



OutReach

Christian Brothers Services

A Catholic Church Organization Serving the Church

The Advantages of Using Electronic Employee Benefits Information

by John Airola, Managing Director, Employee Benefit Services

Employers who administer benefits through the Employee Benefit Trust have the opportunity to access benefits information quickly and effectively. Because distributing and mailing benefit booklets, replacing misplaced copies, and giving updated information to employees can be a costly, laborious task, the Trust can present all benefit booklet information on CDs. This media avenue allows Catholic employers to post their benefits information on their Intranets or company portals which employees can access from work or home.

Debbie Plese is the Human Resources Manager for Lewis University in Romeoville, IL. About 85% of the University's 380 employees participate in the Employee Benefit Trust. For the past 18 months, she has provided employees with CDs that contain the employee benefits booklet.

"I like using the CDs, because it saves me time," she said in a recent interview. "I don't get very many calls at all from employees trying to locate information, like I did before we had the CDs. The information is very easy to locate and the CD is accessible and convenient to maneuver. I like it much better than the book. I think that the employees like it better. I haven't had any complaints."

Sharon Fielder is the Director of Employee Benefits for the Diocese of Ft.

Worth, Texas. The Diocese is just beginning to use the electronic information. "Christian Brothers sent a copy of the CD and the benefits booklet to all 58 parishes and 19 schools in the Diocese where employees have full-time benefits. This is for those locations to use instead of sending out Individual Summary Plan Descriptions. I feel like people are accessing it from their locations to get an explanation of their benefits or know what their benefits are."

Administrators like the fact that accessing information electronically frees up their time and reduces their day-to-day involvement. "The majority of the employees have the CD," said Ms. Plese. "I've had very few people ask for the book version – those in the departments without computers don't have the CDs. The CD is more user-friendly. I used to put tabs on my copy of the book so I would know where to go for certain questions, but I don't need to do that now because I can go in there and find it."

The Diocese of Ft. Worth is in the process of making benefits information available through the Internet. "We're also putting the benefits information on the diocesan website so that employees can log in, using a password, to view the information," reports Ms. Fielder. "The goal is to allow every employee throughout the diocese to have access to it. They can do that now at their location, with access to

the CD, but they will also be able to view the information through the web. We've gone from paper to paperless."

Distributing the information when changes occur is now an easy task. "The Employee Benefit Trust sends me as many copies of the CD as I need," added Ms. Plese. "The CDs are a step in the right direction - it's easier to use and takes less time to look it up and find the right place."

Ms. Fielder told us that benefits changed at the July 1 contract renewal. "New benefit books and CDs were issued," she said. "We're trying to get

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Welcome Aboard!

Fall 2005

From the President

Long Term Care, should you offer it?

Over the past few years I have urged you to consider offering Long Term Care (LTC) insurance for your employees through an established group plan. As a member of our group plan you can provide the many advantages of a large employer group, and because it can be a "voluntary benefit", the premium is then paid by the electing employees through payroll deduction.

In July, the *New York Times* published an article on the current status of LTC. According to the Times article, "only 10% of people over 65 own policies, with many holdouts saying they are intimidated by high costs and the bewildering array of benefit levels, deductible periods, and other features". That certainly can be true for people entering the LTC insurance marketplace as individuals.

The Times article pointed out several other interesting observations:

1. A survey by the Metlife Mature Market Institute reported that the average cost of a year in a private room of a nursing home was \$70,080 in 2003.
2. AARP estimates that the cost of a day in a medium-cost nursing home could more than quintuple by 2035.
3. A study by Milliman released last April found that only 3.6% of claims filed for nursing home, assisted living, and home care services were for care that lasted 4 to 5 years; 4.3% were for care that lasted more than 5 years; and 76.7% of claims were for care that lasted 2 years or less.

In 2001, responding to requests, we did considerable research and arranged for a LTC insurance plan with CNA that became available as an option for Catholic Church employers participating in the Christian Brothers Employee Benefit Trust. As a result of our research, we learned many important features about good LTC plans, and we were able to incorporate these into our plan:

1. It is generally possible to provide better benefits at a lower cost in a large group plan than is possible in a small group or an individual plan.
2. A selection of optional coverages that generally fit the demographics of the group are much easier for people to deal with than choosing from among all possible options.
3. The use of regular payroll deductions to pay premiums is much easier for people to manage than sending monthly checks to the insurer.
4. A group plan that offers a variety of mid-level coverage options can provide significant financial protection at a very reasonable price, avoiding the very high cost of luxury plans and the skimpy coverages of very low cost plans.
5. A plan that covers not only nursing home care, but also home care, assisted living, respite care, and hospice care for people unable to care for themselves due to age, illness, or disabling injury is more practical when looking into an unknown future.
6. Unlike most other forms of insurance, the plan can provide that any premium dollars paid into the plan over the years remain available for care coverage even if an individual chooses at some future time not to continue in the plan.

As I have said before, if you are not already offering a LTC voluntary benefit to your employees, I once again encourage you to call John Airola, Managing Director of our Employee Benefit Services Division. While providing LTC would not be a significant budgetary item for you as an employer, it could ultimately turn out to be one of the most important benefits you provide for yourself and your employees.



William L. Walz, FSC
President

Continued from cover, *The Advantages of Using Electronic Employee Benefits Information*

everyone to go to the web for their benefits information."

The bottom line of electronic distribution is creating a win-win experience for both administrators and employees. According to Ms. Plese, "It's saved me a lot of time and I think it's saved other people headaches too. I think it's made it easier for them to answer their own questions, which has made my life easier, too."

Would having benefits information available through electronic means be an advantage for your organization? The Employee Benefit Trust is committed to combining exceptional customer service with electronic resources that make it quick and easy to access benefit program information. Using CDs for benefit booklet information is available through the Trust at no extra charge! For more information on how Plan Administrators can get copies of the Benefit Booklet and Individual Plan Summary Descriptions on CD, contact Pam Hajek at (800) 807-0100.

Christian Brothers Services and Christian Brothers Investment Services, Inc.

cordially invite you to stop by
and visit us at our Hospitality Gathering at this year's

NATRI National Conference

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Friday, October 14, 2005
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Come by and play

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WANTED

New Workshop: Preventing Financial Fraud in Catholic Organizations

by Roger Duffield, Manager of Risk Services, Risk Management Services Division

Looking back at the headlines that have appeared in the news the past few years, you could not help but notice that fraud is prevalent in corporate America. However, fraud does not only occur in the for-profit arena as you may have also noticed in these headlines:

"Donations Diverted to Politicians,"

Chicago Sun-Times, 4/10/2005.

"Priest is Charged with Embezzlement,"

Boston Globe, 3/9/2005.

"Catholic Church Employee Charged with Embezzlement,"

Associated Press, 11/30/2004.

"Bishop Co-owns Condo with Embezzlement Suspect,"

Chicago Sun-Times, 9/26/2004.

"2 Clergymen Lived Richly Off Churches, Charges Say,"

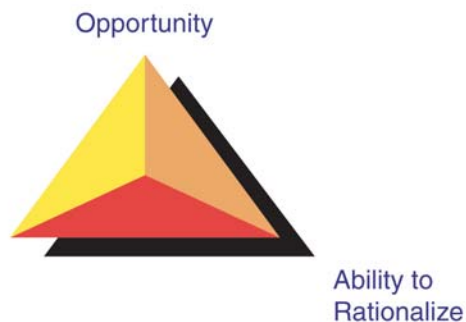
Chicago Tribune, 5/7/2004.

Who commits fraud against Catholic not-for-profit ministries? Why do they commit fraud? What are the "red flags" that may indicate that fraud is occurring in your organization? How can you safeguard your financial resources?

Over the past year Christian Brothers Risk Management Services, in collaboration with several members of the Risk Pooling Trust and PricewaterhouseCoopers, has looked at these questions in detail. This task force has carefully studied the causes and needed controls to limit the risk of fraud within Catholic ministries. As a result a comprehensive guide was developed to identify and safeguard your financial resources.

Three conditions tend to be present in order for fraud to occur. These three conditions, known as the Fraud Triangle, are:

- Need (i.e. incentive and pressure)
- Opportunity (i.e. ability to circumvent controls)
- Rationalization (i.e. ability to justify one's actions)



Incentive and pressure are easy to relate to. Everyone faces daily pressure to meet certain goals for the company, or to make more money to meet personal financial obligations. The ability to satisfy those needs through

inappropriate measures is increased if the other components of the Fraud Triangle are present.

The opportunity to commit fraud occurs when there are ineffective controls, improper supervision or when there are inadequate segregation of duties. Of the three legs of the Fraud Triangle, organizations have the most control over opportunity. Without the opportunity, even individuals under pressure and susceptible to perpetrate a fraud are not likely to do so.

Rationalization is the critical component to understanding the psychology of why people commit fraud. Many fraudsters are able to convince themselves that what they are doing is not wrong and may even believe that they deserve the spoils they seize. Rationalization allows an individual to commit the fraudulent act and still think of themselves as a good person.

To learn more on this topic, Christian Brothers Risk Management Services invites you to attend Preventing Financial Fraud in Catholic Organizations to be held at the Hilton Americas in Houston, TX, on October 11, 2005 the day before the NATRI conference. Attendees will receive a 127 page Guide to Antifraud Programs and Controls. This guide includes more than 50 pages of comprehensive, easy-to-use reference material on Red Flags and Control Activities. The workshop and the guide are free! To register log on to www.cbsservices.org/preventfraud or call Laura Hart at 800-807-0300 ext. 3054.



Education Corner

Recent Developments in Defined Benefit Plans

How do investments, market cycle and other factors impact retirement benefits, especially those delivered through a defined benefit plan? Several important issues were addressed in a 22 minute phone interview with Jim Cepelch, Managing Director of the Retirement Planning Services Division. To request a CD or transcript of the interview, please contact Mary Seby at: Mary_Sebby@cbsservices.org.

How Does Medicare Part D Affect Catholic Religious?

In a recent series of audio conferences, Fr. Fran Dyer, OP, Managing Director of Health Management Services for Religious Division, discussed the impact of Medicare Part D on the pharmacy benefit of Religious Medical Trust participants. Fr. Dyer outlined how to register religious to participate in Medicare Part D. To request a CD or transcript of the call, please contact Judy Christ at: Judy_Christ@cbsservices.org.



Christian Brothers Services
1205 Windham Parkway
Romeoville, IL 60446-1679

phone: 800.807.0100
 fax: 630.378.2501
 e-mail: info@cbsservices.org
 web: www.cbsservices.org

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Editor: Dave Pipitone, Communication Services Manager
 Graphic Arts Manager: Jason Langs
 Designer: Kerry McQuaid

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Welcome Aboard!

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Risk Pooling Trust

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