

# A Defined Benefit Solution

A long-time group benefits customer with 65 employees located in Cherry Hill, New Jersey.

## Key Challenges

As our client grew in size over the years, they found that their staff became increasingly diverse with unique medical needs and wellness concerns. Although the company's owner was willing to address the varied interests of the employee population, budgetary restrictions were also a factor and needed to be considered in any solution.

## MBA Solution Presented

To accomplish the goals laid out by the employer, our MBA team suggested a defined contribution approach. A defined contribution strategy would allow the employer to put together a menu of possible benefit options each employee could choose from and define a maximum monthly contribution the company would pay towards the chosen benefits.

Each employee would then have the ability to select the programs that are best suited for their own family's needs from those offered and would be responsible for any overage in cost, if any. With feedback from the employees and some of our experience with companies of similar demographics, we helped the employer put together the product offering for the next open enrollment period.

## Measureable Results

The workforce welcomed the ability to customize their coverage as needed and were better educated with the cost and value of each program. With a greater variety of programs in the offering, this approach more adequately addressed the varied needs of a diverse employee population.



The defined contribution strategy met the employer's objectives by accommodating the variety of employee health needs and maintaining control over the healthcare budget. As a bonus, the employer wound up with a first year savings of \$33,000.