

Employees Want Voluntary Benefits but Don't Always Understand Them

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ABSTRACT (ENGLISH)

[...]more individuals are reconsidering the value they place on their workplace benefits when it comes to employment decisions—especially in today's competitive job market," said Rob Grubka, CEO of Health Solutions, Voya Financial. Tips for Evaluating Voluntary Benefits Programs Krystie Dascoli, Boston-based practice leader, voluntary benefits, at professional services firm Marsh McLennan Agency and executive board president at the Voluntary Benefits Association, shared six tips to help employers evaluate their voluntary benefits program. 1. Employers may offer a high-deductible health plan with a partially funded health savings account (HSA) and think that they've filled a benefits gap, but many employees deplete their HSA funds each year.

FULL TEXT

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New survey results show that more U.S. employers are offering voluntary benefits and more workers are selecting them during the open enrollment cycle for 2022. Other research, however, found that employees still misunderstand voluntary benefits and don't take full advantage of them.

Aon, a professional services firm, said the growth was driven by employers trying to retain talent amid the Great Resignation and employee demand for supplemental health insurance products during the COVID-19 pandemic. In April, the firm reported a 41 percent increase in the number of employers that offered new or additional voluntary benefits through Aon and a 16 percent increase in workers who were eligible for these perks from 2021 through 2022.

Employee registration increased in more than half of the top 10 most popular voluntary benefits in the latest open enrolment cycle compared to the previous year. When including family beneficiaries, Aon has helped employers serve more than 14 million participants in 2022.

"During the last two years, it seems every employee knows someone who was hospitalized or fell gravely ill from COVID-19," said Dani McCauley, U.S. customer experience leader for consumer benefit solutions at Aon. "There is an increased awareness of risks around hospitalization and critical illness, and, along with the growth of high-deductible health plans, employees are keen to hedge against this potential cost burden."

The fastest-growing voluntary benefits include supplemental health insurance policies such as critical illness, accident and hospital indemnity, in which employees pay a small monthly premium but receive a direct cash payout to help with expenses if they are hospitalized or diagnosed with certain critical illnesses. Other popular voluntary benefits in 2021 were life insurance, student loan assistance programs, identity theft protection, legal benefits, pet care and auto/home protections.

"Employers during the last two open enrollment cycles were focused on using voluntary benefits to improve total rewards strategies and bolstering workforce resilience in order to retain talent," said Greg Morano, Aon's U.S. practice leader for consumer benefit solutions.

Benefits Not Understood

Nearly three-quarters (70 percent) of employed individuals who are eligible for benefits agree that they are more likely to work for an employer that offers employee-paid voluntary benefits—including those like critical illness,

hospital indemnity, disability income or accident insurance, according to a January survey among 1,005 adults by employee benefits provider Voya Financial. However, less than half (49 percent) of benefit-eligible employees actually took advantage of these voluntary benefit coverages offered by their employer.

Voya's survey also revealed that nearly one-third (31 percent) of American workers admitted they do not fully understand any of the employee benefits they selected during their most recent open enrollment period.

"The COVID-19 pandemic has caused American workers to realize that their health and wealth needs are inextricably linked. As a result, more individuals are reconsidering the value they place on their workplace benefits when it comes to employment decisions—especially in today's competitive job market," said Rob Grubka, CEO of Health Solutions, Voya Financial. "The challenge is that while many workers are well-intentioned, the reality is that voluntary benefits can be confusing. Often, it takes time for employees to properly educate themselves or get the help they need to feel comfortable selecting workplace benefits they likely have never enrolled in before."

Employer vs. Employee Perceptions

Employers and employees don't always see eye to eye on the quality and value of the benefits being offered, according to benefits consulting and services firm Buck's *2022 Wellbeing and Voluntary Benefits Survey* report.

Employers were four times more likely than employees to view their organizations as having significantly increased their level of commitment to promoting employee well-being, Buck found. Survey responses were collected from 218 employer participants and 683 employees in November 2021.

Among other key findings:

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