

# 6 Trending Voluntary Benefits Your Employees Want

By Nick Park, Senior Account Manager, Corporate Synergies  
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In this age of the multigenerational workforce and a tight labor market, a one-size-fits-all group benefits

model with medical, prescription, dental, vision and a retirement plan just doesn't cut it. A workforce with Baby Boomers, Gen X'ers, Millennials and Generation Z means that employees are going to find the run-of-the-mill health & welfare benefits plan inadequate. Ditto for job seekers. Trending voluntary benefits are the answer.

More important than ever, voluntary benefits offer a range of products to help meet the needs of employees at all life stages.

Voluntary benefits add value to benefit plans and are typically easy to administer. They're low-to-no-cost because employees pay for them, and maintenance is often handled through a payroll deduction. Many voluntary benefits also offer guaranteed acceptance at a lower rate than medical benefits, so even if a small group within your company chooses a particular benefit, they'll be covered.

This landscape is changing quickly. Here are six trending voluntary benefits your employees want.

## 1. Student Loan Debt Repayment Assistance

Debt among college graduates has grown to nearly \$1.6 trillion.<sup>1</sup> It's preventing the largest employee segment at most companies from buying houses or cars, saving for retirement, having kids and getting married. To help employees repay their student loan debt, some employers are helping employees pay down student loan debt through a direct payroll deduction.

TRENDING: New IRS-approved swap on employer match from retirement plan to student debt.

In this scenario, an employer can opt to increase its defined contribution match, enabling employees to reduce their retirement match and contribute funds to repaying student loans instead.

Interest in this benefit continues to grow. Employers looking to offer student loan debt repayment should be aware that not all platforms are created equal. Look out for high per-employee, per-month fees.

## 2. Individual Long-term Care

A growing number of people are beginning to understand the value of long-term care insurance because they have tended to a friend or relative who needs round-the-clock care. Long-term care insurance covers home or institutional care if a person is no longer able to perform at least two

activities of daily living--eating, bathing, dressing, moving from a bed to a chair or using a toilet.

Employees are interested in buying long-term care insurance through their employer because they can offer better rates for simplified issue plans. If you plan to offer long-term care as an employer-sponsored benefit, I recommended rolling it out with a strategic project plan and a benefit counselor or a technology platform capable of providing decision-making tools for a smooth application process.

### **3. Executive Reimbursement Plans**

Employee retention--especially executive retention--is on the minds of many employers in the midst of this thriving economy. Filling gaps in medical and prescription coverage is one way to provide executive teams with premium benefits they may be looking for.

Executive reimbursement plans provide reimbursement for out-of-pocket expenses, access to facilities and level of service not normally covered under most group health plans. Rather than simply increasing compensation to help cover out-of-pocket expenses, premiums for these plans are tax-deductible for the employer, and benefits are non-taxable for employees.

### **4. Executive Individual Disability Insurance**

Traditional employer-sponsored long-term disability (LTD) is likely not enough coverage for highly-compensated employees or some sales staff who depend heavily on commission and bonuses. Normally, LTD pays employees 50-70% of their salary up to a certain amount.

Employers can carve out additional coverage for employees based on their management level, performance or tenure. Individual disability insurance plans can protect employees until they

turn 65; they can also protect job titles or levels until employees are well enough to return to work.

Executive individual disability insurance, like executive reimbursement, can be offered as a form of compensation, or a form of financial asset protection for higher incomes.

### **5. Telemedicine**

The rise of consumer-driven health plans has led to the need for telemedicine. Telemedicine provides a way for employees to see a physician or provider by video and get a diagnosis and/or prescription quickly. The success of telemedicine is leading some carriers to integrate it within their plan. However, standalones still exist and can provide employees with an easy way to get care faster and cheaper than before.

### **6. Pet Insurance**

Pet parents spend nearly \$70 billion on veterinarian costs for their pets, but just 10% of dogs and 5% of cats are covered by medical insurance.<sup>2</sup> As pets begin to play a larger role in our lives, more employers are offering pet insurance to their employees to help defray the cost of unexpected medical expenses.

There are a number of pet insurance plan options, and setting up a plan is simple. However, it's vital to do research to ensure the veterinarian network includes the best vets.

Adding such trending voluntary benefits is the first part. Be sure to develop a rollout strategy and employee education & communications plan so the workforce is thoroughly informed and you meet group minimums. ■

<sup>1</sup>[Federal Reserve](#), "Consumer Credit – G.19"

<sup>2</sup>[New York Times](#), "Pets Are Like Family. But as Health Costs Rise, Few Are Insured That Way."

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