




HOW TO CREATE
**THE BEST BENEFITS
PACKAGE AND OFFERS**
FOR YOUR EMPLOYEES



A hand is visible in the bottom left corner, pointing towards a teal-colored text box. The background consists of several stylized, overlapping human silhouettes in shades of gray and white, some with cutouts for faces and necks. The teal box is positioned on the right side of the page, containing text about benefits packages.

A competitive benefits package is one of the key elements that an employer can use to attract and retain high quality talent. The fact is, candidates often scrutinize a company's benefits package more than any other aspect of the job offer.

Of course, the appeal of certain benefits often changes with the target demographic. For instance, 52.8% of workers aged 45-54 would **prefer a salary increase over other benefits**, compared to only 36.1% of workers aged 25-34. Moreover, Millennials often prize flexible work schedules, tuition reimbursement, and other perks over more traditional benefits.

Whichever age group or demographic you're aiming to reach, a benefits package that suits your ideal employees' needs and preferences can have a powerful impact on your recruitment process. The following guide to creating the best possible benefits package and offers for your employees will answer these questions:

- What should you include in a benefits package?
- How can you determine what's right for your employees?
- What steps should you take to put your offer together?

Let's discuss these points in order.

**PAID
VACATION**



**MEAL
BREAKS**



**HEALTH
INSURANCE**



**WHAT SHOULD YOU INCLUDE IN
A BENEFITS PACKAGE?**

**ACHIEVEMENT
AWARD**

**EMPLOYEES
ALLOWANCE**

While it is true that the features in a package may vary according to business needs and circumstances, many employees have come to expect the following benefits in an offer from a prospective employer:

HEALTH INSURANCE

Health insurance benefits are often the deciding factor when job seekers evaluate their options. In fact, one study found that over half of employees in today's workforce consider health insurance to be the **most important benefit** that affects their job satisfaction.

Health insurance benefits are fairly self-explanatory. Employees have the option to enroll in an insurance plan that will provide full or partial coverage for medical needs, such as visits to the doctor, specialist consultations, hospital stays, and more.

PTO

Paid time off is another core benefit that can influence an employee in the decision-making process. PTO can come in a wide variety of forms, such as:



Paid Holidays: These are annual occasions when the company partially or totally closes for business. Even though they are off for the day, employees are usually paid a normal workday wage.



Paid Vacation/Sick/Personal Days: Many corporations allow employees to accrue PTO over the course of a year, proportional to their tenure with the company and the accrual of time based on a per week or per pay period hours calculation. This PTO is often categorized as vacation time, sick days, or personal time (or segmented into all three categories). For example, an employee may accumulate 4 hours of vacation time over the course of a 40-hour work week, meaning that every 10 weeks the employee is able to take 1 full week off, if they choose to do so.



Bereavement/Funeral Leave: Employers may also offer extended PTO in the event that a personal tragedy occurs, such as a death in the family where the employee needs to attend to personal matters.

SHORT-TERM AND LONG-TERM DISABILITY INSURANCE

Disability insurance provides coverage for employees that become sick, or suffer a debilitating injury that prevents them from working, either on a short-term or a long-term basis. With some estimates stating that the average employee has a **20% chance of becoming disabled**, and thus unable to work for a time, it's obvious why this benefit would be attractive to many employees and job seekers.



DENTAL INSURANCE



Dental insurance plans are a very attractive option for many employees, especially those with children. These plans are designed to cover some of the costs of dental treatment, both for the employee and the employee's family. Most plans offer coverage for both preventative and emergency care. In some cases, a company can offer dental insurance to employees at reduced rates because of its affiliation with a certain health insurance carrier.

VISION INSURANCE

Another optional benefit that many employers offer is vision insurance. This type of insurance covers some of the costs associated with regular eye exams, as well as costs from corrective equipment like eyeglasses or contact lenses.



LIFE INSURANCE

While many employees are not covered by (or concerned with) a life insurance policy, either from a company-sponsored plan or their own carrier, other workers view this option as a very enticing benefit. Even younger employees may jump at the chance to enroll in a life insurance program. In fact, one study found that **35% of individuals aged 18 to 29** have some form of life insurance.



Life insurance options may include term life insurance in which the insured party makes payments over the course of a predefined term, such as 5, 10, or 20 years. There is also whole life insurance, in which the insured party is covered for the duration of his or her life.

401(K)S AND OTHER RETIREMENT PLANS



Many employees want to have a plan in place for their golden years of retirement, and companies that offer a 401(k) option (or another kind of retirement plan) are often able to attract top prospects as a result.

Put simply, a 401(k) plan is a tax-deferred savings account to which the employee and employer often contribute matching sums of money. Upon retirement, the employee can access this nest egg and live comfortably off the dividends.

HEALTHCARE FLEXIBLE SPENDING ACCOUNTS (FSAs)

Healthcare costs continue to rise for employees, regardless of whether they have insurance. Many employers offer FSA plans to help offset the high out-of-pocket expenses that healthcare providers charge. Basically, an FSA plan enables the employee to pay for some healthcare and dependent care expenses by using before-tax (instead of after-tax) dollars. This cuts down on their tax liability while ensuring that they receive the same quality of care.





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HOW CAN YOU DETERMINE WHAT'S RIGHT FOR YOUR EMPLOYEES?

How can you determine what's right for employees?
Let's put your offer together.

While the different benefits listed above are each attractive in their own way, many companies don't have the necessary resources to offer all of them to employees. Even if your business falls into this category, you may still be able to provide a high-octane benefits package to job candidates and current employees. You want to develop a package that fits the needs of your employees, as opposed to the general workforce.

Here are some key factors you should consider as you decide which benefits to pursue, and to what extent:

YOUR EMPLOYEES



Are your employees younger, or older? What are their preferences when it comes to benefits like health insurance and flexible work hours? The answers to these and other similar questions can inform many of your key decisions related to benefits. For example, if your workforce skews older, then they may want low health insurance premiums and a lot of provider options, which **Health Maintenance Organization** (HMO) and Preferred Provider Organization (PPO) networks can provide. In contrast, many younger workers that don't anticipate the need for intensive or ongoing healthcare may prefer high deductible health plans that come with low premiums.

YOUR LOCATION



If your business is based out of a major metropolitan center, you'll likely have many options from which to choose in terms of health insurance carriers and in-network healthcare providers. However, if your company is located in a rural area, then your options (at least those that will actually be attractive to employees) may be limited.

THE SIZE OF YOUR BUSINESS



Certain businesses are legally required to offer benefits to their employees. For instance, employers with 50 or more workers must allow up to 12 weeks of unpaid leave for an employee to care for a sick relative. Moreover, new mothers must be allowed up to 12 weeks of paid maternity leave. It's important to be aware that certain states have different labor laws concerning PTO that are applicable to your business, as well.

A black and white photograph of a man in a suit and tie, looking down and writing on a whiteboard with a marker. The image is partially obscured by a large teal geometric overlay in the foreground.

**WHAT STEPS SHOULD YOU TAKE TO
PUT YOUR OFFER TOGETHER?**

With such factors as those mentioned above in mind, how can you actually put together an attractive yet realistic offer for your employees?

Here are 3 steps to take:



Review which benefits would be most important to your employees and ideal job candidates, and then prioritize them in a list.



Determine an acceptable budget threshold for spend on your benefits package and offers.



Enlist the assistance of a reputable **Human Resource Outsourcing (HRO) company**.

The last point is key. An Human Resource Outsourcing (HRO) partner can help you to navigate the different options available to you with an eye on your specific needs, budget, and circumstances. In addition, the business relationships forged by an established Human Resource Outsourcing (HRO) company can actually lead to reduced insurance rates and other perks for you, as the client.

A competitive benefits package is absolutely essential to gaining and retaining top-tier talent. With some insight into the needs and preferences of your employees, and professional assistance from an **experienced Human Resource Outsourcing (HRO) company**, you can offer the best possible benefits package to your employees—and watch your company grow as a result.



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