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Employee Benefit News
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THE CASE FOR CAREGIVING

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THE CASE FOR CAREGIVING

As the population continues to age, more employees are worried about taking care of older parents. Deloitte, Fannie Mae and other employers are responding with comprehensive eldercare benefits.

By Sheryl Smolkin

Some employers are starting to get it: The U.S. population isn't getting any younger.

In fact, by 2040 the percentage of people aged 65 and older will have nearly doubled to nearly 22%, up from 13% in 2010. Even more telling, the age 85-plus cohort is slated to triple. Yet the past few years has seen little growth in the number of employers offering benefits for employees who care for older and disabled relatives.

According to the Families and Work Institute's 2016 National Study of Employers, 42% of employers offer eldercare resource and referral services and 78% provide some amount of either paid or unpaid time off for employees who need to care for aging relatives. These figures, however, have remained virtually unchanged since the same study was conducted in 2012.

"I remember we said that eldercare was going to be the benefit of the '90s because the population was aging. Then we said it was going to be the benefit of the 2000s and the 2010s," says Ellen Galinsky, president of the FWI and a co-author of the report. "Yet we haven't seen the response we should have, given the demographics."

The typical "sandwich-generation" employee who simultaneously cares for children, spouses and parents is purported to be a woman in her late forties, who works a full or part-time job while also providing 20 hours a week of care for aging relatives. But that characterization can be misleading. In fact, 25% of all family caregivers are younger millennials and 50% are under the age of 50.

"So this is an issue for all employers, whether or not they currently realize it," asserts Drew Holzapfel, the Executive Director of Respect a Caregiver's Time (ReACT).

ReACT is a coalition of more than 40 companies and non-profits dedicated to addressing the challenges faced by employee caregivers and reducing the impact on their employers. The group has conducted studies on Best Practices in Workplace Eldercare (2012), followed by others on Determining the Return on Investment (2016) and Supporting Working Caregivers (2017) in partnership with the AARP. "Our goal in producing this research is to provide evidence that helps employers respond to or improve the way they respond to care giving in the workplace," Holzapfel says.

Employers that care

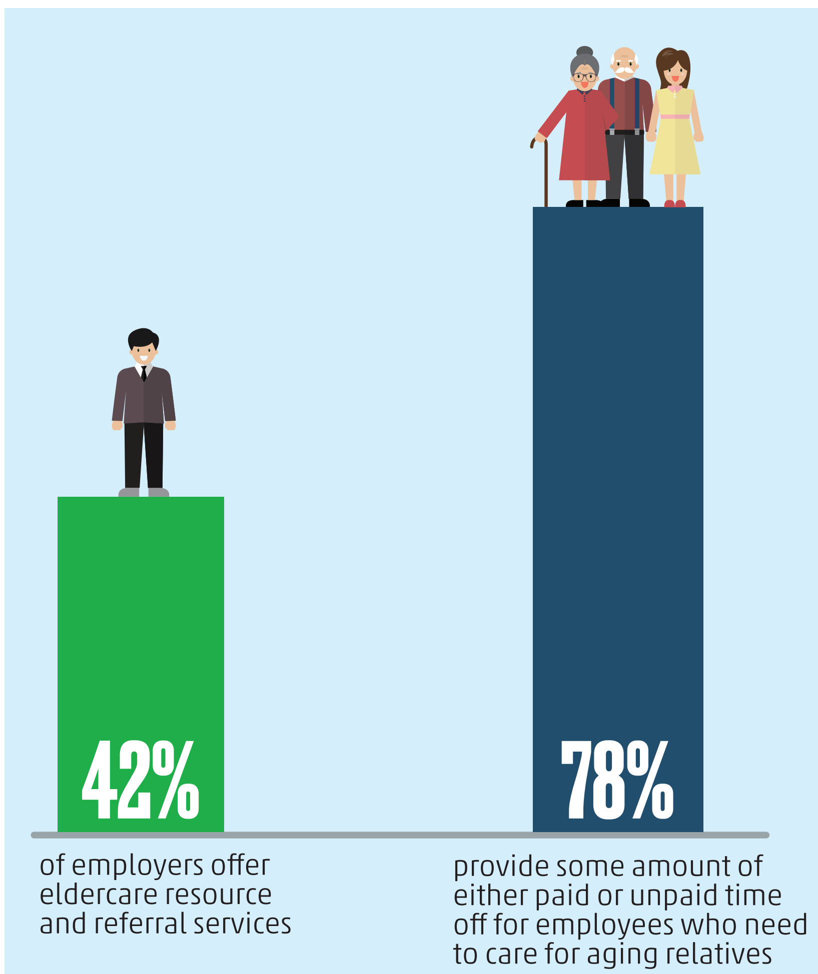
In addition to documenting the need for more caregiver support in the workplace, the reports highlight several employers that have launched programs to assist employees with eldercare responsibilities. One is Emory University in Atlanta, where a 2009 dependent-care needs assessment of the school's more than 13,000 faculty and staff members included both a demographic analysis and a campus-wide survey.

"The survey revealed that 15% of respondents were currently caring for an adult family member, and nearly 60% expressed concern about managing the care of an adult loved one in the next one to three years," explains Audrey Adelson, Emory's manager of work-life. In response, the university launched the Emory Caregiver Support Program in early 2013.

The program includes an onsite care specialist, hired in 2014 to help university staffers take advantage of the resources available to them through both the university and the surrounding community.

"Our care consultant has over 10 years of experience working in aging and in doing research and referral, so she can help employees understand how and when to best use our programs and locate community services and support," Adelson says.

There also is a senior care management service that makes it possible for an Emory employee to meet with a professional senior care manager anywhere in the U.S. Emory pays for six hours of care management services per employee per year and offers additional services at a discounted rate. In addition, there is a 24 by 7 call center staffed by senior care specialists that provides information, referrals and answers to care giving questions via phone, mail or email.



Source: Families and Work Institute

Another employer at the forefront of eldercare is the Federal National Mortgage Association — better known as Fannie Mae. The government-backed home mortgage lender first instituted an elder care support program as far back as 1999.

"We found that around 70% of our employees were either caregivers or would be in the near future," recalls Michelle Stone, Fannie Mae's work-life benefits program manager. "And we knew people were struggling and missing work trying to get through the red tape and figure out where to start with eldercare issues."

The program employs a geriatric care manager who is also a licensed clinical social worker to provide confidential consulting services, including referrals and crisis support counseling. Fannie Mae's current consultant, Montrella Cowan, is a contractor with Iona Senior Services, a non-profit service agency, and is accessible to employees via phone, email or in person.

In a recent survey, Cowan says, "90% of employees responding said how happy they were just to know the program is there if they need it."

Paid time off

Many employers currently offer personal days and flexible hours, including part-time and work-at-home arrangements, to help employees who must juggle work with their elder care responsibilities. In addition, roughly half of all U.S. employees may be eligible for up to 12 weeks per year of unpaid job-protected caregiver leave under the federal Family and Medical Leave Act. Yet even these flexible work options are not enough for many caregivers who can't afford to take an extended unpaid leave.

That was the case at Deloitte, where its 80,000 employees in more than 80 U.S. offices receive up to eight weeks of paid parental leave a year. Until recently, however, employees maestro health™

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#BrokerMinds | **maestrohealth.com/brokerminds** with elder care responsibilities had to use their paid time-off days or take an unpaid FMLA leave.

But the professional services firm, which recruits some 20,000 new employees each year, now has four generations in its workforce, "and the concept of going from young children to having to care for parents or others is something that really started to come up in the lives of our people," acknowledges Jennifer Fisher, Deloitte's national managing director for well-being.

To better meet the needs of its multi-generational workforce, last fall the company unveiled a new program that allows all employees to take up to 16 weeks of paid time-off a year to care for a new child or a family member with an eligible health condition. The leave must be taken in increments of at least three days and FMLA, along with any other government-mandated leave period, runs concurrently, Fisher explains.

The Deloitte's program is very generous by industry standards, but other employers have gone even further. In an instance where the shoemaker's children are sporting some of the best footwear around, Caring.com is providing unlimited paid time-off for all 200 of its exempt employees.

When the San Mateo, California-based referral service for senior living solutions took part in the 2012 ReACT study, it offered employees up to five paid days each year for eldercare emergencies, in addition to 10 paid holidays and four weeks of paid time off. By the time the company took part in the 2017 study, however, it had adopted the unlimited PTO policy.

"We were purchased by Bankrate.com and they put our whole executive team on unlimited PTO," says Caring.com CEO Karin Cassel. "Extending the benefit to a wider group, instead of making people track their hours every time something came up, seemed like a natural extension of our existing culture," she explains. "We wanted to alleviate some of the stress employees face when they try to balance their responsibilities. We knew people were going to work just as hard and remain accountable."

Eldercare litigation: The new fault line

Employee lawsuits claiming discrimination due to their family obligations are piling up.

By Sheryl Smolkin

As the number of employees that care for sick or aging parents increases, so do their claims of employer discrimination. A 2016 Family Responsibilities Discrimination Litigation Update from the University of California Hastings College of the Law documents a 650% jump in litigation involving eldercare during the previous decade.

There is no one overarching federal law that protects employees with eldercare responsibilities. Under the Family and Medical Leave Act of 1993, however, an employee who has worked for a government employer or a private employer with more than 50 employees for at least 12 months, may take up to 12 unpaid weeks of leave to care for a parent with has a serious health condition.

In certain cases, FMLA leave can be taken intermittently and upon return the employee must be restored to his or her original job, or to an equivalent job with equivalent pay and benefits. Employers are also required to continue group health insurance for employees on FMLA leave under the same terms and conditions as when they were actively at work.

Cynthia Thomas Calvert, the attorney who authored the UC Hastings report, estimates that the FMLA covers slightly more than half of the U.S. workforce. And while there is no a single federal statute that protects employees from family responsibilities discrimination (FRD), she notes that there are almost 100 state and municipal jurisdictions that have enacted legislation that expressly prohibit employment discrimination based on FRD or family status.

But she concedes that employees experiencing eldercare discrimination generally have fewer legal options than employees facing other types of FRD.

Since the Americans with Disabilities Act was amended in 2008, an increasing number of claims involving eldercare have alleged violations of the ADA's prohibition barring discrimination against employees who associate with disabled individuals. With the amendment in place, "Temporary conditions can be considered disabilities if they are sufficiently severe," Calvert says. "Previously if your mother fell and broke her hip, that would be considered temporary and did not qualify as a disability under the ADA."

The protection afforded by the statute is flimsy, however, since employers are not required to give employees any special accommodation due to their responsibilities for disabled relatives. As a result, most claims involving eldercare are brought under the FMLA or a comparable state law. For example:

- Some claims allege interference with statutory rights, such as denying an employee leave, discouraging leave or failing to reinstate an employee to her original position, once the leave is over.
- Others concern retaliation for having taken a leave, including negative evaluations, harassment, demotion and termination.
- Employees have also brought claims of emotional distress, wrongful discharge, breach of contract, defamation and negligence.

"Even though the FMLA and the ADA don't allow for a lot of damages, additional claims for emotional distress, where damages are not capped, can really inflate the awards," explains Calvert.

Most civil cases are settled in confidence, making it often difficult to track the amounts of the settlements., In 2002, however, a jury awarded $11.65 million to a 26-year-old hospital maintenance worker who was fired while caring for both his father, who had Alzheimer's, and his mother, who suffered from congestive heart problems and severe diabetes. The case was later settled on appeal.

Implications for employers

Even when employees do not go to court and win big awards, poor treatment of workers who need time off to care for sick relatives can backfire on employers.

"Employers should fear workplace disruption. If you have a caregiver who is being poorly treated by a supervisor, everyone knows about it," Calvert warns. "They could be thinking to themselves, 'I may be a caregiver someday; should I look for another job?'" Likewise, a reputation for such treatment can make it harder to recruit and damage the business' brand.

To prevent such incidents, Calvert recommends that her clients ready a work coverage plan for each of their employees, "so they will be prepared if anyone has to be away for two or three months, whatever the reason."

Backup care to the rescue

Every employer's nightmare is that an employee with aging family members will need time off or quit with little notice. That has made eldercare backup care programs, like the ones offered by Bright Horizons, a provider of work-life solutions, increasingly popular. With more than 600 clients and 10 to 20 million potential users worldwide, CEO David Lissy says "it's rare these days that a Bright Horizons client will buy our child care backup services without also including elder care."

At Emory, employees have access to emergency backup care that can be used for child and adult care as well as self-care. Staff members receive up to 10 days of emergency care per calendar year for an adult, and are charged a co-pay of $6 an hour. Employees seeking to hire personal care companions on a more regular basis can access an online database of qualified providers.

At Deloitte, each U.S. employee is entitled to an even more generous 30 days of annual back up care, which can be used for either a child or an adult relative for a nominal co-payment.

Depending on usage levels and the size of its workforce, Lissy estimates that the annual cost to the employer for providing backup benefits ranges from several hundred dollars to around $1,000 per covered employee.

But he also notes that the return on investment can be 10 or even 20 times greater. A Bright Horizons study of more than 5,000 employees with access to backup eldercare found that, on average, they worked six days more over a six-month period than they would have if a backup care program had not been in place.

The 2016 ReACT and AARP Determining the Return on Investment study found that businesses offering flextime and telecommuting programs saw an ROI of between $1.70 and $4.45 for every dollar invested.

The ROI study also cited research showing that a work-family human resources policy is associated with a share price increase of 0.32% on the day that the policy is announced. And the effect on share price was almost three times larger (0.94%), when the firm was one of the first in its industry to adopt such a policy.

These results are in line with Fannie Mae's experience. The mortgage provider reported that in a dependent care survey conducted by the company, 92% of the employees surveyed reported that the company's backup care program saved them time; 100% indicated that they would use the program again and 100% said they would recommend the service to a co-worker. Says work-life manager Stone: "We are definitely getting a return on our investment."

And introducing support for caregivers doesn't have to be expensive.

"The goal is not just to spend more money and have more benefits. There are low cost and no cost ways to support employee caregivers by incorporating community resources and using EAPs more effectively," says ReACT's Holzapfel. "But corporate leadership needs to create a cultural shift that removes any stigma and normalizes care giving." ■

Getting started

For employers who don't offer eldercare benefits or who want to enhance an existing program, what's the best way to get started? Here are three tips.

Survey employees. Employers interviewed all agree that the most important thing employers can do before implementing or modifying an eldercare program is to find out what their employees need and want. "Begin with a survey of your employees and then consider staring small with a pilot project in one area," Fannie Mae's Stone says.

Get senior leadership support. Making sure the entire organization is on board with changes is vital. Deloitte's Fisher believes that senior management support at the consulting firm made all the difference when they enhanced eldercare benefits. "Our U.S. CEO Cathy Engelbert was very passionate about our new family leave program, and made it an organizational priority."

Incorporate small changes. Introducing support for caregivers doesn't have to be expensive or difficult, says ReACT's Holzapfel.

"The goal is not just to spend more money and have more benefits.There are low cost and no cost ways to support employee caregivers by incorporating community resources and using EAPs more effectively," Holzapfel says. "But we need to create a culture shift that will remove stigma and normalize care giving through effective top down communication."

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