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Step Up Your Game: Keeping Up with Millennials

Jeni Aris, NFP Regional HR Business Partner, Midwest

HUMAN RESOURCES

Much has been written and said about the "new kids on the block" at work — millennials. Born after 1980, millennials are starting to comprise a larger demographic in the workforce, and employers are taking note of their preferences. The competition for the best talent will only deepen, meaning employers would be wise to begin targeting this ever-striving, intelligent and innovative new guard.

What Makes Millennials Different from Other Generations?

Many younger millennials have had their lives documented on Facebook, Twitter and YouTube. They were in grade school on 9/11. They saw their older siblings elect President Obama. They Occupied Wall Street. They're anti-bullying. They posted "=" signs on their Facebook pages for marriage equality rights. They've organized and made an impact. They have power and responsibility — and they know it.

The younger millennials, born in the 1990s, are just graduating college after the market crash of 2008. Their professors pushed collaboration and innovation every day. These kids took those lessons to heart and have seen plenty of their contemporaries drop out of college and shoot for the moon. The emphasis on out-of-the-box thinking and the lesson of the market crash led these kids to make different choices than earlier generations. They knew to avoid debt and pick majors that fueled their passion and provided a realistic future.

Why Does This Matter at Work?

While it's challenging and dangerous to summarize an entire generation of people, there are commonalities among millennials in the workplace. They're generally known to value collaboration, working in teams, having a voice and being given a lot of responsibility early on. They speak up, because they've been asked their opinion their whole lives. They know better than to sit idly by when they see an injustice or a mistake. This group of critical thinkers will further challenge the line of thinking followed by Generation X and baby boomers, which is to put their nose to the grindstone and wait for rewards. Millennials will ask why and pursue opportunities to improve their position. They crave and seek out feedback, direction, growth and recognition.

If they don't get it, they'll leave. Many employers are watching millennials walk away from jobs that aren't meeting their personal needs, whether due to low pay, ineffective leadership, poor growth opportunities or even just a lack of "fun." They know they'll have multiple jobs during their career, so they're not afraid of change.

How Can My Company Attract and Retain Millennials?

How can employers position themselves to attract multiple generations, specifically millennials? That depends on several factors, such as industry, sources of talent, geographical demographics and company resources. There is no "silver bullet."

However, one important question to ask is, "What's this company's value proposition to a candidate or employee?" In other words, why should an employee work here? Millennials are looking beyond the paycheck. They want to make an impact and fulfill their ambitions.

Next, company leaders should ask themselves, "Are the managers and employees aware of the company's mission, vision and values?" What are we driving toward? Employers who can't answer these questions should take steps toward that goal. Think of millennials and other candidates as consumers of the employee experience. If you can't articulate where the company is going, don't expect millennials to follow. But if you get this part right, they'll follow you anywhere!

"Step Up Your Game ..." continued from Page 1

What Are My Employees Thinking?

A company that wants its employees to perform their best must give employees a voice. The best starting point to understanding a company's candidates or employees is to ask their opinions. Managers should talk to employees frequently — and listen even more. Millennials, in particular, love giving and receiving feedback. If employees seem to be whining or complaining, bear in mind that a complaint means a person is still engaged. It's when your employees stop talking to you that you might start worrying.

You can also use employee engagement and satisfaction surveys to learn what employees like and don't like about their companies. If a survey is done right, the results can be the key to success. Good survey questions help companies take the pulse of its workforce and gain insight into important questions such as:

- How many employees are thinking about leaving?
- What companies do it better than this one?
- Is our pay fair and competitive?
- Are the company's managers effective?
- How can we improve our business?

A successful employee engagement and satisfaction survey will be:

- Championed by the C-suite
- Supported by leadership in planning, execution and follow-ups
- Inviting feedback from every employee
- Truly anonymous, with no backlash for negative comments
- Asking the "hard" questions about company culture, the onboarding experience, development and goals, leadership effectiveness, compensation and more
- Followed up with action items that show employees the company is listening
- Repeated periodically as a measure of the company's performance

Conducting and executing changes based on real data from the company's current employees is an excellent way to improve the company's attractiveness to millennials.

How Do I Keep Up?

Millennials are among the best educated people in the world. They can keep up with you, so challenge them. They may have their headphones in while they work, but don't underestimate them. This generation grew up with a wealth of instructional resources and mentors at their disposal. They use technology, ask questions and want feedback. Give it to them, and give them the opportunity to give you feedback in return.

How Do I Utilize NFP HR Services?

NFP HR Services can guide employers through all of the changes in the economic climate. We provide strategic guidance and expertise in all of the following areas and more:

- Talent acquisition
- Employee engagement
- Compensation and benefits
- The onboarding experience and new hire training
- Performance management
- FLSA compliance and best practices
- Career development plans
- Succession planning

To learn more, contact your NFP Benefits Consultant. Or reach out to us at 84-HR HELPS-1 (844-743-5771) or **hrconsultingservices@nfp.com**.

Best Practices in Hardship Distributions

RETIREMENT

These days, many plans are experiencing an uptick in the number of participant requests for hardship distributions. Much of this increased activity may be attributed to our prolonged and tepid economic recovery.

As these requests are considered, be sure not to act to the detriment of your plan. Improperly handling a hardship request can result in plan disqualification. It's important to understand what the law – and your plan document – allow so that your actions don't result in unintended but impermissible hardship distributions.

First, the law requires that any hardship distribution can only be made due to a participant's immediate and heavy financial need. The law doesn't permit a distribution in excess of the amount necessary to satisfy the need, which cannot be met by other resources reasonably available to the participant. Unless the plan administrator has knowledge to the contrary, the regulations allow a plan to rely on the participant's written representation that the need cannot be reasonably relieved by insurance, liquidation of other assets, cessation of contributions, distributions or non-taxable loans from employer plans of commercially available loans.

Also, assets available for distributions are limited to the participant's accumulated elective contributions, exclusive of earnings but reduced by losses.

If the plan allows hardship distributions, the plan document must specifically say so.

A few safe harbor provisions have been granted. A safe harbor set of guidelines for what qualifies as an immediate and heavy financial need can be incorporated into the plan document. Also, regulations allow plan documents to include the availability of safe harbor provisions. Mentioning these provisions may help investors determine if the distribution is necessary, as long as they've already exhausted any other loan or distribution available under the plan and the participant is suspended from making elective contributions for at least six months.

There's also a requirement for hardship request activity documentation. This includes maintaining a copy of the participant's application with appropriate representations, as well as your determinations regarding immediate and heavy need, availability of other resources and appropriateness of the distribution amount.

Take this opportunity to review your plan's hardship provision to make certain you're following procedures correctly. Remember: Inconsistent, sloppy or overly liberal distributions may result in significant issues for the plan.

Compliance FAQ

We have an employee who's out on FMLA leave and failed to make their premium payments on time. The employee plans to return to work at the end of the FMLA leave period, but their coverage will be terminated due to premium nonpayment. Must we restore coverage when the employee returns to work?

Yes, an employer must restore coverage when the employee returns to work. If coverage lapses during the FMLA leave because an employee hasn't made required premium payments, upon the employee's return from FMLA leave, the employer must still restore the employee to coverage equivalent to that the employee would have had if leave had not been taken. As a reminder, employees are eligible for FMLA if they've worked for the employer for at least 12 months (and 1,250 hours), the employer has at least 50 employees within a 75-mile radius and the employees or one of their immediate family members has a serious health condition that results in the employee being unable to work for at least three consecutive days.

In the absence of an established employer policy providing a longer grace period, an employer's obligation to maintain the health insurance coverage of an employee on FMLA leave ends if the employee's payment of his or her share of the premium is more than 30 days late. The employer could then rightfully terminate coverage after the employer provides written notice to the employee that payment was not received. The notice must be mailed to the employee at least 15 days before coverage is to cease, and it must advise the employee that coverage will be dropped on a specified date at least 15 days after the date of the letter unless the payment is received by that date. Thus, so long as proper notification is provided, employers may terminate coverage during an FMLA-protected leave for nonpayment of premiums.

However, even if coverage is terminated during the leave due to nonpayment of premiums, the employer is obligated to restore coverage to the employee upon return from FMLA leave. This means the employee cannot be denied coverage upon restoration of employment because of a pre-existing condition developed while on FMLA leave. In addition, the employer may not impose any qualification, waiting period or other eligibility requirement upon return. The employee must be restored immediately upon return to work.

Employers often wonder whether coverage must be reinstated on the day an employee returns from FMLA leave or if reinstatement can be delayed until a later date, such as the first day of the next month. The safest approach is to restore the coverage immediately when the employee returns to work from FMLA leave, subject to the possible exception for voluntary delayed reinstatement at the employee's request, with the agreement of the employer.

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