



CBIZ ESO™

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Compliance Expertise Delivers Savings, Enhances Benefits Plan

Client Success

Achieved a savings of over \$2M while reducing exposure, enhancing benefits to employees and complying fully with federal employer mandate laws.

Implemented an enrollment process to overcome the challenges of geographic spread, language barrier and minimal access to technology.

“CBIZ ESO’s expert guidance, consulting and resources focused on financial stewardship, administrative support and employee experience are critical to your organization’s success.”

Challenge

One of the largest franchisees of quick-service restaurants found itself concerned with benefits compliance and cost associated with the Employer Mandate of the Affordable Care Act (ACA). The company offered health care benefits to management only and a mini-med product to non-management. Rollout of enrollment materials to multiple locations and a large percentage of primarily Spanish-speaking staff also posed a real concern.

Solution

CBIZ Employee Services Organization determined that meeting the ACA mandates by offering the management plan to all existing employees would expose the company to over \$2M in new financial liability. If no benefits were offered, the penalty and tax would exceed the cost for the coverage.

Acknowledging the typically high staff turnover in the industry (75%-150%) that triggers the variable hour employee provisions of the law, the CBIZ ESO team introduced a Minimum Essential Coverage plan to newly eligible employees at a cost of 300% less than the typical management plan, protecting the company from the \$2,000 penalty per employee and protecting the employee from the individual mandate. Additionally, over 50% of their newly eligible population earned minimum wage and qualified for Medicaid coverage thus mitigating the company’s exposure.

Results

CBIZ ESO helped the company reduce liability by \$1.8M, save \$150,000 by consolidating medical carriers and incorporating an HRA, and add Telemedicine to enhance employee engagement in the plan. To manage the enrollment process, the CBIZ ESO team included a Spanish-speaking telephonic enrollment option with availability to satisfy the various time zones, resulting in the hiring of a bilingual HR employee to assist staff with documentation translation.

Client Profile

Industry:

Quick Service
Restaurant Franchise

Ownership Structure:

Limited Liability Corporation

Annual Revenue:

\$110M

Number of Employees:

2,000

Geographic Footprint:

80 locations, multiple states

Employee Services Organization

Benefits Consulting

HRIS Technology

Payroll Services