

Small Companies; Big Help

Tax Credit, However, to Go Away

By Charlee Beasor

It's fair to say that Indiana is not the healthiest place in the world – or the country. There is plenty of statistical evidence, including the American College of Sports Medicine ranking the Indianapolis-Carmel metro area No. 45 of the top 50 most populous regions in the United States on its American Fitness Index.

It's grim news, but that doesn't mean that Hoosier employers and officials aren't trying to make the state healthier. For a few years, there was an extra tool in the arsenal: the Small Employer Qualified Wellness Program Tax Credit.

The program offered a 50% tax credit to organizations that started a certified wellness program and employed between two and 100 people. However, the Indiana Legislature eliminated the tax credit during the recent session as part of House Enrolled Act 1004, a large multi-provision tax bill. No new credits can be awarded after the 2011 tax year.

Ashley Peeples, small employer wellness program coordinator for the Indiana State Department of Health (ISDH), explains that the impetus behind the tax credit was to help small employers who might not have the extra capital to devote to a comprehensive wellness program.

"This is a major concern for us because the average working adult spends the majority of their waking day at work (and) either commuting to or from work. They don't have the time to eat healthy or be physically active," she says.

"We're trying to incorporate wellness aspects into work, incorporate it in the job. Even though you may not be getting all of your exercise or healthy eating done at work, you're still getting some things accomplished at work. It's one of many small things that can add up to something bigger when it comes to your health."

Credit offered savings

The credit was originally part of a 2007 bill that also increased the cigarette tax, introduced the Healthy Indiana Plan (an insurance plan for uninsured adults) and Hoosier Healthwise (a health care program for Hoosier low-income families, pregnant women and children). Peeples offers that it was a unique tax credit to Indiana, with other states investigating similar programs.

Information from the ISDH shows that there were 54 employers certified to claim the credit in 2007, 70 in 2008, 73 in 2009 and 82 in 2010. To become certified, wellness programs had to contain three key areas: a weight loss program, a smoking cessation program and preventative health care services.

Trudy Wagner, controller for Geo-Flo Products Corporation, actively searched for some kind of program or credit to help the Bedford-based company.

Dr. Gregory N. Larkin (left), state health commissioner, leads by example. Companies able to take advantage of the Small Employer Wellness Tax Credit began programs that include weight loss and smoking cessation, along with stress reduction tactics.





Angye Pinnick spends time in the on-site fitness center at Geo-Flo Products Corporation. The company received a tax credit of more than \$20,000 for construction and gym equipment.

"I just researched it on the Indiana Department of Health (web site). I thought it could be a really good thing. I really thought it would help our employees and it has. We have seen our health insurance rates really contained. Our insurance company has told us that is partially because of the wellness program," she asserts.

The company, which started its wellness program in 2009, wrote off about \$27,000 with the tax credit. Along with healthy weight and smoking cessation initiatives, a new fitness center is open to its 16 employees and spouses throughout the workday.

"We put a lot of money into it and the owner actually built a fitness facility on-site for the employees. It's just incredible. We purchased our equipment early before we had the gym finished, so we were able to take advantage of that on the equipment," Wagner describes. "In 2010, we were able to take a credit on the facility itself. We've seen huge savings. What it's doing for our employees is incredible."

At DeKalb Molded Plastics in Butler, a push for wellness came out of the need to reduce high insurance costs.

"In 2009 we started looking into wellness. We were forced into it a little bit because of our insurance renewal process. We were looking at a 47% increase, when the national average was around 15% to 20%," recalls Kassy Davis, human resources manager. "We said, 'Okay, we've got to do something, we're going to be very aggressive and try to drive our costs down and increase the overall health of our employee base.'"

Without the tax credit, Davis indicates that the company would have been more hesitant to initiate a wellness program.

"The tax credit allows us to look at wellness in a different way because we're able to see the results we're getting and we're able to share in the cost of the overall program," she adds.

Wellness for the people

Davis says all small companies should investigate the benefits of a wellness program.

"Whether it's a small or large company, our people are the

most important asset to our organization, and any time you have a chance to influence the behaviors of those employed within your company, you have to take advantage of that," she states. "If you're not willing to invest in your people, you're not willing to invest in your company. Taking small steps to do something sends a very positive message to your workforce."

Bill Beggs, partner at Bunger & Robertson LLP in Bloomington, acknowledges that the tax credit was a benefit, but that his plan all along was to institute a wellness plan for the sake of his employees' health.

"We got the credit. It was welcome and we were glad to have done it. But our primary focus and reason was a concern for our employees' well-being," he asserts.

The law firm of about 32 people started a formal wellness program in 2010 after incorporating various healthy initiatives throughout the years. One of the success stories at Bunger & Robertson involves on-site health screenings.

"One of our employees, who by any outward appearance you would think is the healthiest-looking person in the office, got that lab work done last summer and sure enough she had high blood pressure and didn't know it," he states. "It flagged her (and) she got a follow-up as a part of the wellness program, which then put her in touch with her physician. And, as a result, she's now managing a mild case of hypertension (that) she didn't know she had. That's been one of several really positive outcomes (resulting from) what we thought was just concern for employees' well-being."

Help still available

Peeples was unsure if the ISDH would plan to explore similar tax credits in the future.

"I'm hoping that these businesses have been able to accomplish enough that they'll be able to keep it going. The smaller of the small employers, with as few as three to seven employees, I fear that if they haven't had a wellness program in place for so long (that no tax credit would harm it). I hope that's not the case. That's a big fear of mine right now," she stresses.

There are other available resources for small employers, however.

"If they go to the web site, www.wellnesstaxcredit.in.gov, and click on the other resources tab, they will find some additional free information for free and low-cost policy environmental changes they can institute in their workplace. It can help them keep wellness in the workplace," Peeples adds. "Providing free clean drinking water, allowing 15-minute breaks, providing a refrigerator or microwave (are examples). We do have some links that can help."

INFORMATION LINK

Resources: Ashley Peeples, Indiana State Department of Health, at www.in.gov/isdh

Trudy Wagner, Geo-Flo Products Corporation, at www.geo-flo.com

Kassy Davis, DeKalb Molded Plastics, at www.dekalbplastics.com

Bill Beggs, Bunger & Robertson, LLP, at www.lawbr.com