

Notes

Views on the Value of Voluntary Workplace Benefits: Findings from the 2015 Health and Voluntary Workplace Benefits Survey, p. 2

A T A G L A N C E

Views on the Value of Voluntary Workplace Benefits: Findings from the 2015 Health and Voluntary Workplace Benefits Survey, by *Paul Fronstin, Ph.D., EBRI, and Ruth Helman, Greenwald & Associates*

- Three-quarters of workers state that the benefits package an employer offers prospective workers is extremely (36 percent) or very (41 percent) important in their decision to accept or reject a job.
- Nevertheless, 30 percent are only somewhat satisfied with the benefits offered by their current employer, and 20 percent are not satisfied.
- Eighty-eight percent of workers report that employment-based health insurance is extremely or very important, far more than for any other workplace benefit.
- Workers identify lower cost (compared with purchasing benefits on their own) and choice as strong advantages of voluntary employment-based benefits. However, they are split with respect to their comfort in having their employer choose their benefits providers, and think the possibility that they may have to pay the full cost of any voluntary benefits is a disadvantage.

Views on the Value of Voluntary Workplace Benefits: Findings from the 2015 Health and Voluntary Workplace Benefits Survey

By Paul Fronstin, Ph.D., Employee Benefit Research Institute, and Ruth Helman, Greenwald & Associates

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Introduction

The Employee Benefit Research Institute (EBRI) has been conducting “value of benefits” surveys for 20 years to determine the relative importance of different benefits to workers and to assess the role played by benefits in job choice and job change over time. The surveys show consistency in the value of some benefits and substantial change in the value of others.

Workers continue to rank health insurance as the first- or second-most important benefit provided by employers. Between 1999 and 2015, the percentage of workers ranking health insurance as the first- or second-most important benefit varied between 74 percent and 82 percent (Figure 1). While the ranking of a retirement savings plan fell from 2001 to 2013, this may be due to the introduction of additional benefits in the survey, such as paid time off.

This report examines public opinion surrounding voluntary workplace benefits. Data come from the 2015 EBRI/Greenwald & Associates Health and Voluntary Workplace Benefits Survey (WBS). Among other topics, the survey examines a broad spectrum of workplace-benefit issues, with a particular focus on voluntary workplace benefits.

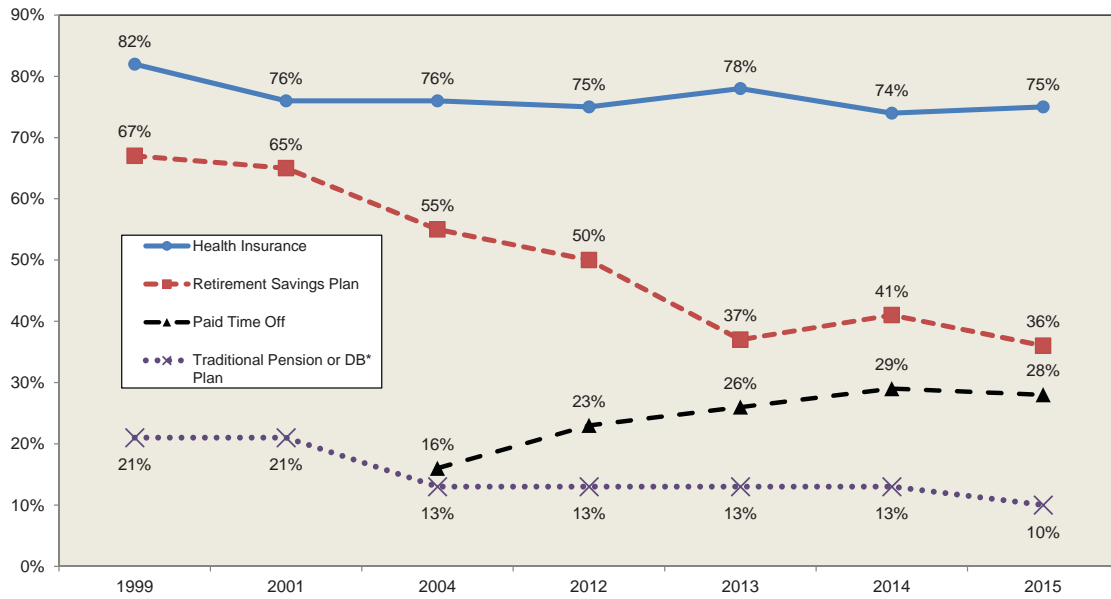
The Importance of Employee Benefits

The benefits package that an employer offers prospective workers is an important factor in their decision to accept or reject a job. More than one-third (36 percent) of workers say the benefits package is extremely important, while 41 percent say it is very important (Figure 2). In fact, 22 percent of workers report they have accepted, quit, or changed jobs because of the benefits, other than salary or wage level, that an employer offered or failed to offer.

Nevertheless, many workers are not especially satisfied with the benefits package offered by their employer. While 14 percent report being extremely satisfied and 37 percent are very satisfied, another 30 percent are only somewhat satisfied, and 2 in 10 are not too satisfied (11 percent) or not at all satisfied (9 percent) (Figure 3). Furthermore, job satisfaction and worker morale are strongly correlated with benefits satisfaction. For example, more than one-half (54 percent) of those who are extremely satisfied with their benefits are also extremely satisfied with their current job, compared with just 20 percent of those who are very satisfied. Just 10 percent of those who are at most somewhat satisfied with their benefits say they are extremely satisfied with their job.

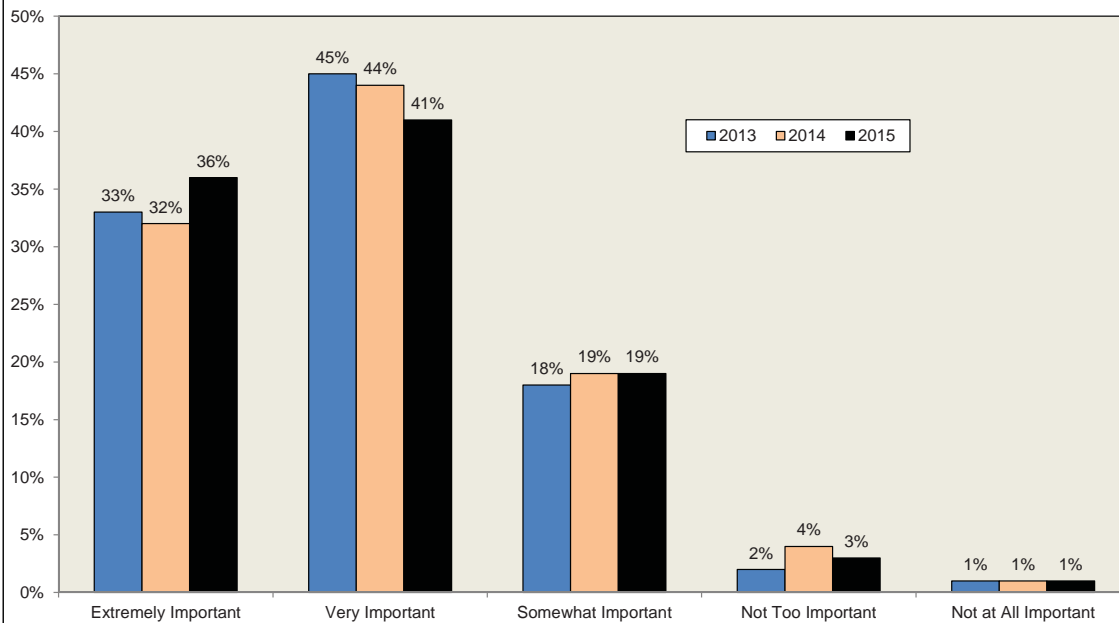
Workers overwhelmingly consider health insurance to be the most important workplace benefit. Nearly two-thirds (64 percent) say this benefit is extremely important, while an additional 24 percent consider it to be very important

Figure 1
Percentage of Employees Identifying Benefit as First- or Second-Most Important, Selected Years, 1999–2015

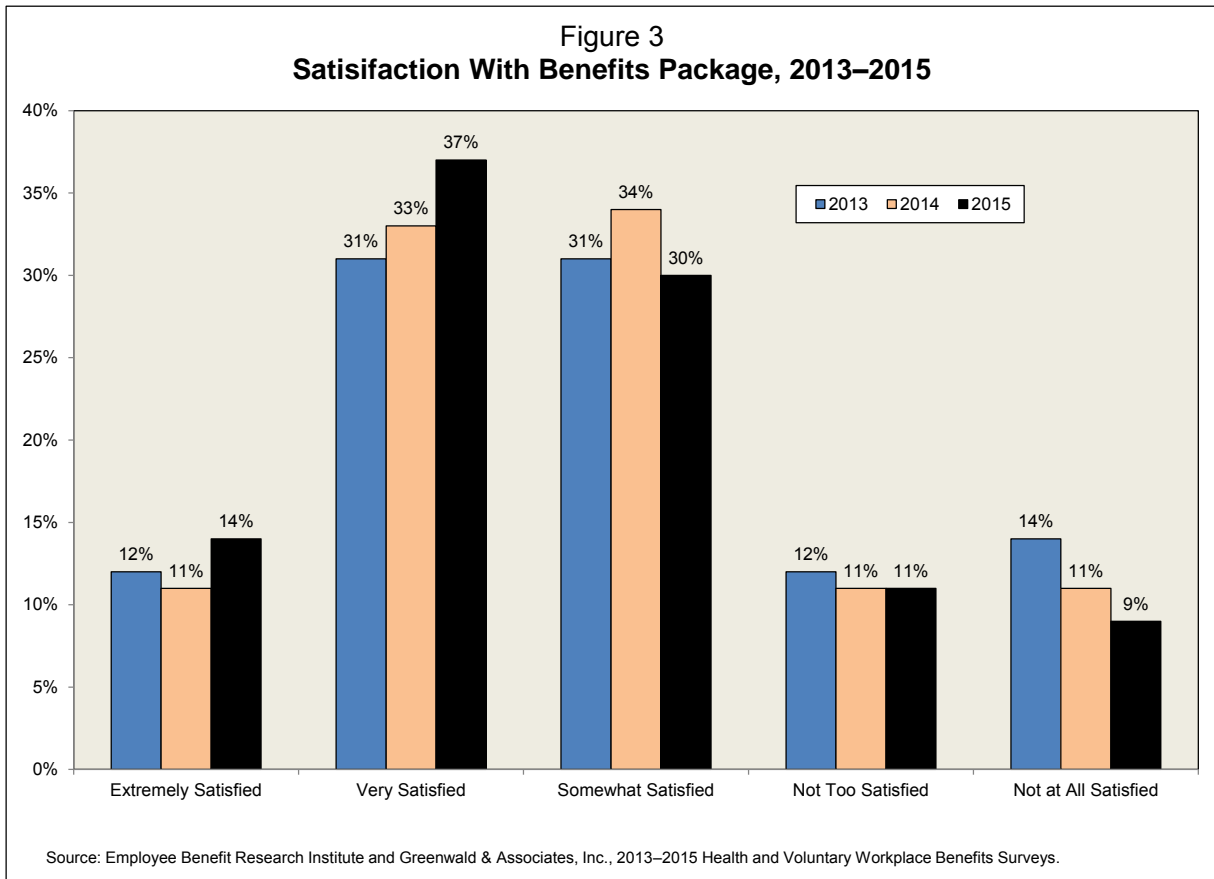


Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 1999 and 2001 Value of Benefits surveys, 2004 and 2012 Health Confidence surveys, 2013–2015 Health and Voluntary Workplace Benefits surveys.
 * Defined benefit plan.

Figure 2
Importance of Benefits Package in Decision to Accept Job, 2013–2015



Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2013–2015 Health and Voluntary Workplace Benefits Surveys.



(Figure 4). Indeed, having access to health insurance through their employer is considered so important that 6 in 10 (60 percent) report they are planning to work longer than they would like in order to continue receiving health insurance through their employer. When asked why continuing to receive health insurance through their employer was important enough to delay retirement, the plurality (44 percent) responded with a comment regarding the importance of having it, while another 36 percent said they would be unable to purchase it on their own due to its cost. Other reasons mentioned include the quality of their employer’s plan (28 percent), inadequacy of Medicare (20 percent), and dissatisfaction with non-employment-based options for health insurance (13 percent).

A retirement savings plan (rated extremely or very important by 75 percent of workers) and dental or vision insurance (rated extremely or very important by 70 percent) are also among the highest-rated benefits. One-half (50 percent) of workers say a traditional pension or defined benefit plan is extremely or very important, while at least 4 in 10 indicate disability insurance (47 percent), life insurance (46 percent), and retiree health insurance (41 percent) are extremely or very important.

Benefits Coverage in the Workplace

Benefits coverage in the workplace, including health insurance, is far from universal. Eight in 10 workers (80 percent) report their employer offers them health insurance (Figure 5). Seven in 10 each indicate they are offered dental insurance (70 percent) and a retirement savings plan (70 percent), and almost two-thirds each say they are offered vision insurance (63 percent) and life insurance (63 percent). Approximately one-half each report their employer offers them short-term disability insurance (56 percent), long-term disability insurance (49 percent), a health savings account (HSA) (49 percent), and accidental death and dismemberment insurance (46 percent). However, only one-third each say they are offered accident insurance (32 percent), a traditional pension or defined benefit plan (31 per-

Figure 4
Importance of Various Employee Benefits, 2013–2015

	Extremely Important	Very Important	Somewhat Important	Not too Important	Not at all Important
Health Insurance					
2015	64%	24%	8%	2%	2%
2014	65	21	8	3	2
2013	63	25	9	2	1
Retirement Savings Plan					
2015	40	35	17	5	3
2014	40	35	19	4	2
2013	30	40	23	6	1
Dental or Vision Insurance					
2015	33	37	22	5	3
2014	30	36	23	8	2
2013	29	38	25	6	2
Traditional Pension or Defined Benefit Plan					
2015	20	30	31	14	5
2014	23	27	31	14	6
2013	17	30	34	16	3
Life Insurance					
2015	18	28	32	15	8
2014	17	26	34	17	6
2013	18	29	31	16	5
Retiree Health Insurance					
2015	16	25	33	19	8
2014	17	25	32	19	6
2013	16	24	37	19	5
Disability Insurance					
2015	15	32	34	14	4
2014	15	29	36	15	5
2013	16	32	35	14	3
Long-term Care Insurance					
2015	10	25	38	20	7
2014	11	23	38	22	6
2013	12	23	40	20	5
Other Health-related Insurance					
2015	11	27	38	19	6
2014	11	24	38	20	6
2013			NA		
Other Benefits					
2015	6	13	27	34	21
2014	5	10	28	37	20
2013	4	9	27	37	23

Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2013–2015 Health and Voluntary Workplace Benefits Surveys.

Figure 5
Percentage of Employees Reporting Benefits are Offered by Employer, 2013–2015

	Offered		Not Offered		Don't Know	
	2013	2015	2013	2015	2013	2015
Health Insurance	76%	80%	23%	20%	1%	0%
Dental Insurance	67	70	30	27	3	3
Retirement Savings Plan	66	70	31	27	3	2
Vision Insurance	60	63	36	33	5	4
Life Insurance	58	63	36	32	6	5
Short-term Disability Insurance	55	56	34	33	10	11
Long-term Disability Insurance	49	49	38	36	12	15
A Health Savings Account (HSA)	NA	49	NA	42	NA	9
Accidental Death & Dismemberment Insurance	48	46	38	38	13	17
Accident Insurance	NA	32	NA	45	NA	23
Traditional Pension or Defined Benefit Plan	38	31	52	58	10	10
Long-term Care Insurance	25	31	56	47	19	22
Supplemental Health Insurance for Workers	NA	25	NA	49	NA	26
Critical Illness Insurance	17	20	60	52	23	27
Stock Options	16	18	76	73	8	9
Home Health Insurance	13	17	65	52	22	31
Pre-paid Legal Services	14	16	72	74	14	10
Cancer Insurance	13	15	66	56	21	29
Supplemental Health Insurance for Retirees on Medicare	NA	14	NA	56	NA	30
Health Insurance for Early Retirees	NA	14	NA	53	NA	33
Auto Insurance	7	8	86	86	8	6
Homeowner's Insurance	4	7	87	87	9	7
Pet Insurance	5	7	86	87	9	7

Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2013–2015 Health and Voluntary Workplace Benefits Surveys.

cent), and long-term care insurance (31 percent). Fewer report being offered supplemental health insurance for workers (25 percent) or other non-core, ancillary benefits.

Further, not all workers offered a benefit at the workplace take advantage of it. Approximately 8 in 10 who are offered health insurance (85 percent), a retirement savings plan (82 percent), and dental insurance (80 percent) each report they currently take advantage of these benefits through their employer (Figure 6). Between two-thirds and three-quarters each of those offered vision insurance (75 percent), life insurance (73 percent), and a traditional pension or defined benefit plan (69 percent) indicate they take advantage of this coverage through the workplace, while approximately 6 in 10 each have elected short-term disability insurance (61 percent, down from 66 percent in 2014 and 71 percent in 2013), long-term disability insurance (59 percent), and accidental death and dismemberment insurance (58 percent). Fewer report taking up other benefits offered by their employer.

Figure 6
Reported Take-up of Workplace Benefits, 2013-2015

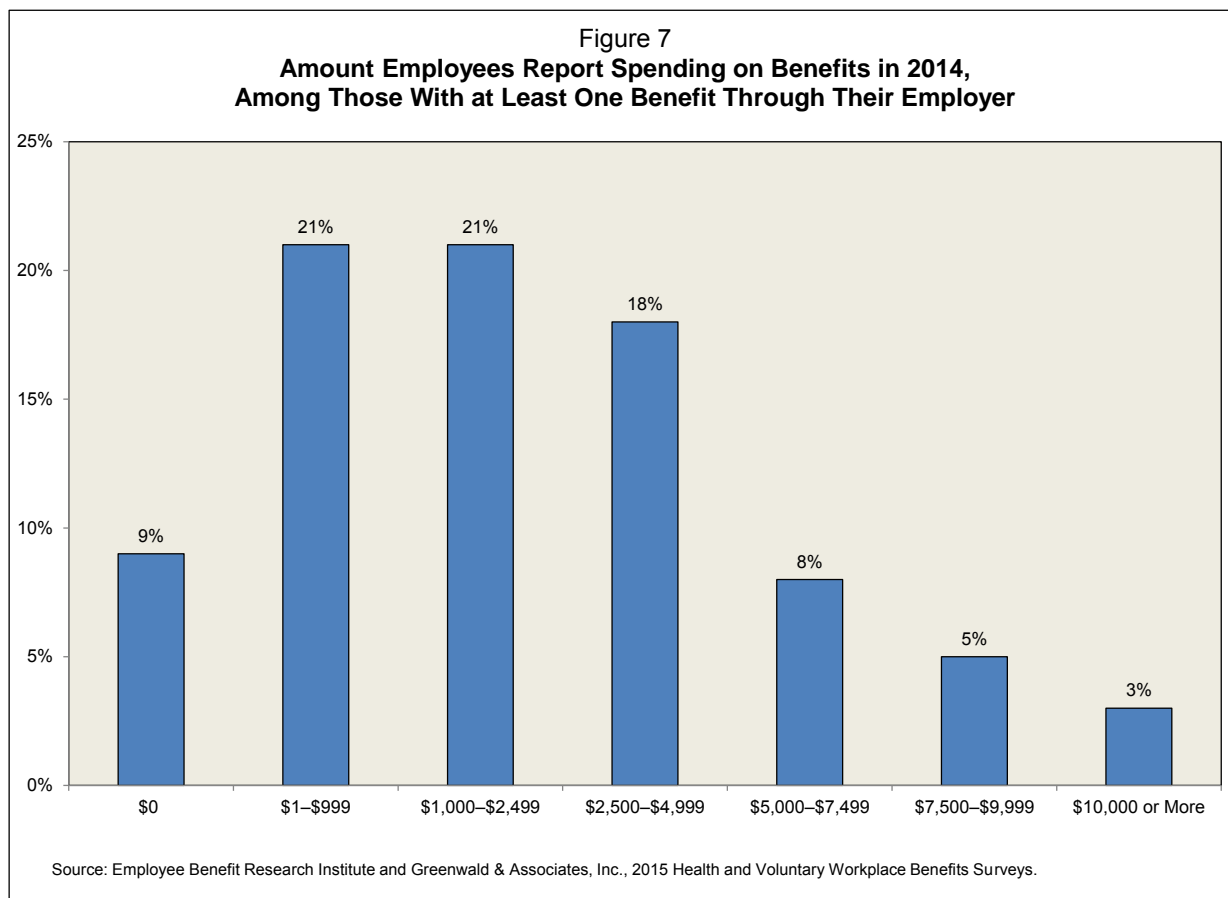
	Among All Employees			Among Employees Offered Benefit		
	2013	2014	2015	2013	2014	2015
Health Insurance	63%	64%	68%	83%	82%	85%
Retirement Savings Plan	53	57	57	80	80	82
Dental Insurance	54	59	56	80	81	80
Vision Insurance	44	47	47	73	74	75
Life Insurance	47	50	46	81	79	73
Short-term Disability Insurance	39	38	34	71	66	61
Long-term Disability Insurance	32	34	29	66	63	59
Accidental Death & Dismemberment Insurance	34	30	26	70	60	58
Traditional Pension or Defined Benefit Plan	29	25	22	76	74	69
Health Savings Account (HSA)	NA	19	20	NA	38	42
Accident Insurance	NA	15	13	NA	45	41
Stock Options	9	9	9	57	49	51
Long-term Care Insurance	10	11	8	39	36	25
Supplemental Health Insurance for Workers	NA	6	7	NA	26	29
Critical Illness Insurance	7	7	6	41	34	28
Prepaid Legal Services	6	6	6	39	33	36
Home Health Insurance	3	3	5	27	23	31
Cancer Insurance	4	5	4	34	33	27
Supplemental Health Insurance for Retirees on Medicare	NA	3	3	NA	20	18
Health Insurance for Early Retirees	NA	3	3	NA	21	19
Auto Insurance	3	3	3	47	34	39
Homeowner's Insurance	2	1	2	50	22	34
Pet Insurance	1	<0.5	2	26	9	29

Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2013-2015 Health and Voluntary Workplace Benefits Surveys.

However, a substantial minority of workers may be confused about some of the benefits their employer offers them. Roughly 3 in 10 each state they do not know whether their employer offers them health insurance for early retirees (33 percent), home health insurance (31 percent), supplemental health insurance for retirees on Medicare (30 percent), and cancer insurance (29 percent) (Figure 5). About one-quarter each do not know if they are offered critical

illness insurance (27 percent), supplemental health insurance for workers (26 percent), accident insurance (23 percent) and long-term care insurance (22 percent).

Half (51 percent) of those with benefits through their employer report they spent less than \$2,500 on these benefits in 2014 (excluding any contributions to a retirement plan). Nearly 2 in 10 (18 percent) spent between \$2,500 and \$4,999, but 16 percent report spending \$5,000 or more (Figure 7). Fourteen percent indicate they are not sure how much they spent on their employee benefits in 2014 (Figure 7). These amounts may be more than some can afford: 1 in 10 (9 percent) say they reduced or discontinued some other employee benefits in the past year in order to pay for health insurance.



Attitudes Toward Voluntary Benefits

Workers see a number of advantages to voluntary benefits. Foremost among these are cost and choice (Figure 8). Half (50 percent) report that a strong advantage of voluntary benefits is that purchasing these benefits through an employer may cost less than purchasing them on their own, with another 30 percent saying this is a moderate advantage. In fact, one-half of workers are extremely (19 percent) or very (39 percent, up from 32 percent in 2014) confident that insurance and other benefit products are less expensive when purchased through the workplace (Figure 9). One-half (44 percent) report that the ability to choose which benefits they want to purchase is a strong advantage, and 35 percent say it is a moderate advantage. Other advantages workers cite are portability (74 percent say it is a strong or moderate advantage, down from 80 percent in 2014) and payments made through payroll deduction (67 percent say it is a strong or moderate advantage).

However, workers also see some disadvantages. Four in 10 (39 percent) identify the potential of having to pay the full cost of any voluntary benefits they choose as a strong or moderate disadvantage. In addition, workers are as likely to say that the employer choosing the companies that provide the benefits is a disadvantage (26 percent) as they are to say it is an advantage (27 percent). Moreover, workers are split with respect to how comfortable they feel having their employer pick their benefits providers. While almost half (47 percent) are extremely or very comfortable having their employer pick the companies that provide their health insurance benefits, another 4 in 10 (38 percent) are only somewhat comfortable, and 15 percent are not too or not at all comfortable (Figure 10). Similar splits are found for comfort with having their employer pick their life-insurance provider (43 percent extremely or very comfortable, 14 percent not too or not at all comfortable), retirement-benefits provider (43 percent and 15 percent), disability-insurance provider (41 percent and 14 percent), and providers for plans that help with out-of-pocket medical and hospital costs (41 percent and 15 percent).

A majority of workers think it is important for their employer to offer them a choice of benefit plans, particularly when it comes to health plans (Figure 11). Eight in 10 say it is extremely (41 percent) or very (39 percent) important for their employer to offer them a choice of health plans. Nearly 7 in 10 feel it is extremely (32 percent) or very (37 percent) important to be offered a choice of retirement plans, while at least half indicate it is extremely or very important to have a choice of plans that help with out-of-pocket medical and hospital expenses (61 percent), disability plans (54 percent), and life insurance plans (52 percent).

As findings from the WBS clearly show, worker benefits continue to be important to workers. Even with enactment of the Patient Protection and Affordable Care Act, employers who offer a strong worker-benefits package should find themselves with a competitive advantage over other companies when it comes to attracting and retaining desirable workers.

Employees typically feel their employer gives them enough time to make good decisions about their benefits (83 percent) and are extremely (25 percent) or very (48 percent) confident about their ability to make informed decisions about their employee benefits. Nevertheless, many believe they would take advantage of benefits-advice providers, either through a third-party benefits advisor provided at no cost (18 percent extremely likely and 35 percent very likely) or an online program offered at no cost (18 percent and 40 percent). However, when asked if it would be useful to schedule the open enrollment for health insurance for a different time period than open enrollment for other employee benefits, they are split with 36 percent saying it would be extremely or very useful and 32 percent saying it would be not too or not at all useful. The remaining third (32 percent) think it would be somewhat useful.

Finally, workers clearly prefer that their employers continue to pay for benefits. Approximately 4 in 10 each express a preference for employers continuing to offer and pay for benefits the way they do now (38 percent) or choosing benefits from a list provided by the employer, with the employer continuing to pay the amount they currently spend toward these benefits and the worker paying any remaining amount (42 percent). Just 2 in 10 (20 percent) would prefer to move toward a system where the employer gives the worker the money they currently spend on benefits and leaves it up to workers to decide whether to purchase benefits on their own and how much to spend.

Appendix—The 2015 WBS

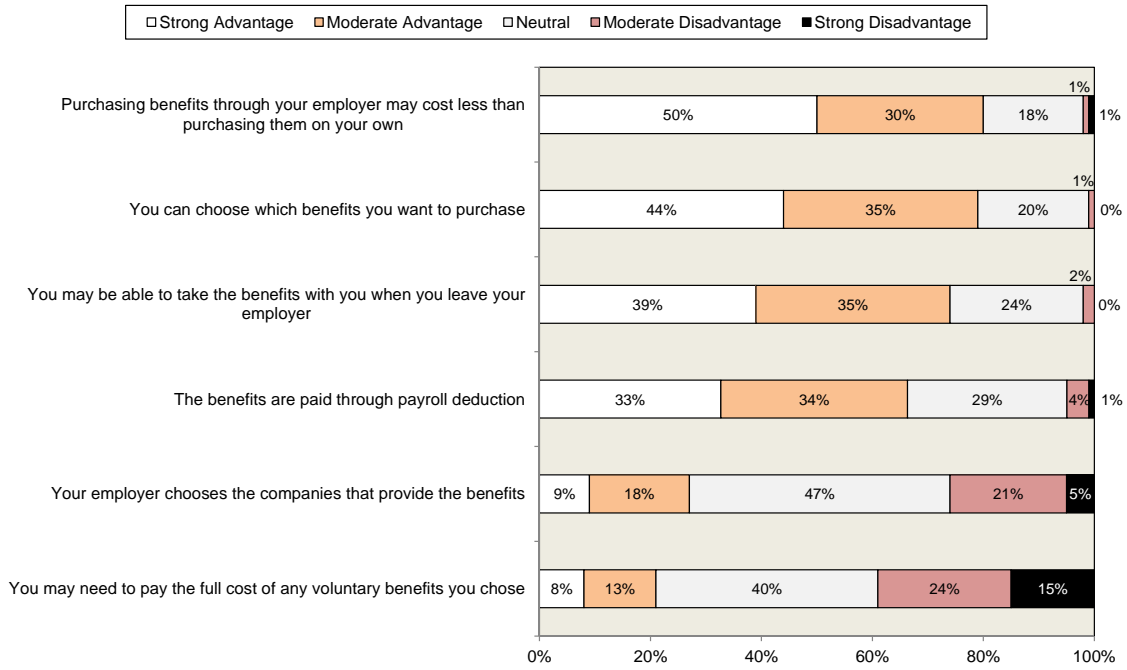
These findings are part of the 2015 EBRI/Greenwald & Associates Health and Voluntary Workplace Benefits Survey (WBS), which examined a broad spectrum of health care issues, including workers' satisfaction with health care today, their confidence in the future of the health care system and the Medicare program, and their attitudes toward benefits in the workplace. The survey was conducted online June 10–19, 2015, using the Research Now consumer panel. A total of 1,500 workers in the United States ages 21–64 participated in the survey. The data were weighted by gender, age, and education to reflect the actual proportions in the employed population.

Previously published trend data from the EBRI/Greenwald & Associates Health Confidence Survey (HCS) may differ from those published in more recent reports as the prior data have been recut from the total adult population to match the survey population of the WBS: workers ages 21–64. In addition, comparisons of 2015 data with data from years prior to 2013 should be viewed with caution due to the move from telephone to online methodology in 2013.

No theoretical basis exists for judging the accuracy of estimates obtained from non-probability samples such as the one used for the WBS. However, there are possible sources of error in all surveys (both probability and non-probability) that may affect the reliability of survey results. These include imperfect sampling frames, refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, interviewer bias, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

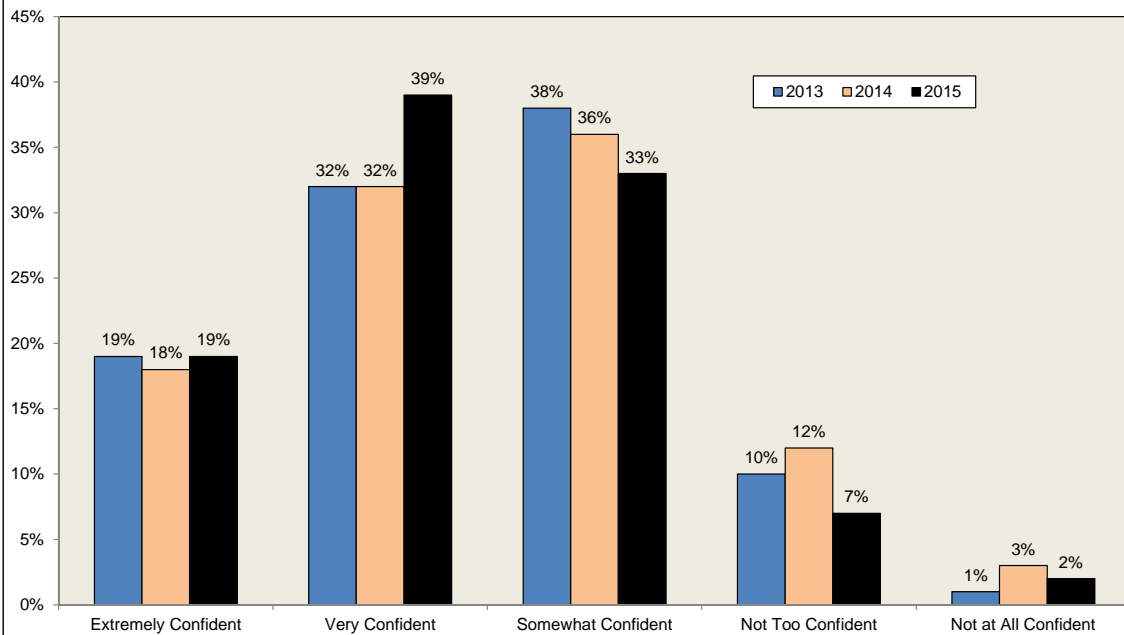
The WBS is co-sponsored by the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan, public-policy research organization, and Greenwald & Associates, Inc., a Washington, DC-based market research firm. The 2015 WBS data collection was funded by grants from eight private organizations. Staffing was donated by EBRI and Greenwald & Associates. WBS materials and a list of underwriters may be accessed at the EBRI website: www.ebri.org/surveys/hcs/

**Figure 8
Advantages and Disadvantages of Voluntary Benefits, 2015**



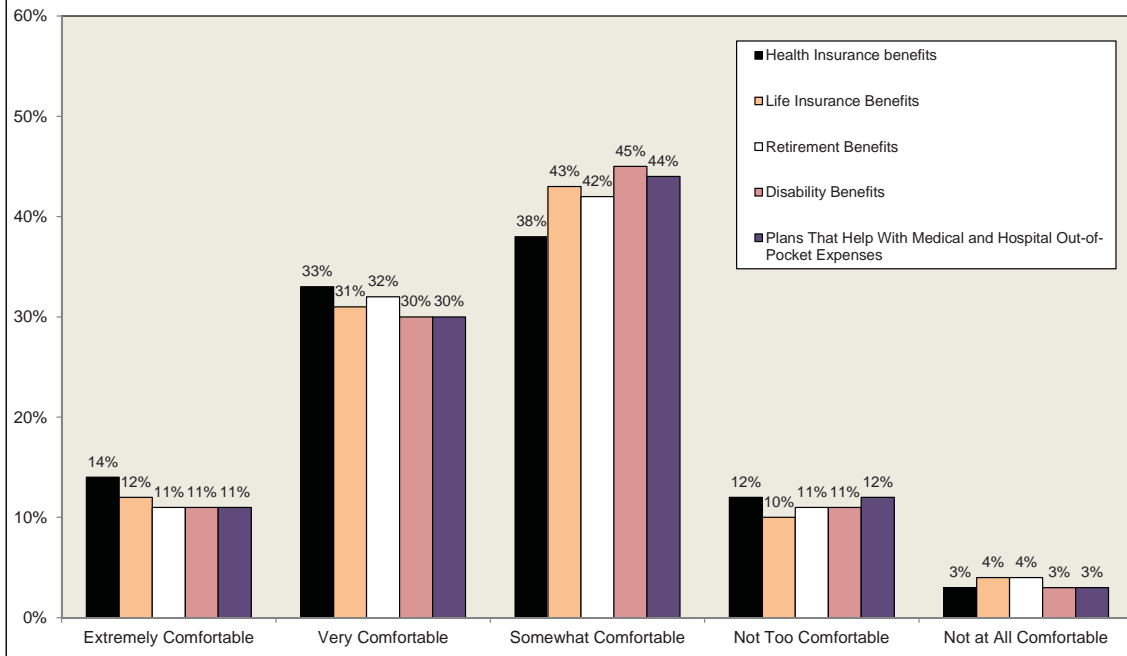
Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2015 Health and Voluntary Workplace Benefits Survey.

**Figure 9
Employee Confidence That Benefits Purchased Through the Workplace are Less Expensive, 2013–2015**



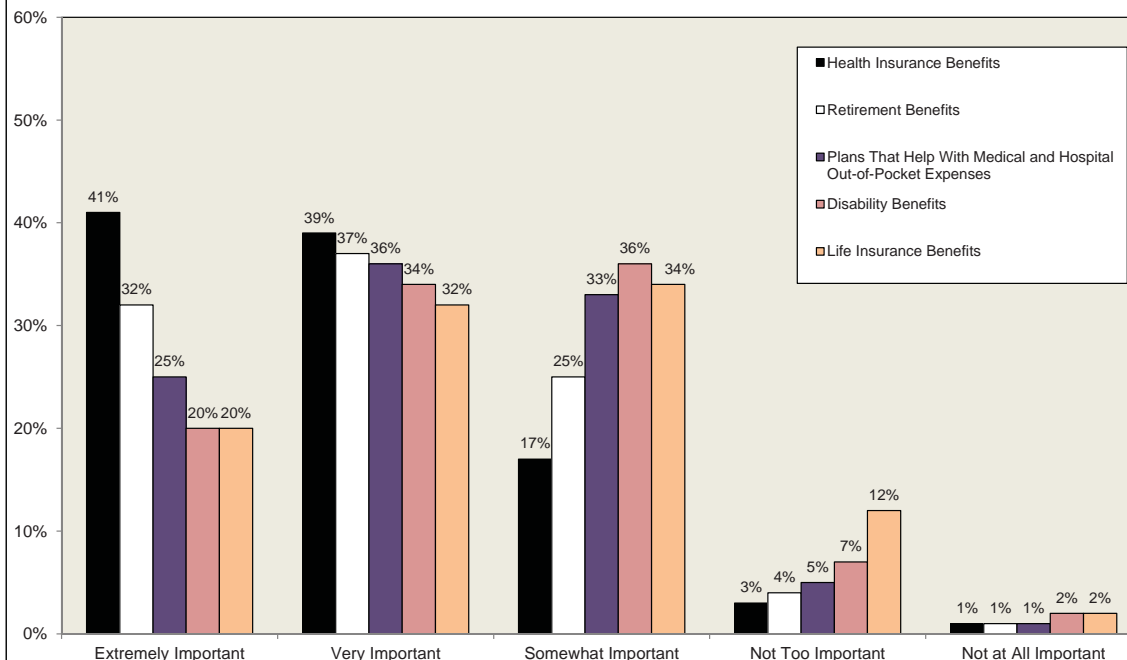
Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2013–2014 Health and Voluntary Workplace Benefits Surveys.

Figure 10
**Employee Comfort With Having
 Employer Pick Benefits Providers, 2015**



Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2015 Health and Voluntary Workplace Benefits Survey.

Figure 11
Importance of Employer Offering a Choice of Benefit Plans, 2015



Source: Employee Benefit Research Institute and Greenwald & Associates, Inc., 2015 Health and Voluntary Workplace Benefits Survey.



Notes

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