

Considering group health benefits for the first time? Here are 5 things you need to know

You probably didn't start your business (or career) to become a benefits administrator. But as your business grows, attracting and retaining talent can become increasingly critical for your success. Offering group health benefits for the first time can be a key component of making you an employer that talented workers want to join and stay with.

According to *MetLife's Employee Benefits Trends 2020*, 86% of employees called health insurance "a must have" benefit. And the Society of Human Resources Management's *2020 Employee Benefits Survey* showed that 90% of employees view healthcare as the most important benefit to employees.

Here are five things you should consider when offering group health benefits for the first time.



1

Know why you're doing it

Offer group health benefits with your overall business goals/strategy, your employee needs, and your available budget in mind. If, for example, you're in a highly competitive industry where talent is hard to find, you may need to offer a more attractive (to employees) health benefit plan. If you're in a less competitive talent landscape, you might ask employees to share more of the cost of the benefits plan.

2

Use an effective broker to help you



You want a broker who will be an advocate for you. Your broker should: help you align your benefits strategy and your budget with what's currently available in the group health market; have access to the market and deep knowledge about the latest carrier offerings and incentives; and serve as a strategic advisor who asks probing questions and discusses options.

Your broker should enable you to make data-driven decisions that will deliver the best benefits plan to suit your unique needs.

3

Select a benefits administration platform to simplify the process

Administering your group health benefits manually with paper processes leaves you prone to errors that could negatively impact your business and your employee experience. Working with a digital benefits platform enables you and your employees to have greater control and transparency when administering health benefits. It also facilitates and simplifies your reporting and compliance efforts. The digital platform you choose should also integrate with your other systems to avoid double entry of data. Talk to your broker about the benefits platform that best fits your needs.



4

Understand the costs of benefits and various payment options

Group health benefits can be set up with varying contribution and payment options, depending on your needs and available budget. You should talk with your broker about who pays what — that is, the respective contribution levels of employer and employees — and how each might pay. As an employer, you might pay 100% of the benefit cost (for example, if you're in an industry where competition for talent is fierce), or maybe decide to split the contribution amount in different ways with your employees.

5

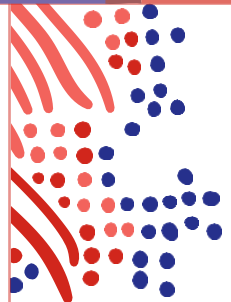
Know how to drive employee participation

Some health plans and carriers will require you to have a minimum percentage of employee participation in your new group health plan. Cost to employees will likely have a huge impact on participation rates.

So, the question you should ask both yourself and your employees is How do we make the new health benefit plan affordable and attractive enough to drive the level of employee participation we need? The answer requires finding the right balance among your available budget, employee costs, and overall plan value for employer and employees – questions a strategic broker can help you answer.



Need help as you consider offering group health benefits for the first time? Reach out to Automatic Data Processing Insurance Agency, Inc. (ADPIA®).



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