

Why voluntary benefits?

Employees view the workplace as an important source for personal insurance and savings products.

- Supplement core benefits without adding to the company's budget.
- Provide multiple coverage options and personal choices based on employees' needs and budgets.
- Offer employees affordable and stable premiums through the convenience of payroll deductions.
- Fill in the financial gaps of the employer's current benefit package.

52% of employees surveyed are interested in a wide array of voluntary benefits they can choose and pay for on their own.

Source: MetLife Study of Employee Benefits Trends, 2011.

A photograph of an office desk. On the left, a black computer monitor is partially visible. In front of it is a black office chair. On the desk, there is a silver mesh pen holder containing several pens and pencils. To the right of the pen holder is a black computer mouse. Further right is a black corded telephone. The desk is made of light-colored wood. The background is a plain, light-colored wall.

Challenges facing today's employers and employees

Challenges facing employers

- Controlling healthcare costs
- Educating employees on their benefit options to increase participation and improve retention

Controlling healthcare costs

- Average annual premiums for group medical insurance in 2011:
 - Single: \$5,429 (up 8% from 2010)
 - Family: \$15,073 (up 9% from 2010)
 - Since 2001, average annual premiums increased 113%.
- Many employers are taking an alternative benefits approach to control healthcare costs:
 - Adding high-deductible health plans and Health Savings Accounts
 - Increasing employees' cost share of premiums and medical services (e.g., office visits, prescription drugs, hospitalizations)
 - Adding voluntary plans to complement core benefits

Two out of three companies say shifting the cost of benefits is necessary to continue offering coverage to employees.

Sources: Kaiser Family Foundation; MetLife Study of Employee Benefits Trends, 2011.

Employee education and communication

Employees don't value what they don't understand.

Employer challenges

Engaging employees in the enrollment process to help them understand their benefits.

Limited HR resources are available to educate and discuss enrollment choices with employees.

Companies may not have an adequate budget for communication and educational materials.



Employees spend on average 30 minutes on benefits enrollment.

36% of employees prefer to have access to a live person who can explain their benefits.

Many human resources departments are cutting their benefit budget.

Studies show effective employee communication is linked to increased worker productivity, loyalty and job satisfaction.

Source: MetLife Study of Employee Benefit Trends, 2011; ADP Research Institute.

Challenges facing employees

- Paying higher group medical premiums
- Having enough money to cover bills from a sudden illness or accidental injury
- Understanding their benefit options and making informed decisions

Paying higher group medical premiums

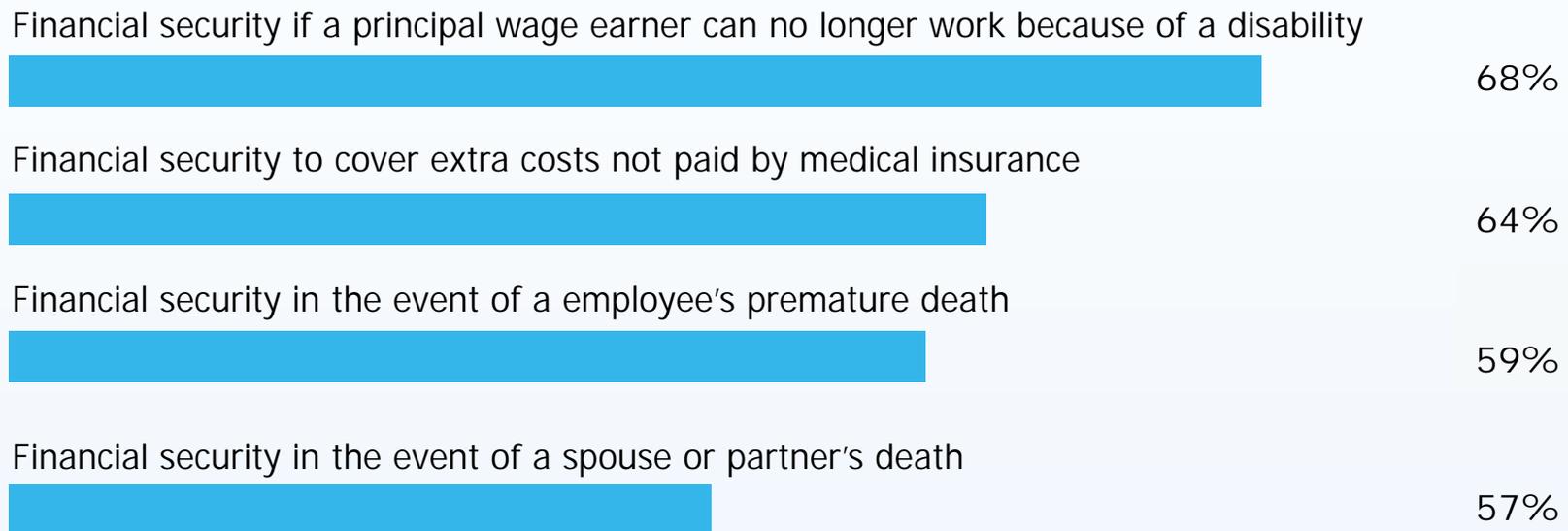
Average annual worker premium contributions paid for single and family coverage

	Single coverage		Family coverage	
	All small firms 3–199 workers	All large firms 200+ workers	All small firms 3–199 workers	All large firms 200+ workers
1999	\$286	\$334	\$1,831	\$1,398
2000	\$280	\$363	\$1,940	\$1,453
2001	\$306	\$380	\$2,254	\$1,551
2002	\$406	\$495	\$2,647	\$1,893
2003	\$450	\$536	\$2,970	\$2,146
2004	\$513	\$578	\$3,382	\$2,340
2005	\$556	\$638	\$3,170	\$2,487
2006	\$515	\$689	\$3,550	\$2,658
2007	\$561	\$759	\$4,236	\$2,831
2008	\$624	\$769	\$4,101	\$2,982
2009	\$625	\$854	\$4,204	\$3,182
2010	\$865	\$917	\$4,665	\$3,652
2011	\$762	\$996	\$4,946	\$3,755

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2011.

Having enough money to cover bills from an illness or injury

Employees were asked to indicate their concern about unforeseen events, such as premature death, disability and serious illness.



The vast majority of employees are concerned about the loss of cash flow if they're out of work, and they worry about the cost of uncovered medical expenses.

Source: MetLife Study of Employee Benefits Trends, 2008.

Understanding benefit options

Employees look to the workplace for benefit advice and guidance

Employee challenges

Employees lack the awareness about benefits—what they have and what they're entitled to.

Employees are overwhelmed and confused by their benefit choices and by the information provided.

Employees worry about making the right benefit decisions for themselves and their families, and they fear they're not getting the most from their benefits package.



40% of workers are unsure exactly what benefits they're entitled to or are receiving.

55% of workers say their benefit materials are unclear or not comprehensive.

39% of workers would like access to someone who can educate them on their benefits.

Source: MetLife Study of Employee Benefits Trends, 2011; ADP Research Institute