



2019 Benefit Trends to Watch

by PeopleStrategy



Table of Contents

Changes in the employee benefits landscape	1
The growing popularity of HRAs and HSAs	2
The potential of telemedicine & ensuring its proper implementation	3
The evolving scope & definition of benefits	4
Benefits over salary?	5
Shifting workforce demographics driving the industry	6
Keeping in step with changes	7

Changes in the employee benefits landscape

While certain core aspects of health insurance, specifically employee benefits, have remained the same (i.e. premiums, copays, deductibles are still here), significant changes over the past decade have made the selection and administration of an employee benefits package extremely complex and costly. There does not appear to be an end in sight for employers and HR departments as both major political parties continue to debate the necessity to repeal or reform the Affordable Care Act.

No matter what side of the political fence they are on, HR and other business leaders need to understand the major trends that will impact an employer's ability to develop a sustainable and long-term benefits strategy.

As a full-service broker, PeopleStrategy has a vested interest in staying on top of potential changes and key trends; here are a few we believe will shape the benefits world in 2019 and beyond.





The growing popularity of HRAs and HSAs

Employees have more options in the types of health care coverage available to them than ever before.

According to an article from the Society for Human Resource Management, Health Reimbursement Accounts (HRA) and Health Savings Accounts (HSA) represent two plan types that will continue to grow in popularity.

An HRA is an IRS-approved, tax-advantaged, employer-funded health benefit plan that reimburses employees for out-of-pocket medical expenses and individual health insurance premiums. Paired with an HSA-qualified health plan, an HSA allows employees to set aside money on a pre-tax basis to pay for qualified medical expenses. An HSA helps employees lower overall health care costs by using untaxed dollars to pay for deductibles, copayments, coinsurance, and other eligible expenses.

Federal regulations regarding how HRAs and HSAs can work are still being debated in Congress, but both are worth evaluating. Ask your broker about the pros and cons of adding these plan types to your benefits catalog.



The potential of telemedicine & ensuring its proper implementation

HR is no stranger to the positive impact and significant change technology can have on the employee experience. Neither is the healthcare industry.

While still relatively new on the benefits scene, telemedicine—the ability to access a care provider via video conferencing—is another alternative employers may want to consider to help reduce overall annual expenses, according to HR Technologist.

Implementing such a practice, or any other deviation from what employees might expect from employer-sponsored health care, requires careful consideration and clear communication. Make sure employees understand that telemedicine is not a replacement for seeing a doctor but an alternative for less serious health issues. All parties in the insurance equation save on routine checkups while having more funds to put toward meaningful in-person meetings with physicians for more serious matters.

The evolving scope & definition of benefits

Health insurance tops the benefits priority list for many employees. While that isn't likely to change, workers' expectations of what their group benefits package offers almost certainly will—and it won't necessarily be limited to health.

For example, staff may want the freedom to customize health benefits as their needs dictate: perhaps a higher coverage limit, or a more favorable deductible for their dental plan and less emphasis on vision care. Or they might seek alternative benefits: tuition reimbursement, pet insurance, paid time off to volunteer for charitable causes (separate from vacation/sick time) and child-care coverage, to name a few.

Tailor informational sessions before open enrollment to match employees' plan alterations. Guaranteed individual discussions may not be feasible within the time window, so maintain an open-door policy that allows for year-round benefits conversations.





Benefits over salary?

Many of us assume that salary is the most important factor when choosing an employer.

Historically, that was probably the case, but it's become increasingly clear that the tide is shifting: Benefits are, more frequently than ever, a bigger deciding factor than annual salary in an individual's decision to apply to open positions, accept offers and remain in existing roles.

According to HR Technologist, this trend is only bound to become more prevalent. HR and other company leaders need to take an honest look at current offerings: namely, which benefits are employees responsive to as well as the overall benefit experience.



39%

of HR supervisors lost at least 20 hours handling routine administration manually.



38%

Percentage of American workforce who help to grow the automation-driven HR tech platform trend.



Shifting workforce demographics driving the industry

A 2017 study conducted by CareerBuilder found that HR supervisors whose operations were not fully automated lost about 14 hours a week, on average, handling routine administration manually. **Approximately 39 percent of study interviewees said they lost at least 20 hours with such tasks.** Those time losses aren't sustainable, which is why SHRM is predicting that the adoption of automation-driven HR tech platforms will grow exponentially among firms that previously hesitated to use such solutions.

Millennials, who comprise **38 percent of the American labor pool**, according to data from the Pew Research Center (a larger share than any other generation), will help fuel this trend, according to SHRM. Employees in this demographic, and future generations, expect workplace tools, especially those governing critical functions like benefits, to operate at the same brisk pace as they do. Enabling employees to easily access educational materials that help them select the best plan for themselves and their families, and to complete the enrollment process online, will ensure you provide a more positive and informative experience.

Keeping in step with changes

There will likely be more changes that impact the benefits package you offer, how you administer those benefits and the regulatory requirements you have to meet. The pace of change across the HR universe all but guarantees this. To keep up, it's important to align your company with the right partner - one that can help you roll with any punches that may come your way in the months and years to come.

That's exactly the kind of partner PeopleStrategy can be. In addition to our full broker services, we offer clients an enterprise-level, hire-to-retain HR technology suite along with administrative services, helping our clients build a more effective human capital management strategy. Our human capital management bundle of HR technology, insurance and services eliminates the need for multiple vendors, saving you time, money and stress.



Sources | <https://www.law.cornell.edu/cfr/text/29/791.2> | <https://www.hrtechnologist.com/articles/health-medical/four-employee-benefits-trends-to-watch-in-2019/> | <https://www.benefitspro.com/2018/11/05/joint-employment-compliance-and-overtime-a-wage-an/>

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