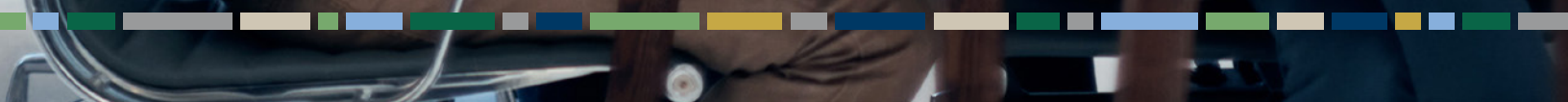




CBIZ Employee Benefits

2019 Employee Benefits Benchmark Report



Introduction

This 2019 employee benefits benchmark report demonstrates how employers across the nation are responding to continually rising health care costs.

Survey results indicate that enrollment in a high deductible health plan (HDHP) with a health savings account (HSA) increased, while enrollment in a preferred provider organization (PPO) remained the most popular of plans in terms of employee enrollment.

Unlike two years ago, the majority of respondents offer defined contribution pension plans. 80% of employers also offer matching contributions for their defined contribution pension plans, with the most common match rate falling between 1 and 10%.

These trends seem to indicate that employers continue to use benefits as a tool to attract top talent and to improve the lives of their employees. At the same time, the trends indicate that employers are handing off the active management of benefits to employees themselves, deferring the decisions and risk that come with determining their futures.

The data in this report will show you what other businesses in your area and industry are offering, helping you identify your plan's strengths and weaknesses in order to fortify your recruitment, retention, and group health and welfare efforts.

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Health Care Benefits

Historically, health care benefits have been a near-universal offering among employers. In 2019, only 1% of polled employers declined to offer health care benefits.

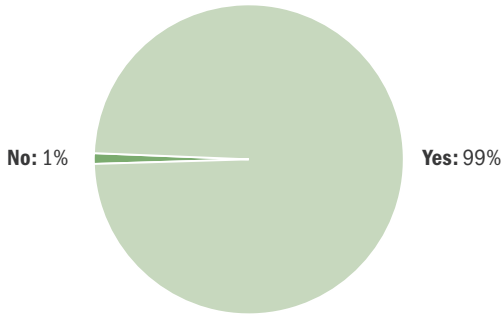
Of the 99% of respondents that offer health care coverage, 62% chose to offer a PPO plan, which is a 7% decrease from 2017. Despite this decrease, PPO plans are the plans most frequently offered, a figure that has remained largely unchanged over the past few years.

Annual employee and employer contributions for individual and family coverage also remained similar to 2017. The results show that more than half of respondents contribute \$5,000 or less for employee individual premiums annually and \$10,000 or less for employee family premiums annually.

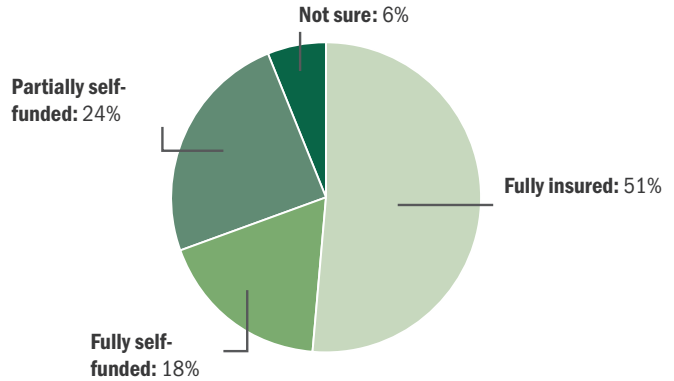


Health Care Benefits

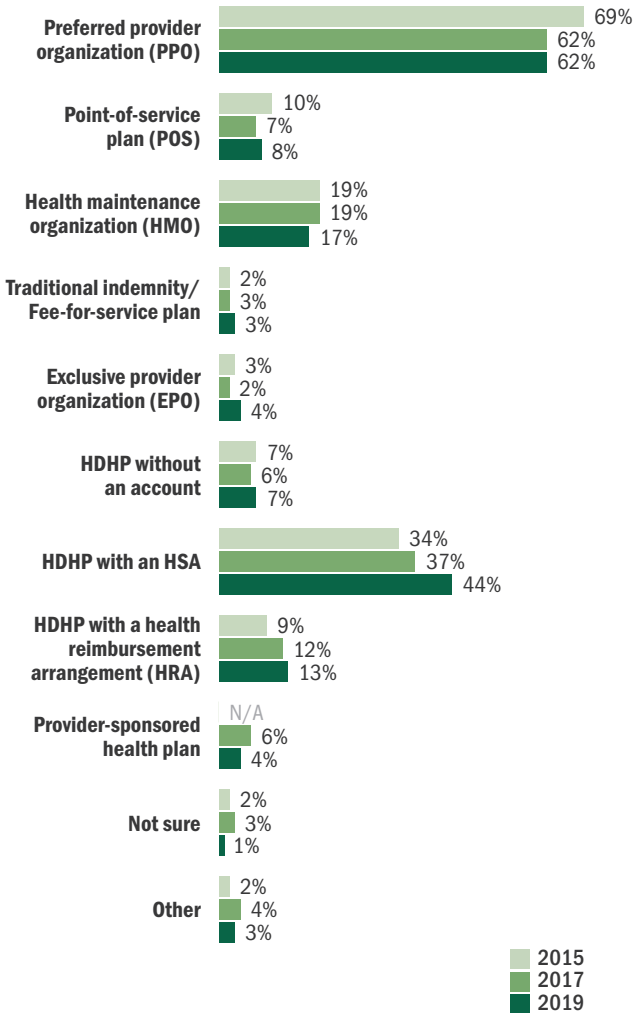
Does your organization offer health care benefits to your employees?



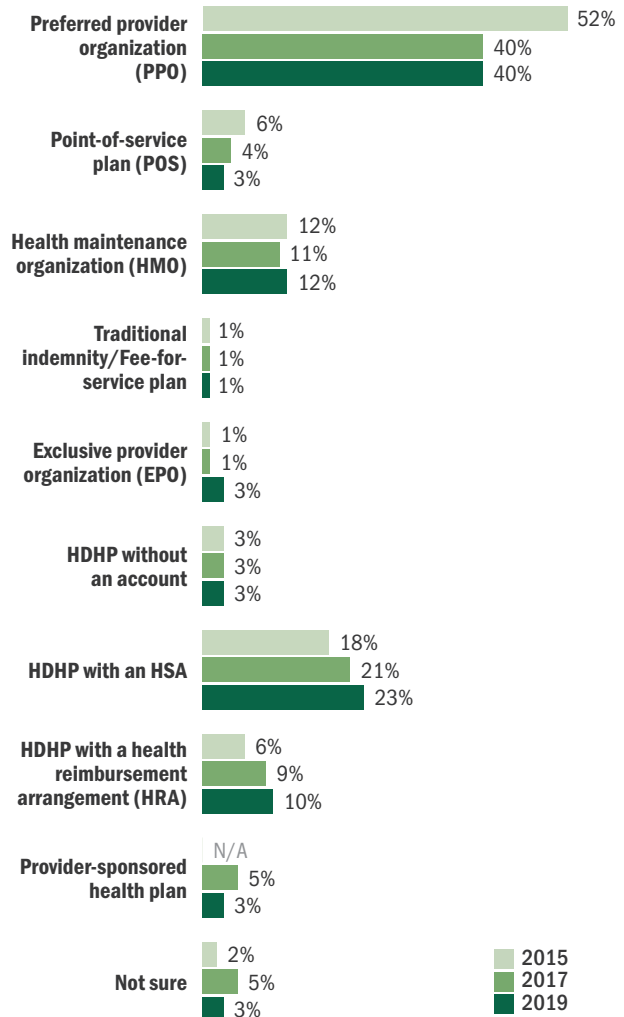
How is your organization's health plan funded?



What type of health care plans do you offer to employees?

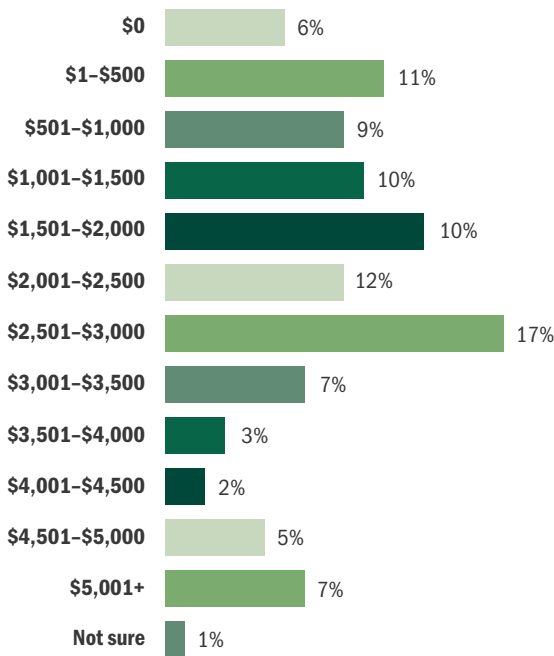


Indicate the health plan in which the majority of your participants are enrolled.

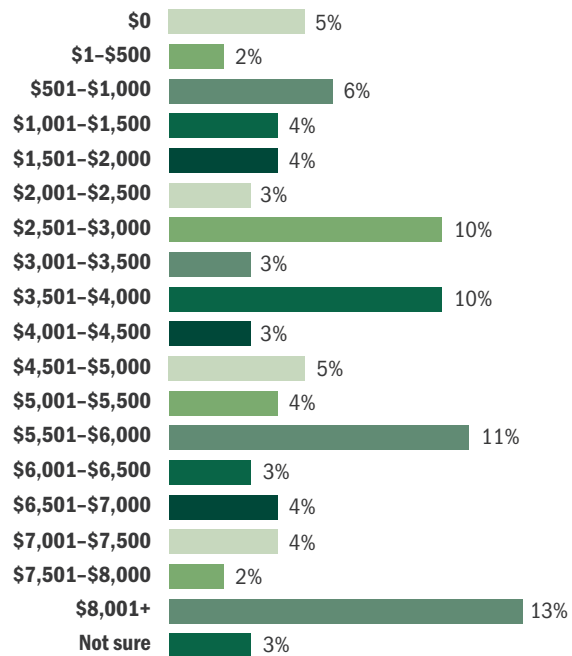


Health Care Benefits

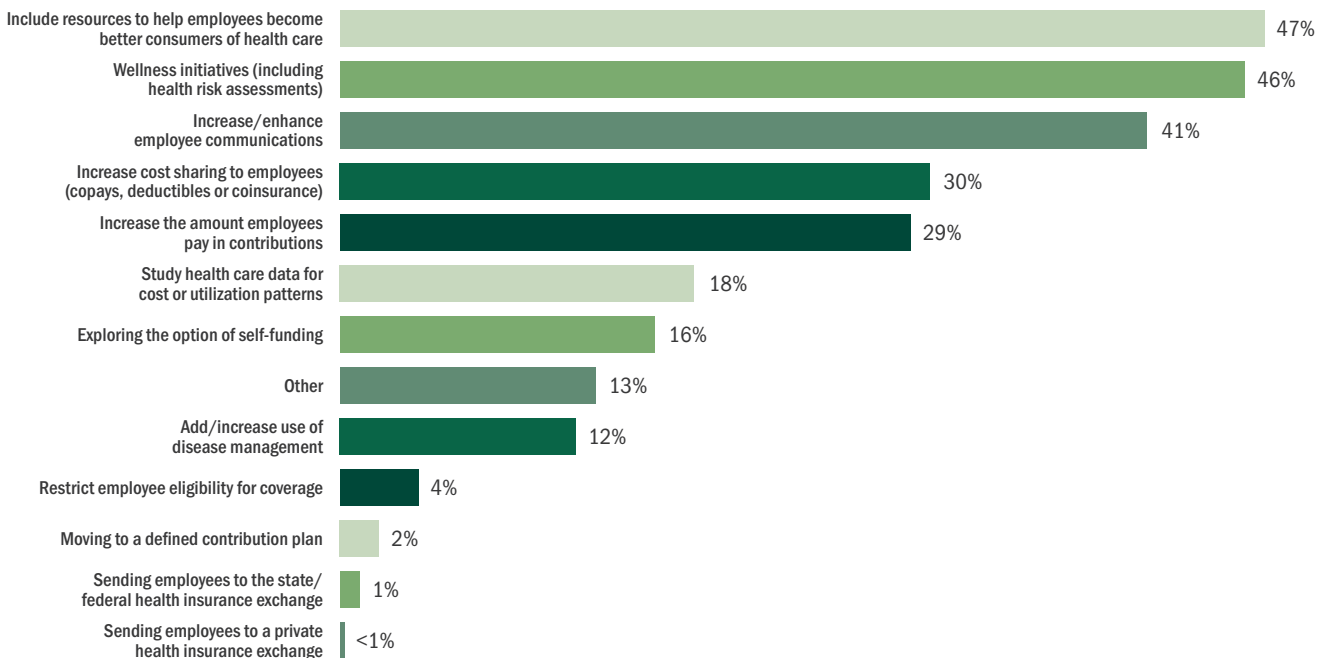
For the health plan with the majority of participants enrolled, what is the single in-network deductible amount?



For the health plan with the majority of participants enrolled, what is the annual in-network deductible for family coverage?

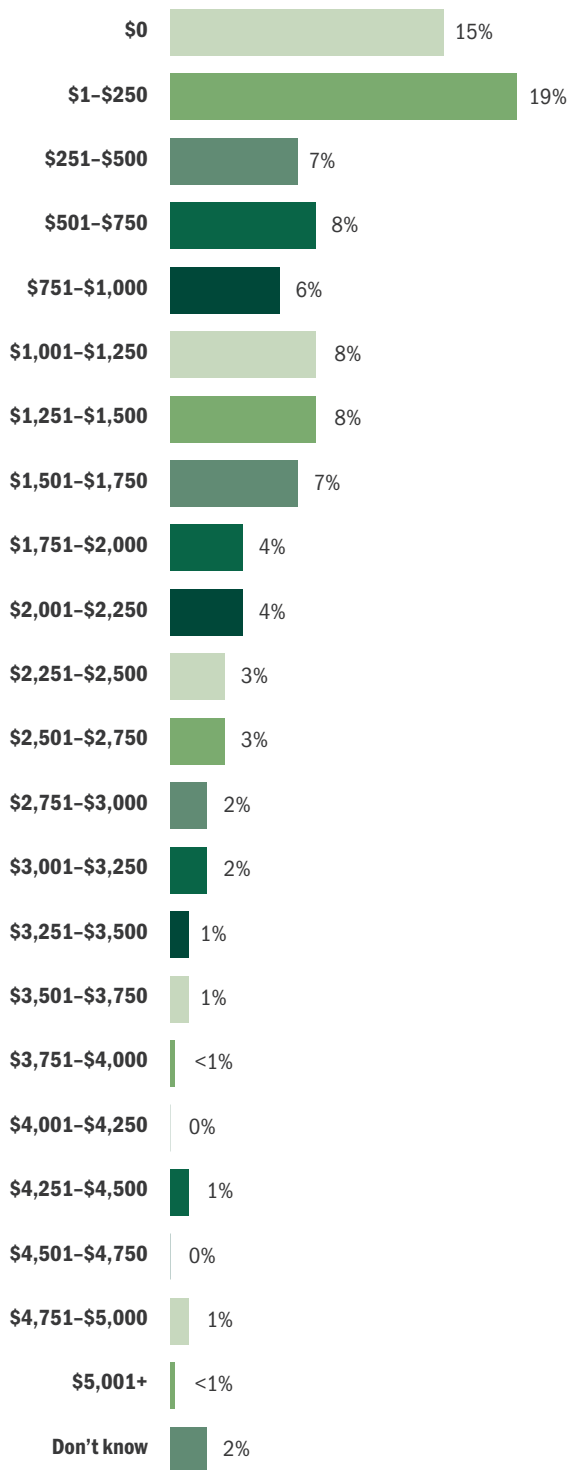


Which of the following cost-management measures does your organization currently employ or plan to employ for your medical plan? (Select all that apply.)

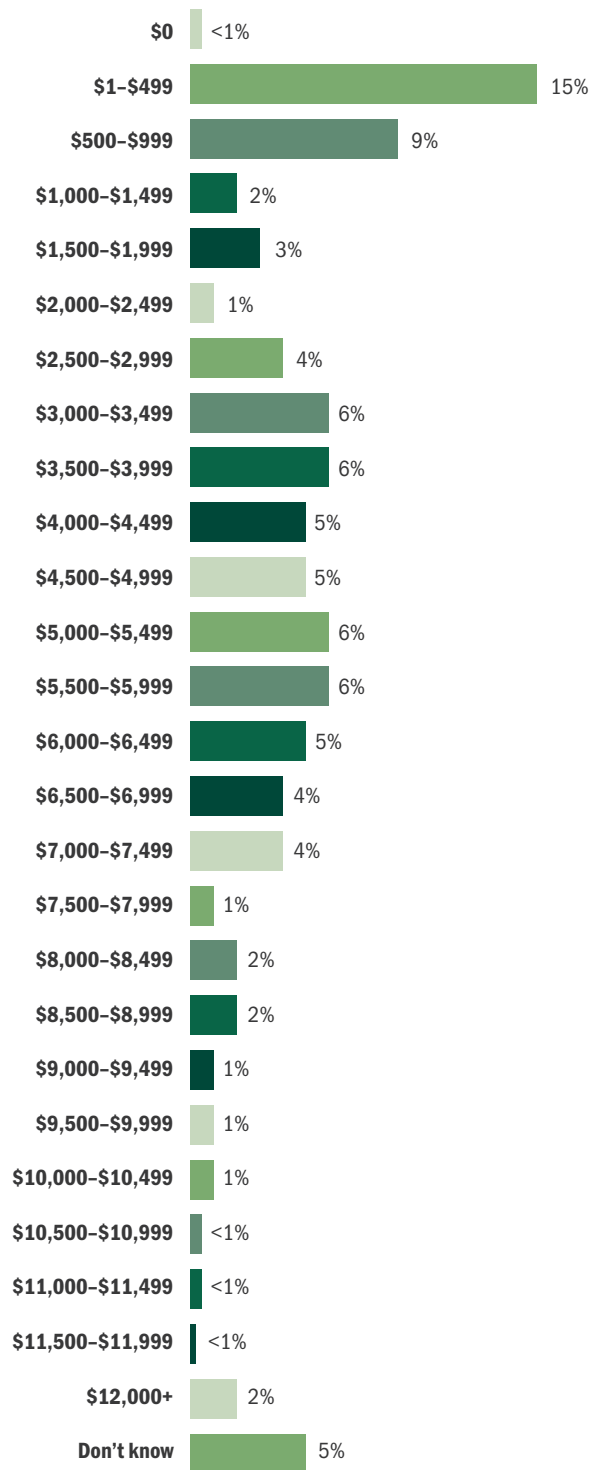


Health Care Benefits

For the plan in which the majority of your participants are enrolled, what is the average annual employee contribution toward the premium for single coverage?

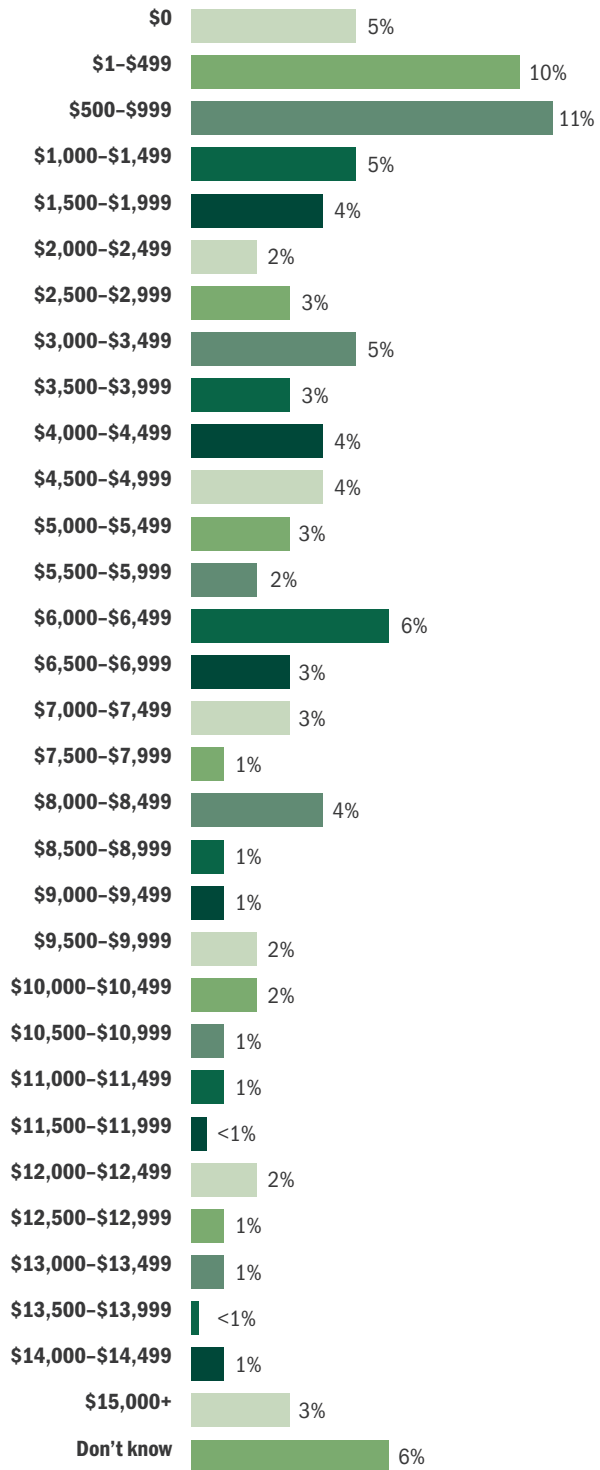


For the plan in which the majority of your participants are enrolled, what is the average annual employer contribution toward the premium for single coverage?

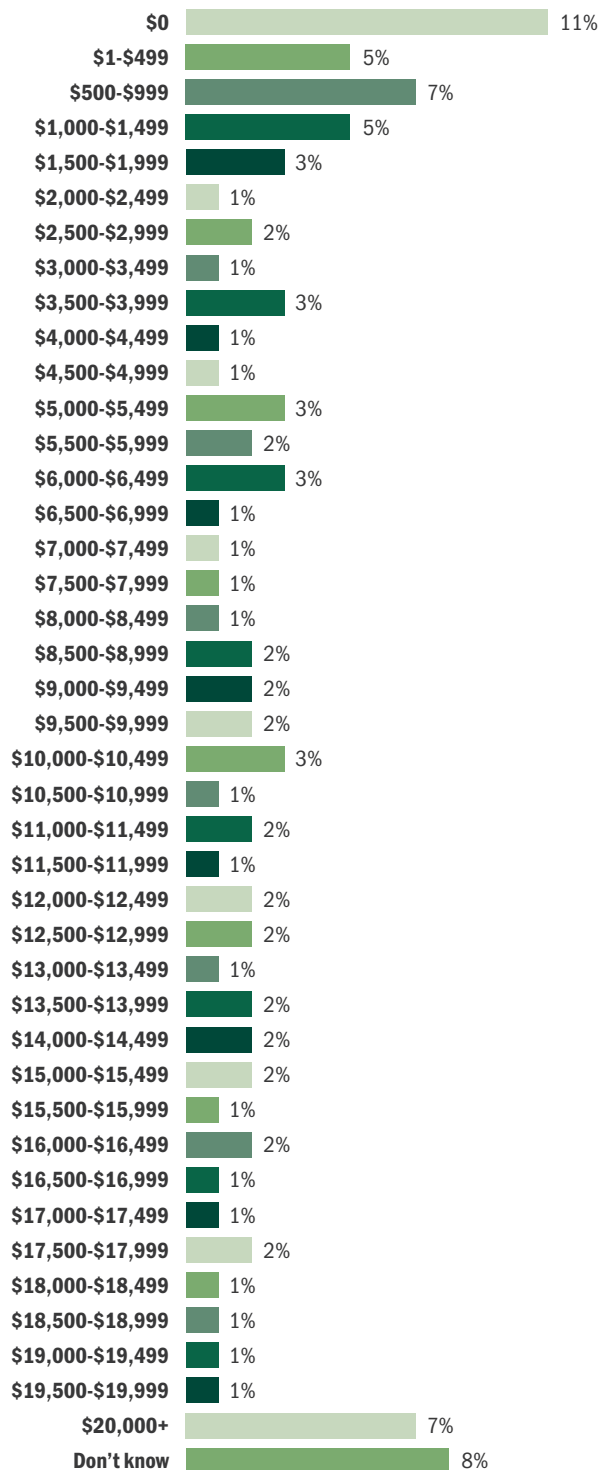


Health Care Benefits

For the plan in which the majority of your participants are enrolled, what is the average annual employee contribution toward the premium for family coverage?



For the plan in which the majority of your participants are enrolled, what is the average annual employer contribution toward the premium for family coverage?



Prescription Drug Plans

The high cost of prescription drugs has been a concern to many employers in recent years. To help manage prescription drug costs, the majority of employers are using three tiers for cost sharing and a mail-order drug service. Other cost-management strategies and their prevalence are outlined below.

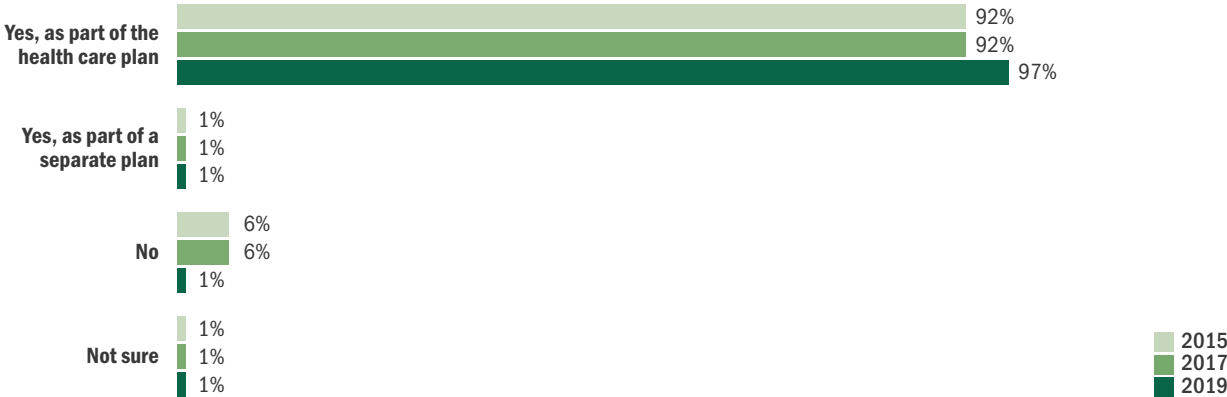
Top 5 Prescription Drug Cost-Management Tactics in 2019

- 1 Using specialty pharmacy management tools or techniques
- 2 Intensifying pharmacy management programs
- 3 Adding low-cost primary care access
- 4 Contracting with value-based providers
- 5 Opioid abuse prevention management

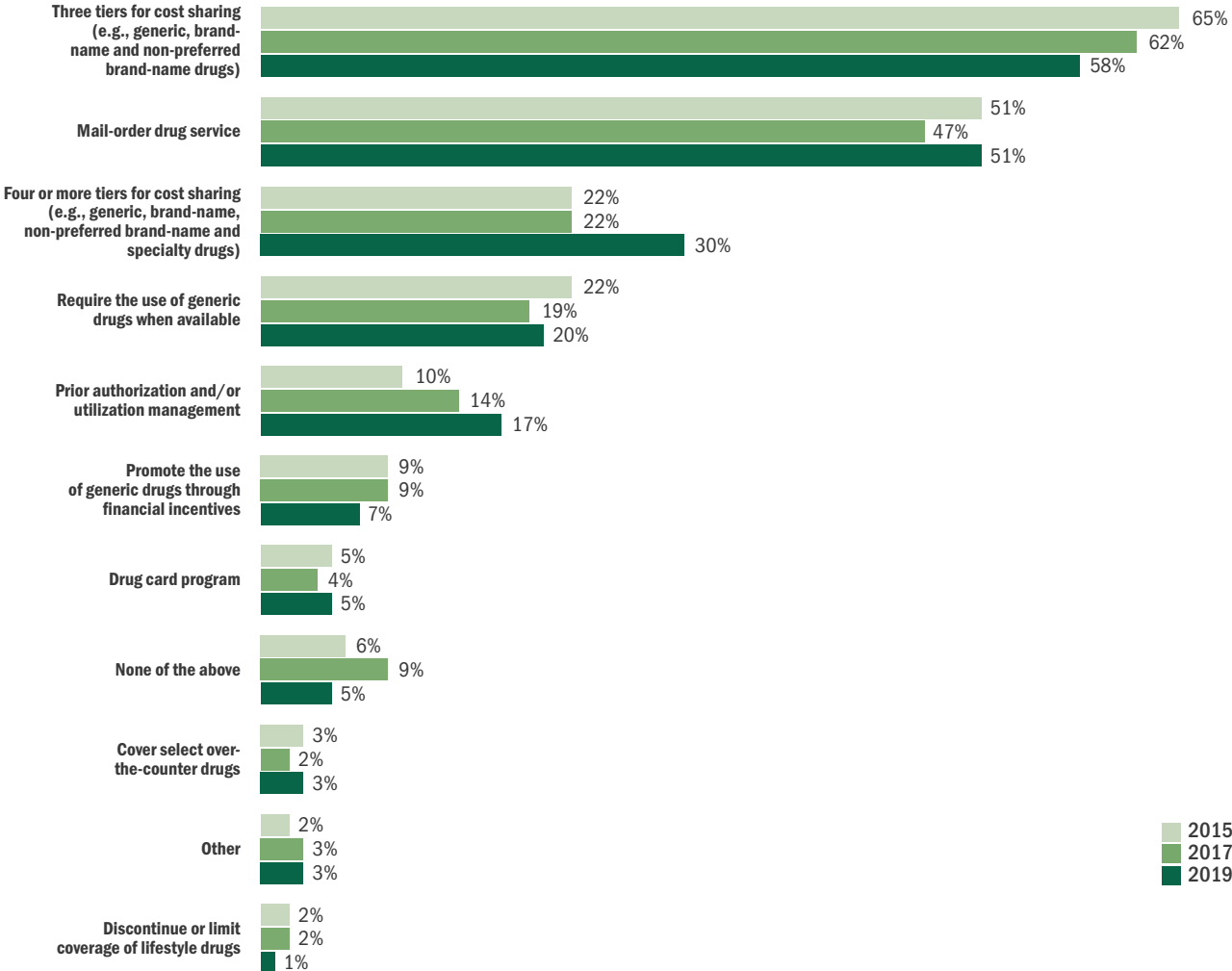


Prescription Drug Plans

Does your organization provide coverage for prescription drugs?



Which of the following cost-management techniques does your organization use for your prescription drug plan?



Dental Benefits

Dental plans remain a common benefit offering among employers, with 93% of surveyed organizations offering dental benefits, a 10% increase from 2017.

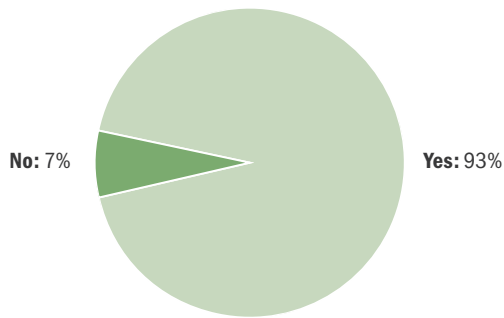
Deductible amounts remain similar for single employees as in past years, with the most common deductible falling into the \$40 to \$59 range. Since 2017, the percentage of employees who have this deductible decreased by nearly 9% for in-network care and by 7% for out-of-network care.

Almost 86% of respondents said the monthly employee contribution for single coverage is under \$40, and about 60% of respondents said the majority of employees pay \$80 or less per month in employee contributions for family dental coverage.

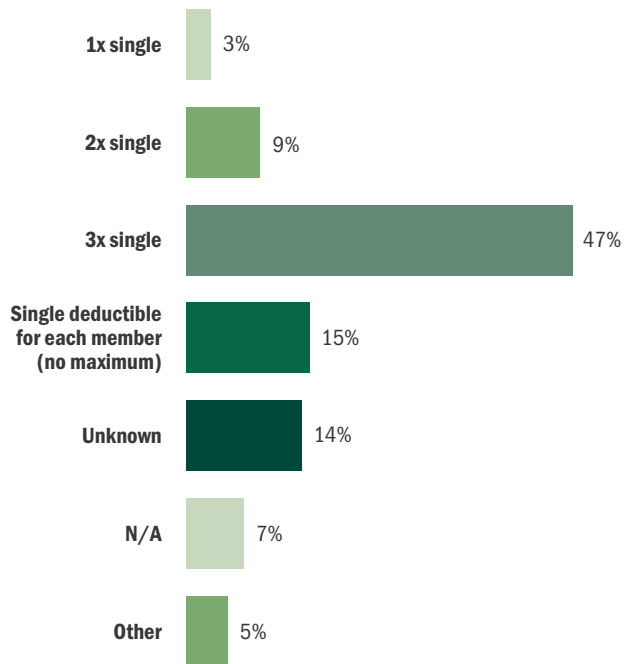


Dental Benefits

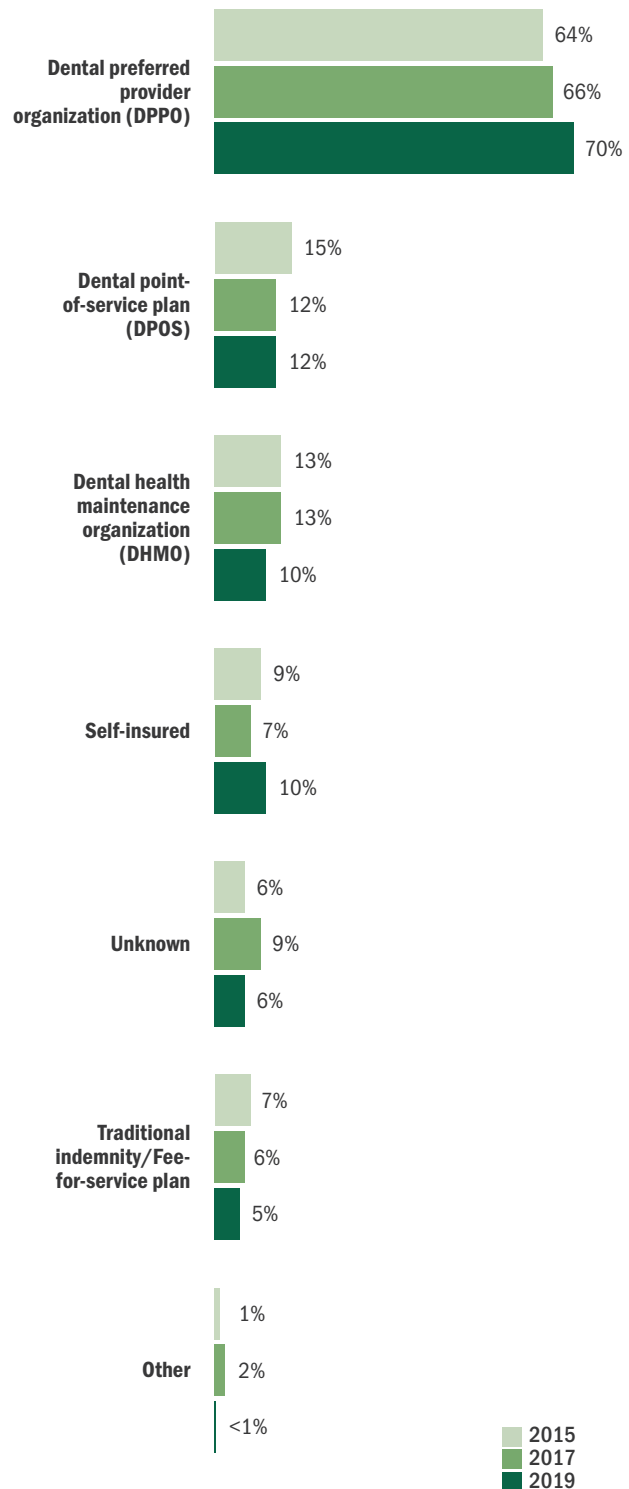
Does your organization offer dental benefits?



For the dental plan with the majority of participants enrolled, what is the family deductible?



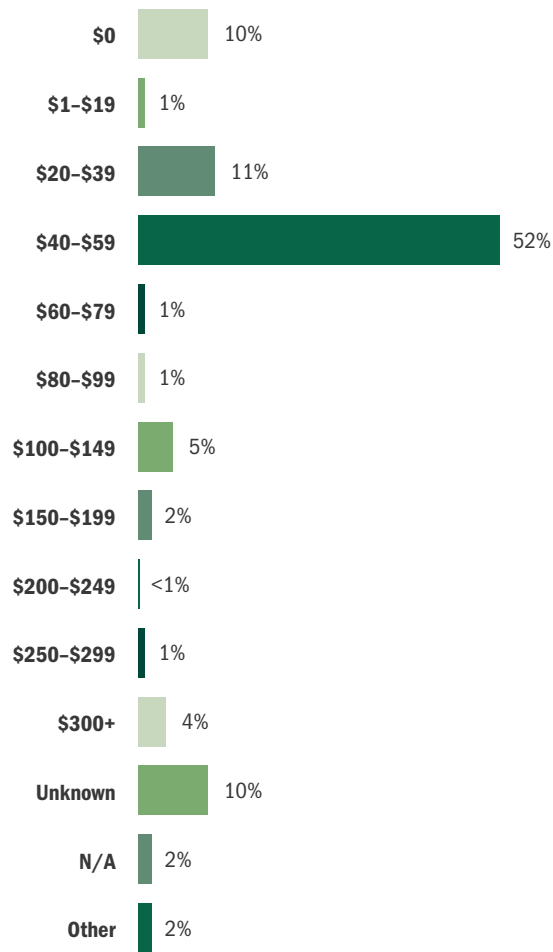
Which of the following types of dental benefits does your organization offer?



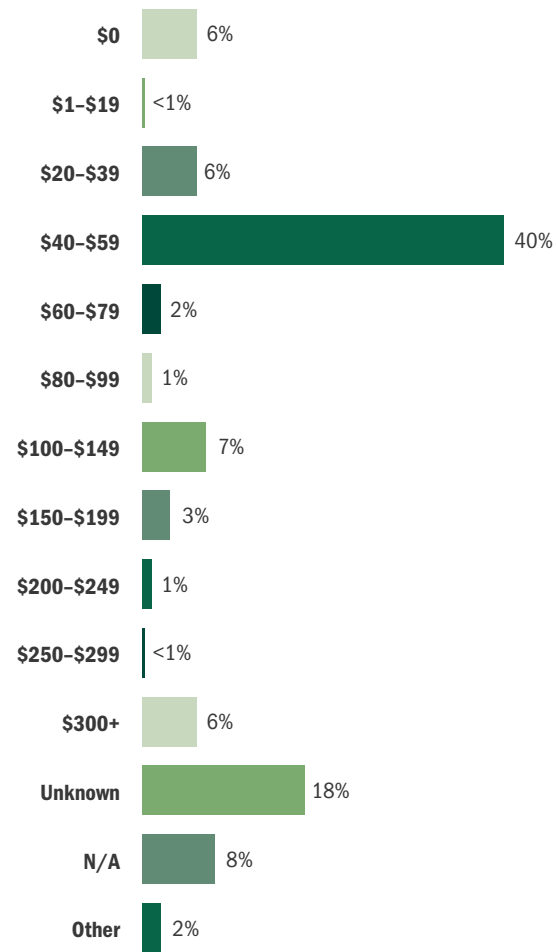
2015
2017
2019

Dental Benefits

For the dental plan with the majority of participants enrolled, what is the annual in-network single deductible or annual single deductible?

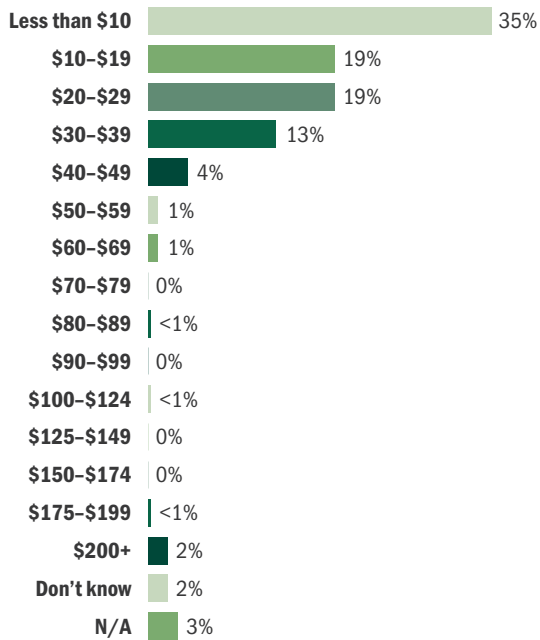


For the dental plan with the majority of participants enrolled, what is the annual out-of-network single deductible?

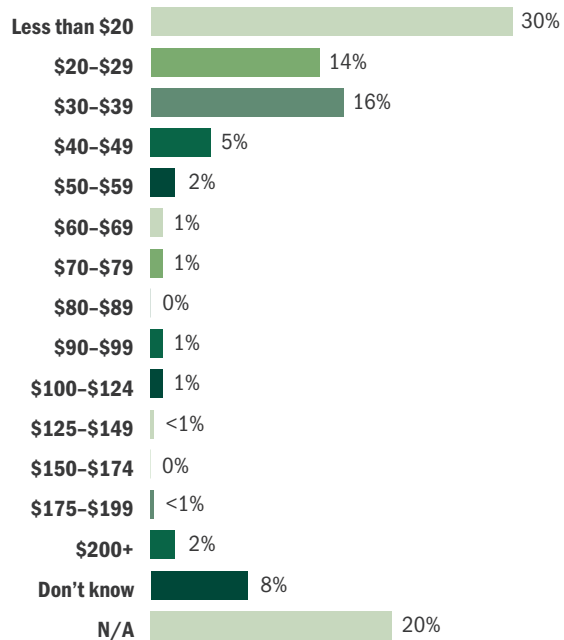


Dental Benefits

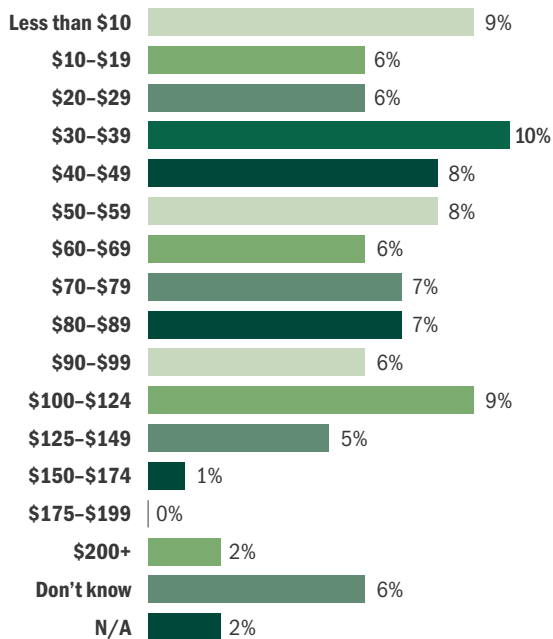
For the dental plan with the majority of participants enrolled, what is the monthly employee contribution for single coverage?



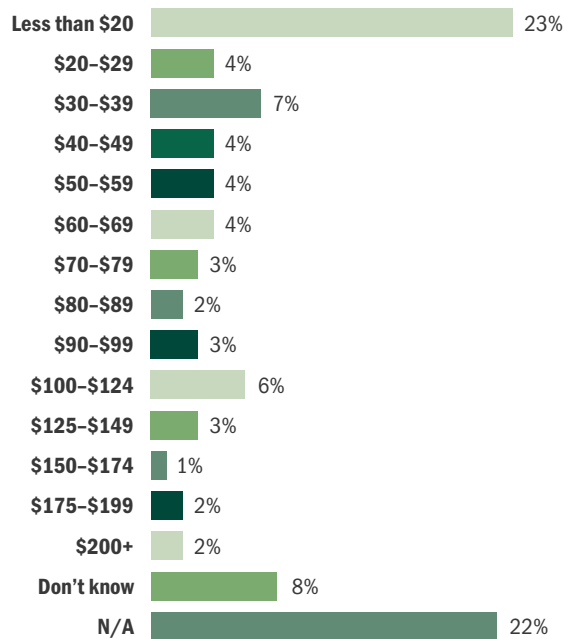
For the dental plan with the majority of participants enrolled, what is the monthly employer contribution for single coverage?



For the dental plan with the majority of participants enrolled, what is the monthly employee contribution for family coverage?



For the dental plan with the majority of participants enrolled, what is the monthly employer contribution for family coverage?



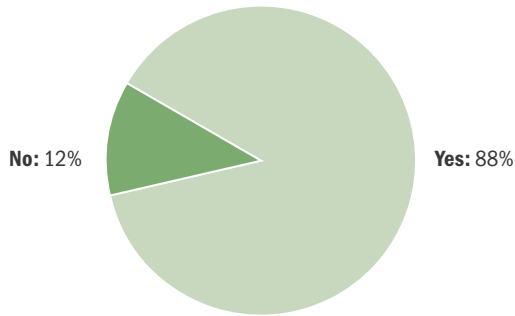
Life Insurance

The percentage of employers offering basic life insurance increased significantly to 88% (up from 76% in 2017). About 65% of employers that offer life insurance provide a specific dollar amount of coverage, while about 35% of employers offer life insurance based on employees' salaries. The following figures examine the frequency of basic life insurance, supplemental life insurance and children's life insurance in benefits package offerings.

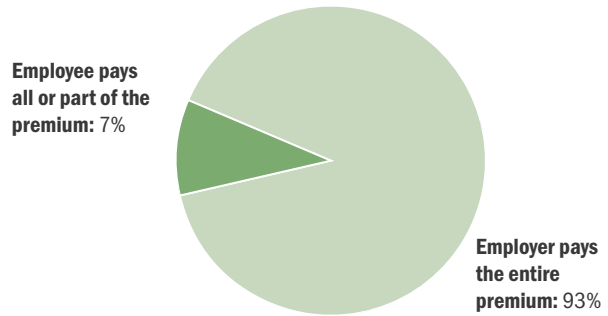


Life Insurance

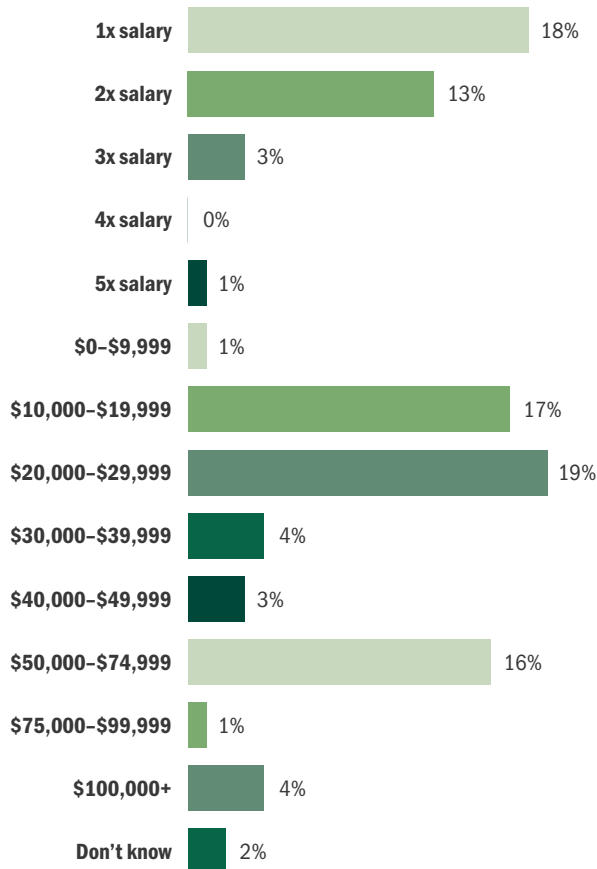
Do you offer basic life insurance?



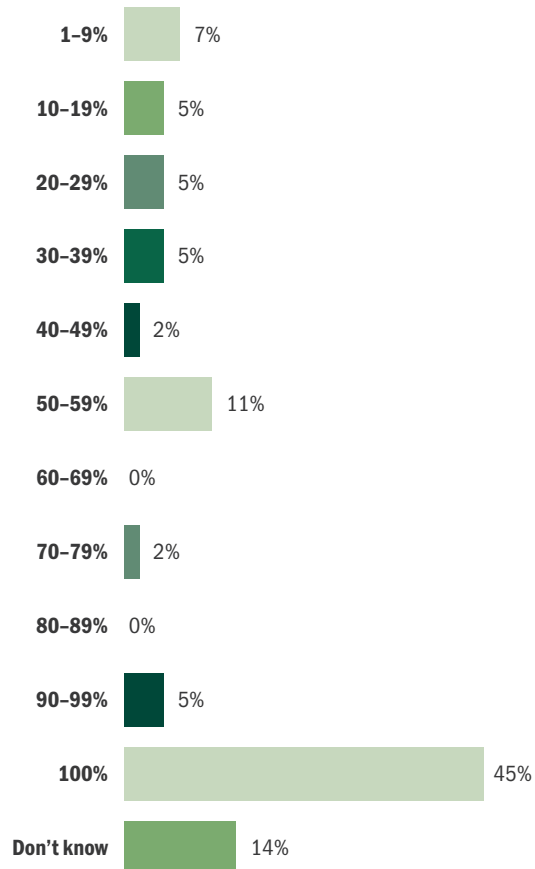
Who pays for the life insurance?



What is the level of coverage available?

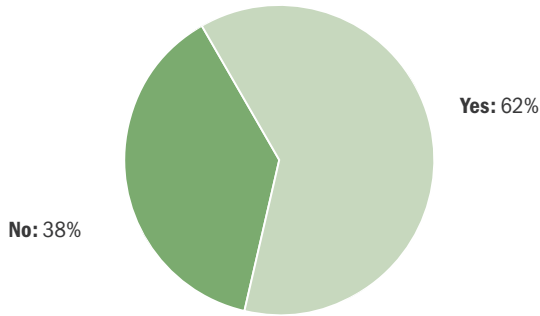


What percentage of the premium does the employee pay?

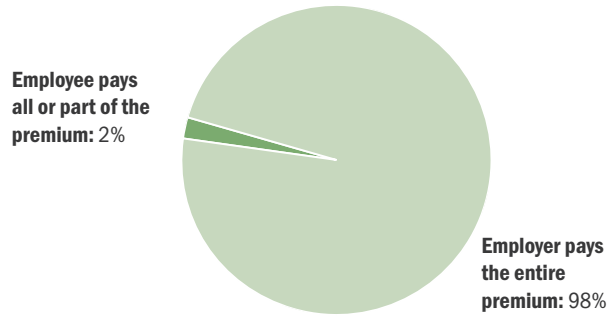


Life Insurance

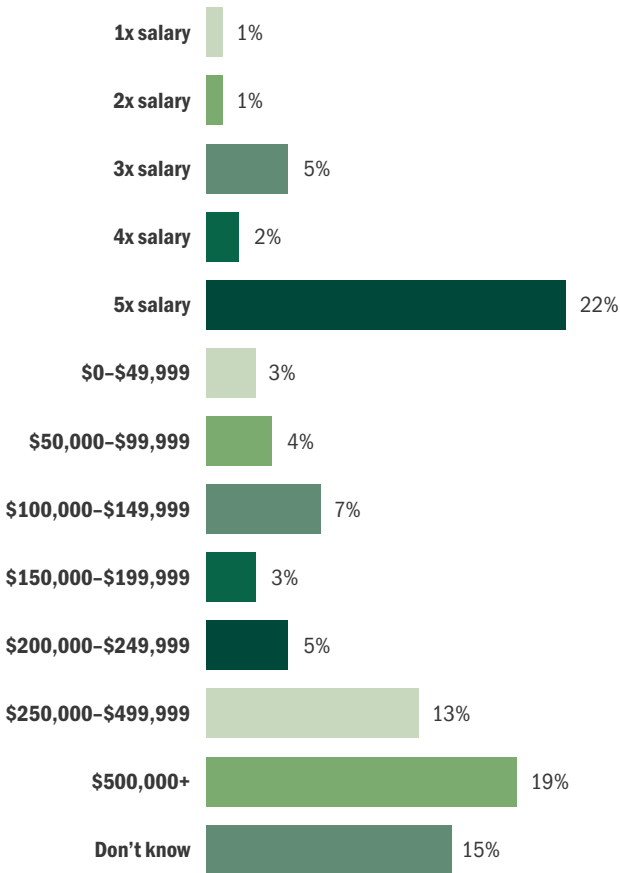
Do you offer employee supplemental life insurance (additional coverage to the core life insurance coverage)?



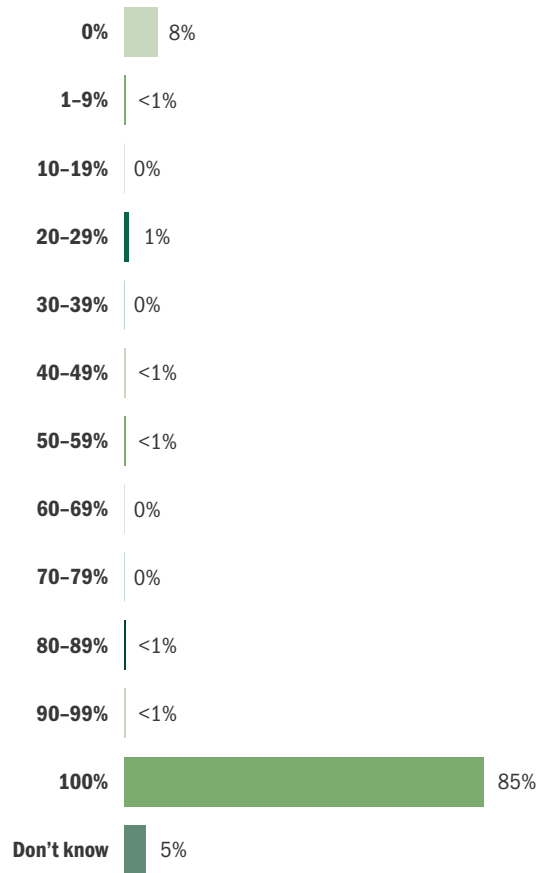
Who pays for the supplemental life insurance?



What is the maximum level of coverage available?

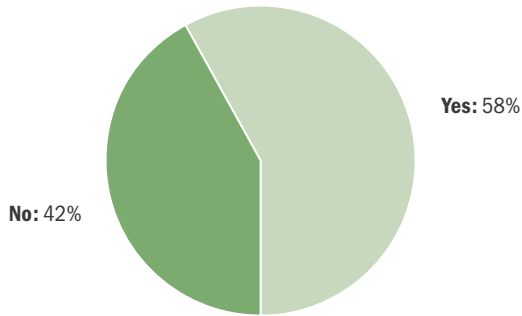


What percentage of the supplemental life insurance premium is employee paid?

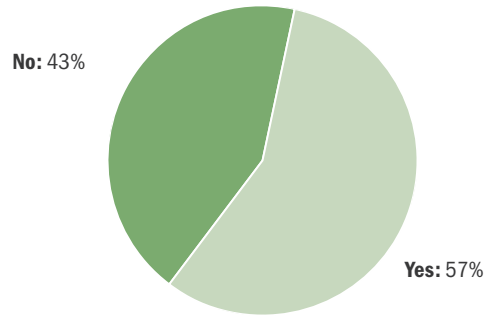


Life Insurance

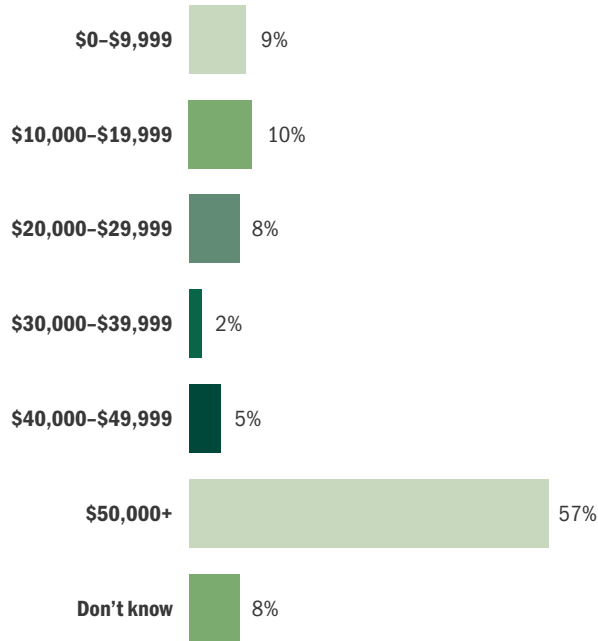
Do you offer spousal life insurance?



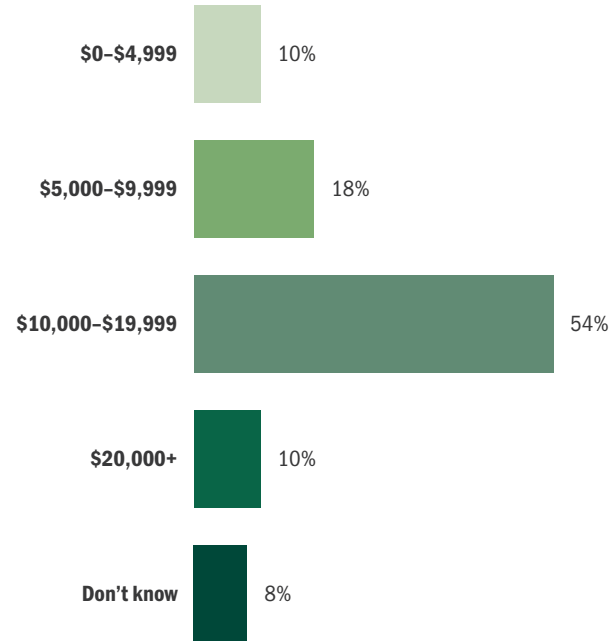
Do you offer child(ren) life insurance?



What is the level of coverage available for spousal life insurance?



What is the level of coverage available for child(ren) life insurance?



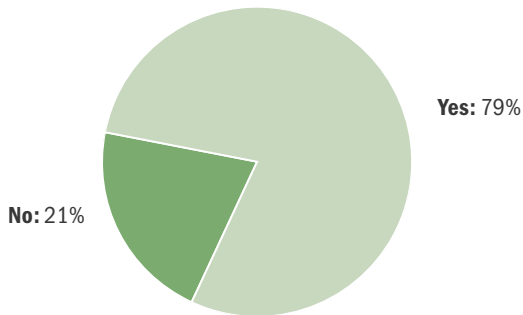
Accidental Death and Dismemberment Insurance

The number of employers that offer accidental death and dismemberment (AD&D) coverage increased by about 11% from 2017 to 2019. Of the nearly 79% of employers that offer coverage, about 74% are willing to pay the entire premium, which is a 4% increase from 2017.

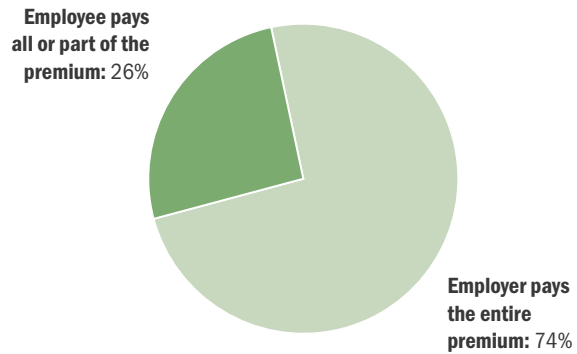


Accidental Death and Dismemberment Insurance

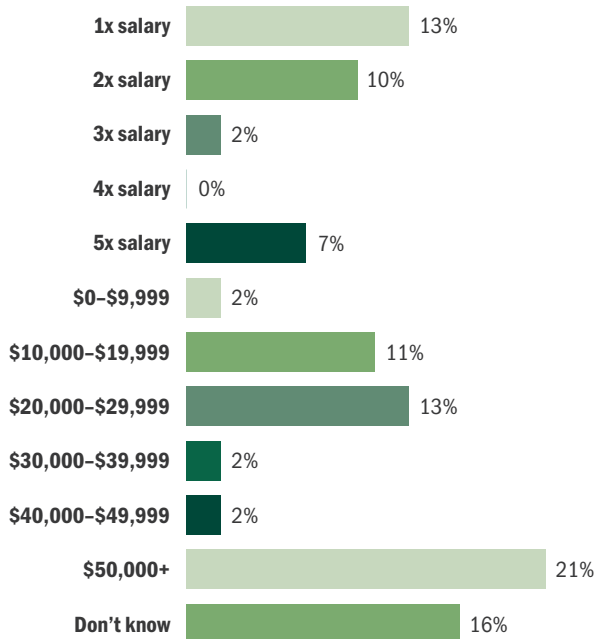
Do you offer AD&D coverage?



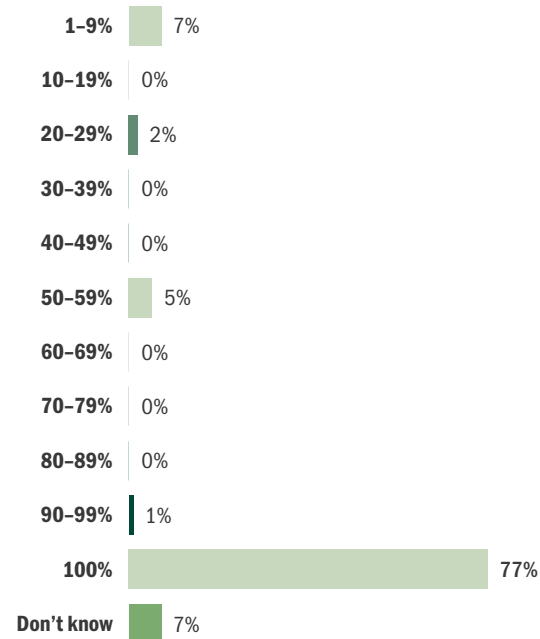
Who pays for the AD&D insurance?



What is the level of coverage available?



What percentage of the premium is employee paid?



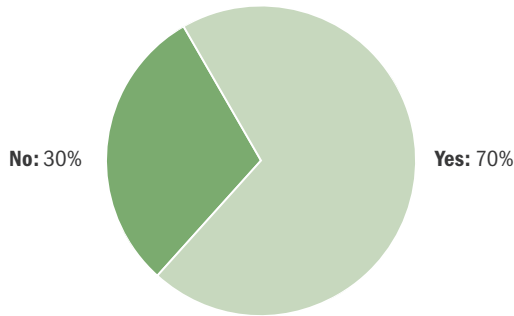
Short-Term Disability Insurance

The popularity of employer-sponsored short-term disability (STD) coverage increased nearly 14% in 2019, with 70% of employers offering coverage. Of those who offer coverage, over half of employers pay the entire premium for this type of insurance.

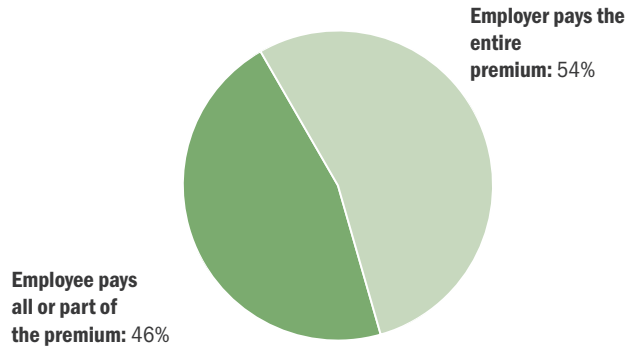


Short-Term Disability Insurance

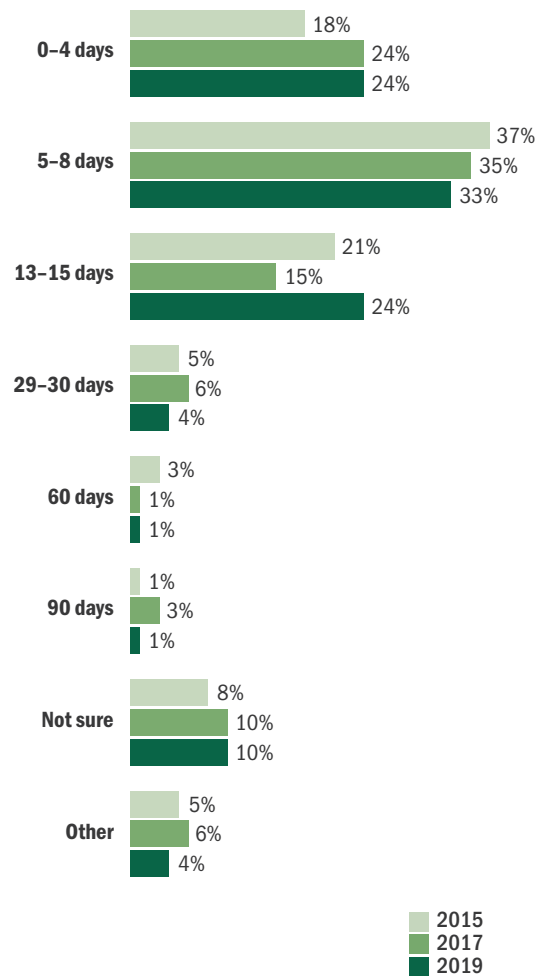
Do you offer STD coverage?



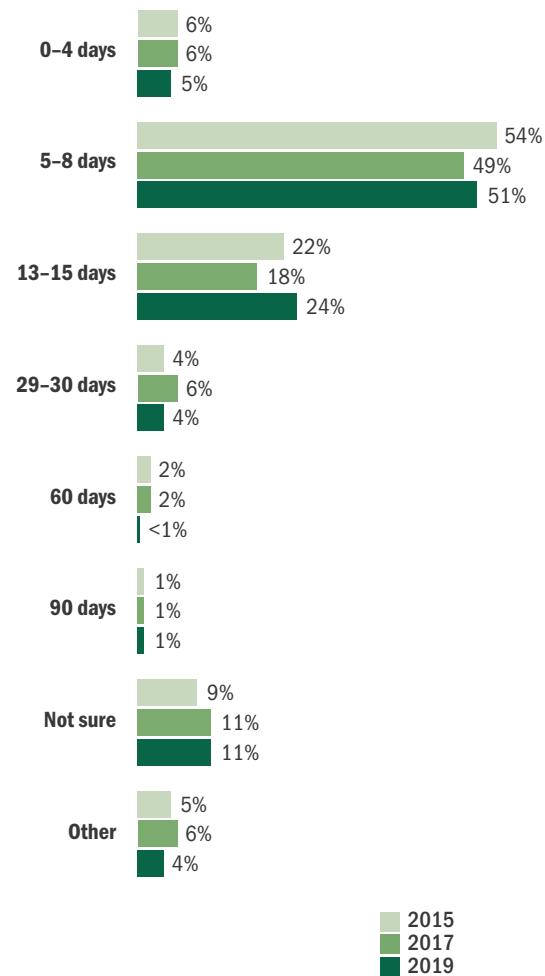
Who pays for the STD insurance?



What is the number of days an employee must be absent before benefits begin after an accident?

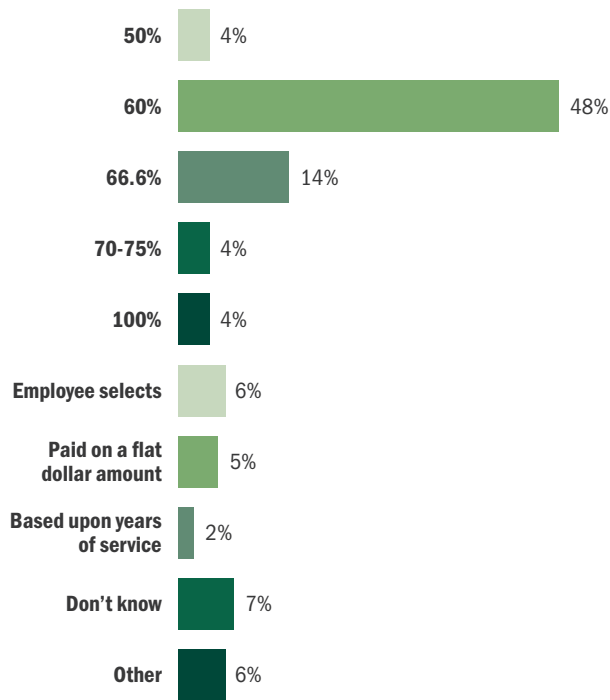


What is the number of days an employee must be absent before benefits begin for an illness?

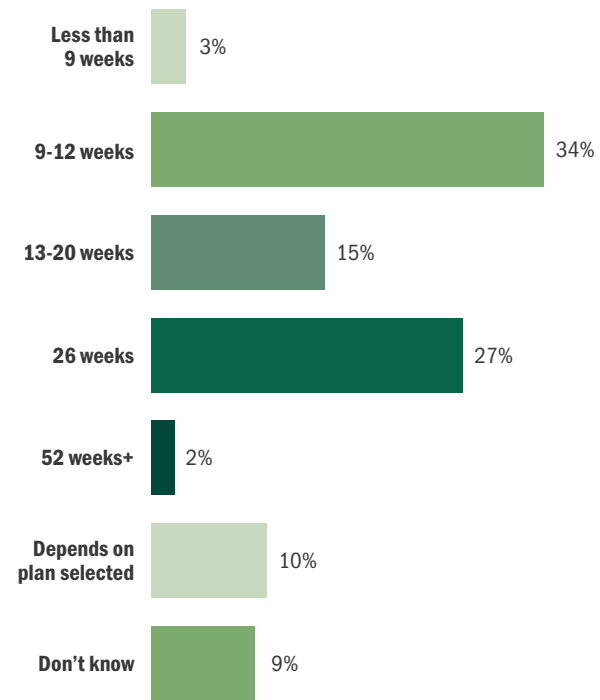


Short-Term Disability Insurance

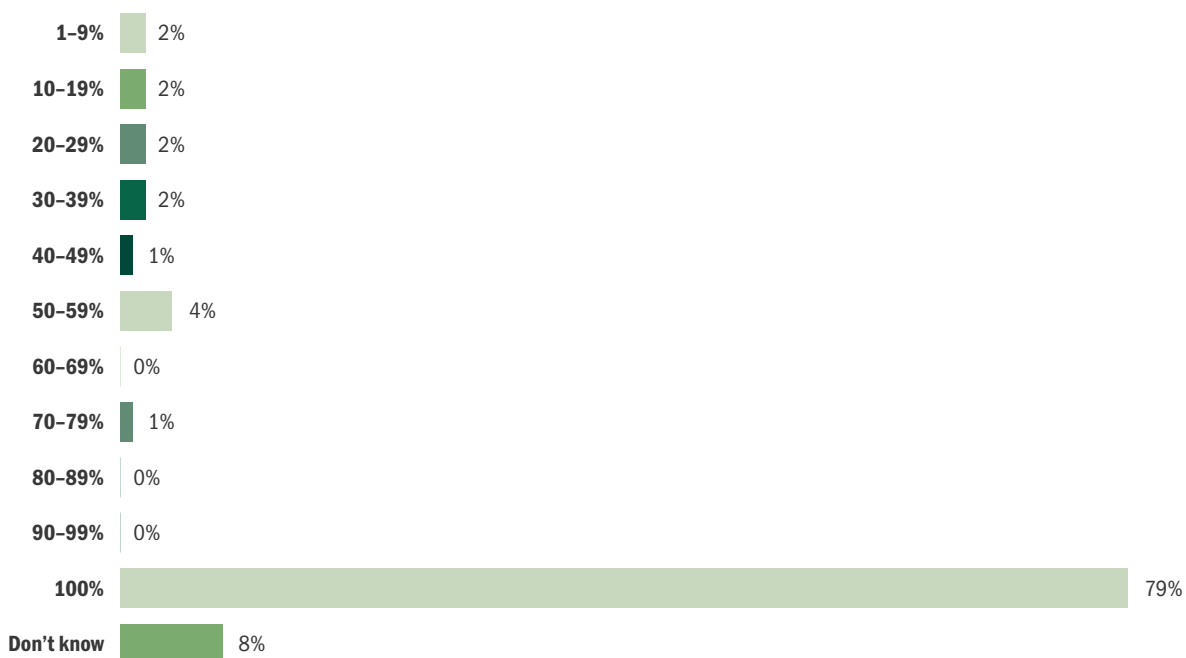
What percentage of salary is paid?



What is the duration?

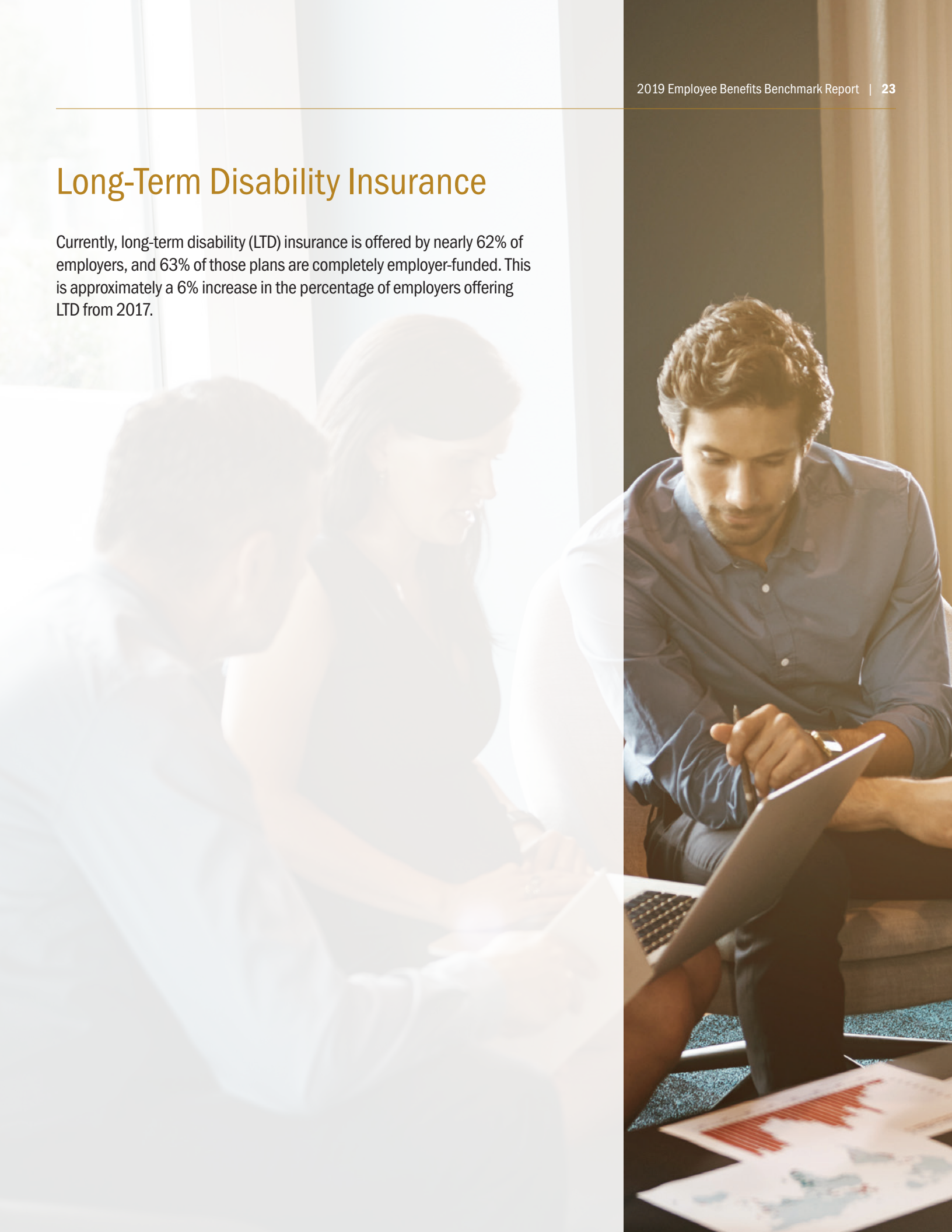


What percentage does the employee pay?



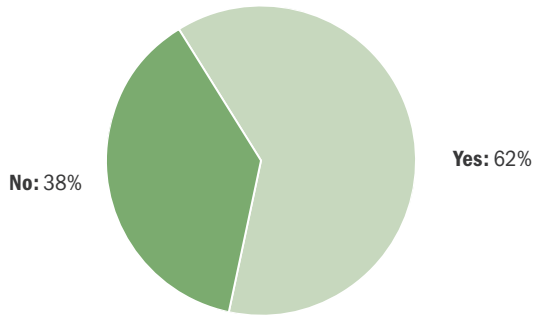
Long-Term Disability Insurance

Currently, long-term disability (LTD) insurance is offered by nearly 62% of employers, and 63% of those plans are completely employer-funded. This is approximately a 6% increase in the percentage of employers offering LTD from 2017.

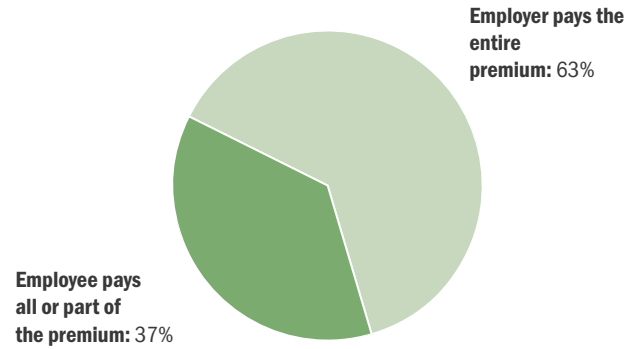


Long-Term Disability Insurance

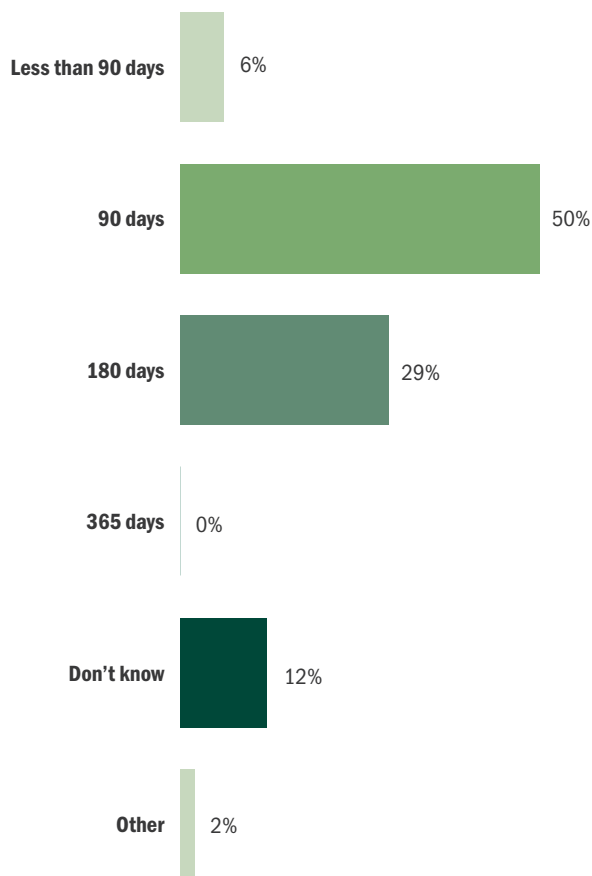
Do you offer LTD coverage?



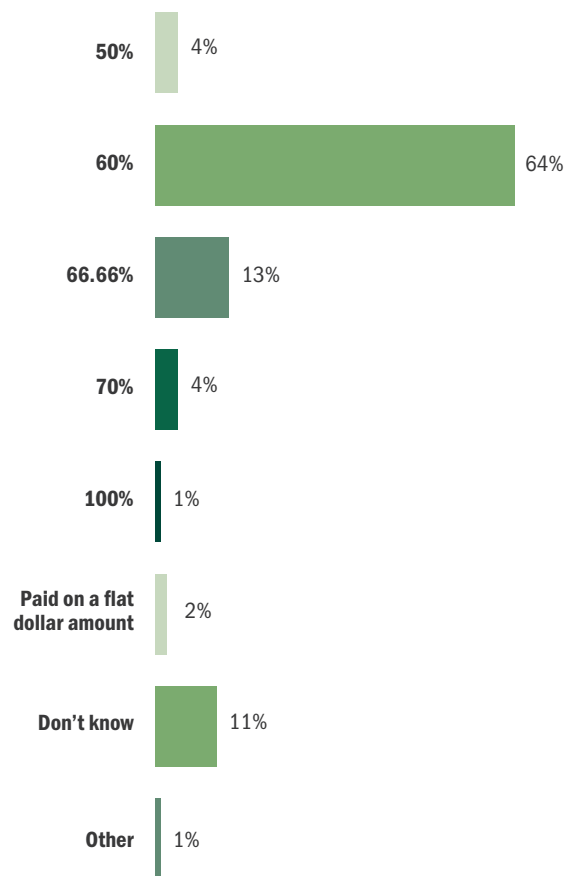
Who pays for the LTD insurance?



What is the elimination period (number of days an employee must be absent before benefits begin)?

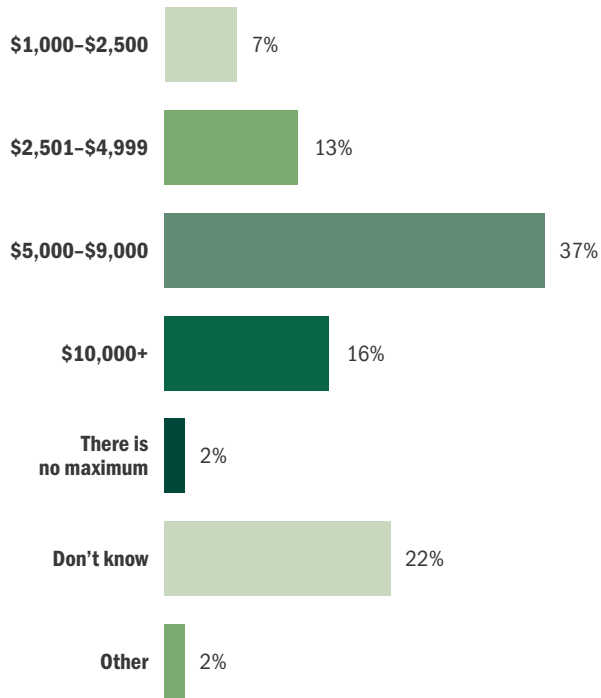


What percentage of salary is paid?

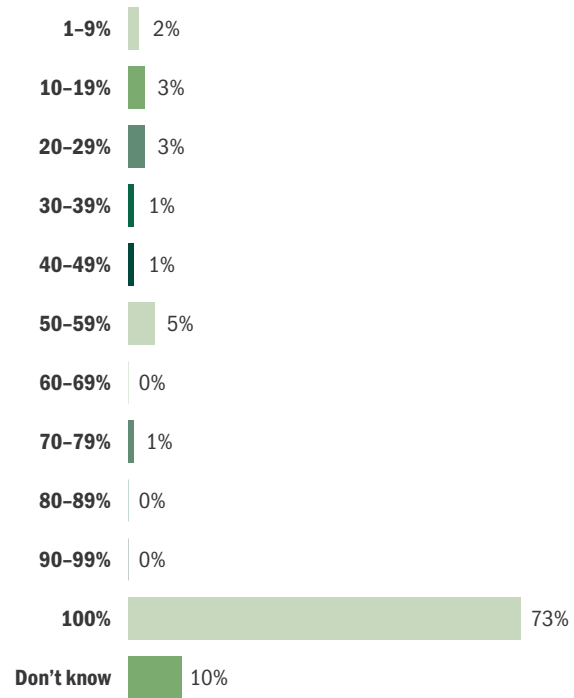


Long-Term Disability Insurance

What is the maximum monthly benefit?



What percentage does the employee pay?



Voluntary Benefits

Voluntary benefits are benefits that employees can pick and choose, offered in addition to employees' core compensation and benefits packages. For most voluntary insurance offerings, employees pay 100% of the premiums.

While voluntary benefits include traditional mainstays like dental insurance, disability insurance and AD&D insurance, many employers have begun to offer or are considering offering nontraditional voluntary benefits.

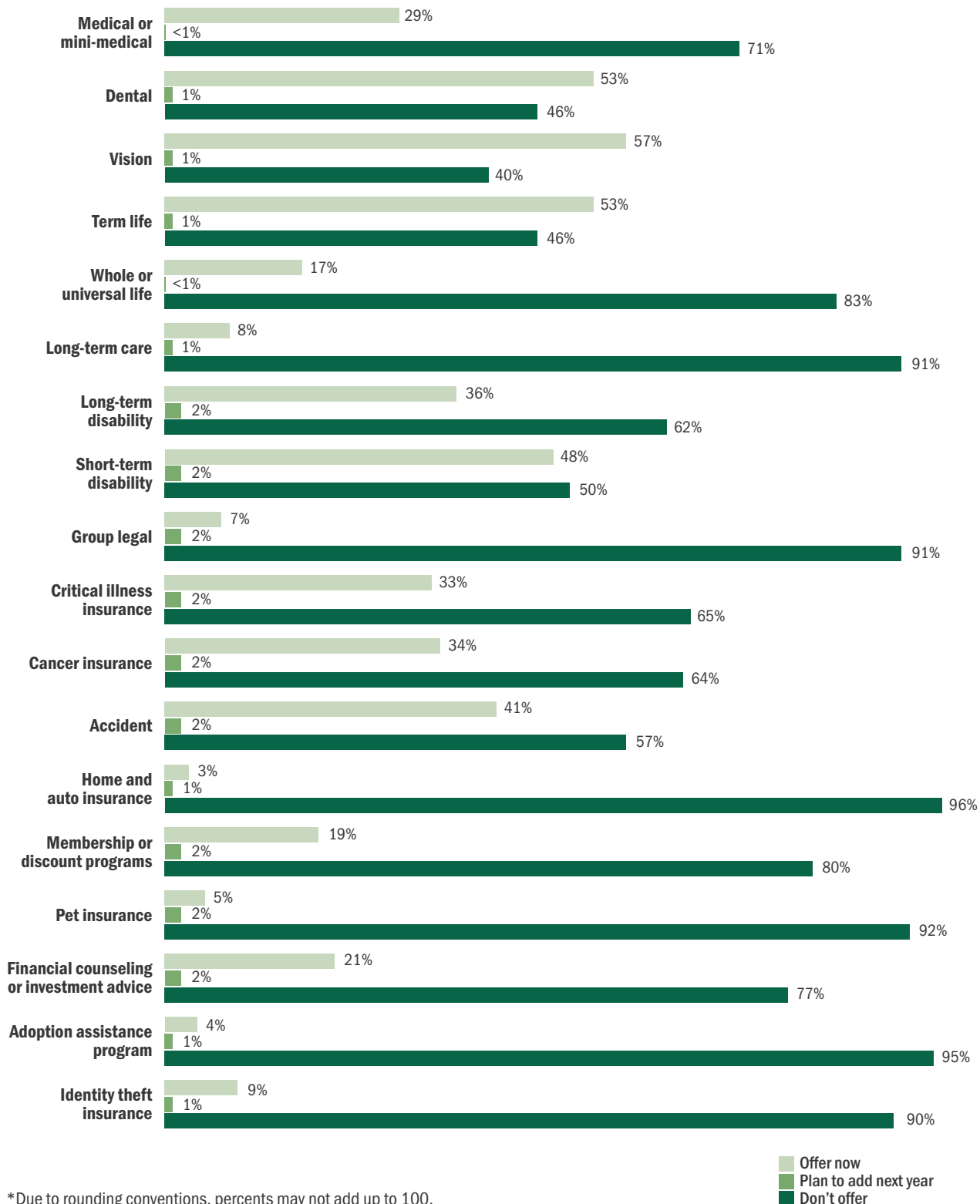
For 2019, the most common group voluntary benefit was vision insurance, offered by 57% of all respondents. Dental and term life insurance were offered by just over half of respondents, followed by short-term disability insurance, which is offered by about 48% of employers. The most popular nontraditional group voluntary benefits were accident insurance and cancer insurance, offered by 41 and 34% of employers, respectively.

The most common individual voluntary benefits were home and auto insurance and adoption assistance program. Dental, vision, short-term disability, cancer and accident insurance were all close behind with about one-third of respondents offering them in their employment packages.



Voluntary Benefits

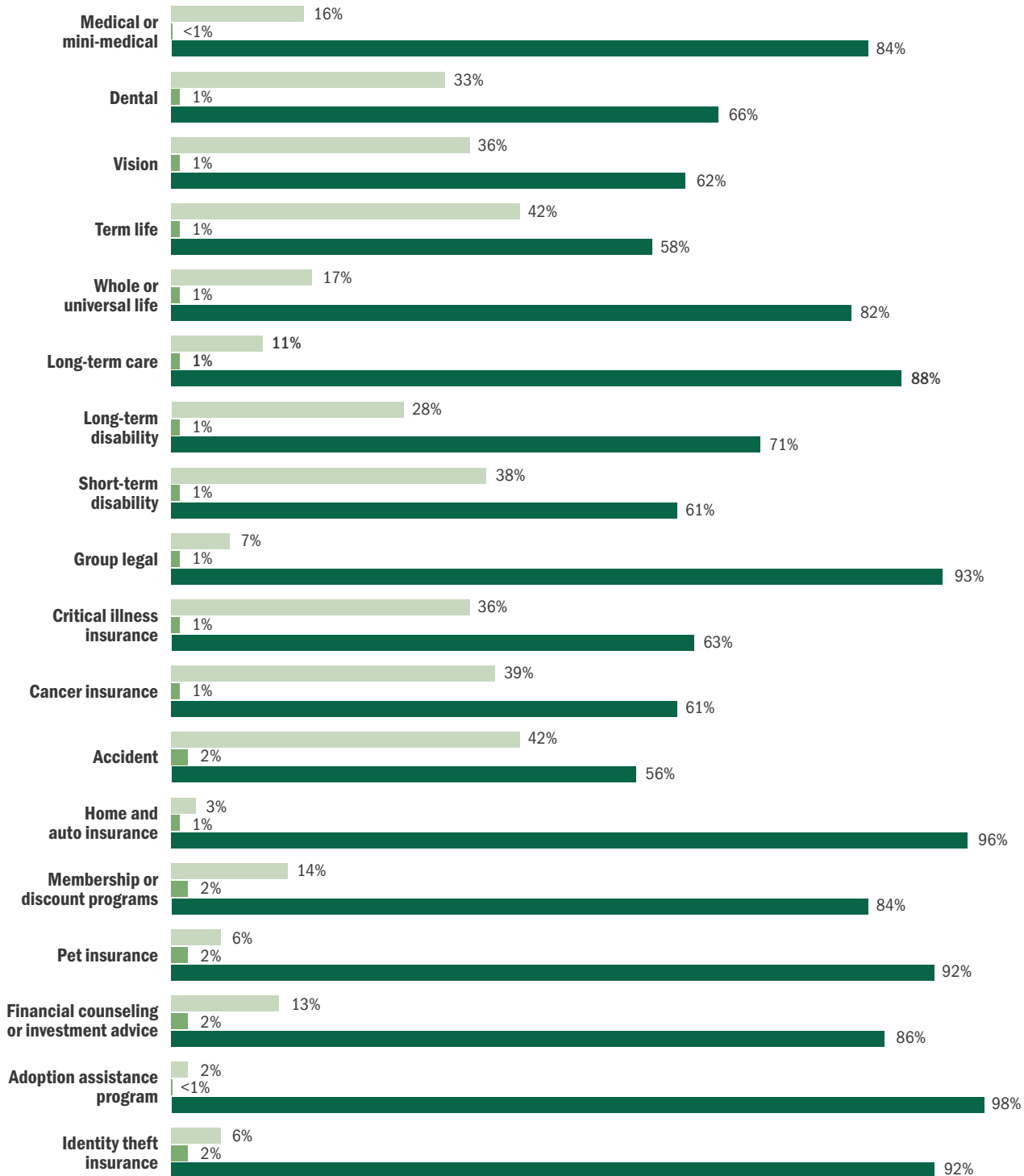
What type of voluntary individual benefits do you offer, or plan to offer, your employees?



*Due to rounding conventions, percents may not add up to 100.

Voluntary Benefits

What type of voluntary group benefits do you offer, or plan to offer, your employees?



*Due to rounding conventions, percents may not add up to 100.

■ Offer now
■ Plan to add next year
■ Don't offer

Conclusion

These days, managing a health benefits program means managing change. Health care benefits must serve the evolving needs of employees and their families, support the organization's short- and long-term objectives, and adapt to the rapid-fire change – even paradigm shifts – occurring in the health care market and in health care policy.

Health Care in Flux

- Health plan consolidation and vertical integration of health-related entities continue. In many markets this has reduced choice and raised cost. It may also offer some advantages.
- New entrants into the market create uncertainty, along with new opportunities to explore.
- Washington's focus on undoing the ACA continues. The new tax law repealed the individual mandate penalty, which is likely to mean more uninsured and more cost-shifting to employer plans from uncompensated care.

War for Talent

Against this challenging backdrop, employers must not only continue to manage cost but also to offer more attractive benefits.

With the economy booming, there's a war for talent. According to the National Conference of State Legislatures, unemployment fell to just 4% at the end of January 2019. Growing competition for talent means benefits must support attraction and retention, and health coverage is the benefit that matters most to employees.



Conclusion (cont.)

Employees Are Under Financial Stress

Despite low unemployment, U.S. wage growth has remained stagnant and many employees lack savings.

A survey by the Federal Reserve Board found that 44% of Americans could not cover an emergency expense of \$400 or more. That has important implications for health care benefit design. Employee Benefit Research Institute's most recent survey of workers with access to employer coverage found that only 30% are confident they are able to afford health care without financial hardship.

Given that financial problems are the leading cause of stress and that stress takes a toll on employee health, wellbeing and productivity, employers must question strategies that involve shifting more health care cost to employees.

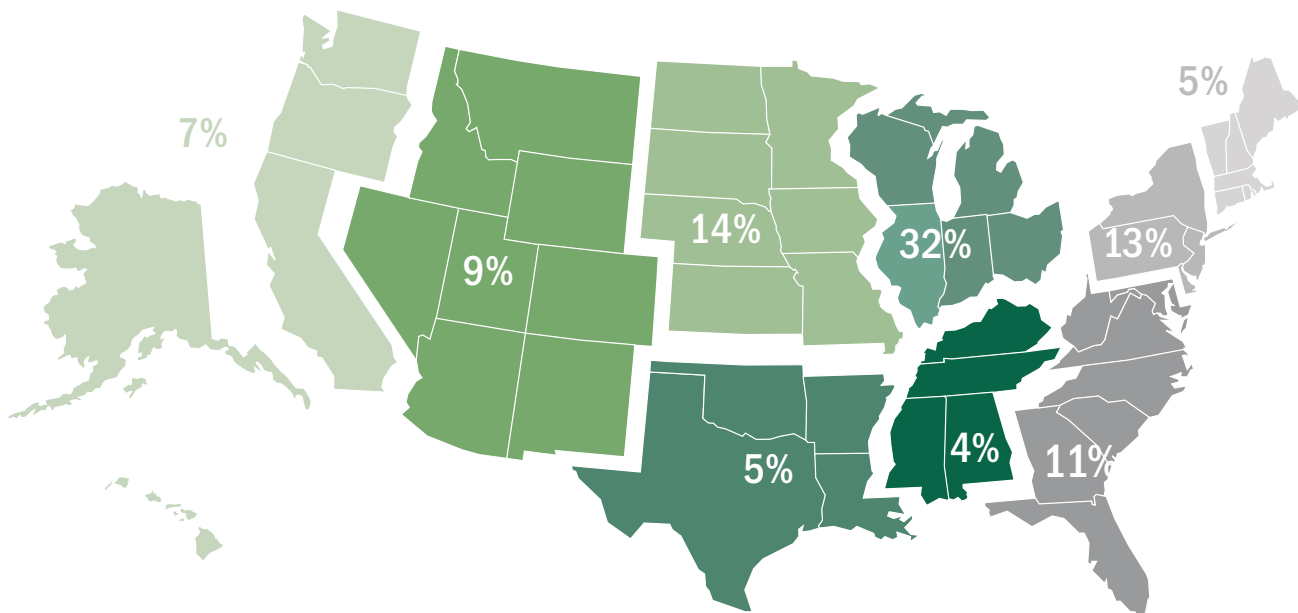
It is imperative for organizations to make informed and strategic decisions about what benefits to offer as part of their total rewards strategy. Using a variety of sources to stay up to date on benefits trends and innovative strategies and continually assessing the fit of offerings with your organization's culture are crucial in securing your current and future talent needs.



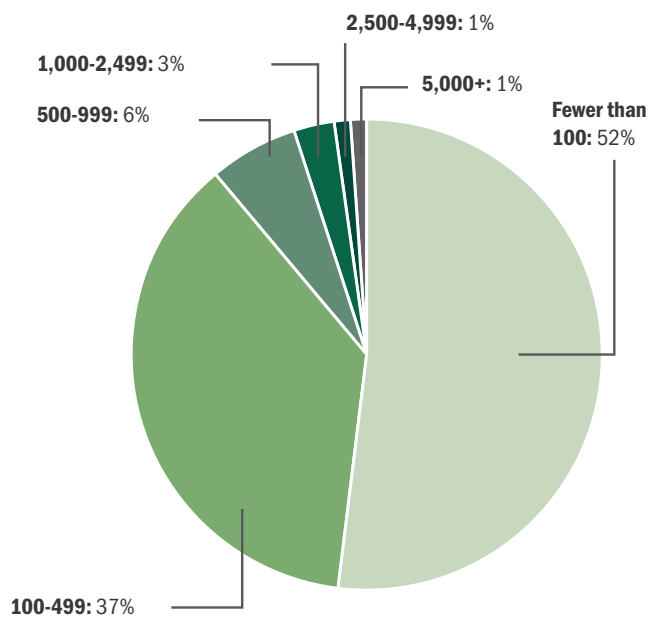
Demographics

This report is intended for educational purposes. The survey was taken by over 500 non-client employers from across the United States.

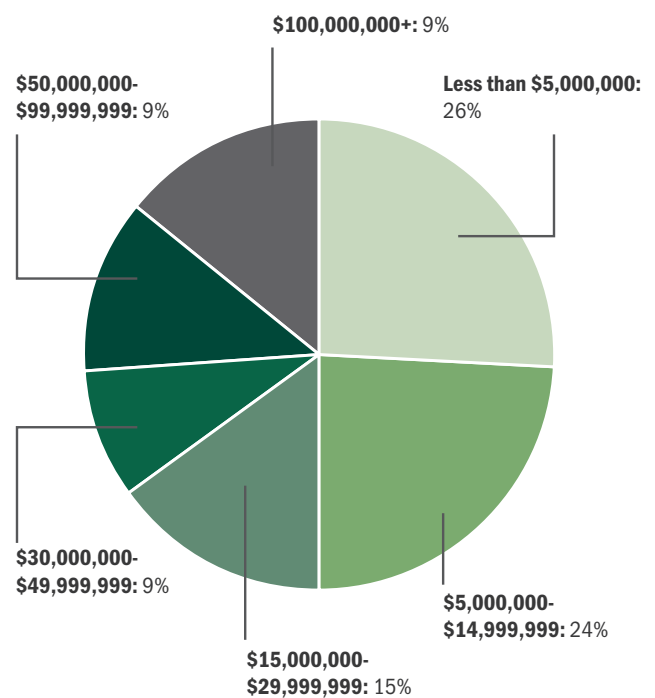
In which region is your organization based?



How many employees does your organization employ?

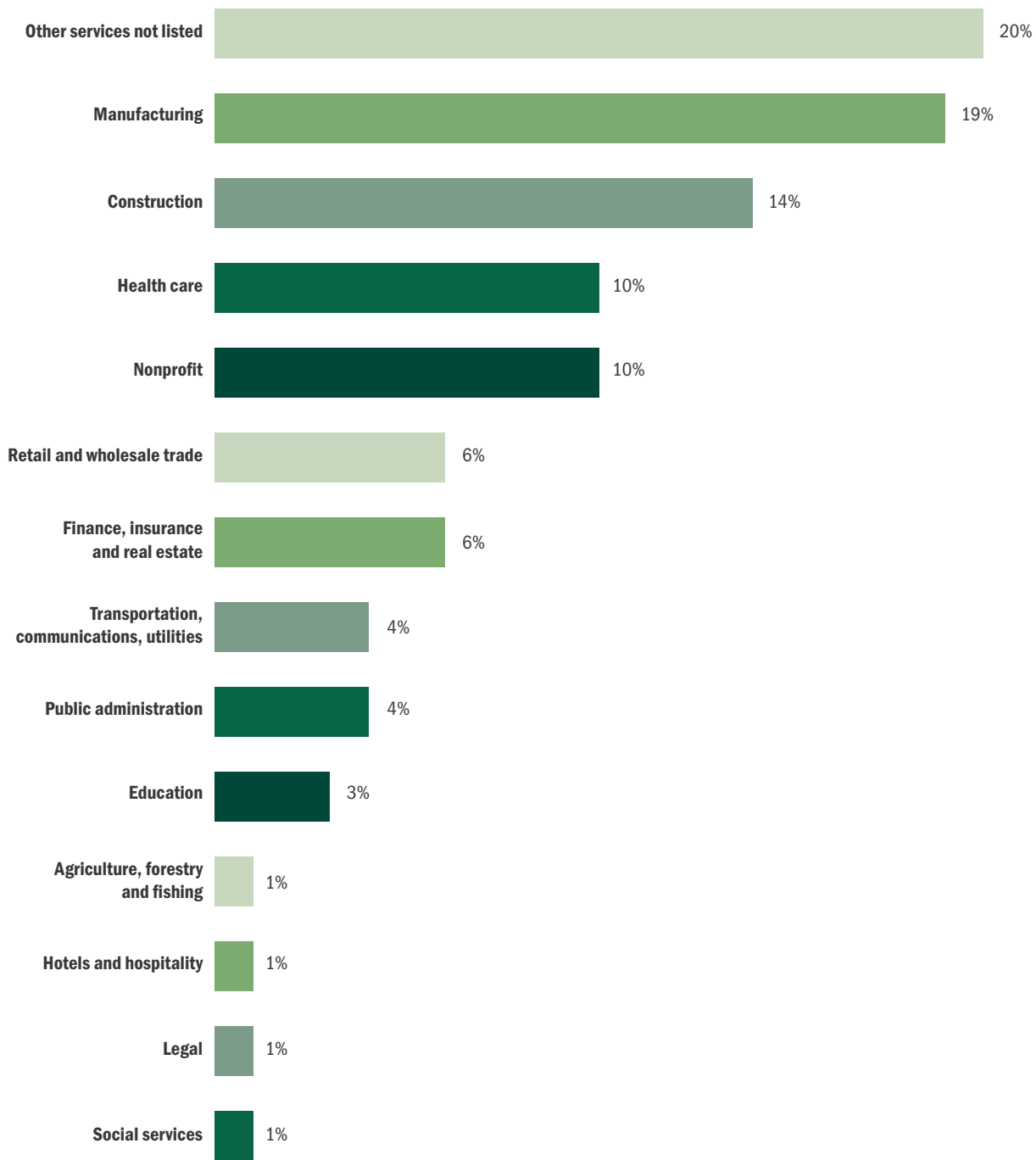


What is your organization's annual revenue?



Demographics

In which industry or sector does your organization operate?



About CBIZ Employee Benefits

At CBIZ Employee Benefits, we're passionate about providing strategic solutions that will drive employee engagement and build a dynamic and thriving workplace culture. This isn't cookie-cutter consulting. Our team of forward-thinking professionals will collaborate with you to develop an actionable plan designed to help you navigate the complexities of your benefits strategy, addressing your unique pain points and goals. You can count on us – with over 4,500 clients and 500 associates nationwide – as your trusted advisors committed to your success.

To learn more, visit us at cbiz.com/employeebenefits.



CBIZ Employee Benefits

