

Why FMLA administration should be left to the experts

The majority of employers have difficulty with Family Medical Leave Act (FMLA) related activities. Aside from administrative headaches, mismanagement poses substantial risks your clients may not be fully aware of.*

Managing FML absences and staying on top of complex regulation is a necessary and demanding job – with potentially serious legal and financial consequences to your client if not properly performed. Ineffective management can increase absenteeism unnecessarily, causing business disruption and morale issues with employees covering for absent co-workers. In addition, employers who try to tackle it on their own can find themselves in a vulnerable situation, leading to:

Lost productivity: 39% of HR professionals indicated they had approved requests they perceived as not being legitimate,¹ presumably in an effort to minimize liability.

Increased company costs: The average total costs of incidental and extended absences is up to nearly 9% of payroll.²

Legal and compliance pitfalls: Average verdict for wrongful termination in FMLA cases is approximately \$335,000; not including attorney fees,³ or the additional direct liability managers and supervisors could be faced with.

Offer clients the best absence management strategy

Helping your clients understand why they need support is an important first step. If clients decide to outsource FMLA administration, there are a number of service models to choose from. Here are some questions you might ask to get them to consider outsourcing, as well as determining which program will provide them with the best protection and results.

Are they experiencing challenges with tracking and managing leaves?

FML administrators will handle the day-to-day management, allowing employers to focus on more strategic tasks. Since many leave situations involve a Short Term Disability (STD), having STD and FML claims coordinated can help ensure they run concurrently and reduce or expedite steps in the processing of both – resulting in faster claims decisions and more timely claims management.

Is their company losing money to absences unnecessarily?

Most companies probably can't answer this precisely because they haven't been adequately capturing the data. Once FML administrators begin tracking leaves, they can analyze trends and work with the employer to identify and reduce the impact of usage and abuse. The results should be tangible and measurable.

What are they doing to minimize exposure to compliance and legal risk?

FML administrators are staffed by attorneys and FMLA specialists typically not found at an employer. They can offer expert interpretation and implementation of changing rules, both at the state and federal level, as well as give legal guidance on questionable and/or unique case situations.

Does their disability carrier offer absence management services?

Administering FML through their STD disability carrier makes sense. However, many carriers just track and manage FML absences versus actively aiming to reduce them. Also, when FML and STD claims are centrally processed, employer penalties could arise from a carrier's inadequate protection of confidential employee medical information.

For additional insights and recommendations on how absence management programs can work harder for your clients, speak with your Guardian Sales Representative or visit www.aboutemployeebenefits.com

* Based on FMLA activities surveyed. SHRM FMLA Survey Brief 2007 ¹ SHRM Study "FMLA and Its Impact on Organizations" 2007

² Mercer Survey on the Total Financial Impact of Employee Absences, June 2010 ³ 2009 ComPsych® Corporation data

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