

H. J. Russell & Company



Southern Employee Benefits
Conference
October 2, 2012

Company Info



At-a-Glance

Years in Business:

60

Headquarters:

Atlanta, Georgia

Other Office Locations:

Florida

South Georgia Areas

Illinois

North Carolina

South Carolina

Texas

Bonding Capacity:

\$400M

LEED Accredited

Professionals

Certified MBE

H. J. Russell & Company is a full service real estate firm. We are the largest minority owned real estate firm in the nation.



As a corporation, we provide services to both the public and private sectors:

- ✓ **Complete Preconstruction**
- ✓ **Construction Management**
- ✓ **Design/Build**
- ✓ **Program Management**
- ✓ **General Construction Services**
- ✓ **Real Estate Development**
- ✓ **Property Management Services**
- ✓ **Facilities Management**
- ✓ **Transactional Services**

Benefit Offerings

- **Company Sponsored Programs/ Carriers**

- Medical HRA, Dental, Vision & RX (UHC)
- Flexible Spending Account – Medical/Dependent Care (UHC)
- Wellness - Simply Engaged (UHC)
- STD/LTD (Unum)
- Company Sponsored Life (Unum)
- Employee Assistance Program – EAP (UHC & Unum)
- Paid Time Off (PTO)
- Tuition Reimbursement
- 401k (The Principal)

- **Voluntary Programs** – All by

Unum

- Life
- Accident
- Critical Illness
- Whole Life

401k Plan Summary



- Eligibility - 30 days
- Contribution – Up to 50% of their total compensation to Plan limits
- Match - Fifty cents (50¢) on the dollar up to 5% of contribution after one (1) year.
- Plan Participants access/manage their account via the internet or telephone.
- The Money Manager/Recordkeeper - The Principal.
- Joint Plan
- Total Eligible Plan participants – 1,134 (Active/Term w/balance – 493/87)
- Plan Assets as of 9/17 – \$15,166,271.10

401k Plan - Then & Now



- **Old Structure**
 - Metlife/Greatwest
 - Investment funds – nine plus one GIC
 - Broker relationship
 - Reporting Structure

- **Benefits & Investment Committee**
 - Why was it Formed?
 - Committee Members
 - Committee Members Roles
 - Meetings/Education

401k Plan Overhaul



- **Reporting Structure Changed**
 - From CEO to B&I Committee then CEO/Board
- **2007 - Change Plan Consultant**
- **Updated IPS to ensure that the Committee was making decisions accordingly**
 - Failing funds were placed on the Watch List
 - Replacement recommendations for failing funds were timely provided
- **2008 - RFP & replaced Metlife/Greatwest to Principal**
- **Moved to an open architecture market – increased portfolio to 17 investment funds**
- **2009 - Added 11 Target Date funds**
- **2010 - Changed Target Date funds from Principal to T. Rowe Price**
- **2011 – Adoption of a Committee Charter, which provides written guidelines to ensure legislative compliance, administrative oversights, reporting guidelines, appointment of committee members and third party consultants, and ensuring adequate communication to plan participants.**
- **Fiduciary Responsibility Training**
- **Education Strategies for Plan Participants - annually**

401k Plan Accomplishments



- **Better working relationship with Consultant, Recordkeeper & Money Manager, and meeting Plan objectives**
- **Lower Plan Expenses**
 - Savings in Consultant Fees
 - Changed to T.Rowe Price TDF - reduced administrative fees - a savings to plan participants
- **Investments yield greater returns**
- **Closely monitor investment funds, including our Target-Date Funds, based on:**
 - Average Expense Ratio vs Benchmark Average
 - Morningstar rating
 - Ensuring that the Plan represent all asset classes
- **One-on-one meetings**
 - Increase plan participation
 - Increase usage of The Principal website
 - Plan participants account balances increased

Health Plan Summary



- Self Insured
- Administered by United HealthCare
- Plan is marketed yearly
- Prior plans – POS/PPO; 80/20 & 70/30
- Bundled – Medical, Dental, Vision & RX
- Plan Participants – 198
- ER pays approximately 61% of the overall cost for the bundled program
- Plan is grandfathered

Health Plan – Then, Now & ?



- 2008 – Move to a traditional front end HRA Plan of \$500/1000/1500, which was implemented as a cost saving measure with the intent to add an HSA qualified plan in the future.
- 2009 – Introduced UHC Simply Engaged Wellness program
- 2010 – Introduced biometric and coaching program based on Health Risk Assessment & up to \$300 in gift card incentives
- 2011 – Introduced reduced health premiums based on employees completing Health Risk Assessment
- 2012 – Continued above requirements based on Biometric Screening or annual physical plus HRA
- 2013 – Will keep the Plan Grandfathered, along with wellness initiatives, and premium incentives.
- What 2014 Plan may look like?
 - Limit part-time employees to 29 or less hours
 - Strip plan back to pay 60% of the costs
 - Add a second plan that will meeting HealthCare Reform minimum requirements

Health Plan Accomplishments



- **One-on-One education of plan benefits to Plan participants**
 - Utilization of myuhc website and readily access of benefits
 - Greater understanding of benefits offerings
- **Plan Design changes**
 - Removal of Plan Co-pays
 - Addition of HRA dollars
 - Preventive covered at 100%
- **Biometric screenings and health coaching provided an awareness of critical health issues**
- **Increase number of participants having their annual exams**
- **Plan participants have not received premium increase for the past 3 years**
- **Biggest achievement is Health Plan surplus that's approximately 1M**
 - Surplus fund usage that the Committee has adopted:
 - ✦ Premium holiday – ER/EE
 - ✦ Reduction of future ER Contributions
 - ✦ Potential increase to HRA benefits
 - ✦ Defray Administrative Expense of the Plan