



# Benefits trends and solutions for the public sector

Workplace dynamics are changing and benefits are increasingly a key differentiator for the public sector.



Managing productivity and finding qualified talent are top concerns for public sector employers.



The eighth annual Aflac study offers a fresh look at trends and solutions to enhance benefits options and delivery in the evolving public sector workplace.

Key benefits solutions for the public sector:



Tailor benefits to meet business objectives.



Measure and track benefits usage and satisfaction.



Offer customizable benefits to help meet employees' individual needs.



Communicate clearly throughout the year.



Leverage products and services for out-of-pocket cost protection.



Tailor benefits to meet business objectives

One of the most important objectives concerning public sector employers is managing productivity, which means finding the right talent and keeping them engaged is an important investment. Tailoring benefits to employees' needs is one way to help. When employees are confident in their benefits packages, it can help them stay engaged for the long haul.

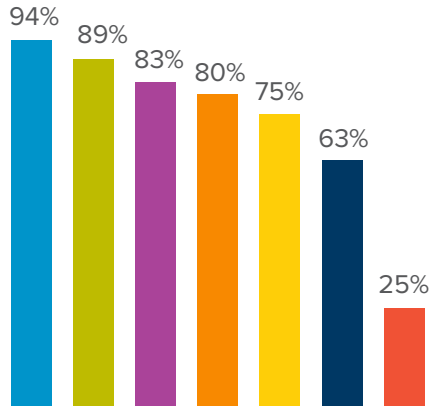
Managing productivity and finding qualified talent are top concerns for public sector employers.

Of the following business objectives, which is the most important for your company right now?





## Measure and track benefits usage and satisfaction



### 2018 public sector benefits offerings:

- Major medical/health insurance
- Dental insurance
- Vision insurance
- 401(k) or other pension programs
- Life insurance
- Disability insurance
- Supplemental insurance

### Public sector employers say their employee benefits programs strongly influence:<sup>1</sup>

- **73%** – Overall well-being.
- **69%** – Overall financial health.
- **64%** – Job satisfaction.
- **64%** – Loyalty to employer.
- **57%** – Work productivity.
- **44%** – Willingness to refer friends to the company.
- **38%** – Decision to leave the company.

**61%**

of public sector employers have a system in place to track benefits satisfaction.

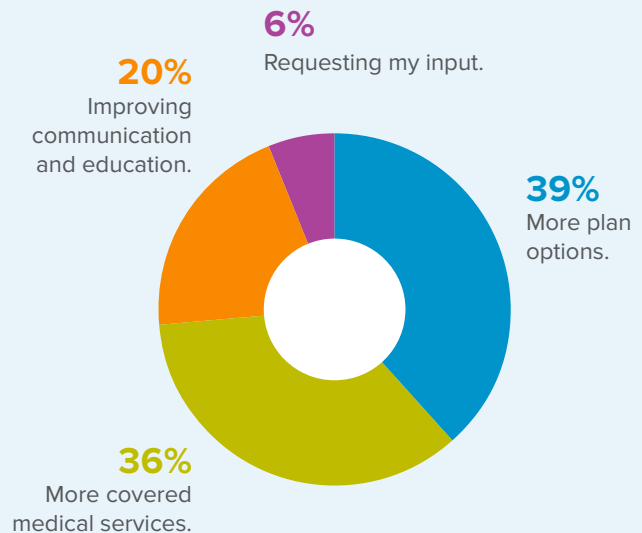
### Popular measures include:

- **46%** – Employee engagement or satisfaction surveys.
- **34%** – Employee wellness scores.
- **30%** – Participation or sign-up rates.
- **24%** – Productivity scores.



### Offer customizable benefits to help meet employees' individual needs

Benefits go a long way to help retain talented employees. While increased salary is the top way to retain employees, “improve my benefits package” ranks second, with 31% of public sector employees saying it would help keep them in their jobs. Other than reduced costs, public sector employees would like to see their benefits package improved by:



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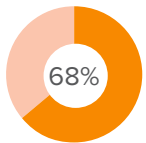
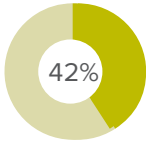
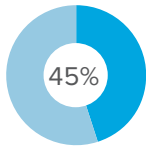


## Communicate clearly throughout the year

Health insurance can be complex. So, easy-to-understand, regular communication is key for benefits enrollment in the public sector.

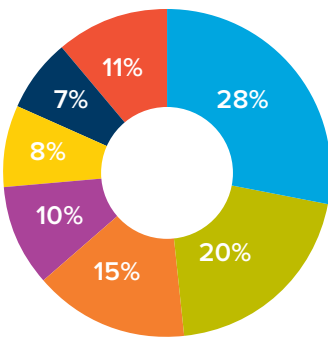
### Of employees surveyed:

- **45%** would rather do something unpleasant than research their health care benefits.
- **42%** have a solid understanding<sup>2</sup> of their total annual cost for health care coverage and care.
- **68%** admit there are things they don't understand about their policies.



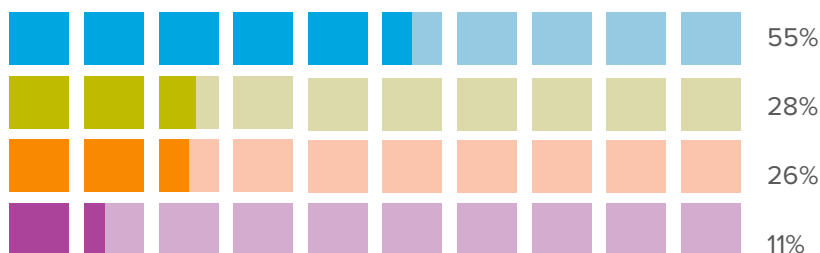
### To improve enrollment, public sector employees say they'd like to see:

- **28%** – Simpler language to help me understand what is and isn't covered.
- **20%** – More plan options so I can pick what I need.
- **15%** – An easily accessible benefits advisor.
- **10%** – Broader coverage.
- **8%** – A longer enrollment window.
- **7%** – Consolidated benefits under one provider or exchange.
- **11%** – None of these.



### Public sector employers choose a variety of methods to manage rising health care costs:

- **55%** of public sector employers say rising health care costs are preventing them from increasing compensation.
- **28%** increased employee premiums in 2018, and **27%** expected to increase employees' share of premium in 2019.
- **26%** increased employee copays in 2018, and **16%** expected to increase employee copays in 2019.
- **11%** say they cannot continue to sustain the cost of their benefits programs.



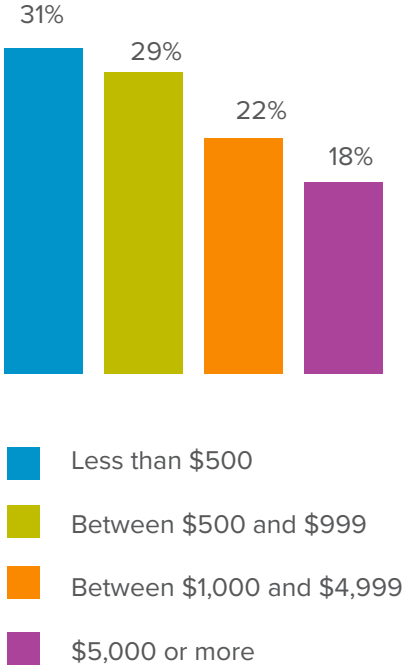


### Leverage products and services for out-of-pocket cost protection

Out-of-pocket expenses carry a high cost for public sector employees:

- **24%** say they or a family member have had to miss a week or more of work due to illness or injury in the past year.
- **48%** have experienced negative effects of high medical costs or bills, most commonly avoiding or delaying medical care.
- **43%** of all employees in the public sector couldn't go more than three weeks without a paycheck.
- **60%** couldn't pay \$1,000 or more for high out-of-pocket costs associated with an unexpected serious illness or injury.

### How much could you pay for unexpected out-of-pocket expenses?



### Supplemental insurance, such as accident or disability insurance, helps policyholders pay for out-of-pocket costs associated with injury or illness.

**82%** of public sector employees agree that there's a growing need for supplemental insurance.

When employees are offered and enrolled in **supplemental insurance** benefits, job satisfaction improves.<sup>3</sup>

	Not offered	Offered	Enrolled
<b>Benefits satisfaction rises:</b>	61%	66%	<b>72%</b>
<b>Job satisfaction rises:</b>	65%	69%	<b>75%</b>

### Top reasons public sector employers offer supplemental insurance:

- **66%** – To offer the widest range of benefits options.
- **57%** – To satisfy employee need, interest or demand.
- **30%** – To increase productivity by maintaining a healthy workforce.
- **28%** – To remain competitive with other employers.



The 2018 Aflac WorkForces Report is the eighth annual study examining benefits trends and attitudes. The surveys, conducted by Lightspeed, captured responses from 1,700 benefits decision-makers and 2,000 employees across the United States in various industries. The survey results include 375 public sector employees and 195 public sector employers. For more information, visit [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com).

<sup>1</sup>Report extremely or very influential. <sup>2</sup>Report they understand the costs extremely or very well. <sup>3</sup>Data based on a cross analysis of all survey respondents, including public and private sectors.

Aflac herein means American Family Life Assurance Company of Columbus and American Family Life Assurance Company of New York.  
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