

5-Step Strategy

In Communicating the Value of Employee Benefits

In today's competitive hiring market, leveraging benefits to attract and retain good, qualified employees is more important than ever. Offering ancillary benefits like dental, vision, life and disability insurance is a good first step towards enhancing your benefits package and differentiating your company from the competition.

But simply offering extra benefits is not enough. When you consider on average 30 percent of employees' compensation is benefits,¹ it's important to help maximize their value. The more your employees understand their benefits and the value they offer, the more likely they are to enroll, use the benefits and save money.

What's the best way to help your employees understand their benefits package?

Check out these five proven tactics:

- 1** **Reveal the Hidden Paycheck.** Employers often pay a portion of medical, dental and vision benefits and the full premium for life and disability. A personal benefits statement is a powerful way to provide a dollars and cents breakdown of all benefits by identifying specific employer contributions, as well as out-of-pocket costs employees can expect to pay.
- 2** **Demonstrate the Savings.** Show employees how valuable the benefits are to their overall compensation. With dental insurance, for example, a simple chart can demonstrate how insurance helps them save money by paying a percentage of their care.
- 3** **Compare Costs.** Illustrate how much employer-sponsored benefits will cost per month versus how much employees can expect to pay for comparable coverage if they buy it on their own. Plus you can show the costs if they do not use the benefits. A comparison chart is an easy-to-understand tool to demonstrate the savings of purchasing benefits through work.
- 4** **Expose the Risks.** Help employees understand their risk and what unprotected exposure to those risks could cost. Because disability insurance is often overlooked and misunderstood, including statistics about the likelihood of a disability (over 1 in 4 of today's 20-year-olds will become disabled before they retire²) can help employees understand the value of this benefit.
- 5** **Communicate, Communicate, Communicate.** Sharing benefits information throughout the year is essential. Holding benefits meetings during open enrollment time is important, but sharing benefits information all year via internal newsletters, emails, and mailing brochures home, can help keep these important benefits top of mind.

Use these five tactics to create a proactive communications strategy that helps your employees gain a greater understanding of the value of your benefits offering. If your employees are like others, this may lead to stronger job satisfaction and company loyalty.³

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¹Integrated Benefits Institute, Health and Productivity Benchmarking 2016 (released November 2017), Short-Term Disability, All Employers. Group average for new claims per 100 covered lives.

²Social Security Administration, Disability and Death Probability Tables for Insured Workers Born in 1998, Table A, August 2018.

³Views on the Value of Voluntary Workplace Benefits: Findings from the 2016 Health and Voluntary Workplace Benefits Survey, by Paul Fronstin, Ph.D., EBRI, and Ruth Helman, Greenwald & Associates.