



EMPLOYEE BENEFIT PROGRAMS: HOT NEW PERKS AND BENEFITS

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Program Overview

- I. About The Presenter
- II. Today's Employment Marketplace
- III. How To Promote Your Current Benefits
- IV. New Thoughts on Traditional Programs
- V. Benefit Programs For A New Marketplace
- VI. Additional Benefits

I. ABOUT THE PRESENTER

David Nikssarian

- President and CEO of Nikssarian Insurance Services, Inc., specializing in group health and employee benefit programs
- Raised on a family farm in Fowler, CA, graduated from CSU Fresno
- Started as an Account Executive in 1980 at an agricultural trade association and became a Regional Manager shortly afterward
- Founded Nikssarian Insurance Services, Inc. in 2003 with his business partner and wife Mary Khasigian Nikssarian
- President of the Central Coast Chapter of the National Association of Insurance and Financial Advisors (NAIFA)

II. TODAY'S EMPLOYMENT MARKETPLACE

Today's Employment Marketplace Is Unique

- The unemployment rate is 3.5 percent nationally, the lowest since 1969
- You are competing for talent with:
 - ✓ Ag employers
 - ✓ Monterey County employers
 - ✓ Tech jobs in Silicon Valley
 - ✓ National employers

Today's Employment Marketplace Is Digital

- Social Media makes employment a different world than in the past
 - Glassdoor
 - ✓ Your prospective employees can see how past and current employees rate your workplace
 - ✓ Negative employee feedback needs a measured response
 - Indeed
 - ✓ 150 million resumes
 - ✓ 250 million unique monthly visitors
 - LinkedIn
 - ✓ Over 100 million US employees have LinkedIn profiles
 - ✓ Used by recruiters to reach out to employees if they aren't currently looking for a new job
 - Online assessments
 - Video interviews

A Generational Gap In Understanding Employment

- “Millennials” – spans people 24-39 years old in 2020
 - ✓ Includes people who voted in 2000 election and who first voted in 2016
 - ✓ Make up over 50% of the US workforce as of 2020
- Most people in their mid-twenties have never stayed at the same job for more than two years
- The Bureau of Labor Statistics reports that the median job tenure is 4.6 years
- Instead of a long tenure at a single company with retirement matching or stock options, young professionals in their twenties and thirties usually expect smaller, more frequent, and shorter-term benefits
- A mug after five years and a sweater after ten are not perks that are going to attract younger employees

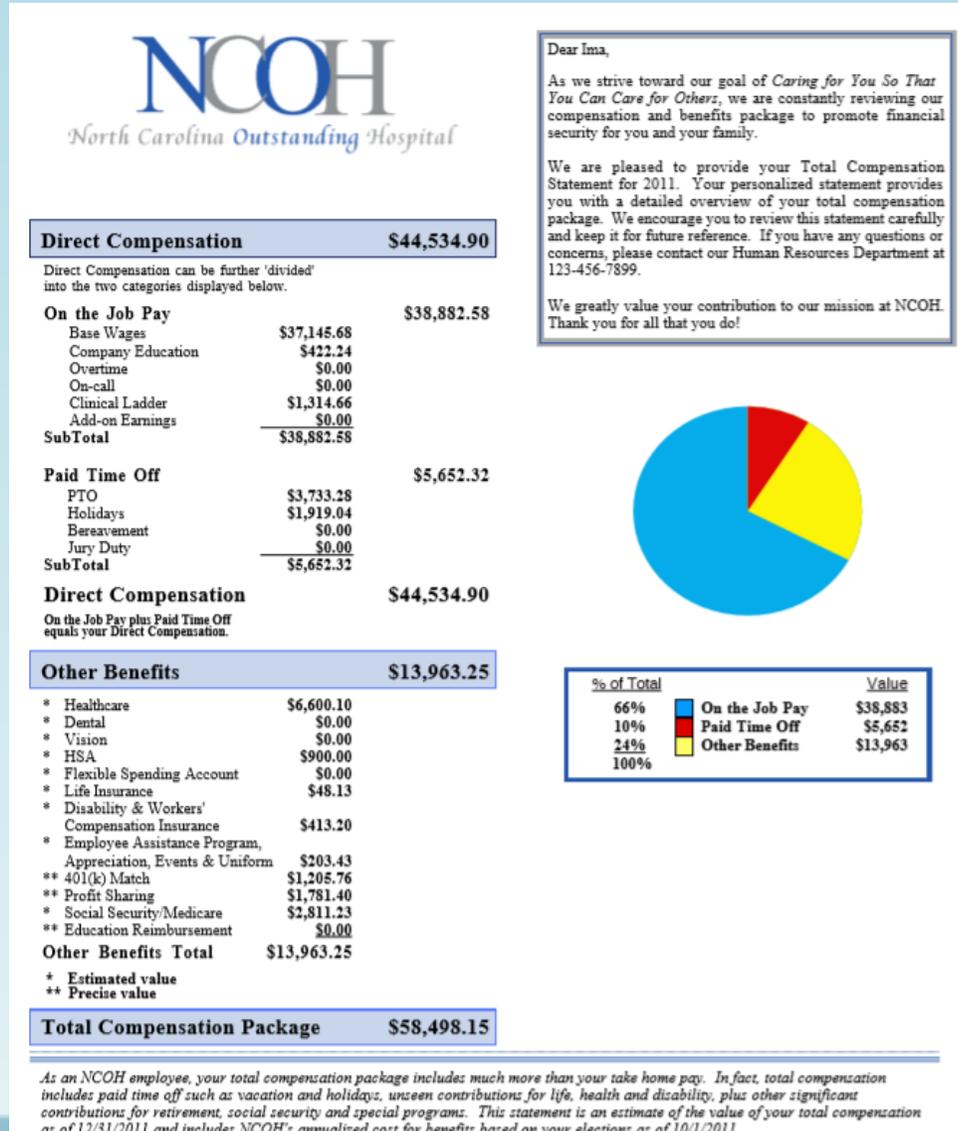


III. HOW TO PROMOTE YOUR CURRENT BENEFITS



Employees only
know as much
about their
benefits as
what you tell
them

Benefits Statement Example



- Provide simple and clear benefits statements with a minimum of words or diagrams
- Outline direct compensation plus dollar value of additional benefits

Explain Your Benefit Program

- Most employees have no idea what their benefits are worth, particularly health benefits – show them the dollar amounts they contribute vs your contribution
- According to a 2019 survey, 1/3 of employees know *nothing* about their healthcare coverage.
 - ✓ Employee: “We don’t have a good health plan.”
 - ✓ Broker: “It’s actually a Gold plan...”
- Label your plan design:
 - ✓ Platinum, Gold, Silver, Bronze
- One page benefit summary handout

Annual Open Enrollment Meetings

- The Annual Open Enrollment meeting is a chance for employees to enroll in the group health plan and understand what the company is offering.
- Preventive care has been covered at 100% no copay, no deductible for six years and most employees still aren't aware
- If you have over 50 employees on your payroll, you're required by law to have an Annual Open Enrollment meeting.
- Even if you have under 50, you should still do it.
- Employees that take advantage of their benefits are more satisfied with the company.

IV. NEW THOUGHTS ON TRADITIONAL PROGRAMS

“Traditional” Programs With A New Twist

- Life Insurance
- Long Term Disability
- Vision/Dental
- Aflac/Voluntary Programs
- Flexible Savings Accounts/Dependent Care
- Foreign Medical Travel Insurance
- Anything in **RED** is a new development to be aware of

Group Life Insurance

- Most employees are not going to purchase their own life insurance
 - ✓ Eliminates hassle of blood test requirements, paperwork, etc
- Can give peace of mind to employees who are providing for a family
- **Accelerated Death Benefit**

Group Long-Term Disability

- One in four twenty-year-olds today will become disabled before they retire
- Pays a percentage of salary until the employee can go back to work
- **If the employee needs to get another job paying a lower salary, the disability plan will pay a percentage of his/her pre-disability income**

Group Vision

- Covers eye exams, lenses, frames, with low copays
- Generally benefits are limited to once per year or every two years
- Some VSP programs cover Computer Vision lenses (in addition to normal lenses)
- Traditional benefits were 12 months for exams, 12 months for lenses, 24 months for frames; now can provide a 12/12/12 benefit level

Group Dental

- Preventive care covered at 100% with no deductible
- Most plans cover cleanings every six months at no cost
- Includes basic and major services
- **Implant coverage**
- **No waiting period**
- **Many plan maximums above \$1,000 are available: \$1,500, \$2,000, \$3,000...**

Aflac and other Voluntary Insurance Plans

- Also called “supplementary” insurance
- No deductible or copay
- Designed to cover surprise out-of-pocket costs from accidents and hospitalization
- In the event of an accident or illness, provides money that allows employees to make rent and car payments, cover living expenses, etc. that a regular health plan would never cover
- No underwriting required for some policies
- Life Insurance does not require a physical or blood test

Flexible Savings Accounts

- Employees commit to contributing a fixed amount per paycheck, before tax, that they can use on health costs (co-pays, deductibles)
- This can also include dependent care from a licensed provider
- This gives employees the morale boost of having out-of-pocket costs covered on a pre-tax basis, and helps make medical costs more manageable
- If employees do not use the money they have contributed during the plan year, a portion rolls over to the next year (\$500 limit OR 2.5 months)

Group Foreign Medical Travel Insurance

- Coverage for employees traveling outside the US
- Benefits up to zero deductible, \$1,000,000 maximum
- Can be structured to include vacation time before or after business time
- Can include dependents traveling with the employee

V. BENEFIT PROGRAMS FOR A NEW MARKETPLACE



Adding Unique
Programs
to
Attract and Retain
Employees

Keeping Good Employees Takes Perks *and* Empathy

- Eighty percent of employees would rather stay at a job with good benefits instead of switching to one with higher pay and worse benefits.
- Thoughtful perks that invest in an employee's life outside of work make them feel valued and respected, leading to increased performance and higher retention
- Building a culture of empathy and respect is the key to increasing employee loyalty
- Nickel-and-diming employees will make them do the same to the employer

When Brainstorming New Benefits, Consider:

- Is it something that supports employee personal goals?
- Is it easy to use with no strings attached?
- Does it make employees feel valued at the workplace?
- If the employer's criteria is "would I use it myself?" there is a risk of alienating employees who have very different financial situations and life goals than the employer

Give Your Employees A Little Extra

- Low dollar amount bonuses and stipends distributed throughout the year have a major impact on the perception of the employer-employee relationship, without becoming a strain on the budget
- Travel stipends:
 - ✓ \$50-\$100 can cover a few tanks of gas, dinner out, cost of a camping trip, etc. This is an unexpected perk for most employees and can build strong feelings of being valued by the employer
- Small hobby spending:
 - ✓ Small fund for musical instruments, books, event tickets, art supplies
 - ✓ Something as simple as movie tickets
- Employees will be glad to have the offer even if they don't use it
- Birthday lunches

Tuition Reimbursement

- Tuition assistance returns nearly 130% on the investment thanks to increased employee retention and the opportunity to promote from within
- Employees can take online training and certification courses for under \$200 each (many under \$50) from Udemy, Coursera, and other online platforms
 - ✓ Financial analysis, Excel, programming, web design, social media marketing...
 - ✓ Offer reimbursement *after* completion as incentive to finish the course
- Given free choice, employees are likely to choose a course that they can apply to their jobs anyway
- Even if an employee chooses a course unrelated to their position, they feel supported in their personal interests by the employer

Student Loan Assistance

- One in five Americans has student loan debt, and 25 percent of people with debt owe more than \$50,000
- Not just young adults – the number of Americans over age 50 with student debt doubled from 2007 to 2017
- Even a single month's debt payment can be life-changing for struggling people
- Some companies tie this to tenure:
 - ✓ Offer to pay a certain amount after the first year at the company, then each year after
 - ✓ Pay more for more years at the company

Healthy Workplace Layout

- Adjustable and/or standing desks are very trendy and have a “wow” factor for employees
 - ✓ Many models include cord organizers and charging ports
- Ergonomic chairs
- Good lighting and airflow in office spaces
- Ergonomic mice and keyboards
 - ✓ “Vertical mice” with tilted hand position
- Footrests
- Computer equipment kept up-to-date

Disability and Leave of Absence

- FMLA regulations for large employers (50+ employees) require employer contributions to benefits to be maintained for up to twelve weeks for family and medical leave
- Extend FMLA benefits to employees at worksites with fewer than 50 people
- Medical leave benefits for employees who don't qualify for FMLA (employed less than a year)
- Employers with fewer than 50 employees should establish similar practices to remain competitive with large employers
- Leave of absence policy

Healthy Snacks

- Fruit that can keep for several days (apples, oranges, bananas)
- Nuts, dark chocolate, granola bars, fruit juice
- All of these are good additions to a meal and make employees feel like the company is providing for them
- Healthy snacks at work give employees the ability to eat healthy and sometimes save money on lunch
 - ✓ Don't worry, nobody is going to take all the free fruit
- No need to go as far as the three meals a day provided by Silicon Valley companies
- Give your employees notice before providing lunch and be aware of dietary or religious restrictions



VI. ADDITIONAL BENEFITS

Additional Ideas

- Pets
 - ✓ Pet-friendly workplace, year-round or on specific days
 - ✓ Pet insurance
- Children
 - ✓ Bring Your Child to Work Day
 - ✓ Discounted tickets for amusement parks
- Local business discounts
- Cybersecurity Training

Programs For Employees

- Employee Assistance Programs
- Financial Wellness Programs
- Workplace Wellness
- On-Site Flu Shots and Health Evaluations
- Mentoring Programs
 - ✓ Builds company camaraderie and direction for new employees
 - ✓ All levels of department can participate in mentoring

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QUESTIONS?

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