

# BENEFIT

## *Plan Trends*



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## Employees Call for More Technology Advances in the Workplace

Many employees believe their current workplace is not yet making effective use of the latest technology advances, but expect that in the future these advances will provide them with both quality-of-life and productivity benefits, the results of a global survey conducted by technology providers Dell and Intel showed.

The survey, conducted between April 5 and May 3, 2016, asked 3,801 full-time employees at companies of all sizes and in a range of industries across 10 countries (US, UK, France, Germany, Japan, Brazil, China, India, Canada, and South Africa) for their views on how global technology trends are changing their workplace.

Researchers observed that collaborative tools and innovative technologies, such as the internet of things (IoT) and virtual reality (VR), are expected to become widespread in the workplace of the near future.

The survey found that 66% of respondents would be willing to use augmented/virtual reality (AR/VR) technologies in their professional role, and that 46% believe these technologies will improve their work productivity. Meanwhile, 62% said they believe that the introduction of

artificial intelligence (AI) will make their job easier, while 50% said they think AI will lead to more productivity in the workplace, with 30% citing the ability to automate complex or repetitive tasks as the major immediate advantage.

The survey findings revealed that 44% of respondents believe their current workplace is not smart enough, with many of the employees polled expressing a desire for an environment that uses data to make “smarter” decisions about conditions like temperature and lighting. The results also showed, however, that more than half of respondents believe that within the next five years they will be working in a smart office (57%) and will have access to advanced technologies that make face-to-face meetings redundant (51%). While 57% of the employees surveyed said they still prefer to have face-to-face conversations with colleagues, half of all respondents and

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**BRS<sup>i</sup>**

**Benefit Review Services inc.**  
*Employee Benefit Solutions*

43370 Mound Road  
Sterling Heights, MI 48314  
Toll Free: (586) 558-0540  
Phone: (586) 997-1700  
Secure Fax: (586) 997-9968  
[www.brsibenefits.com](http://www.brsibenefits.com)



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three in five millennial respondents (under age 35) said they think better communication technologies and remote teams will make face-to-face conversation obsolete in the near future.

The results also indicated that expectations that technology will change the workplace are especially high among millennial workers, with 69% of these respondents saying they expect to be in a smart office within the next five years, and 42% saying they would quit a job with substandard technology.

In addition, the survey showed that remote employment and flexible working is increasingly enabling workers to focus on both productivity and quality of life benefits, and that employers are offering more flexible work arrangements to cater to mobile workers. More than half (52%) of respondents said they already work outside of a traditional office at least one day a week, while 18% reported that they are working from a public location every week.

The survey also found that a majority of workers place an emphasis on functional benefits, with 63% of millennials and 55% of older workers (over age 35) indicating they would rather have high-tech perks, such as access to AR/VR and IoT tools, than low-tech perks like ping pong and free food.

## Social Security Family Benefits Have Failed To Keep Pace with Changes In Women's Roles

Social Security's spousal and survivor benefits, which were designed in the 1930s for a one-earner married couple, no longer meet the needs of very large shares of American women, and especially of single mothers, a study published by the Center for Retirement Research (CRR) at Boston College concluded.

The article, "How Work & Marriage Trends Affect Social Security's Family Benefits," was written by research economist Steven A. Sass, and was published as a CRR issue brief in June 2016. Sass pointed out that when the Social Security program was created in the 1930s, it included spousal and survivor benefits, or "family benefits" designed primarily to ensure that a woman who had been a homemaker and a mother for most of her life would have a basic old-age income. However, Sass observed, the family unit today has changed dramatically in two important ways relevant to spousal and survivor benefit design: first, most married women have significant wage employment and earn Social Security benefits on their own earnings record; and second, many women have children but never marry, and divorce rates are high among those who do marry.

Sass reviewed studies by the Social Security Administration's Retirement Research Consortium to assess the implications of these changing work and marriage patterns on Social Security's effectiveness in providing families a basic old-age income. His analysis showed that in recent years, increased employment of married women sharply reduced the contribution of spousal and survivor benefits as a source of household retirement income.

The report cited research showing that more than half of all women born in the early years of the Depression (1931-35), who became eligible for benefits in the mid-1990s, were entitled to a family benefit when they first claimed; whereas less than one-third of early boomer (born 1948-53) women, who became eligible for benefits between 2010 and 2015, were entitled to a family benefit, and the benefit amounts they received replaced a smaller share of their pre-retirement earnings. Sass also noted that projections have shown that only two-thirds of generation X (born 1966-75) widows will be entitled to a survivor benefit, down from 82% of war baby (born 1942-47) widows.

In addition, Sass cited projections indicating that by the time women with children of generation X reach age 70,

10% will have never been married, while another 5% will have been married for less than 10 years, and will thus fail to qualify for spousal benefits. He pointed out that these single mothers often find it harder to earn an adequate Social Security benefit on their own, as their work opportunities are constrained by their childrearing duties. Sass cited one recent study showing that women aged 65 to 74 who spent at least 10 years as a single mother were 55% more likely to be poor than continuously married mothers of similar education and ethnicity.

Finally, Sass observed that policy experts have suggested ways to strengthen benefits for divorced and never-married mothers who are not well-served by the current spousal and survivor benefit design, including eliminating spousal and survivor benefits and replacing them with a system of earnings sharing among married couples that would be more advantageous for divorced spouses, or with a system of caregiving credits based on childrearing responsibilities rather than on marital status.

## Employers Report Concerns about Overtime and Other Regulatory Changes

The vast majority of U.S. employers believe that recent Federal regulatory initiatives, including changes made to overtime regulations, will affect their workplace, according to the results of an annual survey conducted by employment law practice Littler.

The survey, completed in April and May 2016 by 844 in-house counsel, human resources professionals, and C-suite executives from some of America's largest companies, examined the key legal, economic, and social issues affecting employers as the 2016 presidential election approaches.

The findings indicated that employers are largely aware that the U.S. Department of Labor (DOL) has recently advanced

several regulatory initiatives that will affect the enforcement of Federal employment laws. The survey showed that 82% of respondents expect DOL enforcement to have an impact on their workplace over the next 12 months, with 31% anticipating a significant impact; up from 18% in the 2015 survey. Researchers noted that this concern is likely driven in large part by the recently finalized Fair Labor Standard Act "white collar" overtime regulations, which drastically increase the number of workers who can qualify for overtime pay. They added that although the respondents completed the survey in the weeks prior to the release of the final rule, 65% had already conducted audits to identify affected employees.

The survey also found that following the National Labor Relations Board's recent expansion of the definition of a "joint employer," 70% of respondents expect an increase in claims over the next year based on actions of subcontractors, staffing agencies, and franchisees; 53% predict higher costs; and 49% anticipate exercising increased caution in entering into arrangements that might constitute joint employment. By contrast, just 2% said the expanded definition of a joint employer will have no impact on their workplace.

The results further showed that 85% of respondents anticipate that the Affordable Care Act (ACA), will have an impact on their workplace in the next 12 months. While two-thirds said they do not expect a repeal of the ACA if a Republican is elected president this November, respondents said they see a greater likelihood of changes to individual provisions, with 52% saying a Republican administration could lead to a repeal of or changes to the Cadillac excise tax, and 48% saying they see a likelihood of changes being made to the play-or-pay mandate.

The findings also suggested that employers are increasingly concerned about their exposure to discrimination claims. In the largest year-over-year change in the survey's results, 74% of respondents said they expect to face more discrimination



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claims over the next year related to the rights of LGBT workers, up from 31% in 2015; and 61% said they expect an increase in claims based on equal pay, up from 34% in 2015.

Finally, the survey showed that in response to tragic mass shootings across the nation, companies are taking a range of actions to keep their employees safe, including updating or implementing a zero-tolerance workplace policy (52%), conducting pre-employment screenings (40%), and holding training programs (38%). Researchers pointed out that only 11% of respondents reported they had not taken any action because violence is not a concern for their company.

## Tech Executives Express Optimism about Revenue and Employment Growth

While technology executives report that they are ramping up deployment of automation and machine learning across several functions of their company, they also claim they are planning to hire more people over the next several years, according to the results of a survey of U.S. technology CEOs by accountancy firm KPMG.

Released on July 11, the findings of a survey of 138 U.S. technology industry chief executives from internet, hardware, software, cloud, and IT services companies showed that around three-quarters of the respondents believe that automation and machine learning are likely to replace at least 5% of their manufacturing, technology, sales, and marketing workforce over the next three years. At the same time, more than half (55%) of respondents said they expect their company's headcount to grow at least 6%.

Almost 60% of the CEOs surveyed said they expect annual revenue growth for their organization over the next three years of between 2% and 5%, while 17% said they anticipate growth of between 5% and 10%. The findings also indicated that 97% of the CEOs surveyed are confident about U.S. revenue growth prospects over the next three years, and that nearly 90% are confident about global growth as well.

When asked about their strategic priorities in the coming 36 months, the top response of the CEOs surveyed was digitization of their business, followed by a stronger client focus, implementing disruptive technology, minimizing cyber security risk, and talent development.

The survey also found that almost half of the respondents describe their approach to innovation as accelerated. When asked how they plan to accelerate the execution of their strategies, 80% of the CEOs surveyed said they are using disruptive technologies to improve products and services, 60% said they are hiring new talent, and 49% said they are forming new partnerships and alliances. The findings further indicated that around 80% of the executives polled see growth through partnerships or collaboration with other companies as the way to drive shareholder value for the next three years.

In addition, the results revealed that the leading concerns of the tech CEOs surveyed are product relevancy three years from now, the impact of global economic forces on their business, and how millennials and their differing wants/needs will change their business. When asked about risk, the CEOs polled said they are most concerned about cyber security, regulatory risk, and reputational risk. However, 90% of the respondents agreed that the need for security is generating innovation in products and services.



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