CASE STUDY

Canadian Technology Firm Addresses Cross-Border Benefit Gaps to Compete for U.S. Talent

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Open enrollment meetings in the U.S. were no fun for the human resources leaders of a Canadian-based educational technology company. At one meeting, the HR leader was heckled by employees over the shortcomings of their benefits and how they didn't measure up to what other tech firms like Amazon and Microsoft offered.

It underscored the extent of the challenge this Canadian HR team faced in an era of full employment. They struggled to deliver competitive benefits to U.S. employees and were not getting the support they needed from their Canadian broker, who lacked resources to advise them in their US markets.

When the company moved from its incumbent broker to HUB, it was able to revamp its benefits program into one that is competitive with technology industry standards anywhere in the world. Working with a cross-border team of HUB employee benefits consultants and compliance specialists, the client was able to achieve the following outcomes:

- An improved, ACA-compliant healthcare plan for U.S. employees that's on par with Canadian employee benefits and tech industry standards.
- A new approach to executive benefits that shares a common cross-border structure, meets Canadian and U.S. regulatory requirements, and measures up to tech industry standards.
- A successfully restructured company-paid disability program for U.S. and Canadian employees.
- Smoother retirement plan audits and the elimination of fines.

Fixing the U.S. health benefits gap

The health plans offered to the company's U.S. employees were a source of contention. At one point, a poorly chosen, Washington-centric health plan left workers located elsewhere in the U.S. with virtually no access to in-network providers. On the recommendation of the former broker, the company jumped from the frying pan to the fire with a new, one-stop solution that combined compliance technology with medical and dental plans. But it was a pilot. Three months later there was no software. No claims were being paid. And their complaints were being ignored.

After helping the client cancel this contract, HUB developed a solution for US employees: three health plans with a national network. There is no longer heckling at open enrollment meetings, and if job offers are declined, benefits are not the reason.

Improving and aligning executive benefits (and others, too)

HUB had been enlisted for its expertise on benefits compliance in both Canada and the U.S. as well as to help the client develop a long-term benefits strategy that would achieve parity across borders.

A deep look needed to be taken at particular areas of concern, like executive benefits. The strategy was to give every executive anything they wanted. Instead, HUB recommended that the client set a budget and give executives the flexibility to choose benefits according to their individual needs. The strategy met with universal approval, with the menu on both sides of the border including long-term disability and life insurance; critical illness was another option in Canada balanced by long-term care in the U.S. Outside of the package, the company pays for income replacement coverage for all executives.

An issue for employees in Canada and the U.S. was insufficient disability coverage which forced workers into using their vacations to cover time and pay gaps. HUB conducted a cost-benefit analysis on making disability a company-paid benefit. The anticipated productivity gains proved out in practice, making this a positive step forward.

Curing compliance headaches

HUB helped the client get up to speed on looming reporting deadlines for the Affordable Care Act (ACA). And they also tapped into the HUB network for assistance on other regulatory/compliance fronts. The client's U.S. retirement plan audits, for example, were a challenge and regularly resulted in fines. But HUB's retirement plan specialists were tapped to help improve the client's processes for things like withholding practices, smoothing the audits and ultimately eliminating fines.

Continuing the forward momentum

The client continues to focus on benefits as a competitive advantage.

It stacks up well in benchmarking against other technology employers. It now has a global maternity leave policy, for example, that allows a full year off for new parents with the protection of a job to come back to. Further, a global wellness initiative is in development. And its wide range of voluntary benefits even includes pet insurance.

The company is now well-positioning to compete talent whether in Canada, the U.S. or in outposts beyond.

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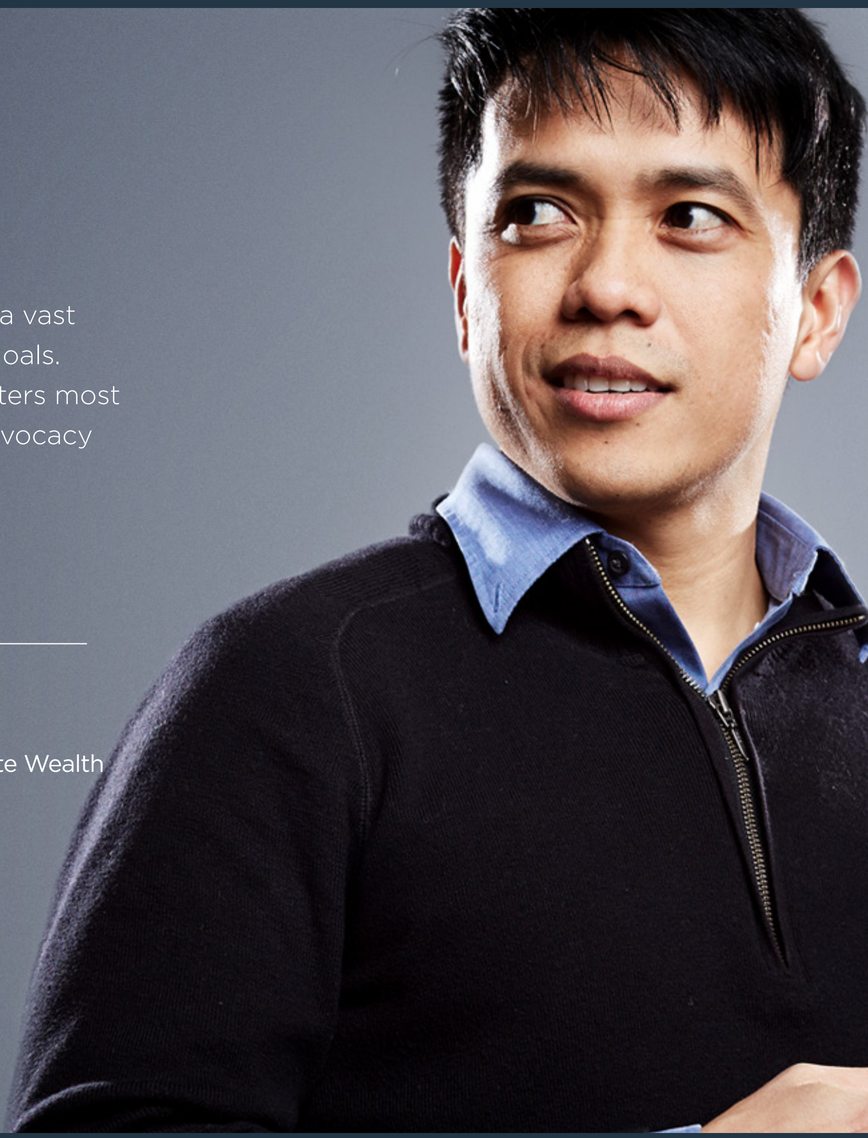

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