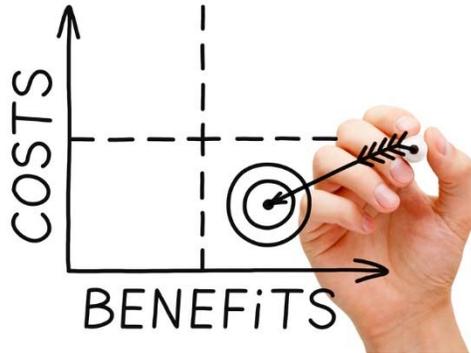


Employers, Employees View Voluntary Benefits as Mandatory



As healthcare costs continue to mount for both employers and employees, voluntary benefits offer workers some additional protections for financial emergencies at a low cost.

In fact, they've become so popular that companies are increasingly offering employer-paid voluntary benefits like ID theft protection, pet insurance, long-term care insurance, critical-illness insurance and hospital indemnity.

"Historically, employers offered voluntary benefits to supplement their core health and retirement benefit coverage," says Lydia Jilek, director of voluntary benefits at Willis Towers Watson. "Now, with an increasingly diverse workforce, employers no longer consider voluntary benefits as simply add-ons, but rather as a way to address a host of employee needs, offer choice and allow employees to personalize their rewards."

Employees seem to agree.

A new survey from Willis Towers Watson found that about eight in 10 employees (79%) think voluntary benefits enrich existing core benefit plans by offering more personalized benefits to employees that fit their needs and lifestyle. Three in four workers say voluntary benefits appeal to multiple generations within the workforce, and 74% say these benefits support employee financial well-being.

A sick pet, for example, can set an employee back hundreds or thousands of dollars for care, not including the days they may need to take off. Thirty-four percent of the 336 U.S. employers polled say they currently offer pet insurance, but that number is

expected to increase to 57% by 2021, according to Willis' "2018 Voluntary Benefits Survey."

Identity theft protection, another popular voluntary benefit, is increasingly vital for employees as scores of retailers, hospitals and credit bureaus were the victims of cyberattacks in the past year.

Recently, Milwaukee-based financial services firm Baird upgraded its identity theft protection offering from a voluntary benefit to an employer-sponsored benefit to better protect its employees.

Other employers are likely to follow suit; the Willis Towers Watson survey found that identity theft protection will increase to 63% by 2021, from 36% in 2018.

Likewise, hospital indemnity is likely to triple to 50% in 2021, up from 24% of employers offering the voluntary benefit in 2018; long-term care insurance will double to 33% by 2021, up from 16%; and critical illness will increase to 71% by 2021, up from 43%.

Voluntary benefits remain popular among employers and employees, and for good reason, says Jilek says.

"These benefits are a cost-efficient way to provide additional coverage to employees, and they can help employers attract and retain talented employees, many of whom tend to migrate to employers who offer choice and flexibility," she says, adding, "Employees, on the other hand, see great value in voluntary benefits, which they are able to purchase through their employer at a lower group rate compared with on the individual market."

By Amanda Eisenberg