

# **How Voluntary Benefits Have Been Impacted by COVID-19**

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In a matter of a few short months, COVID-19 completely changed our world. The virus dramatically impacted the global economy and for the first time in more than a decade, Americans were faced with a heightened level of personal economic uncertainty. Millions found themselves in indeterminate employment situations, including being furloughed or even unemployed. The feelings of financial instability took its toll and has since created a growing mental health crisis as more American's are left feeling anxious and concerned about their financial future.

Now more than ever, the need for a sturdy financial safety net has become a focus and priority for employees, who fully recognize the importance of covering themselves and their families in a way that is more personal to their needs through the voluntary benefits they receive through their employer. Therefore, it is not surprising that employees have turned to

their employer seeking reassurance, and a lifeline in the form of new voluntary benefit offerings. And, for the most part, employers are trying to respond in kind.

Prior to the COVID-19 pandemic, 66% of employers said they were approached by their employees for financial and/or legal advice. It is clear that in the wake of the pandemic, these needs have only increased and as a result, employers are looking for ways to help employees by providing financial, legal and identity theft protection benefits. Many employers have started by offering all employees access to free services that provide knowledge and support from some of the most common legal and identity theft needs.

COVID-19 forced many of us to rethink our finances and reminded all of us the importance of safeguarding our families' financial futures in case of unexpected unemployment or even an untimely illness or death. Service requests for health care directives and other estate planning documents have increased dramatically. From March to June of this year, we witnessed over a 40% increase in the use of these services.

The pandemic has also exposed employees to more than just the need to protect their financial futures. There has been a significant increase in

criminal activity due to the pandemic, especially unemployment fraud and new online scams emerging as workers stay home and conduct almost all business electronically. Companies have become especially concerned about cybersecurity and data privacy, and employers are seeking new ways to protect not only their corporate data but also safeguard employees against financial fraud and cyber theft. In addition to the implementation of new security training and process improvement, employers are taking a more serious look at adding identity theft protection to their voluntary benefit package. This type of protection not only protects the employee and their families but has a residual effect of protecting employers by closing the unforeseen gaps in data security often created by unintentional employee actions.

It is clear that employees require the ability to tailor their benefits package to meet their own individual needs, especially during these unprecedented times. Core benefits such as medical, dental, life and disability are table stakes for most employees. Voluntary benefits offer the personalized approach that many employees crave. Voluntary benefits provide a solution for debt collection, privacy and reputation management, real estate, student loan management and more. Providing voluntary benefits is one-way employers can show their employees that they understand their needs.

COVID-19 has driven employers to rethink how and when they offer their employees benefits and reevaluate their voluntary benefit offerings. Benefit cycles have typically been based on traditional core benefit offerings. However, we are seeing a new trend emerge with off-cycle enrollments. Providing an enrollment period outside of the core benefit offering as a way to target the communication of certain topical benefits has increased in popularity. This year, we saw more employer groups engage in off-cycle re-enrollments and offer legal and identity theft protection plans as a direct response to COVID-19. Benefits to providing off-cycle enrollments include the ability for employers to highlight and focus on specific benefits, which in turn allows employees an opportunity to really review and understand the benefits being offered. Many times, employees may feel overwhelmed at their choices and become so focused on making sure they choose the right dental plan for their growing family that they overlook key voluntary offerings.

The recent pandemic has brought to light the importance of a robust employee benefit package. As the world continues to evolve with the reality of COVID-19, we will start to see more employers offering off-cycle enrollments and group legal and IDT protection plans. Employees will also

understand more than ever the value that such benefits provide to not only themselves, but also their family. While the COVID-19 pandemic has created much hardship, it has forced us to recognize the importance of preparing for the future, which is one positive take away from an otherwise difficult time.

Emily Rose