



## Employee benefits snapshot:

# Choice and flexibility for all

Employee benefits brokers and their clients have plenty in common these days: They share the challenge of anticipating staff expectations for benefits that are as flexible as work conditions proved to be in early 2020.

The Covid-19 pandemic shuffled how, where and when work was accomplished. Suddenly employers discovered that they were more flexible than they had previously thought they could be—and as flexible as many employees had long wanted them to be. Now the definition and delivery of benefits is following the same arc: Employees expect to have richer benefits, customized in form and delivery.

“Benefits are top of mind for both employers and employees as workplaces shift gears from crisis mode to chronic management of the new way of working,” says David Coons, senior vice president of The Jacobson Group, an insurance search and staffing firm. “We found that managers had to recognize that they might have accelerated through the change process. They thought they were pulling everyone with them—but we found that employers have to modify their approaches to match where their individual employees are. Some of these changes that employers made will stick, because they realize the value of having people happy, healthy, collaborative.”<sup>1</sup>

Overall, employees are fairly happy with the benefits they have, according to industry reports. But they’re eager for a little more, to suit their own interests and family needs.

### Enhancements, not overhauls, reflect general satisfaction with employee benefits

Aflac’s 2020–2021 WorkForces Report<sup>2</sup> found that employers of all sizes were generally in agreement about benefits. Sixty-eight percent of employers at large companies are quite sure they will continue with their current benefit plans, and 47% expect to carry on with hybrid or virtual work arrangements. Medium-sized and small employers share the snapshot view.

Additional research adds nuance to the momentum of benefits offerings:

- Almost a quarter of large employers intend to add or expand supplemental benefits in 2021.<sup>3</sup>
- Nearly half of employers (47%) plan to enhance health care benefits. Meanwhile, significant energy is building for supplemental programs that directly relate to employees’ acute needs driven by the pandemic: 45% of employers expect to enhance well-being programs, 38% to enrich sick leave and 26% to bolster caregiving benefits.<sup>4</sup>



And employees are enthusiastic about taking advantage of additional benefits that are most meaningful to them. Willis Towers Watson research shows that employees value choice and expect their employers to understand their needs.<sup>4</sup> Employees want their benefits and their employers' subsidies, too, with more than a third of employee respondents citing reducing benefit costs as their top benefits priority for 2021 and 20% prioritizing more benefit choices and increased flexibility in their work.<sup>5</sup>

### **Choice and flexibility meet with core benefits offerings**

It's that last sentiment, choice and flexibility, that will shape the benefits of the future. An employee benefit wish list by Jellyvision, which assesses the efficacy of benefits on behalf of employers, identified top benefits picks for 2021. The choices—including fitness perks, stipends for workday food and ergonomic workstations, health savings accounts, and health care advocacy and navigation coaching—reflect a desire for employers to give employees more control over their benefits.<sup>6</sup>



As employees continue to evolve their daily time and space, they will expect benefits to adapt incrementally, too. “A hybrid approach, for instance, means that benefits tied to the 9-to-5 office day need to be broken down into bite-sized access,” Coons says. “Parents might need three days of company-sponsored child care, not five. Gym memberships might need to be adjusted to help offset the cost of leasing equipment for employees to use at home.”

Still, core benefits—health, dental, life and retirement—continue as the baseline for recruiting and retaining staff. In a system that ties health care to employment, that's unlikely to change, but the Covid-19 recovery makes core benefits all the more important. Some employees are concerned about rapid onboarding and access to benefits in order to cover needs that are unmet because of spouses' and partners' employment status (one in four Americans report that at least one earner in their household is in financial stress due to pandemic-inflicted job loss<sup>7</sup>).

And with financial ramifications of the pandemic rippling through American households, many hope that employer-sponsored benefits will offset financial riptides. Nearly six in 10 employees say Covid-19 has made it more important for employers to offer financial wellness benefits.<sup>8</sup> Even those with jobs may not be prepared to cover unexpected medical expenses: 48% of employees couldn't pay \$1,000 or more for out-of-pocket expenses without relying on debt or credit if an unexpected serious illness or accident occurred today.<sup>2</sup>

### **Supplemental benefits round out core benefits while offering choice and value**

The value of benefits remains a constant throughout economic volatility—a touchstone for employer brand value and recruiting. Even as employers concentrate on the benefits that will be meaningful for their employees, they also must rise to expected increases in rates.

One way to address employees' expectations while corralling costs is to highlight lesser-known benefits and the flexibility of mix-and-match supplemental programs. While employees usually are conversant with retirement, medical and dental benefits, they may not be as familiar with benefits that are invisible until you very much need them. A timely case in point: Critical illness insurance sometimes includes an infectious disease benefit.

Routine health care postponed during the depths of the pandemic offers a boomerang opportunity for employers to ensure that employees both gain the care they need and realize the scope of the benefits available to them. To that end, Aflac now offers dental and vision benefits, in conjunction with supplemental products that include wellness benefits, to ensure that employees gain holistic insight along with care.

Employers and employees alike have become accustomed to volatility in the wake of Covid-19. The question from here is what the workforce wants to take from the lessons of 2020 and 2021 to transform the benefits landscape for the true benefit of all.

<sup>1</sup>Personal interview, February 2021.

<sup>2</sup>Aflac. "Aflac WorkForces Report: Workplace Benefits Trends Executive Summary." Published September 2020. [Accessed 3.15.2021.](#)

<sup>3</sup>Mercer. "With Slow Health Benefit Cost Growth in 2020, Employers Plan to Invest in More Support for Employees, Says Mercer." Published 12.8.2020. [Accessed 3.15.2021.](#)

<sup>4</sup>Willis Towers Watson. "The Growing Importance & Value of Voluntary Benefits in a Post-COVID World." Published 6.15.2020. [Accessed 3.15.2021.](#)

<sup>5</sup>BenefitsPro. "Employees Raise Expectations for Employer-Paid Benefits During Pandemic." Published 1.26.2021. [Accessed 3.15.2021.](#)

<sup>6</sup>Jellyvision. "The State of Employee Benefits in a Post-Pandemic Workforce." Published 2021. [Accessed 3.15.2021.](#)

<sup>7</sup>Pew Research Center. "Economic Fallout From COVID-19 Continues to Hit Lower-Income Americans the Hardest." Published 9.24.2020. [Accessed 3.15.2021.](#)

<sup>8</sup>SoFi. "Survey: Financial Wellness Benefits in a COVID-19 World." Published 7.29.2020. [Accessed 3.15.2021.](#)

**The content within is for informational purposes for agent and broker-facing audiences.** This information is not approved to distribute to prospective insureds, to prospective accounts, or to use as a solicitation. Misrepresenting this, or any, information to solicit or induce an insured to lapse, forfeit, or surrender an insurance policy is prohibited by law. Any use not specifically permitted herein is strictly prohibited. **Aflac includes Aflac and/or Aflac New York and/or Continental American Insurance Company (CAIC) and/or Continental American Life Insurance Company.**

Aflac dental and vision insurance coverage from the 2020 pilot launch is underwritten by National Guardian Life Insurance Company (NGL). National Guardian Life Insurance Company is not a member of the Aflac family of insurers. National Guardian Life Insurance Company is not affiliated with The Guardian Life Insurance Company of America a/k/a The Guardian or Guardian Life. Aflac dental and vision products may not be available in all states. National Guardian Life Insurance Company | Madison, WI.

For all states that have approved the Aflac dental and vision insurance products, coverage will be underwritten by Aflac. In New York, coverage will be underwritten by Aflac New York.

Aflac WWW | 1932 Wynnton Road | Columbus, GA 31999.

Please see coverage documentation applicable to your situs state for further details.

**Notice to Consumer:** This is a limited benefit plan and provides dental and vision benefits only. Aflac's contracts of insurance, including Aflac's network dental and vision plans, provide limited-scope and/or supplemental benefits only and do not constitute comprehensive health insurance coverage. Aflac's contracts of insurance do not satisfy the requirement of minimum essential coverage under the Patient Protection and Affordable Care Act (ACA) and are not designed to meet any of the essential health benefit requirements mandated by the ACA or federal law, including pediatric oral or vision care services. Aflac's contracts of insurance are not an alternative to, or a substitute for, comprehensive health insurance coverage and should only be used to supplement comprehensive health insurance coverage.