

## *Financially Speaking*

With Trisha Arndt, CFP®

### Small Business, Big Benefit Package

One of the small business clients that I work with recently decided to relocate their thriving young company to Verona. Like many other companies of their size, they were attracted by the availability of reasonably priced commercial space, the potential local customer base and the overall welcoming atmosphere of the community.

I recently met with their newest employee to explain and complete the paperwork to add him to their retirement plan and group insurance. He was, understandably, very pleased with what such a small company offers (he makes their third full time employee). They offer a retirement plan that both allows employees to make tax-deferred contributions and provides for an employer matching contribution. Additionally, they offer group life and disability insurance.

Unfortunately, their experiences have shown them just how truly valuable these benefits can be.

About a year ago one of their employees lost his wife to a bitter fight with breast cancer. The company's life insurance policy provided him with several thousand dollars to help with the funeral expenses, allowing him to choose what he wanted, not just what he could afford.

Nine months later another employee developed a severe health issue and was not able to work for almost three months. The company's disability policy paid him two-thirds of his salary for all but the first week of his disability. Like many families, he relies on his income to pay the bills and had little to fall back on. The insurance benefit allowed him to concentrate on getting better without the stress of getting by financially.

Both of these employees are very grateful to their employer for having the good sense to offer these benefits. The employer feels a sense of comfort that they were able to help take care of the employees that mean so much to their business. And it all started with a phone call.

It has been my experience that many small companies don't realize that group benefits like these can be available to them. They assume that either they can't get them or that the price will be staggering. In fact, a multitude of retirement plan options are available to employers of all sizes, including the self employed (visit my website, [www.wealthstrategies.biz](http://www.wealthstrategies.biz) to view my recent column on this topic, along with other columns I have written). Group insurance benefits can be available to companies with as few as two employees.

Group insurance benefits can offer several things that buying individual policies generally can't.

Group insurance can offer a certain level of coverage with little or no underwriting hurdles to surmount. The plan this particular company offers provides \$15,000 of guaranteed issue life insurance to their employees and a lesser amount for spouses and dependents. No health questions asked.

Group insurance can also provide disability benefits with little or no waiting period. The plan this company offers begins paying disability benefits after an employee has been out with a sickness for 7 days. Most individual policies I have seen won't even consider less than a 30 day wait, and it can be quite costly to obtain even that.

When my client made that call to me a few years ago to discuss the start of their new business I think they were surprised that I suggested we look into some of these benefits. I know they were surprised that the cost was so affordable. They were so pleased with the information that they elected to pay all of the premiums for their employees even though they had the option of making the benefits voluntary and allowing the employees to cover their own costs.

If you either own or work for a small business, like many here in Verona, and would like to have a retirement plan or group insurance benefits don't just assume that you can't. As the number of small businesses grows the small group insurance providers are evolving and offering more plans, more options and more ways for employers to offer benefits without dramatically increasing their overhead. It's worth the request or the call to find out what could be available to you.

Start by contacting your current benefit provider, be that an insurance agent, financial representative or insurance company. If they don't offer what you hope, or you don't work with someone currently, consider contacting the Verona Chamber of Commerce for a listing of people in the area who handle benefit plans. Or feel free to contact me directly for more information.

I think it is safe to say that one new Verona business feels it was one of the best calls they ever made.

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