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# employee benefits guide for employers

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## A STEP-BY-STEP GUIDE

Putting together a great employee package can be stressful, our guide shows you the best way to do this without losing sleep.



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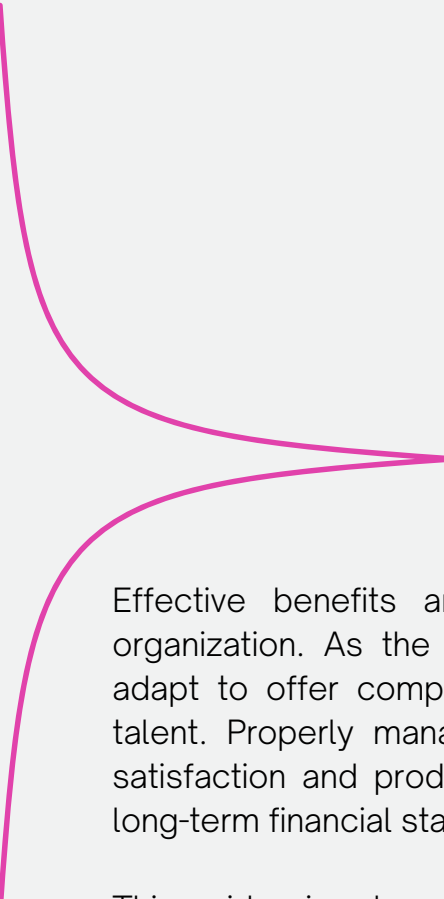
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INTRODUCTION

# importance of effective **benefits** and payroll management



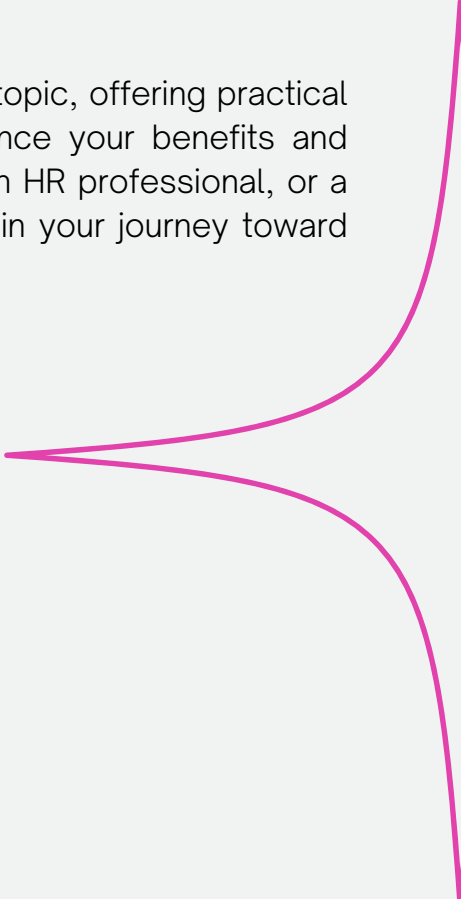
If you work with an HR Provider, they should always offer package deals at a great price. Learn why bundling your HR services is paramount.



Effective benefits and payroll management are crucial for the success of any organization. As the landscape of employee expectations evolves, businesses must adapt to offer competitive, meaningful benefits packages that attract and retain top talent. Properly managed benefits and payroll systems not only enhance employee satisfaction and productivity but also contribute to a positive company reputation and long-term financial stability.

This guide aims to provide comprehensive insights into the critical aspects of benefits and payroll management. From differentiating between good and great benefits brokers to understanding the costs associated with meaningful benefits packages, and the advantages of combining payroll and benefits services, this guide will equip you with the knowledge to make informed decisions and optimize your organization's approach to employee benefits.

In the following chapters, we will delve into the specifics of each topic, offering practical advice, real-world examples, and actionable strategies to enhance your benefits and payroll management. Whether you are a small business owner, an HR professional, or a company executive, this guide will serve as a valuable resource in your journey toward creating a more supportive and efficient workplace.



SEPARATE THE GREAT ONES, FROM THE GOOD

CHAPTER 1

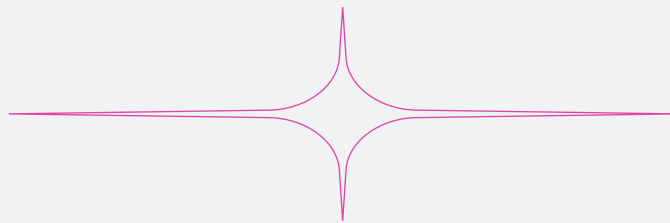
# differentiating good and **great benefits** **brokers**



While both good and great brokers share this fundamental role, the difference lies in the depth of their involvement and the quality of service they provide.

# Why is this Important?

Selecting the right benefits broker is crucial for any organization. The difference between a good and great broker can significantly impact employee satisfaction, retention, and overall company success. This chapter explores the key factors distinguishing good benefits brokers from great ones, providing insights into how companies can make informed decisions when choosing their benefits partners.



## Industry Expertise

A great benefits broker possesses extensive industry knowledge and remains consistently updated with the latest trends and regulations. This depth of expertise enables them to offer the most relevant and effective benefits packages. They understand the nuances of various benefits options, such as medical, dental, vision, and ancillary products, and can provide tailored advice that aligns with an organization's specific needs.

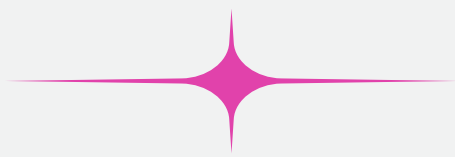
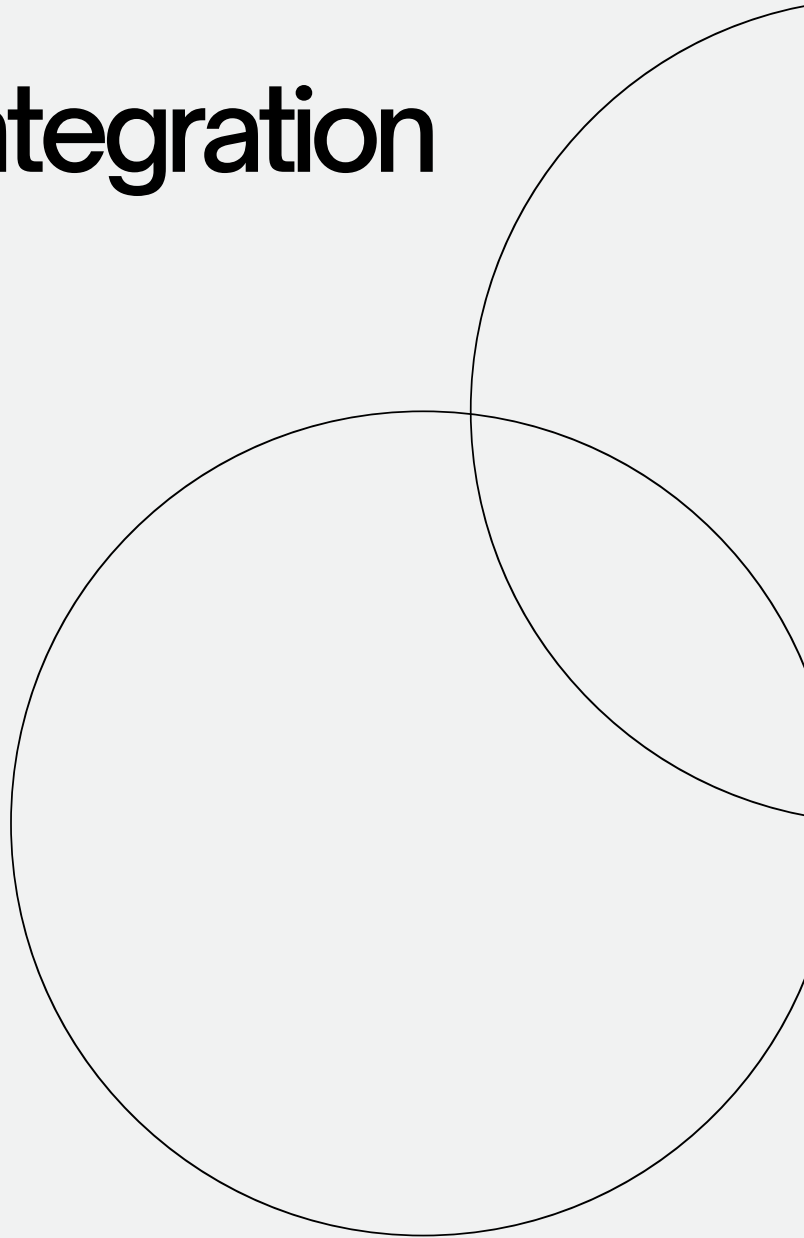
**Ask yourself: Can the broker provide insights into future industry trends? Do they offer advice that goes beyond basic packages?**

A great broker understands the intricacies of various insurance designs and their specific uses and can effectively communicate this information to employees. By providing clear and comprehensive explanations, the broker ensures that all employees understand the benefits available to them. This empowers employees to make informed decisions about their coverage options, leading to greater satisfaction and utilization of their insurance benefits.

# Technology Integration

Technology is crucial in managing benefits programs in the digital age. A good benefits broker might use manual processes for administration and communication — a common practice for new brokers or veterans who handle multiple accounts. These packets can often be confusing at the employee level and seem burdensome to complete on time. You want your employees to be able to be guided through these processes.

Great benefits broker leverages advanced technology platforms to streamline enrollment, provide real-time data analytics, and enhance communication between the company, employees, and insurance carriers. Employees can use personal portals for benefit administration tasks. This integration improves the benefits experience for all parties involved.



**ASK YOURSELF: DOES YOUR BROKER OFFER DIGITAL SOLUTIONS? HOW COMPATIBLE ARE THESE WITH YOUR EXISTING HCM SYSTEMS?**

The best brokers use a benefits administration platform; brokers can facilitate online enrollment, track participation rates, and generate detailed reports that help employers make data-driven decisions.

# Customized Benefits Packages

One size does not fit all when it comes to employee benefits. Great brokers excel at designing customized benefits packages that reflect 'an organization's workforce's unique culture and demographics. They conduct thorough assessments and tailor plans to meet specific needs, enhancing the benefits package's attractiveness.

**Ask Yourself: Can the broker offer benefits for different groups of people in your company? Do they understand your long-term business objectives?**

A great benefits broker understands a one-size-fits-all approach rarely works. They invest time in comprehending a company's culture, demographics, and long-term objectives. Using this information, they create custom benefits plans that align with employees and the company's values.

# Proactive Management

The approach to managing benefits can significantly impact their effectiveness. Great brokers are proactive, anticipating potential issues and implementing solutions before they escalate. This proactive stance ensures continuous improvement and adaptation to changing circumstances.

**Ask Yourself: Does your broker offer strategies for mitigating potential future risks? How do they respond to new challenges?**

A good benefits broker tends to be reactive when addressing challenges and resolving issues. They step in when problems arise but might need more foresight to prevent them. They might always need to be on time to renew their clients' processes, but they are unable to stay ahead of changing needs, rates, and coverage.

A great benefits broker proactively identifies potential issues before they escalate. They help businesses reduce risks and ensure benefits plans can change as needed. This forward-thinking approach saves companies valuable time and resources in the long run.

YOUR EMPLOYEES SHOULDN'T SUFFER

CHAPTER 2

# problems with weak **employee** **benefits packages**



The goal is to turn your benefits package into a competitive advantage, attracting top talent and fostering a loyal, productive workforce.

# Challenges in Attracting Top Talent

In a competitive job market, the quality of a company's benefits package is a critical factor in attracting top talent. Skilled professionals often weigh the value of a benefits package heavily when considering job offers.

A weak benefits package can significantly diminish a company's appeal, making it challenging to attract the best candidates. Talented individuals look for employers who not only offer competitive salaries but also provide benefits that cater to their health, well-being, and future security.

## **THE SOLUTION: ENHANCE YOUR BENEFITS PACKAGE**

- 1: STAY INFORMED ABOUT INDUSTRY TRENDS
- 2: SEEK FEEDBACK FROM CURRENT EMPLOYEES
- 3: UNDERSTAND YOUR EMPLOYEE DEMOGRAPHIC
- 4: ANALYZE THE PACKAGES OF YOUR COMPETITORS
- 5: OFFER HEALTH, DENTAL, AND VISION INSURANCE PLANS
- 6: PROVIDE 401(K)
- 7: OFFER FLEXIBLE WORKING ARRANGEMENTS
- 8: OFFER SUPPLEMENTAL INSURANCE

To address these challenges, it's essential to enhance the appeal of your benefits package. This doesn't necessarily mean a drastic increase in costs but rather a strategic realignment to meet the expectations of today's workforce. Consider incorporating more contemporary benefits such as flexible working arrangements, comprehensive health insurance, mental health support, and robust retirement plans.

It's also beneficial to stay informed about industry trends and what competitors are offering. Regularly seeking feedback from current employees about what benefits they value can provide valuable insights for shaping an attractive package. By submitting a benefits package that resonates with the needs and desires of top talent, companies can significantly improve their recruitment success.



## HIGH EMPLOYEE TURNOVER

Inadequate benefits increase turnover rates as employees seek better opportunities elsewhere. This constant churn can be costly and disruptive to business operations.

- **Problem:** Insufficient benefits lead to dissatisfaction and prompt employees to leave.
- **Solution:** Improve benefits offerings to increase employee retention. Focus on health insurance, paid time off, and wellness programs that meet employees' needs and expectations.


## LOW MORALE AND PRODUCTIVITY

Employees who feel unsupported by their benefits package will likely experience lower morale, directly impacting productivity and overall job satisfaction.

- **Problem:** Poor benefits result in disengaged and demotivated employees.
- **Solution:** Implement wellness programs, mental health support, and flexible work arrangements to boost morale and productivity.

## COMPANY REPUTATION

A company's reputation is significantly influenced by the quality of its employee benefits. Negative employee experiences can tarnish the company's image, making it harder to attract both customers and new talent.

- **Problem:** Weak benefits packages harm the company's reputation.
  - **Solution:** Build a positive brand by offering strong benefits and communicating their value effectively to current and prospective employees.
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## HEALTH-RELATED ABSENCES

Without adequate health benefits, employees are more likely to suffer from untreated health issues, leading to increased absences and decreased productivity.

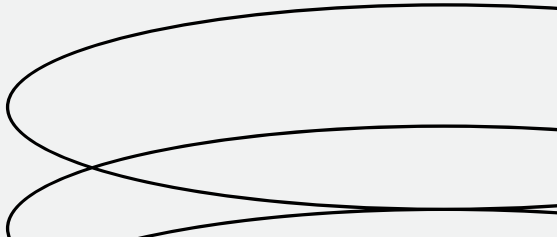
- **Problem:** Insufficient health benefits results in more sick days and lower overall productivity.
- **Solution:** Provide comprehensive health insurance and wellness initiatives to support employees' health and reduce absenteeism.

## STRATEGIES FOR STRENGTHENING BENEFITS PACKAGES

It's crucial for organizations to take proactive steps to enhance their offerings, as a reactive approach may not effectively counter the problems associated with weak benefits packages.

- **Assess Current Benefits:** Conduct a thorough review of existing benefits to identify gaps and areas for improvement.
- **Gather Employee Feedback:** Use surveys and focus groups to understand employees' needs and preferences.
- **Align Benefits with Workforce Needs:** Customize benefits packages to reflect the demographic and cultural characteristics of the workforce.
- **Communicate Effectively:** Ensure employees are well informed about the benefits through regular communication and education initiatives.

By recognizing the challenges posed by weak benefits packages and implementing strategies to strengthen benefits, companies can create a more supportive and productive work environment, ultimately leading to more tremendous success.



CHAPTER 3

essential  
components of a  
**competitive**  
**benefits package**



Learn the essential components that make up a competitive benefits package, ensuring your organization can stand out and meet the needs of its workforce.




## ANCILLARY BENEFITS

These benefits go beyond basic health insurance, providing additional coverage and support that can significantly enhance an employee's overall benefits package.

- **Importance:** Ancillary benefits extend the scope of traditional health benefits, addressing a more comprehensive range of employee needs and enhancing job satisfaction.
- **Examples:**
  - **Dental Insurance:** Covers preventative care, treatments, and emergencies.
  - **Vision Insurance:** Includes eye exams, glasses, and contact lenses.
  - **Disability Insurance:** Provides income protection in case of long-term illness or injury.
  - **Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs):** Offer tax-advantaged savings for medical expenses.

## PAID-TIME-OFF (PTO) BENEFITS

A critical component of a competitive benefits package. It promotes work-life balance and reduces burnout.

- **Importance:** PTO allows employees to rest, recharge, and manage personal commitments, leading to higher engagement and productivity.
  - **Examples:**
    - **Accrual-Based Systems:** Employees earn PTO based on the number of hours worked.
    - **Upfront PTO for New Hires:** Providing immediate access to PTO to attract new talent.
    - **Flexible PTO Policies:** Options like unlimited PTO or sabbatical leave.
  - **Impact:** Offering generous and flexible PTO benefits can increase employee satisfaction and lower turnover rates.
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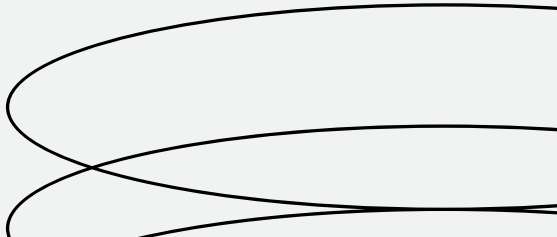
## WELLNESS BENEFITS

These are designed to promote employees' overall health and well-being, contributing to a more productive and positive workplace.

- **Importance:** Investing in wellness programs shows a commitment to employees' physical and mental health, which can reduce healthcare costs and absenteeism.
- **Examples:**
  - **Fitness Programs:** Gym memberships, fitness classes, or on-site exercise facilities.
  - **Mental Health Resources:** Access to counseling services, stress management programs, and mental health days.
  - **Flexible Scheduling:** Options for remote work, flexible hours, and job sharing to accommodate personal needs.
  -
- **Benefits:** Wellness programs can increase job satisfaction, higher productivity, and a more engaged workforce.

## SUCCESSFUL BENEFITS IMPLEMENTATION

Implementing a competitive benefits package requires effective communication and ongoing employee engagement to ensure they understand and utilize the available resources.

- **Communication Strategies:**
    - **Methods:** Emails, company intranet, webinars, and printed materials communicate benefits information.
    - **Regular Updates:** Provide periodic updates on benefits changes, new offerings, and deadlines.
    - **Q&A Sessions:** Hold regular sessions to address employee questions and concerns about benefits.
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CHAPTER 4

# understanding the cost of a **meaningful** **benefits package**



Dive into the various factors influencing the cost of benefits and provides strategies for managing these expenses effectively.

# Decide How Much You Will Contribute to Your Employees' Premiums

This is the make-or-break part of your decision-making process. If you have 50+ employees, you must contribute a certain percentage. “A job-based health plan is considered ‘affordable’ if your share of the monthly premium in the lowest cost health plan is less than 9.12% of your household income,” according to the [ACA](#). If you are below that threshold, you are not subject to the ACA, but most insurance companies have participation requirements. These are usually around 75% of the group. That means they would require around 75% participation from your total staff.

## Company Size and Employee Count:

- **ACA Requirements:** Companies with 50+ employees face specific regulatory requirements.
- **Participation Rates:** Higher participation can spread the cost more evenly.

If the average monthly premium for an employee is roughly **\$650**, then you could be covering **\$325** or more per month for each employee. If that seems beyond what you can provide and you are below the threshold for ACA requirements, you may have to adjust the percentage you are paying. You must consult a broker if you are above the threshold for ACA requirements. They can help you determine what is affordable according to the ACA.

## Contribution to Premiums:

- **Balancing Act:** Find the right balance between affordable employee contributions and overall participation rates.
- **Examples:** Analyze monthly premium costs and determine the company's share.

The percentage you decide to pay can impact the participation requirement set by the carriers, though, so it's a balancing act. You want to contribute enough that your employees will buy into the plan but not so much that it breaks your budget. Again, this goes back to communication and finding out directly from your employees what they can or are willing to contribute.

# When Should I Consider Providing a Benefits Package?

Let's cover some signs you should look for when considering providing a health package.

A significant indicator is hiring and retention. If you are having challenges with either of these, it can be related to your benefits or lack thereof. Benefits are still a factor even if you pay a higher wage than your competitors. We live in a time when health benefits are an expectation, whether mandated by law or not.

## **Hiring and Retention Challenges:**

- **Impact:** High-quality benefits packages can improve recruitment and reduce turnover.
- **Competitive Edge:** Offering superior benefits can set a company apart in the job market.

The most obvious is your employees telling you they want health benefits. Research is still involved because you need to find out from your employees (not just the vocal ones) if they are also interested in health benefits. Remember, you will need a 70% participation rate for most insurance providers. If you cannot reach that level, the employees eager for coverage can shop the marketplace for an individual plan.

## **Employee Requests:**

- **Communication:** Regularly solicit and respond to employee feedback regarding benefits.
- **Participation Rates:** Monitor participation rates to gauge interest and satisfaction.

CHAPTER 5

# advantages of combining payroll and benefits services



Explore the key benefits of integrating payroll and benefits management into a single platform.

# Integrate Your Systems

Managing payroll and benefits independently can lead to inefficiencies and increased errors. By combining these services into a single platform, organizations can streamline operations, enhance accuracy, and improve employee satisfaction.

## EFFICIENCY WITH COMBINED SERVICES

Integrating payroll and benefits systems results in significant operational efficiencies.

- **Single Platform Advantage:**
  - **Consolidation:** Merging tasks onto one platform reduces administrative workload and streamlines processes.
  - **Automation:** Automates updates across both payroll and benefits, minimizing manual data entry errors.
  - **Time-saving:** Unified processes save time for HR staff and employees.
- **Reduced Error Risk:**
  - **Centralized Data:** Centralized employee data minimizes errors during system transfers.
  - **Real-Time Updates:** Ensures instant reflection of employee status changes across all records.

## COST-EFFECTIVENESS

Combining payroll and benefits services can result in substantial cost savings.

- **Simplified Billing:**
  - **Single Invoice:** One invoice for combined services simplifies financial management.
  - **Predictable Expenses:** A single billing cycle aids in budgeting and financial planning.
- **Savings Potential:**
  - **Bundled Services:** Discounts or additional features are often offered with bundled services.
  - **Reduced Administrative Costs:** Lower overhead costs due to streamlined processes and reduced paperwork.

# ENHANCED COMPLIANCE AND REPORTING

Tax laws and benefits regulations constantly evolve, making staying current challenging. A combined service ensures you're always compliant, as updates are rolled out universally across the platform. This proactive approach to compliance means you're less likely to face penalties or legal issues. It also saves you the time and effort of manually updating multiple systems to align with new laws, allowing you to focus on your core business activities.

## **Regulation Updates:**

- **Automatic Updates:** Regular system updates ensure compliance with changing laws and regulations.
- **Peace of Mind:** Ensures all legal requirements are met without constant manual monitoring.

## **Comprehensive Reporting:**

- **Data Integration:** Integrated reports provide a comprehensive view of payroll and benefits, facilitating informed decision-making.
- **Insightful Analytics:** Enhanced data analytics help identify trends and areas for improvement.

# IMPROVED EMPLOYEE EXPERIENCE

With all data centralized, keeping employees informed about any changes to their pay or benefits is easier. This enhances transparency and can lead to increased employee satisfaction. Clear and consistent communication is critical to building trust within an organization. When employees know where to find information and feel they are kept in the loop, it fosters a sense of belonging and engagement, which are critical factors for employee retention.

## **Easy Access:**

- **Centralized Portal:** Employees access payroll and benefits information through a single, user-friendly portal.
- **Transparency:** Improved transparency fosters trust and satisfaction.

## **Better Communication:**

- **Consistent Updates:** Regular updates help employees understand their benefits and payroll details better.
- **Simplified Onboarding:** Streamlined onboarding processes for new hires to enhance their transition.

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