees?*

A. Some of the individual benefits include: knowledge, awareness and resources to have a lifestyle that positively impacts the employee's physical and mental health. Individually the benefits are clear; collectively the benefits are substantial to the district and community culture.

Q. *If a district is interested in developing an employee wellness program, what are some issues it should be aware of?*

A. One of the top priorities should be how best to establish a progressive plan of action that would build around the priorities of the district and coordinate with all the other cultural priorities of the district. Meanwhile, there are many legal areas of consideration that are important to be aware of but having the assistance of a benefit professional that does exactly this for a living will mitigate that concern.

Q. *What are some strategies school districts are using to keep post-employment benefits sustainable?*

A. Defined contribution has become the most common buzz word when

establishing a strategy for OPEB planning. The whole idea of defined contribution begins with understanding where the district lies in terms of culture, communication and priorities. Once a sense of those areas are established, developing a full fledge plan for the upcoming three to five years will assist in understanding how best to convert to a defined contribution plan that is sustainable from a budget standpoint and valuable from a retiree standpoint.

Q. *From a benefit standpoint, what can districts do to retain quality educators?*

A. Ultimately there is a statewide sense that free agency for quality staff has begun. Therefore, benefit changes cannot occur in a budgeting vacuum. The primary reason that districts offer benefits is to position themselves to attract and retain quality staff. Understanding where the district is in terms of comparison to peer districts is critical. Understanding how other districts are doing more with less is equally as critical.

Q. *What is new or changing in the world of employee benefits that school board members need to be aware of?*

A. Everything! **Budget** is the most significant challenge for benefit consideration. On one hand, medical trends have prohibited districts from maintaining the status quo in terms of benefit offering and plan design because the district budget is not rising as fast as medical trends. On the other hand, staff members are feeling their personal budget getting pinched harder and harder as pay raises are being outmatched by the staff members cost share increases

each year. Therefore, the budgeting process has continued to have a balancing act on which budget is getting more compromised and more important to address.

Compliance is also a growing challenge as there are significant legal considerations that need to be tracked and planned for to make sure the district is making an informed decision on how best to address the upcoming and ongoing compliance challenges.

Long-term planning: Understanding how your district compares to peer districts needs to include both benefits and pay strategies that play out over the course of multiple years. Otherwise, decisions made today could have unintended consequences in a couple years. The complexities can become overwhelming unless you have an experienced planner assisting in the navigation/planning process. ■

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