Welcome to Training! Today you're going to learn about Worksite Marketing.
This Agent Training PowerPoint provides information about Worksite Marketing. Remember, this material is for training and has not been filed or approved as advertising. It should not be used as a sales tool.
Worksite marketing is the marketing and sale of voluntary benefits to individual employees within a workplace setting. Voluntary benefit premiums are paid via payroll deduction at no cost to the employer.
The market for voluntary benefits is rapidly growing as employers are looking for ways to scale back on employee benefit costs while still providing employees access to insurance coverage.
Employees like purchasing insurance in the workplace for many reasons. They feel as though they are getting unbiased information in familiar surroundings. Their employer has allowed the company to enter the business, so there is a pre-established trust factor. And the convenience of payroll deduction means one less bill for employees to pay in their after-work hours.
In order to understand Worksite marketing, the Agent must first understand the difference between core benefits and voluntary benefits.
Core benefits are products to which the employer makes a contribution. Core benefits are not portable, meaning the benefits are tied to the position of employment.
Voluntary benefits, on the other hand, are individual products to which the employer makes no contribution. As such, voluntary benefits are portable in most cases, meaning the benefits stay intact whether the insured changes jobs or moves.
There are two types of Worksite cases that we will discuss in detail throughout this training.

In a Section 125 case, premiums are paid by payroll deduction with pretax dollars. We strive to make every worksite case a Section 125 because the tax savings for employers and employees aid the persistency of the business.

With Amended Section 125 cases, the employer has an existing Section 125 case and we are only adding additional products.

Payroll deduction cases allow premiums to be paid by payroll deduction, but the premiums are paid with after-tax dollars. This reduces the perceived value to the employers and employees because they are not receiving tax savings.
The Liberty National voluntary benefits program provides an affordable solution by offering basic life and health policies with outstanding features, such as:
Our Outstanding Features

- Convenience of Payroll Deduction
- Freedom of Choice
- Portability
- Dependent/spouse coverage is available

**Convenience of Payroll Deduction:** Premiums are paid via payroll deduction so employees never have to worry about sending a check.

**Freedom of Choice:**
Individuals can visit any doctor or hospital they want. There are no restrictions or networks to consider.

**Portability:** Coverage is not tied to an employer. If an employee changes jobs, coverage can be maintained in most cases. Dental coverage is the only product in our Worksite portfolio that cannot be continued if the insured changes employers.

Dependent/spouse coverage is available.
Since the basic supplemental health plans we offer are individual hospital indemnity plans, they fall under the governance of the Employee Retirement Income Security Act, or ERISA.
ERISA requirements create a ‘safe haven’ for voluntary benefits:

No contributions are made by an employer or employee organization.

Participation is completely voluntary for employees or members.

The sole functions of the employer or employee organization with respect to voluntary benefits are, without endorsing the program, to permit the insurer to publicize the program to employees or members, collect premiums through payroll deductions or dues check-offs, and remit premium payments to the insurer.

The employer or employee organization receives no consideration in the form of cash or otherwise in connection with the program.
Our portfolio of Voluntary Benefits includes these products. You can train on these products in separate Agent Training PowerPoints.

- **LNL Group Term Life Insurance**
- **LNL Whole Life Insurance** for employee, spouse, and dependents (CareerLife Plus only)
- **LNL Supplemental Health** - Cancer, Hospital Intensive Care, Critical Illness, Accident Protector Max, $3,000 Accidental Death (ADP), Accident Policy (ACB), and Hospital Income policies
- **Group Dental Coverage**
- **Group Vision Coverage**
Check the Website

Some plans are not available in all states. Refer to the product availability chart on the Agent Services website under ‘Online Forms’ for worksite state approvals on any product.

Please check the availability of Worksite products in your state.
Worksite Marketing

I. The Worksite Market
II. Eligible and Ineligible Industries, Employer, and Employee
III. Section 125 Cases/How to Sell to Employers
IV. How to Get a Case Approved
V. Section 125 Employer Implementation Manual
VI. How to Implement and Enroll a Case
VII. How to Sell to Employees
VIII. How to Service After Enrollment
Each industry, employer, and employee must meet certain criteria in order to qualify for our voluntary benefits program.
To be eligible for Worksite benefits, an employer must have an annual turnover rate of 25 percent or less.
Because of this criteria, certain types of industries are NOT eligible and will not be considered. These ineligible industries experience adverse employee turnover.

Check to see which industries are ineligible in the Worksite Advantage Agent Guide, form R-3631.
There is another group of industries, called Approval-Required Industries, that can be written, but require approval. Without express written approval from the Home Office Worksite Department, the case will be automatically rejected.
To be considered, any industry on the Approval-Required Industries list must:

• Have the minimum length of employment raised from six months to at least one year, without interruption
• Be established as a Section 125 case
Businesses other than these may also experience adverse employee turnover. On such cases, it is advisable for the Agent to adopt a one-year waiting period.

Please note: If the Home Office Worksite Department approves one of these industries for you, a list of employees and hire dates are needed. This must be either a computer printout from the company or a typed list on their company letterhead.
The minimum size case for all Worksite cases is three eligible employees and three policies billed to three different employees.
Employees at businesses with fewer than three eligible employees can only be sold on an individual basis.
The three policies billed may be in any combination of Liberty National products, excluding Dental and Vision.
A qualified employee must have been actively at work for the employer, without interruption, for at least six months at the time of application or enrollment period. This helps persistency and minimizes work for the bookkeeper in removing high-turnover employees from deductions.

If the industry must be submitted for prior approval, qualified employees must be employed for one year to be eligible for coverage.

Only full-time employees are eligible. A full-time employee is defined as an employee actively at work for 30 hours or more each week.

Contract or leased employees are not eligible.
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Section 125

- Premium-Only Plans (POP) and Flexible Spending Accounts were created in 1978
- Section 125 redirects money before it is taxed
- Pretaxed funds become available to pay for insurance coverage
- Employees agree to reduce salaries to pay for benefits
- No cost to employer

Section 125 Premium-Only Plans and Flexible Spending Accounts were created by the Revenue Act of 1978 and are governed by Internal Revenue Code Section 125. The concept behind Section 125 plans is to redirect money before it is taxed.

By redirecting money to a pretax scenario, funds become available to pay for qualified insurance coverage.

To take advantage of a Section 125 plan, employees agree to reduce their salaries by the amount needed to pay for qualified benefits. If an employer does not currently have a Section 125 plan but does have a group major medical, the Agent may move the current group plan into a Worksite Advantage Section 125. There is no cost to the employer to set up a Section 125 plan.
Agents should understand Section 125 plans are not a one-call sale. These plans require more from the Agent when compared to a home sale or simple payroll deduction cases. However, the rewards are well worth the effort. For instance, the Agent will enjoy increased persistency with Section 125 plans as the employees cannot make a change during the Plan Year except in the case of family status change.
Conventional voluntary benefit programs typically maintain 30-40 percent participation among employees. However, if the same company utilizes a Section 125 program, employee participation increases to 60-70 percent. This is due, in part, to the IRS requirement that Agents presenting Section 125 plans see 100 percent of eligible employees. Participation also increases because the employer supports the idea of voluntary benefits and the concept is easy for the employee to understand and embrace.
Eligible employers for Section 125 plans are those in which employees contribute to the cost of their employer-sponsored benefit plans.

If the employer pays 100 percent of the cost of the benefit plans, the product is ineligible for Section 125, but the Agent can still establish a Section 125 for the sale of other ancillary health products and life insurance.

This will allow employees to buy at a discount and will lower taxes for the employer. If an employer is eligible for Section 125, the employer is not allowed to make a contribution to the cost of any product.

By making contributions to individual health products, the employer would violate the ERISA ‘safe haven’ discussed earlier.
Companies Eligible for Section 125 Plans

- S Corporations
- Partnerships
- Sole Proprietorships
- Limited Liability Companies (LLC)
- C Corporations
- Professional Corporations
- Not-for-Profit Organizations

The following types of companies are eligible for Section 125 plans:

**S Corporations:**
Employees of S corporations are eligible. Shareholders owning more than two percent of the company, however, are ineligible and cannot participate.

**Partnerships:**
Employees of partnerships are eligible. Partners are ineligible and cannot participate.

**Sole Proprietorships:**
Employees of sole proprietorships are eligible. The sole proprietor is ineligible and cannot participate.

**Limited Liability Companies:** Employees of an LLC are eligible. The members, in most cases, are ineligible and cannot participate.

**C Corporations:**
Employees of regular corporations are eligible for Section 125. Owners are eligible to participate if they are employees, earn wages, and contribute to the cost of the employer-sponsored benefit plan.

**Professional Corporations:** Employees of professional corporations are eligible for Section 125. Owners are eligible to participate if they are employees, earn wages, and contribute to the cost of the employer-sponsored benefit plan.

**Not-for-Profit Organizations:**
Employees of not-for-profit organizations are eligible for Section 125. Directors are eligible to participate if they are employees and earn wages.
Employers choose to establish Section 125 plans for a number of reasons:

• To increase bottom-line profit through payroll tax savings
• To attract and retain good employees
• To improve employee satisfaction and morale
• To install voluntary benefits at no cost to the employer
• Plans are easy to install and administer
• It helps employees build their own individual or family insurance package
• And it helps control current and future benefit costs
For the employers, Section 125 plans allow employers to reduce their taxable payroll by the total amount of employee contributions, which means lower taxable payroll and therefore lower payroll taxes, saving them money.
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After an Agent gets a “yes” from the employer, nothing moves forward until the following forms are e-mailed to the Home Office Worksite Department, the case is approved, and the Agency Owner receives an e-mail with the franchise number.
The Required Forms Packets provide the Agent a turnkey solution. The Agent uses a packet that is signature-ready and has all the forms necessary for the approval process and not miss any paperwork.

Let’s look at the Required Forms Packets:
To get a Section 125 case approved, Agents must e-mail the Required Forms Packet to the Home Office Worksite Department. The Packet includes the forms included on the screen.

Agency Owners must sign off on any and all Section 125 cases in their Agencies or they will be rejected. Upon written approval from the Home Office Worksite Department, the Agent may complete the necessary Section 125 paperwork.

Upon final approval, the Agency Owner is notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these forms is only the start of the process. By doing it right, however, the other steps fall into place more quickly and easily.
To get a Payroll Deduction case approved, Agents must e-mail the Required Forms Packet to the Worksite Department. The Packet includes the forms included on the screen.

Upon final approval, the Agency Owner is notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these is only the start of the process. By doing it right, however, the other steps fall into place more quickly and easily.
To get a Section 125 case approved where United American Health products are being sold, Agents must e-mail the Required Forms Packet to the Home Office Worksite Department. This packet can only be used in states without Liberty Health Products. If Liberty Health products are approved in your state, you will be using Packet A, B, or C.

The Section 125 with United American Health Products Packet includes the forms included on the screen. Please note that the United American products that are being sold must be written on several of the forms prior to submission.

Agency Owners must sign off on any and all Section 125 cases in their Agencies or they will be rejected. Upon written approval from the Home Office Worksite Department, the Agent may complete the necessary Section 125 paperwork.

Upon final approval, the Agency Owner will be notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these forms is only the start of the process. By doing it right, however, the other steps will fall into place more quickly and easily.
Let’s examine one key piece of paperwork - Payroll Deduction Billing Information Sheet.

Before the Agent begins filling out the Payroll Deduction Billing Information Sheet, think through the application process and answer the following questions:

• How are the individual employees paid?
• Does the employer have more than one payroll frequency? For example, are salaried employees paid semimonthly and hourly employees paid biweekly? If this is the situation, which frequency is the majority? This will determine the billing frequency.
• When will I have the group meeting?
• When will I start the application process?
• What will be the date of the first employee payroll deduction?
• And what will be the effective date of coverage?

When you have all this information, you can complete the rest of the Payroll Deduction Billing Information Sheet.
PREFERRED METHOD — Electronic Forms Packet

Key advantages
• Ensure accuracy
• Reduces errors
• Eliminates omissions
• Quicker turnaround to obtain franchise number
• Reduces follow up

There is also an electronic version of the required forms packets.

We strongly recommend using the electronic versions of the worksite packets, as they validate the information entered by the Agent to ensure accuracy. Also, the electronic packets will not let the Agent advance to the next page until all the required information has been entered. By reducing errors and omissions, franchise numbers are issued faster, and Agents spend less time following up to correct mistakes.
The electronic forms packets are available on Agent Services. Go to the ‘Online Forms’ drop down menu and click ‘Worksite Marketing’. Click the download link at the bottom of the Worksite Marketing page and follow the install instructions. A desktop application will appear on your desktop. The electronic forms are updated every time you open the desktop application while connected to the Internet.
After information is keyed initially, such as the employer’s name, the information auto-populates on all the remaining forms in the electronic Packet, saving the Agent time.

The electronic forms populate the enrollment period, first deduction date, and policy effective date based on the date the Packet was completed. This eliminates the Number One delay in worksite case approval. Agents can, however, still adjust the dates in the event of a longer-than-typical enrollment period.

To use the Electronic Forms Packets you will need Adobe Reader, a free download.
Complete the forms the same way you would the paper versions. The advantage to the electronic version is that the system will alert you if you have provided incorrect information and will not let you proceed to the next form until the mistake or omission has been corrected. When you click ‘Next’ at the bottom of the screen, the system will display an exclamation point beside the question that was answered incorrectly or omitted. Move your mouse over top of the exclamation point and a pop-up box will tell you what is wrong with the information. After you have corrected the issue, click ‘Next’ at the bottom of the screen to proceed.
When you have completed all pages in the packet, click ‘Save’ at the bottom of the screen.

As soon as you launched the electronic Worksite Approval Packet, a folder was automatically created on your desktop titled ‘Worksite Approval Forms’. Inside the folder, a PDF of your Worksite Approval Packet saved automatically with the name of the business and the date the packet was completed in the file name.
E-mail the PDF of the Worksite Approval Packet and an electronic copy of the employee roster in the same e-mail message to the Agency Owner for review. After the Agency Owner reviews the PDF and the employee roster, the Agency Owner e-mails the PDF and the employee roster in the same e-mail message to the Worksite Department to obtain a franchise number.

Because the packet is saved in PDF format, the Agency Owner is not able to sign the packet. However, the Worksite Department only accepts packets sent from the Agency Owner e-mail address.
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The Section 125 Employer Implementation Manual is mailed to the Agency once the case has been approved by the Home Office Worksite Department and a franchise number is assigned.

Remember, the Agent should insert the original forms and deliver it to the employer for review. The Agency Owner or Agency Director should accompany the Agent to deliver the Manual. The Agency Owner’s involvement shows the business owner how important their business is to our Company.

Each tab in the Section 125 Employer Implementation Manual has important information for the Agent to review with the employer. Carefully review each tab and its contents with the employer.
Section one contains tax advantage illustrations. Review with the employer the tax benefits to the company and to the employees. The Agent will have to estimate tax savings to show the potential. The Agent may use the Employer Tax Savings Worksheet under Section one to do so. It is recommended that the Agent complete a second worksheet after the sales process is complete.

Also under Section one, the Agent will find examples of employee tax savings. It is important that the Agent explain to the employer that the tax savings estimate is for illustration only and is not a substitute for tax advice from a certified public accountant.
Section two contains “Answers to Frequently Asked Questions on Section 125 Cafeteria Plans.” These are the questions most frequently asked by the employer and bookkeeper. The Agent can use these questions and answers to ‘re-sell’ the case and answer the employer’s questions. Also, the employer can use this Section as a quick reference to get answers to questions that arise in the future.
Section 3

**Employer Guide** - One of the most important sections!

- Outlines things employers need to do to put plan in place
- Step-by-step summary
- Lists key points for setting up plan
- Majority are required by IRS

Section three contains the “Employer’s Guide to the 1-2-3’s of Establishing a Section 125 Plan.” Section three is one of the most important sections to review because it outlines the things the employer needs to do to put the plan in place. The Employer’s Guide is a step-by-step summary on how to establish a Section 125 plan and lists key points for setting up the plan; the majority of these are required by the IRS.
Under Section four are sample letters. These letters are part of the turnkey package; however, the employer may use his or her own letters. If the employer chooses to create new letters, please submit for review through the Ad Approval Process using Form F5985.
Section five contains the Plan Adoption Agreement and the Plan Document.

The Plan Adoption Agreement establishes the Plan Date and product offerings. Included on the form are:

- Name of employer
- Name of any affiliated employers who may participate
- Effective date of the plan
- Plan year
- Employee status for inclusion in plan (30 hours worked per week)
- Listing of qualified benefits
- Signature of employer
The Agent will be asked to establish the Plan Year on the Plan Adoption Agreement. The Plan Year should be the same as the effective date of coverage. When setting the Plan Year, there are several factors to consider.

- Date of the educational meeting with employees
- Date the application process will begin
- Date of the first payroll deduction
- Requested effective date of insurance coverage
In a new Section 125 case, the plan year is a 12-month period that begins with the effective date of coverage and is shown in the Plan Adoption Agreement.
However, many times an employer will want their Section 125 plan to run in conjunction with their current annual benefit cycle.

To accomplish this, the Agent may set up a ‘Short Plan Year’. The short plan year simply bridges the gap between the current date and the employer’s annual benefit cycle. A short plan year establishes a start and end date for the first year, with a regular plan year commencing from the end date. Agents will be able to set up short plan years on the Plan Adoption Agreement form. For the most part, employees are locked into the plan for the duration of the plan year. However, an employee can make a change during the plan year if there is a valid change in family status.
A change in family status includes: marriage, divorce, or legal separation, birth or adoption of a child, death of a spouse or a dependent, change in spouse’s employment, or the cost of coverage changes during this time.
Section six contains the Summary Plan Description. The Agent needs to complete page three of the Plan Description and make copies for all eligible employees. It is an IRS requirement that all eligible employees receive a copy of this form.
Section seven contains the Salary Reduction Form. The Agent must have all eligible employees either sign an election to participate in the Section 125 plan or waive participation. (This applies even if the applications are taken electronically.) After meeting with all eligible employees, the Agent should give the election forms to the employer.
Section eight contains a list of ‘Legal Requirements for Section 125 Cafeteria Plans’ and the ‘Points to Remember About Your Section 125 Plan’. The Agent should review the Legal Requirements with the employer to be sure that the employer understands what has been done and what needs to be done to remain in compliance.
Points to Remember

- Outline of rules and requirements
- Must be read, reviewed, and signed by company representative

‘Points to Remember’ is an outline of the rules and requirements of the Section 125 plan. This form must be read, reviewed, and signed by the employer when installing a new Section 125 plan.
The ‘Points to Remember’, serves as:

• A checklist for helping the employer understand the key points of the Section 125 Plan
• A reminder of what has been done to properly set up the plan
• And what must be done in the future to properly maintain the Section 125 Plan
Tax law contains several rules prohibiting discrimination in a Section 125 plan. These rules apply to highly compensated employees and key employees.

If these groups of employees pay more than 25 percent of the aggregate premiums, then those employees cannot exclude any of those premiums from their taxable income. It is the employer’s responsibility to be in compliance with these laws.
A highly compensated employee is:

An officer

A shareholder owning more than 5% of the voting power or value

An employee earning more than $100,000

A spouse or dependent of an employee described above
A key employee is:

An officer of the employer with annual compensation of $150,000, more than 5 percent owner of the employer, or more than 1 percent owner of the employer with compensation in excess of $150,000.
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Next, the Agent must obtain the bookkeeper contact information and be certain the bookkeeper knows our Company will be calling and why. When this issue is covered up front, the Agent generally has a solid case and a setup that runs smoothly. If the Company has to keep calling the bookkeeper and/or never gets a call back, the case may prove problematic. Always let the bookkeeper know that our Company will call to introduce itself and to verify information for the payroll deduction to make the process work smoothly for the employer, as well as the Home Office.
The enrollment period must commence within 15 days of Home Office Worksite Department approval. The Home Office Worksite Department will specify the length of the enrollment period.

<table>
<thead>
<tr>
<th>No. Qualified Employees</th>
<th>Enrollment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 - 49</td>
<td>30 calendar days</td>
</tr>
<tr>
<td>50+</td>
<td>60 calendar days</td>
</tr>
</tbody>
</table>
To set up billing and effective dates, there are a number of factors to consider in order for each cycle to process smoothly. The first factor to consider is payroll deduction frequency. Payroll deduction frequency is how often an employee has premiums deducted from his paycheck. Employees are usually paid weekly, biweekly, semimonthly, or monthly. However, for the purposes of determining payroll deduction frequency, it is only relevant how often the employee has premium deducted. For example, an employee may get paid bimonthly but all of the premium is deducted from his first check of the month. In this example, the payroll deduction frequency is monthly.

It is important to understand that any premium the Agent quotes is based on the applicant’s age and payroll deduction frequency. This is the amount that will be deducted from each paycheck. Use this amount on applications, the New Business Transmittal, and the Payroll Deduction Authorization.

From the time of application, an entire billed premium must be collected before coverage begins. In other words, the Agent must select the effective date of coverage that is after the employer has had time to collect a full billed premium. No partial premiums will be accepted.

The effective date must always be the first day of a month. If the employee is paid biweekly or semimonthly, two entire pay periods must pass before the effective date of coverage. A good rule of thumb is to make the coverage effective 30-45 days after the date of the first deduction. If no effective date is requested, the effective date will be assigned by the Home Office.

Understanding Billing and Effective Dates

- Consider payroll frequency
- Billing options – weekly, biweekly, semimonthly, monthly, and the 13th (every 4 weeks)
- Premium is quoted based on age and payroll frequency
- No partial premiums accepted
- Effective date must always be the first day of a month
- Good rule of thumb is to make the coverage effective 30 - 45 days after the date of the first deduction
Here are some timeline examples from when the Agent writes applications.

These timeline examples include the enrollment period, when the bookkeeper starts deductions, and the effective date.
The final factor to consider when setting up the account is billing. We only bill monthly. Inform the bookkeeper that we will bill ten days prior to the effective date of coverage.

Agents should work with the payroll contact to ensure he or she understands when the premium bill is due each month.
Take a look at two common billing scenarios. In both scenarios, we are billing the company $11 each month for this employee’s premium.
Scenario one: No Overages

Employees get paid weekly, the Bookkeeper deducts premium weekly, the Bookkeeper is unwilling to hold overages, and the Bookkeeper will not deduct on the fifth paycheck of a month.

The Agent will use the Monthly rate card to quote premium.
When the bookkeeper is unwilling to hold overages, premiums are deducted four times each month regardless of the number of paychecks in a month. The four premiums deducted each month will equal the total deduction owed each month. This allows the bookkeeper to pay the monthly billing with no overage.

### Billing Scenario 1: No Overage

<table>
<thead>
<tr>
<th>Month</th>
<th>No. of Deductions</th>
<th>No. of Paychecks</th>
<th>Weekly Deductions</th>
<th>Total Deductions</th>
<th>Monthly Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>4</td>
<td>4</td>
<td>$2.75</td>
<td>$11</td>
<td>$11</td>
</tr>
<tr>
<td>April</td>
<td>4</td>
<td>4</td>
<td>$2.75</td>
<td>$11</td>
<td>$11</td>
</tr>
<tr>
<td>May</td>
<td>4</td>
<td>5</td>
<td>$2.75</td>
<td>$11</td>
<td>$11</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$33</td>
<td>$33</td>
</tr>
</tbody>
</table>
Billing Scenario 2: Overages

- Employees are paid weekly
- Bookkeeper deducts premium weekly
- Bookkeeper is willing to hold overages

The Agent uses the Weekly rate card to quote premium

Scenario two: Overages

Employees are paid weekly, the Bookkeeper deducts premiums weekly, and the Bookkeeper is willing to hold overages.
The bookkeeper must deduct five times to collect enough money to pay the monthly billing of $11. This creates an overage, which the bookkeeper carries over to the next payment.
For the next payment, the bookkeeper only needs to deduct four times and apply the overage from the previous payment. This gives the bookkeeper enough money to pay the monthly billing. There is another overage for this payment.

<table>
<thead>
<tr>
<th></th>
<th>Amount Deducted</th>
<th>Previous Overage</th>
<th>Monthly Billing</th>
<th>New Overage</th>
</tr>
</thead>
<tbody>
<tr>
<td>April Deduction 2</td>
<td>$2.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April Deduction 3</td>
<td>$2.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April Deduction 4</td>
<td>$2.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May Deduction 1</td>
<td>$2.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10.16</strong></td>
<td><strong>$1.70</strong></td>
<td><strong>$11</strong></td>
<td><strong>$0.86</strong></td>
</tr>
</tbody>
</table>
For the next payment, the bookkeeper only needs to deduct four times and apply the overage from the previous payment. This gives the bookkeeper enough money to pay the monthly billing. Notice after three payments, there is almost no overage.
Worksite voluntary benefits program coverage begins at the time of application, provided the proposed insured was insurable at the time of application—subject to underwriting.

If a claim is incurred between the time of application and effective date, all policy provisions will apply in determining coverage, including preexisting conditions and any waiting periods.
The Payroll Deduction Authorization is signed by the employee and a copy left with the bookkeeper.

On the Payroll Deduction Authorization, you will be asked to fill in the deduction amount. Fill in the deduction for each pay period, which should be the same as the premium amount quoted to the employee. Be careful to fill in the pay period deduction amount and NOT the billing frequency amount. A copy of the authorization must be sent to the Home Office.

The New Business Transmittal form along with a Payroll Deduction Billing Information Sheet should be used to submit paper applications to the Home Office.

The Agent should attach all paper applications to the New Business Transmittal Form.
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There are many great reasons for employees to purchase voluntary benefits through Section 125 in the workplace. They include:

• Employees can increase take-home pay  
• There is a menu of products  
• Products are portable  
• Premiums are payroll deducted  
• Dependent and spouse coverage are available  
• Employees select only the products they need
Employees Pay on a Pretax Basis

It saves them money

Section 125 plans allow employees to pay their portion of insurance premiums on a pretax basis, saving them money.
Not all products can be offered on a Section 125 pretax basis. The products listed on the screen are offered on a Section 125 pretax basis. Some plans are not available in every state. Refer to the Product Availability Chart on the website for state approvals.

No more than $50,000 of Group Term life insurance may be provided under the Section 125 plan to an employee.
Prior to the enrollment process, prepare envelopes to be given to all employees. The envelopes should include:

The Announcement Letter on the Employer’s company letterhead

The white Worksite Advantage for Employees Brochure (R-3276) in states without LNL Health products OR

The blue brochure titled “Benefits Offered from Your Employer Through Payroll Deduction” in states that do have LNL health products.

Have the employee’s pay stub/check inserted in the envelope.

Deliver envelopes to a payroll person for distribution to employees.
Preparing for Enrollment

- Order novelties with the LNL logo to give away
- Place Enrollment Posters in break room (R-3636/R-3639)
- Establish enrollment location with employer
- Decorate with LNL signage/materials
- Chairs, tables, outlets, extension cords, calculator
- Make sure company is expecting you
- Establish company employee to direct people to you
- Update eApp and proposal system
- Download franchise information into the eApp

Also in preparation for the enrollment, you should order novelties, coffee mugs, pens, letter openers, etc., with the Liberty logo that you can give to employees.

At least a week in advance, place Enrollment Poster in the break room or other high-traffic areas, letting employees know when and where enrollment will take place.

Establish the location of the enrollment with the employer. Decorate the room with Liberty signage and materials and make sure you have enough chairs, table, and other important items to accommodate the number of employees you are enrolling. This is your office for the enrollment, make it your home.

Always triple check that the company is expecting you and try to secure an employee to direct traffic to you throughout the day.

At least 48 hours before the enrollment, make sure you have updated versions of the eApp and the proposal system. This gives you enough time to solve technical problems should they arise. You should also already have the franchise information downloaded into the eApp.
Have a sales kit prepared for each employee. These are the paper forms each employee will need to sign or receive.

Always have backup paper form in case of technical difficulties. These include paper applications, arbitration forms, and replacement forms.
Here are some things to remember when you hold group employee meetings:

Introduce yourself. Be positive. Be yourself but know what you are talking about. Speak clearly and loudly.

Introduce the $3,000 Accidental Death Policy that you are offering to employees at no cost to them until the end of the first policy year.

Immediately put any fears to rest by explaining what a Section 125 is and how it can benefit them, such as, “it’s a plan Uncle Sam cooked up to help you get more out of your hard-earned dollars ... lets you increase your take-home pay and enjoy more employee benefits (built around IRS Code Section 125, the 1978 tax code, which created Cafeteria Plans) ... lets your employer deduct your benefit premium payments before taking taxes out of your pay”.

Explain that you are there to introduce new benefits that the employer is offering - explain that participation is voluntary.

Explain that this is the best opportunity they've ever had to fulfill their family’s insurance needs.

Explain Social Security reduction, once-a-year enrollments, and election form.

Tell about importance of attending one-on-one meetings.

Don't let the employees gain control of the meeting -- this can cause confusion.

Avoid the distraction of long, involved questions. Tell employees who ask these questions that you’ll gladly discuss the issue after the meeting.

Have the employees fill out the Group Meeting Fact Sheet. This will help you be better prepared for the individual enrollment by knowing more about the employee. It also provides contact information should they not attend an individual enrollment.
Now, here are some things to remember when you hold one-on-one meetings:

Introduce yourself and be positive. The goal of the first step is to get the employee to like you and feel comfortable.
Fill out an application for the $3,000 Accidental Death Policy so the employee understands they have that policy in hand before learning about other products.
Deliver the Summary Plan Description and make sure they understand what a Section 125 Plan is.
Cover the products being offered and make sure the employee understands that his employer, through our Company, is offering the benefits being offered.
Complete Salary Reduction Form regardless of whether the employee purchased products or not.
To close the sale:
Gather information on proper application.
Get payroll deduction authorization signed (make sure premium is properly identified, i.e. pretax or after-tax), yellow copy goes to bookkeeper.
Inform employee when deductions will begin.
Leave the pink copy of Payroll Deduction Authorization with employee.
Please during initial enrollment, no more than three products, excluding Dental and Vision, can be sold to an employee on a Worksite case.

After the first year, an employee may buy additional products, but there is a limit of six products per employee.
We want to be sure the employee can afford whatever they buy. This results in better business persistency.

If Agents offer too many products or sell too much premium initially, it dramatically decreases the chances to offer additional products next year. When Employees complain to the Bookkeeper and/or their Employer about deductions that were initially too high for their paycheck – you run the risk of losing the entire case.
Required Meetings/Contact with Bookkeeper

1. **Meet with the bookkeeper as soon as the employer agrees to establish program**. Review the schedule for the enrollment. Determine when the bookkeeper needs the authorizations so that she can make the first deductions the first week of the deduction month.

2. **Meet with the bookkeeper as soon as the enrollment is concluded**. You must make sure that you get the authorizations to the bookkeeper before the date she requested.

3. **Call the bookkeeper the week before the deductions are to begin**. Verify that she has everything she needs to begin the deductions on time.

4. **Call the bookkeeper the week the deductions are to begin**. Verify that the first deductions are starting as scheduled.

5. **Meet when she receives the first billing**. Work side-by-side with her to be sure she understands how to delete terminated employees and remind her when the first premium is due.

6. **Call the bookkeeper to verify that she mailed the first month’s premium on time**.

7. **Call the bookkeeper each month when she receives the bill**. Answer questions and meet with her if required.
Now that the hard part is done, now is not the time to relax. Make sure your policies get issued. Submit all the paperwork to the Home Office Worksite Department and track their progress through the issue process using ‘Field Reports’ on the website.

Once policies are issued, deliver them as soon as possible and get the Policy Delivery Acknowledgements signed. This is also a great time to ask for referrals now that everyone has seen our products and how smooth the process runs.
Remember, plan participation must be offered to every eligible employee and each employee electing plan participation must be offered every benefit available in the plan. A Salary Reduction form must be on file for each employee, whether they elect or decline participation in the plan.

An employee’s participation in a Section 125 plan ends on the employee’s last day of eligible service with the employer or upon the employer’s termination of the plan. It is important to note that, even though the pretax treatment under Section 125 ends, the employees can continue coverage via bank draft. The employee owns the individual, nongroup insurance, which makes it fully portable.
If an employer has an existing Section one-twenty-five plan, you can amend the plan to include our products as long as the Agent does not duplicate like coverages.

To amend an existing Section one-twenty-five plan, an Agent will need these forms.

Make sure the current Plan Adoption Agreement shows the qualified benefits and plan year.
Agents have access to many sales tools and marketing materials to assist them in their Worksite prospecting and sales. These can be downloaded and printed from the website or ordered through the Supply Department. Consult your Agency Owner for details.

These materials include employer brochures, employee brochures, preapproach letters, telephone prospecting scripts, business survey, print ads, radio scripts, and trade show booths.

After you complete this training, your next stop should be the Worksite Advantage Steps to Success, LNL1081. This document discusses in-depth the prospecting and marketing specific to Worksite sales.
Worksite Marketing

I. The Worksite Market
II. Eligible and Ineligible Industries, Employer, and Employee
III. Section 125 Cases/How to Sell to Employers
IV. How to Get a Case Approved
V. Section 125 Employer Implementation Manual
VI. How to Implement and Enroll a Case
VII. How to Sell to Employees
VIII. How to Service After Enrollment

No VO

3 Second Slide
Postsale service is extremely important for all worksite cases. The Agent needs to make sure the bookkeeper knows how to contact the Agent or the Home Office.

The Home Office will send out a welcome letter to the bookkeeper with contact information.

Stay in touch throughout the year. Remember, you have another profitable annual enrollment around the corner.
New Employees

- Can only be added during approved enrollment periods
- New employees may enroll during midyear enrollment, if eligible

New employees can only be added during approved enrollment periods. New employees, who were not eligible during the annual enrollment, may apply for coverage during the midyear enrollment. New employees are subject to the six-month employment requirement — some businesses have a one year employment requirement.

If the Agent is using an annual benefit cycle, make sure to contact the employer 60 days in advance to set up the application process.
Congratulations! You have completed the Worksite Marketing Agent Training PowerPoint.