

Fact Sheet

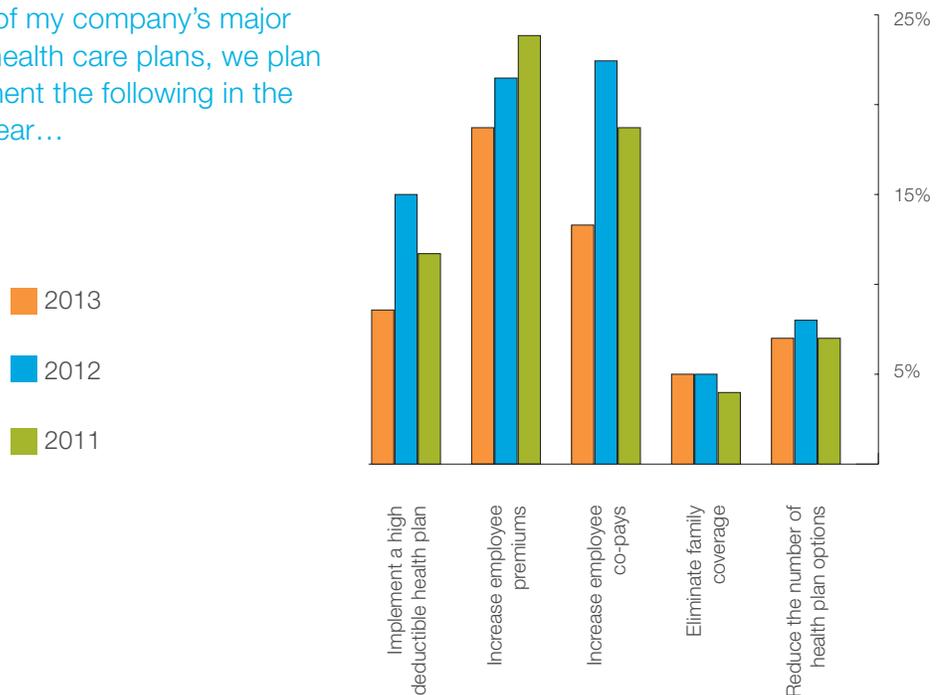
Small Company Benefits Trends (3-99 employees)

As part of the 2013 Aflac WorkForces Report, 576 respondents were small employers (3-99 employees), and 1,431 of respondents were small company employees.

Key findings are:

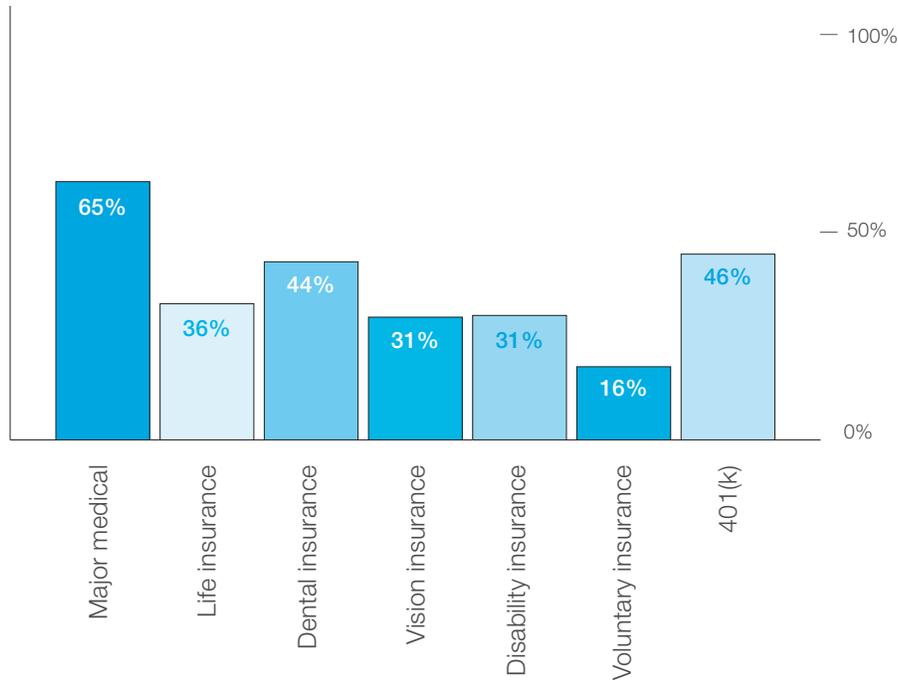
- » Offering robust benefits while staying within budget/cost constraints is a top benefits challenge for 47% of small businesses. Understanding the changing health care landscape is second-largest benefits challenge for 27% of small businesses.
- » 53% of small company employees at least somewhat agree that “I would prefer not to be more in control over my health care expenses and options because I will not have the time or knowledge to effectively manage it.”
- » Additionally, 53% agree “I believe I may not adequately manage my health insurance coverage, leaving my family less protected than we currently are.”
- » 55% of small businesses use a broker or benefits consultant to help determine benefits options, vs. 71% of mid-sized companies and 56% of large companies.

Thinking of my company's major medical/health care plans, we plan to implement the following in the coming year...



Small Company Benefits Offerings At-A-Glance

Which of the following benefits does your company offer?



The Role of Benefits in Key HR Outcomes

Talent Attraction

- » 61% of small business employees say they are likely to accept a job offer with slightly lower compensation, but better benefits.
- » 83% of workers say a benefits package is important to their willingness to refer a friend to their organization.

Satisfaction

- » Only 47% of workers at small companies say they are extremely/very satisfied with their overall benefits package.
- » When employees are offered voluntary insurance they are much more likely to say their current benefits package meets their needs extremely/very well (60%), compared to those not offered voluntary benefits options (45%).

Employee Well-being

- » 35% of workers say their current benefits package only meets their family's needs somewhat, and 15% say their benefits package does not meet their needs.
- » When asked if they feel fully protected by their current insurance coverage, 45% of employees at small businesses say they only somewhat agree, and 29% say they strongly/completely disagree.

Retention

- » 51% of employees at small businesses are at least somewhat likely to look for a new job in the next 12 months.
- » Nearly half of employees (49%) say that improving their benefits package is one thing their employer could do to keep them in their job.
- » 79% of employees agree that a well-communicated benefits program would make them less likely to leave their jobs.

Disconnects on Key Benefit Issues

Employers respond that:

58% of employers strongly/somewhat agree that "Our workers are taking full advantage of the benefits we offer."

Believes benefits are extremely or very influential on:

- » Job satisfaction – 50%
- » Loyalty to employer – 49%
- » Willingness to refer friends – 28%
- » Work productivity – 30%
- » Decision to leave company - 29%

55% of small companies strongly/somewhat disagree with the statement "our workers are not adequately informed about their benefit choices."

57% of companies strongly/somewhat agree they effectively communicate the value of their benefits to employees.

Only 3% of companies named "educating our employees about health care reform" is an important issue for their organization.

39% of companies named "having employees interested in purchasing voluntary benefits as top challenge in offering voluntary benefits.

Employees say:

38% of employees completely/strongly agree with the statement "I am taking full advantage of my employee benefits."

Believes benefits are extremely or very important to:

- » Job satisfaction – 72%
- » Loyalty to employer – 64%
- » Willingness to refer a friend – 50%
- » Productivity – 61%
- » Decision to leave company – 50%

80% of workers at least somewhat agree with the statement "I would be more informed about my benefit choices if I sat with an insurance consultant."

37% of workers say their HR department communicates extremely/very effectively about benefits offered by their employer.

68% of workers agree "I believe my employer will educate me about changes to my health care coverage as a result of the health care reform."

62% would be likely to purchase voluntary benefits if offered.

Conclusions

The 2013 Aflac WorkForces Report finds there is strong evidence that a companies' benefit program significantly influences employee attraction, engagement and retention. Many small companies are looking to self-funded benefits options, as well as supplemental benefits, as low-cost solutions.

Keeping up with complicated, ever-changing regulations and being able to educate workers about benefit choices is increasingly difficult, especially for small businesses. Yet, improving benefit communications and choosing appropriate insurance options for workers can have critical business results for smaller-sized companies. Partnering with brokers or benefit consultants can help bolster insurance benefits with little impact on the bottom line, as well as provide advice or assistance in developing effective enrollment and communication strategies.

