



Voluntary Benefits Benchmarking Overview





Introduction

In early 2021, employers across the country were surveyed about various employee benefits and human resources topics, and roughly 150 employers responded.

The information collected demonstrates how employers across the country are utilizing their voluntary benefits. Most importantly, it shows how some are using voluntary benefits to combat the lingering effects of the COVID-19 pandemic.

Voluntary benefits are those that employees can pick and choose from, offered in addition to core benefits (e.g., health insurance). Typical voluntary benefits include dental coverage, vision insurance, financial counseling, critical illness insurance and others. Many voluntary offerings are 100% paid for by employees, but some employers may cover a portion of the premiums. As such, they can be an excellent way to provide meaningful perks to employees without raising costs. Amid the COVID-19 pandemic, these benefits have been particularly helpful. For many, COVID-19 has increased financial insecurity and negatively affected mental health. Voluntary benefits can help counteract these issues by arming employees with the tools they need to improve. And the survey data suggests exactly how some employers are leveraging their voluntary benefits.

Continue reading for key takeaways from the survey findings.

Key Takeaways



Employers Are Exploring Holistic Benefits

Dental and vision remain two of the most common voluntary benefits. However, employers are beginning to expand offerings to include more holistic benefits as well. These include cancer insurance (**32%**), critical illness insurance (**33%**) and financial counseling (**12%**). While not a huge proportion, they are still significant — these figures demonstrate employers' willingness to invest in benefits that can combat the lingering effects of the COVID-19 pandemic.

In fact, employers who do not offer such holistic benefits say they are likely to add them in the future. Membership discounts (**25%**), pet insurance (**19%**), financial counseling (**15%**), critical illness (**13%**) and student loan repayment assistance (**11%**) are all perks that employers say they are exploring. Notably, these types of benefits can also help reduce the financial burdens brought on by the COVID-19 pandemic in addition to improving overall well-being.



Employers Are Acknowledging the Importance of Telemedicine

The vast majority (**87%**) of small employers are offering some form of telemedicine. During the COVID-19 pandemic, telemedicine has proven to be a useful and cost-effective way to receive medical care. That's why many employers are intending to retain this benefit for the foreseeable future.

Moreover, nearly a third of employers (**32%**) consider telemedicine an important or crucial component of their health care offerings. An additional 48% of employers believe it's a good way to supplement existing health benefits. In any case, telemedicine is proving to be a major health care factor, so employers should expect this sector to grow quickly in the near future.



Employers Are Torn on Which Plan Changes to Make

Employers are constantly looking for efficiencies. In terms of benefits administration, that means trading carefully between cutting costs while still offering competitive benefits. According to survey results, employers are unsure how exactly to proceed in this area. Over half of employers (**59%**) want to maintain their benefits status quo, whereas 31% are considering plan changes to help reduce costs. Only a small portion of employers are looking to spend more money on benefits.

That's where voluntary benefits can step in. Since they are usually 100% employee-sponsored, voluntary benefits can help round off a benefits package without raising overall costs. In other words, voluntary benefits can help satisfy both primary objectives for employers: lowering costs without compromising the status quo.

Conclusion

Voluntary benefits are helpful add-ons that can round out any benefits package. They help provide value to employees without raising costs on employers, making them powerful tools. Voluntary benefits have been helpful in dealing with issues brought on by the COVID-19 pandemic, but those issues — financial insecurity, stress, mental health — are likely to remain for a long time. That means it's important for employers to consider reviewing their voluntary benefits and expanding offerings as necessary.

