



Advantages of Voluntary Benefits



As benefits costs continue to rise and bottom lines begin to tighten, no one can blame employers for looking for cheaper ways to enhance their employee benefits. This is where voluntary benefits have become a lifeline for employers looking to offer attractive benefits options to their employees without added cost to the company.

Many businesses have sought to offer voluntary benefits to offset the increasing costs of benefits offerings, but a common short falling of most businesses is their failure to convey how these benefits add value to their current compensation packages.

That's why for this article we wanted to dig into what voluntary benefits are, what are the benefits of adopting them for your business, and how you can convey to your employees how those benefits can benefit them.

Voluntary Benefits

Voluntary Benefits are products—such as life, disability, critical illness, and accident insurance, as well as sometimes legal services, and financial counseling—offered through an employer but paid for partially or solely by workers through payroll deferral. What makes these benefits attractive to the employee, is that they can offer individual employees group rates that they would otherwise be unlikely to obtain on their own.

The Benefit of Voluntary Benefits

Because of their cost efficiency, and customizability, voluntary benefits are becoming a central component of many companies' overall benefits strategies, as they can be a cost-effective way of

offering attractive benefits for a fraction of the cost of more comprehensive traditional benefits (dental, health, retirement, etc.).

Voluntary benefits can deliver advantages such as choice, convenience, and affordability for both the employer and employee. Employees get the freedom of choice to customize their benefits package to fit their lifestyle, and the employer gets the benefit of only paying for the benefits offerings that get utilized by their team.

How to Choose the Right Voluntary Benefits

Choosing the right voluntary benefits for your business all starts with your employees. There are a whole array of voluntary benefits that can be offered, however a well-tailored choice of benefits can be more effective for your business. By asking your employees about their needs you can tailor your benefits offerings to enhance your core benefits package.

Understanding your employees' demographics can also help you choose what benefits to offer as well. For example, it doesn't make much sense for a company with a consistently high turnover rate to offer many voluntary benefits, as opposed to a business with a longer-tenured workforce. Knowing your employees allows you to make the right decisions and offer the best benefits for them.

Another way to choose the right voluntary benefits is to better understand your core benefits package and what coverage holes exist. Voluntary benefits can help fill in coverage gaps and allow employees to fill in perceived gaps in their coverage. For example, older employees may be more inclined to opt-in for critical illness coverage, while younger families might prefer accident or injury policies that cover their children.

It isn't that unusual for voluntary benefits to be a neglected part of the overall benefits program, particularly during the open enrollment period, when businesses are focused on helping their employees understand their benefits offerings. However, offering attractive voluntary benefits in conjunction with a good set of traditional benefits can elevate a company's benefits package for just a fraction of the cost.

Being sure to select voluntary benefits that provide value to the employee is another key factor in ensuring that voluntary benefits are a success in your benefits package. It isn't enough to just offer voluntary benefits, you must make an intelligent decision to listen to your employees to understand what benefits provide the most value for them.

Need help deciding what benefits are best for your business? Pinnacle takes the guesswork out of choosing benefits with our experts who are trained to find a solution tailored to your business's needs. Contact us to find out how our services can simplify the administration work that goes into managing benefits so you can focus on what matters—growing your business!