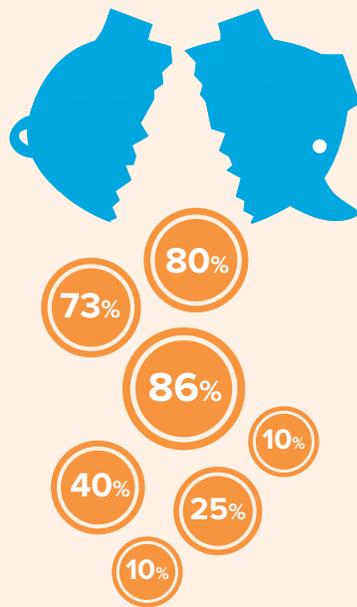


National trends

2014 Aflac WorkForces Report results for benefits decision-makers and employees from the United States

As part of the fourth annual Aflac WorkForces Report, 1,856 benefits decision-makers and 5,209 employees in the United States shared their opinions on a variety of workplace-benefits topics.

National snapshot:



80% of employees agree that a well-communicated benefits package would make them less likely to leave their jobs.

73% of employees think health care reform is too complicated to understand.

86% of employees think the medical costs they're responsible for will increase.

10% of employees say high medical costs have affected their credit scores.

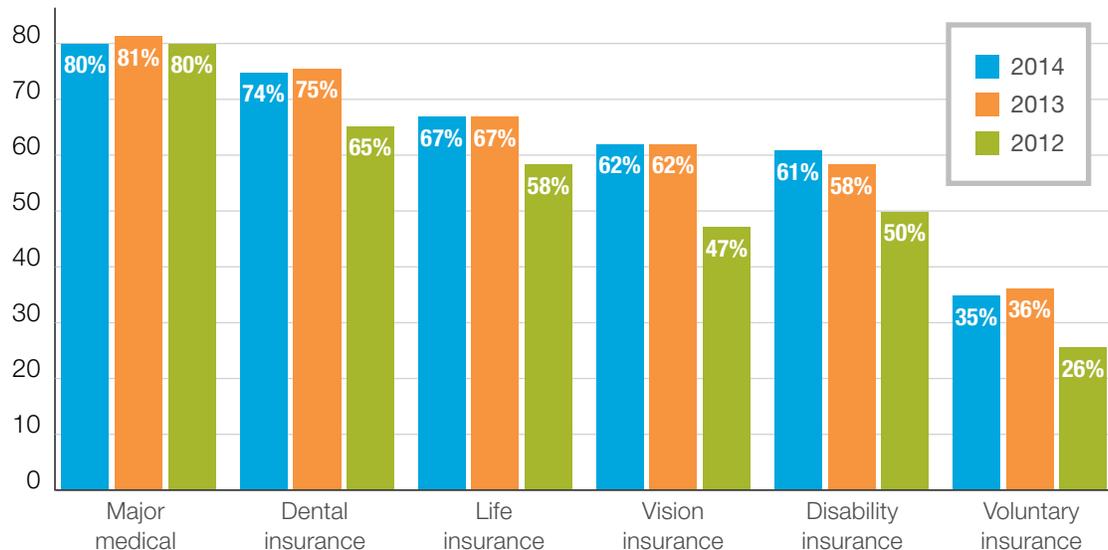
40% of businesses in 2013 awarded employees smaller raises than in previous years.

25% of businesses expect to award smaller raises in 2014.

10% of companies expect to offer employees stipends in 2014 to purchase health care coverage on their own, instead of offering company-provided benefits.

National-employer benefits offering trends

The percentage of United States employers offering benefits by type across three years.



The importance of benefits:

Businesses believe benefits are extremely or very influential on:

Job satisfaction – 52 percent.
 Loyalty to employer – 48 percent.
 Willingness to refer friends – 36 percent.
 Work productivity – 40 percent.
 Decision to leave company – 33 percent.

Yet, employees believe benefits are extremely or very important to:

Job satisfaction – 77 percent.
 Loyalty to employer – 66 percent.
 Willingness to refer a friend – 51 percent.
 Work productivity – 63 percent.
 Decision to leave company – 53 percent.

Key employer findings

Benefits offerings

	Percent of responses
Offer voluntary insurance to their employees	35%
Employers that provide access to voluntary accident insurance and voluntary disability insurance experienced declines in workers' compensation claims. ¹	42%
Moved employees to private exchanges in 2013	7%
Plan to move employees to private exchanges in 2014	7%
Of those who moved or plan to move their employees to private exchanges, say doing so is financially advantageous for their companies	37%
Of those who moved or plan to move their employees to private exchanges, say doing so is financially advantageous for their employees	23%
Expect to offer employees stipends in 2014 to purchase health care coverage on their own, instead of offering company-provided benefits	10%
Decreased employee hours from full- to part-time in 2013	14%
Plan to decrease employee hours from full- to part-time in 2014	12%
Of those who decreased or plan to decrease employee hours from full- to part-time, say they're doing so to avoid penalties associated with health care reform	24%
Expect to eliminate or reduce benefits in 2014	18%
Use a broker or benefits consultant to select their employees' benefits options	64%

Hiring and compensation

	Percent of responses
Awarded employees smaller raises in 2013 than in previous years	40%
Expect to award smaller raises in 2014	25%
Hired full-time workers in 2013	59%
Expect to hire full-time workers in 2014	49%
Hired part-time workers in 2013	46%
Expect to hire part-time workers in 2014	36%

Benefits communication	Percent of responses
Strongly/somewhat agree they effectively communicate the value of their benefits to employees	63%
Communicated about benefits three or more times in the past year	47%

The most common benefits-communication channels



Email
64%



Face to face
54%



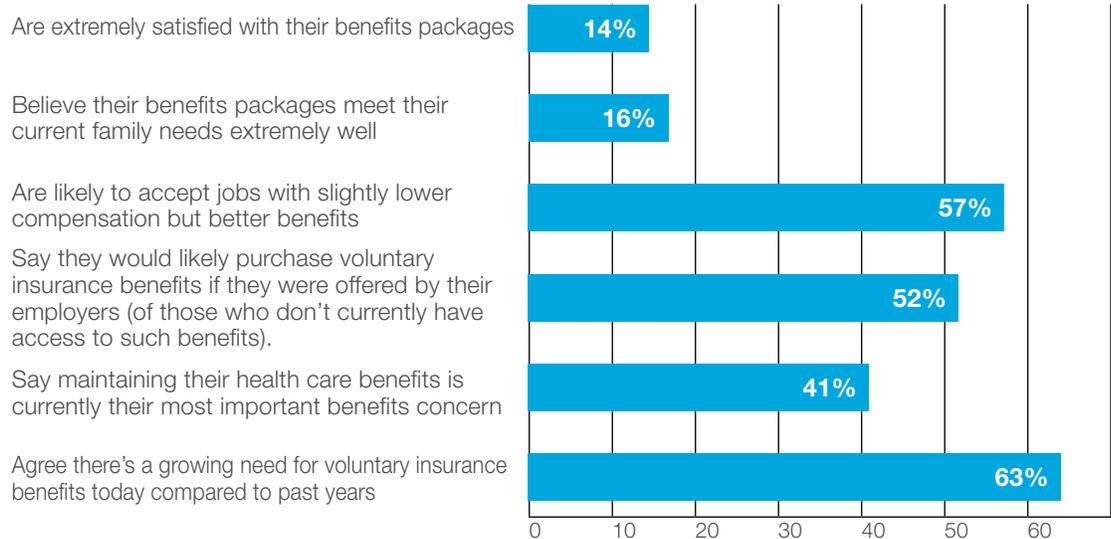
Employee-benefit booklet
42%

Key employee findings

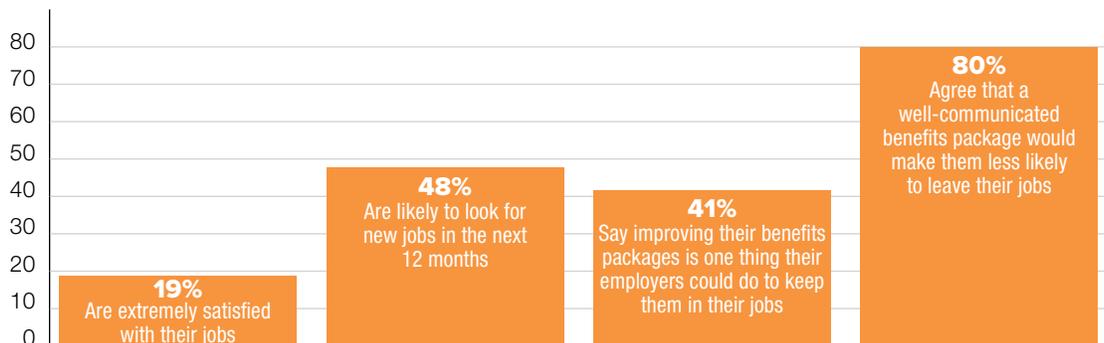
Financial preparedness

Financial preparedness	Percent of responses
Would not be able to adjust to the large financial costs associated with a serious injury or illness	66%
Completely or strongly agree their families are financially prepared for an unexpected emergency	25%
Have less than \$1,000 to pay for unexpected out-of-pocket medical expenses	49%
Have less than \$500 to pay for unexpected out-of-pocket medical expenses	27%
Would need to borrow from a 401(k) and/or use a credit card to cover unexpected medical costs	53%
Say high medical costs have affected their credit scores	10%
Have been contacted by a collection agency about outstanding medical bills	13%

Benefits engagement



Job satisfaction



The impact of health care reform

	Percent of responses
Employees think health care reform is too complicated to understand	73%
Employees believe their employers will educate them about changes to their health care coverage as a result of health care reform	68%
Employees think their medical costs will increase	86%
Employers feel extremely or very prepared to address changes to the health care system in 2014	41%
Employers will rely on brokers or insurance companies to suggest changes to their benefits packages due to the changing health care environment	45%
Employees think their HR departments communicated extremely effectively about health care reform and any subsequent changes to their benefits	9%
Employees completely agree their employer has prepared them well for the impact of health care reform	3%
Employees say the frequency of their employers' benefits communication increased compared to last year	20%
Employees agree they are very or extremely knowledgeable about federal and state exchanges	10%

About the study

The 2014 Aflac WorkForces Report is the fourth annual Aflac employee-benefits study examining benefits trends and attitudes. The study, conducted in January 2014 by Research Now, captures responses from 1,856 benefits decision-makers and 5,209 employees from across the United States. To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

This material is intended to provide general information about an evolving topic and does not constitute legal, tax or accounting advice regarding any specific situation. Aflac cannot anticipate all the facts that a particular employer or individual will have to consider in their benefits decision-making process. We strongly encourage readers to discuss their HCR situations with their advisors to determine the actions they need to take or to visit healthcare.gov (which may also be contacted at 1-800-318-2596) for additional information.

This article is for informational purposes only and is not intended to be a solicitation.

Source

¹ Aflac's "Impact of Voluntary Accident and Voluntary Disability Insurance on Workers' Compensation Claims" study reflects a survey conducted in Nov. 2013 by Aflac and Lieberman Research Worldwide. Survey participants included 600 employers at small, medium and large U.S. companies. Small employers are defined as those with 3-99 employees. Medium employers are defined as those with 100-499 employees. Large employers are defined as those with 500 or more employees.

