



Employee Benefits Report



HEFFERNAN
ELITE BENEFITS
INSURANCE SERVICES LLC

Denise P. Caldwell (President)
Heffernan Elite Benefits Insurance Services

CA License #0805171
1350 Carlbach Avenue, 1st Floor
Walnut Creek, CA 94596

Phone: (925) 363-5433, Fax: (925) 363-5080
Email: denise@heffelite.com
License No: 0N09229

Volume 23 · Number 06

JUNE 2025

Benefits Administration

The Growing Importance of Mental Health & Well-Being Initiatives in the Workplace

In today's fast-paced work environment, employee stress and burnout have reached alarming levels. Studies show that 94% of American workers experience chronic stress at work, with 66% reporting job burnout in 2025—an all-time high. As workplace

demands continue to rise, employers are recognizing the need to prioritize mental health initiatives to improve productivity, retention, and overall well-being.

The Rising Tide of Workplace Stress

The modern workforce faces increasing pressure, whether from tight deadlines, job insecurity, or labor shortages. According to a recent study, 80% of workers believe the COVID-19 pandemic worsened workplace stress and burnout. Additionally, younger employees are experiencing higher rates of burnout, with 81% of 18-24-year-olds and 83% of 25-34-year-olds reporting significant stress levels.

Psychologists emphasize the importance of creating psychologically healthy workplaces that respect generational differences in work expectations. Dr. Zhiqing Zhou, an associate professor at Johns

This Just In ...

AI-Driven Fraud Detection: Reducing Waste and Abuse

Healthcare fraud costs employers billions annually, with fraudulent claims and billing errors inflating expenses. AI-powered fraud detection systems analyze large volumes of healthcare data, identifying patterns of fraudulent activities such as duplicate claims, billing for services not provided, and unusual provider behavior.

AI-driven fraud prevention has helped organizations reduce fraudulent claims by up to 30%, leading to lower insurance premiums and administrative costs.

Ellen Zimiles, a fraud prevention expert, states: "AI and machine learning are transforming fraud detection in healthcare. Employers can now proactively identify suspicious claims, preventing financial losses before they occur."

Preventive Care Incentives: Investing in Long-Term Savings

Preventive healthcare programs are proving to be one of the most effective cost-saving strategies for employers. By encouraging regular screenings, wellness programs, and chronic disease management, companies can reduce hospitalizations and emergency care costs.



continued on next page - 2



Hopkins Bloomberg School of Public Health, states, “We need more interdisciplinary efforts to not only understand how work contributes to impaired mental health but also to design and implement workplace changes.”

Another expert, Alethea Varra, SVP of Clinical Care at Lyra Health, highlights the growing concern: “Workplace stress is on the rise again, with nearly 90% of employees facing mental health challenges that are hurting both well-being and business performance.”

How Employers Are Expanding Mental Health Coverage

To combat rising stress levels, companies are enhancing mental health benefits by offering:

- **Therapy Sessions & Counseling Services** – Many employers now provide free or subsidized therapy to help employees manage stress and anxiety.
- **Stress Management Programs** – Businesses are implementing mindfulness workshops, meditation sessions, and resilience training to help employees cope with workplace pressures.
- **Flexible Work Arrangements** – Remote work options and hybrid schedules are being introduced to reduce stress and improve work-life balance.
- **Mental Health Days** – Some companies now offer dedicated mental health leave, allowing employees to take time off without stigma.

Examples of Companies Leading the Way

Several companies are setting the standard for mental health initiatives:

- **Akamai** – Hired a Corporate Wellness Program Manager to develop mental health resources, including sleep improvement workshops, pet therapy, and speaker series on burnout.

- **Barclays** – Launched the “This Is Me” campaign, encouraging employees to share their mental health struggles, leading to higher retention rates and increased disclosure.
- **Bell** – Runs the Let’s Talk initiative, donating over \$100 million to mental health programs and providing 24/7 employee support services.

The Business Case for Mental Health Investments

Investing in mental health initiatives isn’t just about employee well-being—it’s also a smart business strategy. Studies show that reducing workplace stress can increase sales by 37%, productivity by 31%, and task accuracy by 19%. Additionally, companies with strong mental health programs see higher employee retention rates, reducing costly turnover.

Jessica Kriegel, Chief Strategy Officer at Culture Partners, highlights the urgency of workplace mental health efforts: “We are reaching a boiling point. Employers must rethink how they support their workforce to prevent burnout and disengagement.”

Stephen Sokoler, CEO of Journey, a mental health solutions company, emphasizes the financial benefits: “For every dollar invested in mental health interventions, there is a return of \$4 in improved health and productivity.”

A study by the American Psychiatric Association found that employees with unresolved depression experience a 35% reduction in productivity, reinforcing the need for proactive mental health strategies.

Looking Ahead: The Future of Workplace Mental Health

As awareness grows, mental health initiatives will continue to evolve, with companies integrating AI-driven wellness tools, personalized stress management programs, and expanded telehealth services. The goal is to create work environments that foster resilience, engagement, and long-term well-being.

A study by Mercer found that employers who invest in preventive care see a 25% decrease in long-term healthcare expenses, as employees experience fewer severe health issues.

Jessica Kriegel, Chief Strategy Officer at Culture Partners, emphasizes: “Preventive care isn’t just about employee well-being—it’s a financial strategy. Employers who prioritize wellness programs see lower healthcare costs and higher productivity.”

The Future of Cost-Saving Healthcare Strategies

As healthcare costs continue to rise, employers will increasingly rely on telehealth, AI-driven fraud detection, and preventive care incentives to manage expenses. By integrating technology-driven solutions and proactive healthcare models, businesses can ensure affordable, high-quality benefits while maintaining financial sustainability. ■

By prioritizing mental health, businesses can ensure that employees thrive both professionally and personally, leading to a healthier, more productive workforce. ■



Retirement Plan Enhancements: How Employers Are Strengthening Financial Wellness

As retirement security becomes a growing concern, employers are taking proactive steps to enhance retirement benefits, ensuring employees have the tools and resources needed for long-term financial stability. From expanded 401(k) matching programs to lifetime income solutions, companies are prioritizing financial wellness to help workers retire with confidence.

The Shift Toward Financial Wellness in Retirement Planning

Recent studies indicate that fewer than one-third of workers feel secure about their retirement savings. With rising inflation and economic uncertainty, employees are increasingly looking to their employers for better retirement benefits and financial guidance.

A report from the National Bureau of Economic Research (NBER) highlights that automatic enrollment in 401(k) plans significantly increases participation rates, with 68% of employees acknowledging they need to save more but struggle to take action. This has led many employers to implement auto-enrollment and auto-escalation features, ensuring workers contribute consistently to their retirement funds.

The Growing Trend of Annuities in 401(k) Plans

One of the most significant shifts in retirement planning is the integration of annuities within 401(k) plans. Traditionally, annuities were purchased separately from employer-sponsored retirement plans, but recent legislative changes—such as the SECURE Act and SECURE Act 2.0—have made it easier for employers to offer in-plan annuities.

Why Are Employers Adding Annuities to 401(k) Plans?

- **Guaranteed Lifetime Income** – Unlike traditional 401(k) investments, annuities provide a steady stream of income for life, reducing the risk of retirees outliving their savings.
- **Employer Liability Protections** – The SECURE Act introduced safe harbor provisions, making it easier for employers to offer annuities without being held liable if an insurer fails.
- **Portability & Flexibility** – Employees can now roll over annuities into other qualified plans or IRAs without penalties, ensuring continuity in retirement planning.

Companies Leading the Way

Several employers have embraced in-plan annuities as part of their retirement offerings:

- **Miller Kaplan** has introduced qualified employee annuities, allowing workers to contribute pre-tax dollars while securing lifetime income.
- **PepsiCo** has partnered with leading annuity providers to integrate guaranteed income options within its 401(k) plans.





AI-Driven Innovations in Retirement Planning

Artificial intelligence is revolutionizing retirement planning by offering personalized financial guidance, predictive analytics, and automated investment strategies.

How AI Enhances Retirement Planning

- **AI-Powered Robo-Advisors** – AI-driven platforms analyze spending habits, market trends, and individual financial goals to create customized retirement strategies.
- **Predictive Analytics for Market Fluctuations** – AI can forecast economic shifts, inflation rates, and investment risks, helping retirees make informed decisions.
- **Fraud Detection & Security Enhancements** – AI monitors transactions in real time, identifying fraudulent activities and protecting retirement savings from cyber threats.

Employer Perspectives on Retirement Plan Enhancements

Chris Magno, a financial wellness strategist, emphasizes: “Employers who prioritize financial wellness see higher engagement, better retention, and improved productivity. Retirement security is no longer just an individual responsibility—it’s a workplace priority.”

The Future of Retirement Benefits

As financial wellness continues to evolve, employers are expected to expand personalized retirement solutions, integrating AI-driven financial planning tools, flexible investment options, and enhanced education programs.

By prioritizing retirement plan enhancements, businesses are not only securing their employees’ futures but also fostering a more financially resilient workforce. ■

Cybersecurity in Benefits & Retirement Accounts: Protecting Savings from Fraud

As cyber threats continue to evolve, retirement accounts and employee benefits data have become prime targets for cybercriminals. With trillions of dollars invested in 401(k) plans, pensions, and employer-sponsored benefits, companies are strengthening security measures to safeguard sensitive financial information from fraud and unauthorized access.

Recent Cybersecurity Breaches in Retirement Accounts

Cyberattacks on retirement accounts have surged in recent years, exposing personal data, Social Security numbers, and financial assets. Some notable breaches include:

- **JP Morgan Chase Data Breach (2024)** – A software flaw allowed unauthorized access to over 451,000 retirement accounts, exposing sensitive financial details.
- **Colgate-Palmolive 401(k) Hack (2022)** – A hacker drained \$750,000 from a retiree’s account, leading to a lawsuit against plan fiducia-

ries for failing to prevent unauthorized access.

- **Abbott Laboratories & Estee Lauder Breaches (2019-2020)** – Employees sued their former employers after cybercriminals stole funds from their retirement accounts, resulting in settlements.

These incidents highlight the urgent need for stronger cybersecurity protocols to protect retirement savings from fraud and identity theft.

How Cybersecurity for Benefits Fits into the Corporate Big Picture

Cybersecurity in retirement and benefits administration is now a top priority for corporations, aligning with broader enterprise security strategies. Companies are integrating:

- **Multi-Factor Authentication (MFA)** – Requiring additional verification steps to prevent unauthorized access.
- **AI-Powered Fraud Detection** – Using machine learning to identify suspicious transactions and prevent fraudulent withdrawals.
- **Data Encryption & Secure Access Controls** – Ensuring sensitive financial data is protected from cyber threats.
- **Employee Cybersecurity Training** – Educating workers on phishing scams and best practices for securing retirement accounts.

Government Regulations & SEC Cybersecurity Requirements

The U.S. Department of Labor (DOL) has issued cybersecurity guidance for ERISA-covered retirement plans, requiring fiduciaries to implement best practices for data protection.

Additionally, the Securities and Exchange Commission (SEC) has introduced cybersecurity amendments to Regulation S-P, mandating:



- **Incident Response Programs** – Financial institutions must develop written policies to detect and recover from cyberattacks.
- **Breach Notification Requirements** – Companies must notify affected individuals within 30 days of a cybersecurity incident.
- **Service Provider Oversight** – Retirement plan sponsors must ensure third-party administrators follow strict cybersecurity protocols.

Expert Insights on Cybersecurity in Retirement Accounts

Lisa M. Gomez, Assistant Secretary for Employee Benefits Security, emphasizes: “All ERISA-covered plans need to implement cybersecurity best

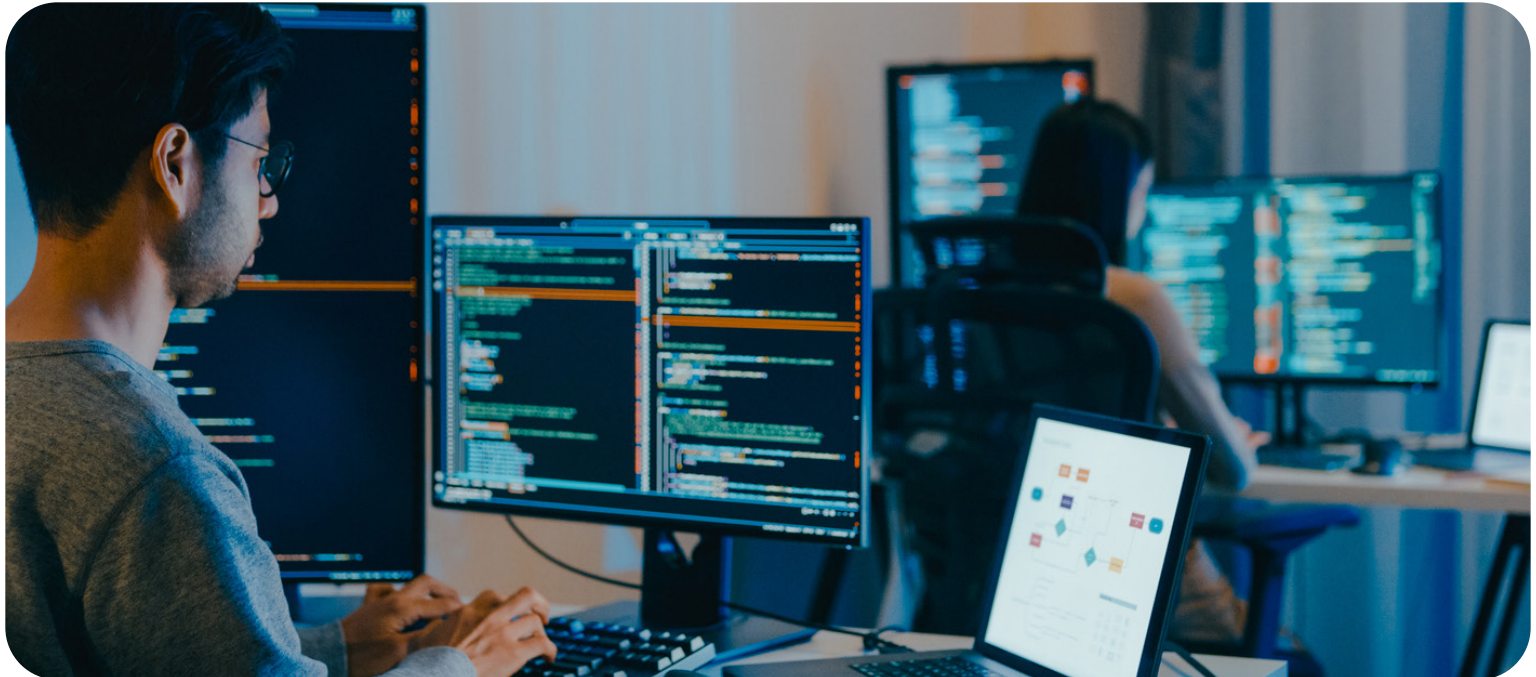
practices to protect participants and their beneficiaries from cybercrime.”

Joseph J. Lazzarotti, a cybersecurity expert, states: “Retirement plan fiduciaries must assess the cybersecurity of service providers, ensuring compliance with SEC regulations and industry standards.”

The Future of Cybersecurity in Retirement Benefits

As cyber threats grow more sophisticated, companies will continue to enhance security measures, integrating AI-driven fraud prevention, blockchain security, and biometric authentication to protect employee benefits and retirement savings.

By prioritizing cybersecurity, businesses can safeguard financial assets, prevent fraud, and ensure long-term retirement security for employees. ■





Why Medical Travel Benefits Matter

With provider shortages and long waitlists, employees often struggle to access timely care. Medical travel benefits help bridge this gap, ensuring workers receive necessary treatments without financial strain.

Companies Leading the Way

- PepsiCo has partnered with Mayo Clinic to provide employees with access to specialized treatments, covering travel costs for procedures not available locally.
- Loews Hotels has integrated medical travel benefits into its employee wellness programs, ensuring workers can receive high-quality care across different states.
- Minerva Journeys, a medical travel facilitator, works with multiple corporations to expand healthcare access globally, including destinations like Costa Rica, Hungary, and Thailand.

How Medical Travel Benefits Complement Telehealth Innovations

Telehealth has revolutionized healthcare by expanding access to virtual consultations, but it has limitations—especially for complex procedures requiring in-person treatment. Medical travel benefits fill this gap, ensuring employees can receive specialized surgeries, advanced diagnostics, and treatments that telehealth alone cannot provide.

By integrating telehealth with medical travel, companies create a comprehensive healthcare solution:

- **Telehealth for initial consultations** – Employees can receive virtual diagnoses and treatment plans before traveling.
- **Medical travel for specialized care** – When telehealth isn't enough, employees can access top-tier specialists without financial burden.
- **Post-treatment telehealth follow-ups** – After receiving care, employees can continue recovery remotely, reducing unnecessary travel.

Expert Insights

Farrah Walsh, president of Minerva Journeys, emphasizes: “Medical travel is a way to provide employees with more options for healthcare. The company saves on care costs, and employees save on co-pays.”

A report from Espressa highlights the growing demand: “Medical travel benefits are taking off—not just as a perk, but as a necessity for equitable healthcare access.”

By offering medical travel benefits, companies demonstrate commitment to employee well-being, ensuring workers receive essential care without geographic limitations. ■

