

Benefits Insights

Brought to you by the insurance professionals at
Franconia Insurance & Financial Services

The Trendiest Benefits for 2023

There's no denying that employees' needs have changed over the past few years. As such, employers can offer benefits to meet evolving worker needs shaped by lingering effects of the COVID-19 pandemic, a tight labor market and rising inflation. Many workers are paying more attention to their benefits and wondering how to stretch their dollars further.

Benefits have always been crucial for attracting and retaining top performers. For 2023, employers are uniquely positioned to offer more than just a health care plan, including holistic benefits, resources and perks that today's workers most need. This article highlights benefits that are likely to be popular in 2023.

Voluntary Benefits

It's no secret that health care costs in the United States have risen sharply over the past two decades and will likely continue to increase. Health care affordability is top of mind for employers and employees alike. As employers search for ways to manage their health care costs, some are considering voluntary benefits as a strategy to round off their offerings. A rising number of organizations recognize that voluntary benefits are advantageous to employees and their families—and many come at no cost to the employer.

Consider the following popular secondary benefits employers are offering:

- Accident insurance
- Critical Illness
- Hospital indemnity insurance
- Disability insurance
- Life insurance
- Identity theft protection

- Pet insurance

Voluntary benefits can provide value to employees without raising an employer's costs, making them powerful tools for attracting and retaining top workers.

Financial Wellness Benefits

Many employees are feeling financially strained due to record-high inflation. Not only will inflation impact employees' decisions about benefits, but it may also result in a need for financial wellness education and guidance.

However, financial wellness benefits must go beyond only offering educational resources to be impactful. Organizations can boost their attraction to today's workers by offering the following types of desired financial wellness benefits:

- Retirement plan options with matching contribution
- Health savings account contribution
- Flexible spending account contribution
- Financial planning assistance and coaching
- Lifestyle spending account
- Transportation benefits
- Employee discount or purchase program
- Financial reimbursements (e.g., tuition or student loan repayment plans, caregiving support funds and professional development stipends)



Benefits Insights

With any of those offerings, education will remain a necessary component to increase employee utilization. Employers are uniquely positioned to help employees understand the importance of these benefits and can help them increase their financial literacy with additional resources and tools.

Health Care Full Premium Coverage

As health care costs continue to skyrocket, some employers choose to pay 100% of employees' monthly health care premiums. For reference, the Kaiser Family Foundation reports the monthly average for employer contributions in 2021 was 83%. This type of benefit is more common in small organizations. Fully paid health plans could be a key differentiator for workers weighing their employment options.

Family-friendly Benefits

Family-building benefits are becoming increasingly popular with employees, as they inclusively support the unique and complex ways individuals and couples build their families. Employers are also focusing on ways to support reproductive health care. Such benefits can provide employees peace of mind as employers demonstrate their emotional and financial support for employees' decisions to build a family.

Additionally, many employers are increasingly prioritizing parental leave. According to Mercer data, 70% of employers are already offering or planning to offer parental leave in 2023, while 53% are providing or planning to provide paid adoption leave. Adoption and surrogacy benefits are also on the rise, in addition to access to fertility treatment coverage.

To round out family-friendly benefits, large employers are also considering on-site childcare or access to backup childcare services.

Summary

Organizations can start optimizing benefits packages by evaluating employee preferences and thinking about ways to improve offerings or tailor them for their workforce. To ensure offerings and investments will resonate with employees, organizations should consider surveying them first. It's important to keep a pulse on employees and see what they find most valuable and necessary for their overall

well-being as lives continue to be impacted by COVID-19, inflation and any other personal challenges.

Reach out to Franconia Insurance & Financial Services to learn more about trending employee benefits.