

Employer or paycheck?

How benefits enhance an employer's status among employees **Interviewed by Elizabeth Grace Saunders**

Investing in employee benefits fosters a sense of respect and commitment between employees and employers that translates into bottom-line improvements.

"Offering benefits can give you a large return on your investment by encouraging employee loyalty," says Rachel Sapoznik, president and CEO of Sapoznik Insurance. "When employees see their positions as career steps instead of paychecks, they are likely to be more productive and to stay with the company longer. Turnover costs related to replacing an employee represent up to one-and-a-half times the annual salary for the position. Increasing retention bumps up employee morale and productivity while creating clear bottom-line results."

Smart Business discussed with Sapoznik the importance of offering employee benefits and the strategies to provide these benefits more effectively.

Beyond retention, what are other positive gains from employee benefits?

Health and wellness have a huge impact on employees. Offering excellent benefit plans and actively encouraging employee wellness through preventive medicine and healthy initiatives can lead to reduced sick days, health claims and health care costs. The creation of health education newsletters and health fairs can also dramatically help your workers. Proper preventive measures for everything from the measles to the flu will lead to healthier employees and families.

Health fair screenings can literally save lives, too. A quick screening at a fair can detect risk factors for heart attack or stroke early, allowing medical professionals to assist employees through preventive care. This benefits employees and lowers expenses by avoiding more complex medical procedures and more costly medical claims.

Great benefits also impact other segments of your business. Employees who have health insurance are less likely to report off-the-job incidents as false workers' compensation claims. This could potentially reduce your workers' compen-



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sation expense and workers' compensation insurance. Also, employees who feel their company takes care of them are more likely to stay as loyal employees and less likely to pressure for pay rate increases.

How can employers ensure they are offering the best options for their employees?

The key to providing the best benefits is to work with a broker who looks for innovative ways to serve your employees. In the current market, employers of any shape and size can offer a variety of health care options. A diverse selection gives employees the flexibility to choose a program that best meets their needs.

Starting the process early facilitates development of the best health plan strategy. Brokers should start working with the employer and educating the employees three to four months before they need to make a decision. This lead time gives the broker the opportunity to create the most effective and cost-efficient plan. Also, once a company has established a relationship with a broker, there should be ongoing communication throughout the year. Insurance brokers should work to develop win-win solutions that meet companies' benefits and budget needs.

How can employers offer value-added benefits without additional business expense?

Many extra 'voluntary' benefits such as dental insurance or life insurance can enhance employees' lives and improve their satisfaction with their benefit plans. Companies often can offer these benefits at no additional cost to their businesses. But employees who choose to sign up for these plans are grateful to have these options.

Additional lower-profile benefits that can be offered at no extra company expense include disability and long-term care insurance. These types of insurance can keep people on their feet in the midst of catastrophes. The facts are that people under the age of 30 are four times more likely to suffer a disability than to die, and off-the-job disabling injuries are the No. 1 cause of foreclosures.

Now that you offer your employees great benefits, what do you do next?

Explaining the investment you make in employees' health and wellness will help them appreciate your commitment to their well being.

Do your employees have any idea of what's 'hidden' in their paychecks? They actually receive a large contribution from the employer that never shows up in their pocket. End-of-year statements can spell out for employees the dramatic increase in their annual earnings. Make sure your broker can develop these statements for you and send them to your employees' homes so that they and their families can realize the true value of your benefit plan.

Reward your employees with incentives. Employers can offer incentives for employee loyalty by increasing their contribution to employees' health plan coverage with each year of service. By showcasing how the well designed benefits you are offering help your workforce and their families, you are no longer just a paycheck but a truly valued employer.

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