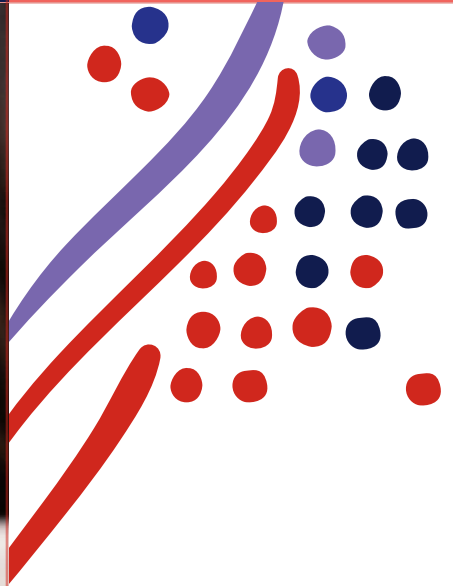


Build a better employee benefits program to attract and retain talent



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for People®



Introduction

Employee benefits can be one of your most powerful tools for attracting and retaining talent. Knowing this, you should regularly assess your benefits program to determine whether it resonates with current and prospective employees. Is the program digitally friendly, personalized, communicated clearly and promoted during open enrollment and year-round? Even still, how are you measuring employee participation? By taking an active, strategic approach to benefits, you can move toward creating a better benefits program that workers can't resist.

[Talent attraction and retention](#)

[Getting the essentials right](#)

[Flexibility](#)

[Diversity, equity and inclusion \(DE&I\)](#)

[Personalized decision support](#)

[Regulatory monitoring](#)

[Impactful communications](#)

[Understanding how your program is performing](#)

[Conclusion](#)

8 considerations for building a better employee benefits program

- 1 Talent attraction and retention
- 2 Getting the essentials right
- 3 Flexibility
- 4 Diversity, equity and inclusion (DE&I)
- 5 Personalized decision support
- 6 Regulatory monitoring
- 7 Impactful communications
- 8 Understanding how your program is performing



1

Talent attraction and retention

Talent attraction and retention

Employee benefits represent one of the largest gaps² between what employees want and what employers focus on when trying to attract and retain talent. A foundational element of your employer value proposition (EVP), your benefits provide insight into your organization’s culture, communicating to workers how much you value their physical, mental and financial well-being. It’s important to continually examine your benefits program and compare its offerings with the benefits that current and prospective employees want and need. Although you may prioritize job seekers during a tight labor market, you shouldn’t let benefits considerations for existing employees become secondary. Still, an attractive benefits package could mean job-offer acceptances from the candidates you want. To stand out, invest in benefits that will help solidify you as an employer of choice. The following section lists a number of these benefits for your consideration. Additionally, you can partner with recruiters and communications professionals to effectively promote and describe your organization’s benefits program within candidate-facing content. Overall, as you explore ways to build a better benefits program, ensure that you consider both job seekers’ and your employees’ wants and needs as you select offerings and distribute benefits-related communications.

1 in 3 employees says the top reason for seeking a new job is better compensation and benefits.¹

[Getting the essentials right](#)

[Flexibility](#)

66% of employees say a comprehensive benefits package is an employer must-have.²

[Diversity, equity and inclusion \(DE&I\)](#)

[Personalized decision support](#)

[Regulatory monitoring](#)



Voice of the client

Benefits are one of our top pushes to bring top talent to our corporation. Just having the capability to push out notifications, having online open enrollment and easy access to documents through our system is great.

— **Chelle Turner**, benefits manager, Franklin Electric

[Impactful communications](#)

[Understanding how your program is performing](#)

[Conclusion](#)

2

Getting the essentials right

Getting the essentials right is foundational to building a benefits program that workers love. Many workers now consider some or all of the following benefits essential:

- Medical, dental, vision, life and disability insurance
- Voluntary benefits
- Telehealth visits, inclusive of mental health counseling
- Employee assistance programs (EAPs)
- Flexible spending accounts (FSAs) and health savings accounts (HSAs)
- Retirement savings, including a 401(k) match
- Paid time off (PTO), including vacation time and sick leave
- Paid family leave (PFL)

Some of these benefits have become more important in recent years. They include:

Employee assistance programs (EAPs) and wellness programs

One in three employees is willing to forgo a pay raise for additional well-being benefits for themselves and their families.⁴ EAPs offer employee wellness resources, yet just 55 percent and 45 percent of workers have access to EAPs and wellness programs, respectively.⁵ Traditionally used as a mental health and counseling resource, EAPs can also be extended to offer other wellness services, such as financial wellness programs, which can reduce employee stress, improve retention and engagement and help an organization stand out in the marketplace.⁶ Additionally, organizations lose nearly \$250 billion in wages yearly because employees are distracted at work by personal financial problems.⁷ The bottom line? Money and mental health matter. Supporting your workers' mental health and helping them address their financial challenges with a personalized benefits package demonstrates that you care about them beyond what they contribute to your workplace. It says you care about them being their best selves at and outside work, and that's a powerful message to send.

82% of employees say they're interested in an EAP as a must-have or a nice-to-have.²

86% of employers in North America cite stress, burnout and mental health issues as their top workforce challenges.³

Voluntary benefits

Voluntary benefits supplement core benefits, such as medical, dental and vision. They can help you broaden your benefits portfolio, stand out amongst competing employers and be more attractive to various demographics. Voluntary benefits include additional life insurance, buy-up disability insurance, critical illness insurance, accident insurance and more. Some employers receive voluntary benefits at a discounted group rate and have employees pay for them fully or partially through payroll deductions. Others contribute to voluntary plans to boost voluntary-benefits enrollment. What do your voluntary benefits look like? Assess your employees' wants and needs before deciding which to offer. For existing options, evaluate your enrollment participation and promotional efforts. Is enrollment where it should be? What impact could improved awareness have on your enrollment and attraction and retention efforts?

Retirement benefits

Retirement benefits are a top driver of talent attraction and retention. Yet just 68 percent of private-industry workers have access to retirement benefits through their employer.⁹ Consider a common and highly sought-after retirement plan: the 401(k). Is it financially possible for you to offer a 401(k)? If you already offer a 401(k), are your match and vesting schedule competitive with organizations in your industry? What resources do you have that could help you find out? Additionally, consider what services are available to you that could help you more effectively manage or decide on retirement offerings in the future. Remember, retirement benefits are attractive to job seekers. Don't lose to a competitor with a better financial future to offer.

42% of employers globally plan to enhance their voluntary benefits, perks and discounts in the next two years.³

[Talent attraction and retention](#)

Getting the essentials right

[Flexibility](#)

60% of employees say retirement benefits are an important reason they stay with their employer, while almost half say retirement and health benefits were why they joined.⁸

[Diversity, equity and inclusion \(DE&I\)](#)

[Personalized decision support](#)

[Regulatory monitoring](#)



Voice of the client

ADP has made it possible for us to offer a retirement plan to our employees, which makes us a better employer. People looking for work don't just want a job — they are looking for certain benefits. Offering a retirement plan benefit makes us a more attractive and competitive choice.

— **Lisa Duque**, operations manager, California New Business Bureau

[Impactful communications](#)

[Understanding how your program is performing](#)

Paid time off (PTO)

Your PTO offerings are part of your organization’s work culture, providing insight into how much you value your employees’ time away. They’re also important to employees working in limited-flexibility environments: Forty-one percent of employees with limited-flexibility working arrangements think employers should offer increased PTO.² Paying employees while they spend time with their families and friends, rest and recharge, celebrate or recognize an occasion, recover from an illness, mourn or address personal matters tells them that you care about their health and well-being, not just their work. Think about your PTO offerings. Do they satisfy your employees’ wants and needs? Are they aligned with the demands of today’s talent market? Do you have time-and-attendance tools that make managing PTO easier?

Paid family leave (PFL)

Only 23 percent of private-industry workers have access to PFL,¹⁰ which has become part of the entry cost for employers looking to compete for top talent. Consequently, many leading organizations have changed or are planning to change their family leave policies. They understand that PFL offerings can give them a seat at the talent-competition table, especially if their policies go beyond traditional maternity leave to include paternity leave and support employees from different backgrounds and in various familial relationships.



Expert insight

Some organizations are moving to providing both paternity and maternity leave, whereas historically only maternity leave was offered. This will assist in removing what could be perceived as a stigma surrounding the need for only some employees, but not others, to be absent from the workplace following the birth or adoption of a child. In addition, employers want to ensure that employees who historically were not included in family leave laws — such as employees experiencing infertility, those who are transgender and those who have same-sex partners — are included in any family leave policies that are rolled out by the employer.

— **Samantha Munro**, senior counsel, ADP

You may want to consult with experienced advisory experts who can help you select suitable offerings for you and your employees. Also, note that leave management and compliance are crucial aspects of leave offerings. Luckily, technology can make both areas easier to oversee. A benefits administration system that lets you easily track and comply with leave would be an invaluable value-add to your benefits program. Consider how a system with these capabilities could also help reduce your benefits department’s workload.

3

Flexibility

To stand out in a modern talent market, employers must be flexible about when, where and how people work. Being open to remote, hybrid and on-site working models and flextime, which lets employees choose when they start and finish their workdays, has become a highly desirable employer benefit. According to the ADP Research Institute's (ADPRI's) "People at Work 2022: A Global Workforce View" report, 71 percent of workers would like more flexibility as to when they work, and around 50 percent of workers would accept a pay cut to guarantee flexibility in how they structure their hours.¹¹ Understand that the same flexible working arrangement won't satisfy everyone. Avoid one-size-fits-all approaches, as people's personal and professional lives and responsibilities vary significantly. Be open to individualized scheduling preferences and explore ways to manage various schedules more effectively in the modern world of work.

1 in 4 employees says better work-life balance is the second-highest motivator for looking for a new job.¹



4

Diversity, equity and inclusion (DE&I)

One of the top three DE&I actions² employees expect is the offering of a broader range of benefits that address DE&I. Your benefits program can support your DE&I initiatives by ensuring that your offerings are accessible and valuable across various demographics.

74% of employees say they're interested in DE&I or affinity groups when deciding whether to accept a new job.²

Talent attraction and retention

Getting the essentials right

4 DE&I benefits areas to prioritize

- Affordability:** Can you provide high-quality benefits across various economic backgrounds? Could you offer base insurance plans and buy-up coverage, which lets employees purchase a higher level of insurance voluntarily?
- Accessibility:** Can your employees access the care they need when they need it? For employees with little experience navigating the United States health care system, as an example, what helpful guidance and resources can you offer them?
- Representation:** Ask your insurance carriers about the diversity levels within their provider networks. Think about the diversity of dentists, physicians, mental health professionals and other healthcare providers. Compare these diversity levels to your workforce.
- Transparency:** Employees of all backgrounds need to understand their benefits and benefits-related expenses. Do you have a benefits communications plan to help you seamlessly educate employees on benefits and related costs? Could you use help in developing one?

Flexibility

Diversity, equity and inclusion (DE&I)

Personalized decision support

Targeted benefits data can also help you identify and fill DE&I gaps at your organization. Do you have this kind of data at your fingertips? Are you slicing it by earnings, gender, race and ethnicity, letting you see which benefits specific demographic segments select and the types of benefits utilized? This is invaluable information if you're trying to understand why certain groups choose or don't choose certain benefits, and you can use that data to build a better benefits program that resonates across a diverse talent ecosystem.

Regulatory monitoring

Impactful communications

Voice of the client

We had the opportunity to meet with ADP's strategic advisory services team to help us understand how to lay the foundation for DE&I. We've been able to include this in our HR strategy and make DE&I a priority.

— **Austin Rosenberger**, HRIS manager and project management office, ProAmpac

Understanding how your program is performing

5

Personalized decision support

Supporting employees by helping them decide which benefits uniquely suit them is a critical consideration. Personalized decision-support tools can help employees make more intelligent benefits decisions and exercise greater control over their selections.

Only **22%** of employees report being extremely confident in their benefits selections.¹²

Talent attraction and retention

Getting the essentials right

5 decision-support features to look for

1. **A smooth online enrollment process** that guides employees through benefits decision-making and helps them select their benefits quickly
2. **Benefits recommendations** that list the best options for each employee and their dependents
3. **A convenient employee experience** integrated with top insurance carriers and benefits administrators that lets employees easily navigate between benefits recommendations, elections, cost transparency tools and claims information
4. **Investment support capabilities**, such as 401(k) and HSA calculators, which can help employees better prepare for retirement and unexpected medical expenses
5. **Educational resources** that reduce HR's administrative burden and empower employees to make smarter benefits decisions

Flexibility

Diversity, equity and inclusion (DE&I)

Personalized decision support



Expert insight

Choosing the right mix of benefits can be overwhelming. A benefits solution integrated with decision-support features provides personalized recommendations to employees to help them make benefits decisions that meet their unique needs.

— **George Michaels**, general manager, benefits and talent solutions, ADP

Regulatory monitoring

Impactful communications

Understanding how your program is performing

Conclusion

6

Regulatory monitoring

To avoid fines and penalties, it's important to stay compliant with Affordable Care Act (ACA) requirements, Consolidated Omnibus Budget Reconciliation Act (COBRA) trigger events, Internal Revenue Service (IRS) reporting and meticulously manage leave-of-absence administration per federal and state regulations. In some situations, non-compliance could amount to hundreds of thousands in penalties. As of June 2020, the IRS had assessed \$264 million in penalties and collected only \$66 million.¹⁹ This demonstrates the potential of penalties if the IRS increases its enforcement and collection efforts. Additionally, the ACA penalty relief for reporting incorrect or incomplete information on information returns and statements has been discontinued for tax year 2021 and subsequent years. Across the compliance spectrum of employee benefits, remaining proactive and prepared can help ward off any significant impact on your organization's finances and operations.



Voice of the client

We rely on ADP to help keep us compliant with HR and benefits administration. This has been invaluable to us and one of the biggest value-added features.

— **Julia Malaga**, chief financial officer, Golda Och Academy



7

Impactful communications

Talent attraction and retention

Getting the essentials right

Flexibility

Diversity, equity and inclusion (DE&I)

Personalized decision support

Regulatory monitoring

Impactful communications

Understanding how your program is performing

Conclusion

What good is a better employee benefits program if your employees aren't clear on your offerings? Only 65 percent of employees say their employers' benefits communications are easy to understand, despite 87 percent of employers saying their benefits are clear and easy to understand.² If your employees don't understand your benefits, that can significantly impact their elections. That's why your benefits-related communications must be effectively planned and executed before, during and long after open enrollment.

8 practices for influential benefits communications

1. Create a communications plan

Include:

- Goals and objectives
- Target audiences
- Clear and concise messaging
- Communications vehicles
- Tactics and deliverables

Socialize the plan with leadership and stakeholders to build buy-in. Measure, refine and repeat the plan's execution year-round.

2. Consider all stakeholders

As you create your communications plan, identify the stakeholders affected by it and consider the role they and their job functions will play. Ask yourself:

- Who are these stakeholders?
- What do they need to know and do?
- What do they care about?
- How will they be impacted?

Think about:

- Executive leaders
- Division managers
- HR, payroll and benefits professionals
- Accounting professionals
- Operations professionals
- Shared services functions
- Supervisors and shift managers
- Long-term employees and retirees
- Employees on leave
- Job seekers, candidates and new hires

Employees who understand what is covered and not covered are²:

101% more likely to trust their employer's leadership.

94% more likely to feel valued and appreciated.

80% more likely to be satisfied with their current job.

60% more likely to intend to be working for their organization in 12 months.

3. Avoid jargon and limit acronyms

Not everyone understands benefits terminology. Concepts that benefits professionals understand, such as “deductible,” “premium,” “co-pay” and “co-insurance,” may be lost on others, so be sure to explain them or provide related educational resources. Additionally, spell out all acronyms on the first reference and avoid using numerous acronyms consecutively. Speak in layperson’s terms to aid understanding.

[Talent attraction and retention](#)

4. Be brief

Keep your writing concise. Make things as easy to consume as possible. Use lots of visuals, bulleted lists, headings, checklists and videos. Make digital documents easy to navigate with anchor links and navigation panes.

[Getting the essentials right](#)

5. Understand your employee demographics

Use people data to help understand your employees’ demographics and dependents, which can help you personalize your benefits communications to reach employees of various backgrounds and with varying needs.

[Flexibility](#)

6. Focus on the employee, not the benefit

Don’t focus too much on the “what” of benefits. Focus on the “why,” the “what matters” and the “what’s in it for me.” Ask yourself what your benefits do for people. For example, benefits support your employees, save them money and ensure they have a better quality of life by helping safeguard their physical, mental and financial well-being. Use these themes to inform and make your communications more relatable.

[Diversity, equity and inclusion \(DE&I\)](#)

7. Use various communications channels

Promote your benefits using a variety of communications channels, including digitally and in print. Leverage internal communications, such as emails, pre-shift standup meetings, newsletters, portals and more. Include QR codes on fliers and postcards to facilitate access to additional information. Ensure that these communications are accessibility-friendly and supportive of a diverse workforce.

[Personalized decision support](#)

8. Test for understanding

Developing an effective communications plan involves checking for understanding, so ask employees for their input. Use the feedback to refine your communications yearly, taking special note of learning styles and preferences.

[Regulatory monitoring](#)

Having a partner that can help you build a strategic employee communications plan is critical.

Impactful communications

Voice of the client

ADP pulled in their team to help design the communications strategy. We wanted employees to know about the changes ahead of time, so we spent six months communicating through as many avenues as we could. We posted slides on all the office monitors, sent email blasts and posted all the communications and calendars on our internal websites.

[Understanding how your program is performing](#)

— **Jason Holbrook**, director of payroll and benefits administration, ADT

8

Understanding how your program is performing

Benefits analytics and benchmarking are game-changers for modern benefits administration systems. Look for a capability that provides a dashboard that helps you answer critical benefits questions, such as:

- How are employees migrating between plans?
- How are employees changing their medical coverage levels?
- What is enrollment by benefit category?
- How is benefits enrollment trending over time?
- Which new hires are almost out of time to complete enrollment?

Benchmarking can help you better understand your program performance by providing you with the following metrics:

- Employer benefits contributions
- Cost per enrolled employee
- Benefits participation

Additionally, open enrollment metrics can help you dig deeper into who's choosing what and plan your future offerings for current and prospective employees. Metrics like enrollment portal engagement, mobile adoption and call center usage can provide insight into how your employees experience, interact with and think about your benefits program. These various data points constitute valuable intelligence you can use to inform and improve your program over time. You can use this mighty data medley to track your success and make better, more informed program decisions that support everyone at your organization.

Only 29% of HR professionals say they are good or very good at making positive changes based on people analytics.¹⁴



Voice of the client

Being able to analyze and identify trends in the data I pull from our system and predicting what's going to happen in the future has been really useful in terms of our strategic direction as a company.

— **Shannon Carson**, vice president of operations and insights manager, Heritage Bank

Partnering with a benefits administration leader

ADP has delivered benefits administration solutions since 1986 and supports more employers than any third-party benefits administration provider in North America. We provide expertise, tools, data and experience that can elevate your benefits program and make you the employer of choice today and tomorrow.



Industry analyst firm NelsonHall positioned ADP as an Overall Leader in its Benefits Administration NEAT 2022 Assessment, which analyzes the performance of vendors on their ability to deliver immediate benefit and meet clients' future requirements as the benefits landscape evolves. ADP was additionally recognized as a Leader across all of the report's focus areas, including Digital, Health & Welfare, Geographic Reach, Total Benefits Outsourcing and Marketplace.



Expert insight

As the workplace changes and workers reflect on their shifting priorities, organizations are relying more heavily on comprehensive benefits packages to improve their success in attracting and retaining top talent. Businesses are looking for ways to support their employees and provide them with the benefits they need when they need them. Through data-driven decisioning tools, self-service capabilities and powerful, bi-directional integrations, ADP is continually evolving our solutions to provide a holistic benefits experience that meets those very needs.

— **Sam Finley**, vice president, benefits, ADP

Build a better benefits program with ADP

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