

# OPEN ENROLLMENT READINESS BENCHMARK

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Q1 2019

## Student loan assistance emerges as top new benefit option for open enrollment

**S**tudent loan programs are the number one new benefit that companies are planning to start providing to their employees during their open enrollment period this year, according to *Employee Benefit Adviser's* Open Enrollment Readiness Benchmark (OERB) survey, sponsored by ADP.

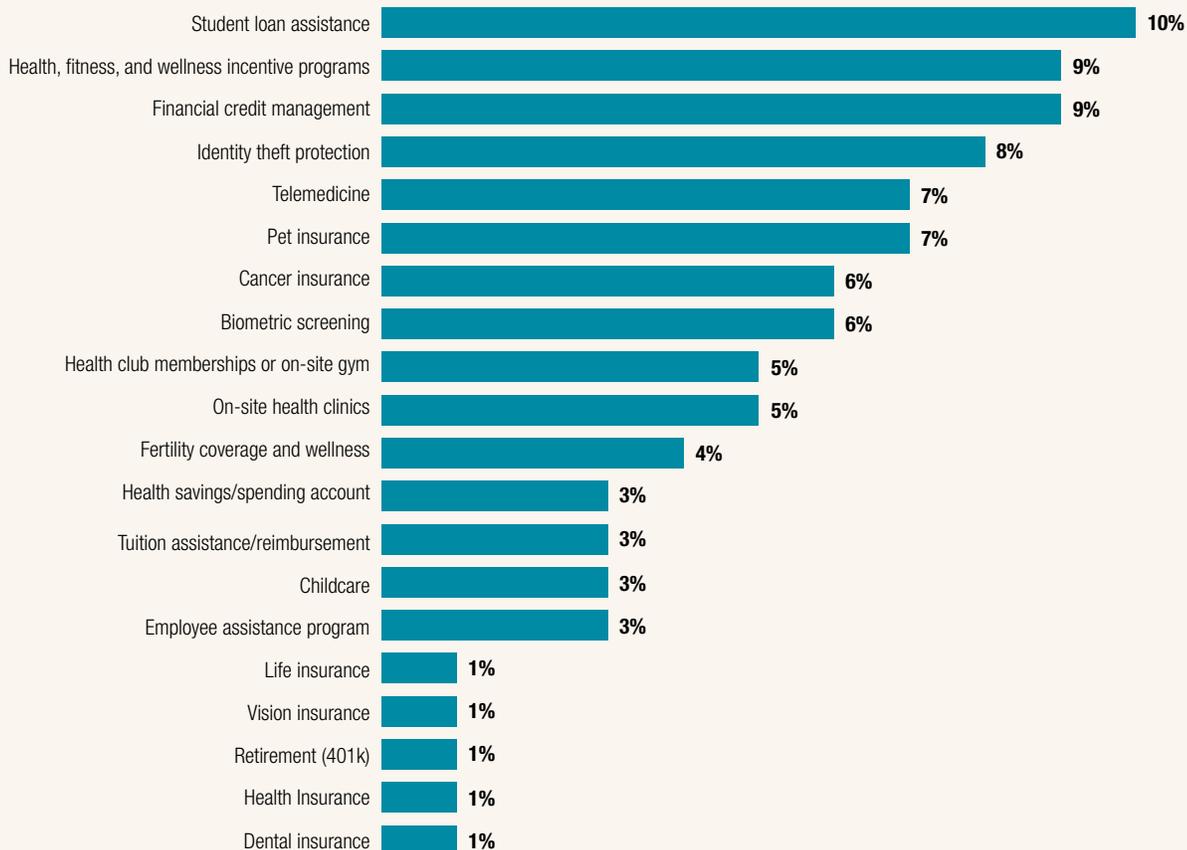
The OERB, now a quarterly feature, continues to probe employers on critical elements of open enrollment (plan design, prep, management and analysis), with the ultimate goal of helping benefit advisers help their employer clients better

manage the benefits process during open enrollment and beyond.

With U.S. student loan debt reaching \$1.52 trillion as of June 2018, according to *Forbes*, it's not surprising that student loan assistance ranked highest in the list of benefits that employers plan to start providing (see Figure 1). "College tuition is a growing issue of stress for many employees and their dependents," says one employer. "We are looking for realistic ways to assist those of our employees with student loans and to help our recruiting and retention efforts."

Advisers have taken note of this change. "Student loan programs are trending right now, but they still rank the lowest among the benefits companies currently provide, because they are a newer benefit," says Allison Wendelberger, national sales director at Voluntary Benefit Advisors (VBA). "Advisers should be going to their clients and saying, 'hey, a lot of companies are starting to offer student loan assistance, and I think it would be a wise thing for you to look at this.' It'll be interesting to see where it ranks five years from now."

FIGURE 1. NEW EMPLOYER BENEFITS FOR OPEN ENROLLMENT



Source: SourceMedia Research/Employee Benefit News, June 2019

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Health, fitness and wellness incentive programs rank second to student loan assistance as the most popular new benefit. The popularity of these programs can be seen by the fact that 65% of employers currently already provide them, with one quarter planning to update their offering this year (see Figure 2). “There are so many things going on in the wellness space right now, it’s pretty amazing, and it keeps evolving,” says Wendelberger.

Companies are keen to help their employees manage the cost of their benefits. The biggest challenge to employers finalizing health, voluntary, pharmacy and wellness plans during the first quarter is cost containment. One employer notes “Budgetary constraints delay/suspend projected plans. [We are] looking to get more sponsorship from selected providers to encourage participation.”

Flexible spending accounts are the most popular among the various benefit cost management strategies offered by survey respondents (see Figure 3). 75% have already implemented flexible spending accounts, with an additional 2% planning to implement them for the first time this year. Offering telemedicine benefits and high deductible health plans are joint second (69%). However, the growing interest in telemedicine benefits is noticeable. Indeed, 8% of respondents plan to introduce them for the first time this year, which will bring them on a par with flexible spending accounts.

Benefit advisers can help these employers by educating them to make sure that employees fully understand the benefits of the new offerings. This can increase usage and, in the case of a benefit like telemedicine, potentially decrease employer costs over time.

Software plays an important part in the open enrollment process and advisers should note that its use is set to increase across the board (see Figure 4). HR administration software is most commonly used, with 64% of respondents already taking advantage of its ability to facilitate core HR systems of record and employee self-service, and 7% are planning to use it for the upcoming open enrollment period for the first time. Employee benefits admin software at 58% and integrating software solutions at 56% are also currently well utilized. An additional 7% and 6% of employers respectively plan to use them for the first time this year. Advisers can

FIGURE 2. CURRENT EMPLOYER BENEFITS

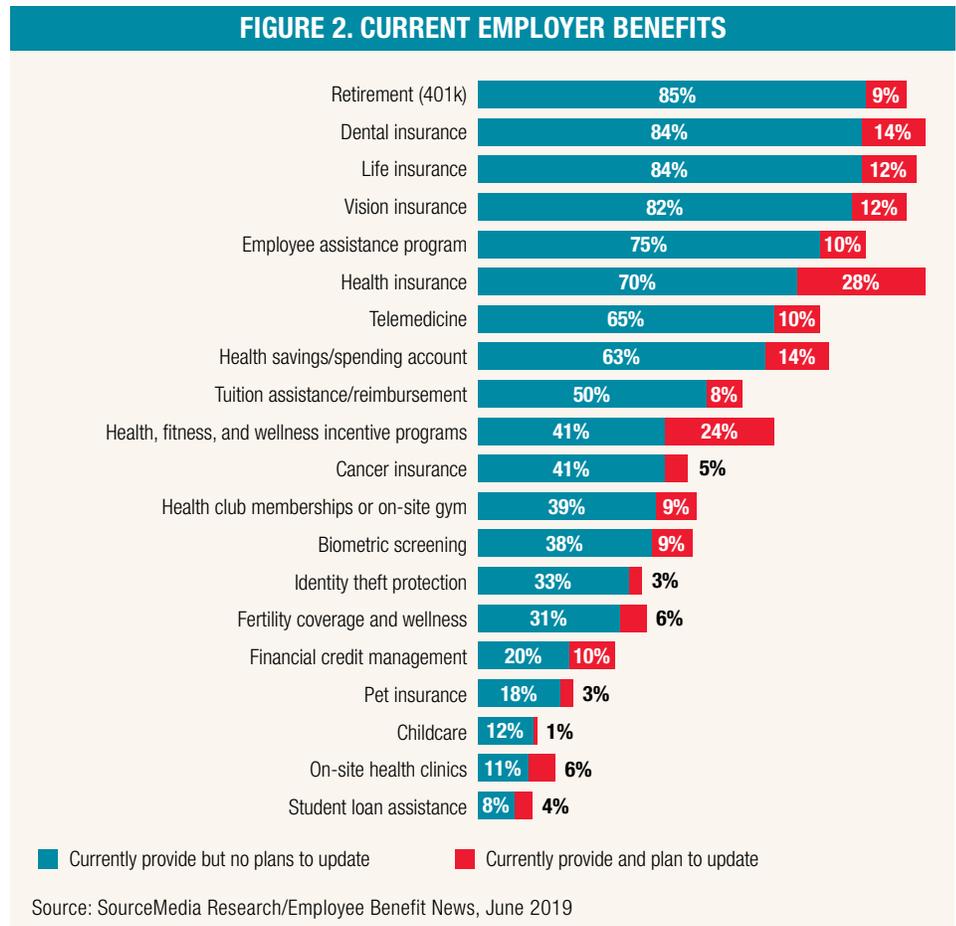
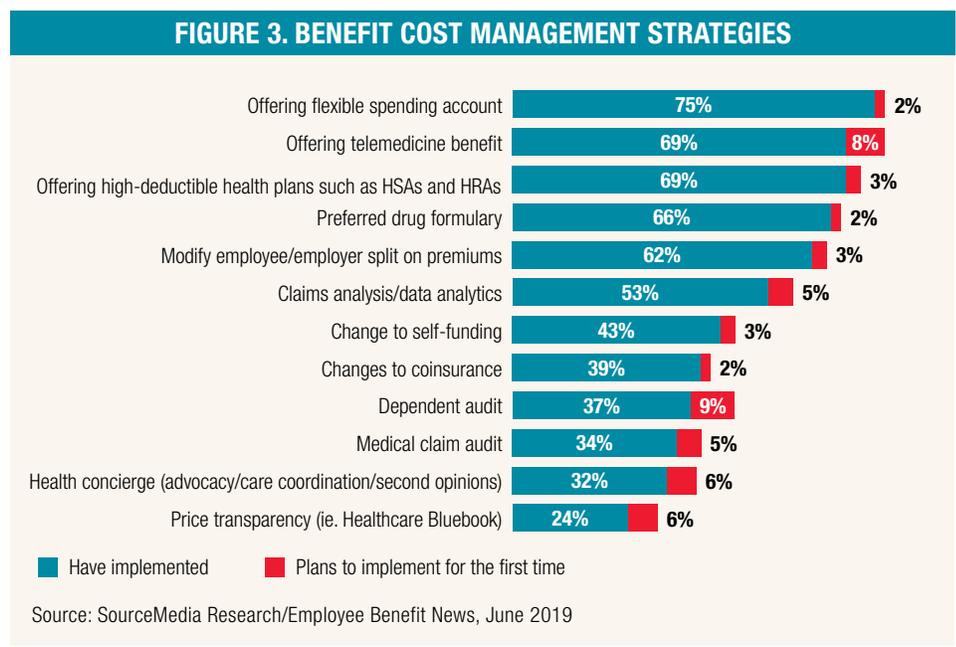


FIGURE 3. BENEFIT COST MANAGEMENT STRATEGIES



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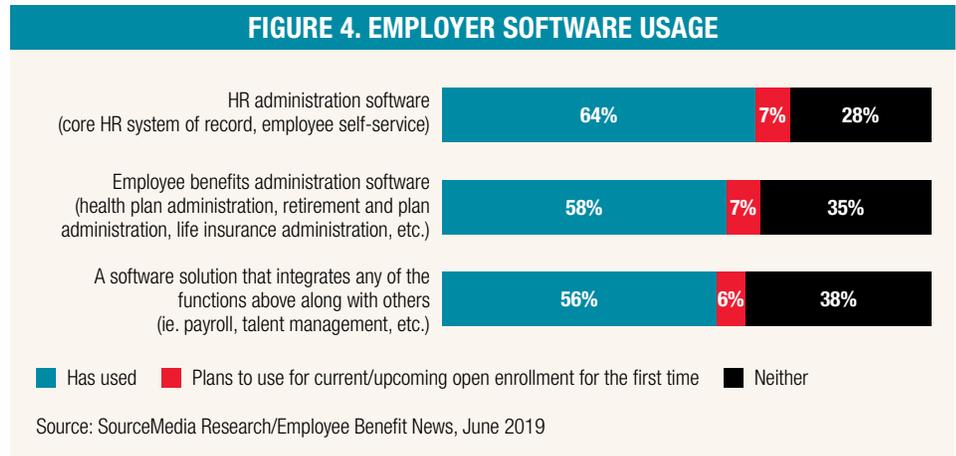
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help overworked HR departments by researching best-of-breed software solutions that can meet the company's needs, keeping in mind that those needs may change as companies grow.

## BY THE NUMBERS

In terms of overall open enrollment readiness scores (as of Q1 2019), employers with a Q1 benefit start date are in good shape with a composite score of 44 (see Figure 5). In particular, for the benefit plan design phase, the composite score of 65 indicates an expected level of readiness for this phase for this time of the year. Individually, high scores were noted for selecting retirement plans (76) and selecting benefit brokers/advisers (74).

One area of concern, however, is in selecting voluntary plans, with a score of 59. Employers are falling behind for a number of reasons. One employer notes that "We're still evaluating new options we haven't considered before." Another says, "We're determining interest and the difference between what people say they want

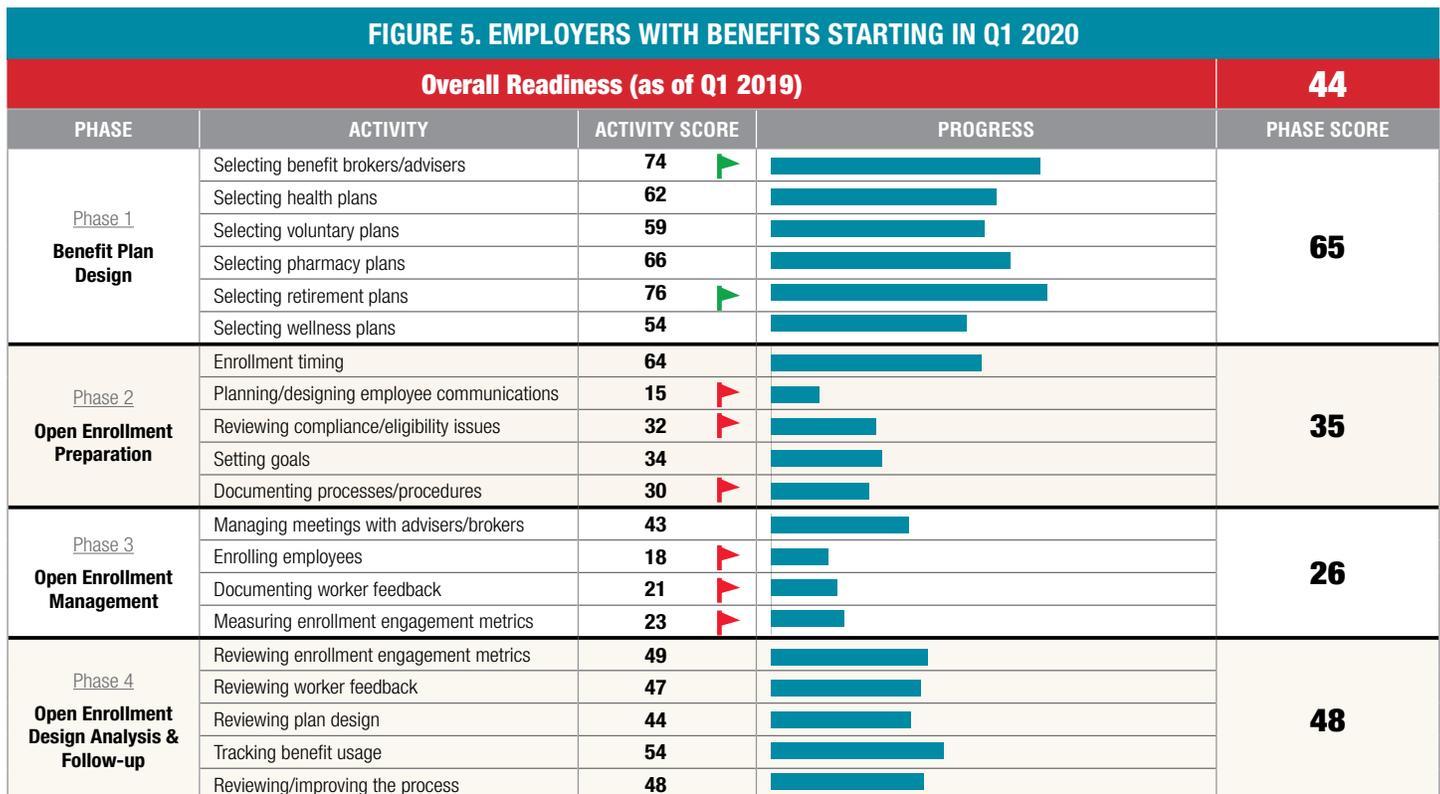


and what they are willing to pay for."

While the numbers for preparation (35), management (26) and program analysis (48) appear some way from completion, Wendelberger sees no cause for alarm. "Like anything in life, you have a bell curve. A fair share of employers are really way ahead of the curve, while at the other extreme some are going to be rushed at the last-

minute. The majority are in that middle space where they should be a little bit more proactive and ahead of the curve. But they are not in dire straits."

To arrive at these scores, the OERB tracks 20 open enrollment activities and asks employers to submit self-assessments of the progress they have made in each. Responses range from no progress, which equates to a score of 0, to completed, which equates to a score of 100. ■



Source: SourceMedia Research/Employee Benefit News, June 2019

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## ASK THE ADVISER

### Easing the burden of overstretched HR departments

*As employers struggle to keep up, a flexible approach to open enrollment can help*



**Allison Wendelberger**  
Voluntary Benefit  
Advisors (VBA)

*As part of the Open Enrollment Readiness Benchmark's quarterly survey report, an industry adviser answers a specific employer question. Allison Wendelberger, national sales director at Voluntary Benefit Advisors (VBA), responds to this quarter's featured question.*

**Q: What should brokers consider doing to help employers who are falling behind with open enrollment readiness?**

A: To help their clients be more proactive and less likely to fall behind in their overall

preparations for open enrollment, brokers can look closely at the employer's HR department and, if it doesn't have sufficient in-house resources, remember that there are other resources out in the market that can help.

HR staff don't have to take everything on themselves. Brokers may also assume they have to do everything for their clients, but in my opinion, they can bring in outside resources to help. If they see that the employer is overburdened or doesn't have the staff to manage things effectively, why not bring in some specialists? That is certainly something that I think advisers should consider.

The range of services that a specialist can provide run the gamut of open enrollment activities, including enrollment planning services for core and voluntary benefits. New hire benefits onboarding throughout the year can be also

delegated, with specific procedures created for benefit education and enrollment.

Technology is another key area where outside assistance can be vital in helping to select or build a platform for open enrollment. Project management services can be leveraged to help develop an effective open enrollment strategy, map out timelines and coordinate with carriers. Communications, benefit counseling, reconciliation and claims assistance are also further examples of services that can be outsourced to help unburden overwhelmed HR staff.

It's worth keeping in mind that outside help, whether it's technology or human capital, does cost hard dollars, but there may be no cost to the client or broker. Depending on how commissions or revenue are shared, it's possible to get outside resources at close to no cost. ■

To access all OERB reports, go to:

<https://www.employeebenefitadviser.com/collections/open-enrollment-readiness-benchmark>

#### METHODOLOGY

In June 2019, SourceMedia Research/Employee Benefit News conducted an online survey commissioned by ADP. Respondents include 405 professionals at organizations that provide employee benefits. All participate in decision making regarding employee benefits at their organizations.

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