

ABC

The Advantage

DECEMBER 2024 | YOUR BENEFIT RESOURCE

A CHANGING WORKPLACE

Preparing for a new
presidential administration.





The Advantage

DELIVERING QUALITY
EMPLOYEE BENEFIT
PROGRAMS & SERVICES TO
THE COOPERATIVE SYSTEM.

ABOUT THE ADVANTAGE:

The Advantage is a dedicated publication serving as a resource with valuable information and perspectives. The goal is to help you gain *The Advantage* in our ever-evolving industry by providing the tools and knowledge necessary drive success and innovation in the cooperative industry.

A CornerPost Publication.

ABOUT ABC:

Associated Benefits Corporation (ABC) provides administrative and consulting services for employee benefit plans to the cooperative system since 1953.

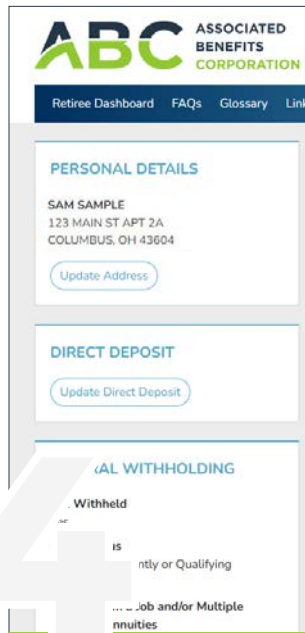
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Advancing Through Professionalism

When it comes to moving our business forward, professionalism is at the forefront. To ABC, professionalism means providing top-notch service from our internal team and integrating strategic vendor partnerships where applicable. Beginning this year, we've had an intentional focus on evaluating partnerships to ensure ABC remains aligned with the best service providers in the market—those who bring both high-quality offerings and cost-effectiveness.

We've streamlined our health plan options with the expertise of an independent consultant. This outside perspective will allow for a thoughtful analysis of modernized, specialized programs that fit our customers' needs—such as diabetes or musculoskeletal support, along with alternative risk management strategies—to ensure our health offerings stay relevant, sustainable and truly beneficial.

We've also made upgrades in our financial administration, such as partnering with USI Consulting Group to bring additional oversight, tools and technology to the pension program. This shift will upgrade our participant interface, making it easier for employees to access important financial information promptly. We've also transitioned our 401(k) managed services provider, maintaining strong investment guidance for those interested in reduced costs.

Internally, we've refreshed our space, upgraded our online presence and improved accessibility for meetings ranging from private one-on-one consultations to large groups. These changes offer flexibility for member employees, allowing them to more easily connect with our team for open enrollment meetings and benefits discussions with employees and their spouses.

Ultimately, our work centers on one clear vision: professionalism. By continuously refining our vendor relationships and enhancing our internal processes and capabilities, we're elevating every interaction and service we provide. We're here to make sure our members get outstanding value, exceptional service and the confidence that ABC is here to support your needs. ✓



Mike Israel



Mike Israel

CEO

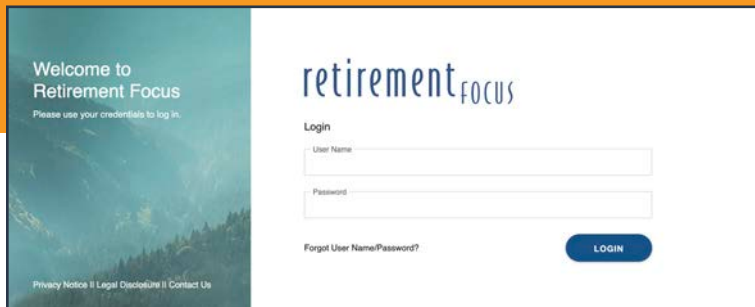
ABC

Planning for Retirement Just Got Easier

RetirementFocus.com takes out the guesswork.

Retirement planning can feel overwhelming. For those nearing retirement, questions about income, benefits and logistics can create stress. For younger participants, retirement may seem like a distant concern, but starting early can have a profound impact on future financial security.

The RetirementFocus portal bridges the gap, providing a comprehensive online hub where you can manage your pension plan details and ensure you're on track to meet your goals. With 24/7 access, the platform allows you to make updates, review important documents and plan ahead—all from the comfort of your home.



KEY FEATURES OF RetirementFocus.com

The portal is packed with features designed to simplify retirement planning. Whether you're already retired or years away, here's what you can do:

- **Update Personal Information**
Life changes, and so do your details. Easily update your address, phone number or other personal information to ensure your records stay accurate.
- **Direct Deposit Management**
Say goodbye to paper checks and enjoy

the convenience of direct deposit. Use the portal to set up, change or update your direct deposit preferences quickly and securely.

- **Federal Withholding Elections**
Keep your federal tax elections up to date with just a few clicks. The portal lets you adjust your withholding based on your current needs.
- **Income Verification Letters**
Need proof of your pension income? The portal allows you to generate and print income verification letters instantly, saving you time and hassle.

FOR RETIREES: STAYING IN CONTROL OF YOUR BENEFITS

Retirees often face the challenge of keeping track of multiple accounts and ensuring their benefits align with their needs. **RetirementFocus.com** simplifies this by centralizing everything in one place.

By logging in, retirees can:

- Ensure their direct deposit information is current, ensuring no interruptions in benefit payments.
- Adjust withholding elections if financial circumstances change.
- Generate income verification letters for financial applications, housing purposes or other needs.

For retirees, this portal provides peace of mind. It ensures they have access to the tools they need to manage their benefits efficiently and make changes when necessary.

FOR YOUNGER PARTICIPANTS: PLANNING AHEAD

Retirement may seem far off, but starting to plan early is one of the smartest financial moves you can make. **RetirementFocus.com** isn't just for retirees—it's a valuable resource for younger participants as well.

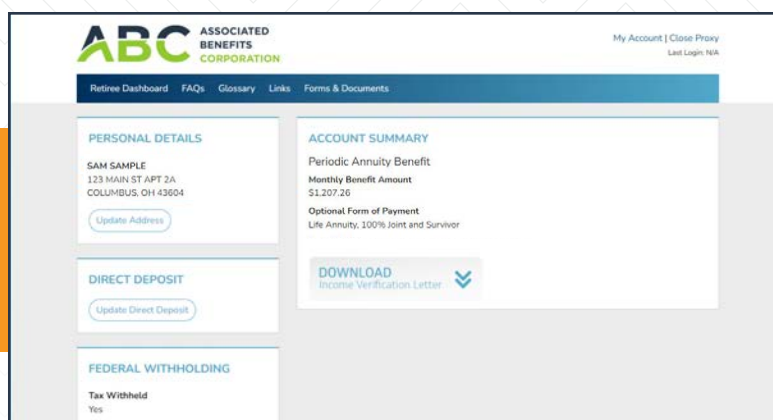
By setting up an account, younger workers can:

- Gain a clear understanding of their pension benefits and how they will support future retirement goals.
- Make sure personal information is current to avoid issues later.
- Start thinking about long-term financial strategies, such as supplemental savings or other retirement investments.

Accessing the portal early in your career ensures you're informed and prepared for what lies ahead.



View your retirement account details at any time by setting up an account at RetirementFocus.com.



GETTING STARTED ON RetirementFocus.com

Setting up your **RetirementFocus.com** account is straightforward.

Here's how to get started:

- **Login Details**

For your first login, your User Name is your Social Security number (no dashes), and your Password is your birth date in MMDDYY format. For example, if your birthday is February 5, 1975, your password would be 020575.

- **Identity Verification**

After entering your initial login details, you'll need to validate your identity using a phone number or document validation. This step ensures your account is secure.

- **Password Setup**

Once your identity is verified, the system will prompt you to create a new, secure password.

- **Multi-Factor Authentication**

For ongoing security, you'll select a multi-factor authentication option. This ensures only you can access your account.

Once these steps are completed, you'll be taken to the portal's home screen, where you can explore and manage your account information.

MAKING UPDATES TO YOUR ACCOUNT

The portal's user-friendly design ensures that making changes is simple. From the home screen, you can:

- Update personal information by clicking the "Update" button in the relevant section.
- Modify direct deposit details or tax withholding elections using easy-to-follow prompts.
- View your retirement plan's details to stay informed about your benefits.

After completing updates, the system will send a confirmation letter to your address on file, ensuring transparency and accuracy.

THE IMPORTANCE OF STARTING EARLY

Retirement planning isn't just for those nearing the end of their careers. Starting early gives you more time to save, invest, and prepare for the lifestyle you want. By using RetirementFocus.com, you can keep track of your pension plan and integrate it into a broader retirement strategy.

Younger participants who actively engage with their benefits are more likely to achieve financial security in retirement. The portal serves as a valuable resource to keep you informed and proactive.

YOUR PARTNER IN RETIREMENT PLANNING

Associated Benefits Corporation is committed to helping participants make the most of their retirement benefits. **RetirementFocus.com** is just one example of how we support you in achieving your goals.

For retirees, it's about staying in control of your benefits and ensuring financial stability. For younger participants, it's a tool to start planning now for a brighter future.

No matter where you are on your retirement journey, **RetirementFocus.com** is here to help. Log in today and take the first step toward a more secure financial future. ✓

[associatedbenefits.com](https://www.associatedbenefits.com)

The Iowa Point of Service Plan

ABC releases new healthcare coverage option.

This year, we released a new health insurance plan designed for our Iowa cooperatives: the Iowa Point of Service plan. With our relationship with Wellmark BlueCross BlueShield, we receive stronger discounts for Iowa providers, which we're able to pass on to our customers in the form of lower premiums and less out-of-pocket cost-sharing. This plan is beneficial for many ABC customers' employees, as much of their care takes place in the state of Iowa and surrounding counties.

While open enrollment has come and gone for many cooperatives, employees may still have questions about the Iowa Point of Service plan, and it's important for human resources teams to have a good understanding of the new plan. Here are some reminders about the Iowa Point of Service plan:

- Any care within the Iowa provider network is billed at a standard 80/20 coinsurance rate, meaning insurance pays for 80% of medical expenses and the participant pays for 20% until the deductible or out-of-pocket maximum is met.
- Participants still have access to nationwide coverage, with the exception that out-of-network care is billed at a coinsurance rate of 70/30, meaning the participant pays for 30% of out-of-network care. The deductible and out-of-pocket maximums remain the same; only the cost-sharing changes depending on the provider.
- Medical emergencies are billed as in-network expenses, no matter the location of the emergency or care providers.
- Virtual care is available anytime, anywhere through Doctors on Demand. ✓

80/20

IN-NETWORK COINSURANCE

INSURANCE PAYS 80% | YOU PAY 20%

until deductible or out-of-pocket maximum is met

70/30

OUT-OF-NETWORK COINSURANCE

INSURANCE PAYS 70% | YOU PAY 30%

until deductible or out-of-pocket maximum is met



OPEN ENROLLMENT
Scan this QR code to learn more about Open Enrollment.



IN-NETWORK PROVIDERS

You will pay the least when visiting these providers that are in the Wellmark Blue POSSM network.



Tom Hauschel

CEO &
General Manager
at Heartland Co-op



ABOUT OUR EXPERT:

Tom Hauschel is the CEO and General Manager of Heartland Co-op. Tom's experience in agriculture began as he grew up on a family farm in northeast Kansas and continued as he earned a Bachelor of Science degree in agricultural economics from Kansas State University. He has been involved in the cooperative system since the beginning of his career, starting with 18 years at Ag Processing Inc. in Omaha, Nebraska, before transitioning to Heartland Co-op in 2005.

Tom has served as CEO and General Manager of Heartland Co-op since 2013. Heartland Co-op has corporate offices located in West Des Moines, Iowa and more than 50 locations in Central and East Central Iowa. The organization serves more than 4,500 members with operations in grain handling and marketing, fertilizer and application, agriculture chemicals and application, livestock feed and processing, agriculture energy products and propane.

The Power of Pensions

Investing in long-term success.

In any business, attracting and retaining quality employees are two of the most important, but challenging, keys to success. Offering an appealing benefits package with long-term rewards is a good way to bring in employees who plan on committing to your cooperative for the long haul. For Heartland Co-op, our pension plan is one of the cornerstones of our benefit offerings.

Pension plans represent the cooperative principle of shared prosperity—for the cooperative itself, its members, communities and employees. We've seen the power of the pension benefit in helping recruit and retain top-tier talent at Heartland. We want our employees to be invested in our cooperative, so we show them our commitment to investing in them as well. In a world where many companies have shifted to 401(k)-only retirement plans, pensions offer a level of stability and predictability that's increasingly rare. For our employees, it provides peace of mind, knowing they'll have a reliable income in retirement, no matter what the markets do.

From an HR perspective, the impact of this benefit is significant. Recruitment becomes easier when candidates see that we offer more than just a paycheck; we offer long-term security. Potential hires frequently tell me that our pension is a deciding factor in choosing Heartland Co-op over other employers. It's particularly appealing to those who

value a strong sense of community and loyalty, traits that align perfectly with our cooperative culture.

Retention is where the pension's power truly shines. Employees who feel secure in their financial future are more engaged and committed. They're willing to invest their time and energy into their roles because they know the company is equally invested in them. Our pension has also fostered a culture of longevity. It's not uncommon to celebrate employees who've been with us for 20, 30 or even 40 years. Their institutional knowledge is invaluable, and their mentorship helps us develop the next generation of leaders.

Of course, offering a pension requires a significant commitment from the company, but we see it as an investment in our people and, by extension, in our mission to support our local communities. It's a commitment that pays dividends not just in employee satisfaction and loyalty, but in the overall strength of our cooperative and the communities we operate in.

In my role, I'm reminded daily of the power of the pension benefit. It's not just a line item in the HR expense column; it's a cornerstone of what makes a cooperative like ours a great place to work. For our employees, the pension represents security, stability and a future they can count on. For us, it's a testament to our commitment to them and the cooperative values we live by. ✓

Retiring on Your Own Terms

How a cooperative employee retired early and found fulfillment.



The average age for retiring males is 65, but through a bit of determination and careful planning, Bob Johnson was able to retire from Heartland Co-op in 2023 at the age of 62. But going against the “norm” is normal for Bob.

“It’s just the way I was raised,” he states. However, Bob readily admits that his ability to retire earlier than most is because he and his wife have led a frugal life, and he wants to spend his later years on what is important to him.

Bob learned about the need to save for a rainy day in his early years. “I was about 23 and I bought a brand new truck. I was working for a well-driller,” Bob explains. “Then he started having hard times and couldn’t pay me. I wanted to stick it out with him, so I got a \$2,000 loan to pay bills to get me through. Once he paid me, I paid off the loan. That experience taught me to be cautious with money and to save for a rainy day.”

His retirement at 62 was not a matter of luck—it was the result of deliberate choices and a pension program backed by ABC.

A CAREER SHIFT

Focusing on the value of the dollar, for 16 years, Bob worked for a family business installing office furniture where the pay was really good. While his paycheck provided for his family's needs, his retirement plan was almost non-existent. "In retrospect, I should have gone to Heartland Co-op long before I did," Bob admits. "In my younger years, considering working at a lower-paying job made no sense to me. Then when I was around the age of 40, I started to consider when I would be able to retire. I realized then that taking a lower-wage job with better benefits and a pension plan suddenly started to look really smart." So, at the age of 41, when a position came open, Bob took a job with Heartland Co-op as a counter salesman—a decision he claims as his "best decision ever."

In his 21 years with Heartland Co-op, Bob went from counter sales to petroleum service manager before spending the last four years of his career as the Waukee location manager. Not only did Bob gain a great place to work with really good people, but he also started working on his pension. His only regret is that he didn't take a job there earlier. "The pension plan was the best decision I made for my future," Bob shares.

Bob credits Heartland's leadership for fostering a stable workplace with a strong focus on employee retirement security. "Tom, the CEO at Heartland, was passionate about ensuring their people had the support they needed for a secure future. That pension plan changed everything for me," Bob notes.

FOCUSING ON PRIORITIES

While Bob began focusing on his retirement savings in his early 40s, his true motivation was avoiding the same decisions his father made when it came to work.

"My dad practiced family medicine; he worked constantly and we saw very little of him. He never really got to enjoy his family. Although his vocation drove his never-ending hours, so did having 10 kids to feed! Thus living a more frugal

lifestyle," Bob explains. "Dad did push to retire at 62, but unfortunately, he died four months later. He never was able to enjoy our family, and I never had much of a chance to enjoy him. I knew then that I wanted more from life."

That frugality was a cornerstone of Bob's financial strategy that enabled him to retire while he still had his health and vitality. He and his wife, Merry, lived within their means, avoided debt and prioritized saving. They purchased an acreage near Earlham from a farmer on a 10-year balloon payment plan but paid it off in eight years. "We focused on paying off the house and setting money aside for a rainy day," Bob says.

Their vehicles were another area where Bob's practicality shone. "After my one-time purchase of a brand new vehicle and then having to take out a loan just to pay my rent, I started to buy our vehicles at least a couple years old, and then we drove them for another ten." To his benefit, Bob has a love for tinkering with old vehicles, which he can do whenever he wants now.

Years before he stopped working, Bob began using the retirement tools provided through ABC to project his pension benefits, getting a clear picture of what retirement would look like. His retirement at 62 was not a matter of luck—it was the result of deliberate choices and a pension program backed by ABC.

LIVING LIFE ON HIS TERMS

While Bob is officially retired, he continues to work part-time as a training development coordinator for Heartland Co-op. His role includes training propane employees and assisting with acquisitions. "It keeps me busy and gives me some extra money for golf and fun," he says. "I work as I want and when I want."

In addition to his part-time role, Bob enjoys helping at an additional Heartland location in Winterset and assisting with LP operations in Council Bluffs. "It's a way to stay connected and give back while keeping life interesting," he adds.

Looking ahead, Bob and Merry are eagerly awaiting their first grandchild due in



Bob with daughter Rebecca (middle) and wife, Merry. Rebecca also works for a co-op as an agronomist. Watching her dad at work within a co-op and the culture it provided made a big impression. Bob says proudly, "Seeing her embrace that same spirit is pretty cool."

February. Bob takes great comfort in knowing he will get to enjoy his daughter Rebecca's firstborn.

Reflecting on his journey, Bob emphasizes the importance of financial planning and living within your means. His advice to others is straightforward: "You don't need to be a millionaire to retire. Adjust your lifestyle, save consistently and plan ahead." For Bob, retiring early wasn't about hitting a financial target—it was about achieving the freedom to live life on his terms.

Bob's story highlights the critical role cooperatives play in supporting their employees' futures. Heartland Cooperative's pension program, supported by ABC, gave Bob the tools to build a secure retirement. "Co-ops are a great place to work for people who value stability and long-term benefits," he says.

Today, Bob enjoys the freedom that comes with retirement. He spends his time golfing, making updates to his acreage and working on projects that interest him. "Retirement isn't about sitting still—it's about doing what you love," he says.

Bob's story serves as a reminder that careful planning, frugality and the right support system can make early retirement a reality. For those considering their own path to retirement, his advice is simple: "Start saving early, take advantage of every benefit your employer offers and don't be afraid to make sacrifices along the way. It's worth it." ✓

A Changing Workplace

Preparing for the new presidential administration.



As the United States prepares for another Trump administration beginning in January, cooperatives should stay alert to possible shifts in workplace law and employee benefits. The new Trump presidency will likely bring significant changes to labor relations, employee classifications and health benefits, as well as shifts in safety regulations, overtime rules and minimum wage policies. For HR professionals in cooperatives, understanding these possible changes is crucial for proactive planning. Here's an overview of the most significant potential changes and what they could mean for your cooperative.

LABOR RELATIONS & UNIONIZATION

During Trump's first term, the National Labor Relations Board reversed several union-friendly policies enacted under the Obama administration. His second term could see similar rollbacks of Biden-era policies, potentially loosening regulations that currently favor union-organizing efforts. Expect the NLRB to make it easier for employers to manage workplace conduct without interference from union representatives and to streamline procedures for decertifying unions.

For cooperatives, many of which work closely with unions, this could

mean a return to more employer-favorable labor policies. However, unionized cooperatives should approach any changes cautiously, ensuring that workplace policies align with updated labor relations rules without disrupting ongoing labor relationships. Preparing by aligning HR policies with anticipated shifts could mitigate disruptions and keep workforce relations smooth.

WORKPLACE SAFETY STANDARDS

The new Trump administration may relax Occupational Safety and Health Administration standards, as seen

previously with lower inspection numbers and a reduced emphasis on strict mandates. The Biden administration had proposed a heat safety rule and allowed union representatives to join safety inspections, which might be repealed under Trump. Rather than enforcing specific safety standards, Trump's OSHA will likely return to a broad reliance on the General Duty Clause, which requires employers to provide a safe work environment without setting specific criteria.

For HR professionals in cooperatives, a shift back to this more general approach means the responsibility for safety enforcement could fall more heavily on employers themselves. Without prescriptive federal guidelines, cooperatives might need to invest more in internal safety measures and preparedness for inspections. HR teams should work closely with safety officers to ensure readiness for compliance, even if federal inspections become less frequent.

OVERTIME PAY & MINIMUM WAGE

The Department of Labor under Biden introduced changes that raise the salary threshold for overtime pay eligibility, with the salary threshold for the "white-collar" exemptions set to rise significantly by 2025. The Trump-led Department of Labor might attempt to roll back these increases, especially if ongoing litigation delays implementation until after the transition. Reducing the overtime threshold could provide flexibility for employers but might also introduce complexity as businesses adjust to shifting requirements. Additionally, Trump has indicated he would remove income tax on overtime pay, a change that could impact cooperative employees.

On the minimum wage front, Trump has historically been against federal increases, making it unlikely for the federal minimum to see significant hikes. Instead, state and local governments will likely continue to set minimum wages above the federal rate of \$7.25/hour. HR professionals should stay updated on local wage laws, as even a rollback

at the federal level won't affect more progressive state-level wage standards.

For cooperatives in regions with higher state minimum wages, a rollback in federal overtime or minimum wage standards would have minimal effect, as they'll need to comply with local mandates. HR professionals should prepare by regularly auditing wage policies to ensure compliance with both state and federal guidelines, while also considering the potential impact of labor cost adjustments on cooperative finances.

Without prescriptive federal guidelines, cooperatives might need to invest more in internal safety measures and preparedness for inspections.

SOURCING WORKFORCE SUPPORT

The Trump administration previously favored making it easier to classify workers as independent contractors, a stance Biden reversed with strict limitations on this classification. Trump's second term will likely see a return to a more business-friendly independent contractor standard, simplifying the process for employers.

Cooperatives, which often rely on seasonal or contract workers, could benefit from relaxing contractor classification rules. This change would simplify hiring for temporary positions without adding the burdens associated with full employee benefits. However, cooperatives will still need to comply with local regulations that may limit their ability to classify workers as contractors.

Immigration reform was a priority in Trump's first term, with limits on foreign labor programs such as the H-1B visa. Cooperatives employing a seasonal or foreign workforce might experience

greater challenges under the new Trump administration, as visa availability could become more restricted. For agricultural cooperatives, this legislation will also impact any farmer members who rely on migrant workers.

PAID LEAVE & PAY DATA COLLECTION

In contrast to Biden's support for a federal paid leave mandate, Trump's policies have left paid leave to state and local governments. This trend is likely to continue in his second term, meaning that while federal paid leave is unlikely, more states may enact their own policies. For cooperatives, monitoring state-specific paid leave laws will be key, as multi-state employers will face varied mandates. HR professionals should ensure policies are adaptable and meet state requirements, particularly in states with stringent leave laws.

Regarding pay equity data collection, the Biden administration sought to revive the EEOC's Component 2 pay data collection, which requires detailed wage reporting to ensure pay equity. This initiative will likely be revoked under Trump, aligning with his previous stance on regulatory reduction. Although the federal government may not require wage data, states may continue implementing pay transparency laws, so cooperatives should maintain internal pay equity assessments to avoid potential disparities.

A second Trump administration brings opportunities for cost savings but also regulatory uncertainty. With possible rollbacks in health benefits, labor relations, safety standards and overtime rules, cooperatives must balance federal changes with state-specific mandates to ensure compliance across locations. Preparing now by updating policies, tracking state legislation and maintaining flexibility will help cooperatives navigate these potential changes, staying aligned with both federal and local requirements. HR teams that proactively address these evolving regulations will be best positioned to support cooperative missions while safeguarding employee interests. ✓

Sources: "Potential Employee Benefits Changes in Second Trump Term" Newfront
 Top 10 Workplace Law Developments to Expect Under President Trump" Fisher Phillips



50%
**DECREASE IN
 TURNOVER**
*with Access to
 Learning Opportunities*

Investing in People

Why employee education is key to long-term success.

For cooperatives, investing in employee education isn't just about building a more skilled workforce—it's about reinforcing the heart and purpose of the organization. Educating team members strengthens skills and creates a foundation of commitment and loyalty, which are critical for cooperative success. By prioritizing education and development, cooperatives send a strong message: the future of our organization includes you.

Employee education plays a crucial role in fostering loyalty. When team members see their growth prioritized, they're more likely to stay engaged and committed, helping reduce turnover. In fact, research shows that access to learning opportunities can increase retention by up to 50%, as employees feel valued and capable of advancing in their roles.

This focus on engagement is essential for cooperatives, where strong relationships between team members can make or break operations. Supporting development gives employees a sense of ownership, and they feel respected as part of a larger mission. This commitment helps cooperatives maintain a workforce that's dedicated not just to the job but to the cooperative's members and future.

BUILDING A CULTURE

A cooperative that values education and growth creates a culture where everyone feels valued and invested in each other's success. Training programs, mentorship and development workshops foster unity, bringing people together with a shared purpose and goals. When teams grow and learn together, they build stronger bonds that last.

Mentorship programs are especially effective in reinforcing this culture. When experienced employees mentor newer team members, they pass along skills and wisdom that only years of experience can provide. This approach keeps valuable insights within the organization and strengthens intergenerational respect. Mentorship also shows that each role is integral to the cooperative, fostering a sense of continuity and stability across the team.

REDUCING COSTS

High turnover is a costly issue for any business, and for cooperatives, it can be especially disruptive. By investing in education and training, cooperatives reduce turnover and avoid the costs associated with recruiting

and onboarding new hires. Developing a training culture helps teams retain knowledge, skills and relationships that are difficult to replace.

Furthermore, promoting from within through skill-building and educational programs provides a path for advancement, which is a major factor in retention. When team members see room for growth, they're more likely to stay and continue contributing to the cooperative's success.

STAYING RELEVANT

Today's work environment is constantly evolving, and cooperatives must adapt to stay competitive. Technology, industry practices and regulations are all moving quickly, requiring team members who are prepared to handle these changes. Education ensures that all employees, from entry-level to senior positions, are equipped to handle these transitions, whether it's a new tool, process or standard.

A commitment to continuous education prepares a workforce that's confident, adaptable and ready to meet whatever challenges arise. This investment reduces the stress of adjusting

to new requirements and helps cooperatives remain resilient. By focusing on knowledge and skill development, cooperatives are preparing for long-term success, no matter how industries evolve.

HANDS-ON & FORMAL TRAINING

The most effective education strategies blend practical, hands-on training with formal learning opportunities. Internal programs like workshops and on-the-job training provide real-world experience that helps employees develop skills directly related to their roles. Additionally, these sessions offer a forum to discuss specific challenges, ask questions and get feedback relevant to their daily work.

External education, such as certifications, technical courses or leadership training, brings fresh perspectives from outside the cooperative. This formal learning helps employees develop specialized skills and industry-specific knowledge that may be harder to obtain internally. By combining both types of learning, cooperatives create a well-rounded workforce that's adaptable, informed and ready to meet current and future needs.

RETURN ON INVESTMENT

Investing in education goes beyond employee satisfaction; it directly benefits the cooperative's bottom line. Studies

show that productivity can increase by up to 37% with effective training, and companies with comprehensive training programs see significant increases in revenue per employee. Trained employees are better equipped to perform efficiently, delivering value every day.

Education also cuts costs associated with turnover, as employees who see clear career paths within the organization are less likely to leave. This retention strengthens team stability and allows cooperatives to save on recruitment and training expenses. By fostering loyalty and reducing turnover, training programs enhance the cooperative's financial health while creating a more resilient team.

PREPARING TOMORROW'S SUCCESS

Investing in employee education is a powerful way to strengthen both individual careers and the cooperative's resilience. By creating a workplace that values learning, cooperatives build a team that's not only skilled but also motivated and loyal. This commitment to growth helps the organization stay agile, ready for new challenges and poised for long-term success.

In a cooperative, every person matters, and investing in their growth is essential for shared success. By valuing education, cooperatives build an environment where people don't just work—they thrive, secure in the knowledge that their future and the cooperative's future are aligned. ✓

37%

**INCREASE IN
PRODUCTIVITY**
*with Effective
Training*



BUILDING A LEARNING CULTURE

To create an effective learning culture, cooperatives can start with these key initiatives:

- **Mentorship Programs:** Pairing experienced employees with newer team members encourages knowledge-sharing and builds strong relationships. Mentorship keeps skills and institutional knowledge within the team, reinforcing a collaborative work environment.
- **Regular Training and Certification Opportunities:** Providing opportunities for ongoing training—whether through internal sessions or partnerships with industry organizations—keeps skills sharp and prepares employees to handle emerging demands. Certification programs, especially those industry-recognized, are an excellent way to help employees grow professionally and contribute more to the cooperative.
- **Recognition and Rewards for Learning Achievements:** Acknowledging employees' learning milestones shows appreciation and reinforces the cooperative's dedication to development. Recognizing achievements, from completing certifications to learning new skills, signals that progress is valued and encouraged.

Addressing Chronic Illness & Pain

How employers can make a difference.

In 2024, we have been shown the status of our nation's healthcare through a new lens as politicians shared their views on the well-being of Americans as part of election campaigns. Even the National Institute of Health admits that despite being one of the wealthiest nations in the world, the U.S. is far from the healthiest.

From infant mortality at birth to life expectancy in old age, we lag behind other nations, despite spending more per capita on health care. Our lack of health is costing us in lives and dollars on a personal and national level. The COVID-19 pandemic made it painfully clear: our health challenges aren't just an abstract issue; they're real, and they're affecting our communities and workplaces every day. According to data from the International Journal of Environmental Research and Public Health, about 25% of American adults live with two or more chronic conditions, including obesity,

diabetes, heart disease and autoimmune disorders. Our nation dedicated nearly 20% of our GDP to health care, yet we're still one of the sickest developed countries in the world.

As employers, what role do you play in supporting your employees' health?

You've probably heard, "You can lead a horse to water, but you can't make him drink." Swapping out donuts for a veggie tray in the breakroom might be a start in promoting employee wellness, but will it actually make a difference? Encouraging health in the workplace starts with creating a supportive, judgment-free environment where employees feel empowered to take action. Start the conversation by acknowledging that maintaining health is tough—many people struggle with managing pain, stress and lifestyle goals. Host informal sessions or team meetings to introduce company resources for preventive care,

offer a comfortable space for discussing health challenges and invite employees to set personal wellness goals. By demonstrating a genuine interest in their well-being, you can help motivate employees to take steps toward healthier lifestyles.

When it comes to chronic pain, a quiet epidemic is affecting workplaces nationwide.

Roughly 51.6 million American adults suffer from chronic pain—that's about one in five people, including many of your own employees. Chronic pain is not only disruptive on a personal level; it's costly on a national scale, draining the economy of around \$560 to \$635 billion every year. That's more than the combined costs of heart disease, diabetes and cancer. For many employees dealing with chronic pain, doctor visits, tests and temporary fixes become an exhausting routine. Yet, despite their efforts, the pain often

40%

of doctor's visits are driven by chronic pain

20%

of America's GDP is spent on healthcare

7 in 10

*American deaths are correlated to chronic diseases
(including high blood pressure, heart disease, cancer or diabetes)*

persists, and their productivity suffers as a result.

As an employer, supporting those dealing with chronic pain starts with **fostering compassion and flexibility**. Understand that employees with chronic pain may have good days and bad days. Allowing options like remote work or flexible hours based on their pain level can make a world of difference. When employees know they won't be penalized for days when the pain is intense, they feel valued and supported—and that can increase their commitment to the team.

Ultimately, though, preventive care is a game-changer for your employees' health and your company's bottom line. According to the CDC, seven out of 10 American deaths each year are linked to chronic diseases, many of which are manageable with routine preventive care and a trusted healthcare provider.

If everyone received recommended preventive care, we could save over 100,000 lives annually. Encouraging your employees to use their preventive care benefits—often fully covered under business-sponsored health plans—could reduce health crises and improve productivity, all while saving money for both employees and the company. Employees who take advantage of preventive services stay healthier, happier and more engaged at work, all of which directly benefit your business.

However, some employees might still overlook these benefits, whether out of habit or a lack of awareness. As an HR leader, make it easy for your team to access these resources. Encourage employees to find in-network providers through tools like myWellmark®, where they can also check provider reviews and compare treatment costs. Consider offering on-site wellness screenings for

a convenient, no-excuses approach to health awareness. Plus, don't forget to let your employees know about resources like Advance Care nurses, who can help them manage ongoing health conditions and prevent repeated doctor's visits and unnecessary expenses.

Making these resources accessible is about more than reducing absenteeism; it's about fostering a workforce that's capable, resilient and ready to face the challenges ahead. The health of your employees directly impacts the productivity and success of your business. Chronic pain, untreated conditions and poor preventive care habits have a cumulative effect on workplace efficiency and morale. By encouraging preventive care, promoting flexibility for those dealing with chronic pain and creating an environment where health discussions are normalized, you're helping your team and your business succeed. ✓

1 in 5

American adults suffer from chronic pain

+\$36B

lost annually from employee absenteeism because of chronic illness

Mitigating Financial Risk in Cooperatives

Price fluctuations, credit risks and investment strategies.

“The whole is greater than the sum of its parts.” This well-known phrase coined by Aristotle is a simple, yet profound illustration of the strength of cooperatives. Cooperatives bring individuals together to provide better access to markets, resources and collective bargaining power. However, financial stability remains a persistent challenge for these organizations, especially because the stability of a cooperative is directly correlated to the stability of its members. Cooperatives need sound financial planning to ensure long-term sustainability while battling fluctuations in commodity prices, uncertainties surrounding credit and risks in investment strategies.

PRICE FLUCTUATIONS: NAVIGATING COMMODITY VOLATILITY



Cooperatives are inherently vulnerable to price volatility because their income is largely tied to the prices of the commodities they produce or handle. Factors such as weather conditions, geopolitical events, global supply and demand and even shifts in consumer behavior can cause drastic swings in the price of goods. These fluctuations can make it difficult for cooperatives to forecast revenue, manage operating costs and maintain member confidence.

RISK MITIGATION STRATEGIES

Forward Contracting and Hedging:

One of the most effective ways to guard against price volatility is through forward contracting and hedging strategies. Cooperatives can enter into contracts with buyers at a pre-determined price for future deliveries, locking in their revenue regardless of market movements. While this approach protects against price drops, it limits upside potential if prices rise. Hedging with financial tools such as futures and options can help cooperatives manage exposure to volatile markets without fully surrendering potential gains. For instance, grain cooperatives often utilize hedging strategies on the Chicago Board of Trade to stabilize earnings in unpredictable market conditions.

Diversification of Products and Markets:

Another powerful method to manage the impact of price fluctuations is product and market diversification. By expanding into multiple commodities or service areas, cooperatives can spread their risk. If the price of one commodity declines, revenue from other commodities can help cushion the blow. Similarly, seeking alternative markets, both domestic and international, can reduce dependence on any single market's demand trends and price behavior. For example, agricultural cooperatives that include grain, lumber and agronomy services are more resilient than those relying solely on one service area.

Price Stabilization Funds:

Establishing price stabilization funds allows cooperatives to save excess profits during times of high commodity prices, which can be used to buffer against price downturns. These funds serve as a financial cushion, ensuring that operations continue

smoothly even when market prices are unfavorable. Although this requires a strong financial discipline, the practice is gaining traction among cooperatives that prioritize long-term sustainability over short-term profit maximization.

CREDIT RISKS: MANAGING DEBT & LIQUIDITY CHALLENGES



Credit risk is another critical concern for cooperatives, as access to affordable credit is vital for day-to-day operations, capital investments and growth initiatives. However, the cyclical nature of agriculture often puts cooperatives in this industry at risk of not being able to meet their debt obligations, particularly during seasons of low productivity or weak commodity prices. Interest rate hikes, tightening credit conditions or poor repayment capacity can exacerbate these risks.

RISK MITIGATION STRATEGIES

Build Strong Relationships with Financial Institutions:

Cooperative leaders should focus on fostering strong, transparent relationships with banks and lending institutions. Establishing a history of reliability and open communication increases the likelihood of accessing favorable loan terms. Financial institutions are more willing to extend credit or offer flexibility in repayment terms if they understand a cooperative's business model and its challenges. Cooperative banks, which understand the unique needs of cooperatives, are particularly well-suited partners for these ventures.

Diversify Funding Sources: Cooperatives can minimize credit risk by diversifying

their funding sources. Relying solely on traditional bank loans can be risky, especially when credit markets tighten. Cooperatives should explore alternative sources of capital such as government grants, member equity contributions or partnerships with private investors. For example, cooperatives may offer members the opportunity to purchase additional shares in the cooperative during times of expansion or when the need for working capital increases. This not only spreads financial risk but also deepens member engagement and loyalty.

Credit Monitoring and Debt

Management: Strong credit monitoring practices are crucial to keep debt levels manageable. Cooperatives should regularly review their debt ratios, cash flow forecasts and repayment capacity. By monitoring these factors closely, cooperative leaders can proactively address potential credit issues before they escalate. Another strategy involves prioritizing the reduction of high-interest debt and refinancing when favorable terms are available. Cooperatives that consistently manage their debt efficiently are more likely to survive downturns and emerge financially stronger.

Maintain Healthy Cash Reserves:

While debt may be necessary to finance large investments, maintaining healthy cash reserves is essential to prevent liquidity issues. Cash reserves act as a buffer to cover short-term obligations during times of tight credit or when income temporarily falls short. By establishing a target reserve ratio (often calculated as a percentage of operating expenses or revenue), cooperatives can ensure they have sufficient liquidity to weather unexpected challenges without resorting to expensive borrowing.

INVESTMENT STRATEGIES: BALANCING GROWTH & STABILITY



Investment decisions in cooperatives are a balancing act between ensuring growth and maintaining stability. Cooperatives must invest in infrastructure, technology and market expansion to remain competitive, but over-aggressive investments or misaligned strategies can expose cooperatives to financial instability, especially if returns do not materialize as expected.

RISK MITIGATION STRATEGIES

Risk-Based Capital Allocation:

Cooperatives should prioritize capital allocation based on a comprehensive assessment of risks and potential returns. Investments in essential infrastructure, such as storage facilities, processing plants or advanced machinery, should be weighed against the cooperative's current financial position and the anticipated market environment. Leaders should ask questions like: How will this investment impact long-term financial stability? Will it diversify revenue streams or reduce operational costs? What is the payback period? Careful consideration of these factors ensures that capital is deployed effectively.

Member-Focused Investment:

Cooperative investments must align with the needs and expectations of their members. This means ensuring that investment decisions contribute to improving members' productivity and income. For instance, an electric cooperative may invest in new technologies that maximize energy efficiency or in educational

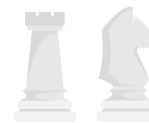
programs that help members adopt more sustainable habits around energy consumption. In this way, cooperatives maintain a clear connection between financial strategies and member benefits, ensuring long-term loyalty and collective buy-in.

Phased Investment Approach: Rather than embarking on large, capital-intensive projects all at once, cooperatives can adopt a phased investment approach. This allows them to break down significant projects into smaller, manageable phases that can be reassessed and adjusted based on performance and changing market conditions. Phased investment reduces the pressure on financial resources and provides flexibility in responding to unforeseen challenges, such as sudden shifts in commodity prices or operational hurdles.

Technology and Data-Driven Decision-Making: Investing in data analytics and technology can also help cooperatives make more informed investment

decisions. By leveraging data on market trends, weather patterns and supply chain logistics, cooperatives can make real-time adjustments to their operations and investment strategies. For example, advanced crop-monitoring systems or predictive analytics tools can enhance decision-making around planting, harvesting and pest control, which in turn can optimize financial performance.

ENSURING FINANCIAL SECURITY



Cooperatives play a crucial role in supporting rural economies. However, they face significant financial risks due to price volatility, credit uncertainties and the need for strategic investments. To ensure long-term financial security, cooperatives must adopt robust risk management strategies that focus on mitigating the impacts of price fluctuations, maintaining strong credit health and making prudent investment decisions.

By employing forward contracting, hedging and product diversification, cooperatives can protect themselves from market volatility. Similarly, by cultivating strong banking relationships, diversifying funding sources and maintaining liquidity, they can effectively manage credit risks. Finally, a thoughtful, member-centered approach to investments help cooperatives balance growth with stability, ensuring they remain financially secure in an increasingly competitive market.

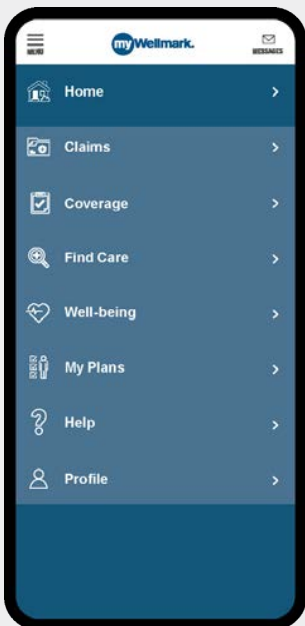
By proactively addressing these financial risks, cooperatives can continue to serve their members while achieving long-term sustainability. ✓





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