

Worksite Benefits

Worksite Benefits, also known as Voluntary Benefits, can be a cost-effective way for employees to pay for a wide range of expenses not covered under an employer paid benefit package.

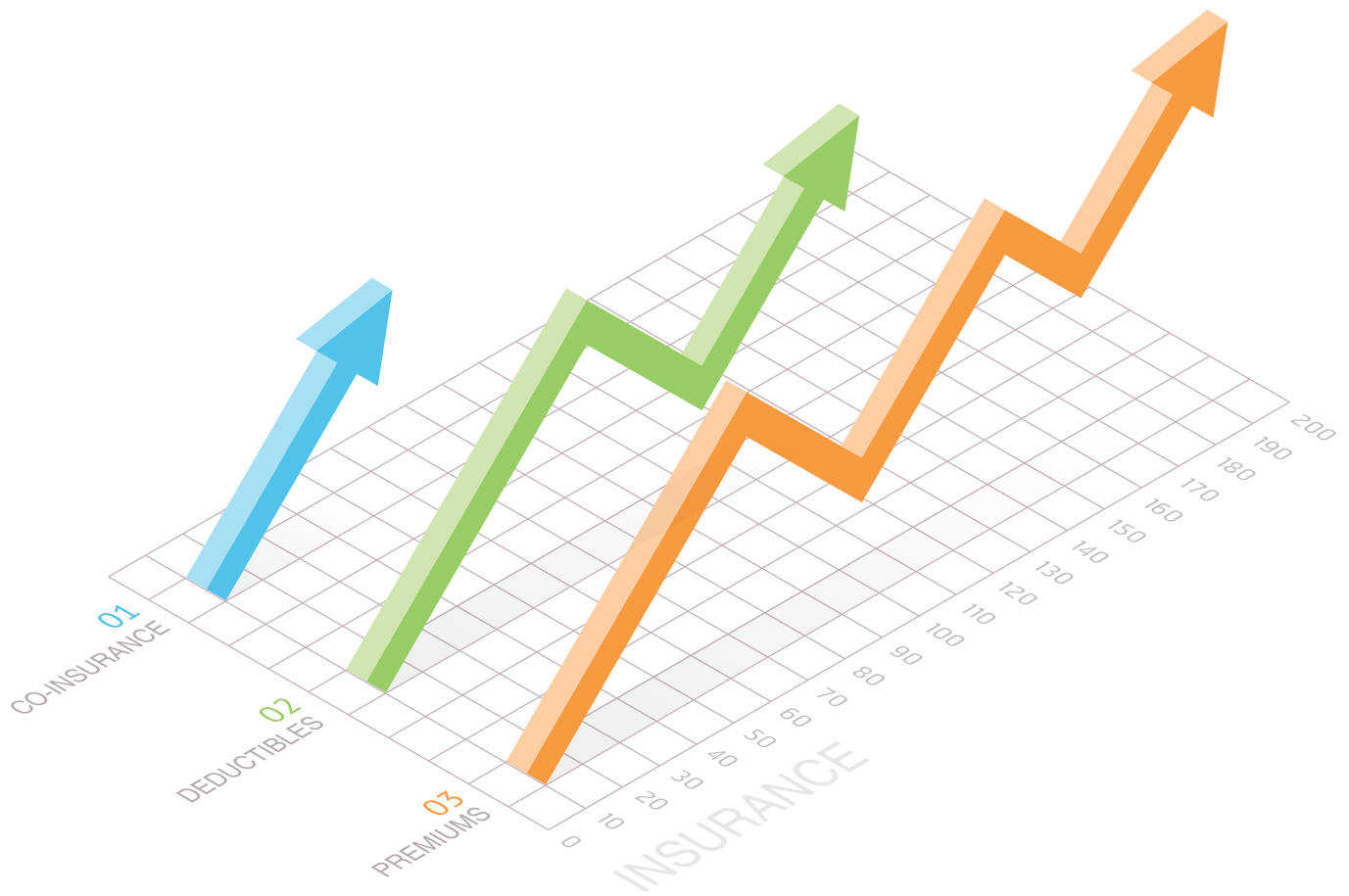


P E R S P E C T I V E

The Worksite Benefit Team at My Benefit Advisor has developed effective strategies to help employers bolster their employee benefit portfolio through a well-designed voluntary benefit package.

As a business owner, the ability to supplement your core benefit offering with carefully chosen, employee paid voluntary benefit programs allows you to both attract and retain critical talent, enabling you to successfully grow your business.

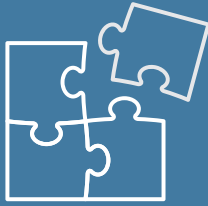




Today, as insurance premiums continue to rise and many companies are increasing deductible and co-insurance levels, worksite benefits are becoming a critical means of providing employees with the benefit coverage levels they need.

Whether your company is large or small, there is a portfolio of voluntary benefits available that can supplement your core benefit program, providing additional coverage and protection, tailored to the specific needs and demographics of your firm's workforce.

The advantage of worksite benefits is that employers are able to provide these additional benefits to their employees with little or no cost to the company. And today, technology has greatly enhanced the levels of communication and education that can be provided to all employees, ensuring that everyone fully understands the scope and details of benefits being offered to them. This same technology has also enabled the entire enrollment process to run smoothly and with minimal workplace interruption.



Are your employees satisfied with the benefit package you've put together for them?

Although you probably think you've put together a solid core benefit package, from an employee perspective there might be some gaps in desired coverage that a worksite benefits package can fill.

A Brief Overview

Worksite benefits allow an employer the ability to provide a wide range of additional benefit programs and services to their employees at no cost to the company. Employees are presented with portfolio of products to supplement the traditional medical, dental, vision, life and disability programs that make up the employer's core benefit package.



Since the benefit needs of a single 27-year-old may be very different than those of a married 45-year-old, a voluntary program allows each employee to enroll in only the additional coverages that fit their own particular place in life.

With the wide variety of voluntary products available in the marketplace, a properly designed worksite benefit portfolio should provide everyone the option to enhance their personal and/or family benefit package to cover their specific needs at a reasonable cost.



This is because in addition to filling needs and gaps in the core benefits package, a voluntary benefit program also benefits employees by providing access to these products at lower prices than what they would pay individually if they had to obtain them on their own.

Additionally, since premiums can usually be paid via payroll, pre-tax dollars can often be used to pay for the voluntary benefits, providing the employee with even greater savings.

Voluntary benefit programs also benefit the employer since

- there's little or no cost to them (employers can pay none of or any part of the cost)
- both employee morale and employee retention is increased, and
- a more robust benefit package may increase the ability to attract top talent.

There is no absolute minimum number of employees required for a voluntary benefit program, although most vendors will begin offering a package to groups with at least 3-5 employees. Minimum participation requirements will vary based on the number of eligible employees and the type of products offered.

Since employers are finding it increasingly difficult to provide employees with a complete benefit package, worksite benefits are quickly becoming an ideal solution.

To recap, worksite benefits are:

- Products and services made available to employees by an employer for elective purchase
- Enrolled by a carrier, vendor or enrollment firm
- Paid by the employee through payroll deductions





Worksite Benefits Now a Critical Piece of An Employee Benefit Package

Today most employers consider voluntary benefits as a critical component of their overall benefit strategy.

For a long time, worksite benefits were considered just “something to offer in addition to a core benefit package.” Today, however, this is no longer the case as most employers consider voluntary benefits as a critical component of their overall benefit strategy.

With an increasingly diversified workforce, voluntary benefits have become a way to address a variety of employee needs, offering them freedom to choose those programs that enhance their personal health and wellbeing and provide security for them and their families.

Additionally, worksite benefits have become a differentiator for many employers. In addition to the more traditional products offered, such as life, disability, hospital indemnity and accident coverage, today’s employers have recognized their employee’s concerns for education and financial well-being by offering educational training and access, student loan and debt repayment programs, personal financial planning, pre-paid legal and identity theft protection.

An increasingly diverse workforce has changed the workforce environment in many ways and employers have responded to this change by embracing new and innovative worksite benefits that better cater to the needs of their employees.

A Few Common Worksite Benefit Programs Explained

Although there are more than a couple dozen possible worksite benefit programs available to most employers, these are the programs offered most commonly and most needed by employees:



Life Insurance

Term Life is the most common type of life insurance program offered in a worksite benefit package and these policies are usually offered to all employees regardless of health up to certain guaranteed issue limits. Once the guaranteed issue limits are reached (based on group size and other factors), an employee can purchase higher amounts, subject to underwriting (health questions). Permanent forms of life insurance, such as Whole Life and Universal Life are also available, although their costs are higher than the cost for term life insurance. Unlike term life, however, both whole life and universal life build cash values. A benefit specialist can help employees decide which is best for their specific needs and financial abilities.

Disability Insurance

After good medical insurance, income replacement (or more commonly, disability coverage) is the next most important insurance for most people to assure they are adequately protected. Both short term and long-term disability products are typically available, as is supplemental disability insurance.

Accident Insurance

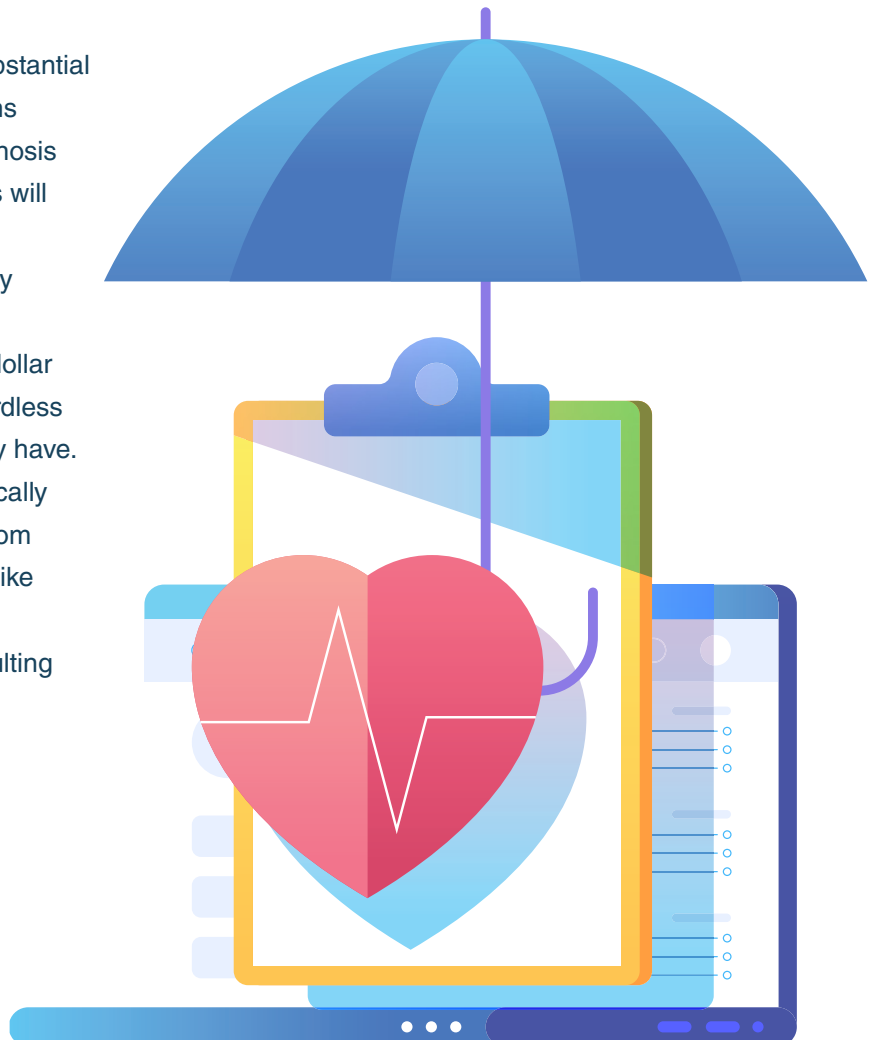
Expenses build quickly with an accident and this policy provides benefits that individuals can apply toward these unexpected costs. The benefits for this type of insurance are typically paid based on a specified injury, such as a broken leg or fractured wrist, and the payment could be used for things like transportation or lodging costs.

Cancer Insurance

When a cancer diagnosis is received, the last thing most people want to worry about is the impact the illness will have on their financial health. Most carriers, as a result, provide a lump sum payment that can range from \$10,000 to \$100,000, upon the diagnosis of various types of cancer, allowing the individual to better focus on recovery.

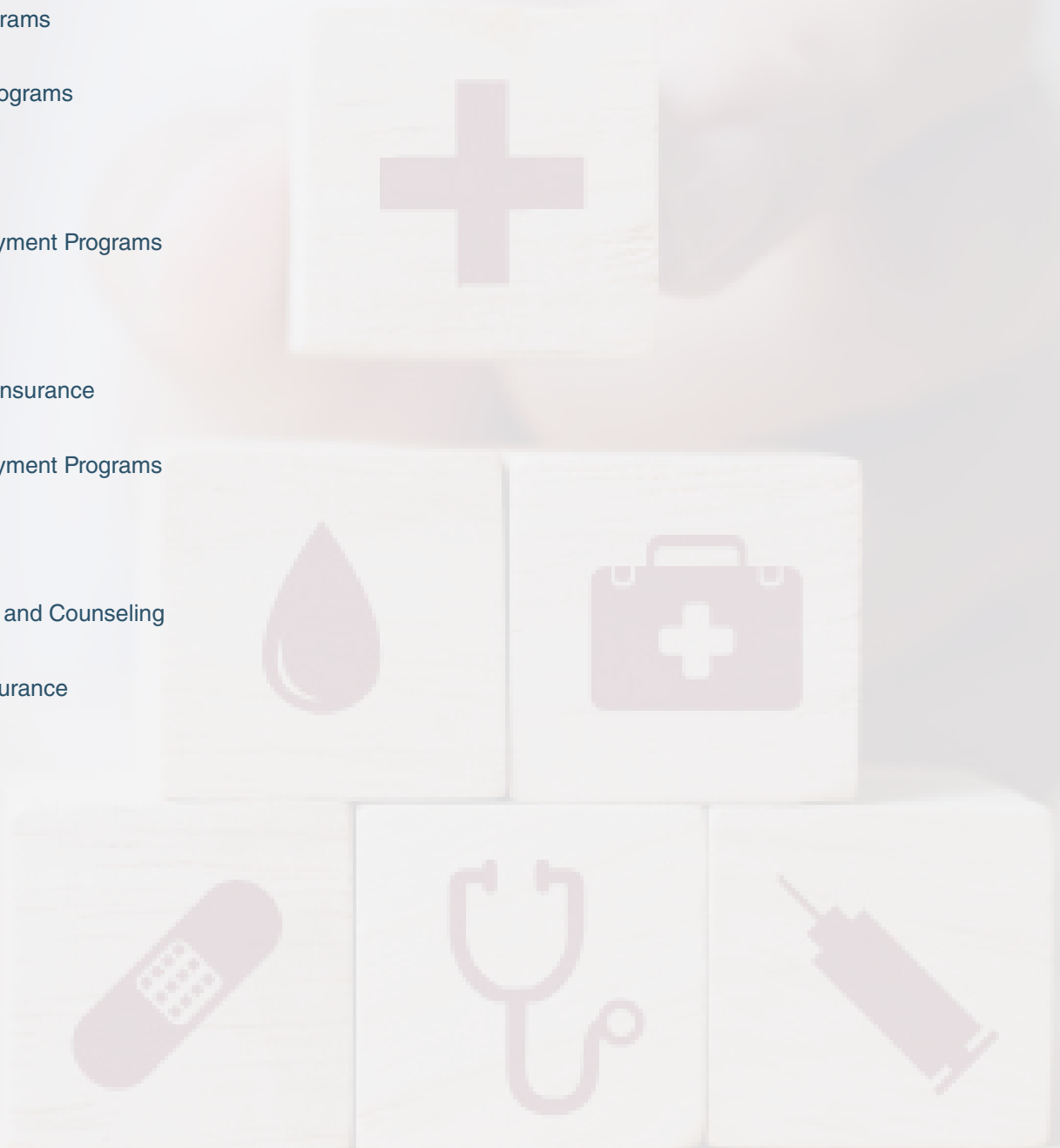
Critical Care Insurance

Serious health events typically carry substantial expenses to the patient. These programs typically pay benefits based on the diagnosis of a named critical illness. Most carriers will list among their covered illnesses things like cancer, heart attacks, strokes, kidney failure, blindness, paralysis and major organ transplants. The designated flat dollar payments are made to the insured regardless of any other coverage the individual may have. The rationale for this is that there is typically a significant financial liability resulting from unreimbursed expenses, both medical (like deductibles and coinsurance) and non-medical (like travel, child-care, etc.) resulting from such illnesses.



A Partial List Of Some Additional Worksite Benefit Programs For Employers to Consider:

- Dental Insurance
- Vision Insurance
- Pre-Paid Legal Programs
- Debt Repayment Programs
- ID Theft Protection
- Student Loan Repayment Programs
- Pet Insurance
- Hospital Indemnity Insurance
- Student Loan Repayment Programs
- Accident Insurance
- Financial Education and Counseling
- Long Term Care Insurance



The Keys to A Successful Worksite Benefits Program

When properly planned and executed, worksite benefits provide a tremendous value to both the employer and employee, successfully filling any gaps in the employer's core benefit program. But how do you assure that your program is successful? Here are a few tips.

Creating the Right Portfolio

Choosing the right portfolio requires sound knowledge of your workforce. Just knowing their age, gender and family status is not enough ... it's also important to know the needs and expectations of your employee population. Surveys can assist you with this, as can any claims utilization data you may have. Once you understand their needs and expectations, it will be easier to select the vendors and products that most accurately fit your own company specific requirements.

Timing

There are two schools of thought regarding when a company should offer worksite benefits to their employees. One option is to roll out a worksite benefits enrollment during the company's annual open enrollment period. While this makes sense in many respects, there is a concern that employees are already facing increases in the costs for coverage in their core benefit package and may be less willing to add on additional costs for worksite benefits. The other option is to introduce your worksite benefit program off-renewal, when employees may be more focused and less concerned about adding additional costs to fill coverage gaps and personal needs. Ultimately, the best time to schedule your worksite enrollment is the one that works best for you and your employees.



Enrollment Strategy

Enrollment strategies will vary based on the demographics and capabilities of each workforce. Smaller companies may be able to arrange a meeting for all employees in a single conference room, while larger companies may require technology solutions such as web conferencing. More sophisticated work forces will allow technology to play a key role, while others may require more one-on-one presentations. The important thing is to know your workforce and plan in advance for an organized, well-thought out process. Communication channels such as voicemail, email blasts and text messaging can be effective tools to start preparing employees for the upcoming enrollment process. The way the program is presented will be key in determining its effectiveness.

Workforce Engagement

It's not only important that employees understand the value of the benefits you are presenting to them but also that they understand the details of each option so they can best choose those that fit their needs best. Today's carriers and vendors can provide assistance, as can technology platforms, wellness incentives and new methods of communications. These tools can better equip employers to highlight the opportunities available to employees and assure that each employee is better engaged in the process of choosing their worksite benefits.



What Are The Advantages of Offering Worksite Benefits?

For the Employer:

- Control over health care budget as costs increase
- Cost-effective means of countering benefit reductions
- A way to enhance employee benefit package at no extra cost
- Improves ability to attract and retain critical talent
- Provides a competitive advantage of industry peers with lesser employee benefit programs
- Can reduce corporate taxes by cutting FICA tax contributions
- Keep employees happy

For the Employee:

- Ability to customize benefit selection to fit their needs
- Better pricing than they could get on their own
- More convenient and less time than shopping for coverages on their own
- Convenience of payroll deductions with possible pre-tax dollars
- More lenient underwriting requirements than might be required on their own
- Many programs are portable and can be taken with them even after they leave the company
- Provide increased protection and peace of mind



Case Study:

Using Worksite Benefits to Create A More Robust Benefit Portfolio

The Issue

One of our groups, a marketing firm with 74 employees, came to us recently looking for ways to build a more robust benefit portfolio with minimal impact on their employee benefit budget. They were exploring ways to reduce employee turnover and compete more aggressively against larger companies for new talent.

Our Solution

Since their benefit package certainly was competitive for groups of their own size and because they didn't want their benefit costs to increase, our strategy team decided to focus on the implementation of a worksite benefits package. Also known as voluntary benefits, worksite benefits usually have little to no cost to the employer, but provide a way for employees to purchase needed coverage at group rates.

We analyzed the company's core benefit programs to find any gaps in coverage and put out an employee survey to ascertain their needs. After sorting through the data, we developed a package of voluntary benefits that included a critical illness plan, life insurance, disability insurance, a hospital indemnity plan and vision insurance and offered the benefits at the company's next open enrollment.

Impact/Result

In the months since the voluntary program became effective, the employer has reported very positive personnel feedback and a lower employee turnover rate. Three of their new hires have indicated the strength of the employee benefit package as a major factor in their decision to accept the employment offer from the company.



About My Benefit Advisor

My Benefit Advisor (MBA) is an employee benefits platform designed to guide employers through the complexity of planning, communicating and managing a successful employee benefits program.

To learn more about My Benefit Advisor, visit us online at

www.mybenefitadvisor.com

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