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Fact Sheet – ADP HR/Benefits Pulse Survey (#652)

Topic: Employee Benefit Tools

Fieldwork Conducted: July 2011

Report Date: August 26, 2011

About the ADP HR/Benefits Pulse Surveys: The ADP HR/Benefits Pulse Surveys are quarterly surveys executed by the ADP Research Institute on key topics that are top-of-mind among HR and benefits professionals. Conducted from July 6th through 18th, the Employee Benefit Tools survey asked 501 HR decision-makers to respond to a 10-minute online questionnaire. ADP was not identified as the study sponsor. The study universe was a statistically projectable random sample of all U.S. enterprises with 50-999 (251 interviews) and 1,000 or more (250 interviews) total U.S. employees. Federal, state, and local government and public education were excluded from the study universe. For more information on the ADP HR/Benefits Pulse Survey on Employee Benefit Tools, please go to www.adp.com/pulsesurvey1111.

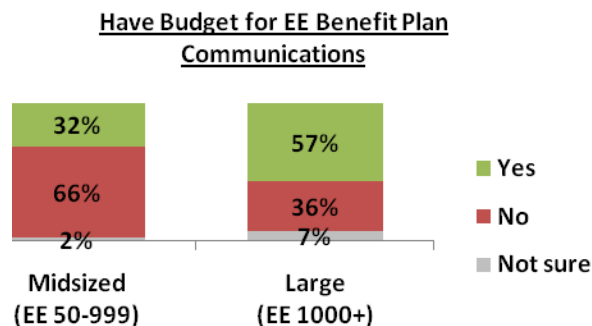
About the ADP Research Institute: The ADP Research Institute is a specialized group within ADP which provides insights for leaders in both the private and public sectors around issues of human capital management, employment trends and workforce strategy.

Findings of ADP[®] HR/Benefits Pulse Survey on Employee Benefit Tools

A new ADP survey shows a wide gap between the goals and reality of how employees understand their benefit plans. Eighty percent of HR decision makers believe it's important for employees to fully understand their benefit options, yet they estimate only about 60% of their own employees do – a finding with serious implications for how companies communicate one of the most important parts of their employees' total compensation.

Employee Benefit Communications

- A surprising number of large employers (36%) and the majority of midsized firms (66%) do not have an employee communications budget related to their benefit plan. It is unlikely this will change in the near future as HR decision-makers at about half of companies say their budget has remained the same in the past year and only a minority expect it to increase in the next one or two years.

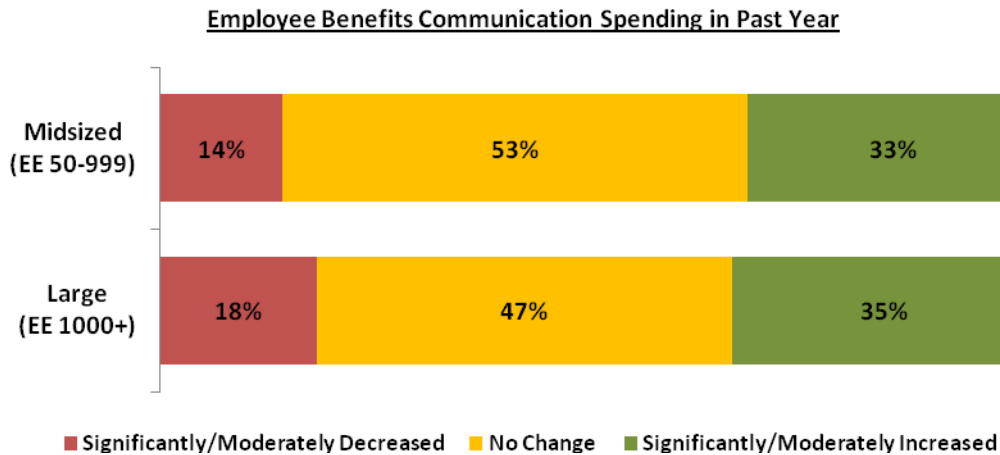


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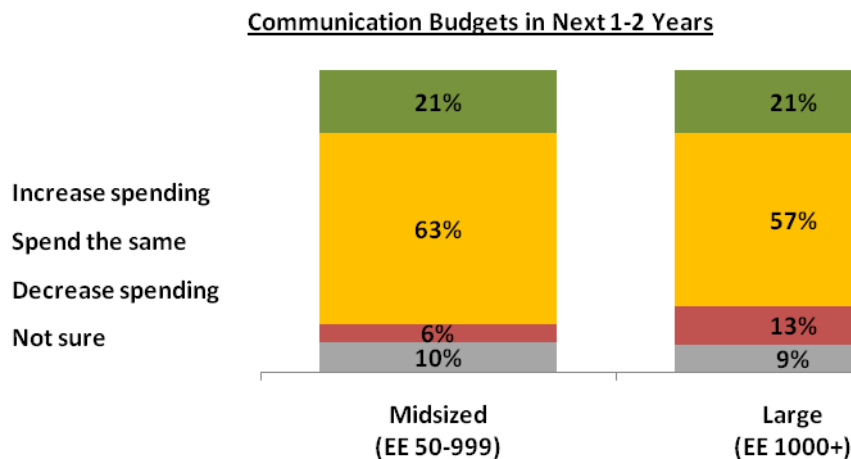


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- Of companies with a budget, HR decision-makers in about half of large and mid-sized companies (47% and 53%, respectively) say their budgets have remained the same in the last year.



- Looking ahead, more than half of HR decision-makers in both large (57%) and mid-sized companies (63%) say they are likely to maintain their employee communications budgets in the next one or two years and only one in five (21%) of both groups plan to increase their budget.



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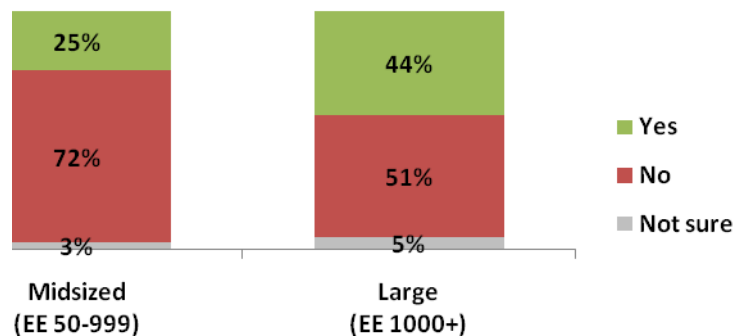


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Decision Support Tools

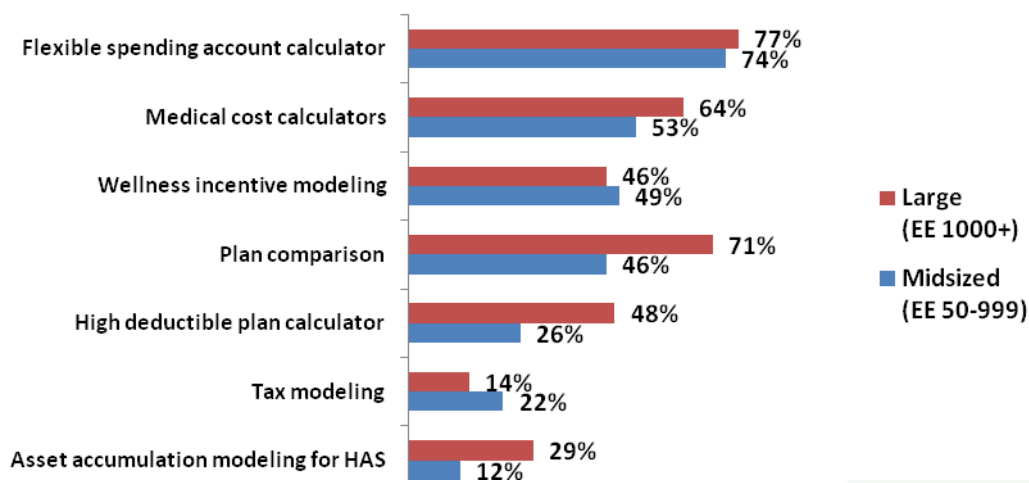
- The majority of HR respondents surveyed believe that decision support tools increase employee understanding of benefits and their overall engagement, yet the majority of large (51%) and mid-sized companies (72%) don't provide them. Decision support tools, typically software applications accessed through a company portal, give employees the ability to compare healthcare plans to determine which plans best meet their needs.

Provide Employees with Decision Support Tools



- Approximately half of large (53%) and mid-sized companies (50%) offer these tools the entire year and about one-quarter of large companies (23%) and one-third (33%) of mid-sized companies **only** provide them during open enrollment and qualified life events.
- Among the companies that provide decision support tools, the most common tools reported are a flexible spending account (FSA) calculator, a plan comparison chart, a medical cost calculator, and wellness incentive modeling.

Type of Decision Support Tools Offered



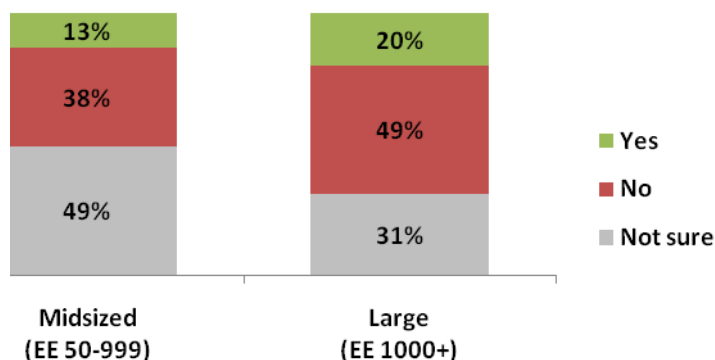
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- One out of five large companies that do not provide decision support tools plan to in the next couple of years, but half (49%) will not and about a third (31%) are unsure. Very few (only 13%) of mid-sized companies that do not currently provide decision support tools plan to do so in the next year or two, 38% will not, and almost half (49%) are unsure of what they will do.

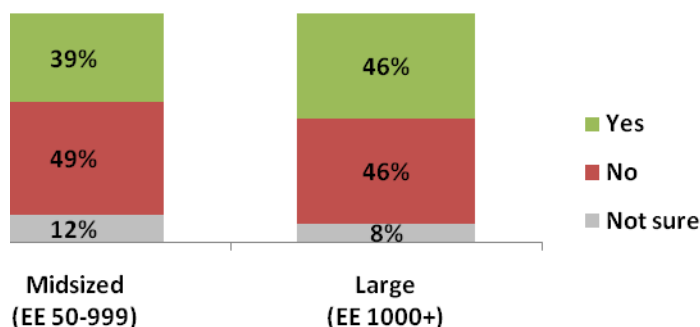
Plan to Provide Decision Support Tools in Next 1-2 Years



Mobile Applications

- Mobile access to benefits information is deemed important by approximately six out of 10 HR decision makers regardless of company size (58% in large companies, 60% in mid-sized companies) yet fewer than half of companies provide mobile access now (46% of large companies and 39% of mid-sized companies).

Employees Can Access Benefit Information Using Mobile Technology



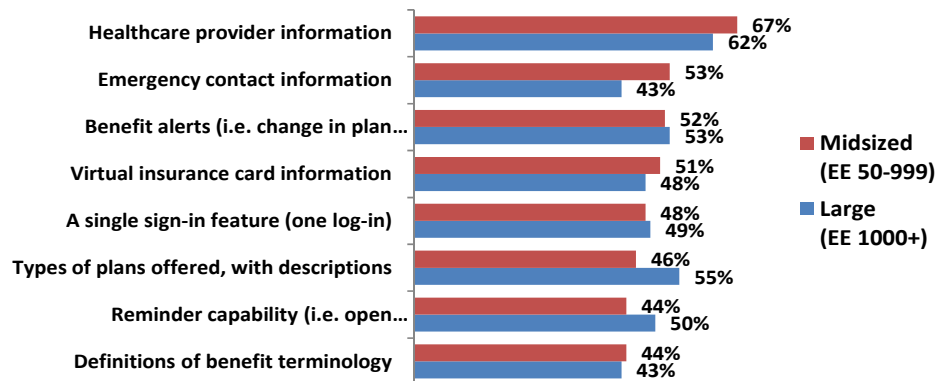
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- Among the top five mobile application features HR/benefits decision-makers are most interested in are: healthcare provider information, benefits alerts, and a single sign-in feature.

Features Wanted in a Mobile Application



- HR/benefits decision-makers estimate that, on average, about two out of five employees use mobile technology in their regular workday activities (38% of employees in large companies and 42% of employees in mid-sized firms) and close to half of respondents (52% and 47%, respectively) anticipate the percentage of employees using mobile technology in their regular workday activities will increase over the next two years.

Mean % of Employees Use Mobile Technology for Regular Workday Activities



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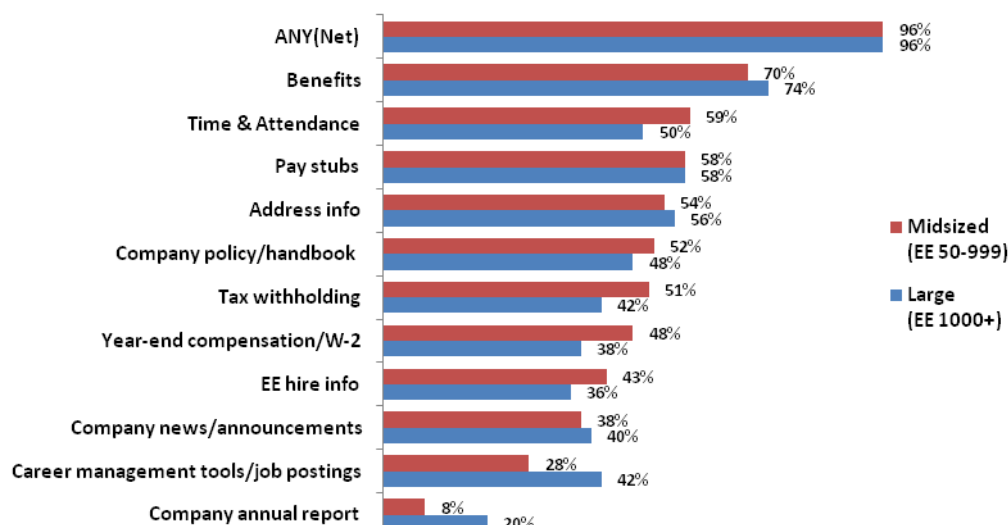


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Web-based Portals

- Nearly nine out of 10 large companies (86%) and seven of 10 midsize companies (71%) have a web-based portal which hosts employee benefits information.
- The vast majority (86%) of both large and midsize employers with a web-based portal think it is important for employees to have 24/7 access to benefits information, yet only 72% of large employers and 66% of midsize employers provide this access.
- Four out of 10 large companies and 38% of midsize businesses that offer web-based portal access to employees have a single web-based portal that provides access to multiple types of information versus multiple portals for each primary task (HR, PR, and benefits). Employees of companies that offer a single portal have access to a wide variety of information – including benefits, pay stubs, time and attendance, tax withholding and more.

Types of Information EEs Have Access to with Single Portal



- Approximately two-thirds of large and midsize companies with a single web-based portal (66% and 60%, respectively) allow employees to modify personal information, most commonly annual benefits enrollment and address and tax withholding information.
- By allowing employees to modify their own data, the majority of HR decision-makers see three benefits: they are able to maintain more accurate information, fewer calls to the HR/Benefits department are reported, and most think their portal has reduced administrative burden.
- Among companies that provide web-based portal access to benefits information, approximately half (57% of large employers and 44% of midsize employers) use a third-party hosting vendor.

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