

# The Soldier and Family Voice

Volume 3, Issue 9

September 2004

## Making Sense of the New Health Savings Account

By Ceridian Corp August 2004 (abridged)

President Bush signed legislation in December making a new type of savings account available starting this year. It's called a health savings account (HSA). HSAs should not be confused with health care *spending* accounts or flexible reimbursement arrangements, but the idea is similar. Set aside money to help pay for medical expenses -- but the accounts work very differently.

### How the health savings account (HSA) works

A health savings account is designed to work hand-in-hand with a high-deductible medical insurance plan to help you pay for medical expenses. With a high-deductible medical insurance plan, you pay a lower monthly premium, but your deductible is higher. This means that you have to pay more money out of your own pocket until the insurance plan starts paying for you. That's where an HSA comes in. You can use tax-free savings from an HSA to pay for your out-of-pocket expenses.

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## Friendship and Work

By Ceridian Corp August 2004 (abridged)

A recent article in *Gallup Management Journal* suggests that having a good friend at work makes good business sense. Employees who have at least one close friend at work are more likely to feel good about their jobs and are more productive. What role does friendship play in your work life?

### Having a friend at work

Studies show that employees who have a good friend at work aren't just more productive than employees who don't -- they're also less stressed and more satisfied with their jobs. Jan Yager, author of *Friendshifts: The Power of Friendship and How It Shapes Our Lives*, points out that friends "make a valuable contribution at work and in business by aiding productivity, fostering a greater sense of teamwork, providing a sounding board for your ideas or your projects, and helping you feel as if you are part of a 'family' in the world of work." You might have one good friend at work, or several good friends.

### Building work friendships

You spend about half your life at work. It's worth investing in work friendships. Here are some suggestions:

- *Make time for work friendships.* Take a walk with a friend on your lunch hour. Go to the gym together on your lunch break. Or spend 10 minutes catching up over coffee during your morning or afternoon break.
- *Remember that a work friend can be someone older or younger than you.* Work is one of the few settings where it's possible to build a friendship with

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## **Staying Connected to Friends Throughout Your Life**

By Ceridian Corp August 2004 (abridged)

Staying connected to your friends throughout life is one of the most important things you can do for your emotional health and well-being. These tips can help you maintain your ties to friends even when their lives are very different from yours.

### **The challenges of staying connected**

Our friends are usually people who have shared our interests or activities at a certain stage of life. Staying connected can become harder if one friend enters a new phase of life or takes on responsibilities that the other doesn't have. You may have a baby while your best friend is single and not interested in having a family. Or you may be raising a grandchild while your friends are retiring, or you may have a child in college or the military while your friends have younger children. To keep a friendship strong when differences like these occur, you may need to look for new ways to stay connected.

### **Why maintaining your ties is important**

You might wonder: What's the point of staying connected to someone who doesn't seem to share your interests any more? One answer is clear: Many studies have shown that having strong friendships promotes good physical and emotional health, particularly for older people. One survey looked at the factors that help people to enjoy life in their later decades. It found that the quality of friendships older people have plays a greater role in their happiness than how much money they have. The best way to make sure you'll have good friends at any age is to make an effort to maintain your ties throughout life.

### **Redefining your friendships**

Being willing to redefine your friendships is essential to staying connected. As you get older, your expectations of friendship may change, and some people may begin to play a different role in your life. You and a soccer teammate might have sworn in the fifth grade that you would be "best friends forever."

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## **Support Employees Through Times of Challenge and Change**

By Ceridian Corp August 2004 (abridged)

Taking care of yourself and the people you manage is one of the most important responsibilities you have as a manager. Research shows that employees who feel supported by their managers and organizations are more engaged and productive at work. And a productive team should allow you to take on more varied, visible, and higher-level tasks and to avoid being swamped at work.

Part of your role as a manager is to be attentive to the needs of your employees and to recognize when someone is struggling, overloaded, or may need professional help. As a manager, you are in a better position than anyone else in the organization to recognize changes in an employee's behavior or performance that could suggest that the employee needs help.

An employee may be going through a separation, have a sick child, or be experiencing depression, financial difficulties, or a personal problem that is interfering with work. Here are ways to offer support:

- *Be familiar with your organization's policies and programs that relate to work-life balance.* Check your employee handbook or supervisor's manual and meet with your human resources (HR) contact to become more knowledgeable.
- *Make sure employees are aware of the work-life or EAP program and encourage them to use it.* LifeWorks can help employees find child care, backup care, and services for older relatives.
- LifeWorks consultants can provide expert information and coaching on parenting issues (from infants to teenagers), stress management, budgeting and debt issues, school issues, and other life challenges and transitions. LifeWorks Online provides a wealth of information and resources.

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An HSA is an investment account that works similarly to an individual retirement account (IRA). You make post-tax contributions into the account, and in most cases, they are 100% tax-deductible. Your money grows tax-free, just as it would in an IRA, *but* there is an added bonus. When you use the money to pay for qualified expenses, you don't pay taxes as you would on an IRA distribution. And because it's designed to be used immediately or in the future, no tax penalty or disincentive applies as long as you're using the money for qualified expenses.

Money in an HSA is easily accessible, almost as if it were in a checking account. You can pay by check or with a debit card for physician's visits, prescription drugs, long-term care insurance premiums, and much more. To see a full list of qualified expenses, see IRS Publication 502, which you can access on the IRS Web site at [www.irs.gov](http://www.irs.gov).

#### **No "use it or lose it" rule**

A big difference between the health savings account and the health care spending account is the "use it or lose it" rule. With a health care spending account, you can *lose* money if you don't calculate your medical expenses correctly when you enroll. If you elect a larger sum of money than you actually end up spending, you lose the unused amount at the end of the year.

An HSA doesn't operate by the "use it or lose it" rule. If you don't use the money you contribute in one year, you can use it the next year. Or the next year. The money stays in the account and actually grows tax-free until you need it. If you never use it, you can withdraw your money tax-free when you turn age 65, just like money from any other retirement savings account.

Whether or not your employer makes a health savings account available to you, you can open an account as long as you meet the eligibility criteria. Consult your tax adviser if you'd like to consider opening an HSA. For more information on health savings accounts, check out the U.S. Department of the Treasury's Web site at [www.treas.gov](http://www.treas.gov). ☐

someone a generation older or younger than you. Take advantage of these opportunities.

- *Remember that friendship takes work.* It takes time and effort to build relationships with people. Put in the time, and you'll reap many benefits.
- *Help a friend at work achieve professional goals.* That might mean mentoring a younger co-worker friend or helping out a friend on your team during a work crunch. A co-worker friend can help you do a better job by helping you problem-solve, by offering feedback, and by giving support when you need it.

#### **Finding a balance**

Experts agree that work friendship is a good thing, so long as you follow certain guidelines. Here are three helpful tips from Yager:

- *Take it slow.* Build your relationships over time. "Adhere to the 'three year' rule by only gradually letting a workplace or business acquaintanceship become a friendship," advises Yager.
- *Avoid gossiping with workplace friends.* Don't badmouth or gossip about co-workers, clients, or customers. Workplace gossip lowers productivity and morale.
- *Don't become romantically involved with someone at work.*

Finally, remember that friendship is important throughout your life. In midlife, the men and women who feel most fulfilled and satisfied are those with strong friendships and social support. ☐

But clinging to this idea can lead to heartbreak if you or both of you change a lot. It can also keep you from making friends who might be more appropriate right now. You might instead tell yourself, "Joe will always be special to me. But I also need other close friends with whom I can share activities that don't interest him." It's essential, too, to give your *friends* the freedom to change, and not to fault them for spending time with new acquaintances.

**Finding new ways to stay in touch**

Redefining your friendships may involve communicating in new ways. Have no time for long phone calls or visits? Send cards, e-mails, text messages, or digital photos. Remember your friend's special days -- not just her birthday or anniversary but, for example, the day she passed the bar exam or became an American citizen. Or have an annual get-together, such as a barbecue or holiday party, for all the friends you wish you saw more often.

Finally, if you'd like your friend to be patient when you're out of touch, give her a break when she seems to talk only about her boyfriend, new baby, or darling grandchild. For all the changes in your lives, the old saying is still true: "The way to make a friend is to be one." If you can show the kindness and flexibility you'd like to receive in return, you'll have taken a big step toward keeping your ties strong throughout all the seasons of your life. Φ



- *Find out about your organization's flexible work and time-off policies.* Find out how your senior manager views such arrangements. With his or her support, find out how to handle requests for special schedule variations, and where to get answers to specific questions about flexible work hours, part-time work, work from home, and other flexible work arrangements. Contact your HR representative for more information.
- *Learn to recognize the signs of stress and overload.* These signs can include irritability, decreased productivity, or difficulty getting along with co-workers. If you notice that an employee is overloaded or stressed, talk about it. Work together to prioritize or come up with ways to reduce stress.
- *Let employees know that it's OK to ask for help, especially during a work crunch or times of overload.* Remember to ask for help when you need it, too.
- *Be more available during times of challenge and change.* Check in with people daily, however briefly. Remember to be available by email or phone to those who work remotely as well. Φ



**GREETINGS**

**Questions or Comments**

If you have any questions or comments related to anything in this newsletter--Email Tony Raimo at [anthony.raimo@usarec.army.mil](mailto:anthony.raimo@usarec.army.mil)

Don't see something that you would like to see? Let me know!