



Benefitfocus[®]

2024 State of Employee Benefits[™] Report



3 Actionable
Takeaways for
Benefits Advisors



Our 2024 State of Employee Benefits Report research uncovered the following insights:

Employers need to...



Enable employees to make optimal health plan selections.



Help employees across all generations manage their health care costs.



Make it easier for employees to make the connection between health care and savings.



Offer voluntary benefits that add value to employees' whole-person wellbeing.

How do these translate into opportunities for benefits advisors?

In addition to using the findings as benchmarks across health plan offerings, participation and costs, you can take 3 key actions to help your clients make the most of their benefits programs.



1. Encourage clients to strategically leverage a benefits administration partner to help drive optimal health plan and voluntary benefit selections.

Data highlights:

84%

of employers offer their employees their choice of HDHP and traditional plans.

64%

of health plan enrollees selected a traditional plan in plan year 2024, yet enrollment in HDHPs is increasing across most generations.



Employees across all generations are taking advantage of accident, critical illness*, hospital indemnity, ID theft, legal and pet benefits.

When you consider that 7 out of 10 (72 percent) benefits eligible workers agree that they did not make any changes to their benefits coverage or kept the same benefits coverage as last year¹, it's likely that at least some employees aren't taking the time to determine whether their coverage is the right "fit" for them. And this suggests that there is a subset of people enrolling in sub-optimal health plans, potentially overpaying for coverage or underutilizing available benefits.

Your clients – and their employees – want to maximize the value of benefits programs, something that isn't easy to accomplish without effective benefits decision-making support during open enrollment and year-round. And there is little doubt that your clients depend on your guidance to put the pieces together and bring this strategy to life.

Innovative benefits administration and engagement technology is an essential part of the transformation, and a solution should include end-to-end benefits management and enrollment, decision support and care navigation tools, and offer communications support. This is the way to help employees see all their benefits offerings in one place and present them with information that helps them connect their health benefits and financial wellness – and ultimately make optimal benefits decisions.



Benefitfocus can help. Learn about our benefits administration solution.

*Critical Illness may be referred to as Specified Disease in some states.

2. Help clients identify workforce generational (and other demographic) trends to improve their benefits programs.

Data highlights:

- ✓ HDHP participation is highest among **Generation Z** and lowest among **Traditionalists**.
- ✓ Across accident, critical illness, hospital indemnity, identity theft, legal and pet benefits, **Generation X** has the highest participation overall.
- ✓ **Millennials** had the highest rate of participation in HSAs and **Generation X** had the highest rate of participation in FSAs.



The data revealed generational trends

demonstrating that, at least on an aggregate level, an employee's age or life stage influences their benefits enrollment, participation and behavior.

It's important to note that the State of Employee Benefits Report data represents enrollment transactions aggregated across 316 large employers, so employers shouldn't assume that their individual workforce trends would follow suit – at least not exactly. But they can use the trends as a starting point – or inspiration for taking a deeper dive into their own specific workforce's data. And this is where you can provide them with guidance and tools.

In addition to tapping into insights from employee surveys and feedback, urge your clients to use their benefits and health care data (e.g., eligibility, medical claims, Rx claims, biometrics) to help them better understand their workforce and meet their needs with more targeted plans, programs and communications.

This might mean introducing them to a health care analytics solution. This powerful technology, especially when integrated into the end-to-end benefits management platform, enables them to uncover insights into cost-drivers, risks and opportunities and understand program ROI – through a number of population lenses. Benefitfocus can help.

Learn about our **Health Insights** solution. Download our **How to Get To Know Your People Better** **Playbook**.



3. Empower your clients to emphasize the important connection between health care and savings.

Data highlights:

- ✓ **Average total premiums for all health plans followed an upwards trend** between 2022 and 2024, and average total premiums for HDHPs exceeded those of non-HDHPs for 2024 after two years of non-HDHPs being the costlier option.
- ✓ While there has been an increasing shift of premium share to the employer over the last 3 plan years, **employee premiums continue to rise.**

22% 

Employee participation in health care savings accounts (HSAs and FSAs) among those with a health plan offer **declined 22 percent** between plan years 2022 and 2024.

While these offerings, participation and premium cost trends for health plans and consumer-driven health care savings vehicles don't tell the full story of how employees are managing their health care dollars, they urge us to consider the question, "Do employees understand how to optimize their health care coverage and savings?"

It's important for employees to feel confident in their ability to make health care utilization and spending decisions. This doesn't mean that every employee should be encouraged to enroll in a HDHP and begin contributing to an HSA, as this isn't the "right fit" for everyone, but it suggests that when employees appreciate how their health care coverage and savings work together, they can make optimal choices throughout their wellness journey that potentially impact health and financial outcomes.

And they are looking for support. As shared in the report, **nearly 8 in 10 employees (79 percent) are very/somewhat interested in help to maximize their benefit dollars across retirement savings, HSA, health care insurance and voluntary benefits.**² You can work with your clients to make it easy for their employees to understand the interdependence across health, retirement and savings with a decision support and care navigation tools that provides them with intuitive guidance to help them consider how one choice might impact another.



Benefitfocus can help. Learn about our Decision Support and Care Navigation solutions.

Ready to Learn More?

Benefitfocus Can Help

Benefitfocus is committed to helping organizations and the individuals they serve get the most value out of their health care and benefits programs.

We are helping to clear the path to:



Easier administration



Higher benefits engagement



Optimized benefits decisions

Book a demo to experience Benefitfocus in action – and learn how we can help radically simplify benefits for your organization.

The State of Employee Benefits 2024 was compiled from enrollment transactions aggregated across 316 large employers (1,000+ full-time employees) within the Benefitfocus customer base, representing more than 1.8 million employees in total. The data, accessed in March, 2024, was evaluated on an anonymous basis. Enrollment records include both active and passive enrollments made by a variety of industry roles (employee, carrier representative, broker, benefits administrator, etc.) from the fall of 2021 through fall of 2023 for plan year effective dates of January 1. These measurements are not meant to be a nationally representative sample, but to represent the aggregate activity for large employers on the Benefitfocus platform.

Benefitfocus has provided this as an educational resource. This is for informational purposes only and not intended to provide advice or address the situation of any individual or entity. The topics addressed may have legal, financial, and health implications, and we recommend you speak with a legal, financial, or health advisor before acting on any of the information presented.

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Benefitfocus is a Voya Financial (“Voya”) business.

¹Voya Financial Consumer Insights & Research survey conducted January 22-23, 2024 among 1,005 adults aged 18+ in the U.S., featuring 455 Americans working full-time or part-time.

²Voya Consumer Insights & Research, 2023 Retirement Plan Participant Research.

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Download the full 2024 State of Employee Benefits Report for more data and insights.