



Use Your Employee Benefits To Compete for Talent



In 2021, 51 million people participated in the gig economy as temporary, on-call, contract or self-employed workers. According to the news site Vox, this represents an increase of 34% in just one year, and about one-third of all employees in the United States.

In addition to the appeal of the gig economy, workers are job shopping. An August 2021 survey by the consumer financial services company Bankrate revealed that 55% of responding employees were likely to seek a new job over the next year.

As employers battle for talent, take the opportunity to promote the value of your benefits package and highlight your flexible and customized benefits.

Reveal the hidden value of employee benefits

Employee benefits make up around one-third of total compensation, according to a June 2021 news release by the Bureau of Labor Statistics. Too often, employees don't understand the full value of those benefits.

For example, gig work typically does not offer health care or retirement benefits. In addition, nontraditional employees must cover the full cost of Federal Insurance Contributions Act (FICA) taxes to help fund Social Security and Medicare instead of splitting it with an employer. Touting these benefits alone could make the difference in keeping a valued employee in your organization.

- **Health care:** A 2021 report by the consulting firm Milliman showed the typical cost of health care for a family of four was \$28,256 a year. Employers cover an average of 58% of that cost, or \$16,388.
- **Retirement:** Over the course of 20 years, a 3% employer match on a \$50,000 salary could lead to more than \$70,000 in gains from those contributions (assuming an 8% return on investments).
- **Taxes:** Employers contribute 7.65% of an employee's salary to cover FICA taxes. For an employee making \$50,000, this equates to \$3,825 each year.

Other common offerings like dental and vision benefits also can be worth thousands of dollars a year. In addition, disability and life insurance are important safety nets, and group rates through an employer are much lower than individual costs on the open market.

To promote the value of your benefits:

- Highlight benefit offerings in job postings.
- Talk about benefits during the hiring process.
- Promote benefits during onboarding and open enrollment. If possible, have human resources staff, a benefits adviser or benefits software help employees understand and select the options that best fit their individual needs.
- Throughout the year, send reminders of various benefit offerings, with specific examples of their value.
- Give employees an annual statement itemizing the value of their benefits.

Show your flexibility

The reasons behind the growth of gig work are complex and varied, but flexibility is consistently cited as the top factor. According to two independent surveys by software companies Hibob and AppNeta, only 10% of workers want a full-time return to the office and 81% of knowledge workers want to retain an element of remote work.

Benefits that help your employees achieve work-life balance can help you retain talent that is considering leaving for the flexibility of nontraditional work.

Assess your flexible offerings, which may include:

- Remote work policies
- Flexible schedules

- Job-sharing arrangements
- Compressed workweeks
- Part-time positions

Related work-life benefits, such as paid or unpaid family leave, dependent care subsidies, on-site care, gym memberships and volunteer opportunities should also be promoted.

Compile a list of your offerings, and then communicate those benefits throughout the year to increase employee awareness, usage and appreciation.

Examine personalized benefits

Another common thread in the move to nontraditional work is the desire to find jobs that fit a person's life. To get the most out of your benefits investment, consider tailoring benefits to the needs of your employees.

Common personalized benefits include:

- Tuition reimbursement
- On-site, off-site and virtual wellness programs
- Financial education
- Commuter benefits
- Pet insurance

The value of these benefits can add up quickly. With tuition reimbursement, an employer can provide up to \$5,250 a year without it counting as taxable income for an employee. Beyond the financial value, customized benefits demonstrate that you're listening to employees and willing to support their interests and career aspirations.

Attract and keep employees

We're in a time when people are reassessing their lives and careers, with many moving to nontraditional work. You can help your organization find and retain top talent by demonstrating the value of your employee benefits.

Talk with your insurance broker or benefits adviser about flexible, work-life and personalized benefits and how to align your offerings to the needs of current and future employees.

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