

BENEFITS REPORT



Because You're Different

Rule Proposal

Standalone Fertility Benefits Could Be Available in 2027

EMPLOYERS MAY soon have a new way to help employees access fertility treatments without incorporating those benefits into their primary health plans.

The Departments of Labor, Health and Human Services and the Treasury have proposed regulations that would create a new category of “limited excepted benefits” for fertility treatments under the Affordable Care Act. If finalized, employers could begin offering these benefits in 2027. The proposal is intended to expand access to fertility care while giving employers more flexibility in designing benefit programs.

Like standalone dental and vision plans, excepted fertility benefits would be exempt from many ACA requirements and certain Employee Retirement Income Security Act rules that apply to traditional group health plans.

How the benefit would work

The agencies say the proposal is designed to give employers flexibility to offer fertility benefits for both women and men and to tailor coverage to their workforce’s needs.

Services that may be covered

- Diagnostic testing for infertility and reproductive health conditions
- In vitro fertilization
- Intrauterine insemination
- Fertility medications
- Cryopreservation and storage of eggs, sperm or embryos
- Treatment of conditions such as endometriosis, blocked fallopian tubes, diminished ovarian reserve, male factor infertility and other medically recognized infertility conditions

To qualify, a fertility benefit would need to meet several criteria:

- Traditional group health coverage must be offered, although employees would not have to enroll in it.
- The benefit must be under a separate policy, certificate or contract and could not be integrated into the primary group health plan.
- Substantially all benefits must relate to diagnosing, mitigating or treating infertility or infertility-related reproductive health conditions.
- Services generally must be provided by licensed medical professionals.
- The benefit would be subject to a combined lifetime maximum of \$120,000 per participant and eligible beneficiary, indexed for medical inflation after 2028.
- Employers would have to provide a clear written notice describing the coverage and explaining that it is an excepted benefit.

The takeaway

The public comment period closed July 13, and final regulations could arrive by year-end, allowing employers to begin offering these benefits in 2027.

In the meantime, employers may want to review their current health plan designs, evaluate whether employees are seeking fertility treatments and assess how a standalone fertility benefit could support recruiting and retention goals.

If the rule is finalized, the new option could give employers another tool to provide meaningful family-building benefits while maintaining greater flexibility over plan design and costs.



HEALTH SAVINGS ACCOUNTS

PUT MONEY INTO AN HSA INSTEAD OF A 401(K) AFTER EMPLOYER MATCH

ONE OF the main recommendations for employees with 401(k) plans is that they should contribute at least enough to their plan every paycheck to ensure they receive the maximum they can in their employer's matching contributions.

But a new study by Willis Towers Watson recommends that younger, healthier workers should divert savings to their health savings account from their 401(k) after capping out employer matching, instead of continuing to put money into their retirement plan.

The report reasons that if they do this, they can get more bang for their buck when they use their HSAs to pay for future medical expenses.

That's because HSAs can be kept for life and the money accumulated in them can be used to pay for medical expenses whenever they need them, including in retirement.

The funds used in HSAs to pay for those expenses are not taxed when they are withdrawn, unlike 401(k)s, the funds of which are subject to federal income tax when withdrawn.

The benefits of HSAs

- Pretax contributions, gains from investment, and withdrawals used for qualified medical expenses are exempt from federal and most state taxes.
- Any unused balance is carried over to the next year.
- Funds never expire.
- Unused funds can be passed on to a beneficiary after death.
- After turning 65, account holders can withdraw money for any purpose. However, if those funds are not used for a bona fide medical expense, they are taxed as income.

No other retirement savings vehicle has the same tax advantages as an HSA, so a dollar saved in an HSA can be worth significantly more than an unmatched dollar saved in a 401(k), according to

Willis Towers Watson. Some employers will match a portion of workers' HSA contributions or seed their accounts with money to encourage participation.

That said, HSAs won't outperform funds that are matched partly or fully by an employer, according to the report.

Willis Towers Watson said that those tax-free dollars and withdrawals can help pay for health care when we are likely to use it most: in retirement.

Men who retire at 65 with an average life expectancy of 85 would spend about \$140,000 out of pocket for medical costs, and a woman who retires at the same age and lives to 87 would spend an average of \$159,000, according to the research.

The pitch

HSAs can only be used in conjunction with a high-deductible health plan.

When HSAs were first introduced, they did not have investment options for the money in the accounts, but as they have grown in popularity over the years, many HSAs now have evolved to essentially have the same investment choices as a 401(k).

HSAs have rules about how much of the balance can be invested. They will typically require that the first \$1,000 in the account be held in cash, and anything above that can be invested to help the funds grow over time.

In 2026, workers can contribute a maximum of \$4,400 to their individual HSA account and \$8,750 to a family coverage account.

If you are offering your workers high-deductible health plans with matching HSAs and also provide a 401(k) and match part of the contributions, you may want to consider sharing this information with them to help your staff make informed choices on where to park their money for future use.



MAXIMIZING BENEFITS

MEN'S HEALTH: HOW YOU CAN ENCOURAGE PREVENTIVE CARE

FOR MANY men, taking care of their health often falls behind work responsibilities and family obligations. But new research suggests employers have an opportunity to change that and improve workforce health, productivity and engagement in the process.

A recent eHealth survey of more than 900 men found that 42% skipped recommended medical care in the past year, while 82% said they prioritize their family's needs over their own health. Sixty percent said they tend to put off medical care unless a loved one encourages them to seek treatment.

Those findings should be a wake-up call for employers. Preventive care can help identify health issues before they become serious and expensive, yet many men are delaying routine screenings, annual physicals and even mental health care.

Employers that actively promote preventive care can help remove barriers and create a culture where employees feel supported in taking care of themselves.

One of the biggest issues is men's perception of costs, with 33% saying they have delayed care due to cost concerns.

Education can go a long way toward overcoming those concerns. Employers can regularly remind workers about the preventive services available through their health plans, including annual wellness exams, cholesterol and blood pressure screenings, cancer screenings, mental health benefits, and dental and vision care.

Men also may need additional encouragement to prioritize screenings. The eHealth study found that only 26% of men age 30 and older knew that colonoscopy screenings are now generally recommended beginning at age 45. Awareness of recommended prostate screening timelines was also low.

Mental health is another area where employers can make a difference. Men historically underutilize behavioral health services, despite high rates of stress, anxiety and depression.

Employers can encourage utilization by reminding workers that counseling, employee assistance programs and telehealth services are confidential and covered under their health plans. Research has found that employer-sponsored mental health

programs can improve productivity and reduce absenteeism while delivering measurable returns on investment.

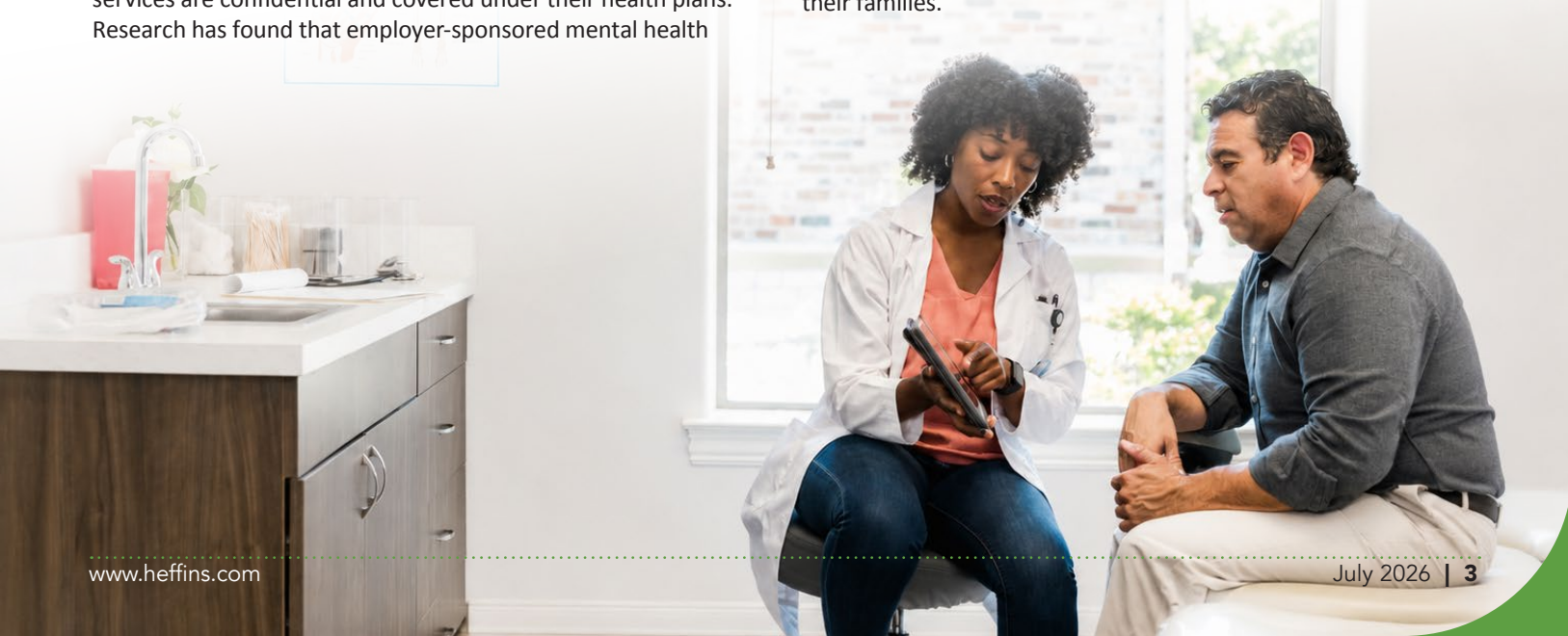
Routine dental and vision exams should also be part of any workplace wellness strategy. Oral health problems are associated with other chronic health conditions, while untreated vision and hearing issues can affect quality of life, productivity and overall well-being.

What employers can do

Employer initiatives that can improve men's health engagement, include:

- Promoting annual wellness exams and preventive screenings during benefits communications.
- Consider offering rewards or recognition for completing health screenings or participating in wellness activities. This can motivate men to take proactive steps towards better health.
- Providing clear explanations of no-cost or low-cost preventive services.
- Sending reminders during Men's Health Month, Father's Day and open enrollment.
- Organize lunch-and-learn sessions or distribute materials about the importance of preventive care.
- Encouraging employees to establish a relationship with a primary care physician.
- Highlighting mental health benefits, employee assistance programs and telehealth services.
- Offering flexible scheduling or paid time off for medical appointments.
- Include dental, vision and hearing exams in outreach.
- Train managers to support work-life balance and normalize taking time for preventive care.

Encouraging preventive care today can help reduce future medical costs, improve workforce productivity and demonstrate that an organization values the well-being of its employees and their families.



BENEFITS DISCONNECT

EMPLOYEES WANT MORE SUPPORT, BETTER COMMUNICATION

A NEW REPORT finds that many employers believe they are doing a good job meeting workers' benefits needs, but employees often see things differently.

The findings in the Aflac Workforces Report highlight growing gaps in communication, financial preparedness and access to benefits information that could affect engagement and retention. The report shines a light on areas where employers can take steps to improve how they deliver benefits to their staff and how to boost their benefit uptake and usage, which can improve employee retention and help attract new talent.

Employees who are highly satisfied with their benefits are more than twice as likely to report high overall job satisfaction than workers who are less satisfied.

Disconnects

- The report found that 75% of employers believe employees are satisfied with their benefits packages, but only 65% of employees say they are.
- One of the biggest disconnects involves communication and guidance during enrollment. Nearly 37% of employees said they want to speak with a real person when making benefits decisions, yet only 28% of employers offer that option.
- Similarly, 32% of employees want one-on-one access to a benefits consultant, but only 28% of employers provide it.
- While 78% of employers believe their workers could handle a major unexpected medical bill, 44% of employees said they could not afford \$1,000 in out-of-pocket costs for an illness or injury.
- Nearly one in five employees said they would struggle to cover even \$500 in health care expenses. More than half also reported anxiety about health care costs not covered by insurance.

Burnout and poor communications

The report also points to rising levels of stress and burnout. Nearly three-quarters of employees reported moderate to very high stress levels, and burnout reached its highest level in six years.

Gen Z workers reported the highest burnout rates, surpassing millennials. Only 48% of employees said they are confident their employers care about their mental health, down from 54% a year earlier.

Communication gaps may be contributing to the problem. Only 42% of employees said they fully understand their health insurance coverage, down from 49% the previous year.

Meanwhile, 69% said they want more information about their benefits. Although 46% of employers said they communicate about benefits throughout the year, only 34% of employees agreed that they receive year-round communication.

Digital access has become increasingly important as well. More than four out of five employees said the ability to manage benefits

online is very or extremely important, including 87% of Gen Z and millennial workers. However, 30% of employers still do not offer online benefits management tools.

What employers can do

The findings suggest that employers do not necessarily need to offer more benefits, but they may need to make existing benefits easier to understand and use. Employers can improve engagement by:

- Communicating about benefits year-round instead of only during open enrollment.
- Providing access to benefits counselors or advisers.
- Expanding digital enrollment and self-service tools.
- Offering supplemental benefits that address financial concerns.
- Investing in mental health and burnout prevention programs.
- Regularly surveying employees to understand which benefits they value most.

Organizations that close these gaps may improve employee satisfaction, reduce stress and strengthen retention in an increasingly competitive labor market.



If you have questions about your coverage or our products, please reach out to me:

Allison Redding
Employee Benefits Consultant

Heffernan Insurance Brokers

North Bay Branch
Direct: (707) 789-3048
Mobile: (925) 956-2587
Allisonr@heffins.com

CA License No.: 0564249

Produced by Risk Media Solutions on behalf of Heffernan Insurance Brokers. This newsletter is not intended to provide legal advice, but rather perspective on recent regulatory issues, trends and standards affecting insurance, workplace safety, risk management and employee benefits. Please consult your broker or legal counsel for further information on the topics covered herein. Copyright 2026 all rights reserved.