

## Voluntary Benefits Provide Value in Tough Economy

Tough economic times can take a toll on all aspects of a company's operations, including the employee benefits department. As companies look for ways to keep a cap on employee benefits costs—while still offering an attractive, competitive benefits package—consider the value of voluntary benefits.



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Voluntary benefits can help meet individual employee needs and fill gaps in the regular employee benefits program, at little or no cost to the employer. Employees pay for voluntary benefits with their own money, but at a sometimes substantial savings of both time and money: group discounts generally are available; marketing is brought into the workplace, instead of employees having to shop for these products on their own; and payment can be conveniently made through payroll deduction. Furthermore, employees may have access to products that would not be available to them on an individual basis, as underwriting may be relaxed when the product is offered to a group.

When considering voluntary benefits, it's important to offer those products that are most likely to be well-received by your employee group. Therefore, have a strategic plan for implementation, just as you do with your core benefits program. Consider first what coverage gaps employees may have. For example, if your core program lacks dental or vision options, these are ideal voluntary benefits offerings. If you limit life insurance coverage to a set multiple

of salary, supplemental life or life insurance options with a cash accumulation feature could be offered. If your workforce includes part-time employees who are not eligible for the core plan, voluntary benefits offerings could include limited medical, along with dental and vision. And if your benefit plan is comprehensive, and has few gaps, bring in options that give employees alternatives to purchasing insurance products in the individual market; like, long-term care, group home and auto, cancer and/or critical illness insurance and legal services plans.

In addition to coverage gaps, examine employee demographics to determine which voluntary benefits offerings would be appropriate. Employee focus groups and surveys also can be useful information-gathering tools in selecting voluntary benefits products that are likely to be well-received by your workers.

In addition to expanding your employee benefits options, voluntary benefits can enhance your communications opportunities with employees. Choose a vendor that is armed with communications vehicles that ensure program success: a combination of paper, online and in-person outreach designed to promote the opportunities of the voluntary benefits offerings, but without the kind of hard sell that can turn employees off.

Today's technologies make the administration of voluntary benefits programs easier than ever. Online enrollment and claims inquiries/processing direct to the vendor can, in many cases, limit the burden on the employer's human resources and benefits staff to the set-up of payroll deduction. This is a small investment when the return is a more comprehensive benefits program at little or no additional cost, and employees who are more satisfied with their employee benefits package.

Please feel free to contact me regarding the possibility of offering voluntary benefits, or any other questions regarding the worth and effectiveness of your current insurance programs.

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