

FROM THE DESK OF
SANTA CLAUS



SANTA'S WORKSHOP INC. • 1 REINDEER LANE • THE NORTH POLE

The Importance of Strong Elf-Care Benefits

By S. Claus, President and CEO of Santa's Workshop Inc.

We've just completed one of our most important annual efforts at Santa's Workshop Inc., and I'm pleased to say this year's open enrollment was extraordinarily successful. Mrs. Claus and the HR team did an outstanding job of increasing the value of our Elf-Care Benefits® portfolio, and employees took to new voluntary options like they were the season's hottest toy.

I'm usually on the receiving end of messages (yes, I've read yours and added the items you asked for to my list). But my job involves monitoring who's been naughty or nice, and I've noticed that U.S. employers and workers are troubled about health care costs and options.

We can't have anxiety ruining the jolliest time of year, so I thought you would benefit from my lengthy experience in keeping workers happy, engaged and productive. I can't reveal how many years I've run a successful workshop – Mrs. Claus would have my hide – so let's just say my company is the second-oldest family business in existence, surpassed only by Easter Bunny and Sons.

Insight into the Santa's Workshop team

Like many companies, Santa's Workshop prides itself on diversity. Almost 85 percent of our team is made up of elves from various backgrounds. Most of the other workers are reindeer, and we have a small number of abominable snowmen who do the heavy lifting.

As you can imagine, elves, reindeer and snowmen have very different health care needs. Many of the abominable fellows remain single, so their personal responsibilities are very different from those of elves, who generally marry young and raise large, boisterous families. Reindeer are prone to ankle and leg injuries during takeoffs and landings – and a few have noses that overheat – so they have specific insurance needs of their own.

All of this means that the workshop's recent efforts to tailor health care benefits options to workers' varied lifestyles have been well-received. Tailored benefits options are something U.S. employers should consider, because many workers express desire for such plans. In fact, Aflac, one of my corporate partners, surveyed workers as part of its 2013 Annual WorkForces Report and found that 60 percent would be interested in purchasing voluntary benefits if their companies made them available.¹

Total rewards statements up the excitement level

At Santa's Workshop, we do everything possible to make our team merry. Toy-making and delivery require great expertise, and we are committed to retaining our brightest employees and hiring talented new ones. Our biggest competitor for top recruits, of course, is the Keebler Company. As the economy improves, Keebler is stepping up its hiring efforts with packages that include fudge cookies and subsidized housing in the company's familiar tree homes. At the same time, our speediest reindeer are being courted by some of the biggest names in overnight delivery, including UPS, Federal Express and the U.S. Postal Service.

This year, we added a little something extra to helpers' stockings: an easy-to-understand statement giving them detailed information about all of their benefits, from health care coverage and pension plans to career-development opportunities and work-life balance. The total rewards statements reminded them of the tangible benefits of being a member of Santa's team, as well as of the intangibles they sometimes take for granted.

For the elves, these benefits include free uniforms – custom-fitted elf suits aren't cheap – as well as spa services to ease sore muscles after hours of toy-making, and continuing-education courses at Harvard's little-known but elite Academy of Elf Excellence. For reindeer, we offer personalized reins and halters of the finest suede and leather, sugared carrots and candy apples and, of course, paid training for the world-renowned Reindeer Games. All workers receive two months of paid summer vacation during the off-season, and many use company-owned sleighs to transport themselves to warmer climates.

If you decide to work up total rewards statements for your workers, be sure to include wages and salaries, employer-paid taxes, workers' compensation insurance, company-provided health care insurance, savings on group voluntary insurance, training, vacation time, sick days, pension funds, 401(k) matches and any other perks that have innate monetary value.




A shocking discovery leads to change

The team at here at the North Pole is an unusually healthy group, largely because we have few visitors, which limits the introduction of germs and diseases. We do have quite a few workers with weight issues, and I personally have been described as "a bowl full of jelly."

To ensure healthier behavior, we are introducing a wellness program that encourages helpers to eat healthier foods, exercise regularly and refrain from smoking or drinking. While the latter two activities are strictly forbidden not only at Santa's Workshop but throughout the North Pole, I was stunned last week to learn that several helpers, including Rudolph's youngest, were caught behind the gift-wrapping area gambling with Monopoly money and smoking candy cigarettes. As we all know, candy cigarettes are a gateway drug to confectioners' sugar and rock candy.

The importance of voluntary benefits

Santa's Workshop provides comprehensive major medical coverage, but increased competition for workers convinced our HR team to take a look at voluntary insurance policies. We made several options available to our helpers this year. Here's what we added and why:

-  Disability insurance, because it helps to protect a worker's most valuable asset: the ability to earn a living. Disability benefits pay a portion of an employee's income while he or she is disabled and unable to work. The North Pole is a jolly environment, but there's nothing less jolly than an elf or reindeer who is sick or hurt and cannot work – except, of course, an elf or reindeer who is sick or hurt and isn't receiving a paycheck. And don't get me started on how bad things get in our tiny community if the disabled worker is an abominable snowman.
-  Life insurance is a high-demand benefit among Santa's helpers. Earlier, I mentioned that the elfin culture includes large families. Many elves buy life insurance because it can help protect their families' lifestyles if the worst happens. Benefits can be used to assist with immediate needs such as funeral expenses, medical costs, debts and even monthly utility bills. As you might imagine, oil and electricity bills at the North Pole are astronomical! Life insurance benefits can also be used to help pay for future needs, including ongoing financial obligations, education costs and even to help a spouse enjoy a more comfortable retirement.
-  Dental insurance is important because good oral health is tied to overall health. Because elves have major sweet teeth, it's a crucial component of our Elf-Care Plan. Several elves have earned dental degrees and set up practices here at the Pole. They've been busier than ever since we added dental insurance to our list of health plan options, because the benefits help pay for cleanings, checkups, filling cavities, X-rays, sealants, emergency care and more.

Making a list and checking it twice

I'd best wrap things up now, because Mrs. Claus tells me there's a back-up on the Lego assembly line, the snowmen are complaining that the thermostat is set too high and the reindeer trainees have asked me to watch their practice leaps.

Seriously, consider my advice about voluntary insurance. Oh – and one last thing. You know that naughty or nice stuff? Straighten up or the only thing you'll find in your stocking is a lump of my finest coal. You know who you are.

Merry Christmas!

S. Claus



Hiring the best workers and offering superior benefits ensures increased productivity and customer satisfaction.