

HEALTH WEALTH CAREER

# SLEEPING AT NIGHT

## THE BEAUTY OF VOLUNTARY BENEFITS IN A MULTIGENERATIONAL WORKFORCE

By Tim Weber, Mercer US Voluntary Benefits Business Leader



MAKE TOMORROW, TODAY





*“VOLUNTARY BENEFITS” ARE FAST BECOMING ANYTHING BUT VOLUNTARY FOR EMPLOYEE AND EMPLOYER ALIKE.*

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**For employees struggling to manage financial stresses amid the uncertainty of an ever-changing healthcare landscape, the suite of add-on options offered at work is often a lifesaver. On the other side of the equation, businesses know they have to present employees with the widest range of voluntary benefits if they are to attract – and retain – top talent.**

This has led to an overall explosion in benefits innovation. In a tight labor market, all industries are under growing pressure to retain and recruit employees. Employers are using benefits as part of that solution, to help employees feel valued and to help ensure they remain loyal to their employers.

Employee benefits may not be a new concept – the first corporate pension plan was established in 1875 – but they’re growing in both necessity and sophistication. Innovation in voluntary benefits hasn’t replaced the classic disability, life insurance and accidental death and dismemberment policies so much as augmented them. The offerings are designed to let employees – from the C-suite to the cubicle – sleep at night. No matter how old or highly salaried an employee might be, few things can be more detrimental to happiness and productivity than financial and health-related stress.

## AFTERMATH OF THE ACA



*SOME 72% OF EMPLOYEES SAY THEY’RE LIKELY TO PURCHASE VOLUNTARY BENEFITS IF OFFERED, ACCORDING TO THE 2017 AFLAC WORKFORCES REPORT.*

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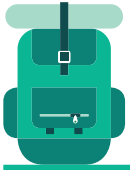
The latest surge in voluntary benefits innovation began with the adoption of the Affordable Care Act (ACA). The ACA presented associated challenges and hurdles to a variety of employers. But as employers have adopted certain health strategies, such as high-deductible plans, in order to meet the Act’s regulations, their opinions of voluntary benefits have also evolved.

Voluntary benefits are now seen as a strategic complement and component of an employer’s core benefits offering and benefits strategy.

From a financial perspective, for example, employers recognize that with high-deductible plans, their employees are more exposed. But they’re also looking for ways to offset that, and employees are responding affirmatively. Some 72% of employees say they’re likely to purchase voluntary benefits if offered, according to the 2017 Aflac *WorkForces* Report.

Of course, with 88% of employees now viewing such benefits as part of a comprehensive package, according to the Aflac report, it becomes almost incumbent on employers to provide options or risk losing their best employees. But it’s not that simple. Employers must tailor their offerings to an increasingly multigenerational workforce, and that means a greater variety of benefits are needed to meet vastly different needs.

## GENERATIONAL DIFFERENCES




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*MILLENNIALS SEE THEIR EMPLOYERS AS HAVING A MORE PATERNALISTIC RESPONSIBILITY TO THEM THAN OLDER GENERATIONS DO.*

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Millennials, for example, who constitute the largest segment of the workforce, have high expectations of what their employers should be offering and providing in terms of guidance and support in benefits. They see their employers as having a more paternalistic responsibility to them than older generations do. That's led to new voluntary benefits designed to accommodate their specific needs around student loan repayment, discount programs and ways to improve their credit scores.

Generation Xers, on the other hand, are flocking to new critical illness insurance policies, which have a much wider reach than those designed to help only policyholders with a cancer diagnosis.

And baby boomers are focusing on hospital indemnity policies that pay a per diem for inpatient hospital stays.

## A TRUSTED ADVISOR FOR THOSE SLEEPLESS NIGHTS




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*TRUSTED ADVISORS CAN REEVALUATE EMPLOYERS' PROGRAMS AND HELP THEM WITH STRATEGIES TO REDUCE THAT COMPLEXITY SO THEY CAN FREE UP THEIR EMPLOYEES TO FOCUS ON EVEN MORE IMPORTANT OBJECTIVES.*

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All of this innovation in offerings and demographically targeted variety can strain employers administratively and compromise the overall goals of their programs.

Benefits programs have become more complex and complicated to manage. And as internal resources become more streamlined and perhaps reduced, employers are challenged to offer a comprehensive benefits program in a more efficient fashion.

But staff time and effort can be minimized by bringing in a trusted and comprehensive provider. Communicating with employees; educating them; ensuring they can enroll in a simple, meaningful way; answering their billing questions — a full-service provider can handle all these time-consuming and costly tasks.

Trusted advisors can reevaluate employers' programs and help them with strategies to reduce that complexity so they can free up their employees to focus on even more important objectives.

## ABOUT MERCER

At Mercer, we bring years of experience to our role. We pride ourselves on preparing our client companies not just for the present but also for the voluntary benefits arena of tomorrow. By wrapping our consulting, brokerage and plan administration services around your key objectives, Mercer is able to help design and deliver a holistic program that's cohesive and compatible and that will accommodate your needs now and into the future. Contact your local Mercer consultant today for more information and a free needs analysis.

