

**NOT SURE YOU CAN
PROVIDE BENEFITS?
SURE, YOU CAN!**



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LOOKING TO RECRUIT AND RETAIN EMPLOYEES? IN THIS TIGHT LABOR MARKET, OFFERING THE RIGHT BENEFITS IS A MUST.

With skilled employees at a premium, the competition for finding and keeping the best employees is growing fierce. Every candidate is looking for something different in an employer, but salary is always a chief concern. You may not be able to afford to pay the same salary as a large company, but you can still consider offering a competitive benefits package. According to Fractl's 2017 Employee Benefits Study, 88 percent of survey respondents say better insurance might make them more likely to choose a lower-paying job over a higher-paying job.

70% of employers who offer voluntary benefits do so to aid in recruiting and retaining employees.

So, what does that mean for you? If you are not sure you can afford to provide competitive benefits, we are here to say you can! Aegisys offers voluntary (supplemental insurance) benefits that are often employee-paid policies that enhance the health and life insurance benefits employers provide. Paid directly to the employee, they can be used for things other insurance won't cover, such as lost wages, out-of-pocket expenses and household bills.

Since voluntary benefits enable you to offer employee-paid policies, there's no impact on your budget. And premiums can be payroll-deducted pre-tax, making them more cost-effective and convenient. Best of all, they give you a way to insure those who ensure the success of your business.



What voluntary benefits mean to your employees:

Confidence

With a vast array of voluntary benefits on the market and a number of companies willing and eager to sell them, people are understandably worried about making the right choice. With their plans being offered at the workplace, employees know

66% of employees agree that their benefits make them feel appreciated by their company.

that their employer has vetted the carrier and considered the available benefits. Voluntary insurance also pays financial benefits regardless of any other insurance coverage employees have in place – including policies available through government health care exchanges.

And at small companies, 73% agree.

Flexibility

The wide range of options available allows employees to choose those voluntary benefits that suit their personal circumstances and lifestyle, whether they're 20 or 55. Many voluntary benefits are also portable, meaning that if

an employee should need to switch jobs, they can continue to keep the coverage as long as they pay the premiums, making a voluntary plan easy to administer and appealing.

Bridging the gap

Voluntary benefits can complement core offerings such as life insurance or disability insurance. Even if an employer provides a core life insurance offering, employees can choose to up their life insurance coverage by adding voluntary life benefits. Voluntary benefits can also provide a financial safety net to help employees with expenses that may not be covered by their core medical plan.

Affordability

As well as potentially being less expensive if purchased through their employer, voluntary employee benefits can usually be deducted via payroll – meaning there's no need to set up bank drafts or worry about missing premium payments. Plus, pre-tax dollars are often used to pay for many voluntary benefits, meaning employees save even more money. And with most voluntary benefits paid directly to the employee, they can use the money where they need it the most.



What voluntary benefits mean to your business:

No or low cost benefits offering

Employers can offer voluntary benefits at no direct cost (i.e. 100% employee-paid), leaving them with just the cost of administration.

A way to control rising health care costs

With the cost of health care on the rise, employers are starting to shy away from providing top end, 'cover all' primary health care benefits. Instead, they are choosing less expensive coverage and offering workers a wider range of voluntary health benefits to help fill the gaps.

Attracting and keeping top talent

Employers, especially small businesses where key members of staff can be crucial to the success of the company, are looking for effective ways to retain their staff and recruit the best talent. In fact, according to Gallup economy, employee hiring and retention remains among the top five most important challenges facing business owners.

Voluntary benefit plans help smaller businesses compete with larger competitors by enabling the provision of a variety of benefits to help them stand out in the war for talent. They can also be a useful tool in employee retention: a benefits package that an employee has chosen and that's tailored to their changing needs is difficult to give up.

Help with telling your staff – at no direct cost

There's no point offering benefits if your employees don't know about them. Communicating employee benefits can be tricky, but with voluntary benefits, some carriers will gladly help with communicating the benefit offerings to employees, either by using tried and trusted support tools, visiting the business for group meetings, or even meeting one-on-one with each employee to help review their own personal needs and best matches for benefits. These meetings may include details about what the benefit provides, a Q&A session and helping both the employer and employee with the actual enrollment process — usually at no direct cost to the employer.



What voluntary benefits are available?

There's a huge range of voluntary insurance plans out there in the market. Some examples include disability insurance, accident insurance, dental insurance or 'softer' benefits that may include retail or ticket discounts, gym memberships or concierge services like collecting dry cleaning.

According to Willis Towers Watson's 2013 survey, the most common voluntary benefits under the four banners of health, wealth, security and personal are:

- **Health**

Major medical health insurance

- **Dental insurance**

Dental insurance can provide benefits for both routine and more expensive dental procedures that are not covered by most health insurance plans. They typically include cleaning, fillings, sealants, tooth removal, crowns and dentures – and may also provide benefits for regular dental appointments.



- **Vision insurance**

Regular eye exams help maintain healthy vision and are the first line of defense in detecting more serious eye conditions, such as glaucoma, high blood pressure and diabetes. Vision insurance typically helps pay for eye exams, glasses and contact lenses. They may also offer discounts on treatments such as laser eye surgery or eye care accessories.

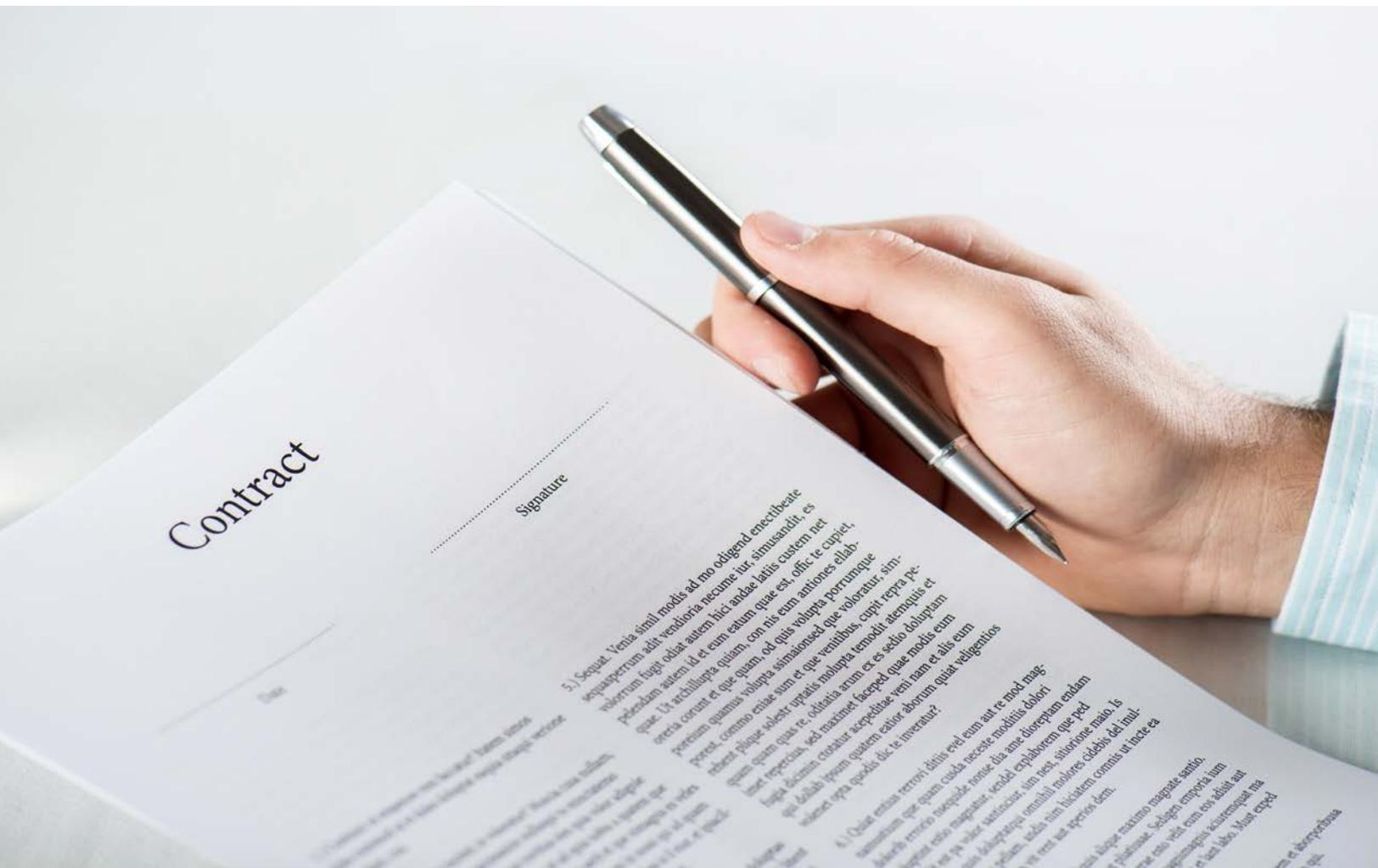
- **Accident insurance**

Accident insurance plans can help pay the unexpected medical expenses that may result from a covered accidental injury. Typically, they pay some of the expenses for initial care, surgery, transportation and lodging, and follow-up care. Benefits are typically paid directly to the employee, so they can be used where they're most needed.

- **Critical Illness insurance**

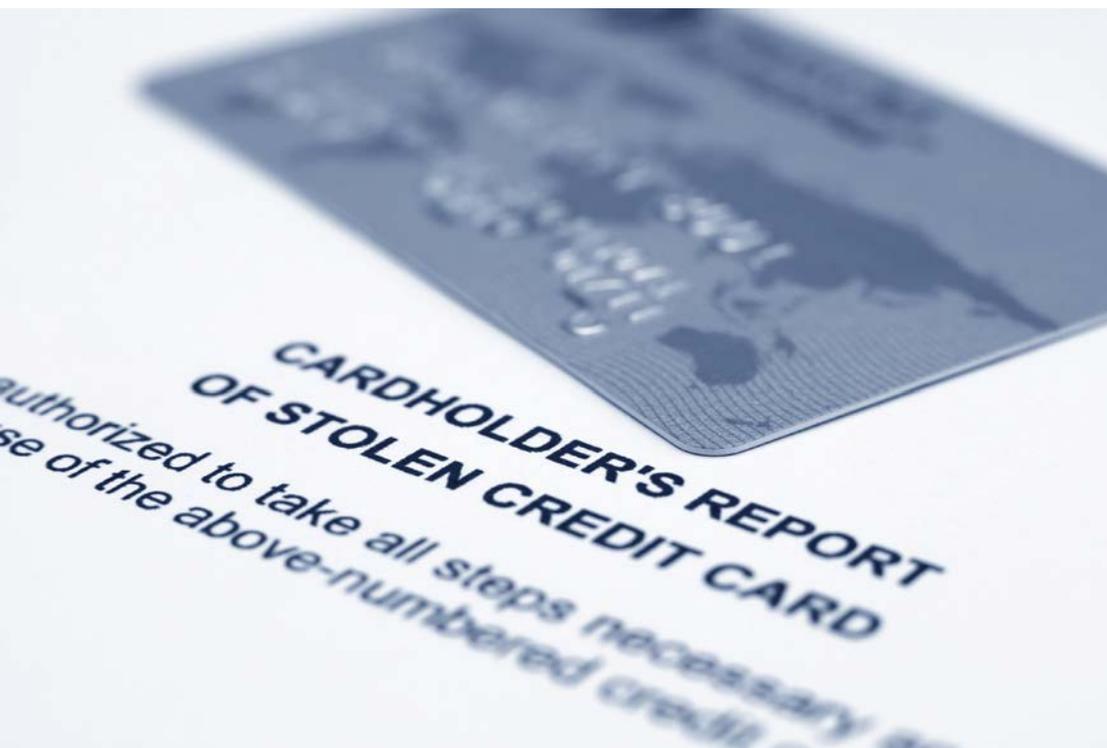
Critical illness insurance can complement major medical coverage by providing a lump-sum benefit for an employee diagnosed with a covered critical illness, such as heart attack, stroke, coronary artery bypass surgery, end-stage renal failure or major organ transplant – among others. Benefits are typically paid directly to the employee, so they can be used where they're most needed.

- **Hospital indemnity insurance (Gap Insurance)**
Hospital confinement indemnity insurance provides a lump-sum benefit to help with out-of-pocket costs related to a hospital inpatient stay. This may include outpatient surgery, diagnostic tests, doctor's appointments and emergency room trips.
- **Disability insurance**
Disability insurance replaces a percentage of an employee's income if they become disabled as a result of a covered accident or sickness, to help them continue to make ends meet while they're out of work.
- **Legal**
Legal typically gives employees access to qualified attorneys at a reduced cost. Coverage usually applies to the most common personal legal matters including family, vehicle, real estate, civil lawsuits and wills.
- **Financial counseling**
Financial counseling helps employees manage their finances. Traditionally, this has mainly focused on retirement plans, but as baby boomers approach the end of their working careers, financial counseling now also includes a range of topics such as credit card debt, investment advice, tax advice, saving and budgeting.



- **Life insurance**

Life insurance pays out a lump sum to help provide financial protection for an employee's family members in the event of the employee's death. Coverage can be updated to reflect changes in life such as getting married, buying a home or having a child. Most plans offer spouse and child coverage.



- **Personal travel accident insurance**

Travel accident insurance is designed to provide extra protection while traveling internationally, supplementing coverage typically provided by an accidental death or dismemberment policy. It typically covers emergency medical and legal fees.

- **Identity theft protection**

Identity theft protection does not cover any financial loss as the result of identity theft. Instead, it may include monitoring public records and alerting the employee

to any fraudulent use of their personal details, including attempted loans and credit applications. It also covers the cost of repairing the person's credit history.

- **Personal**

Personal voluntary benefits are those softer offerings that help meet an employee's particular lifestyle needs. These may include:

- Discount merchandise
- Automobile, homeowners or pet insurance
- Concierge services – anything from help booking holidays, shopping, finding tradesmen or picking up dry cleaning
- Umbrella insurance – extra liability insurance against claims and lawsuits above and beyond that typically provided by homeowners or automobile insurance

Willis Towers Watson predicts that identity theft protection, critical illness, pet insurance and even student loan repayment programs are likely to see the fastest growth in the next few years.

Busting the myths – why small businesses don't offer voluntary benefits

Many small business owners are just plain unaware that they are able to offer their staff this kind of benefit, thinking they are just for the bigger players. The vast majority of smaller companies may have never had a conversation with anyone about employee benefits. All these points have led to the creation and perpetuation of a number of widely-held beliefs that are untrue.



Myth – Affordability

Small businesses believe they can't afford to pay for voluntary benefits, even if they see the positives in offering them.

Truth – Voluntary employee benefits can be partially-funded or even fully-funded by the employee. It means that the company has complete control on how much they decide to spend and what options they choose to add.

Myth – Not enough employees to qualify.

Truth - While it does depend on the carrier and the product, many voluntary benefits are available to businesses with single-figure numbers of staff, and some have no minimum requirements.

Myth – Administering a voluntary benefits plan is costly and complex.

Truth – Certain benefits provide tax advantages and are tax-deductible. Some can be paid for through payroll deduction. Many qualified carriers will be pleased to help with education of employees and can provide easy enrollment and administration, usually at no direct cost – allowing the employer to get on with running their business.

Myth – Employees don't value it.

Truth – This misperception often stems from employers themselves. While most employers believe employees value take-home pay over benefits, employees actually value non-medical insurance benefits and voluntary benefits almost twice as much as employers believe.

Frequently Asked Questions

Got a question about voluntary benefits? Here are some frequently asked questions to help you.

Who can get voluntary benefits?

Is there a minimum number or percentage of employees that must participate in voluntary benefits for them to be viable?

Minimum participation requirements depend on several factors, such as the number of eligible employees and what products are offered. Typically, the minimum number would begin with three to five employees.

Can part-time workers buy or receive voluntary benefits?

Generally yes, as long as they work a minimum number of hours to meet the eligibility criteria for coverage.

Can a contractor be added to voluntary benefits?

Typically, independent contractors cannot be covered under the employer's policy. However, individual policies for some benefits are available.

Can non-profit organizations offer voluntary benefits?

Yes, non-profit and charitable organizations can offer voluntary benefits to their employees.

As a business owner, can I also receive coverage through the voluntary benefits that I am offering to my employees?

Yes. A business owner can apply for voluntary benefits coverage – just like their employees would do.



Are family members able to get voluntary benefits?

Yes. Many voluntary benefits provide the ability to cover your spouse and eligible dependent children.

Are there age limits for certain voluntary benefits?

Each product will have its own unique age requirements. These limits are designed to be flexible to allow the majority of employees actively at work the ability to apply for coverage.

Can home-based or remote workers receive voluntary benefits?

Yes, if they meet the requirements of being full-time eligible employees.

If you already have an existing medical condition can you get coverage?

It depends on the type of product. Some products will require eligible employees to be medically underwritten before they are issued coverage. Other products offer guaranteed-issue coverage, meaning employees can get coverage without answering any medical questions. Certain products may have a pre-existing condition limitation, which means a certain period of time must pass before the person is covered. It's important to understand any limitations or exclusions specific to the product.

Administration and cost

How much administration is incurred by offering voluntary benefits?

If you find a good carrier, very little. Many offer administrative services such as online billing and payments at little or no cost.

Can employees add coverage throughout the year, or is this limited to an annual enrollment window?

This decision is partly up to the employer. For benefits paid on a pre-tax basis, changes are only allowed annually. Otherwise, an employer can decide how often they would like to make benefits available.

Can employees take their benefits with them if they leave the company?

Many carriers offer voluntary benefits that are portable, meaning employees can take the coverage with them if they change jobs or retire – as long as the premiums continue to be paid.

How much do voluntary benefits cost?

Voluntary benefits range in cost. This can vary based on the type of product, the age of the applicant, their use of tobacco and other factors. Voluntary benefits are designed to be affordable for a wide range of incomes.

What are the tax implications of voluntary benefits?

Some voluntary benefits can be deducted from paychecks before tax – offering savings for employees – whereas others must be paid for after. Your accountant will be best suited to talk to you about the tax savings and implications in offering voluntary benefits.



Health care and voluntary benefits

How do voluntary benefits tie in to the Affordable Care Act (ACA)?

Most voluntary products are considered “excepted benefits” under the current ACA regulations, so are not impacted. A voluntary carrier experienced in benefits communication and education can help educate your employees on their health options – including how this varies by state – and review their individual situation to identify any gaps they may want to fill with voluntary benefits.

Is health insurance available as a voluntary benefit?

No. Health insurance is not a part of voluntary benefits. However, supplemental health benefits can help alleviate some of the out-of-pocket costs that major medical plans may not cover.

Can voluntary benefits be offered if health insurance is not?

Yes. They can and often are. However, it’s important that your employees understand the coverage is limited and is not health insurance.

Does an existing cafeteria plan need to be modified to allow for additional voluntary benefit plan options?

It depends if voluntary benefits will be paid for with pre-tax or post-tax dollars. If paid via post-tax dollars, the plan would normally not need to be modified. If premium is paid pre-tax, the plan would need to be modified.

How to get voluntary benefits

How can I offer voluntary benefits?

Contact an Aegisys agent about voluntary benefits.

What should I look for in a voluntary benefits provider?

It’s important that the carrier works with you (the employer) to help determine what best suits your overall employees’ needs as well as your business and budget. Aegisys, through Colonial Life, offers support services such as communication and enrollment of benefits, on top of the benefits themselves, which can really help employees make the most suitable selection.

How can a small business with a multigenerational workforce offer a range of benefits that suit all needs?

The great thing about voluntary benefits is that they allow you to offer a greater range of coverage to your workforce without impacting your budget. So, if you have employees of all different ages, they can pick and choose which benefits are most beneficial to them and their lifestyle.



**Call today to find out how you
can use voluntary benefits to attract
and retain good employees.
855.AEGISYS (234-4797)**

