Voluntary Benefits—a Creative Solution for a Changing Workforce

The right voluntary benefit options, supported by education, communication and technology, are no longer optional—they're necessary in today's competitive talent market. Going beyond essential benefits to engage employees with a more creative mix will help employers elevate their reputation as a destination employer.

With boomers rapidly retiring and millennials flooding the workforce, it's clear that employers need to be prepared for a new kind of employee. For today's workforce, the ability to personalize benefit options and use technology to find information and make choices are basic expectations.

Seeing nontraditional benefits through a new lens
Adding innovative voluntary options to a benefits package is one of the most important ways an employer can differentiate itself. Because the cost is usually covered by the employees, there is little downside to offering a wide variety of products to meet the needs of a diverse workforce. Nontraditional products go beyond the often-mentioned pet insurance to include legal/ID theft insurance, long-term care, and even student loan repayment programs. These coverages help ensure that employees have access to benefits they value and need, whatever their current stage of life.

With voluntary benefits, employers can fill gaps and strengthen the appeal of their offerings to unique populations that have distinct preferences.

Another current trend is support of personal and professional development. For example, online career development is a benefit that could help employees avoid student loan debt. Education benefits can be a valuable part of employees' total rewards, especially when they are offered as a voluntary benefit at no cost to the employer. This includes options for employees and their dependents to access online college courses, but can also include credentialed programs like professional certifications and career diplomas.

Integrate voluntary benefits with traditional options
Offering new, appealing and diverse products is not enough—it's also essential to make sure these products are fully integrated with traditional options such as health plans. This process can be complicated, requiring a specialist who understands how benefits work together, especially when combined with a high-deductible health plan (HDHP) or consumer-directed health plan (CDHP)—both of which have higher out-of-pocket deductibles than traditional medical plans.

These newer health plans are becoming the norm for many employers. Nearly half (46%) of employers may offer a CDHP within two years, and that change will create a growing need for supplemental coverage like accident, critical illness, cancer care and hospital indemnity insurance. With voluntary benefits, employers can fill gaps and strengthen the appeal of their benefit packages to unique populations that have distinct and changing preferences.

Because employees' personal financial stress affects their work performance, companies are beginning to increase the availability of financial wellness offerings with services like financial education and counseling, employee purchase or discount programs, and even short-term loans.
STRATEGIC VOLUNTARY BENEFIT INSURANCE COVERAGES

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Accidental death and dismemberment</td>
<td>88%</td>
</tr>
<tr>
<td>Critical illness</td>
<td>42%</td>
</tr>
<tr>
<td>Cancer care</td>
<td>40%</td>
</tr>
<tr>
<td>Hospital indemnity</td>
<td>31%</td>
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<tr>
<td>Long-term care</td>
<td>29%</td>
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Engage employees by communicating about benefits in new ways

With the continuing trend of workforces that span generations and locations, companies understand the value of multifaceted communications that fully promote the benefits of voluntary products. Creative employers could even explore the use of social media or internal social sites and tools. Other digital means, like mobile devices, video, benefit portals and interactive tools, will continue to help improve education and communication about voluntary and other benefits.

With the stable economy and an active job market, attracting, engaging and retaining top talent is a bigger challenge than it’s been in the recent past. The desire of employees to choose benefits that are important to them aren’t likely to change in a world where personalized experiences have become the norm. So it’s up to employers to see the value in changes that conform to this reality. By enhancing traditional benefit staples with newer, more creative options, they have a fresh opportunity to distinguish their employee benefits package from the competition.

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Tim co-leads the strategic direction and day-to-day operations of the national practice. He guides consultants, client-service staff and enrollment specialists on delivering industry-leading pricing, underwriting and enrollment solutions.

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Richard applies more than 20 years of experience in helping his teams provide exceptional value to clients. Working closely with consultants, he supports their ability to combine Gallagher’s extensive national resources with their highly specialized expertise to deliver cost-effective solutions.