

Voluntary Benefits Provide Options for Employees to Customize Their Benefits Packages



The past 10 years have seen tremendous change in the world of voluntary benefits. Once simply the “nice-extra” for the employee benefit package, now they are considered “essential.” Today’s diverse, multigenerational workforce has such varying characteristics, lifestyles and preferences, that employers no longer can provide one-size-fits-all benefits, even in the voluntary arena.

The current tight job market has employers vying to recruit and retain top talent. So, it’s no surprise that voluntary benefits are now a mandatory “must-have” in the employee benefits package. In addition to explosive growth in the range of available voluntary benefits in recent years, their popularity among employees is reaching new heights as well. A broad benefits package sends the right message to employees and potential recruits. It positions the business as a company that listens, cares, and is worth working for.

Why optional benefits?

Voluntary benefits offer employees a variety of specialized benefits so they can choose the ones they want or need. And the scope of options is impressive — from voluntary benefits that supplement “core” benefits such as health, life and disability insurance, to the plethora of others that span identity theft protection to pet insurance to employee

purchase programs and even student loan refinancing arrangements and assisted reproduction egg harvesting.

In addition, voluntary benefits are a cost-effective method for employers to provide a broad benefits package that gives employees options. That's important because only 60 percent of employees believe their employer's benefit plans are competitive with those offered by other organizations, according to the PwC 2018 Employee Financial Wellness Survey.

Generational differences mandate customization

Building a benefits package that offers plenty of choice for employees can be challenging. Today's diverse workforce – spanning three generations from millennials to baby boomers – looks at work, life, money and finances in totally different ways. Matching voluntary benefits to the three generations in the workforce allows employees to customize their selection based on their wants and needs. Looking at voluntary benefits by purpose helps employers prioritize offerings.

Buying and banking benefits give employees alternative ways to save, spend or borrow. They help employees who are underserved by traditional financing options or who want access to services that aren't generally available to them otherwise. These options include paycards, short-term loans, employee purchase programs, employee discount programs, credit union and flexible spending accounts.

Lifestyle and convenience benefits allow the employee to take advantage of cost savings that they wouldn't get otherwise because they are getting these benefits from their employer. Plus, by paying for these through payroll deduction, they have the convenience of one less bill to worry about. Among the lifestyle and convenience benefits are child care, elder care, pet insurance, auto insurance, adoption assistance, auto insurance, cybersecurity insurance and legal assistance.

When employers offer **personal care and improvement benefits**, they show that they care about the whole employee while also encouraging them to be proactive about their

physical, mental and financial health. Among the personal care and improvement benefits are financial counseling services, wellness programs, employee assistance programs and tuition assistance programs.

Financial safety nets offer protection from financial crises that can be potentially devastating for employees, such as home warranty insurance, homeowner's insurance, identity theft protection and long-term care insurance.

Attracting and retaining employees

A benefits package that includes a portfolio of voluntary benefits helps employers acquire and retain a talented, productive workforce while at the same time helping fulfill the diverse benefits needs of employees. By recognizing the value in voluntary benefits and adding to their voluntary offerings, employers not only can provide for their employees' financial wellness, but can retain a loyal, motivated workforce as well. And in the process, employees can have it their way.

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