



OAK
INSURANCE
GROUP

FOR HR LEADERS

The Critical Need for Supplemental Employee Benefits in the U.S.

Improving benefits and staying competitive when inflation, plan costs, and changing preferences erode employee loyalty and happiness.





CRITICAL NEED

The landscape of employee benefits in the United States is undergoing significant changes driven by inflation, rising plan costs, and evolving employee preferences. How can HR leaders and their organizations offer compelling benefits that inspire, reward, and retain employees and do it affordably and practically?

This study explores the critical need for supplemental employee benefits in the U.S. to address these challenges. We analyze survey responses from U.S.-based organizations of varying sizes and various industries to understand the current state of employee benefits, their concerns, and future considerations.

Introduction

Employee benefits are pivotal in attracting and retaining top talent in organizations. However, the rapidly changing economic environment poses challenges to employers in the United States, necessitating a reevaluation of their benefits offerings. This study delves into the responses from diverse organizations to provide insights into **the critical need for supplemental employee benefits.**

Employees Are Stating What They Want: Data from Metlife Research

- If offered more benefits, 73% of employees would be encouraged to stay with their current employer longer.
- 49% of employees would bear more cost to access benefits that fit their needs.
- Improving workforce health is a top benefits goal, according to 84% of employers.
- 55% of employees note that supplemental health and wellness programs (like a gym membership, etc.) are necessary benefits to accept a new job offer.

SOURCE: <https://www.metlife.com/workforce-insights/>

RESEARCH METHODOLOGY

We surveyed HR professionals of mid-to-large U.S.-based organizations in 2023. The survey encompassed questions about the number of employees, industry, primary medical coverage, benefit offering considerations, and employees' needs and values.

The data gathered has been analyzed to extract trends and insights.





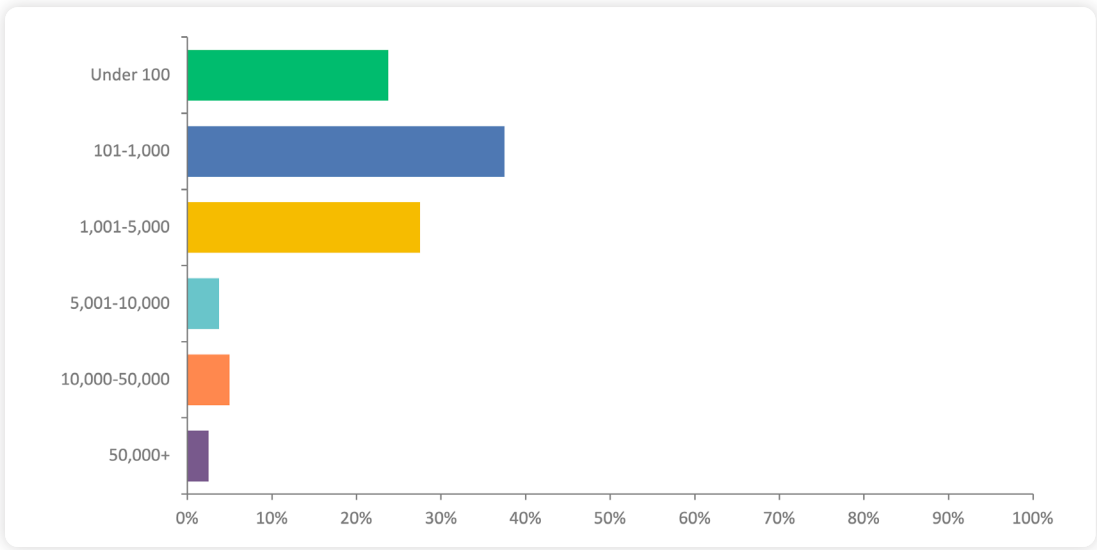
FINDINGS

The survey revealed the following insights:

Employee Size and Industry

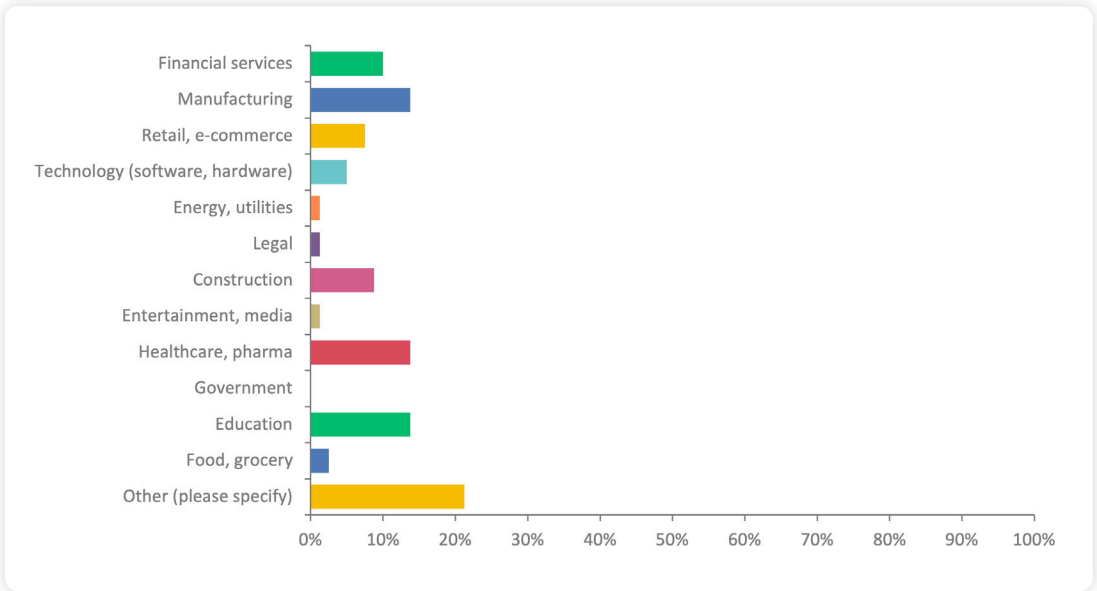
Most participating organizations (37.5%) had 101-1,000 full-time employees.

How many U.S.-based full-time employees does your organization have?



The survey included respondents from a broad spectrum of industries, with financial services (10%) and healthcare/pharma (13.75%) among the top industry sectors.

How many U.S.-based full-time employees does your organization have?

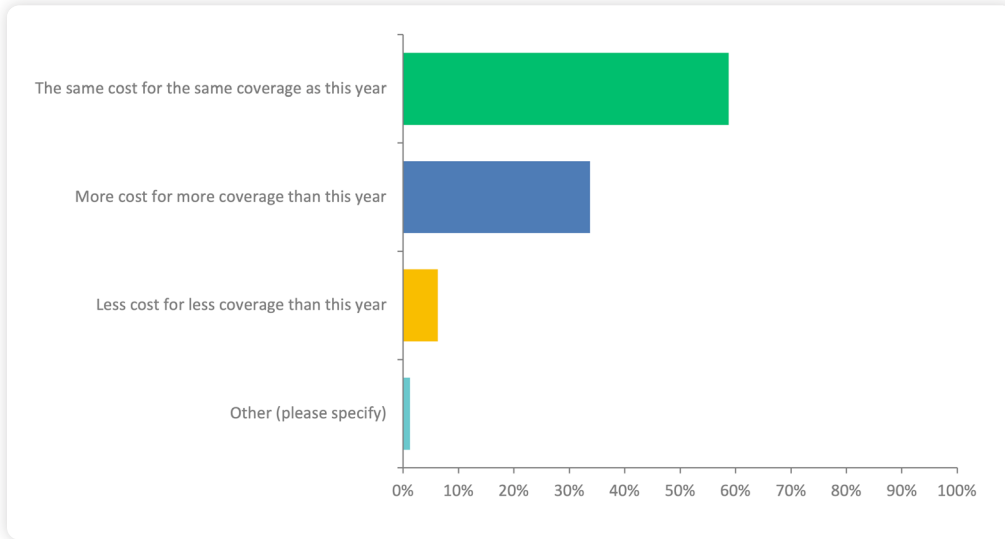




Major Medical Coverage

A significant percentage (58.75%) of organizations anticipate offering the exact cost for the same coverage next year. This suggests a trend of stability in medical coverage offerings.

Regarding major medical coverage, which option is most realistic to offer your employees next year?

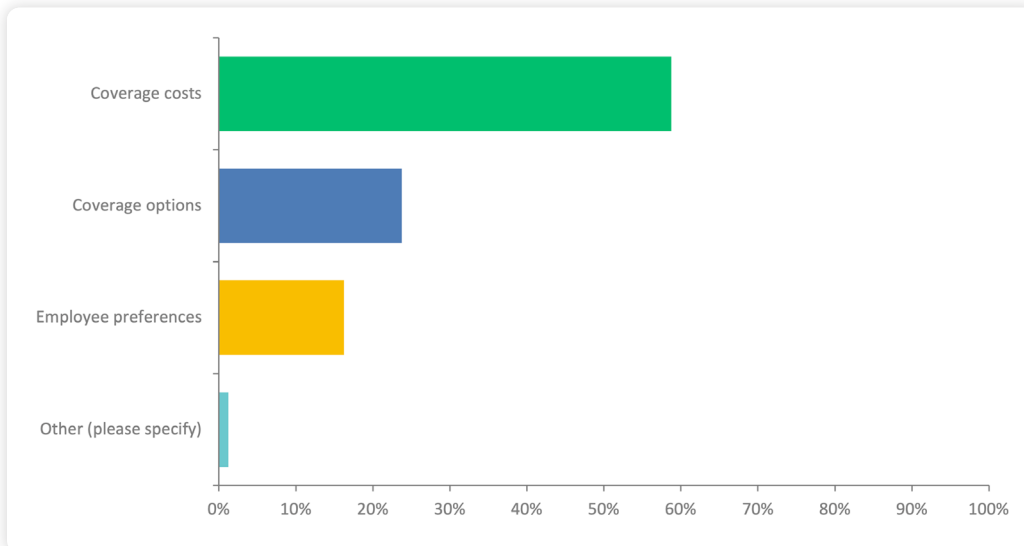


A substantial number (33.75%) plan to provide more coverage at a higher cost than the previous year, indicating a commitment to enhanced healthcare benefits.

Influencing Factors

For most organizations (58.75%), coverage costs are the primary factor affecting their benefits offerings for the upcoming year. Coverage options (23.75%) and employee preferences (16.25%) also shape the benefits landscape.

Which of the following will impact your overall benefits offerings the most next year?

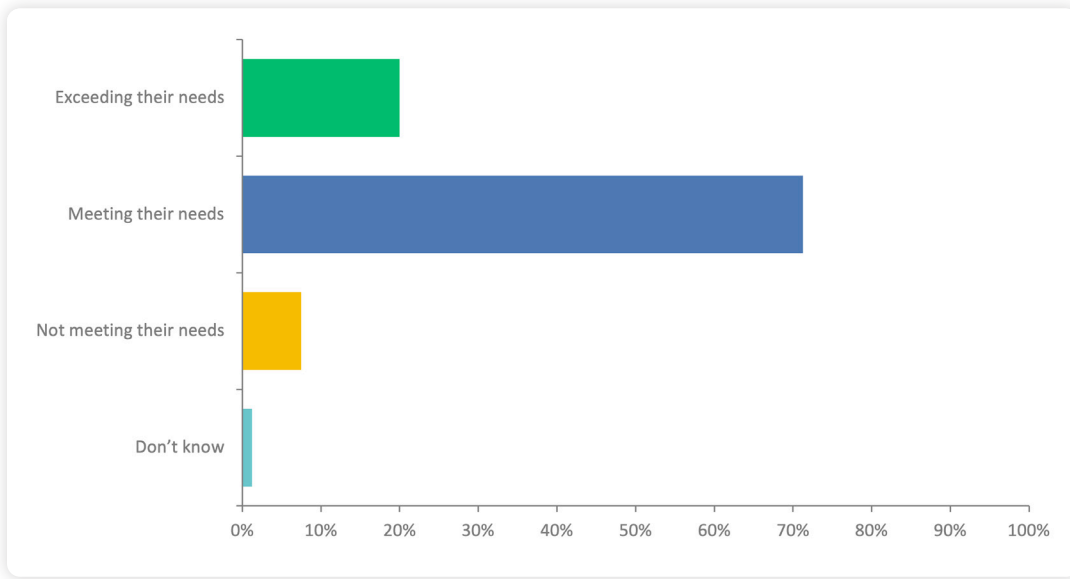




Meeting Employee Needs

Many organizations (71.25%) believe their current major medical offerings meet employees' needs, highlighting the efficacy of their existing benefits programs.

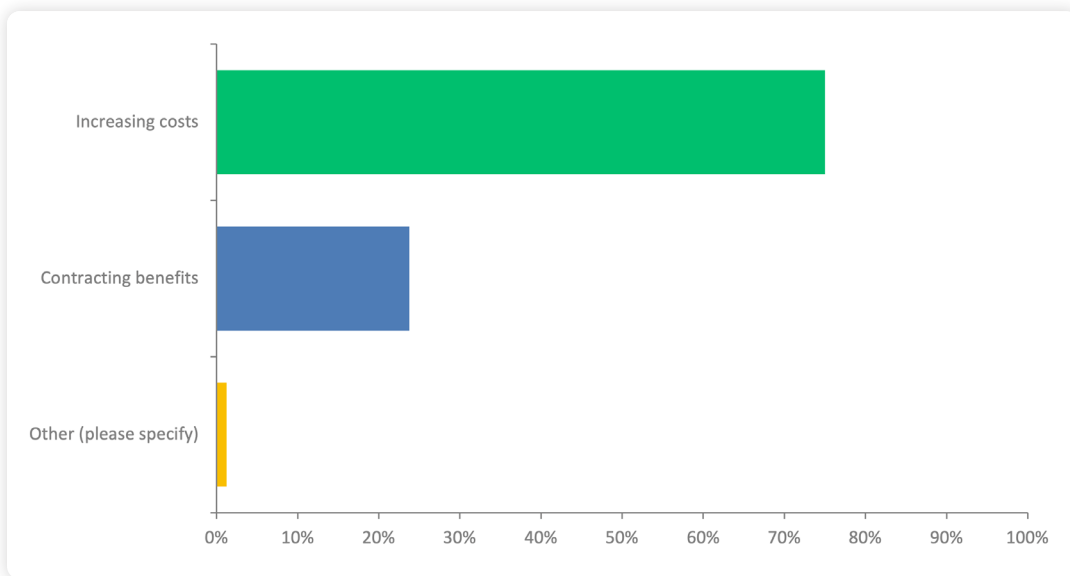
How is your current major medical offering meeting the needs of employees?

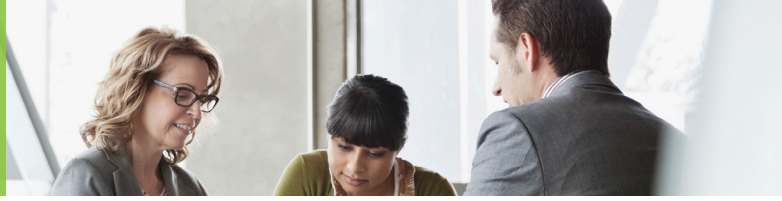


Future Concerns

The survey reveals that a considerable majority (75%) are most concerned about increasing costs regarding benefits offerings. Contracting benefits (23.75%) are another area of apprehension, reflecting the evolving nature of employee benefits.

What worries you the most about your benefits offerings in the future?





Enhancing Employee Benefits:

A Necessity for HR Leaders in the United States

In the face of mounting challenges such as inflation, escalating plan costs, dwindling plan offerings, and evolving employee preferences, Human Resource (HR) leaders in US companies are presented with a pressing imperative: augmenting their current benefits offerings with supplemental employee benefits programs. By doing so, they can effectively retain and attract top talent while significantly boosting overall employee morale.

Inflation: The Unyielding Economic Challenge

In recent years, the United States has experienced rising inflation, causing concern among employees who are witnessing their purchasing power diminish. While organizations may have historically relied on salary increases to combat inflation, these alone may not suffice. Supplemental employee benefits provide an avenue to give employees the financial relief they desperately seek in inflationary times.

Plan Costs and Shrinking Offerings: A Dual Threat

As plan costs continue to surge, organizations are often forced to reevaluate their existing benefit offerings. This results in the reduction of coverage or an increase in costs for employees. In this scenario, HR leaders can be proactive by introducing supplemental benefits that don't replace but rather complement existing plans. A supplemental plan can offset some of the financial stress caused by escalating plan costs. By augmenting benefit packages with such offerings, HR leaders ensure that employees receive the quality care they need without shouldering additional financial burdens.

Evolving Employee Preferences: A Dynamic Challenge

Employee preferences for benefit coverage and options are continually changing. Traditional, one-size-fits-all benefits packages may no longer align with the diverse and evolving needs of the modern workforce. To address this challenge, HR leaders should consider supplementing their current offerings with various choices. Options like personal health and mental health consultations, pet insurance, addiction recovery, and advanced telemedicine not only accommodate the shifting preferences of employees but also demonstrate a company's commitment to providing a flexible and employee-centric benefits program.

Attracting and Retaining Top Talent: A Competitive Imperative

Attracting and retaining top talent in today's competitive job market is critical to an organization's success. Companies that enhance their benefits offerings with supplemental programs differentiate themselves as forward-thinking employers. Increased supplemental plan offerings can serve as a compelling recruitment and retention tool. Financial peace of mind improvements can be a significant draw for employees seeking companies that prioritize their well-being.

Boosting Employee Morale: The Ultimate Goal

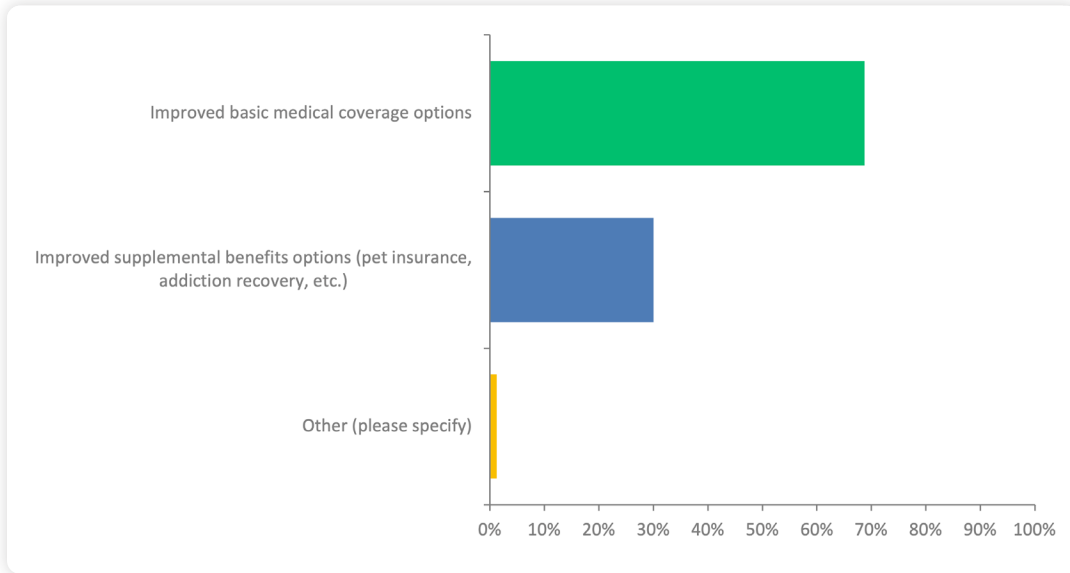
Boosting employee morale is a strategic pursuit. A satisfied and engaged workforce is more productive and loyal. Supplemental employee benefits can play a pivotal role in this regard. They provide employees with tangible financial and health-related advantages, leaving them feeling valued and supported. In addition, HR leaders can realize company-wide savings through self-funded programs, and these savings can be reinvested in other employee-centric initiatives, further enhancing morale and engagement.



What Employees Value Most

Most organizations (68.75%) believe that improved basic medical coverage options are what employees value the most. A significant number (30%) also see value in offering improved supplemental benefits, such as pet insurance and addiction recovery.

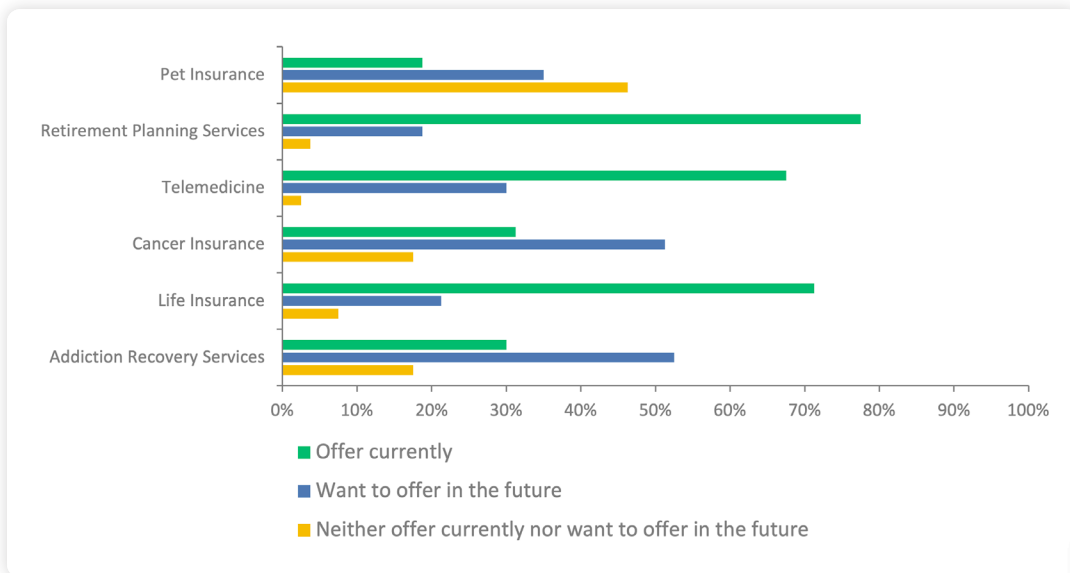
What do you think employees value the most?



Exploring Supplemental Benefits Offerings

Organizations are keen on expanding their supplemental benefits offerings in several areas, such as retirement planning services (35%), pet insurance (35%), and telemedicine (30%).

Which of the following do you offer now and hope to offer in the future?



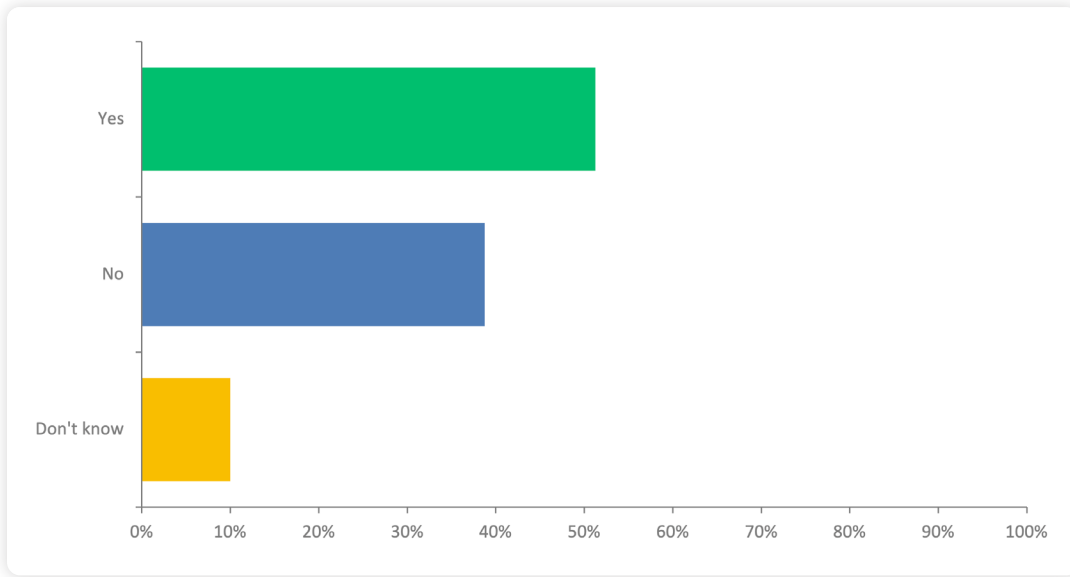
The majority of HR professionals want to offer additional supplemental benefits like addiction recovery services and cancer insurance, and over one third want to offer pet insurance and telemedicine.



Supplemental Benefits Are Important

There is a strong interest in augmenting primary medical coverage with supplemental employee benefits, as over half of the organizations (51.25%) currently offer these benefits.

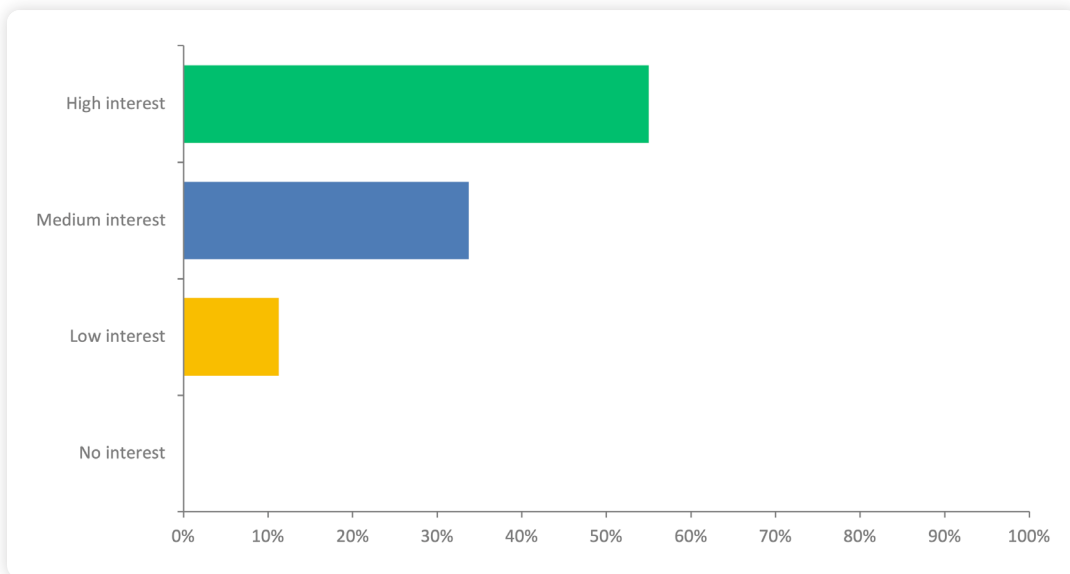
Do you currently offer any Supplemental Employee Benefits to augment your major medical?

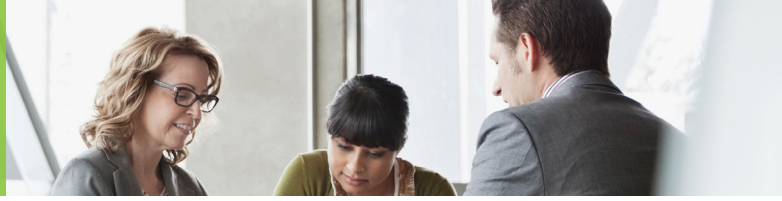


High Future Interest in Supplemental Benefits Offerings

Organizations are **highly interested** in providing supplemental employee benefits in the future, with 55% expressing high interest and 33.75% indicating medium interest.

What is your interest level in offering Supplemental Employee Benefits to augment major medical in the future?





Conclusion

The critical need for supplemental employee benefits in the United States becomes evident in a dynamic environment where inflation and employee preferences are evolving rapidly. Employers are increasingly recognizing the importance of enhancing their benefits offerings to attract, retain, and meet the needs of their workforce. As primary medical coverage remains a cornerstone, **supplemental benefits are emerging as a valuable addition to address the changing landscape of employee needs and priorities.** This study underscores the significance of adapting to these shifts and provides valuable insights for organizations seeking to navigate the ever-changing terrain of employee benefits.

Solving the Supplemental Employee Benefits Problem

Give employees a raise and improve your bottom line—introducing the Champ Plan.

A 100% voluntary, supplemental health insurance plan.

The Champ Plan, a Supplemental Employee Benefits Program offered by Oak Insurance Group™ and Champion Healthcare™ is designed to enhance the current insurance plans of employees. It provides numerous benefits at no net cost to organizations, offering various services to improve employees' health and well-being.

EMPLOYEE BENEFITS: \$1,500.00 AVERAGE ANNUAL EMPLOYEE PAY INCREASE*

EMPLOYER BENEFITS: \$573.60 PER EMPLOYEE PER YEAR**

Benefit Details for Employees and Companies

Financial Boost for Employees: Employees can increase their annual income by \$1,000 to \$4,000. They achieve this by self-funding and receiving claims benefits, raising their net take-home pay.

Company Savings: The Champ Plan offers a fixed company savings of \$573.60 per employee per year. This is achieved through a self-funded approach, reducing the company's FICA match (6.2% Social Security and 1.45% Medicare).

Reduced Major Medical Plan Costs: By diverting everyday claims to the Champ Plan, organizations can significantly reduce the costs of their primary medical plans, potentially saving millions of dollars.

\$0 Copays: The program offers zero copays for primary and urgent care visits. It also includes unlimited primary care doctor and urgent care visits.

Preventative Care: Employees enjoy a \$0 copay for 100% preventative care, ensuring coverage for services required by the Patient Protection and Affordable Care Act with First Health Providers.***

Personal Health & Mental Health Consultations: Employees and their families can access proactive medical care and private consultations at no cost.

Additional Benefits: The plan encompasses various benefits, including unlimited telemedicine for the family, pet insurance, an AI-powered personal health dashboard, and integration with fitness trackers like Fitbit and Garmin.

The Champ Plan offers an enticing proposition for both employees and companies. It provides employees with additional financial benefits and healthcare services without increasing costs. Simultaneously, it enables companies to realize substantial savings and potentially reduce the expenses associated with their primary medical plans.



THE CRITICAL NEED FOR SUPPLEMENTAL EMPLOYEE BENEFITS IN THE U.S.



*Based on data from Champion Health Inc., Participants averaged an increase in pay of \$1,500 per year. Actual increase amounts vary based on the amount of each participant's annual wages.

**The number of enrolled employees may vary significantly based on eligibility.

Actual benefits and tax savings may vary depending on individual benefits, income amount, withholdings, and other factors.

*Based on data from Champion Health Inc., Participants averaged an increase in pay of \$1,500 per year. Actual increase amounts vary based on the amount of each participant's annual wages.

**If currently enrolled in a major medical plan, this benefit may not apply.

Find Out More—It's Easy

Email: contact@oakinsurancegroup.com

Visit: <https://oakinsurancegroup.com/section125/>

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