

## **Employee Benefit Trends to Watch in 2019**

*As 2018 comes to a close, employers should focus on talking to employees about their benefits and where they'd like to see improvement.*



As we close out 2018, the economy is still showing signs of tremendous growth and employment rates continue to rise.

For employers looking ahead to next year, the health of the economy will play a part in how they begin thinking about which benefits to implement. Not only can employees be more selective about the companies they apply to work for, but companies will have to differentiate themselves with their benefits catalog to attract the best candidates.

Along with a shifting political climate, the impacts of the Affordable Care act will still need navigating in 2019 as health care costs remain a prominent issue.

## **Shifting health care costs**

Health care costs are on track to eclipse \$15,000 per employee per year in 2019. In an effort to reduce these costs, employers are shifting their attention to finding alternative health care options for employees.

Expansion of telemedicine and virtual care are at the top of the list for employers looking to reduce their health care costs.

Additionally, after the passing of the Affordable Care Act, many employers shifted their attention to offering consumer-direct health plans (CDHPs) as the sole option at their organization.

These plans combined high-deductibles with health savings accounts. By asking employees to pay for their doctors' visits with a savings account, they're likely to seek out cheaper coverage, thus saving the company money overall.

The popularity of CDHPs was driven in large part by a proposed 40 percent tax on high-value health care plans. Employers quickly moved to CDHPs to save money, but the proposed tax has yet to take effect and employers are less eager to shift to CDHP options so quickly.

## **Custom communications**

Personalized communications to employees about their benefits are becoming more prevalent.

Every employees' benefits journey is different and their communications should be too.

As employees show interest or a need for a certain type of benefit, benefits platforms are gearing up to be able to communicate directly with employees to help.

For employees who prefer to communicate via text message or calendar reminders, platforms will begin to integrate more closely with employees' lives to deliver the guidance they need.

Employers should focus on partnering with providers who are delivering customized messaging to employees to maximize engagement and adoption rates. 2019 will likely see employers not only offering more customized and personalized benefits, but also more robust communications that speak directly to employees' needs.

### **Benefits over salary**

Hiring efforts have been made difficult by a strong job market and economy. Employers in almost every industry are struggling to attract talent because of stiff competition.

Basic benefits like paid vacation and a 401(k) aren't enough to break through the noise anymore. People are able to be more selective about which jobs they apply for based on the benefits being offered.

In 2019, employers will need to focus on making their entire benefits package more enticing—including offering help with things like student loans, tuition reimbursement, and college savings plans.

## **Rise of voluntary benefits**

Voluntary benefits, while supplemental to core benefits like health insurance, are a way to address the unique needs of employees and allow employees to personalize their rewards.

Voluntary benefits are appealing to employees because they offer a nice flexibility to their compensation package. As employers are discovering that benefits are not a one-size-fits-all package, voluntary benefits provide a cadre of solutions that can be built for the employee base.

Attractive benefits can make the difference between whether a prospective employee accepts a job offer or not. In 2019, employees will demand more from their benefits packages and the addition of voluntary benefits will be used as a factor in recruitment.

As 2018 comes to a close, employers should focus on talking to employees about their benefits and where they'd like to see improvement. Start conversations with your IT team about security measures you can work towards in 2019 and try to begin the conversation with your benefits providers about how to communicate more directly with your employees to stay competitive in the current job market.

By Chris Whitlow