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Benefit and Retirement Advisors

How to Navigate a Growing Array of Benefits Options

In today's labor market, offering a robust benefits package is essential for talent attraction and retention and employee well-being. The rise of voluntary benefits to supplement mainstays such as health insurance, 401(k) and leave has resulted in more than 150 available options on the market for employers to consider. As such, it can be daunting for employers to consider the hundreds of benefits, not to mention that benefits are costly.

With an ever-expanding array of benefits options, employers face the challenge of offering benefits that align with their organizational goals, budget and employee needs. This article explores how to navigate an expansive network of benefits and select the best offerings for employees.

Assess Employee Needs

Before selecting benefits, employers should learn about and understand their available benefit options from a broker. Next, they should thoroughly assess their workforce's needs and preferences. This can be done with any of the following tactics:

- **Surveys and feedback**—Regularly solicit input from employees about the benefits they value most, their pain points and any other concerns. With so many options available, a good place to start is to find out which benefits the workforce is most interested in and finds the most value in.
- **Demographic analysis**—It's crucial to customize benefits to employees' life stages, including age, family status and career stages. For instance, if you have a large older population, they may be most interested in retirement benefits and caregiving benefits. Alternatively, younger workers may gravitate toward student loan repayment programs, ongoing training opportunities and employee assistance programs.
- **Benchmarking**—While data specific to an organization can best outline what employees need and value in benefits, it can also be helpful to compare organizational offerings with industry standards to ensure competitiveness.

Prioritize Benefits

With a clearer understanding of employee needs, employers can then prioritize benefits that will have the most significant impact. Here are some strategies to do this:

- **Focus on core benefits.** Health care insurance, retirement benefits and paid time off are standard offerings, but organizations should review ways to make them valuable, competitive and compliant with regulations.
- **Incorporate flexibility.** Employers may design different types of health care plan options to resonate with different employee groups. Voluntary benefits can also allow employees the flexibility to design a benefits package that meets their needs.
- **Monitor the market.** Market trends can also help drive employers' benefits decision-making. For example, financial wellness support is in demand as many Americans face inflation and elevated interest rates. Additionally, more employers are offering family-building benefits (e.g., parental and adoption leave, child care subsidies, surrogacy benefits, family planning assistance and menopause support) because they have proven highly valued among employees looking to start or build their families.

Select Benefit Offerings

If employers are not already diversifying their benefit offerings, now is the time to embrace tailored benefits instead of a one-size-fits-all approach. When selecting specific benefits, employers should consider the following actions:

- **Compare costs.** As with any workplace decision, cost is an important factor. With benefits decisions, it's especially important to weigh the cost of benefits against the value they provide to employees. While some benefits will be employer-sponsored, other voluntary benefits may be paid for by the employee. Some of these decisions are financially based, but others come down to weighing administration and employee needs.
- **Integrate employee feedback.** Employee feedback can be powerful if it's taken into consideration and acted upon. If employees take the time to provide candid and thoughtful feedback, employers should find ways to incorporate it and design plans that match employees' needs, desires and concerns.
- **Check provider reputations.** Employers should research and choose reputable providers with strong customer service records to ensure a positive employee experience. When offering several meaningful benefits to certain groups of employees, it's important that they have a good experience and can easily utilize the benefits that are most meaningful to them.
- **Consider compliance and regulations.** Legislation is quickly evolving, and employers should stay informed about legal requirements related to benefits to avoid potential pitfalls and consult legal counsel to ensure compliance.

Communicate About Benefits

Once benefits are selected, effective communication is key to rolling out new or expanded benefits. It can be helpful to put benefits offerings in context with real-world scenarios when possible. Traditional benefits booklets can be lengthy; instead, employers could deliver bite-sized information to employees through videos and emails. Not everyone consumes information the same way, so a diverse approach is key. Employers can use multiple communication channels such as email, printed materials, webinars and in-person meetings to communicate about benefits.

Educating and informing employees about their benefits package is integral to enrollment and utilization, as it can ensure that employees fully understand and appreciate their options. Effective year-round communication can also help employees understand and utilize their available benefits.

Evaluate the Offerings

The employee benefits market is dynamic, and what works today may not be effective next year. Employers should regularly review their benefits offerings, gather employee feedback, analyze utilization and monitor benefits trends. Employee feedback and utilization data can identify areas for improvement or validate offering selections. The goal is to make data-driven decisions about benefits.

Summary

Navigating the growing network of benefits options can be daunting, but employers can create a meaningful benefits package with a strategic approach. By taking a tailored approach to benefits, organizations can ensure their plans are competitive, supportive of the workforce and aligned with the company budget.

Contact us for additional benefits guidance.

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