

COWDEN TIMES

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[Cowden News](#)

Cowden Associates, Inc. Hires Health and Benefits Analyst

PITTSBURGH, February 2, 2017 — Pittsburgh-based Cowden Associates, Inc., (Cowden) the leading independent actuarial, compensation, and employee benefits consulting firm in the tri-state region has hired Megan Lewis as an analyst in their Health and Benefits practice.

Megan joined the health and benefits practice as an analyst. In her role, she will assist with all aspects of client management including researching compliance issues, employee communications, evaluating benefits plans and administration programs, and managing day to day client issues.

Over the last 10 years, Megan has developed a strong understanding of health and benefits in plan administration, client management, systems administration, and benefits consulting.

“We are thrilled to have Megan as an addition to the Health and Benefits team. She brings a wealth of industry wisdom and experience that will support Cowden’s mission to serve the needs of our clients. And, I am confident that her contributions will be a true asset to our firm.” says Lesa Votovich, vice president, Health & Benefits.

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Cowden Executives to Speak at Mid-Sized Retirement and Healthcare Plan Management Conference

Elliot Dinkin, President/CEO of Cowden Associates, Inc. along with Lesa Votovich, Vice President, Health and Benefits will participate in the 2017 Mid-Sized Retirement & Healthcare Plan Management Conference in Phoenix, Arizona in

March. The theme for the conference is Post-Election 2016: Navigating the Changing Benefits Landscape. The conference is expected to attract C-suite executives; vice presidents; directors and managers of human resources; CFOs; compensation directors; and pension savings plan managers and trustees.

Elliot will be a keynote speaker at the conference, with his topic entitled: *Changing the Discussion: Managing a Total Compensation Approach for a Multi-Generational Workforce*. Elliot and Lesa will also be leading two breakout sessions at the conference. Lesa's breakout session will focus on *Pay or Play Strategies: Evaluating Health Plan Defined Contribution Administration*, while Elliot's breakout session will focus on *Pay or Play Strategies: Evaluating Employer Compensation Adjustments*.

Detailed information on the conference can be found [here](#).

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Industry News

How Repealing the ACA Could Affect Employer-Sponsored Health Plans

Since the Affordable Care Act (ACA) was enacted in 2010, employers and health insurance issuers have had to make numerous changes to employer-sponsored group health plans offered to employees. If the ACA is repealed, many plan terms may no longer be required. These changes may be beneficial for employers, but could be confusing or, in some cases, unwelcome for employees.

The ultimate impact of repealing the ACA will depend on the specific details of the repeal, and any replacement, that is enacted. While steps have been made toward

repeal, it is unclear what impact those steps may have or what an ACA replacement will look like.

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[2017 Compliance Checklist](#)

The Affordable Care Act (ACA) has made a number of significant changes to group health plans since the law was enacted in 2010. Many of these key reforms became effective in 2014 and 2015, including health plan design changes, increased wellness program incentives and the employer shared responsibility penalties.

Certain changes to some ACA requirements take effect in 2017 for employers sponsoring group health plans, such as increased dollar limits. To prepare for 2017, employers should review upcoming requirements and develop a compliance strategy.

This Legislative Brief provides an ACA compliance checklist for 2017. Please contact Cowden Associates, Inc. for assistance or if you have questions about changes that were required in previous years.

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[IRS Change May Affect the Individual Mandate](#)

The Internal Revenue Service (IRS) has signaled a change in how it monitors compliance with the Affordable Care Act's (ACA) individual mandate. Under this

change, tax returns will no longer be automatically rejected if they do not certify whether the individual had health insurance for the year.

The new IRS policy on accepting “silent returns” is based on President Donald Trump’s executive order directing federal agencies to provide relief from the burdens of the ACA.

This change is not reflected in official IRS guidance, but it suggests that the IRS may be pulling back on enforcement of the individual mandate. This may make it easier for individuals to avoid penalties for not having health insurance.

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House Republicans Release ACA Replacement Plan

On Feb. 16, 2017, Republican leadership in the U.S. House of Representatives issued a policy brief describing its intended approach for replacing the Affordable Care Act (ACA).

In this policy brief, House Republicans reiterated their goals of repealing the ACA and implementing a replacement plan aimed at providing more choices, lower costs and greater control for consumers over their health care. In addition, the policy brief promised a “stable transition period to a patient-centered health care system” following the ACA’s repeal, until a replacement plan can be implemented.

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Meet Our Team

Our team consists of 28 employees; each newsletter we take time to highlight some of our employees. To see our leadership team [click here](#); to see all employees please [click here](#).



Dave Borra **Vice President, Operations**

What's the greatest bit of advice a parent or mentor has given you? Use your brain not your back.

What is one of the things on your bucket list? Take a hot air balloon ride over NAPA Valley.

Laura Whitaker **Project/Marketing Sales Assistant**

What's the greatest bit of advice a parent or mentor has given you? Be patient and enjoy the journey. Opportunities will come.

What is one of the things on your bucket list? Walk the Highlands of Scotland.

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Megan Lewis **Analyst**

What's the greatest bit of advice a parent or mentor has given you? If you can dream it, you can do it.

What is one of the things on your bucket list? See the Eiffel Tower in Paris.

Joan Boenigk

Analyst

What's the greatest bit of advice a parent or mentor has given you? If you're having a bad day, do something to make it a good day.

What is one of the things on your bucket list? To actually make a bucket list and hopefully do everything that's on it.



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What's Dinkin Thinkin?



Elliot Dinkin is equally comfortable whether he is in a courtroom providing testimony or in a CFO's office providing strategic counsel. The 25-year plus veteran of the actuarial, compensation, and employee benefits field continues to make his mark.

Today, as President and CEO at Cowden Associates, Inc., Elliot provides leadership to position the company at the forefront of the industry. You can learn more about changes in actuarial, benefits, management, and compensation policies from his blog, "[What's Dinkin Thinkin?](#)" or on Twitter, [@ElliotDofCowden](#).

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Would Roger Federer be Successful at Your Company?

I continue to play a lot of tennis and enjoy the exercise and experience. After watching Federer play Nadal in the Australian Open final, a wonderful match, I was curious whether or not they would be successful in our business? Consider the following:

For me, successful individuals are ones that when faced with a problem, figure out what to do and solve it – almost always without incident. In effect, they take ownership of whatever the situation is and do whatever they can to solve the problem.

In tennis, it's you vs. your opponent and you are stuck on your own (Dinkin Island...Sorry, wrong sport.) dealing with various items from nerves, technique, distractions, and, sometimes, frustration. One cannot pass the buck to somebody else. Nobody cares if you are having a bad day on the court. Tennis is really about dealing with things as they are and enduring anyway.

In business, leaders are typically one-step ahead of everyone else and they succeed if they can plan ahead and work towards a goal. They seem to thrive, hovering above almost everything and are really focused on getting things done.

A tennis player has to adjust and make various tactical decisions, fine-tuning along the way, with long-term goals in mind. Applying a consistent approach and technique is vital, but in order to win, they aren't afraid to change tactics and step out of their comfort zone. In tennis everyone has a game plan, until it stops working, and then makes adjustments as needed to win.

From my viewpoint, one necessary characteristic is that we all need to work with people we can trust to give the company their best. Those people know they'll do well if their organization does well. Tennis is the only major sport in which (except at very high competitive levels) the players are the referees. You make line calls along with your opponent. In order for this to work, players need to trust their opponents and themselves to play by the rules and accept each other's judgments, no matter how close the game or rally. Sportsmanship runs deep in this game: For example, if your opponent hits his/her first serve into the net and the ball is rolling on the court, you call it out and let your opponent take another first serve. Your character is really on display when you are playing tennis.

If you want to know if someone is a good problem solver, leader, or trustworthy, spend time with them on a tennis court. Imagine Roger Federer working at your company, and ask yourself how you think he would do.

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Cowden View

Calculating Employee Lifetime Value

Your company's talent are perhaps its most important and most valuable assets. Of course you want to hire the best candidates and train them so that they eventually become even more valuable to your business. But you can also improve retention by investing in your workers' well-being with compensation, health, and retirement benefits.

In order to develop the most effective compensation strategy that works for your employees and your business, you have to understand how to measure the lifetime value of your assets. [According to the Brookings Institute](#), 85% of a company's assets are in the form of intangibles like knowledge and employee talent. Like any investment, it's important to know the return you will get from your employees versus the amount you are investing. By calculating an Employee's Lifetime Value (ELTV), you can determine how best to invest in each person's long-term performance with your company.

How To Determine Value

[To determine average ELTV value](#), you can take your company's average yearly revenue, divide it by the number of employees who contribute to that revenue, and then multiply by the average tenure of an employee. However, it may be more accurate to consider how a particular employee's ELTV changes over time.

You can imagine your employee's lifetime value as starting low — negative, actually — then rising to a high point and staying there for much of their tenure, before falling off to zero when they leave the company.

A potential hire's value is negative because they aren't yet contributing, but you are using resources to consider and recruit them. Onboarding is a period of reduced value as the employee contributes at a low level while they *learn the ropes*. But, eventually they contribute more and more until their value rises to a net positive.

The bulk of an employee's tenure has them contributing at their highest level, where they stay hopefully for years. This value may have peaks and valleys as

productivity ebbs and flows in response to events in their lives both at and away from work.

Eventually the employee may plateau and consider other employment or retirement. Once they begin their exit, their value inevitably goes down again as they focus on their transition. It finally reaches zero on the employee's last day.

During each of these phases, the employee's value — how much they contribute toward revenue vs. the resources expended to train and retain them — can be calculated, yielding a total lifetime value.

How To Maximize ELTV

By recognizing how an employee's value can change during their employment, you can start to highlight ways to improve ELTV. These include, not only how you look for employees, but how you train them and the management style and corporate culture of your company.

Start at the beginning of your hiring process. Are there ways to improve the process of identifying quality talent and speed up recruitment? New employees who learn and adapt quickly or have greater potential will have higher lifetime value because they start ahead of the pack. By the same token, you can streamline onboarding to get a new hire fully contributing as quickly as possible.

Management also plays a role in maximizing ELTV. An insightful manager can point out areas of improvement and give the employee the tools to increase productivity. Professional development opportunities can also raise the ceiling on an employee's skills, letting them contribute more toward company goals.

Finally, remember that this is an employee's lifetime value, meaning the longer they stay with your company, the greater their value will be. Steps you take to improve retention—including improving benefits plans, increasing flexibility, and pursuing incentive programs—lengthen employee tenure and therefore increase lifetime value.

By determining and then working to improve your workers' ELTV, you can ensure that you have a greater return on your investment. Cowden Associates has the expertise to help you make the right decisions when it comes to your employees' compensation and incentives, and health and retirement benefits. [Contact us today](#) to set up a consultation.

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About Cowden

Cowden Associates, Inc. (Cowden) is recognized as a leading independent compensation, health and benefits, and retirement consulting firm regionally, nationally, and internationally. Cowden was established in 1996, bringing together seasoned professionals to provide client-focused advice designed to produce superior and measurable results to businesses, regardless of size or industry. Client industries include: financial institutions, governmental entities, healthcare, manufacturing, not-for-profit, school districts, and Taft-Hartley.

Cowden's exceptional interactive approach is what sets us apart from similar consulting firms. To deliver a tailored resolution to your specific needs, we first identify the overall attributes exclusive to your organization. We build an understanding of your organization by asking questions, observing, and listening. In this manner you are not merely receiving a pre-fabricated answer, but rather a unique solution for your circumstances.

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[How Are We Doing?](#)

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