



Happier & Healthier

How to Build a Benefits Program That
Makes Employees Happier & Healthier



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Introduction

The way that companies handle employee benefits is changing. Employers are responding to pressures ranging from rising healthcare costs to the difficulty of attracting and retaining top talent.

At the same time, benefits brokers and other service providers are recognizing employers' needs and expanding the range of their offerings.

There is more choice than ever when it comes to what benefits you can offer your employees – but the stakes are higher than ever too. So, it is important to be thoughtful and intentional when constructing your benefits package. Let your company's culture and values, as well as a proactive broker, guide you in your decisions about which benefits to expand and which to cut to save expenses.

Are you a young startup looking to attract Millennial talent? Then investing in onsite lifestyle benefits in full Silicon Valley-style might be worth your while. But if you're a more established company looking to provide for your employees' families, maybe skip the ping pong and beer in exchange for onsite childcare or more comprehensive health insurance.

With so much changing so quickly, the increasing pressures to cut costs and retain talent, and so many gimmicky distractions, it is more important than ever to be intentional and strategic when designing your benefits program. In this eBook we will explore the different kinds of benefits you can offer and some of the ways that you can leverage benefits to cut costs while providing added value to your employees and staying true to your company's values.



How and Why to Focus Your Benefits Program

In order to be strategic about your benefits program, you must have clear intentions.

When setting out to restructure your benefits package, it's a good idea to have clear goals in mind. Ask yourself which specific challenges your company is facing do you want to address, what opportunities do you see to distinguish yourself from your competitors, and what goals are most in line with your company's values.

Your employees are what fuel your business' success and growth, and you want them to be invested in your company's well-being. The best way to make sure that happens, and to build a happy and productive team, is to genuinely care about their happiness and health. Always remember to look at your benefits package with the desire to provide your employees with the care and support they need.

At the same time, keeping your employees healthy and free from non-work-related stressors is also great for your bottom line. Sick days and decreased productivity can cost you big time, and putting off healthcare costs can lead to bigger expenses down the road.

Also, don't forget the power that benefits have to attract top talent and keep them at your company after they sign on. Believe it or not, studies show that many employees would give up raises in exchange for better benefits, so if you are having trouble with hiring, retention, or both, consider taking another look at your benefits and consider what would appeal to current and potential employees. Just as you identified the specific challenges your company faced that you wanted to address, consider the specific needs of the demographics you are looking to attract and retain. Then build a package that meets those needs.

Now this goes almost without saying, but it's worth highlighting anyway: benefits are one of the biggest expenses for employers, so there is plenty of pressure to cut costs – and also plenty of opportunities to do so intelligently and without harming your employees. The last thing you want is to alienate your employees by cutting their benefits. Being intentional and strategic with your benefits offerings can save your bottom line while optimizing the employee experience.

Must Have Benefits

There are some benefits that employees expect their company to provide them with, particularly health insurance but also some combination of ancillary benefits such as dental, vision, life, and disability. But just because these benefits are necessary does not mean that you cannot customize them to decrease your costs and provide added value to your employees. Let's take a look at health insurance and then ancillary benefits.

Health Insurance



Healthcare is the biggest benefits category and the one that is experiencing the most external pressures.

Costs are rising at an alarming rate for patients and for employers, causing many companies to look for creative solutions to reduce their expenses.

As a result, carriers and employers are turning to customer-driven health plans (CDHPs) to increase cost-sharing and decrease spending. The most common type of CDHPs are high-deductible plans paired with tax-deductible health savings accounts, which keep premiums low and give employees significant control over their healthcare costs. But the problem is that these plans only provide employees with the ability to take control of their healthcare costs and not with the tools that they need to do so effectively and without sacrificing their health.

This is why it's important to look beyond low-premium plans and HSAs to become more creative and holistic in how you approach health benefits. Sure, CDHPs are a useful tool in your arsenal, but don't let them become the be-all and end-all of your benefits strategy. Instead, take a more creative approach that lets you expand benefits while cutting costs.

The Thoughtful Approach to Health Insurance

Instead, collect as much information as possible to identify employee needs and risks in order to create a targeted program that meets your employees' actual needs while keeping your costs down. Health Risk Assessments, employee surveys, and other data collection methods can equip you with the knowledge you need to be truly thoughtful in your approach to health benefits.

Combining data collection and targeted benefits with tiering is a particularly effective strategy. By creating several tiers of health plans, you enable your employees to choose whether to minimize their upfront costs or take a more comprehensive plan in exchange for higher premiums. Young, healthy workers will appreciate your CDHP offerings, but employees with health issues, families, and more years under their belts will benefit from the option to up their coverage.



Must Have Benefits Continued

You can also increase care and cut costs at the same time by educating your employees and leveraging modern tools. According to a 2016 McKinsey study, passive healthcare consumers spend three times as much as engaged, educated consumers. Partnering with a broker who will educate your employees and provide an easy-to-navigate enrollment platform can make a world of difference in expenses and employee experience.

Technology and modern solutions can be a huge help as well. For instance, telemedicine saves employees – and by extension employers – time and money by offering a more convenient alternative to traditional healthcare options. It allows employees to get the care they need without missing work and lowers direct costs by reducing the number of expensive emergency room and urgent care visits. Prescription savings cards like CleverRX can save you and your employees big time on medication. Best of all, these money-saving techniques can be seen as value-adds for your employees.



Managing your health insurance benefits is a large enough subject for its own ebook, which is why we've already written one. Read it [here](#).

Ancillary Benefits

Planning your ancillary benefits is where data collection really becomes key. When you identify demonstrated employee needs you can align your benefits plan to meet those needs. Very few people value each benefit equally and depending on the demographics of your workforce, some benefits may clearly stand out. Good dental might be your employees' top priority, or perhaps a great 401k match matters most, while they might be willing to take a less generous life insurance policy in exchange for what matters to them.

When you figure out what is truly important to your employees, several opportunities present themselves. You can cut costs by reducing or eliminating benefits your employees don't need or want, while keeping the benefits that matter to them. Better yet, you can even use some of your savings to expand the benefits that your employees do need.

Don't be afraid to expand your ancillary benefits once you've adjusted your basic health insurance offerings to reduce your expenses. Many employees would gladly sign on for a CDHP in exchange for better vision or dental insurance. Ancillary benefits don't have to be a bothersome extra expense. Instead they can become a cost-effective way to provide your employees with the care they need most while allowing you to cut costs across the board.



Nice to Have Benefits

The benefits that fall under Nice Benefits are generally not expected by your employees but can be very useful tools to engage and reward your employees while reducing your expenses.

By and large, these benefits can be categorized as different kinds of “wellness” benefits.

What are wellness benefits and why should you care about them, you ask? Well, generally speaking they are any program that is intended to improve an employee’s mental, physical, or financial health. Companies are increasingly adopting wellness benefits in order to keep their healthcare costs low and increase employee morale.

The best thing about wellness benefits is that they work. On average, wellness benefits have an ROI of 3:1. That’s because they can be extremely effective at preventing common healthcare expenses and increasing employee engagement. In fact, 85% of companies see an increase in employee engagement after implementing wellness benefits. That means that wellness benefits can not only reduce your healthcare costs but also boost your employee attraction, retention, and productivity.



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Let’s take a look at the three main categories of wellness benefits: physical & mental health, financial wellness, and employee assistance programs.

1. Physical and Mental Wellness

Did you know that 70% of healthcare costs come from behavioral and lifestyle choices? Wellness benefits can be your greatest tool in nipping those expenses in the bud. Wellness benefits are especially effective at targeting common ‘lifestyle’ issues, like smoking and obesity, and associated chronic diseases, such as diabetes, heart disease, and cancer. They have proven successful in encouraging exercise, healthier eating, weight loss, smoking cessation, and increased mental health; all of which lower medical costs.

Nice to Have Benefits Continued

Common physical health benefits include contests for exercise, weight-loss, and smoking cessation as well as subsidized gym membership or on-site facilities, and education or counseling regarding diet and exercise. These programs tend to have a fairly low upfront cost and can pay off big time in reduced medical expenses. Plus, healthier employees are more focused and productive.

Mental health benefits not only improve your employees' quality of life but also make them happier and more productive team members. Mental health challenges can cause employees to take more sick days, focus less at work, and even quit their jobs. Providing counseling, support groups, and on-site destressors can make a world of difference for your employees' well-being and for the success of your business.

2. The Case for Financial Wellness

Comprehensive financial wellness is an often overlooked asset in a company's benefits program. As such, they can provide a real opportunity to make your company shine. Given that 67% of Americans are worried about their financial future, showing your employees that you care about their financial well-being can make a big difference in their willingness to work for you and their ability to contribute to your company's success.



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The average employee spends 150 hours of their work time worrying about money.

Helping your employees plan and save does more than show that you are invested in their well-being and future. For one thing, it decreases their stress so that they can focus on their work. The average employee spends 150 hours of their work time worrying about money. That's the equivalent of an extra 4 weeks of vacation! Easing that worry can help them become more productive team members. Not to mention, they are less likely to jump ship due to perceived financial necessity, boosting your retention.

How to Offer Financial Wellness Benefits

So, what kind of financial wellness benefits can you offer your employees? Many companies provide retirement savings options such as 401k's and IRAs but going beyond the basics can really help you shine. One of the most important and

Nice to Have Benefits Continued

beneficial additions is financial education. Currently, 24% of employers offer some kind of financial education and counseling, whether 1-1 or in a group setting. As with healthcare, education can empower your employees to take control over their own well-being.

You can also provide employees with the tools they need to manage their finances and savings. Consider providing them with financial planning technology platforms and financial literacy apps such as Mint and training them in how to use the technology effectively. Budgeting tools, budget templates, and education programs can have a huge impact on your employees' financial well-being as well as their financial stress.

And if you are worried about attracting and retaining Millennial talent, consider providing student loan assistance. Only 11% of employers provide any kind of help or guidance on student loan repayment, but close to 50% of workers want help with the repayment process. And when employers do offer loan assistance, they hire faster and increase average employee tenure by more than a third.



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The fact is that 38% of employees say that they would move to work at a business that prioritizes their financial wellness. Consider expanding your financial wellness benefits to attract the talent you need, increase employee productivity, and drive down employee turnover.

3. Employee Assistance Programs

What are Employee Assistance Programs? Fundamentally, they offer employees support for any challenges that they might be facing in their life outside of work. Think of them as generalized wellness benefits without the incentive aspect. EAPs may offer confidential counseling and guidance on issues that employees face, including mental health and substance abuse issues, as well as legal advice and other services. They serve as a third-party support network for employees, providing basic guidance and connecting them to experts for further assistance or care. While useful on their own, they are particularly effective when combined with other wellness benefit.

Benefits That Make You Shine

We've covered how you can take a more thoughtful approach to the fundamental elements of your benefits package, and how wellness benefits can add value for your employees while earning you major savings in the long run. But what about the smaller benefits that let you really show what you stand for as an organization? Things like childcare, flexible work options, and work incentives? Let's take a look at how to optimize those benefits by being more strategic.

These benefits are where you can really make your employer brand shine for current and potential employees, because they are rarely expected but almost always appreciated.

When deciding which benefits to offer and prioritize, keep your company mission/vision, culture, and values very much in mind. This is an opportunity to show employees that you stand by what you say you stand for. If you say you believe your workplace is a family and that you want to create a brighter future for the next generation, it is probably a good idea to offer childcare benefits that let your employees join your family without sacrificing their own. Or, if you believe in hard work and competition, don't shy away from performance-based incentives.

Which of these benefits you offer, and the extent to which you offer them, are more up to your discretion than health, ancillary, and often wellness benefits, partially because employees tend to have fewer concrete expectations about them. You may not get very far as an employer with no parental leave policy and minimal vacation time, but covering the basics and expanding the benefits that match your values is an effective way to engage and reward your employees, with minimal risk of alienating them.

So what are the benefits that fall under this category? By and large, we're talking about lifestyle benefits as well as performance-based incentives and professional development opportunities. The exception is performance-based incentives, which offer employees perks in exchange for accomplishments, whether as part of a competition or as a standard policy. Performance based benefits can be an effective tool to boost productivity and morale when handled correctly. However, employers should be careful not to make the workplace seem too competitive and avoid any semblance of favoritism – both of which can hurt team unity and morale. You can also combine performance-based incentives with lifestyle benefits, such as flexible work options, to reward employees who have earned the company's trust.

Benefits That Make You Shine Continued

Let's explore some common lifestyle benefits that you can leverage to make your company stand out, attract top talent, and keep your best employees around:

Flexible Work



In the modern office, there are more options for flexible work than ever.

Approximately two-thirds of companies have full-time remote employees, while others offer the ability to telecommute as needed. Remote work can be a great way to attract Millennial talent, relieve work stress, and retain talent through moves and other events. Best of all, it can actually boost productivity and make employees feel more connected, not less. Even if you do not want to commit to having fully remote employees, offering the option to telecommute a few weeks per year or days per month can make a huge difference in how your employees see their jobs.

Unlimited PTO

It's not just about remote work, either. While some employers have been reducing vacation time to cut costs, others have started moving to greater or even unlimited vacation time. This policy is particularly popular with startups, and with good reason: it is one of the best ways to attract and retain Millennial talent. You should set clear expectations about the level of work expected from your employees, what amount of vacation is generally reasonable to take, and how much notice is required before taking time off. But as long as it is handled correctly, unlimited PTO can significantly increase employee engagement and total output. And believe it or not, some companies are finding that employees actually take less time off when they have unlimited vacation days.

Sabbatical for Long-time Team Members

In order to reward and retain your more seasoned employees, you can also consider offering a sabbatical for long-time team members. Rather than providing them with the option to take unlimited vacation any year, you would allow employees who have been with the company a certain amount of time to take a several month-long break. This benefit can help rejuvenate your upper management and top performers so that they come back more productive and engaged than ever, and make sure that they stick around. It can also lead to creative solutions, since most of the people who would be eligible for this benefit would likely be decision makers at your organization.

Benefits That Make You Shine Continued

Flexible Scheduling

Another easy, generally inexpensive benefit that you can offer is flexible scheduling. This entails allowing employees to come into the office and go home during whatever work hours work best for them, so long as they get their work done or come in for a minimum number of hours. While especially useful for working parents, flexible scheduling can boost work-life balance for all employees without reducing the amount of work accomplished.

Professional Development

Very few people will stay in a position if they do not see a clear path to advancement. You can boost your retention and reward high performers by being more proactive in the way that you handle professional development.

Formal Mentor Program

Some companies set up a formal mentor program in which new or promising employees are assigned a more established, higher-up employee as a mentor. These mentors can help get employees up to speed at your company more quickly, reducing ramp-up time for new-hires. They can also guide employees towards specific paths to advancement and help them identify skill gaps and opportunities for growth.

Sponsors

Other companies are going still further by appointing sponsors instead of mentors. These senior employees not only guide newer hires but advocate for them as they work their way up the ranks. Mentor programs, and sponsorship in particular, can be especially effective in correcting power imbalances and furthering Diversity and Inclusion initiatives. So, if your values include fostering a diverse and equal workplace, it may be worth your while to develop one of these programs.

Subsidized Job Training and Certification Programs

It's not just about promotion and success within your organization, however. Many employees want to grow their skills and advance their careers as a whole, not just assume new titles and responsibilities at their job. One benefit that can be especially appealing to these employees is subsidized job training and certification programs. Lowering the cost of continuing education and certification or allowing employees to spend some of their working hours on these goals, can help your team members acquire new skills and accelerate their growth. Not only will they be more invested in working for a company that is so invested in them, they will also become more valuable, effective employees.

Benefits That Make You Shine Continued

Professional development, especially training and certification, can vary in importance depending on your industry and the age range of your team. However, most businesses could benefit by offering some sort of formalized development programs to their employees.

Parental Leave

Once considered a rarity, paid parental leave is becoming more commonplace but there is still plenty of room to distinguish yourself as a particularly generous employer. Currently around 40% of employers offer some kind of parental leave, while 60% of employees want their companies to offer paid parental leave. This leaves a strong opportunity for you to stand out.



What should you keep in mind while developing your parental leave program? Obviously you should consider how much time you can afford to offer. There is a large range in what is being offered by employers nowadays, from about two weeks to as many as twenty-four. More is generally better as far as employees are concerned, so you should think seriously about what you can reasonably afford. Length isn't the only consideration, however.

You should feel free to be creative in how you handle parental leave. There are plenty of ways to improve it beyond just extending the paid time off. One common option is to offer additional unpaid time off with guaranteed job security at the end of it. Another increasingly popular option is to offer reduced time in the weeks before and after parental leave – such as 50% or 80% work weeks for full pay. This can ease the transition to and from parental leave, reducing anxiety as well as the risk of postpartum depression without actually sacrificing that much productivity. For organizations on a budget, this can be a good alternative to offering longer full-time leave.

Additionally, it has become increasingly common to offer parental leave to non-birth parents, and for good reason. Studies have shown that in families, the childcare responsibilities are much more equal throughout child-rearing if they are shared at the beginning. That means that no employees would be overly burdened by childcare. Also, offering leave to all new parents is a great way to show how

Benefits That Make You Shine Continued

family-oriented and genuinely caring your company is. Many companies are offering bonding leave to all new parents with additional medical leave for birth-parents, in an attempt to be as fair as possible and also avoid any sense of discrimination. Your benefits broker can help you navigate these sometimes tricky waters.

Childcare and Other Parental Benefits



Increasingly, benefits for employees with families don't just stop at parental leave.

There are many ways to make sure that all of your employees feel welcome at your company and able to contribute as much as possible to the business without sacrificing their families. Some of these benefits come with very minimal cost to the employer, while others may only be worth it if family is particularly important to your company or you have many employees with young children.

Private Spaces and Office Accommodations for Babies

Starting immediately after parental leave, there are a few things that you can do to make new parents' lives easier in your office. One approach that is becoming more popular is to offer private spaces for breast feeding or pumping to make new mothers more comfortable and ease the transition back to the office. Some companies also decide to take active steps to normalize bringing babies into the office, allowing parents to bring their children with them, including into meetings. Formalizing this process as much as possible is a good idea, though, so that you do not alienate parents once their children become too much of a distraction, and a liability. For instance, some companies allow parents to bring their kids into work until they reach a specific age or learn to crawl or walk. This can keep the office free of roaming children and chasing parents.

Flexible Hours and Day Care

Once parents cannot bring their kids into work, there are still some things you can do to make their lives easier. The easiest one is to allow flexible hours, either across the board or for parents specifically. Allowing parents to come in and leave earlier so that their schedules line up better with school hours can make a huge difference. Larger businesses with many parents might also want to consider on-site daycare. Smaller companies may not be able to afford to provide childcare, but they can subsidize it in order to make daycare more accessible to their employees.

Benefits That Make You Shine Continued

Other Lifestyle Benefits

This is where your personality can really shine.

What parts of your employees' lives do you most want to support and improve? Put your resources into what aligns most with your mission and culture. Since these are generally "extra" benefits, you won't upset many employees by skipping any given benefit. Instead, your team members will appreciate the benefits you do offer – especially when they strengthen your company culture. Here are some examples of other lifestyle benefits you might consider providing:



Food onsite: when you provide healthy food, you can also think of these as wellness benefits.



Social events: not only are these events fun and stress-relieving, but they also build team unity and company culture.



"Fun" resources onsite: your employees will rarely say no to a pool table or beer on tap. Just make sure you've covered the more important stuff first.

Get creative! This is your time to show your employees what you value.

Key Takeaways

We've covered a lot of ground in this eBook, and there is still much more that could be said about each of these benefits and how you can be more thoughtful in how you approach them. Hopefully we have given you a solid foundation to start planning your benefits strategy. There is no one-size-fits-all approach to structuring benefits packages, and what will work for you will depend on the unique needs of your employees and your business. However, here are a few key takeaways from this eBook:

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- A personal approach to benefits will show your employees that you are invested in them, boost retention, increase productivity, and allow you to attract new talent.
 - Just because a benefit is expected doesn't mean that you cannot be creative in how you approach it. With smart, mission/vision based thinking, you can optimize your health and ancillary benefits for employee well-being and your bottom line.
 - Use wellness benefits to improve employee quality-of-life and engagement while simultaneously reducing future medical bills from lifestyle diseases.
 - Stand out from the competition by leveraging flexible work, professional development, parental support, and other quality-of-life benefits. These benefits are rarely expected but always appreciated and can make the difference in what kind of talent you can attract and retain.
 - No matter what, when considering your approach to your employee benefits, stay true to your company's ideals, mission/vision, and culture.
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Partner with the Right Broker

Partner with the right broker to craft your benefits package

This eBook should get you started thinking about how to be more thoughtful in how you handle employee benefits. But you don't have to do it alone when juggling employee satisfaction and your financial future.



Partnering with a benefits broker that takes a hands-on, data-driven approach to your benefits package can result in:



At Launchways we understand that optimizing employee benefits is a major challenge for today's growing businesses. That is why our benefits packages are strategically designed to offer your employees more value and more flexibility – all at the lowest possible cost to your business. [Learn more about our benefits solutions today.](#)