



# ANCILLARY EMPLOYEE BENEFITS

The global pandemic has changed workplaces throughout the U.S., putting a spotlight on employers to reevaluate their benefits policies and offerings. To aid recruitment and retention efforts, ancillary benefits—those that go beyond medical, vision and dental coverages—can be a powerful tool in an increasingly competitive talent market. Moreover, these benefits can have an outsize impact relative to their cost. (For example, according to the U.S. Bureau of Labor Statistics, the cost of providing short and long-term disability insurance is approximately one percent of total compensation costs.)



## Disability Insurance

Income or job loss due to a short or long-term disability can be financially devastating, but insurance can provide employees with security and financial protection.

### SHORT-TERM DISABILITY INSURANCE

- STD provides partial compensation or income replacement for non-job-related injuries or illnesses that leave employees unable to work for a limited period (normally a few months).
- STD benefits cover illness if an employee is unable to work because of a verified medical condition, including COVID-19.
- Some insurance carriers are waiving the elimination period (waiting period) for employees who are medically diagnosed with COVID-19.

#### COMMON STD CLAIMS:

- Pregnancies
- Bone and muscle disorders affecting the back, spine, knees, hips, and other body parts
- Digestive disorders
- Mental health issues including depression and anxiety

### LONG-TERM DISABILITY INSURANCE

- LTD works in tandem with STD plans so when STD benefits end, income replacement benefits under LTD begin.
- LTD provides a safety net for employees and their families in case the employee can no longer work for an extended period (sometimes until the age of retirement).
- LTD may offer financial protection if an employee sustains a serious illness, such as a chronic respiratory disease after dealing with COVID-19.

#### COMMON LTD CLAIMS:

- Osteoarthritis
- Cancer
- Cardiovascular and circulatory disorders (heart attack, coronary artery disease)
- Injuries such as fractures, sprains, and strains of muscles and ligaments



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## Employee Assistance Programs (EAPs)

An increasing number of companies are incorporating these programs to facilitate employee well-being, care services, and benefits support - which is valuable during these uncertain times.

- Some insurance carriers offer an EAP at no additional cost to employers who provide STD and LTD benefits to their employees. For others, the cost is minimal.

### IMPROVING MENTAL HEALTH

- EAPs connect employees with professional specialists to assist with managing and improving mental health issues
- The importance of EAPs has become more prevalent amongst employers with the heightened need to help employees cope with the uncertainty of a global pandemic.

### HEALTH CARE ADVOCACY

- Advocates are trained professionals who can assist employees with resolving issues, such as claims processing, appeals, billing discrepancies, provider research, etc.
- Concierge-style services are available by phone, mobile app and website.

### GENERAL WELLNESS PROGRAMS

- Increased wellness engagement by employees has significant impact on company culture and productivity.
- Employee participation in wellness programs can result in reduction in healthcare related costs.



## Life Insurance

The global pandemic is a sobering reminder that our health is not guaranteed. By offering life insurance, an employer demonstrates appreciation for its workforce and establishes a solid foundation of financial preparedness for future risk.

- Life insurance policies do not have exclusions for pandemic events such as COVID-19.
- Some insurance carriers provide discounts and incentives for employers who bundle Life, STD and LTD benefits.



## Financial Services

Retirement plans are popular employee benefits because they allow organizations to invest now for future financial security, with significant incentives for both businesses and their employees.

- There are tax credits for establishing new plans and employer contributions are tax-deductible.
- The variety of plan designs means there's options to complement different goals and budgets.
- Employee retirement contributions can reduce current taxable income, the accumulated assets convey from one employer to another, and these assets grow over time.