

## 6 Smart Ideas for Building an Employee Benefits Plan From Scratch

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***See how designing the right benefits plan for you and your employees can position your small business for success.***

By Ron Herrmann

Attracting the best talent to your small business often means making a case for its growth potential and how the candidate can contribute. But it also means

convincing them of the advantages of working with you. According to Glassdoor's recruiting statistics guide, 80% of employees prefer new or additional benefits over a pay increase<sup>[1]</sup>. While you might not have a budget that's comparable to larger companies, there are still ways that you can compete – like adding a first-rate employee benefits program. But, without a benefits specialist on your staff, how do you go about building one from scratch? Besides health insurance, what do you need to consider? Here are 6 tips to get you started.

## **Understand the needs of your employees**

Consider why you're offering benefits in the first place. Will they be used as a retention tool or a way to attract additional employees? If so, before you start talking to a benefits specialist or insurance carrier, you may want to do some research to find out what is important to your employees – or potential employees. Consider adding life and disability insurance for families who need financial security, dental and vision benefits from those with children, and an Employee Assistance Program (EAP) to help employees manage stress related to anxiety, work-life issues, family relationships, and financial challenges.

## **Choose new technology**

You may not have a dedicated human resources manager, let alone a full [HR department](#). That means you'll need an employee benefits platform that's simple, streamlined, and built to work your way. Stay away from legacy systems that need to be retro-fitted to meet your needs. Instead, look at cloud-based technology that makes it easy for your employees to select their benefits and easy for you to administer them. With nearly everyone on a smartphone these days, smart, efficient access to your benefits platform via the internet is a must-have.

## **Set yourself up for success**

Choose a carrier and an administration system that makes things easy for you to get the information you need in real time and keep up with compliance regulations. Look for open architecture technology that will let you interface with a variety of carriers – because it’s no fun to have to log into multiple systems just to see what your benefit premiums are or track down different claims for one employee. And, because your business is sure to evolve over time, you may want to consider hooking up with a carrier who is flexible and able to change with you over time.

## **Help your employees choose wisely**

It’s not enough to choose great benefits. You also need to make sure your employees understand and utilize them. By working with a benefits carrier who is flexible enough to enroll and educate your employees in the way that best fits their needs – online, in person, or over the phone – you have a much better chance of having high benefits utilization and ultimately, a healthier, happier workforce.

## **Manage the costs**

Most employers currently offer employees at least one type of insurance plan. However, even the cost of offering a modest level of benefits continues to rise, at a level faster than the rate of inflation and the overall pace of economic expansion. This can hit small businesses harder. According to research conducted by the Office of the Actuary in the Centers for Medicare & Medicaid Services, aggregate US healthcare spending is estimated to increase 5.6% annually through 2025<sup>[2]</sup>. But, employee benefits don’t have to be expensive. In fact, by choosing the right carriers, you may be able to add more benefits for the same amount of money, giving your employees more ways to stay healthy. According to the Society for Human Resource Management (SHRM)<sup>[3]</sup>, there are other more effective methods of managing health costs that can save money for you and your employees.

## Take the leap

It may seem like a big deal to design an employee benefit program from scratch, but with 57% of US job candidates counting benefits and perks among their top considerations before accepting a job<sup>[4]</sup> it's important. With the right support, you can put a plan in place that will help you attract and retain top talent, control your costs, and keep your employees happy, healthy, and more productive.

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