



**WINTER-DENT**

**GUIDE FOR  
USING EMPLOYEE  
BENEFITS IN  
RECRUITMENT  
AND RETENTION**





## BENEFIT SOLUTIONS

Have you found yourself hiring great employees only for them to be tempted by another company a few months or a year down the road? The struggle is real - the average turnover rate (for all voluntary and involuntary) is around 19% across all industries. Depending on what your business is, it could be higher, with IT leading the pack at around 5% more on average employees leaving for better opportunities.

Additionally, we have a major issue with an aging workforce in many long-term careers. As people with experience leave, there's a huge space to fill and while there are many talented younger employees out there, in many cases they might not be enough. Some industries are flooded with poorly qualified applicants and others have the fortune of having too many great prospects who simply won't stay long. Either way, it seems you're forced to hire someone for a short time and expect to replace them.

**It doesn't have to be like this, though** - one of the primary factors that make employees stay are the benefits. Sure, you might offer a

401k and a great salary, but if it stops there, you're not going to have people sticking around. What's great is that there are many types of benefits that aren't hugely expensive for you but will make your employees value your company significantly, cutting down on turnover and helping you snag qualified people.

Many companies are learning to leverage benefits to suit the needs of their employees. In a world of remote work and massive job choices, a quality set of benefits can turn great employees into long-term assets.

Let's take a look at how improving benefits can stop the flow of employees out your doors. We'll break it down into three categories: 1) those benefits that are legally required - the "have-to" category, 2) those benefits that aren't required but are expected - the "should-have" category, and lastly 3) those benefits that are simply advantages, many of which don't cost a business owner anything, that will give a business an edge, making it a more appealing place to work - the "nice-to-have" category.

## THE “HAVE TOS”

These are benefits that you are compelled to provide by the federal government. You can jazz them up in some ways - like providing some paid maternity or paternity leave along with FMLA - but at a basic level, all of your employees are entitled to these benefits.

- **Voting, jury, and military leave**

Each of these types of leave are compulsory and have certain parameters that both you and your employees must abide by. Find out from your local government how much (if anything) you are compelled to pay your employees to offset their wages lost when serving in one of these capacities so that your back is covered.

- **Worker’s compensation**

Having someone in HR who is familiar with work comp rules is essential, as it can get very complicated quickly. Even something as minor as a fall on work property can cause loss of time, injury, and potentially a lawsuit. Ensuring your employees know how to access work comp and know how to use it will save you time and make sure your desire to be compassionate and supportive in their time of injury.

- **FICA**

This is your part of helping pay for your employees’ retirement benefits on a federal level. Extremely simple, mandatory, and often not really understood as the benefit it is, providing and understanding FICA is crucial.

- **Unemployment**

Paying your unemployment taxes ensures that your employees can access these benefits when they’re terminated. This is part of owning a business that employs people - you look out for their well-being, in some cases even after they’ve separated from the company.

- **Short-term disability**

Somewhat like work comp, short-term disability helps your employees deal with a catastrophic illness, injury, or surgery that has them out of the office for a short duration. While again this is compulsory where it’s available (not all states mandate this), consider it an investment. You want your best employees to be taken care of until they can come back.

- **FMLA/VESSA**

These are unpaid, federally protected leave statuses for people who are:

- Suffering a catastrophic illness of themselves or a family member
- Having, adopting, or fostering a child
- Helping a service member prepare for deployment
- Suffering domestic violence (VESSA)

These types of leave should be clearly available, and you should have a content expert on staff to help your employees utilize them. For an employee who has an illness or a sick family member but is afraid of losing their job because of it, FMLA can provide that peace of mind and time to take care of necessary home life situations. Understanding when to offer it to employees can also help you not get sued.

## THE “SHOULD HAVES”

These are benefits that any company worth their salt is offering to employees across the board. Unless you expect to have a high turnover, or you simply don't care how long employees stay with you, these benefits are necessary to attract and keep quality employees for the long term. Most companies have many of them, and not having them places you at a distinct disadvantage when competing for quality employees.

- **Retirement plans**

Although social security offers some minor amount of financial protection in the later years of life, it's not great. At a minimum, you need to offer a 401k with some level of matching to ensure your employees have something helpful to save towards each paycheck. Many people's only understanding of the concept of retirement comes from what their employer provides, and without that information, they wouldn't know the first place to start.

- **Health insurance (except Hawaii)**

One of the biggest reasons to go into a long-term career is the prospect of health insurance. American insurance is, for better or worse, inextricably linked to employment, and without it, many people would go without health coverage and risk financial ruin due to a single illness.

It's always a good idea to find insurance that has additional perks as well. Most insurance companies that provide coverage for employers offer packages for encouraging healthy action in their employees. This might look like gym membership discounts, smoking cessation help, and so forth. These are beneficial to your employees directly, but they also help keep your insurance costs lower by making your employees healthier.

- **Health savings account (HSA) with employer contribution**

An HSA is a tax savings benefit for employees that lets them elect to have a specific amount of their pre-tax salary deducted into the account. If and when a medical issue arises, they can pull from that account to pay for approved health care expenses such as vision and dental care,

prescriptions and insurance deductibles. HSA plans typically accompany a qualified High Deductible Health Plan (HDHP). Employees can choose how much they want diverted from their paycheck each month and have deposited into the account. The best-case scenario is when an employer also makes regular deposits into the account for the employee. The benefit of an HSA account for an employee is that these funds belong to them and can be rolled over at year end, or if an employee leaves the company, are theirs to keep. There are limits to what a company can contribute to employees HSA plans, so be sure to check with your insurance partner if you plan to offer this benefit.

- **Flexible savings account (FSA)**

An FSA is also a tax savings benefit for employees that lets them divert an amount from their paycheck pre tax and deposit it into a savings account. It is different from an HSA in that FSAs are less flexible. Funds in an FSA account that remain unused by the end of the year are owned by the employer and are not able to be rolled over at year-end. Like an HSA, an FSA allows employees to save for medical expenses by using pre-tax money to pay for qualified medical expenses. There are other differences as well between an HSA and an FSA with things like qualifications, contribution limits, rollover rules, penalties and more...so be sure to speak with your insurance partner if you are considering one of these options. They'll help you determine which is the best fit.

- **Dental or vision plans**

Truthfully, dental plans are better in general - everyone at least needs to get their teeth checked and cleaned each year at a minimum. Eye exams are covered by health insurance when there is a medical condition such as diabetes. A standard eye exam, however, is only covered with a true vision plan. As people spend more and more time on devices: laptops, smart phones and computers, the need for eyewear, even among kids, has increased significantly due to the increase in screen time. Dental and vision plans are an inexpensive way of adding valuable coverage to an employee benefit package.

- **Life insurance plans**

Life insurance is pretty important for attracting stable, long-term career-minded employees. Anyone who wants to settle down, raise a family, and have a good job will want life insurance to ensure their bases are covered in the event of a catastrophe. The good news is that life insurance isn't as big of an investment for you when compared to a lot of the other potential benefits you should be offering, but it will look like a bit deal to your potential job candidates.

- **Long term disability**

Sometimes bad things happen, and long term disability coverage gives people the comfort and confidence knowing that they will have help paying bills if a serious illness or injury leaves them unable to work for an extended period of time - usually 3 months or longer. Permanent disabilities that leave someone unable to work are also covered. Employees make premium payments just like an insurance policy. The details of each plan vary according to the policy, but offering long term disability is a great way to provide security for employees.

- **Long term care**

Considering long-term care expenses, especially for employees who are age 50 and over, is an important part of building a long-range plan. Offering long term care insurance for employees gives them the security of knowing that, should a chronic medical condition, disability or disorder (such as Alzheimer's disease) occur, they will be reimbursed for care. That care may occur at home, a nursing home, an assisted living facility or an adult day care center. Different policies enable you to pay for some or all of those expenses...a powerful way of communicating to key employees that you care about them and want them to stay loyal to you in the long run.

- **Paid leave**

Vacation and sick time are necessary at this point - if you're not offering them to your employees, you won't retain anyone that isn't simply looking to use your office as a springboard. Additionally, do not require your employees to provide medical justification when they call in sick. This leads to situations where employees have to choose between coming into work ill, which is bad for everyone, or paying to see their doctor, so they can get their paid leave time. This will immediately make your employees resent your practices and probably lead to a lot of illness in the office.

## THE “NICE TO HAVES”

These are the icing on the cake, the top of the mountain, and the best of the best offerings you can provide that will draw the attention of qualified candidates. A company that offers all the benefits in the previous two categories can be a great place to work, but employees might still dread going into the office. The following benefits will help make your office a more pleasant place to be, keeping your employees around for the long haul.

- **Professional development programs (in-house)**

You can pay to have different companies train your employees, but having a hand-crafted professional development program in-house will give them the specific knowledge they need to thrive. It also makes growth significantly easier and more accessible. Finally, the small initial investment to create the program is offset by how cheaply and easily it can be modified year-to-year, as opposed to sending employees out for training every single year.

- **Health and wellness programs**

We touched on this before, but having an on-site gym, running track, or even a walking garden can be a huge benefit to both your employees' health and mental well-being. Additionally, programs that help reduce the cost of a weight loss or exercise program, gym membership, or other wellness endeavor is a huge factor for someone looking for a long-term life change (like starting a new job).

- **Flexible work hours**

We live in a completely digital society - there's no reason to conform to archaic practices anymore. If your employees can come in at 6 and get off at 2 and still do their job well, why stop them? Likewise, if an employee can do their job better at night when everyone else is gone, it should be considered. For many people, this level of autonomy can make them hop on board with your company, even if they could make slightly more money someplace else.

- **Flexible dress code**

Do we need to wear ties and heels, or is that just a preference of a boss

who likes things to be extremely straight-laced? And, if it's annoying to your employees and serves no higher function, why do we continue to do it? If your employees are wearing clean clothes, and they're hygienic otherwise - especially if they're not interacting with customers - does business casual even matter? A flexible dress code reflects a corporate climate that serves customer needs, not an outdated need for formality.

- **Remote work**

If the pandemic has done one thing, it's shown us that remote work is very possible in many industries. If your employees can work from home and do their jobs well, it is a huge perk. Sure, there will be times they'll need to come into the office, but even 2 days in, 3 days at home will get you tons of applicants who want that freedom.

- **In-office childcare or off-site child care assistance**

One thing that makes people hesitant to get into work (or back into work after maternity/paternity leave) is the fact that childcare is extremely expensive. If you can offset some cost for your employees, or provide childcare on-site, it can give you access to a huge swath of parents who are choosing to stay at home instead of utilizing their vast resources of talent.

- **Student loan assistance**

While employees working in the government sector have access to some level of student loan forgiveness, private companies have started to realize they can attract great employees by offering something similar. It might not be much, but even offering a minor amount of assistance each month with student loan payments can make someone - especially a new

graduate - gravitate towards your job openings.

- **Catered meals, stocked kitchens, and snacks**  
You may have grown up with the industrial coffee pot boiling away in a poorly-lit break room, but that just doesn't cut it anymore. We're not saying you should have an espresso bar, but if you did, we'd certainly come to hang out. Having snacks and meals will help your employees in ways you might not quite understand, but they will definitely appreciate it.
- **Pet-friendly environment**  
This one is less common, but if you have an office that is pet-friendly, it can be a lot of fun. That said, you need to be aware of employees with allergies, so it's not for every business.
- **Community give-back**  
Having days where your office adopts a highway and cleans up, or where you match employee contributions to charities can be a great way to foster community involvement and improve morale.
- **Office parties**  
Holiday parties, cook-outs on the quad, or summer bashes are all looked upon favorably by employees as a chance to relax and mingle. Just don't fall into the trap of using a pizza party to "make up" for a negative situation or in place of giving out yearly raises.
- **Continuing education for job skills**  
By providing funding for employees to get more education for their job-related activities, you help them grow and improve your business. It can be as simple as reimbursing their cost for course work at the local college or an online university.
- **Branded company swag**  
Offer free cups, hoodies, and shirts with your company's brand on them

and people will use them. Especially right now during the pandemic, many people are using their company's branded face masks, and this looks good for 2 reasons:

- It shows your company cares about its employees
  - It gets your name out and about
- **Company discounts**  
Whether it's with car dealerships, phone service or internet access, having company partnerships and discounts are hugely advantageous for your employees.
  - **Profit-sharing bonuses**  
If the company does better, often that's not seen by employees. They work harder, the company succeeds massively, and they don't see a dime. Profit-sharing shows them their dedication is appreciated and gives them a demonstrable reason to work harder.
  - **Flexible paid hours (personal time)**  
In addition to sick and vacation time, flex time is a great way to help employees who need to pick up a sick kid from school or bring a parent to the doctor.
  - **Time off to care for an aging parent**  
In many ways, this will fall under FMLA, but offering paid leave time to care for a parent is hugely beneficial for a populace in their 30s and 40s.
  - **Extensive maternity, paternity, and adoption leave**  
FMLA provides unpaid leave time, but offering paid leave for the care of or adoption of a new child is a huge benefit. Many times parents have to choose between bonding with their child and putting food on the table, so they come back from FMLA parental leave sooner than they'd like. Offering extended paid leave helps make that choice much easier, and when they do come back, they'll be fully focused on the job.



## OUT-OF-THE-BOX THINKING: ESOP

Employee stock ownership plans are a lot like profit-sharing, but even more impactful. When employees own part of the business and are paid dividends, they see real impact on something they own when they work hard and are successful.

### What are the benefits of an ESOP?

For the most part, the benefits of an ESOP are:

- **Better employee retention** - their career isn't just a job, but an investment they can see in real-time. This makes them want to stick around and help grow that investment.

- **Improved profitability** - companies that use ESOPs have over 75% faster-growing revenues and better profitability.
- **ESOP companies have had half** the bankruptcy rates of non-ESOP companies in the last several economic downturns.

ESOPs also represent better retirement options and certainty for employees. Customers see better service because they're working with employee-owners who have more security, stability, and a vested interest in ensuring their customer's needs are met.



## BEYOND MONEY - CORE BUSINESS COMPETENCIES THAT MAKE A DIFFERENCE

If your employee sees your company as a soulless machine, or your supervisors as incompetent, unskilled brutes, you're not going to retain employees. Conversely, seeing your company as a competent, value-based operation will drive respect and retention among your employees. 4 areas that foster this respect are:

- **Culture** - proving that you're ahead of the competition in your field in human ways, rather than focusing entirely on profits
- **Advancement** - ensuring that your employees can move ahead and continue to improve, not just for the sake of the company but for their benefit as well
- **Leadership** - forging ahead, taking care of your customers and employees, and being an asset to the community
- **Communication** - clear, consistent information to your employees about policies and directions the company is moving



## BENEFITS ARE THE PATH FORWARD IN AN ERA OF INCREASING OPPORTUNITY

Highly skilled employees have access to employers across the world with huge benefits offerings and competitive salaries. No longer are tied to the brick-and-mortar options within commuting distance, so you need to put your best foot forward to attract potential, long-term employees.

Paid leave, extended maternity and paternity leave, leave for the care of aging parents, and childcare are just some family-oriented benefits you really should be providing. Beyond that, wellness and food offerings are great ways to make being in the office more pleasant and something that employees do not dread. We've all worked at some pretty awful places and there are reasons we left; consider what those places did wrong and do better. Your employees will thank you for it by staying with you and providing top-notch service. If you want to learn more about employee benefits, or if you'd like to discuss any other issues related to your company's risk management needs, please give us a call today.

**That's the Winter-Dent DIFFERENCE.**



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