



# Case Study

## No More Million Dollar Penalties

### Executive Summary

CWL Staffing has over 60 years of experience in light industrial staffing and has an average weekly rolling payroll of 26,000 hardworking temporary workers. Most temporary staff work an average of two weeks each month on assignment.

### Challenges

CWL Staffing was initially unaware of the changes brought on by the Affordable Care Act. Unfortunately, they faced an IRS penalty in 2015 of \$16 million and again in 2016 of \$5 million. They were also inconsistently offering an MEC benefit plan averaging less than 1% participation, resulting in an average annual health plan surplus of less than \$180,000. They did not know how to increase participation. Due to the average length of assignments, turnover was also a huge problem. Manually processing paper enrollments and waivers was consuming a large amount of time and resources from their HR staff.

### Goals

CWL Staffing's main priorities were to:

- Streamline ACA administration to avoid further penalties
- Improve ACA health plan surplus profitability
- Demonstrate 100% ACA compliance
- Relieve administrative burden
- Attract and retain top talent

### How BenefitElect Helped

CWL Staffing hired BenefitElect to manage their temporary worker benefits program. They required a weekly medical plan and offered post-tax dental and vision benefits. All candidates were enrolled in the MEC plan.

During onboarding, candidates logged in to the online enrollment system for the opportunity to purchase dental and vision coverage or to waive coverage. The online enrollment system educated employees about their options through engaging communications and videos. A bilingual call center was also available for Spanish-speaking candidates. At the end of the onboarding process, all candidates received a text message and an email confirming an offer of coverage. Through this process, BenefitElect was able to guarantee 100% offers of coverage.

On a weekly basis, the enrollment system exchanged records with the payroll system and the insurance company to ensure that all employee data, coverage and deductions were accurate and current. Break-in-service rules, built into the enrollment system, made for easy reactivation of coverage. Before any action was taken, temporary workers received automated email and text message reminders to keep them up to date on their eligibility and enrollment status.

### Results

CWL Staffing saw impressive results:

- All benefit deductions were managed electronically with zero errors
- There were no terminated temporary workers still on benefits coverage
- 89% of temporary workers who auto enrolled retained medical coverage
- Retention increased by 19%
- The company's annual surplus increased from \$180,000 to \$2,000,000, improving profitability
- CWL Staffing became 100% ACA compliant
- They took advantage of a Work Opportunity Tax Credit for the first time