

The advantage of choices

How to increase employee engagement with alternative benefits offerings

As a trusted partner and advisor, benefits brokers have the opportunity to educate and counsel employees year-round on benefits offerings to keep them engaged. All too often though, benefits professionals become entangled in the process — only focusing on the employer or HR director. They develop tunnel vision when it comes to recognizing and minimizing the impact selecting benefits each year has on employees.

“The bottom line, benefits are confusing and stressful. Many employees make their benefits decisions without fully understanding the offerings available to them, how they work and more importantly whether or not a plan is suited for their unique needs,” says Ron Carmassi, sales executive at JRG Advisors.

Smart Business spoke with Carmassi about how alternative benefits can help alleviate dissatisfaction with benefits programs.

Where do some benefits programs fall short and how can employers fix this?

A 2016 Harris Poll revealed that half of employees find benefits decisions to be stressful, 20 percent regretted their choices and 41 percent found open enrollment to be extremely confusing. The poll also found that while HR directors spend a significant amount of time and effort throughout the year preparing and sourcing options for employees, only one-third of employees actually read the material. This lack of education and knowledge creates anxiety and dissatisfaction around the benefits program.

The secret ingredient lies in education. Most employees associate ‘benefits’ with ‘health insurance.’ While health insurance is the main staple, there are a wide array of lesser-known benefits to offer and employees may not be aware of all their

options. Alternative benefits offerings, aside from standard health insurance, can play a vital role in increasing employee satisfaction and ultimately their engagement.

What are examples of alternative benefits?

Voluntary benefits: These benefits are a great way to enhance your total program and increase employee satisfaction, with little impact on the budget. Some types of voluntary benefits that can deliver convenience and value are accident, critical illness and pet insurance. Employees need a clear understanding of not only how the coverage works, but also the benefits of having coverage and the potential risks of going without.

Life insurance: While it can be depressing to prepare for your mortality, it’s an important topic. LIMRA, a research and consulting firm, determined that 30 percent of Americans don’t have life insurance, and 48 percent of households have an insurance gap of \$200,000 or greater. The research also found that from 2010 to 2016, life insurance enrollment increased 10 percent among millennials as they began aging, buying homes and having children. A life insurance plan can be valuable to younger employees who may be starting families. If you already offer life insurance, all employees should be reminded to review and update their policies.



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Short-term/long-term disability:

Regardless of whether your workforce is young or old, long-term disability should be considered. No one is immune, so take a multi-generational approach. Many of the older employee population have families and recognize the importance of protecting themselves in the event they’re unable to work. For younger employees, it’s an opportunity to remind them that disabilities are a real possibility. While ‘disability’ is commonly associated with a catastrophic condition, it could simply mean being temporarily unable to work due to back problems or surgery. In any case, it’s always better for employees to be safe than sorry.

Retirement plans/401(k): Whether employees are close to retirement or have decades left in the workforce, saving for retirement is a key component of financial security. Offering a 401(k) or other retirement benefits can increase employee loyalty and is a great recruitment and retention tool. But they are only helpful if employees are aware of and understand them. Many people participate in a 401(k) contribution plan and develop an out-of-sight, out-of-mind mindset. Open enrollment is the perfect time to review retirement savings. If an employer provides a 401(k) match up to a certain percentage, employees should be encouraged to increase their contribution to that threshold. ●