

Employees feel entitled to their health benefits: Survey

Employers should do more to communicate offerings, options

BY JOHN DUJAY

MOST Canadians not only appreciate their workplace health benefits plans, they take it one-step further: They feel entitled to them.

That's according to a survey of 2,402 people that found 77 per cent feel workplace health benefits plans are a worker's right and they are entitled to receive them, according to the *Sun Life Canadian Health Index*.

"Benefits have become an integral part of an employee's total compensation package," said Brigitte Parent, senior vice-president of Sun Life in Toronto. "(They play) an important part in managing your total health of your family."

The survey cited 2016 figures from the Canadian Life and Health Insurance Association that showed 24 million Canadians rely upon benefits from their workplace (or their spouse's workplace) and this adds up to almost \$30 billion per year in health-care expenditures.

"Over time, as the generations watch their parents, it's kind of becoming commonplace to have a benefit plan for a worker and their families," said Glenn Kehrer, president of Group Benefits Consulting of Canada in Winnipeg. "Now, it's being extended to covering your health and dental costs and helping you retire."

Recruitment, retention

Offering a robust health-care benefits package is a strategic way to find and maintain top talent, according

to Julie Stich, director of research at the International Foundation of Employee Benefit Plans (IFEFP) in Brookfield, Wisc.

"From an employer's perspective, they are definitely a valued way to recruit and retain key talent and key skills."

Comprehensive benefits provide a competitive advantage in the job market.

"It's normal for companies to offer them and if you don't, you're not going to have a great ability to attract and retain staff," said Cissy Pau, principal consultant at Clear HR Consulting in Vancouver.

Employees view the overall health benefits package "as a gesture of how that employer is going to treat them as an employee," said Joy Sloane, partner at Morneau Shepell in Toronto.

And a good package will motivate prospective workers to sign up for the long-term.

"They are going to see an overarching care for the individual and feel more amenable. They are going to feel the employer is more progressive, (the company) is going to care about me. That's going to give them the edge from a recruiting standpoint," she said.

Cost concerns

Despite their popularity, benefits are not a cheap offering. So what's an employer to do in trying to satisfy employee needs while watching

costs? There are employers that are looking to cut back, "for sure," said Kehrer.

"It's not the first thing they are trying to cut, but reducing the co-insurance on the drugs is one way that clients are (considering). If they have 100 per cent coverage, some are going to 90 per cent."

But the spectre of ever-more expensive medications looms for employees, he said.

"We are hearing about all these expensive medications and a lot of people like having their drugs covered: Whether it's \$100 a month or \$30 a month, that cost is a direct hit to your income if you don't have coverage."

Employers should be wary of cutting back on benefits and consider the effect it might have on the workforce, said Pau.

"If you're going to offer benefits, you need to make sure you can pay for them. It's not something you want to take away once you offer them."

To better manage costs, it's about focusing on cost-containment strategies, she said.

"Employers should be educating employees (by saying) 'If you are going to fill prescriptions, go to Costco, not Safeway.'"

They're changing the way they approach the offerings to a "joint accountability model for total health," said Sloane.

"Progressive employers are look-

ing at their programs and they are saying, 'What can we do to put an offering together for our employees?'" she said.

"Employers want to be able to support their workforce and so they are looking at sustainability of benefits, and perhaps shifting the accountability model to have employees participate in that."

Plan design

A separate Sun Life survey in 2016 involving 1,250 Canadians found only 37 per cent felt their benefits plan was meeting their needs.

"Some employers will just put together a package of benefits and say, 'Here you go,' and it may not be what their particular employees would want," said Stich.

Employers should regularly ask workers what they are looking for in a benefits plan, she said. "It's a really good idea for employers to survey or ask when they are meeting one-on-one with employees, perhaps during a review time or checkup time, ask them what they would want."

HR professionals must speak directly to workers to find out just what they want, said Pau.

"It's tapping into what's important to their employees: That's the most important."

Think about how to design packages by asking key questions. "What's your goal to offer benefits? Is it to attract and retain? Is it because you care about the long-term health of

your employees? What's the purpose and how does it fit into the overall company's goals?" said Pau.

"The cookie-cutter approach, it's a little bit homogenous, if you look back 20, 30 years. I think now that customization becomes really important."

When planning a benefits offering, employers should consider the makeup of the workforce in terms of age in deciding what workers might want, according to Parent.

"It's not as much generations but more of the life stage of where people are at: are they married, are they starting a family, are they graduating from school?"

Drugs, vision and dental coverage are usually at the top of the list for young people, she said. But as workers age, they start families, buy houses, and suddenly life insurance and disability insurance become more central. "It's kind of an evolution that way."

But some younger employees just want more cash, said Pau.

"For (young workers), they are

healthy, they are not worried about prescription drugs, it's just not a big deal but then once they are married with kids, their perspectives changes."

And benefits can also include non-monetary items as well.

"Flexible hours, your time off, tuition reimbursement, all those things that form part of your total compensation, it's really important to communicate to employees so that you can attract new employees," said Pau.

Flexibility, communication important

In the Sun Life survey, participants were asked what they valued more in their benefits plan: flexibility or greater coverage. The results were split: 45 per cent chose flexibility as a greater factor, compared to 46 per cent who chose greater coverage.

"But when we probed further, what we found people were looking for is more flexibility in terms of being able to choose various options," said Parent.

This need for elasticity is an excellent opportunity for employers to enhance benefits offerings, she said. "Flexibility was called out specifically as a point of interest for employees."

From an employee's perspective, having a menu to choose from and then knowing what the costs are for each of those menu items is a nice way to do it, said Kehrer.

But employers communicate very little about their benefits plans, so employees don't even know what's covered, said Pau.

"As an employee, there's so much information coming at you, but you want the information on a need-to-know basis."

During the interview process, companies should "clearly spell out" what is offered, said Stich. But they should also constantly educate current employees.

"Sometimes, employees don't know there is a benefit out there and they may not know how to use it."

Effective communication helps a

worker know just how much he is worth to the employer, said Kehrer.

"One reason to promote would be to make sure the person understands what their total value package is. For every dollar the employee is paid, it might be about \$1.15 in cost."

"It's always promoted at the beginning that they've got a good benefit package but people get complacent and they don't read their own booklet," he said.

"Employers generally can do a better job. It's not that they're not trying, but a lot more could be done to be more effective," said Stich. "We are finding it's important to repeat, repeat, repeat."

"You don't want to find that your message is falling on deaf ears, but everyone is so busy that if you just communicate once a year about your employee benefit plan, people are not going to remember," she said.

"Use different channels, do it frequently, and find a way to engage your employees."