



IDEAS FOR EFFECTIVELY DEMONSTRATING PLAN CHOICES (IN A WAY YOUR EMPLOYEES WILL UNDERSTAND)

According to a recent survey on employee benefit tools, 80 percent of human resource decision makers think it's important for employees to understand their full benefit options. Unfortunately, it's estimated that only around 60 percent of employees do. Additionally, only 9 percent of employees are 'very knowledgeable' about their benefits.

This indicates a breakdown between the expectations of HR leaders and the reality that many employees don't understand the value of their employer-sponsored benefits. Benefits are a wonderful perk for your employees and educating them about the range of options available will help ensure they take full advantage of what your company has to offer. How can employers better deliver plan choices so that employees fully understand what's available to them?

Of course, the most obvious answer is to communicate.

Your employees should be made aware of the benefits you offer early and often. An initial discussion before they are hired and frequent communications afterwards will ensure everyone remains informed and up-to-date.

Demonstrate what's in it for them.

Help employees view benefits as "the hidden paycheck" by showing employer-paid benefits as a percentage of annual base salary, include the costs of paid time off, and clearly indicate the employer's contribution to the employee's overall compensation plan.

Illustrate employee cost savings.

Compare your company's plan with the cost the employee would pay in the local and national markets. Provide detail on historical trends so employees understand the reasons for cost increases and share with them projections for future costs.

Remember the verbiage used is as important as the communication vehicle.

Try to present information in everyday language and define terms as needed. It is easy for benefit and human resource professionals to sometimes forget that industry concepts and terminology can be completely foreign to the average employee. The usage of industry terms and acronyms should always be clearly defined.

Provide easy access to your benefit plan administrator.

Make it a policy that all new hires get a chance to talk with a benefit plan administrator before selecting any benefits for the coming year. Schedule meetings with employees if they have specific questions about how to use their benefits. This can be especially important if there are claims issues. During open enrollment, make sure that a plan administrator is also available to conduct talks to highlight important updates to the benefit plan and encourage more employees to participate in the group offering.

Finally, ask for feedback.

Employee opinion surveys are an excellent way to measure the level of understanding that employees have about the benefits you provide and allow you to improve on future communications.

Your benefit plans are huge compensation packages to offer employees, but just because you offer these benefits does not guarantee your employees are taking advantage of them. Contact a Hierl advisor and take the first step to a better communication strategy today.



Hall, B. (2018, February 22). How to get employees to actually read your internal comms: 18 simple hacks. <https://www.interact-intranet.com/blog/how-to-get-your-employees-to-read-internal-comms/> | ADP, Employee Benefits. (n.d.). *Findings of ADP® HR/Benefits Pulse Survey on Employee Benefit Tools* [Press release]. https://www.adp.com/media/press-releases/2011-news-releases/~media/pdf/pulse%20survey%20-%20employee%20benefit%20tools%20fact%20sheet%20-12%2013%202011-final%20_2_ashx