



Total Rewards Planning 2021

It's time for employers to start planning employee benefits packages for 2021.

The coronavirus pandemic has presented significant challenges for employers and highlighted the unprecedented levels of stress employees face in their everyday lives. But what can employers do to help?

Employers who focus on what employees need to achieve a healthy work-life integration and lower stress will be the ones who come out strongest.

Top 10 Employee Benefits for 2021

#1 Financial Wellness Programs

The negative impact that financial stress has on an employee's ability to get work done has been well documented in recent years but the coronavirus pandemic drove home just how important it is to have access to financial tools, resources and advice especially during uncertain times.

The best financial wellness programs recognize that every team member experiences different kinds of financial stress and harnesses machine learning to guide employees to the information they need most.

Make sure your financial plans (such as a 401(k)) offer financial wellness advising. There are companies such as Best Money Moves and nerdwallet that also offer tools and features that help employees measure their financial stress, budget for monthly expenses, pay down debt and plan for emergencies.

#2 Flexible Work Arrangements

Employees who were used to commuting to the office every day suddenly found themselves setting up spaces to get their work done at home. It might have been a rough transition at first, but after a few months of getting settled employees now want to hold onto some of that flexibility when they get back to the workplace. According to a survey by Glassdoor, more than 60 percent of employees would have liked to continue working from home full-time even after COVID-19 restrictions were lifted if given the option and just as many would consider applying for a position that is entirely remote when looking for a new job.

#3 Health Insurance Benefits

Most employees (56 percent) have used a credit card to pay for medical care at some time in their lives and more than half of them still owe money because of that decision, according to research by CompareCards. Nearly 60 percent said they wouldn't have been able to afford the cost of care otherwise.

Employers who don't offer health insurance might want to reconsider and employers who do should audit their healthcare offerings to determine the out of pocket costs of deductibles, prescriptions, copays and then work with benefits brokers to provide better coverage.

Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) are other ways employers can help address the high cost of healthcare and employees indicated programs like HSAs and FSAs would have eased stress and improved their well-being during the coronavirus pandemic in a survey by MetLife.

#4 Paid Time Off

Over 75 percent of employees live paycheck to paycheck. Workers who live paycheck to paycheck and don't have any paid time off through their employer struggle to take time off, for any reason. Employees can't perform at their best and aren't as productive when they're ill, overworked or distracted because they're missing something important in their personal life.

Many states have passed legislation requiring employers to provide some form of paid medical and family leave, and surprisingly, some states like Maine are also passing laws mandating paid time off for any reason.

#5 Mental Health Benefits

Roughly 1 in 4 employees have been diagnosed with depression and 40 percent of them take an average of 10 days off from work each year because of their mental illness, according to the American Psychiatric Association (APA).

Nearly 60 percent of employees struggling with mental health said their employer doesn't offer mental health programs that meet their needs, or that the programs they do offer are too difficult to access or understand, according to a survey by MetLife.

It's important to have mental health benefits that are easy for employees to access and understand, but employees might not use them if employers don't also work to reduce the stigma that there's something wrong with being depressed, anxious or struggling with a mental illness.

#6 Family-Friendly Employee Benefits

Employee benefits for family planning and for new parents have been on the rise in recent years with programs emerging to cover the costs for treatments like in-vitro fertilization (IVF) and egg freezing or harvesting. Significant expansions have also been made to paid and unpaid maternity, paternity and adoption leave.

While progress has been made for parents at work in many areas, child care is still lagging. Both parents are employed in more than 60 percent of American families, yet only 6 percent of companies offer child care benefits, according to research by Clutch. Another study, by New America's Better Life Lab and Care.com, found that the average annual cost of full-time center-based child care (\$9,589) is more expensive than in-state college tuition (\$9,410). In order to offset the high costs of child care, more employers are starting to provide resource and referral services for childcare, on-site or near-site childcare and childcare subsidies.

#7 Professional Development Benefits

In recent years, employers have been providing more professional development opportunities, including cross-training to develop skills not directly related to the job, executive or leadership coaching, formal mentoring or career coaching to employees, according to research by the Society for Human Resource Management (SHRM).

Employees want to move forward in their careers and offering benefits that give them the opportunity to hone their skills and stay on top of industry changes are a win-win for employers.

#8 Student Loan Employee Benefits

Benefits brokers have developed solutions to help employees who are struggling to pay down their share of the more than \$1.6 trillion in student loan debt and more employers are starting to adopt them as a tool to attract and retain younger employees. The number of employers offering student loan repayment assistance jumped from just 3 percent in 2015 to 8 percent in 2019. Other programs employers offer include undergraduate or graduate tuition assistance, 529 plan payroll deductions, scholarships for members of employees' families and employer contribution or matches to 529 plans.

#9 Pet-Friendly Employee Benefits

Benefits for pet owners, affectionately dubbed pet-perks, have been growing in popularity. Animals can help reduce stress and loneliness, which explains why many animal shelters had a record number of adoptions occur when people were under orders to stay-at-home during the COVID-19 pandemic. Pet perks include allowing employees to bring pets to work, offering pet insurance or paid time off for new pet owners.

#10 Social Responsibility Benefits

Employees want to work for employers who give back to their community and care about important social issues like racism and climate change. Lily Zheng, writing for the Harvard Business Review says that we're entering the Age of Corporate Social Justice and that research shows companies with strong Corporate Social Responsibility (CSR) programs, which include social issue marketing, philanthropic efforts, employee volunteer initiatives, and diversity and inclusion work are more profitable than those that don't.

The Basics

Many companies are considering the costs/impacts to employees in having to use their own money and equipment for certain business needs. They are also offering alternative ways to ease the financial aspect of stress relieving programs:

- ~ Most companies offer cell phone reimbursement (the average is up to \$60/month).
- ~ Some companies are offering internet reimbursement up to a certain amount per month (it doesn't usually cover 100%, but offers a meaningful perk to cover business-related internet needs. \$70/month is the average).
- ~ Gym membership reimbursement (up to a certain amount per month) if the health insurance plan doesn't cover it.
- ~ Onsite yoga, meditation, and massage during a dedicated time; employees sign up to participate and participation is not mandatory.
- ~ Health and wellness apps, such as Calm, Headspace, Sanity & Self, yoga apps, healthy food/recipe apps.
- ~ Audible audio book memberships.