



Paving the Road to Financial Wellness with Voluntary Benefits

A Guide to Tailoring Benefits to Meet Employees' Diverse Needs

Table of Contents

| | |
|---|----|
| Introduction | 3 |
| Exploring Employees' Financial Wellness | 5 |
| Understanding What Matters to Today's Employees | 8 |
| Building a Comprehensive Voluntary Benefits Portfolio | 11 |
| Popular Voluntary Benefits by Employee Type | 17 |
| Voluntary Benefits Best Practices | 28 |
| A Benefit Broker's Perspective | 30 |
| Conclusion | 32 |
| About Purchasing Power | 33 |
| References | 34 |

Introduction

A company's employee benefits program is a key driver in recruiting and retaining its workforce. Benefits help determine employee satisfaction, and potential recruits look closely at a company's benefits package during the hiring process. Consequently, well-designed benefits plans should be based on the desires and needs of employees in addition to supporting business objectives.

Voluntary benefits, once considered just a nice extra for a more comprehensive benefits package, are now becoming an essential element of the employee benefits program. They are growing in popularity because they allow employees to customize their benefits package and choose what suits their individual needs. Today's diverse workforce – spanning three generations from Millennials to Baby Boomers – have different benefit needs, and with voluntary benefits, workers can choose what suits their particular situations.

With the Affordable Care Act in full swing, we are starting to see its impact. And as healthcare costs continue to rise, employers are pushing benefit decision-making responsibility to their employees and voluntary benefits are taking on a new role. A key advantage to employers is that there is no cost to the company to provide voluntary products, and employees can generally purchase them through discounted group rates.

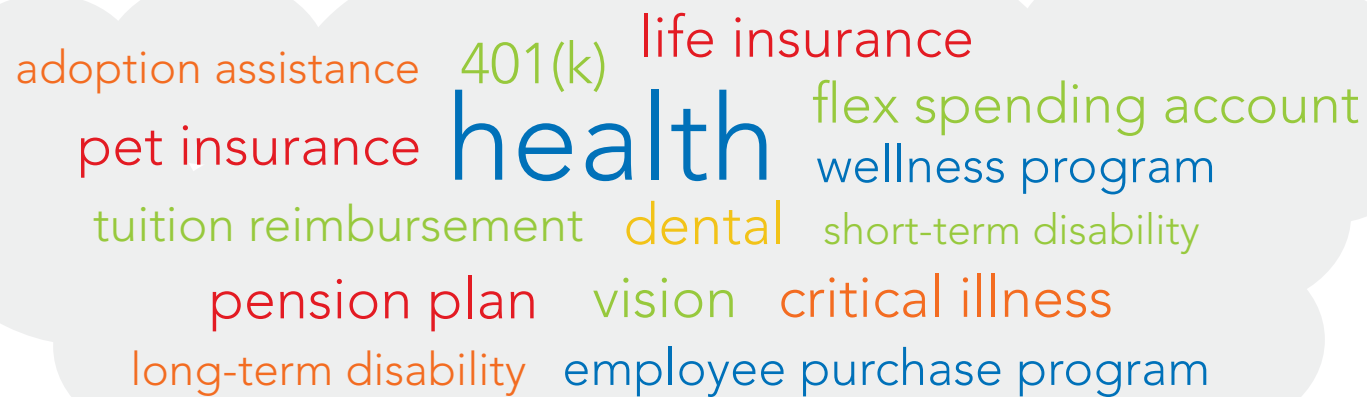
*Today's diverse workforce – spanning three generations from Millennials to Baby Boomers – have different benefit needs, and **with voluntary benefits, workers can choose what suits their particular situations.***

In fact, many in the industry believe that voluntary benefits should now be advertised and heavily promoted to employees as an important component in their overall portfolio of benefits.¹ Supporting that belief, a 2013 Towers Watson survey indicated voluntary benefits offered by employers will more than double over the next five years.²

The wide range of options available through both traditional and non-traditional voluntary benefits make them very attractive to employees. Even though they have to pay the premium for the benefit, employees can choose voluntary products that are important to them. Most importantly, a robust voluntary benefits offering can help employees' overall financial wellness. Because the employee is the buyer of voluntary benefits, employers need to know what voluntary products will most benefit their workers' demographics and what appeals to them emotionally.

How do today's employers decide which voluntary benefits to offer?

The purpose of this Guide is to help answer that question by outlining the comprehensive array of voluntary benefits in the marketplace today, profiling the typical employee types in the workforce today, and illustrating the voluntary benefits that best fit each employee type.



adoption assistance 401(k) life insurance
 pet insurance **health** flex spending account
 tuition reimbursement dental short-term disability
 pension plan vision critical illness
 long-term disability employee purchase program

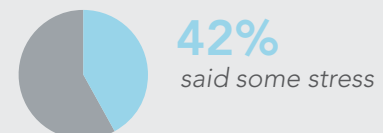
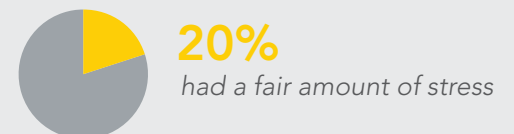
Exploring Employees' Financial Wellness

While gains in the stock market and the economy have led some companies to believe their employees are also recovering financially, that's not the case. According to most research, many employees are struggling financially, and the stress associated with it is taking its toll. Employees are stressed out from financial concerns, and they admit it distracts them at work.

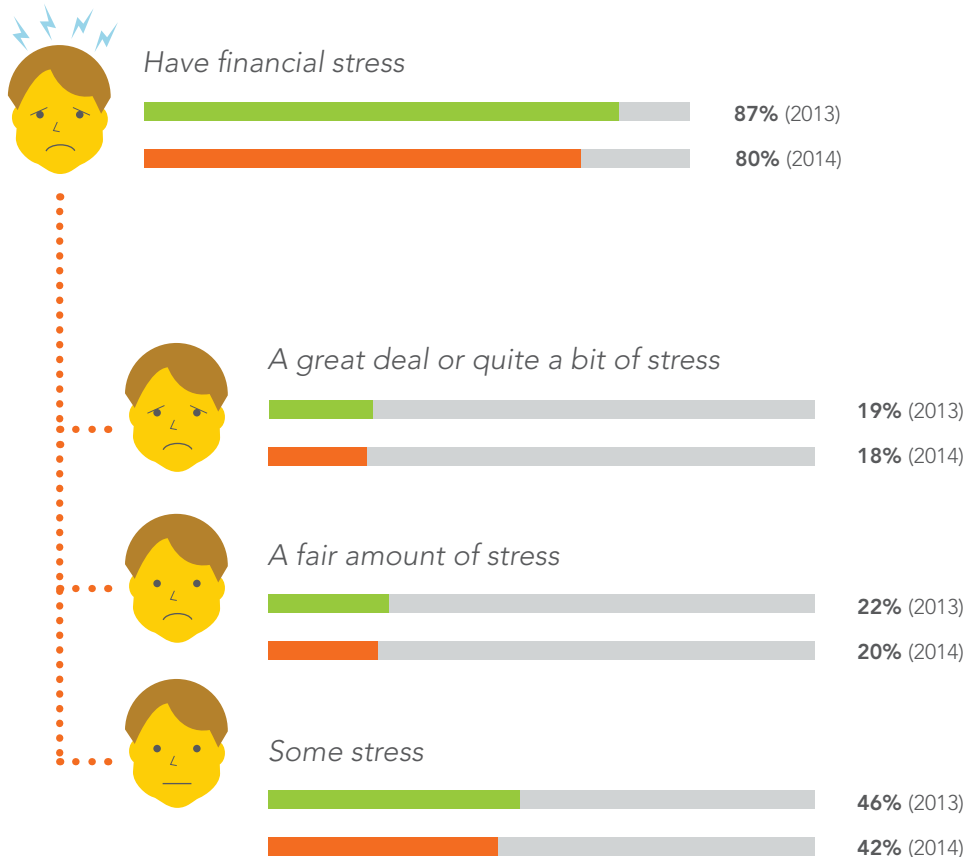
In a July 2014 Harris Poll on behalf of Purchasing Power, 80 percent of employees working full-time said they have financial stress today. Eighteen percent reported a great deal or quite a bit of stress; 20 percent had a fair amount of stress and 42 percent said some stress. Many respondents indicated that their stress is related to both long-term and short-term financial needs.

Specifically, 67 percent indicated the stress is related to long-term financial needs (savings, retirement plan, etc.), while 60 percent said it was short-term related (everyday living expenses as well as unexpected financial needs such as car repair, appliance replacement, emergency medical expenses).³

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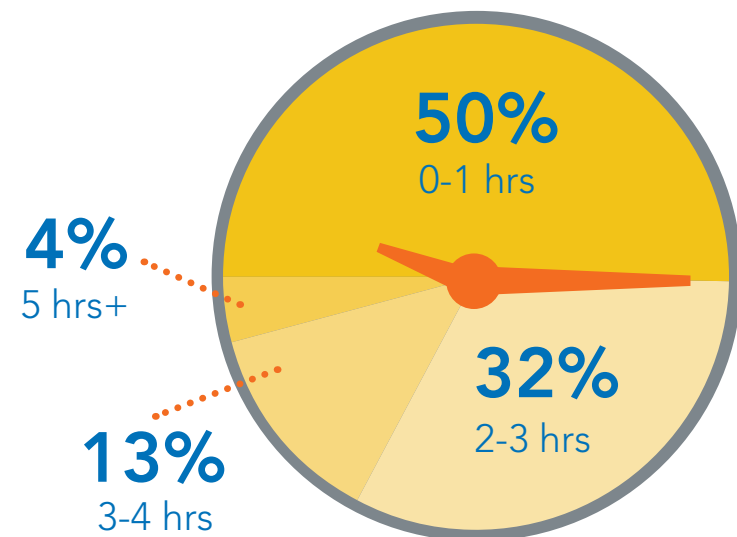
Purchasing Power launched a similar poll in 2013 asking employees about the state of their finances. Interestingly, the 2014 survey results don't differ much from the 2013 survey when employees were asked the same question about the amount of their financial stress:



Employees' financial situations might be personal, but they bring those concerns to work with them, and ultimately, financial stress becomes a distraction while at work. In the July 2014 Harris Poll, 33 percent of employees (up from 29 percent the previous year) said they spend time dealing with their personal finances during work hours, such as making calls to creditors or figuring out a budget. When asked how many hours per week they spend dealing with personal finances at work:

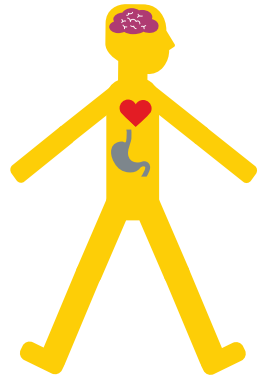
- 50 percent said 0 – 1 hours;
- 32 percent said 2 – 3 hours;
- 13 percent said 3 – 4 hours; and
- 4 percent said 5 hours or more.⁴

Time Spent per Week Dealing with Personal Finances at Work



Financial Stress and Healthcare Costs

Perhaps even more troubling are the health-related costs that result from employees' lack of financial wellness. Employees who have high stress due to financial debt may experience:



44% greater chance of suffering migraines;

500% increase in anxiety and depression;

2x the rate of heart attacks, and

3x the rate of ulcers or digestive issues.⁵





Any of these issues will contribute to increased healthcare costs and a higher rate of absenteeism from employees due to illness, again negatively impacting productivity.

What can you do to help?

Employers should proactively address their employees' current financial stability as it helps both the employees and the company's bottom line. But even more, employees are expecting companies to help them build a financial safety net through their benefits package.

Most companies are already providing core benefits, but they need to dig deeper and offer a wide variety of voluntary benefits to help increase employees' financial well-being, resulting in a more focused, productive workforce.

Signs of Employee Financial Stress

-  Withdrawing multiple loans against their retirement savings
-  Asking for payday advances
-  Unexpected absences
-  Medical issues that could have been avoided through preventive care
-  Spending time dealing with personal finances while at work

Understanding What Matters to Today's Employees

Today's workforce spans three generations that look at work, life, money and finances in totally different ways.

- The Baby Boomers are the oldest generation in the workforce. They are generally the ones at the top of the companies. Some are already contemplating retiring. And according to AARP, they make up 38 percent of the workforce.
- The middle generation is Generation X which has a distinctly individualistic outlook. The U.S. Bureau of Labor Statistics reports that Gen Xers make up one-third of the workforce.
- The remainder make up the youngest generation in the workforce – the Millennials, also referred to as Generation Y. They have higher expectations when it comes to promotions and recognition.

Employers should get to know the makeup of their workforce, how they think and what their financial outlook is.

3 Generations in the Workforce:

Baby Boomers



Generation X



Millenials





Millennials (born 1980 – 2000)

Millennials' work ethic is that professional fulfillment matters more than salary. They expect rapid promotion and meaningful work or they seek other opportunities. They often juggle many jobs and move from job to job frequently. Their greatest fear is silence, unplugging, routine and eternal internship. Keys to job retention for Millennials are personal relationships, multiple tasks and fast rewards. Their benefits needs include portable benefits, forced savings, financial education and concierge services.⁶

Key values for Millennials include future financial security and better quality of life. To improve their financial situation, they need a better job or a promotion and expert advice on how to make the most

of their money in addition to beginning a 401(k) or other retirement plan.

In general, Millennials are very highly educated. One-third of Millennials have four-year college degrees, but that comes with a high price tag. The average Millennial has \$29,000 in student loan debt alone.⁷ Not surprisingly, they are also more worried about getting rid of or incurring additional debt than their day-to-day expenses.



Generation X (born 1965 – 1979)

Gen Xers' work ethic is balanced and flexible with a 'work hard, play hard' attitude. They believe in accumulating skills by taking on differing projects. Their

greatest fear is being overshadowed by Millennials and being overlooked for promotions. Keys to job retention for Generation X are salary, autonomy, independence and promotion, promotion! Their benefits needs include income protection, family support, customizable plans, automatic retirement management and retirement education.⁸

This generation's financial stressors come from multiple angles. They are raising children, preparing for care of their aging parents and trying to save for their own financial futures. The rapidly-changing retirement, Social Security and healthcare landscape hits them the hardest.

Because of these factors, they appear to be having the toughest time financially. They find it difficult to meet their household expenses on time each month and are the most likely to carry balances on their credit cards.



Baby Boomers (born 1946 – 1964)

Baby Boomers' work ethic is driven and committed, and they believe that rewards come after paying one's dues and building a career. Their greatest fear is losing their pension, savings or job and being unable to retire. Keys to job retention for Baby Boomers are salary, job security and health benefits. They want to count on medical insurance and back-up care for their parents.⁹

Some Baby Boomers are in second careers. Some still have grown children living at home and/or are helping them out financially until they can support themselves. For the most part, if there's something Baby Boomers want, they

are able to buy it. However, many will question if they should buy it or rather save that money. Instead, they are trying to be financially responsible and scaling back from a materialistic lifestyle.

Baby Boomers, even if they are high earners, worry about retirement – both having enough money for retirement and wondering when the right time is to retire.

Building a Comprehensive Voluntary Benefits Portfolio

Employees want voluntary benefits, saying they increase the value of their company's overall benefits program. A Transamerica Employee Benefits study earlier this year reported that 65 percent of employees say it's important that their employer offer these products. However, 47 percent of employees surveyed haven't been offered an additional voluntary product since healthcare reform was implemented in 2010.¹⁰

There is a wide menu of voluntary products available today, allowing employers to provide a portfolio of voluntary benefits which employees can customize.

Traditional voluntary products can fill in the gaps in core benefits left by scaled-back benefits, higher deductibles and more consumer-driven health plans. Not surprisingly, these benefits are also the most popular.







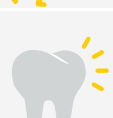


Eastbridge Consulting Group's Worksite/Voluntary Sales Report shows that life insurance led voluntary sales once again in 2013. Life insurance accounted for 28 percent of voluntary sales; disability totaled 21 percent; accident insurance amounted to 12 percent; and hospital indemnity/supplemental medical added up to 8 percent. The remaining 31 percent was covered by dental, cancer, critical illness, vision and accidental death and dismemberment (AD&D). Life insurance has had the highest percentage of total voluntary sales for the last five years. Products with the highest year-over-year increases were dental, term life, short-term disability and critical illness.¹¹



65%

of employees say
it's important that
their employer
offer these
products.

Traditional Voluntary Products







| | | |
|---|--|--|
|  | Critical Illness | is an insurance policy that provides funds, usually a lump sum cash payment, for certain critical illnesses such as stroke or heart attack. |
|  | Life Insurance | guarantees a specific sum of money to a designated beneficiary upon the death of the insured or to the insured if he or she lives beyond a certain age. |
|  | Disability Income Insurance | provides supplementary income in the event of an illness or accident resulting in a disability that prevents the insured from working at their regular employment. |
|  | Cancer Insurance | is designed to help defray the costs associated with treatment if the insured is diagnosed with cancer. |
|  | Hospital Indemnity | covers some of the costs associated with a hospital stay and may provide extra coverage that the insured's health plan doesn't. |
|  | Accidental Death & Dismemberment (AD&D) | pays the insured or beneficiaries a certain sum of money should the insured be killed or dismembered in an accident or soon thereafter. |
|  | Dental Insurance | is designed to pay a portion of the costs associated with dental care. |
|  | Vision Insurance | is designed to pay a portion of the costs associated with vision care. |
|  | Retirement | benefits take many forms: pensions, 401(k)s, profit-sharing, stock ownership and stock bonus plans, and help employees save for when they leave the workforce. |

Non-Traditional Voluntary Products

The non-traditional voluntary products in the marketplace provide a wide array of benefits that employees can choose from to enhance their lifestyle, protect their well-being and improve their financial wellness.





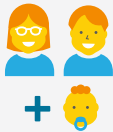


Buying and Banking Options

Buying and Banking benefits give employees alternative ways to save, spend or borrow. They help employees who are underserved by traditional financing options or who want access to services that aren't generally available to them otherwise.

| | | |
|---|-----------------------------------|--|
|  | Employee Purchase Programs | provide a way to buy products and services (e.g. computers, appliances, educational services and vacations) and pay for them over time through payroll deduction instead of traditional financing options. |
|  | Discount Programs | provide discounts on products and services (e.g., computers, mobile phone service) from certain merchants who have partnered with the employer. These are generally paid via a credit or debit card immediately. |
|  | Short-Term Loans | are loans that must be repaid or refinanced within one year. They are generally unsecured loans because they are for a brief period of time. |
|  | Credit Unions | are member-owned financial cooperatives, democratically controlled by their members, and operated for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial services. As soon as someone deposits funds into a credit union account, they become a partial owner and participate in the union's profitability. Credit unions are formed by large corporations and organizations for their employees and members. |
|  | Paycards | are typically offered to employees who don't have bank accounts; paychecks are deposited on the card instead of a live check. |
|  | Flexible Spending Accounts | allow employees to set a fixed amount of pre-tax wages to be set aside for qualified expenses (e.g., child care, uncovered medical expenses). |





Lifestyle and Convenience

These benefits allow the employee to take advantage of cost savings that they wouldn't get otherwise because they are getting these benefits from their employer. Plus, by paying for these through payroll deduction, they have the convenience of one less bill to worry about.

| | | |
|---|--------------------------|---|
|  | Pet Insurance | has been growing at double-digit rates when sold as a voluntary benefit in the workplace. It covers the cost of some of the injuries and illnesses to cats and dogs, and in some cases to exotic pets. |
|  | Auto Insurance | is purchased to provide financial protection against physical damage and/or bodily injury resulting from traffic collisions and against liability that could also arise from that damage or injury. |
|  | Elder Care | includes a wide range of services that are provided over an extended period of time to people who need help to perform normal activities of daily living because of cognitive impairment or loss of muscular strength or control. It often includes emergency care services, discounted consultations and other support for caring for elderly relatives. |
|  | Childcare | can be provided to employees either on-site or through a discount program. |
|  | Adoption Assistance | provides financial assistance and time off for the purposes of adopting a child. |
|  | Cyber Security Insurance | is a product programmed to detect key words in the home's computer so that children who are under 18 have their web surfing monitored in order for parents to keep them out of the wrong sites and chat rooms. |
|  | Legal Assistance | sometimes referred to as pre-paid legal, is a niche category of the insurance sector in which the product provides benefits to pay for legal costs such as wills, adoptions, civil and criminal lawsuits, traffic offenses, real estate transactions, rental disputes and bankruptcy. |





Personal Care and Improvement

These benefits allow employers to show that they care about the whole employee while also encouraging them to be proactive about their physical, mental and financial health.

| | | |
|--|--|--|
|  | Financial Counseling Services | provide one-on-one counseling by a certified financial professional or group learning through seminars. |
|  | Employee Assistance Programs (EAPs) | are plans that help identify and resolve issues facing troubled employees and their families through short-term counseling, referrals to specialized professionals or organizations, and follow-up services. |
|  | Wellness Programs | can include incentives, gym memberships, discounts, etc. that are all driven toward improving employee health. |
|  | Tuition Assistance Programs | are a type of employee benefit in which an employer reimburses employees for the costs associated with continuing education. |

Financial Safety Nets

These offer protection from financial crises that can be potentially devastating for employees.

| | | |
|--|--|---|
|  | Home Warranty Insurance | covers products in the home, including refrigerator, microwaves, computers, iPhones – anything that the consumer purchases that can break. |
|  | Identify Theft Protection | covers the cost of certain expenses in the event someone wrongfully obtains and uses an employee's personal data. Products that can provide quick monitoring and damage control are particularly valuable in today's environment as nearly 15 million U.S. citizens fall victim to identity theft annually. |
|  | Long-Term Care Insurance | helps pay for the cost of long-term care beyond a predetermined period and usually covers care not covered by health insurance, Medicare or Medicaid. |
|  | Homeowners' Insurance | is designed to protect an individual's home against damages to the house itself or to possessions in the home. Homeowners insurance also provides liability coverage against accidents in the home or on the property. |

Popular Voluntary Benefits by Employee Type

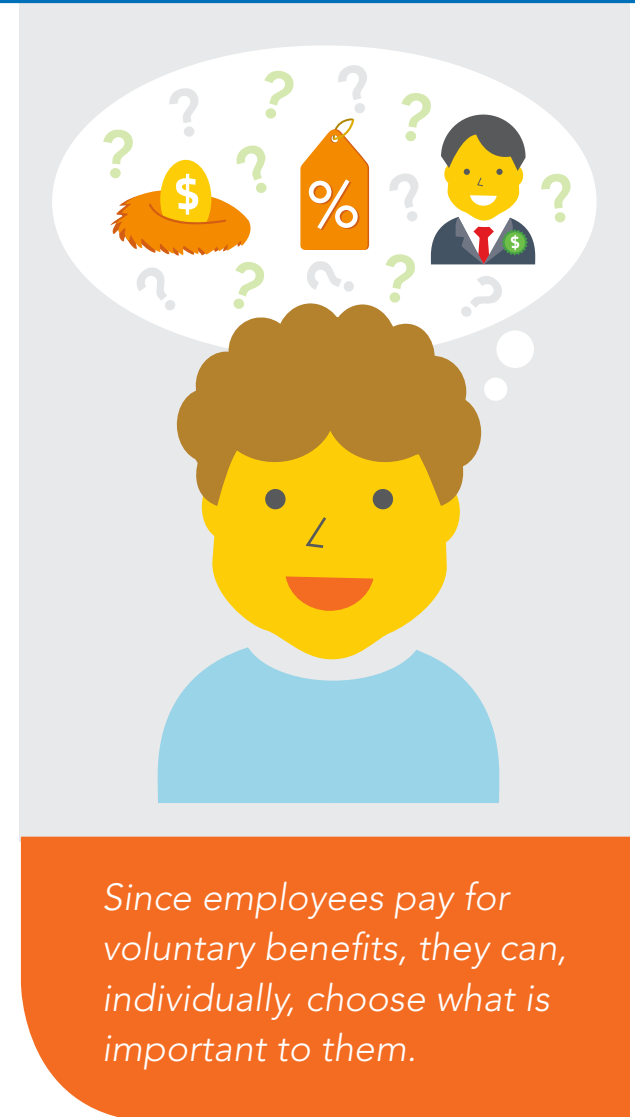
Employees perceive voluntary benefits as having a number of advantages:

- More convenient because of payroll deduction
- Access to a wider range of useful benefits
- Employer has done the research for them
- Generally costs less than outside the workplace¹²

It is to the employer's advantage to provide a range of voluntary benefits for employees. Since employees pay for voluntary benefits, they can, therefore, choose what is important to them.

Employee Profiles

The following employee profiles were created after conducting intensive interviews with real employees on their goals, stressors and benefits needs. While these five profiles do not necessarily cover every kind of employee, they provide a good picture of the kinds of issues real employees face and which benefits are best-suited to their needs. To narrow the field, the focus is on non-traditional voluntary benefits, as they are the most unfamiliar to employers and employees.



"I used to try to put myself on a budget, but I just don't spend now.

I want to be able to budget my money and still be able to go out."

CARLY



Millennial

- Works in Food Service
- Has an associate degree
- Isn't aware of the benefits her job offers, but doesn't ask because she's covered by her father's medical plan
- Works out to deal with her stress

Goals

- Pay off loans so she can complete her bachelor's degree
- Get a job in broadcast journalism
- Get married and have kids

Stressors

- Money
- Bills

Recommended Benefits:

The benefits recommended for this Millennial fall into the Buying and Banking Options and Personal Care and Improvement categories:

- An **Employee Purchase Program** can help her finance purchases she may not be able to make otherwise, including education.
- She can use **Discount Programs** for purchases that she's able to make with cash.
- She needs **Tuition Assistance** to help her complete her education.
- An **EAP** can offer support in dealing with the stress of having a degree and not being able to complete it while also carrying a large debt load.
- A **Wellness Program** will help her support her workout habit.
- She can use **Financial Counseling** to help her navigate the world of bills, debt, credit and banking.



"We're pretty comfortable, but we underestimated the cost of childcare."

MARY & DEREK



The Gen X Married Couple

- She works for the Government
- He works in the Professional Services industry
- One daughter and another on the way
- Family takes priority over work and daily chores

Goals

- Financial security
- Save for their children

Stressors

- Home renovation
- Introducing the new baby to her older sister
- Cost of childcare

Recommended Benefits:

This couple needs a combination of benefits that are Buying and Banking Options, Lifestyle and Convenience, Personal Care and Improvement, and Financial Safety Nets:

- As cash buyers, they can use **Discount Programs** to help them save on laptops, cell phone bills, etc.
- An **FSA** would allow them to save for everything from childcare to medical expenses with the added benefit of being deducted pre-tax.
- **Financial Counseling** can offer them guidance on retirement and achieving the stability they seek.
- They need **Wellness Programs** to help them develop healthy habits for themselves and their children, lowering their healthcare costs in the long run.
- An **EAP** can help them introduce their older daughter to the new baby, while also helping them deal with the stress of having two small children.
- With **Childcare** being a major stressor, they could really benefit from it being offered through their employer.
- One way to protect their financial futures is with **Long-Term Care Insurance**, which is wise to invest in early when premiums are lower.
- **ID Theft Protection** can also help them protect the comfortable financial position they've worked hard to achieve.
- With a major investment in their home, they could use **Homeowners' Insurance** to provide a safety net in the event that something happens to their house.



"I question if I could manage my finances better or that I'm not making enough to cover everything. If I made more, would I manage my finances as well? When I hear other people talk, I feel like there's money that I'm missing or that I don't know about budgeting or how to save money more."

CARMEN

The Gen X Single Mom

- Works in Healthcare
- Has three children, one on the autism spectrum
- Pursuing a nursing degree

Goals

- Buy a home
- Finish nursing school
- Raise her children to be independent

Stressors

- Not having enough money
- Understanding the different life stages her children are going through
- Securing her children's future while living within her means
- Making ends meet
- Overcoming credit issues created by her circumstances



Recommended Benefits:

She needs benefits that fall into all four of the non-traditional benefits categories:

- With limited cash and blemishes on her credit, she could use an **Employee Purchase Program** as a financing alternative.
- **Discount Programs** can help her save on items that she pays cash for or can't finance, like cell phone bills.
- In the event of a cash emergency, she may turn to payday loans. **Short-Term Loans** are a safer alternative.
- An **FSA** can help her set aside money for healthcare expenses and childcare.
- **Financial Counseling** can help her manage her immediate needs (monthly bills, paying down debt, etc.) and her long-term ones (repair credit, save for retirement, save for children's education).
- With such high levels of stress, she could use a **Wellness Program** to develop healthy habits that can counter that stress and save her on healthcare costs in the long run.
- An **EAP** can help her whole family cope with stress.
- She could use a **Childcare** benefit to make after-school and daycare more convenient and cost-effective.
- **Cyber Security Insurance** can help her protect her children from unsafe online activity.
- **Tuition Assistance** can help her complete her nursing degree.
- To save money in the long term, she can start paying for **Long-Term Care Insurance** now and take advantage of lower premiums.



"I'm to the point where I could retire, and I'm thinking about it and I'd like to, but not to the point where I'd stop working. The money situation – I don't know what it's going to work out to be."

DONALD

The Median-Earning Baby Boomer

- Works for Local Government
- Married; two adult children, one in college, one still living at home
- Recently incurred several unexpected home-related expenses
- Enjoys looking for discounts and deals

Goals

- Retire
- Pay off debt

Stressors

- Unexpected home-related expenses
- Supporting his son's college expenses



Recommended Benefits:

He also needs benefits that fall into all four categories:

- Because he is able to make most purchases with cash and enjoys looking for a good deal, **Discount Programs** are a good fit for him.
- With retirement, unexpected expenses and debt being among his top concerns, he needs access to **Financial Counseling**.
- **Legal Assistance** can help him with will planning and estate management.
- Because of the potential for group discounts, **Auto Insurance** could be really beneficial for this bargain hunter.
- Since unexpected home related expenses have been a major stressor for him lately, **Home Warranty Insurance** can help him pay for repairs and replacements while also preventing him from dipping into his retirement or incurring more debt.
- **Long-Term Care Insurance** can help him protect his retirement savings in case of a long-term illness or injury.
- **Wellness Programs** can help him and his wife nurture the healthy habits that promote long-term health as they enter their golden years.



"I'm mindful and frugal now. I've gone through a lot the last ten years and just seeing people around me lose a lot has made me more conscious of money now than I had been in the past. I took it for granted. I thought it was a lot more plentiful."

MICHAEL

The High-Earning Baby Boomer

- Works in Professional Services
- Married, with two teenaged children
- Telecommutes
- Was forced to live off his 401(k) when he and his wife lost their jobs in 2008
- Helps support relatives who are less fortunate
- Sometimes find himself making minimum payments on credit cards

Goals

- Start a family business
- Help families that have been displaced
- Invest in stocks
- Save more

Stressors

- Saving enough for retirement
- Paying for children's college tuition



Recommended Benefits:

Though he earns more than the average employee, he needs benefits that fall into all four categories to help him meet his goals and protect his financial future.

- For purchases that he can make with cash, **Discount Programs** offer him savings that he wouldn't get otherwise.
- An **Employee Purchase Program** is a more responsible way to pay for purchases that he normally puts on credit, including his children's college preparation (i.e., SAT courses) and tuition.
- **Financial Counseling** can help him with everything from saving for retirement to starting a family business.
- To help prevent some of the medical issues that come with aging, **Wellness Programs** can help him take on healthy habits.
- **Legal Assistance** can help him with will planning and offer guidance on how to start his family business.
- A **Home Insurance** benefit would allow him to protect his most expensive asset and can offer cost savings in the form of a group discount.
- To help protect his savings, he needs **Home Warranty Insurance** to cover the costs of household appliances and electronics in the event that they malfunction.
- With dependents unable to care for him, **Long-Term Care Insurance** also protects his savings in the event of a long-term illness.



Voluntary Benefits Best Practices

As with all employee benefits, simply including them in the benefits package isn't enough. Communication and education are key to awareness and usage by employees.

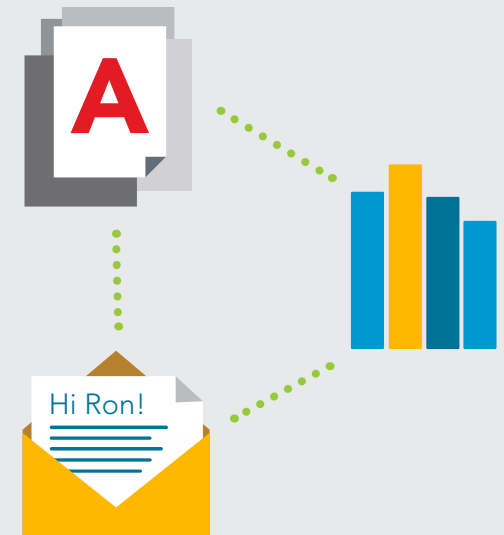


1. Better communications lead to improved engagement.

Good benefits education resonates with every age group. If employees don't understand voluntary options, then enrollment will be lower. Keep in mind also that product descriptions should be easy to understand – especially complex products like disability insurance. Communications should feature simple language, visuals and messages personalized to employees' circumstances. Videos that explain products and present them in a context of real-life examples are popular with most employees.

In addition to creating awareness, communications must encourage employees to learn what voluntary product options are available and what advantage they provide, as well as what it means to their overall financial wellness to have such benefits. Employees who report their benefits communications are easy to understand are nearly five times more likely to find enrollment simple and straightforward.¹³

Millennials in particular can benefit from education about voluntary benefits. While they may view themselves as invincible, they actually have a lot to protect. Yet they are either unaware of voluntary benefits or reluctant to purchase them.



Communications should feature simple language, visuals and messages personalized to employees' circumstances. Videos that explain products and present them in a context of real-life examples are popular with most employees.



2. Technology talks louder than paper.

Most employees prefer to enroll online rather than using a paper method. In fact, Millennials find live online chat a helpful option and also like mobile apps. This shows the need for employers to both understand their employee base and recognize the growing shifts as Millennials become a higher percentage of the workforce.¹³

Keep in mind also that today's workforce is accustomed to 24/7 access to services and support via the Internet. Cloud-based education and support tools can make it easier for employees to make decisions about voluntary benefits.



3. Educate, educate, educate! Offer benefits education on a year-round basis.

Benefits education is a lot like advertising – where many experts say we have to see something seven times before we recall it. Develop an annual plan on elements of a benefits education program to help employees evaluate their own personal protection needs and make the choices that are right for them. Some benefits may be needed most in different seasons – such as employee purchase programs and discount programs that might be more pertinent around the holidays.

While good communication resonates with all generations, Millennials are especially in need of education about

voluntary benefits. They're not really thinking about all those "what-ifs" like other generations. Millennials are either unaware of voluntary benefits or reluctant to purchase them. Sixty-nine percent of employees age 25-29 don't own any voluntary benefits, while 71 percent of those under age 25 don't own any voluntary products, according to Eastbridge Consulting Group. Among older age groups, 60 percent of 45-49-year-olds own some type of voluntary product.¹⁴

During enrollment season, many employees are focused on their core benefits, so it's worthwhile to consider having voluntary benefit fairs at other times throughout the year. Because many traditional voluntary benefits can be accessed outside of the enrollment period, it's a good idea to remind employees of what's available to them.



4. Have a single enrollment period for both core and voluntary benefits.

Scheduling separate enrollments for core benefits and voluntary benefits may not be the best route to take. Research shows that enrolling in all benefits at one time can result in six times higher participation.¹⁵

A Benefit Broker's Perspective:

What Employers Should Consider About Voluntary Benefits

Neil Vaswani, CEO of Corestream, works with employers to provide voluntary benefits solutions that complete employee benefits packages. Here are his recommendations for building a strong benefits package.



Corestream encourages employers to push beyond the boundaries of traditional benefits for their employee benefits package. By doing so, they can take any value proposition, plan design or discount that is not available to the general public, combine it with the convenience of payroll deduction and then brand it as an employee benefit to improve employee engagement.

A comprehensive and well thought-out benefits package shows employees that their company cares about them as an individual. Many factors contribute to an employer's selection of voluntary benefits including existing gaps in their health insurance, employee demographics, corporate culture, employee demand, corporate policies and overall perceived value. Corestream eliminates the cost factor for the employer, which allows them to focus on offering the right benefit as opposed to worrying about the administrative costs.

The key is to promote voluntary benefits outside of core enrollment so the employee is regularly engaged. One of Corestream's clients, a large household brand, uses the Corestream platform to roll out new benefits every quarter. This technique reinvigorates the employee population

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through the introduction of new benefit content. With continued engagement, employee satisfaction grows and is reflected in the level of participation.

Voluntary benefits communication strategies vary from employer to employer based on employee demographic. To optimize employee engagement, employers typically select a mix of communication channels including traditional direct mail, on-site benefit fairs, flyers in the break room and email. Email engages employees in the most efficient and effective manner and generates a high conversion rate as the clickable call-to-action allows for immediate access to enrollment. Many employers prefer to use benefit portals such as ours to create one centralized location for voluntary benefits. Corestream private labels the portal and our services for employers including branded URLs and call center greetings, which helps keep employees in their comfort zone as well as attributing credit to the employer.

Employers who are interested in a more robust voluntary benefits offering should:

- *Develop a long-term strategy to promote voluntary benefits.* Companies who only promote during core and new hire enrollment fail to reach the full potential of employee engagement.
- *Outsource benefit management and implementation.* Outsourcing allows employers to focus on recruiting, hiring and retaining top talent.
- *Think outside of the box.* Benefits can be anything that brings value to employees and elevates the company in employees' minds. ” ”

Think **outside** the box.



Conclusion

Employees' financial problems are employers' problems too, because employees bring them to work not only in the form of stress, but they also deal with their financial issues while at work. If employers want their business to run more smoothly, they have to consider how to unobtrusively help their employees with their finances.

Most employers understand that wellness programs can improve employees' physical health and may even help the employer's bottom line. But not all employers realize this same concept carries over to their employees' financial health as well. By understanding the makeup of their workforce and what voluntary benefits are of interest to employees in those categories, employers can structure a robust benefits package with offerings for employees' diverse needs.

A benefits package that includes a portfolio of voluntary benefits helps employers acquire and retain a talented, productive workforce while at the same time helping fulfill the diverse benefits needs of employees. By recognizing the value in voluntary benefits and adding to their voluntary offerings, employers not only can provide for their employees' financial wellness, but can retain a loyal, motivated workforce as well.

***Attract and
retain a talented,
productive
workforce with
benefits that
support employee
financial wellness.***

About Purchasing Power

Headquartered in Atlanta, Purchasing Power is available to six million people through large companies – including Fortune 100s – and government agencies. Purchasing Power is one of the fastest-growing specialty e-retailers in the market offering a leading voluntary benefit program. Purchasing Power was honored for “World Class Service” by Smart Business, recognized as one of the fastest-growing companies for seven years on the Inc 500|5000, and is one of “Atlanta’s Best and Brightest Companies to Work For.” Purchasing Power is ‘Powering People to a Better Life™’ through its employee purchase program, financial literacy efforts and charitable contributions. Purchasing Power is a Rockbridge Growth Equity, LLC Company. For more information, visit www.PurchasingPower.com.

Special Thanks

Thank you to Neil Vaswani, CEO of Corestream, for providing his expertise for this eBook. Corestream provides its clients with unique tools and industry awareness to allow employers to offer a rapidly expanding portfolio of benefits without being held hostage by their own technological or resource-related constraints.

They make it easy for employers to have a scalable solution in their hands to expand the breadth and depth of voluntary benefits for their employees, while also expanding the definition of what benefits really means. For more information, visit www.corestream.com, or reach Neil directly at (646) 775-2766 or email nvaswani@corestream.com.

References

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