



Benefitfocus[®]

2024 State of Employee Benefits[™] Report



How today's top employers can develop impactful benefits strategies, enable winning benefits experiences and prepare for what's next.



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Get ready for what’s ahead.

What is “the state of employee benefits?” It’s more than the status quo. It’s more than a snapshot in time of the benefits landscape. It’s a contextualized look at employers’ approach to benefits today, set within a dynamic economy and marketplace, that helps us understand how we got here and determine where we want to go.

Because it’s both defined and experienced by employers and their people – not to mention industry partners and policymakers – we take its pulse to ensure that all stakeholders can do their part in improving the state of employee benefits for everyone.

2024: The Big Picture

Benefits strategies aren't created in a vacuum – and a wide range of factors contribute to their success.

Macro benefits strategy drivers include:



Economy



Job Market



**Rising Health
Care Costs**



**Regulatory
Environment**

Employee benefits program priorities include:

- ✓ Attracting and retaining a multigenerational workforce.
- ✓ Delivering on diversity, equity and inclusion (DEI) goals.
- ✓ Communicating with and engaging a dispersed, remote or hybrid employee base.
- ✓ Supporting employees' whole-person wellness across health and savings.
- ✓ Leveraging benefits administration technology and data to simplify and streamline benefits.
- ✓ Understanding the performance and ROI of core, supplementary and voluntary benefits programs.



The 2024 State of Employee Benefits Report provides data points and insights based on Benefitfocus customer enrollment transactions from plan years 2022, 2023 and 2024 for plan year effective dates of January 1. Supplemental primary research from Voya Financial Consumer Insights & Research as well as carefully curated third-party industry research helped round out our analysis. By uncovering and exploring trends across core and voluntary benefit offerings, participation rates, plan costs, generational behaviors and more, our aim is to help you assess your strategies and identify opportunities to better meet the benefits needs of your workforce.

Whether you use this report as a tool for making comparisons and benchmarking or for inspiration and advice, let's dive into the 2024 state of employee benefits!

Benefitfocus is a Voya Financial ("Voya") business.



Executive Summary & Key Insights

In 2024, simplifying and optimizing benefits is the name of the game.

The data shared in this report confirms that the state of employee benefits is more or less as it has been for the last several years: health care costs are still rising, employers and employees continue to get creative about managing costs, and a holistic benefits package remains a competitive necessity.

But the insights we glean from the data – the interplay between the complex factors that make up the employee benefits ecosystem today – can lead us to fine-tune our strategies and think about solutions to our biggest challenges in new ways.

Increasingly, a diverse, multigenerational workforce demands personalized options, easy-to-use digital experiences and whole-person benefits across health and financial wellness. That's a tall order, contributing to the fact that the benefits marketplace is complicated and even overwhelming. According to Josh Bersin, the average large company has **80+ HR tools**. What's more, Drew Hodgson, actuary and national practice leader of health care delivery at Willis Towers Watson, says that half of employers offer **four to nine point solutions** and large companies can have over 20 or 30.

With so many systems and vendors to manage and benefits to consider, HR teams (to say nothing of their employees) are burdened with complexity. Aside from creating a need to leverage technology and vendor partnerships to simplify benefits administration and optimize benefits spend, this reality makes it more important than ever for benefits leaders to provide employees with streamlined benefits experiences that can help guide them to their next best action.

Willis Towers Watson is not affiliated with Benefitfocus or the Voya® family of companies.

What will it take to get us there?

- A deep understanding of employees
- Strategic industry partnerships
- An approach to benefits administration and engagement that removes barriers to maximizing value for every stakeholder



Our research uncovered the following key opportunities for today's employers:



Employers need to enable employees to make optimal health plan selections.

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.



Employers need to help employees make the connection between health care and savings.

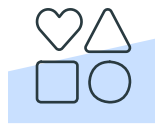
20%

Employee participation in health care savings and spending accounts (HSAs and FSAs) declined 20 percent among employees with a health plan offer between plan years 2022 and 2024, suggesting that employees need more effective education, guidance and support to consider how one choice might impact another.



Employers need to offer voluntary benefits that add value to employees' whole person wellbeing.

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



Employers need solutions to help employees across all generations manage their health care costs.

While employer share of premiums was

78%

for plan year 2024, up from

74%

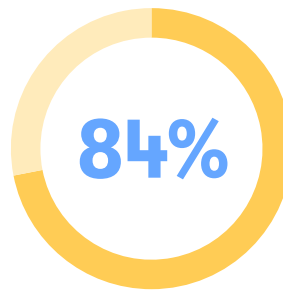
in plan year 2022, employees are also faced with higher costs – a challenge that can be met by considering generational differences.

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



1: Health Plan Offerings & Enrollment

Employers continued to expand health insurance options for the 2024 plan year with more than eight in 10 (84 percent) offering a combination of traditional health plans and high-deductible health plans (HDHPs). Relatively few employers are offering only a traditional or high-deductible health plan.



Traditional + HDHP



Industry Insight:

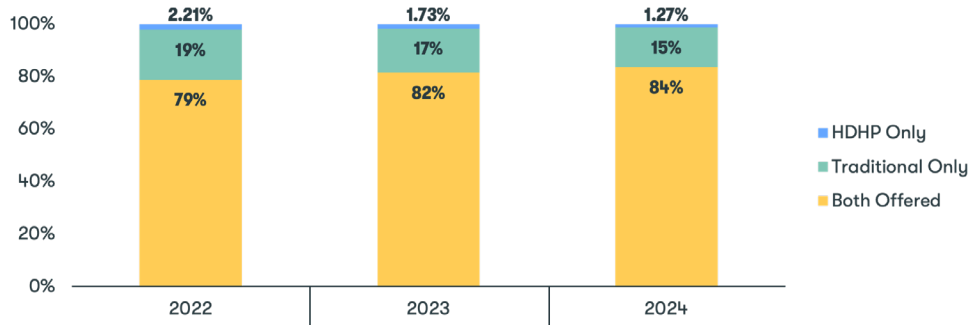
67% of employees and **68%** of employers believe **employer-covered health care** to be the most important benefit, ranking in the top spot ahead of life insurance and pension and retirement plans.

Source: [Forbes Advisor survey](#)



Employer Health Plan Offerings

Figure 1.1: Employer Health Plan Offerings, Plan Years 2022-2024



Employee Health Plan Participation

Figure 1.2: Year-Over-Year Generational Participation When Both Traditional and HDHPs are Offered, Plan Years 2022-2024

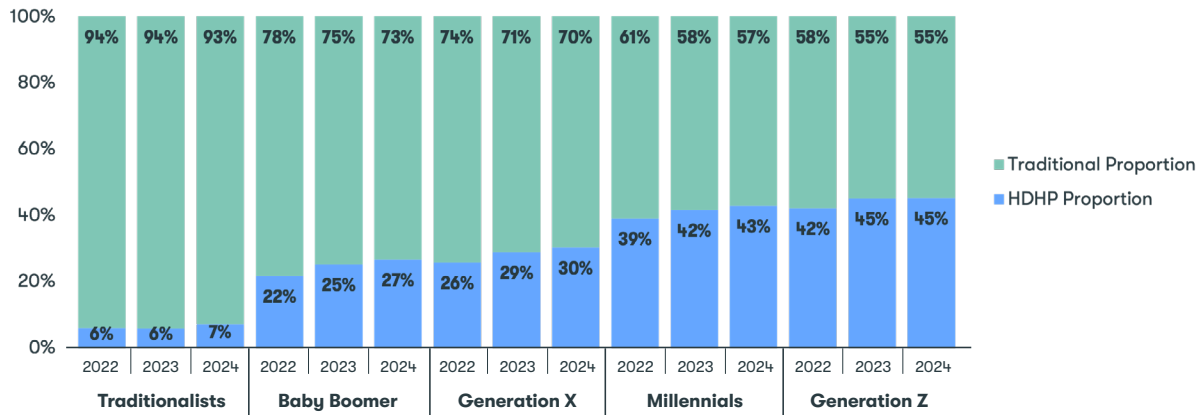


Figure 1.3: Year-Over-Year Aggregate Proportion of Participation When Both Traditional and HDHPs are Offered, Plan Years 2022-2024

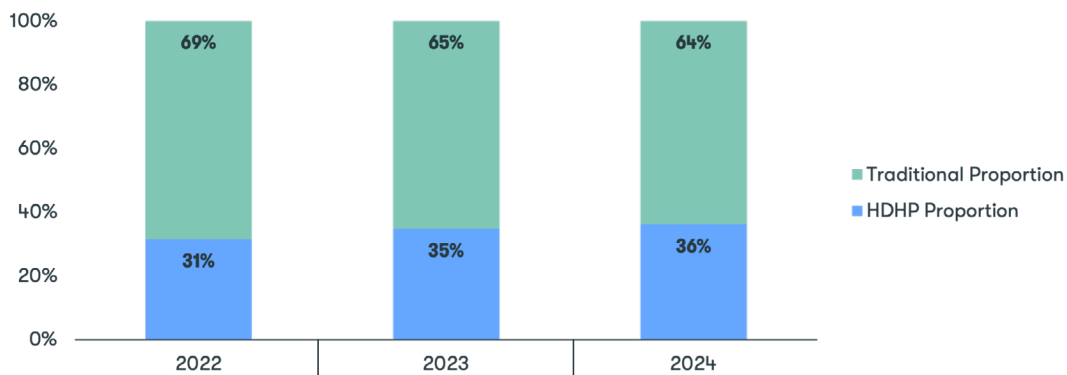
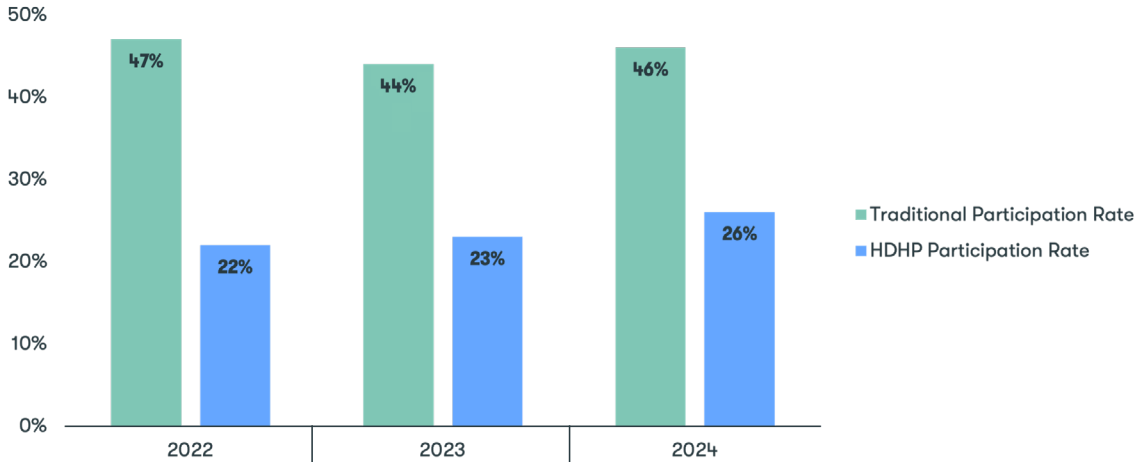


Figure 1.4: Year-Over-Year Aggregate Participation Rates When Both Traditional and HDHPs are Offered, Plan Years 2022-2024



Employees continue to enroll in traditional plans at a higher rate than HDHPs (fig. 1.2, fig. 1.3, fig. 1.4). Yet between plan years 2022 and 2024, when both traditional plans and HDHPs are offered, participation in traditional plans decreased slightly, shifting to participation in HDHPs in aggregate and across all generations (fig. 1.2, fig. 1.3). HDHP participation is highest among Generation Z, followed closely by Millennials and Generation X (fig. 1.2). In every generation, more than half of employees are still choosing traditional plans (fig. 1.3).



Employers Need to Enable Employees to Make Optimal Health Plan Selections

The percentage of employers offering both traditional and HDHPs continues to rise, while the percentages of employers offering one or the other continue to fall. This means the question for employers is no longer, “Should we offer employees a choice of health plans?” but rather, “How can we make sure each employee enrolls in the right health plan for their needs?”

When you consider that when asked about their most recent open enrollment, 72 percent of benefits eligible workers agrees that they did not make any changes to their benefits coverage or kept the same benefits coverage as last year,¹ it’s likely that at least some employees aren’t taking the time to determine whether their coverage is the right “fit” for them. In fact, 76 percent of employed Americans who are benefits eligible spend 30 minutes or less reviewing their workplace benefits information during open enrollment.²

While it’s nearly impossible to know how many people are enrolled in the “wrong” (or less than optimal) health plan, ask yourself if your employees are getting it right.

- ✔ **Do your employees’ health plan selections** meet your enrollment expectations based on what you know about their needs and the level of education and even plan steerage you’re providing?
- ✔ **Do you hear feedback** from employees that they are confident in their health plan decisions?
- ✔ **Have your enrollment numbers** changed from year to year?
- ✔ **Have employee choices** impacted your anticipated health care benefit costs?

Traditional plans are ideal for some people; consumer-directed HDHPs with a Health Savings Account (HSA) option fit the bill for others. For many, either plan can be optimized to meet their needs, often with help from supplemental and voluntary benefits. But that doesn’t mean there’s not a meaningful distinction between the two that can add up to challenges down the line if an employee is enrolled in a sub-optimal plan based on their individual needs.



Understand the need for holistic benefits guidance.

70% of benefits eligible working Americans say they want help from their employer to better understand the employee benefits they enrolled in throughout the upcoming year.¹

While most people know what to “look for” in a health plan, they may not know if they’re making the right choices, from enrollment through utilization. Selecting a sub-optimal health plan has the potential to result in:

- ✔ **Overpaying** for coverage.
- ✔ **Underutilizing** available benefits.
- ✔ Having a **less-than-satisfactory** benefits experience.
- ✔ **Under-saving** for retirement.

The consequences of these choices vary by organization and individual, of course, but when taken together, can negatively impact the collective state of employee benefits for years to come. That’s why employers are beginning to take this reality seriously and they’re eager to provide their people with better benefits enrollment support that spans the benefits mix across health and financial wellness.

Learn more in the 2024-2025 Benefits Administration Solution Buyers Guide!



Benefitfocus

2024-2025
Buyers Guide
Strategic Benefits
Administration
and Engagement



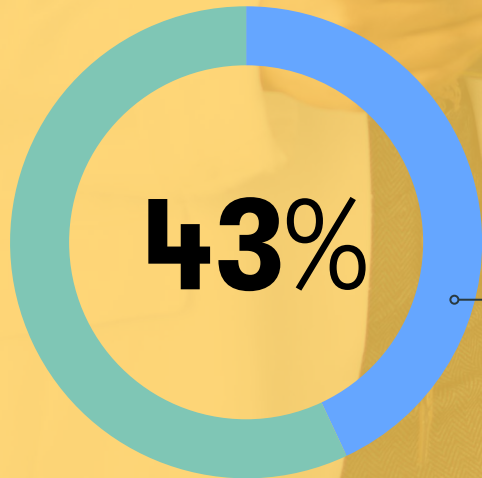


2: Health Plan Costs

Along with total premium costs, the employer share of premium across all coverage types continues to rise year over year (fig. 2.1). For plan year 2024, employer share was 78 percent, an increase of 5.4 percent from plan year 2022, reflecting an increasing shift of premium share to the employer over the last 3 plan years (fig. 2.2).

In family plans, the employer share of premium was 76 percent for plan year 2024, up from 71 percent in plan year 2022 (fig. 2.4). In Individual plans, a higher employer share of premium is indicated compared to family plans with 81 percent of total premium covered in plan year 2024, up from 79 percent in plan year 2022 (fig. 2.3, fig. 2.4). This indicates employers are giving a slightly higher advantage to employees electing individual coverage compared to family coverage (fig. 2.1).

For all three plan years, employers covered a relatively larger portion of premiums in family HDHPs compared to family PPO plans (fig. 2.4). In Individual plans, the employer share of premium is similar in both HDHP and PPO plans (fig. 2.3).



Industry Insight:

Of insured working-age adults with employer coverage,

- ✔ **43%** said it was very or somewhat difficult to afford their health care.
- ✔ **29%** said they or a family member had delayed or skipped needed health care or prescription drugs because they couldn't afford it in the past 12 months.
- ✔ **54%** who reported delaying or forgoing care because of costs said a health problem of theirs or a family member got worse because of it.
- ✔ **30%** were paying off debt from medical or dental care.

Source: [The Commonwealth Fund](#)

Health Plan Premiums

Figure 2.1: Year-Over-Year Average Employer and Employee Premiums by Coverage Type, Plan Years 2022-2024

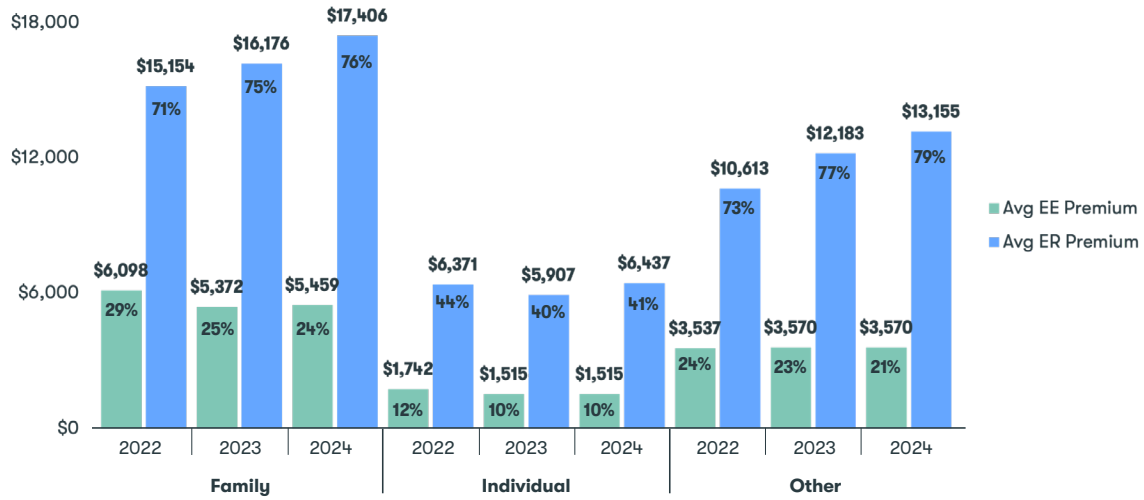


Figure 2.2: Year-Over-Year Average Employer and Employee Percent Share of Premiums, All Coverage Types, Plan Years 2022-2024

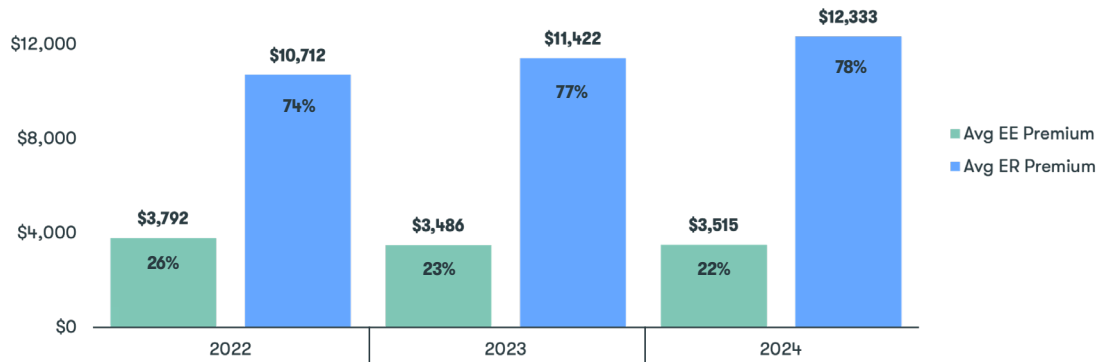


Figure 2.3: Individual Coverage, HDHP vs. PPO Premium Share, Plan Years 2022-2024

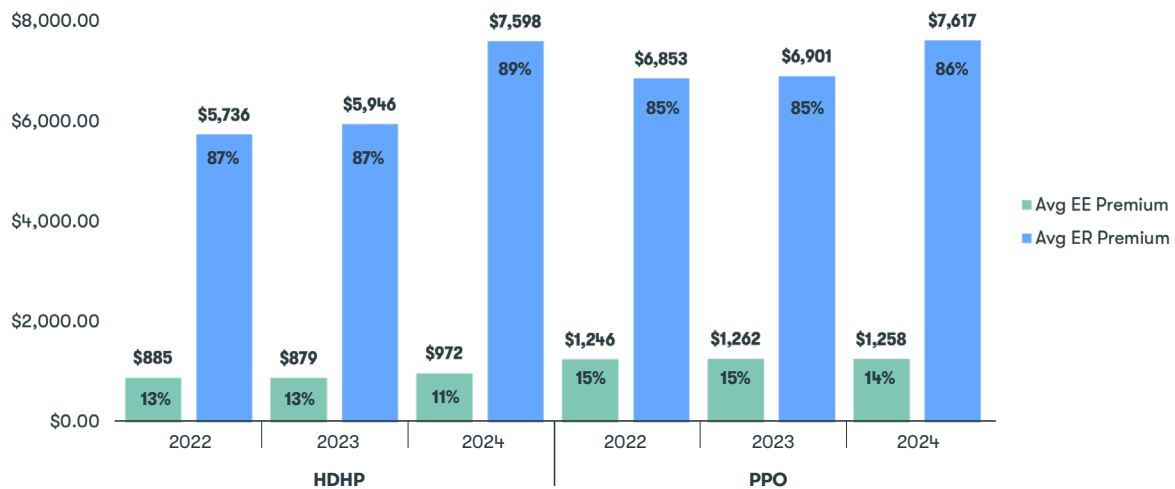
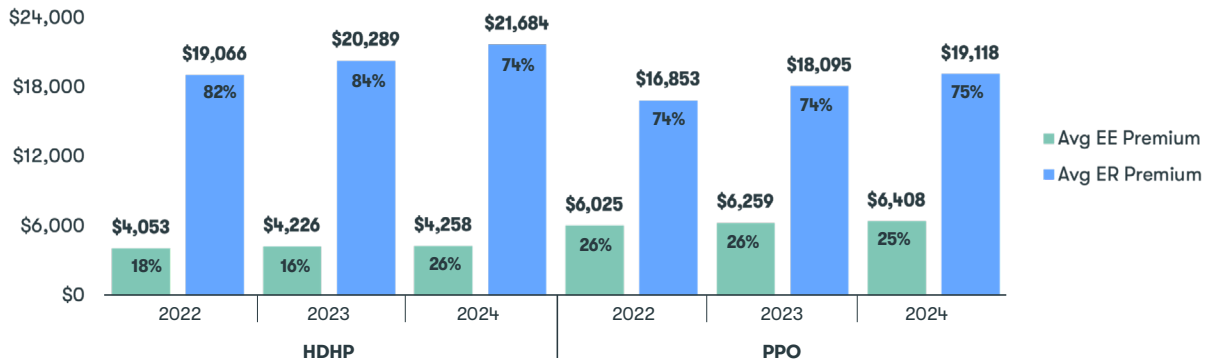


Figure 2.4: Family Coverage, HDHP vs. PPO Premium Share, Plan Years 2022-2024



A Closer Look at HDHP Health Plan Premiums

Figure 2.5: Average Total Premium Trend, HDHPs vs. Non-HDHPs, Plan Years 2022-2024

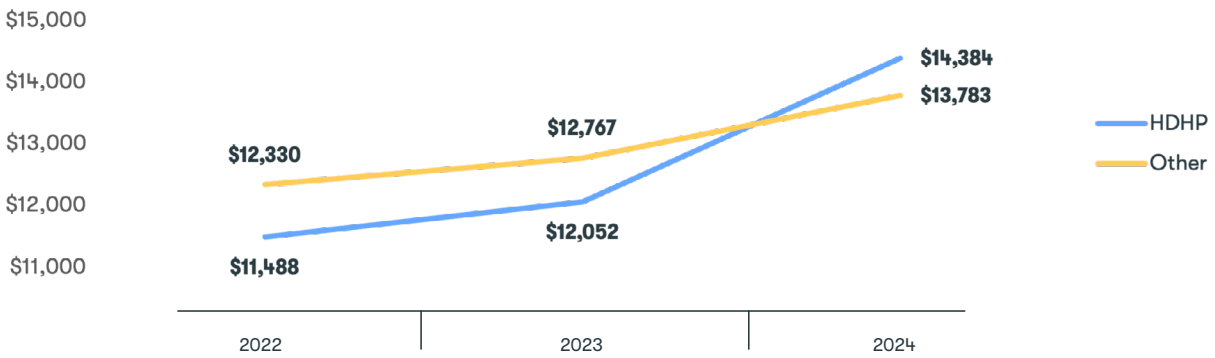


Figure 2.6: Year-Over-Year Employer and Employee Percent Share of Premiums, HDHPs vs. Non-HDHPs, Plan Years 2022-2024

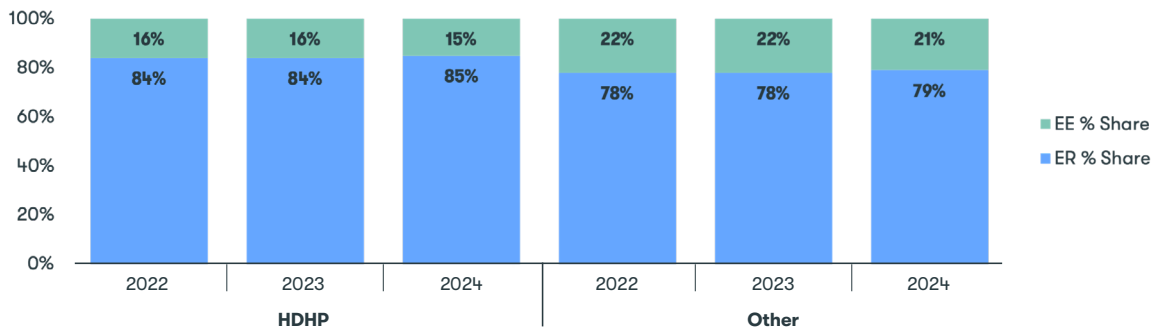
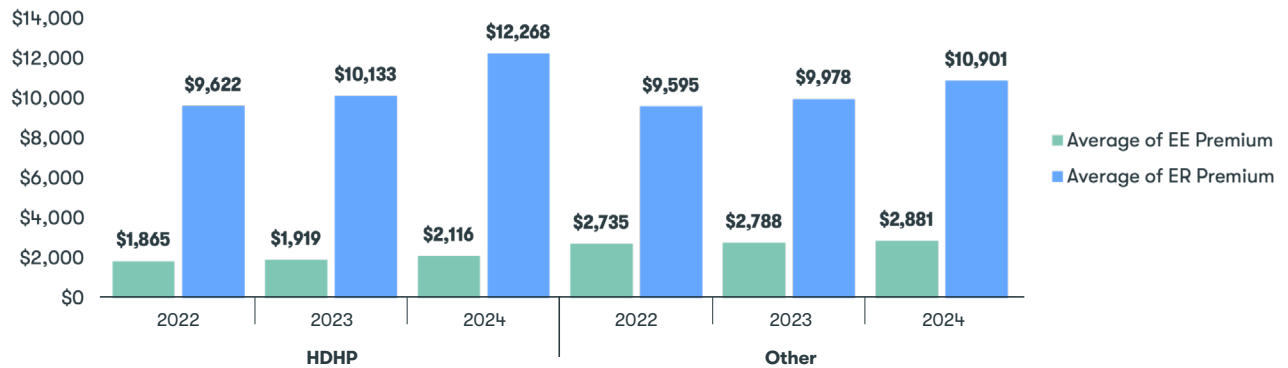


Figure 2.7: Year-Over-Year Average Employer and Employee Premiums, HDHPs vs. Non-HDHPs, Plan Years 2022-2024



Comparing premium and cost-sharing trends between HDHPs and non-HDHPs (e.g., PPOs, HMOs, EPOs, POS plans), average total premiums for HDHPs exceeded those of non-HDHPs (\$14,384 and \$13,783, respectively) for plan year 2024 after two years of non-HDHPs being the costlier option (fig. 2.5). Total average premium for HDHPs rose 25.2 percent between plan years 2022 (\$11,488) and 2024 (\$14,384) (fig. 2.7).

The employer share of premium remained six percent higher for HDHPs compared to non-HDHPs over the three-year period; in plan year 2024, for example, employer share was 85 percent compared with 79 percent, respectively (fig. 2.6).

A Closer Look at Generational Premiums

Figure 2.8: Year-Over-Year Average Employee Premiums, HDHPs, Plan Years 2022-2024

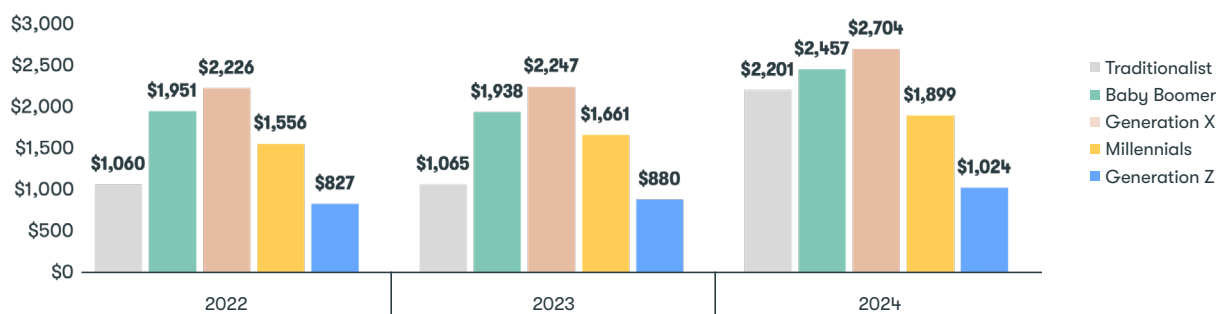


Figure 2.9: Year-Over-Year Average Employee Premiums, Non-HDHPs, Plan Years 2022-2024

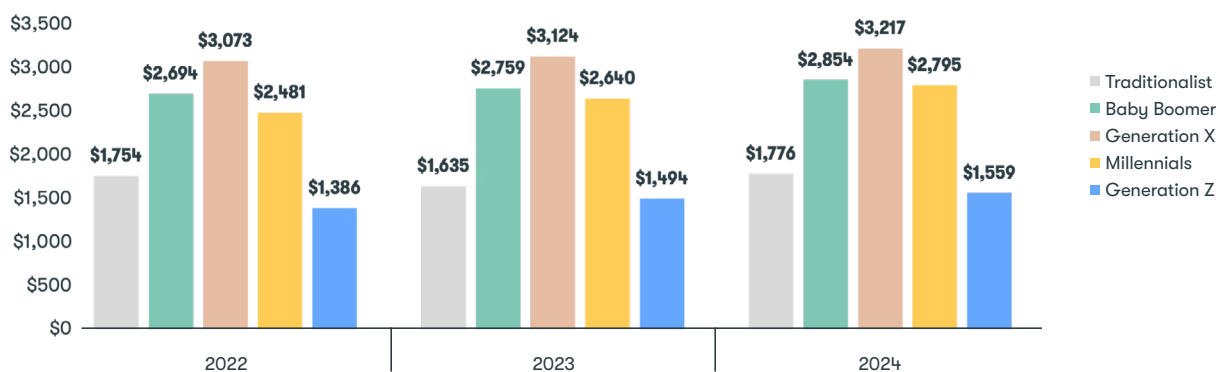


Figure 2.10: Average Employee Premium by Generation, All Plans, Plan Years 2022-2024

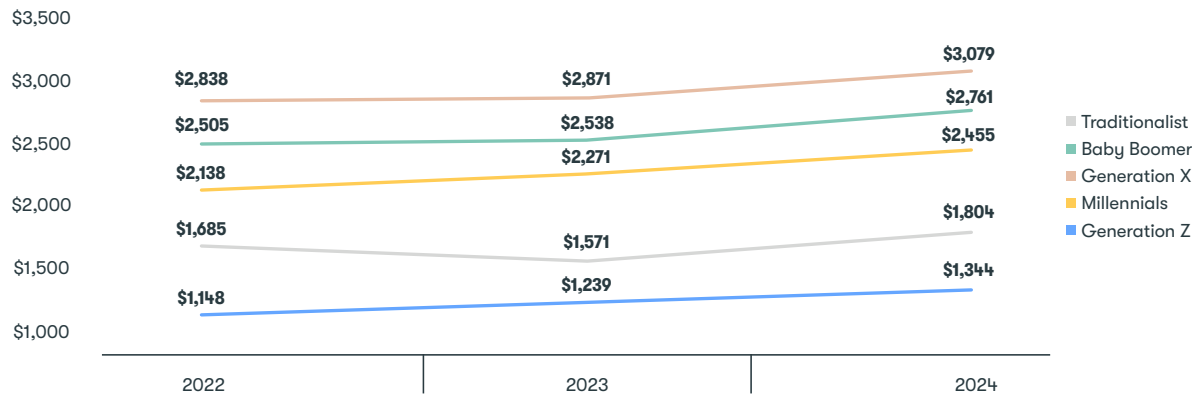


Figure 2.11: Year-Over-Year Change in Salary by Plan Type, Plan Years 2022-2024

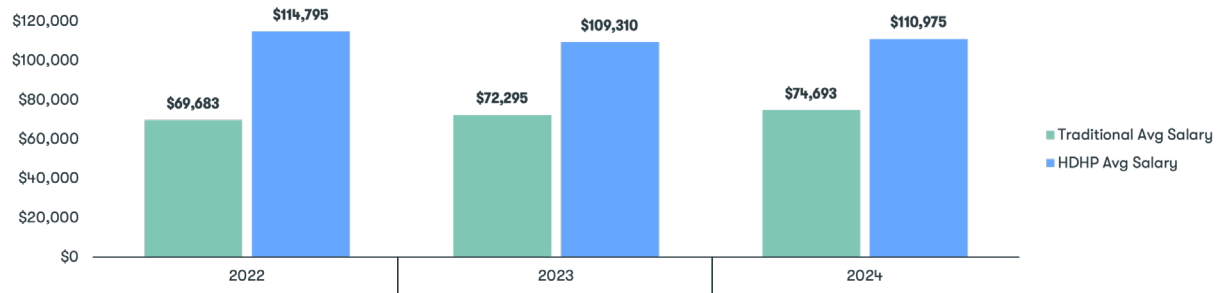
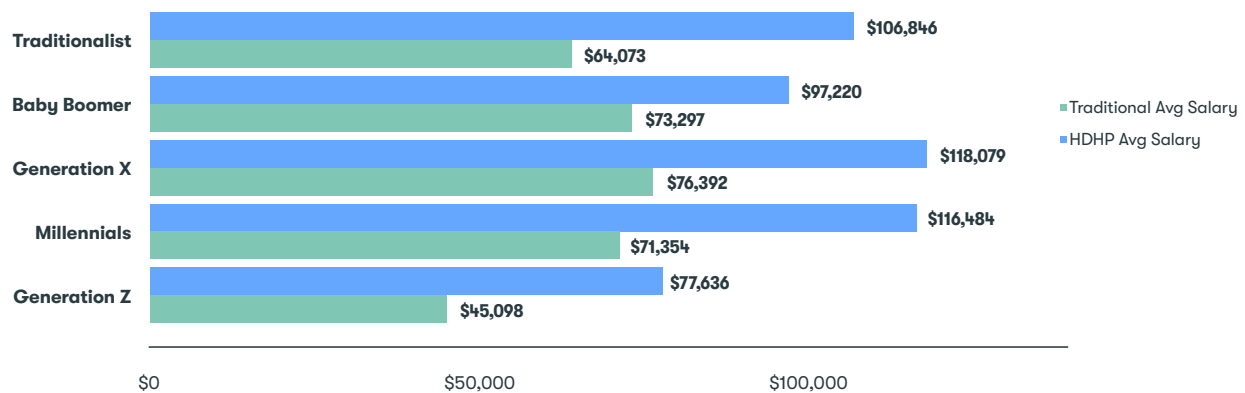


Figure 2.12: Average Salary by Generation and Plan Type, Plan Years 2022-2024



Generation X has the highest premiums compared to other generations, across all plans (fig. 2.8, fig. 2.9, fig. 2.10). Across 2022, 2023 and 2024 plan years, the average salary of employees electing an HDHP was higher than those electing a traditional plan when both types of plans were offered (fig. 2.11). Across generations, higher salaried individuals choose HDHPs over traditional plans when both are offered (fig. 2.12).

Employers Need Solutions to Help Employees Across all Generations Manage Their Health Care Costs

Today's story around health care plan costs is not that the costs continue to rise or that employers need to continue to strike the right cost-sharing balance to keep employees satisfied. The fact is employers have been grappling with rising costs – and how to manage them – for decades.

Employers know that there's nothing simple in the world of employer-sponsored health care coverage – they have a well-seasoned understanding that health coverage costs are shaped by a variety of factors, only some of which are in their control. And offering health insurance isn't always enough. Even those who are covered by health insurance experience the burden of health care costs.

What are employees doing to manage their future health care costs?

According to a Voya Financial Consumer Insights & Research survey, working Americans plan to take these actions over the next 12 months:³

- ✔ **Keep track of their medical expenses** to help them make more informed benefit decisions during annual enrollment (39 percent).
- ✔ **Take advantage of telehealth services** to cut down on out-of-pocket medical costs (30 percent).
- ✔ **Contribute more** to a health spending and savings account (e.g., HSA, FSA, etc.) (29 percent).

The modern challenge for employers has been experimenting with health plan design and pricing models that minimize cost increases for the organization and the individual employee. While this endeavor increasingly includes offering

supplemental, voluntary and consumer-directed and savings-based benefits products – “getting creative” with the employee benefits package is just the starting point.

Employers are managing costs in a wide variety of ways, including:

Medical Plan and Benefits Design

- ✔ **Network architecture** – Narrow, tiered, high-performing, direct, etc.
- ✔ **Benefit offers & options** – HDHPs with HSAs, ICHRAs, and offering supplemental/voluntary benefits such as hospital indemnity, accident, critical illness, life and disability.
- ✔ **Premium tier structure** – Spousal surcharge or carve-out, eliminate/offer fewer tier options (for example only offering two-tiers of employee and employee + family), salary-based contributions/premiums.
- ✔ **Copay methodology** – encourage steerage by subsidizing copays for more affordable options such as telemedicine and/or urgent care copays over emergency room copay, and generic over specialty drugs (implement step therapy and prior auth in Rx benefits).

Employee Wellbeing Engagement and Education

- ✔ **Total wellbeing approach to improve utilization** – Promotion of preventive care, primary care providers (finding a medical home), and disease/chronic health condition management (msk, diabetes, mental health, cancer, etc.).
- ✔ **Health care navigation & concierge** – Cost transparency tools, centers of excellence (COE), and care advocacy (second opinion services, caregiver support, etc.).
- ✔ **Wellness incentives & programs** – Premium discounts, shared cost-savings, HSA matching/seed money, onsite clinics/improve access to care.

Benefits Industry Partnerships and Pricing Arrangements

- ✔ **Work with** consultant/brokers, carriers and technology partners to maximize benefits package, employee experience, and access population health management data.
- ✔ **Pricing negotiation strategies** with reference-based pricing, value-based pricing, specialty drug pricing, direct contracting with health care providers.
- ✔ **Focus on** fraud, waste and abuse in health care spend – getting access to data and industry expertise to identify and resolve issues.

Consider generational differences as you strategize employee benefit communications.

Another pathway into managing benefits spend is through a more targeted “meet employees where they are” approach to benefits education and communications. An individual’s needs across health care and financial wellness are influenced greatly by their age and life stage. Our data revealed some interesting trends related to generations:

- ✔ **Generation X** has the highest premiums compared to other generations, across all plans.
- ✔ **Across generations**, higher salaried individuals choose HDHPs over traditional plans.
- ✔ **HDHP participation** is highest among Generation Z.

Whether these findings are expected or come as a surprise depends on an employer’s unique workforce and goals. Multiple factors go into the health plan selection and cost equation, but we can speculate, for instance, that:

- ✔ **Employees in the Generation X age range** are relatively frequent users of health care coverage, receiving preventive care and beginning to face chronic health conditions that may require costly maintenance. They’re potentially also responsible for the health care of both children and adult dependents. These factors may explain their higher premium rates.
- ✔ **Higher earners** are more comfortable with the potentially higher out-of-pocket exposure of HDHPs – or perhaps employees earning less need more education on the financial advantages of HDHPs and could benefit from a decision-support tool during enrollment.
- ✔ **Generation Z’s relatively larger adoption of HDHPs** may be because younger employees gravitate toward the lower premiums of some HDHPs, or that they’re less risk averse. (Then again, **McKinsey research** has revealed that those in Generation Z are more pragmatic than millennials, which could translate to being more risk averse than their older counterparts!)

There’s not always a simple, or even single, answer. That’s why it’s important to understand what your employees are looking for in a benefits program – and how you expect your program to perform by way of enrollments, utilization and even cost savings. As a result of knowing your employees, trends in your benefits data will take on greater meaning and it will be easier for you to discern whether your benefits offerings and communications are meeting the needs of your employees and your organization’s goals.

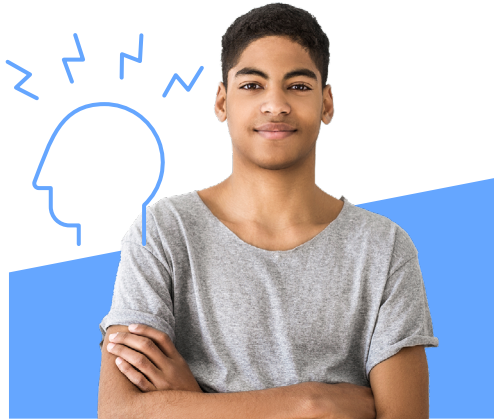
Learn more in the Assess for Success Playbook!

Q1 2023
Employee Benefits Enrollment & Engagement Playbook

Your quarterly game plan to help you and your workforce make the most of your benefits.

Benefitfocus

Generational Benefits Considerations



Gen Z struggles with work-related burnout and wants support via robust mental health benefits.



Gen X wants the time flexibility to attend to their family responsibilities — caring for elderly parents and their children.



Millennials see their student debt as an impediment to financial health and want employers to help lighten the load.



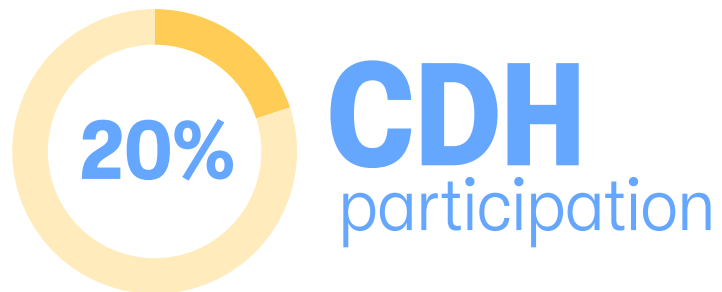
Boomers are approaching retirement, and like all the help they can get in achieving financial security before leaving the workforce.



3: Health Care Savings & Spending Accounts

The percentage of employers offering HSAs and/or FSAs dropped by 3.7 percent from plan year 2022 to plan year 2024 (fig. 3.1). The percentage of employers offering both HSAs and FSAs or offering only FSAs increased slightly (fig. 3.2).

Participation in CDH plans (fig. 3.3) declined to 20 percent in plan year 2024, down from 25 percent in plan year 2022, with HSAs driving the downward trend (fig. 3.4). Participation in HSA plans is higher than FSA plans across all generations except Traditionalists (fig. 3.5, fig. 3.6). Plan year 2024 saw significant drops in HSA participation from Baby Boomers and Generation X, down from 38 percent and 45 percent, respectively, in plan year 2022 to 19 percent and 26 percent, respectively, in plan year 2024 [fig. 3.6].



Industry Insight:

According to the most recent data from the Employee Benefits Research Institute (EBRI):

- ✔ HSA balances continued to increase over the course of the year, despite higher spending on health care.
- ✔ Accounts that received an employer contribution saw higher total contributions and were more likely to invest.
- ✔ Most accountholders took a distribution in 2022 – and the average distribution was \$1,868.
- ✔ Relatively few (13 percent) HSAs are invested.

Source: [Employee Benefit Research Institute](#)

Employer Health Care Savings and Spending Account Offerings and Employee Participation

Figure 3.1: Percentage of Employers Offering HSAs and/or FSAs, Plan Years 2022-2024

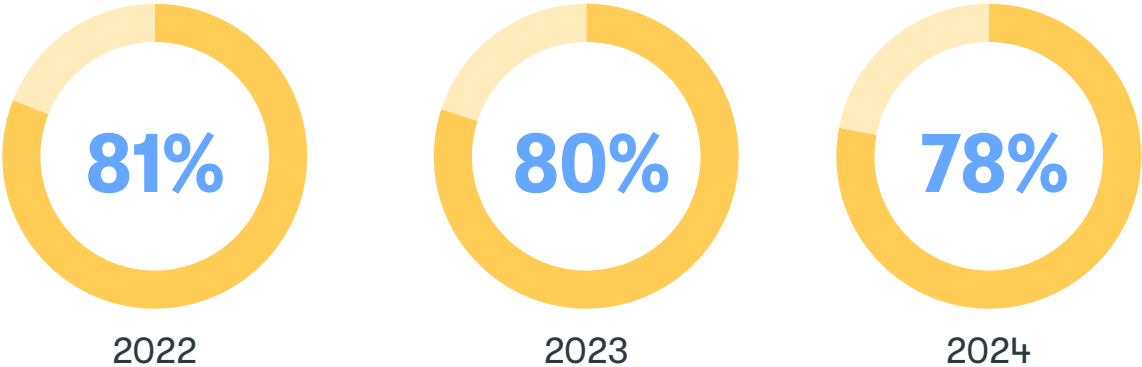


Figure 3.2: Employers Offering HSAs and/or FSAs, Plan Years 2022-2024

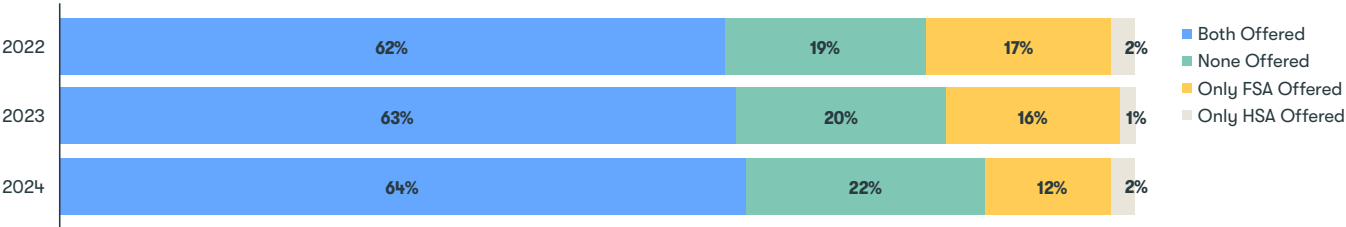


Figure 3.3: Year-Over-Year Combined HSA and FSA Participation Rates Among Employees with a Health Plan Offer, Plan Years 2022-2024

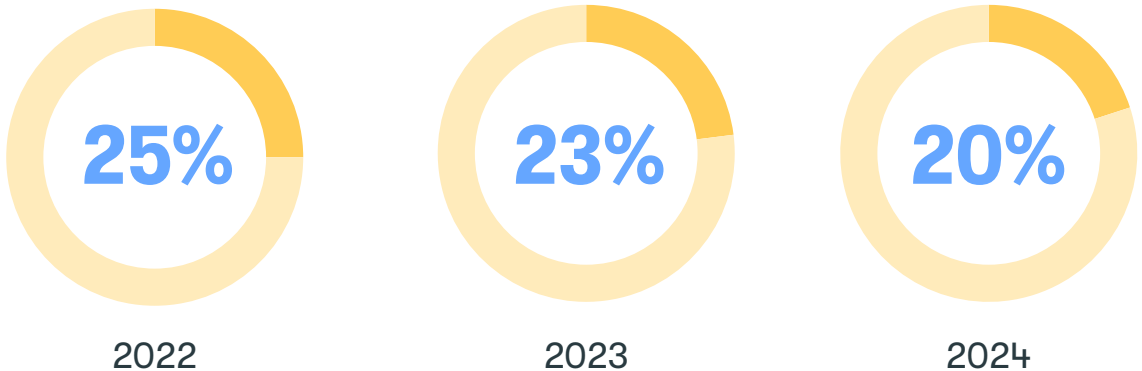


Figure 3.4: Year-Over-Year HSA and FSA Participation Rates, Plan Years 2022-2024

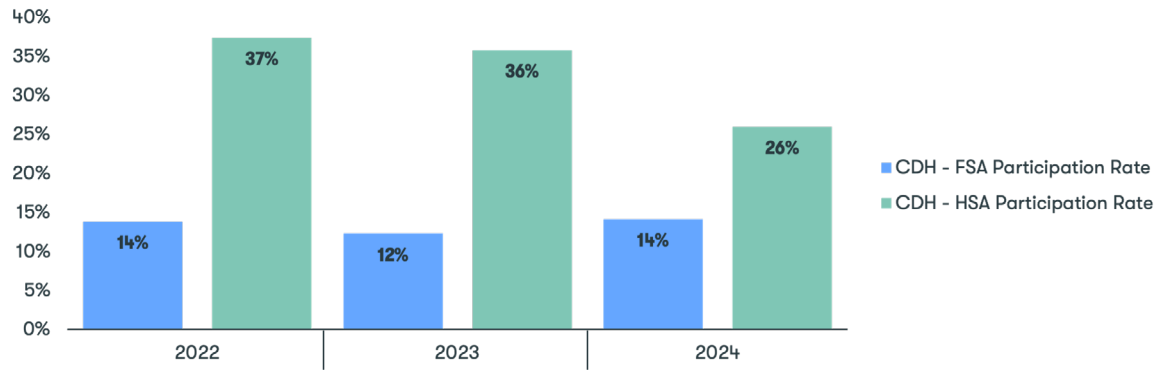


Figure 3.5: Year-Over-Year FSA Participation Rates by Generation, Plan Years 2022-2024

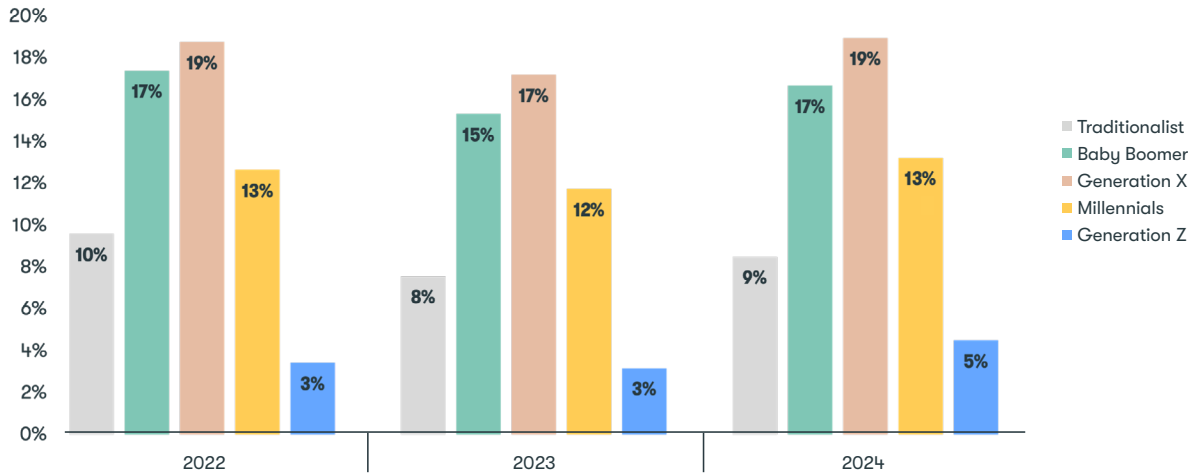
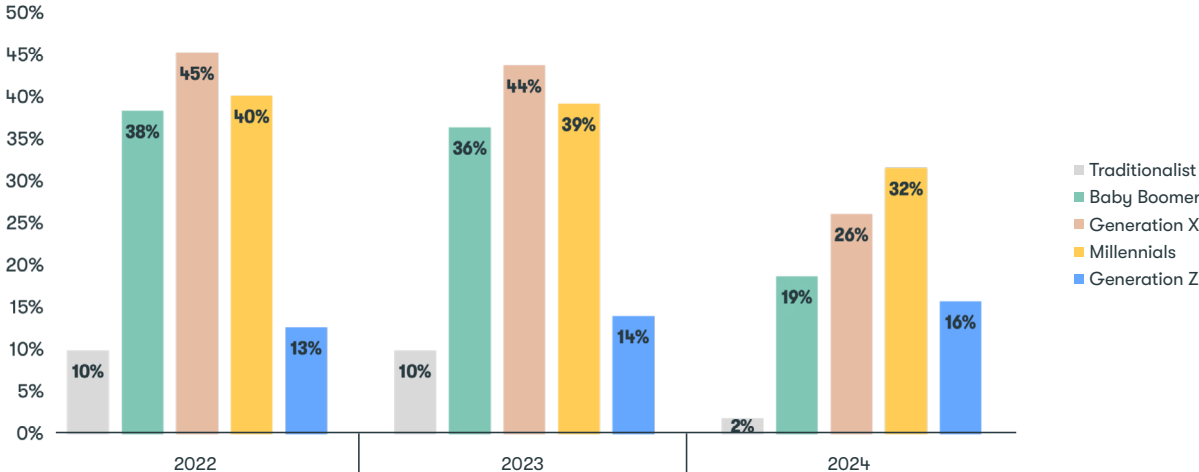


Figure 3.6: Year-Over-Year HSA Participation Rates by Generation, Plan Years 2022-2024



Employers Need to Help Employees Make the Connection Between Health Care and Savings

Fewer employers offered a CDH offering for plan year 2024, compared with plan year 2022. Employee participation in CDH plans also declined to only 20 percent in plan year 2024. While our primary data for this report is limited to employer offerings and employee participation, we can refer to the EBRI findings to assess HSA account holder behavior – that is, how they are contributing to, withdrawing from and investing in their HSAs.

As noted by EBRI,⁴

“...the percentage of (HSA) accountholders who invest some portion of their HSAs remains stubbornly low; only about 13 percent of accountholders currently hold investments outside of cash in their HSAs. Even among those who invest, most take distributions from their HSAs, suggesting that even these accountholders might not be taking full advantage of the tax benefits HSAs offer, perhaps because they lack sufficient cash flow to pay for medical expenditures entirely out of pocket. There is some encouraging evidence suggesting that as time passes, accountholders may gain some clarity in how their HSAs fit into their personal finances, and as a result of this, a greater share of them begin investing, suggesting the importance of outreach and education efforts when it comes to HSAs (Spiegel 2021).”

For employees to realize the full value of consumer-directed health care, employers need to raise awareness of HDHP/HSA programs and their advantages – and provide their people with effective health care and savings tools and resources to help them manage their benefits and health care dollars. Results of a Voya Financial Consumer Insights & Research survey indicate there is a major opportunity to educate working Americans on all the benefits/uses of HSAs.⁵

- ✔ **Only 3 percent** of the working Americans surveyed understood the full benefits of HSAs by correctly selecting all options (compared to 2 percent in 2020).
- ✔ **Knowledge levels are (still) low** and only slightly increased among those who own an HSA (5 percent), and those who have an account balance of \$5k or more (8 percent).

For as much as benefits professionals tout the advantages of HDHPs, they are not necessarily the best option for every employee. If an employee is mismatched with a health plan and/or is unprepared to cover their share of medical costs, they will likely make choices that put their health and livelihood at risk. Case in point: a recent **JAMA study** of US adults with diabetes found that those who switched to HDHPs were significantly more likely to experience serious, but preventable, acute diabetes complications compared with patients who remained in conventional insurance plans.

That’s why first and foremost, it’s critical that employees enroll in the right type of health plan for them. Our research shows that 84 percent of employers on our platform offer employees both HDHPs and traditional plans – a giant step in the right direction. And employees say they want support for making benefits choices.

Connecting health and savings year-round can help impact outcomes.

For a typical U.S. adult, choosing health care benefits is among the most significant decisions they'll make across their working lifetime – decisions that have a clear impact on two of the most important life areas: current and long-term health and financial wellness. Yet for the most part, health care and financial wellness benefits are thought about, managed and selected in silos, as though they weren't associated at all.

When making decisions about their health care and financial benefits separately, employees are at risk of being left poorly protected with respect to their health and financial security – and employers are unable to realize the full value of the investment they're making in their people. The good news is that Voya Consumer Insights & Research has found that employees want help making choices.⁶

- ✔ **84 percent** of Voya's plan participants are very/somewhat interested in an online/digital personal financial tool that allows them to see ALL of their financial and employer benefits information in a single place.
- ✔ **79 percent** are very/somewhat interested in help to maximize their benefit dollars across retirement savings, HSA, health care insurance and voluntary benefits.

Presenting benefits in this way helps deliver a holistic experience that gets workplace benefits and savings in sync – helping employees understand the interdependence across health, retirement and savings and providing them with the guidance and support to consider how one choice might impact another.

A decision support tool will enable you to reduce friction to help employees make confident decisions with a goal of realizing more value from their workplace benefits. But keep in mind: smarter decisions at open enrollment aren't enough. Employers must also help employees understand and fully optimize the value of their benefits and to utilize them more effectively throughout the year, potentially leading to better outcomes for the employee and the organization.



Learn more in How to Shift to a More Effective Benefits Administration Strategy!

How to Shift to a More Effective Benefits Administration Strategy

Getting workplace benefits and savings in sync to drive better results

Benefitfocus



4: Supplemental & Voluntary Benefits

For all three plan years, participation is highest in accident insurance plans, followed by CI and HI insurance plans (fig. 4.1). When compared with employees enrolled in non-HDHPs, those enrolled in HDHPs have lower participation in all voluntary benefit types, except legal benefits (fig. 4.2).

Across accident, CI, HI, ID, legal and pet benefits, Generation X has the highest participation overall, followed by Millennials and Baby Boomers (fig. 4.3). Traditionalists have the lowest participation in these benefits (fig. 4.4).



Industry Insight:

77% of employers say voluntary benefits are essential for delivering a comprehensive benefits plan – and **74%** see direct cost savings from voluntary benefits programs.

Source: Buck, 2024 Wellbeing and Voluntary Benefits Survey



Employer Supplemental and Voluntary Benefits Offerings and Employee Participation

Figure 4.1: Year-Over-Year Percent of Groups Offering Accident, CI, HI, ID, Legal and Pet Voluntary Benefits, by Benefit, Plan Years 2022-2024

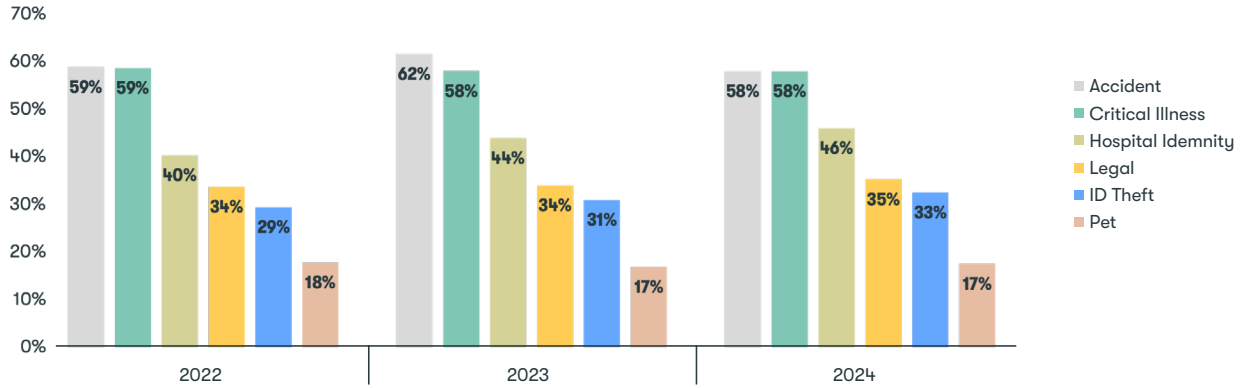


Figure 4.2: Year-Over-Year Voluntary Benefits Participation, HDHPs vs. Non-HDHPs, Plan Years 2022-2024

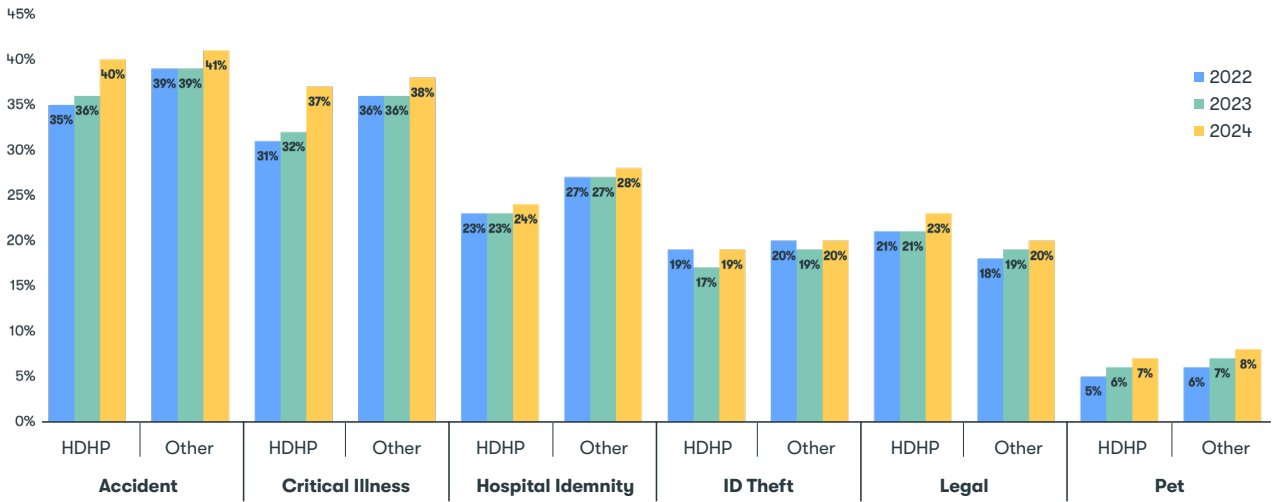


Figure 4.3: Participation by Generation and Voluntary Benefit Type, Plan Years 2022-2024

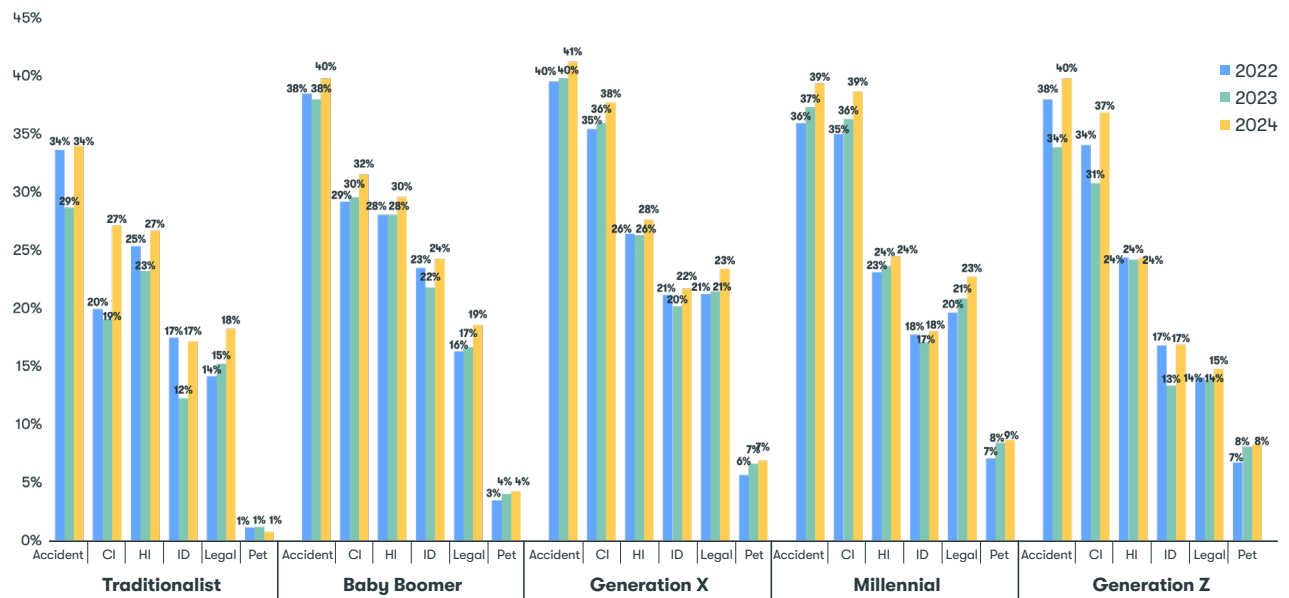
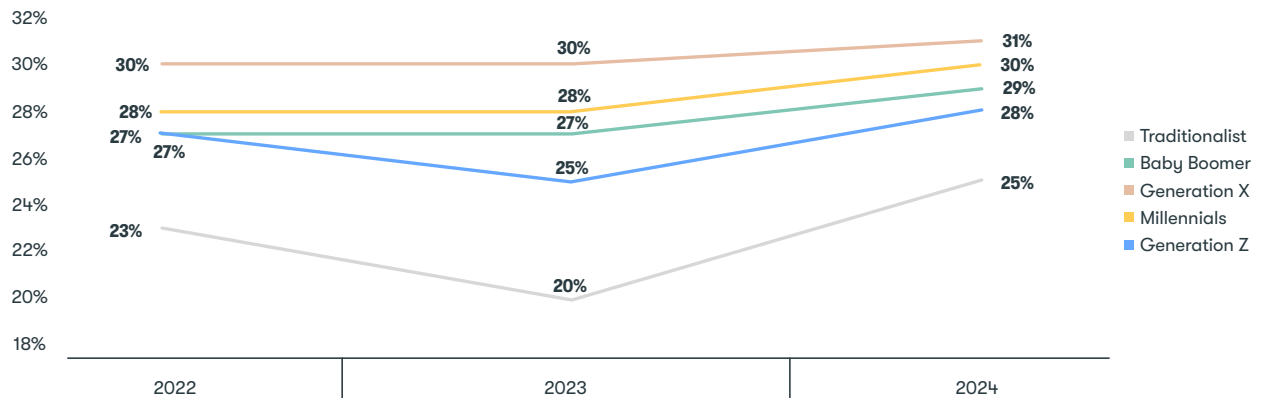


Figure 4.4: All Voluntary Benefit Participation by Generation, Plan Years 2022-2024



Employers Need to Offer Voluntary Benefits that Add Value to Employees’ Whole-Person Wellbeing

In addition to core benefits, many employers offer various products, plans and solutions that can expand coverage options or address specific health or lifestyle needs. These may be paid for by the employer, employee or both, depending on organizational strategies and goals. In broad strokes, they tend to be popular with employees, add some color and interest to the benefits “menu” and can go far to protect and promote a happy, healthy lifestyle.

On average, according to **Buck**, employers offer 13 voluntary benefits. When employees have access to benefit options that resonate with them, there’s potential to improve health and financial outcomes

and employee satisfaction with their benefits plan. Seventy seven percent of employees surveyed by **Buck** in 2023 said voluntary benefits are an essential part of a comprehensive benefits package, up from 68 percent in 2022. What's more, among benefits eligible workers surveyed by Voya:¹

- ✔ **77 percent** agree that they are more likely to work with an employer who offers voluntary benefits like critical illness insurance, hospital indemnity insurance, disability or accident insurance.
- ✔ **60 percent** agree that they are more confident in their financial security due to the voluntary benefits that they enrolled in.

The strategy around voluntary benefits – their availability and utilization, communication and education – should consider an employee's needs based on demographics, preferences, claims data and more. It should also enable employees to easily enroll in supplementary offerings that have the potential to make personal impact.

Identify what's important to your workforce – and take action.

Formally checking with employees to get feedback on your benefits programs is one of the best ways to know if your benefits are meeting their needs and expectations. If you're not already asking employees what benefit offerings would add value to their life – and drive satisfaction with your employee benefits package – start now. A simple survey will help you quickly spot trends and prioritize products and solutions, such as caregiver benefits or a mental health app, to add to your benefits lineup.

Improve your benefits offerings with claims data.

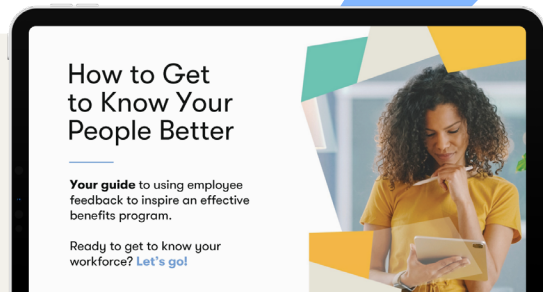
Putting your health plan data to work can help you better evolve your benefits program, maximize ROI and innovate. Health plan and claims data can be used as a strategic accelerator, helping you understand what your employees need most so you can refine your benefits offerings to be efficient and cost-effective. For instance, you may uncover that a significant percentage of claims spend is related to emergency room visits (for non-emergent issues). This information could lead your team to develop better employee benefits education or offer a telemedicine app, ultimately reducing costs.

Provide a benefits experience that connects all the dots.

Supplemental benefits are designed to work in concert with major medical coverage and health savings vehicles to help employees optimize overall benefits spend and minimize risk. Yet Voya research revealed that almost half (47 percent) of benefits eligible workers agreed that they feel the process to review their voluntary benefits options/coverage was difficult and only about half (55 percent) agreed that they used online tools and resources outside of those offered by their employer to help them understand their voluntary benefits enrollment.¹

Remember that a connected benefits experience – one that educates and guides enrollees through benefits selection – can help employees see the value of incorporating supplemental and voluntary benefits into their personal benefits mix. In fact, using personalized enrollment guidance functionality has been shown to result in 2x higher participation rate in accident and critical illness benefits.⁷

Learn more in the How to Get to Know Your People Better Playbook!



Next Steps

Employee benefits are more important to the workforce than ever, making a successful benefits strategy essential for organizations. Yet as benefits become more costly and complex, administering benefits and driving impactful employee engagement with them is increasingly challenging for HR teams.

It's time for meaningful change in the way employers administer employee benefits so that their HR teams and employees can unlock the full value of their benefit plans and programs. Benefits leaders are eager for a fresh approach that not only makes their jobs easier and their work more impactful, but that gives their employees a better way to choose, use and engage with their benefits.



Here are actions employers can consider to drive a more impactful state of employee benefits in the years to come:

Make it easy for employees to choose and use their benefits.


Delivering a user-friendly enrollment experience – one that allows employees to consider their core and supplemental health care and financial wellness offerings side-by-side – can go far in helping people meet their unique needs. Then, communicating regularly with employees and leveraging a digital benefits hub to enable access and connect them to the quality care they need will help maximize their benefits and keep their plans and programs top-of-mind.

More than 8-in-10 employees (85 percent) express interest in a “one-stop” digital offering to help them learn more about their benefits and make decisions all in one place, which signals there is room for additional educational opportunities to support employees and ensure they are making the best choices to meet their needs/lifestyle during open enrollment.¹

How Benefitfocus Can Help

With a single platform to simplify employee benefits enrollment, communications and administrative tasks, Benefitfocus brings together technology and a culture of service excellence to make the process of health care plan selection and enrollment easier for your employees. The centralized, mobile-friendly benefits hub provides a seamless enrollment experience featuring a personalized decision support engine and a care navigation tool.

[Learn more about our Benefits Administration Solution.](#)

 **Connect employees to the quality care they need.**

People typically ask their primary care doctor, family or friends for health care provider referrals, but this doesn't always lead to an optimal experience. Using a modern care navigation solution that leverages metrics can help enable you to lower total claims costs.


Top performing doctors have been found to eliminate **70 percent** of low-quality and wasteful care.⁸

How Benefitfocus Can Help

Guiding employees to high-quality care can help eliminate wasteful spending. Benefitfocus offers a care navigation solution that helps drive employees to the top-performing doctors in their network. Using data science and innovative incentive accounts, this simple plan addition can help enable you to provide richer benefits to employees, improve health outcomes and lower total claim costs.

[Learn more about Care Navigation.](#)

Employers have seen a 27 percent average claim savings per episode of care when employees use a care navigation solution.⁹

 **Help employees understand how HDHPs and HSAs work together.**

Don't take it for granted that HDHP enrollees will know what to do "next" – that is, open and contribute to an HSA. Make it easy for employees to understand the interdependence across health, retirement and savings with a decision support tool that provides them with intuitive guidance to help them consider how one choice might impact another. Delivering this support as part of the benefits enrollment workflow is key because it builds employee confidence in their selections.

72 percent of benefits eligible workers agree that they are interested in a support and guidance tool that helps them understand how much money to put aside for retirement, emergency savings and health care expenses.¹

How Benefitfocus Can Help

Benefitfocus makes it easy for employees to make smarter decisions about their benefits through a connected experience across health, retirement and household savings. Using real data science to understand the individual and make suggestions based on their specific circumstances and needs, our fully integrated decision support solution helps employees optimize their enrollment and savings decisions.

[Learn about Benefitfocus Decision Support.](#)

For employees using personalized enrollment guidance, Benefitfocus clients experienced:⁷

- ✔ **26 percent** higher HDHP enrollments
- ✔ **A 14 percent** higher HSA adoption rate
- ✔ **35 percent** higher supplemental health insurance adoption

Put your claims data to work.

Harness the potential of big data analytics by partnering with a benefits administration vendor who can help you understand and take action on your health care data. When you're able to identify risks and opportunities, act with confidence and measure results, you'll be on your way to controlling health care costs and improving outcomes.

64% of workers agree that they would be willing to share their health claim history with their workplace wellness program provider in order to receive more personalized service.¹⁰

How Benefitfocus Can Help

Benefitfocus can unlock the power of your health care data to help your organization control costs and improve health outcomes. Health Insights – a thoughtful combination of health care data analytics, technology and expertise – gives you a powerful solution to help optimize the impact and ROI of your benefit strategy.

Learn about Health Insights.

Our health care data analytics solution has helped our clients achieve significant savings in a range of benefit program areas. Sample result: **\$1M saved in one year** through reduction in ER use by targeting certain conditions identified in data analysis.¹¹

As one of the leading benefits administration companies in the industry, Benefitfocus – a Voya Financial company – is committed to helping organizations and the individuals they serve get the most value out of their health care and benefit programs. Engaging directly with more than 12 million* employees in the U.S., Benefitfocus' mission is to improve lives with benefits. Through exceptional service and innovative benefits administration technology, Benefitfocus helps simplify the complexity of benefits and deliver an experience that engages people for better health and improved outcomes.



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

*1Q 2024 Voya Financial Fact Sheet. Through its insurance companies, Voya is a leading provider of supplemental health insurance in the U.S. and offers a comprehensive and highly flexible portfolio of stop loss, life, disability, and voluntary insurance products to businesses covering more than 7.2 million individuals through the workplace. Voya also offers health savings and spending accounts through our health accounts solutions business. Benefitfocus, a Voya company and a leading benefits administration provider, extends the reach of Voya's workplace benefits and savings offerings by engaging directly with over 12 million employees in the U.S.

Benefitfocus.com, Inc. and its affiliated companies (collectively, "Benefitfocus") is making available to you the Personalized Decision Support tool offered by SAVVI Financial LLC ("SAVVI"). Benefitfocus is a Voya Financial ("Voya") business. Voya has a financial ownership interest in and business relationships with SAVVI that create an incentive for Voya to promote SAVVI's products and services and for SAVVI to promote Voya's products and services. Please access and read SAVVI's Firm Brochure, which is available at this link: <https://www.savvifi.com/legal/form-adv>. It contains general information about SAVVI's business, including conflicts of interest.

About the Data

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.

“Family coverage” is defined as coverage levels that had at least one employee, one spouse/domestic partner and one child. For premium metrics, all averages are annual premium amounts. All dollar amounts have been rounded

to the nearest whole dollar. All percentages, with limited exceptions, have been rounded to the nearest whole number within the report and single decimal within the appendix. Subscribers 17 years of age and younger have been removed. The data for insufficient sample sizes has been withheld.

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.

Benefitfocus is not an actuarial firm, and Benefitfocus is not acting as an actuary or determining any actuarial basis for employer benefit offerings. Benefitfocus does not underwrite insurance and does not give legal advice regarding the adequacy of coverage limits or types. The State of Employee Benefits Report is not a substitute for the advice of an attorney, tax, actuarial or other professional advisors.

¹ Voya 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.

² Voya Financial Consumer Insights & Research survey conducted September 22-23, 2023, among 710 working Americans who are benefits-eligible.

³ Voya Financial Consumer Insights & Research survey conducted with Morning Consult between August 9-13, 2023 among n=501 working Americans age 18+ who have both an employer-sponsored retirement plan and a medical/health plan.

⁴ EBRI 3/7/24 Issue Brief

⁵ Voya Financial Consumer Insights & Research survey conducted with Morning Consult between March 9-15, 2023 among n=500 working Americans age 18+ who have both an employer-sponsored retirement plan and a medical/health plan, featuring n=188 health savings account owners.

⁶ Voya Consumer Insights & Research, 2023 Retirement Plan Participant Research.

⁷ Among select client groups using new personalized enrollment guidance functionality in Benefitplace™ fall 2023 annual enrollment period for 1/1/24 benefit effective dates.

⁸ Statistics come from a combination of data from the Kaiser Family Foundation, CMS and Garner Health analysis of medical claims nationally during 2015-2021 plan years. The integrated care program is not intended to create a fiduciary relationship between a Benefitfocus client and Benefitfocus, its subcontractors, or its partners. As a requirement in making such services available to its employees, Benefitfocus clients shall not mandate participants in any client-sponsored benefit plan to use the services. Neither Benefitfocus, its subcontractors, or its partners are authorized to provide any medical or professional services or advice requiring professional licensure. Benefitfocus only provides certain data via the services as a decision support tool, and nothing within the integrated care program is intended to or does provide or replace medical advice from a properly licensed healthcare provider.

⁹ 27% is average reduction in cost for episode of care where patient saw doctor suggested by Garner platform vs. doctor not suggested by Garner platform. Actual results may vary. The integrated care program is not intended to create a fiduciary relationship between a Benefitfocus client and Benefitfocus, its subcontractors, or its partners. As a requirement in making such services available to its employees, Benefitfocus clients shall not mandate participants in any client-sponsored benefit plan to use the services. Neither Benefitfocus, its subcontractors, or its partners are authorized to provide any medical or professional services or advice requiring professional licensure. Benefitfocus only provides certain data via the services as a decision support tool, and nothing within the integrated care program is intended to or does provide or replace medical advice from a properly licensed healthcare provider.

¹⁰ Voya Financial Consumer Insights & Research survey conducted January 17, 2024 – January 18, 2024 among 1,080 adults working full-time or part-time, aged 18+ in the U.S., featuring 203 Caregivers.

¹¹ Sample result based on Health Insights project with Benefitfocus client. Actual results will vary.



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