



ABOUT BOLTON BENEFITS

For over 70 years, Bolton Benefits has been a leader in providing creative solutions in analyzing, designing and implementing employee benefit programs. In addition to preferred carrier relationships and broad market access, we are able to provide a comprehensive array of services ranging from network analysis to Internet/Intranet services to human resources consulting.

Products and Services:

- **Group Medical, Vision, Dental and Life**
- **401 (K) Plans**
- **Long Term Care**
- **Employee Handbook Guidance**
- **Employee Assistance Programs**
- **And Much More....**

HEALTH CARE COSTS RISING, EMPLOYEE CONTRIBUTIONS RISING.

A national survey of 2,014 randomly selected public and private companies with three or more workers showed an increase in the employee share of health care costs.

With insurance premiums increasing by 12.7% in 2002 and producing the sharpest increase since 1990, group benefit plan premiums now average \$3,060 for single and \$7,954 for family coverage on an annual basis. Employees pay an average of \$450 per year for single coverage (over 25% increase from last year) and \$2,100 for family coverage (over 15% increase from last year).

Analysts expect the increase in insurance premiums to continue. Faced with rising premiums, employers are now asking their employees to pay more for their health care and are also starting to cut back on health benefits.

The following are some of the survey highlights:

- 78% of survey respondents stated that it was very likely they would increase employee premiums in 2003
- Besides premium increases, employees will be affected by increases in copayments and deductibles
- More workers are experiencing reduced benefits
- Companies are offering employees a lower level of health benefits than last year

Employers view the rising of health insurance costs as the most substantial concern prevailing over salaries, workers' compensation, pensions, sick leave, and disability. The downturn in the economy and the subsequent downsizing of companies has left some employers no choice but to pare down their employee benefit programs and/or lower their contribution levels.

To combat the reduction in employer contributions and plan benefits, the installation of voluntary dental, vision, long and short-term disability and life insurance programs are on the rise. Many voluntary programs issue coverage on a guaranteed basis providing the employee with the same underwriting benefits that an employer-paid group plan does. The installation of these plans is helping the employer to lower costs while maintaining a quality menu of benefits to their employees.

NEW LAWS FOR 2003

Temporary Family Leave Salary Replacement—SB 1661

Effective July 1, 2004, a new disability program will be enacted in California. Employees would be eligible to take up to six weeks of leave in any 12-month period and receive wage replacement benefits for this time period. Employees would be required to use up to 2 weeks of earned but unused vacation time prior to receiving benefits from this program. One week of this 2-week vacation period would be applied to the seven day waiting period under this program.

Eligible absences include an employee's own illness or injury, the illness or injury of a family member (child, spouse, parent, domestic partner), the birth, adoption or foster care placement of a child.

This program will result in an additional employee deduction from wages to fund the program. There is no required employer contribution at this time.

All newly hired employees must be provided with a copy of the Temporary Disability Program Notice at the time of hire and at the time of an absence that could qualify for benefits.

There is a seven day waiting period before benefits are payable. Individuals receiving unemployment compensation benefits or State Disability benefits would be ineligible for Temporary Family Care benefits.

Individuals will also be ineligible for any day that another family member is able and available to provide care for a family member.

Providing false or fraudulent medical information in order to secure benefits will result in a fine of 25% of the benefits paid.

We're on the Web!
www.boltonbenefits.com

245 South Los Robles Ave., Suite 105
P. O. Box 6030
Pasadena, California 91102-6030

Phone: 626-799-7000
Fax: 626-583-2126
License # 0008309