

Which Benefits Do Employees Really Want on Their Benefit Plan?

Great question and one for which the answer will be continuously changing!! In fact, after providing clients with Employee Benefit Plans for the past 18 years I can honestly say that there is truly NO correct answer to this question just as there is no One Size fits All Benefits Plan!!

Making a Group Benefits plan available to your employees can be a challenging task as meeting the health-related needs of a diversified group of people both in age and desires in a cost-effective manner can be over-whelming. Just as you would approach any business decision, your selection of the types of benefits you will provide your employees should be approached with sound business practices and judgement. I believe that your benefits plan should never be based on what other organizations or your competitors offer, **but should be structured on what is right for your organization and what your people want!!**

To understand and identify what your employee's needs are, I would recommend that you ask the right questions of those employees – perhaps what they are wanting or expecting is not what you would have anticipated. It is important to balance the requirements and expectations of your employees with your overall cost of providing a benefits plan while still meeting your company's organizational needs and budget.

VOLUNTARY BENEFITS, FLEXIBILITY AND CONTROL

Over the past few years it has become very popular for plan members to ask for more choice and the ability to customize their benefits from both a health and financial perspective. As a result, many employers have chosen to add a selection of Voluntary benefits such as various forms of insurance such as Life, LTD and Critical Illness, home and auto coverage, eldercare coverage, group RRSPs, etc. These benefits would be in addition to the Core Plan provided by the employer and would be paid for by payroll deduction. Interestingly, in a Mercer report, it was concluded that 61% of employees calling for greater flexibility in their benefits choices would reduce the value of some benefits they receive and increase others if they had the choice. The number increased to 65% for younger employees. **So it would be safe for me to say that one of the most pronounced rising trends for benefits being provided, is that Employees want CHOICE to take control of their own physical and financial health.**

For example, Generation Y, also referred to as the Millennials, are expected to comprise approximately more than 40% of the labor force by 2020. That is more than the Baby Boomers and Generation X combined. So what type of benefits are these younger generation employees looking for? According to a recent Sun Life report, they have a desire for "flexibility and customization in everything from professional development to benefit packages." They rarely like traditional plans that cover things that aren't relevant to them while not offering enough or any coverage for things that are relevant to them. Therefore, my plan recommendation for Generation Y would be to think outside of the box by implementing one of Health Risk's Flexible Spending Account (FSA) options – as an employer you could provide the employee the opportunity of using any portion of their funding dollars for either Non-Taxable Health, Dental & Vision expenses OR for Taxable benefits inclusive but not restricted to Health & Wellness, Insurance or Retirement Funding. Not only does an FSA provide the requested choice &

flexibility but it also provides the Employer with the necessary budget control. Check the HRS website for additional information on how we can build your customized Flexible Spending Account.

It is imperative for the success of your Benefit Plan that you address both the needs and the wants for each of the generational age groups within your employ, so for my further recommendations, stay tuned for upcoming monthly messages!

TRADITIONAL HEALTH BENEFIT PLANS

What I find really surprising is that according to the 2017 Sanofi Canada health-care survey, a mere 11% of employees are completely satisfied with their coverage levels for all 5 of the major areas of their health benefits plan. The survey indicated that 25% of the members were eager to boost their coverage for major dental services, 21% for vision care and 21% for paramedical services. The research indicated that employees continue to value dental and prescription drug coverage the most. It also suggested employers that provide more coverage for chronic conditions may have a competitive advantage over those who don't provide coverage. It has always been my belief that employers that provide strategic drug coverage to adequately address chronic illness, are going back to their core philosophy as to why they provide benefits at all – because they care about the welfare of their employees and wish to ensure that they have access to the healthcare they require while, at the same time, ensuring that their employees function normally at work despite their health conditions.

Following are a few of the “benefit wants” that I have encountered being requested by employees, all of which you as a sponsor would need to consider carefully before incorporating into your Group Benefits Plan:

1. Preventative Health-Care measures such as:
 - a. Adult Vaccinations
 - b. On-site health risk screenings
 - c. Coaching for Nutrition
 - d. Coaching for Personal Health Goals
 - e. Coaching for Managing Chronic conditions
2. Additional Group Discounted Insurance such as:
 - a. Life Insurance
 - b. Critical Illness Insurance
 - c. Long Term Care Insurance
 - d. Home & Auto Insurance
 - e. Pet Insurance
3. Health & Wellness Accounts
4. Health Spending Accounts
5. Flexible Spending Accounts
6. Modular Benefit Plans
7. Cafeteria Plans

It is a known fact that plan sponsors are generally reluctant to add on additional coverage if the additional costs are going to be directed solely to the company, but surveys indicate that a high percentage of employees are willing to absorb the cost when they will be personally using the benefit. The alternative in today's economy is that some employers may find themselves considering removing benefits entirely or cutting back on the coverage...please consider this decision carefully as surveys indicate that employees would prefer to contribute a higher portion of the premium rather than losing their benefits.

Health Risk Services has been providing clients with all of the above plan designs for over 18 years and would be happy to assist you in your decision-making process of whether one or more of these options would work for you and your vision of the best Group Benefits Plan for your organization.

Remember – Benefits are a Privilege – Not an Entitlement!

***Thanks for reading my message and I invite you to share with me
next month when I discuss:***

The Question of VALUE on Benefit Plans