

A photograph of three diverse professionals in an office setting. A woman with long blonde hair is smiling and looking at a laptop screen. A woman with dark curly hair is looking down at the screen with a serious expression. A man with a beard and a checkered shirt is looking at the screen from the side. They are all gathered around a desk with a laptop and some papers. The background shows a window with vertical blinds and some green plants.

All Employees Want Benefits: How to Help Those Who Don't Qualify for Employer-Sponsored Plans

“I go with the best coverage I can find for the lowest price possible that has a reputation for doing as advertised.”

– Survey respondent

Not all employees are eligible for the group benefit plans employers offer. But part-time and contract employees — even retirees — still want medical, dental and vision coverage. And employers are well-positioned to meet those needs.

Today's workforce is made up of much more than regular full-time employees. Many employers are finding the skill sets they need by hiring contract, temporary and part-time workers. And with unemployment at near historic lows, employers are turning to this talent pool more and more.

Employers are looking for top talent and need competitive hiring strategies. An employer's most effective bargaining chip in securing the best employees can be offering a high-quality benefits package. But temporary and part-time employees are not always eligible for employer-sponsored benefit plans.

The good news is that employers can offer these employees individual coverage that is just as valuable as group benefits at no cost to the employer.

Ameritas, in partnership with SourceMedia Research/Employee Benefit News, surveyed nearly one thousand consumers at different levels of employment to understand their use of — and research and purchase habits related to — individual benefits. This white paper summarizes the survey results from part-time or contract employees not eligible for group benefits.

Why Would an Employer Offer Individual Coverage?

Employers who provide individual coverage for benefits like dental and vision have a competitive advantage over those who don't. Employees with benefits are more likely to have regular checkups and stay on the job. These employees also feel valued and are more likely to take their jobs seriously and be more loyal and productive.

Offering benefits doesn't just keep temporary and part-time employees healthy and happy. It eases the burden of having to find benefits on their own.

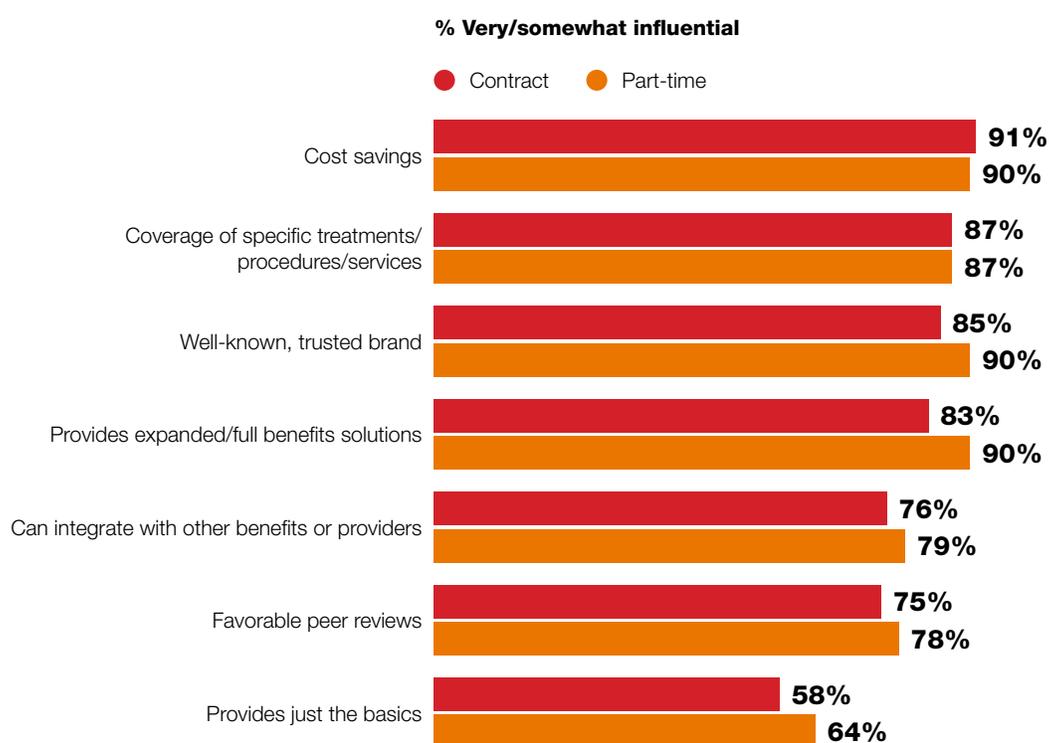
Selecting the right benefits coverage can be overwhelming for employees, especially for those who don't qualify for the group coverage offered by their employer. Rather than having limited options to choose from, these employees often have to start from scratch. And benefit plans can be hard to understand.

What Employees Want from Their Benefits

Most employees want an affordable benefits plan that fits their budget and coverage needs, and part-time and contract employees are no different. The top priority for all employees is cost savings — 90% of part-time and 91% of contract employees say that cost savings is very or somewhat influential in their benefits decision-making (see Figure 1).

Cost is so important that one of the most requested features from a benefits provider is cost management tools that help keep benefit costs predictable and rates stable. Ninety percent of part-time and 88% of contract employees say this feature is very or somewhat important.

Figure 1: Benefits Provider Decision Drivers for Part-Time/Contract Employees



Source: SourceMedia Research/Employee Benefit News, March 2019

Options for Retirees: Offer a Separate Retiree Group Plan

The number of retirees is increasing, with upwards of 10,000 people turning 65 every day. According to the Population Reference Bureau, the number of Americans age 65 and older will more than double from 46 million today to more than 98 million by 2060.¹

While most employees look forward to retirement, they don't look forward to losing their benefits. And Medicare does not cover routine dental and vision care.

Employers can offer group plans specifically for retirees to help them maintain good health. They can match their current plan to maintain benefits or create a new plan that focuses specifically on retirees' needs. For example, dental plans can feature high coverage for periodontal procedures. Other preferred benefits include coverage for hearing exams and hearing aids, and vision coverage to keep prescriptions up to date.

Employers should look for a carrier that offers the option of multiple plans to fit diverse populations or geographic needs.

¹ <https://www.prb.org/aging-unitedstates-fact-sheet/>

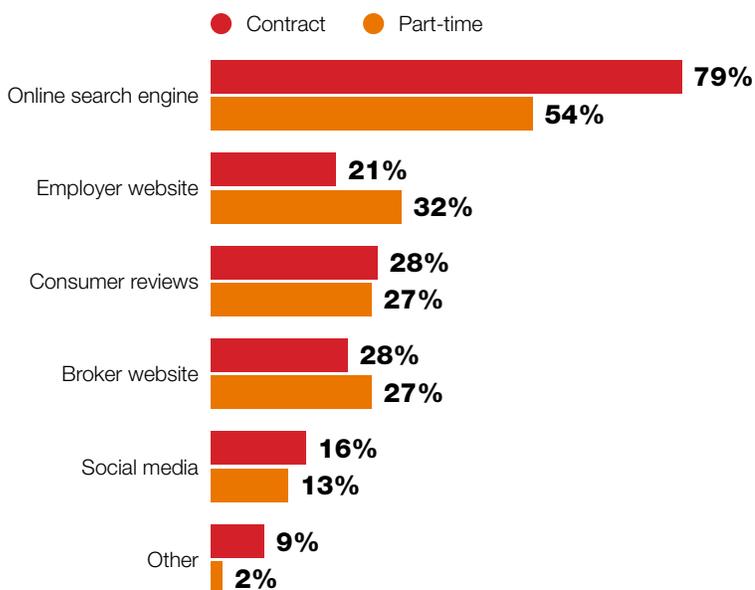
Other top priorities in selecting benefits are a well-known and trusted brand and a provider that offers expanded or full benefits solutions. It can be tough to find the right coverage at the right cost. Part-time and contract employees appreciate employers who research plan options for them and offer affordable individual benefits that cover more than just the basics.

How Employees Research Benefits

Many employees who are not eligible for employer-sponsored group benefits are looking for insurance, with about one-third of part-time employees (29%) and contract employees (34%) researching purchasing benefits within the past 12 months.

But benefits research takes time: Of those researching benefits providers, 25% of part-time and 48% of contract employees spent more than three hours in the past 12 months researching options online. Many use online search engines (54% of part-time and 79% of contract employees) with others tapping into their employer's website (32% of part-time and 21% of contract employees). (See Figure 2.) For their part, 50% of millennials use their employer website for benefits research.

Figure 2: Online Sources for Benefits Provider Research for Part-Time/Contract Employees



Source: SourceMedia Research/Employee Benefit News, March 2019

Some part-time employees – mostly millennials and Generation X – use social media to research benefits. The majority use Facebook (75%), followed by LinkedIn (50%).

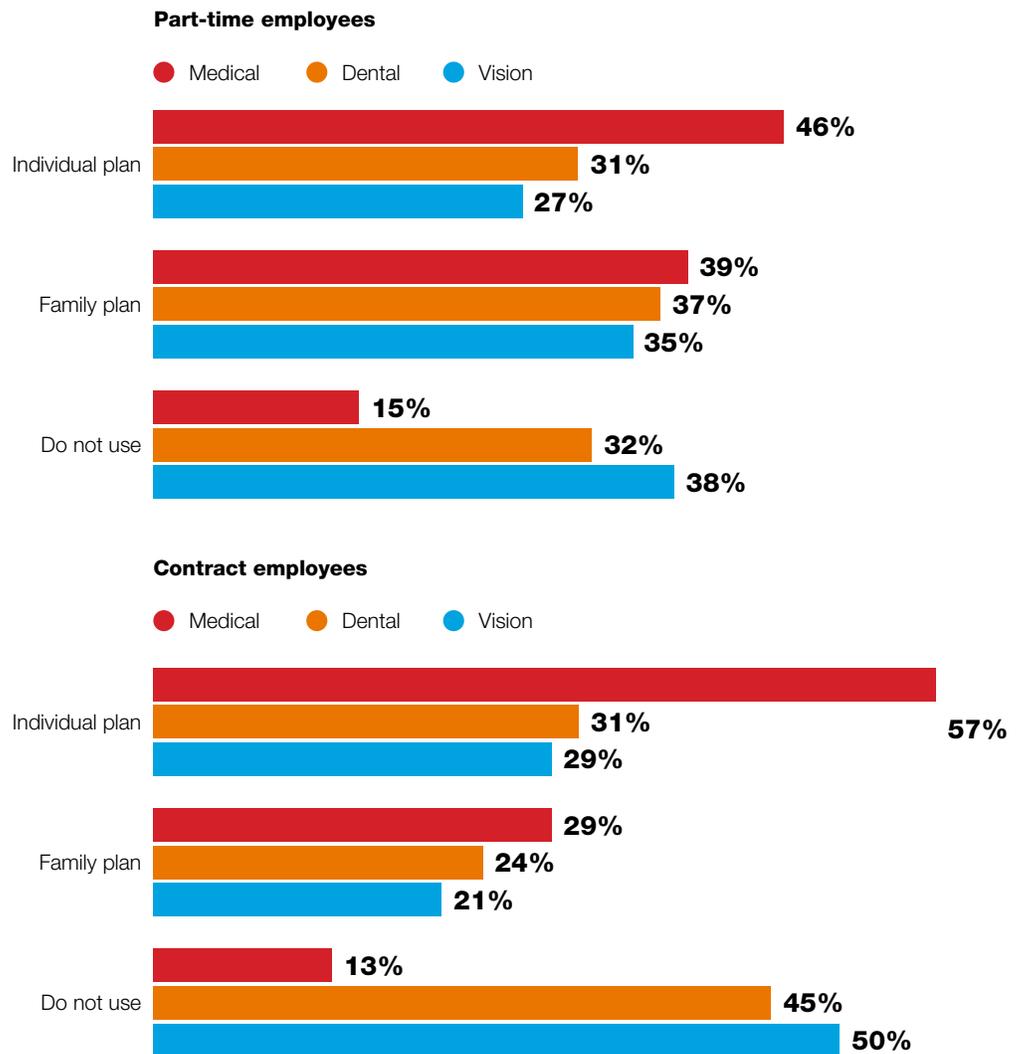
“Cost is everything.”

– Survey respondent

Employees Already Take Advantage of Individual Benefits

Many part-time and contract employees already take advantage of individual or family plans for medical, dental and vision coverage. Medical is the most widely used benefit, with 85% of part-time and 86% of contract employees using either an individual or family plan. More than two-thirds (68%) of part-time employees have a voluntary dental plan and 62% have a voluntary vision plan. The percentages are lower for contract employees: 55% have a voluntary dental plan and 50% have a vision plan (see Figure 3).

Figure 3: Insurance Usage by Part-Time/Contract Employees



Source: SourceMedia Research/Employee Benefit News, March 2019

“I wish there were more websites comparing products. It’s a lot of work.”

– Survey respondent

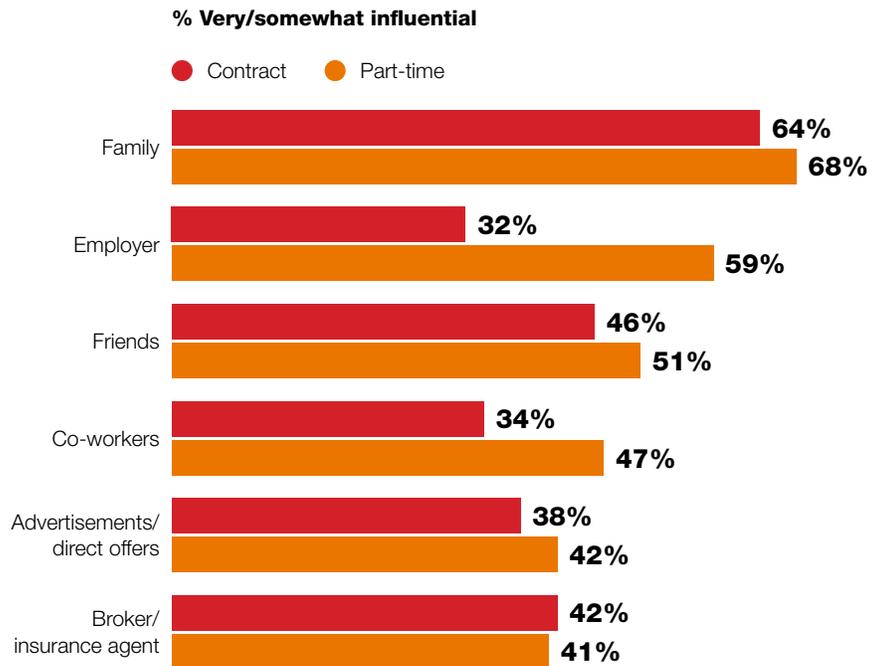
Part-time and contract employees often obtain voluntary dental and vision coverage from their medical insurance carrier. Half of part-time and 53% of contract employees select dental insurance from their medical provider. And 53% of part-time and 59% of contract employees select voluntary vision insurance from their medical provider.

Employers Are a Trusted Resource

Employers who offer information about voluntary benefits coverage or access to individual plans can improve employee retention and be viewed as an employer of choice. And employers can offer these plans without adding to their benefits budgets. They simply make plans available, and employees enroll and pay the premium on their own.

Employers are also among the most trusted resources for employees researching insurance. Sixty-eight percent of part-time and 64% of contract employees say their family is their most trusted resource, followed by employers (59% of part-time and 32% of contract employees). (See Figure 4.)

Figure 4: Benefits Provider Decision-Making Influencers for Part-Time/Contract Employees



Source: SourceMedia Research/Employee Benefit News, March 2019

More than half of part-time employees will obtain insurance through their employer or a family member's employer rather than purchasing it themselves. Part-time employees obtain insurance through their employer for medical (59%), dental (69%) and vision (64%).

Part-time and contract employees who plan to purchase voluntary dental and vision insurance on their own in the next 12 months will likely go directly to an insurance company rather than purchasing coverage from a broker (57% of part-time and 60% of contract employees).

5 Reasons Employers Should Offer Individual Coverage to Employees

In the current environment of low unemployment, many employers struggle to find and keep qualified and talented employees. Offering individual benefits can help. Here's how:



Enhance employee well-being and productivity

Even part-time employees need to be happy and healthy to do their best work. Benefits help them seek the care they need to maintain overall well-being.



Support retirees

Many employees are working past retirement age. To keep them engaged, offer them the security of knowing they have the option to enroll in individual benefits upon retirement. Individual coverage is richer than Medicare, and they won't have to search for benefits on their own.



Provide options for continued coverage

Individual coverage helps protect employees who experience job changes during mergers and acquisitions, those leaving the company (as an alternative to COBRA) and employees' family members who surpass the plan dependent age.



Be an employer of choice

Temporary or part-time employees might not expect employers to offer a benefits option. Employers can show that they care about employee well-being and set themselves apart from the competition.



Maintain benefits budget

Not only do employers not pay the premium for individual coverage for employees, they save on hiring and training costs when employees stick around to take advantage of benefits.

Things to Keep in Mind

Employers who offer benefits to part-time and temporary employees have a competitive edge when looking for top talent in today's market.

When purchasing individual benefits, employees prioritize cost savings, a trustworthy brand and comprehensive coverage. Employees are most likely to look to their family and their employer as the most influential sources when researching benefits providers.

Offering benefits and providing information to employees not eligible for group benefits enables employers to demonstrate their value at no additional cost. Employers can improve retention and engagement by helping all employees secure the right insurance.

And as technology and the workforce continue to evolve, benefits for all employees will quickly become the norm.

About the Survey

In March 2019, SourceMedia Research/Employee Benefit News, in partnership with Ameritas, conducted an online survey of 996 consumers to determine how they research voluntary benefits, their preference for receiving information about voluntary benefits, what they expect from voluntary benefits and who influences their buying decisions. This white paper analyzes the results of the 344 respondents who identified as employed part-time and self-employed. The respondents represent employees in a wide variety of industries.

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