

Benefits Insights



3 Voluntary Benefits Trends to Watch in 2021

Voluntary benefits have always been great tools for rounding off employee benefits offerings. These add-on perks allow for more personalization that can help satisfy the unique needs of each individual. And that value isn't lost on employers—at least 50% offer some sort of voluntary benefits, according to an Alera Group report.

Voluntary benefits include dental, vision, critical illness, pet insurance and similar offerings that are paid for partially by employees. During the COVID-19 pandemic, having additional benefits options like these could be exactly what employees need.

This article outlines three voluntary benefits trends to watch for in 2021.

1. Expanded Voluntary Benefits Offerings

The voluntary benefits market has been growing steadily over the years and will continue to do so in 2021. More employers are understanding their employees' desire for benefits options beyond health care. During the COVID-19 pandemic, voluntary benefits that may have once been disregarded are now being utilized by employees. Perks like elder care and critical illness insurance could be of particular importance amid the pandemic. As such, a larger number of employers are expected to offer a wider selection of voluntary benefits in 2021.

2. A Focus on Financial Wellness

The COVID-19 pandemic has taken a dire toll on employees' finances. In fact, 84% of U.S. adults fear the pandemic will affect their long-term financial security, according to a recent Northwestern Mutual study. As voluntary benefits options are expanded, employers can expect to see a greater number of financial-related offerings.

The specifics of these offerings will vary by employer, but may include 401(k) vesting, financial planning services, budget counseling, and student loan payback or purchasing programs.

3. Greater Customization

Employees want personalized, a la carte benefits—they want to pick and choose what's best for them. Employers are recognizing this and will likely increase their selections accordingly. Traditional voluntary benefits—such as disability or life insurance—are among the most popular, non-traditional offerings gaining traction, especially among millennial workers. These nontraditional perks include pet insurance, identity-theft protection and student loan services. Employers will likely continue expanding their breadth of offerings to cater to the individual tastes of their employees. This might prove to be a savvy recruiting technique as well, especially among a multigenerational workforce.

Summary

Voluntary benefits can be a great value-add for employees during the COVID-19 pandemic and beyond. And, since employees cover a significant portion of the costs, they can also help free up employer budgets.

Reach out for more workplace guidance or to learn more about the power of voluntary benefits.

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