

2020 Benefits Benchmark

Powered by PlanSource



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About The PlanSource Benefits Benchmark Report

Welcome to the second annual PlanSource Benefits Benchmark Report. We're happy you're here. In this not-so-boring report, we showcase this year's top trends for employee benefits enrollment, benefit types offered, contribution amounts and so much more.



It's important to note that this report is not a survey. Rather, our report is based on real user data from the PlanSource benefits administration platform. The enrollment data represents trends established from the more than 117 million benefit elections that have been made in our system. Impressive, right?

Unless stated otherwise, comparisons for our 2019 data set are referenced against 2018 data. There were a few spots that were significant enough to compare against 2016 or 2017 data, and we point this out within the report.

We look forward to sharing our data with you. Please enjoy this free report, and feel free to [contact us](#) directly if you have any questions about the findings or about our platform.

Happy reading!

Executive Summary and Key Findings

Don't have time to peruse the full report? Here's the 'just give me the gist' version to provide you busy bees a quick, high-level look at our top findings for 2020.



Medical Plans and Benefit Offerings

3.5

Average number of **medical plans** offered by PlanSource customers

14

Average number of **total benefits** offered by PlanSource customers



The number of medical plans and total benefits offered varied greatly by group size, with the total number of plans and benefits offered increasing with organization size.



HDHPs and HSAs

51%

Of companies offered an **HDHP**

90%

Of companies that offered an HDHP **also offered** an HSA



Our 2019 data indicates a slight increase in the percentage of employers that offered an HDHP and that most employers with a high deductible plan option also offered an HSA.



Cost of Providing Medical Insurance

\$5,461

The average cost of **single** coverage in 2019

\$18,453

The average cost of **family** coverage in 2019



For the second year in a row, we saw increases in employee and employer contributions for just about every plan type offered in 2019.



Open Enrollment: Enrollment by Period

29%

First third

30%

Second third

41%

Last third



Wouldn't it be great if employees did their homework and logged in to enroll in their benefits in a timely manner? Spoiler alert: they don't.



Beyond Medical: Most Popular Voluntary Benefits

75%

Basic Life Insurance

58%

Benefit Account

50%

Basic Long Term Disability

39%

Basic AD&D

36%

Basic Short Term Disability



Aside from core benefit plans (medical, vision and dental), 2019 headliners include life insurance, long and short-term disability, and HSAs.

Medical Plans and Benefit Offerings



- 1 —
- 2 —
- 3 —

Average Number of Benefits Offered

14

The average number of benefits offered by PlanSource customers

The breakdown

- 11 Small Employers (<200)
- 17 Medium Employers (201-999)
- 23 Large Employers (1,000+)



Average Number of Medical Plans Offered

3.5

The average number of medical plans offered by PlanSource customers

The breakdown

- 3 Small Employers (<200)
- 3.5 Medium Employers (201-999)
- 5.5 Large Employers (1,000+)

What's the trend?

Our data indicates that the average number of medical plans and overall benefits offered has remained flat for small employer groups over the past several years. However, mid-sized to large employers are diversifying their health and benefits portfolios by offering more plan options. Keep in mind that not every employee is eligible for all benefits offered. For example, hourly employees may not be eligible for long-term disability, union workers may automatically have vision coverage, etc.

Dental Insurance



87%
Of companies offered dental insurance

Vision Insurance



83%
Of companies offered vision insurance



Cost of Providing Health Care

It's no secret that the cost of health care is on the rise—we hear about it regularly in the news and see it on our paychecks. But just how much did the cost of health care increase in 2019?



Single Coverage



\$5,461

The average cost of single coverage in 2019

7%

Increase in single coverage cost in just one year

Family Coverage



\$18,453

The average cost of family coverage in 2019

7%

Increase in family coverage cost in just one year

How does it compare?

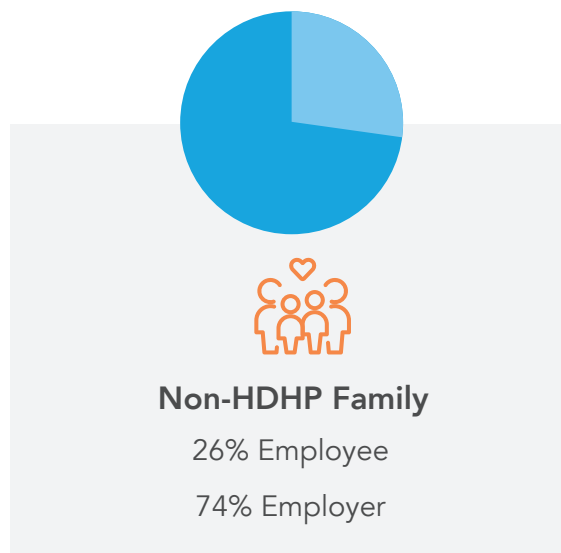
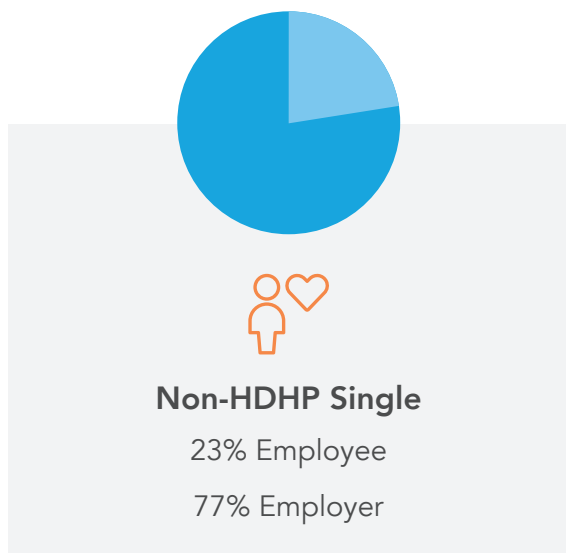
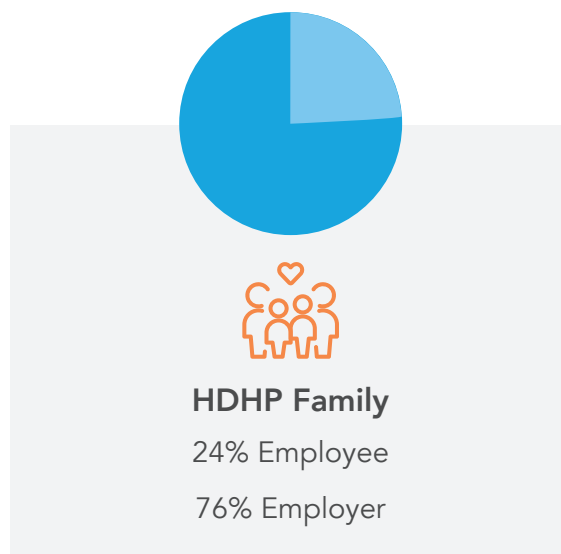
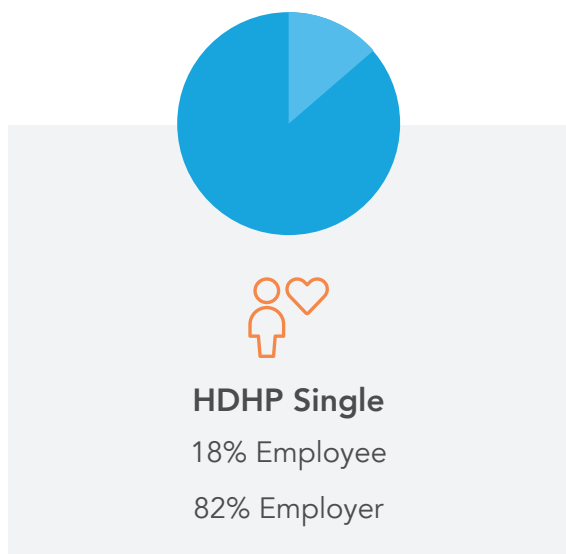
For companies using PlanSource as their benefits technology platform, premiums rose 7% this year, which is slightly higher than the latest Kaiser Family Foundation report that indicated a 5% increase in premiums.

For comparison, SHRM predicted an annual increase of 5-6% while Willis Towers Watson predicted an increase of 5%.

What can HR teams do to control costs? Only 50% of our customers offered a high deductible health plan in 2019,, which is a popular option to lower premium costs for employers and employees. [Other cost-saving initiatives](#) include implementing surcharges, offering a telemedicine solution, performing regular dependent audits and investing in decision support tools to help employees make better benefits decisions.

Who's Paying?

When we looked at the breakdown of who is paying what percentage of the premium, we found some differences between single plans versus family plans and HDHPs versus non-HDHPs.



The breakdown

Employees are covering more of the cost for family and non-HDHPs. Alternatively, employees are contributing the least percentage for single HDHPs, which could be a selling point in OE messaging. Does your premium cost-sharing model match these breakdowns? Employers are picking up a majority of the tab

for health insurance coverage across the board. This is a major expense that is largely taken for granted. Are your employees aware of the full cost of coverage? Showcasing this through a total compensation statement is an easy way to reinforce the investment you are making in employees and to visualize the full scope of benefits.

HDHPs

High deductible health plans have been a hot topic over the past several years as more employers have adopted this type of plan as a more affordable health care alternative.

HDHP Adoption



51%

Of Employers Offered an HDHP for Medical

Over the past three years, the overall percentage of PlanSource customers that offer a high deductible plan has remained flat—though we did finally pass the 50% threshold for 2020 (hooray!).

<1%

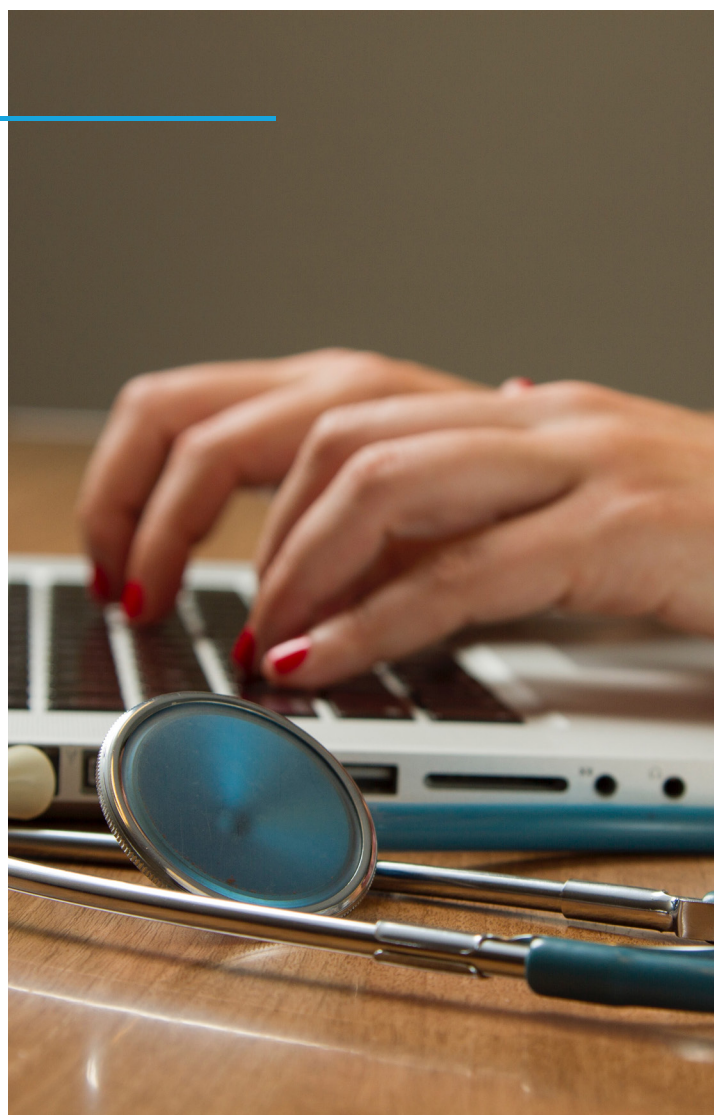
Of Employers Offered Only an HDHP Option for Medical

However, fewer than 1% of PlanSource customers offer a high-deductible health plan as their only medical plan option.

What's the trend?

As the cost of health care continues to rise, both employers and employees are feeling the squeeze. HDHPs provide a low-cost alternative to traditional health plans and will likely remain a popular option in years to come.

While we've shown that HDHPs play an important role in the employee benefits world, the data clearly indicated that people value choices and that employers favor plan diversity.



The health savings account: a high deductible health plan's best friend. This tax-advantaged benefit account offers some pretty enticing incentives for employers and employees, and is a popular add-on to make high deductible plans more appealing.

90%

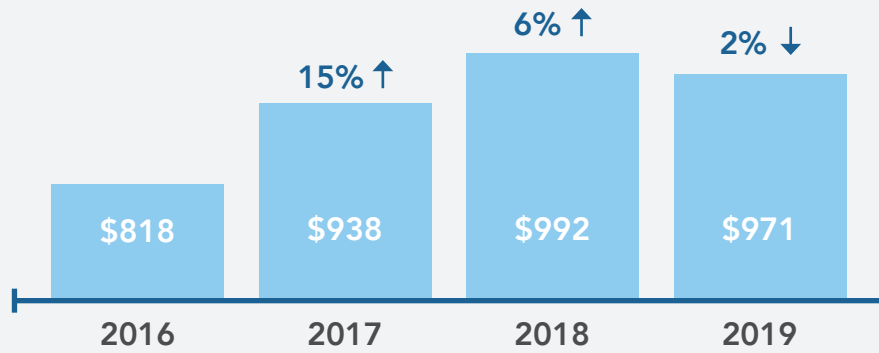
Of employers that offer an HDHP also offer an HSA

The total number of employers that offer an HSA has also increased by 175% between 2016 - 2019

Employer Contribution

49% of employers contributed to an HSA account for employees
This is a **24%** increase in the number of employers contributing over 2018.

Average Employer Contribution

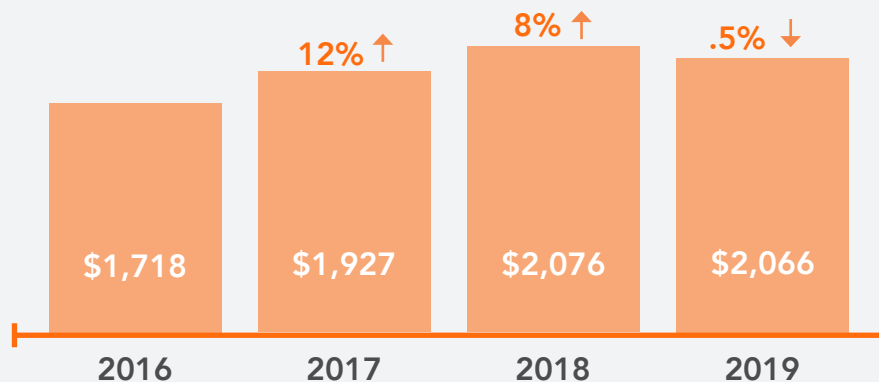


The average employer contribution was \$971 in 2019.

Employee Contribution

75% Eligible employees that contributed to an HSA account
This is a **51%** increase in the number of employees contributing over 2018.

Average Employee Contribution



The average employee contribution was \$2,066 in 2019.

Open Enrollment

How are employees using the PlanSource platform? For this section, we looked at trends related to when and how employees are using PlanSource to enroll in benefits during Q4.



Open Enrollment by Period

29%	30%	41%
First third	Second third	Last third

Over 40% of employees wait until the last minute to enroll in benefits!



Time Spent On Enrollment

17 Minutes	1.9
The total amount of time the averages employee takes to complete open enrollment	The average number of times that an employee logs in during open enrollment



Enrollment by Day and Time

Monday - The early bird gets the worm—er—benefits. Monday was the peak day of the week for completing enrollment.

11 a.m. - 2 p.m. - Most employees completed their open enrollment during work hours, with the highest volume reported around lunch time.

Weekends - Don't discount after work hours—more than 10% of logins happened on the weekend.



Enrollment by Device

11%
Enrollments completed via a mobile phone or tablet

Mobile usage is up ~2% compared to last year, and we anticipate more employees will use mobile devices to research and enroll in benefits as more companies invest in a mobile-friendly experience.



What's the Trend?

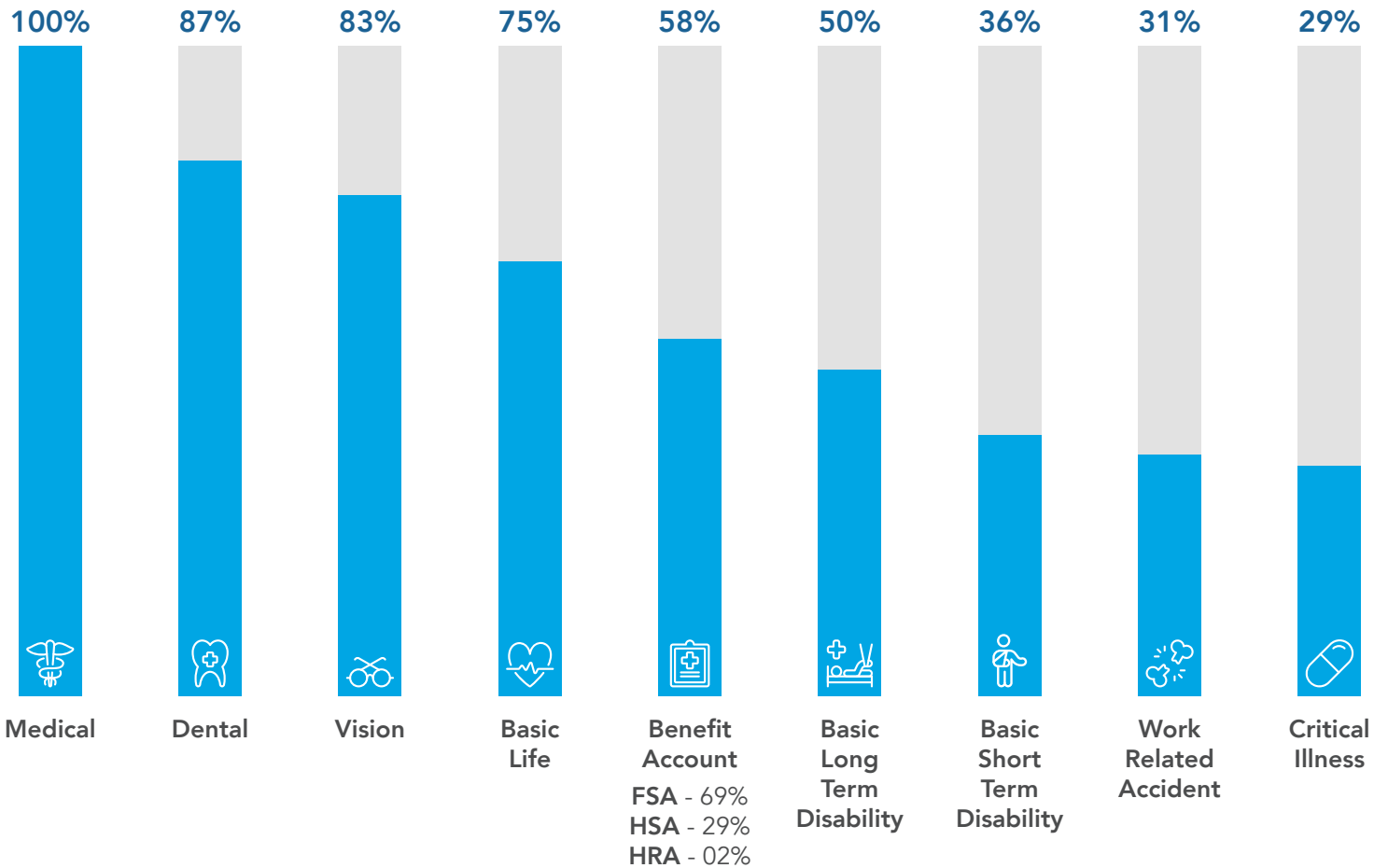
Most employees are cruising through open enrollment during work hours or on their lunch break. The quick enrollment time combined with the fact that most employees spend less than thirty minutes reviewing benefits materials* means that benefits communications and educational initiatives need to be clear, concise and convenient.

Check out our [Open Enrollment Kit](#) for FREE access to communication templates, fun OE themes, best practices, educational videos and much more!

Source: [Unum*](#)

Most Popular Employee Benefits Offered

These represent the most commonly offered employee benefits based on employer data for the 2019-2020 enrollment season. This data represents benefits offered, not actual enrollment.



These represent most commonly offered employee benefits based on employer data for the 2019-2020 enrollment season, not actual enrollment.

What's the trend?

The biggest voluntary trend in 2019 was HR teams beginning to consolidate their benefit offerings so they are working with fewer carriers. As a result, leading insurance carriers like Cigna are broadening their voluntary product portfolios and bundling those products with medical or with other core benefit plans.

Voluntary Benefits on the Rise

- Telemedicine
- Identity theft protection
- Legal plans
- Pet insurance
- Home/Auto insurance



Video For Benefits Education

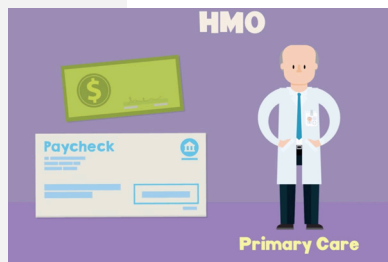
Did you know? Employees are 75% more likely to watch a video than to read text-based communications like email, documents, web articles, etc. The case for using video for benefits education is pretty clear, and we've been leading the way with our free video library for years.

Currently, we offer more than 30 educational videos that can be used to break down common benefits concepts like different plan types, benefit accounts, voluntary benefits and more.

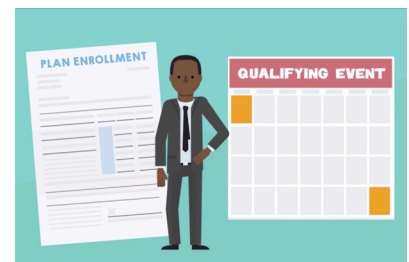
[Download our free benefits videos here](#)

Most Watched Videos on PlanSource

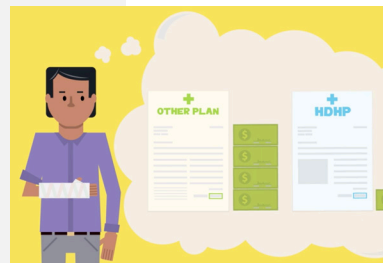
Want to grab your employees' attention? These five videos had the most engagement on the PlanSource platform in 2019.



HMO, PPO, and HDHPs



When Can I Make Changes?



Everything You Need to Know About HSAs



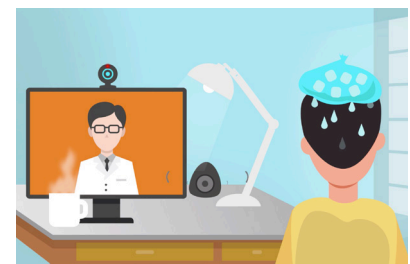
Premiums, Deductibles, Copays and Out-of-Pocket Maximums

NEW Videos for 2020

We're continually investing in and updating our video library. These two new videos were a big hit with employees and HR teams.



What Are Commuter Benefits?



Know Where to Go: Telehealth, Urgent Care, Hospital

Check out our [Open Enrollment Kit](#) for free templates, best practices, print materials and more!



Top Takeaways

This is it folks, the end of our annual Benefits Benchmark Report. We hope you had as much fun reading it as we had writing it.

If you're wondering what to make of all this data—we've got you covered with our top takeaways for 2020.

01

Costs Are Increasing—Focus On Cost Control

The fact that the cost of health care is on the rise is not news. However, the rate of increase most definitely is.

We saw a 7% increase in premiums in just one year. This is the second year in a row where cost increases exceeded industry predictions.

Combat continued inflation by implementing [cost control initiatives](#) like strategic surcharges, high deductible plan options and decision support tools.

02

Employees Expect Choices—Diversify Your Benefits

Another key trend we noted in 2019 is the slow and steady growth in both the number of health plans and the total number of benefits offered. And, several voluntary benefit categories are gaining traction as more employers diversify their plans. Perks like short- and long-term disability, accident insurance and life insurance are no longer just 'nice to have'—they're expected.

Compare your organization size with the general benefit trends we illustrated and take note of the most popular offerings.

How do your benefits stack up against the crowd?

03

Employee Benefits are Confusing—Make It Simple

Most HR professionals assume that employees are waiting until the last minute to enroll. Our data supports this claim with **over 40% of employees enrolling at the end of the OE window.**

Our data also supports the notion that employees spend very little time enrolling in benefits, with the average employee spending **only 17 total minutes on enrollment.**

Arm employees with the information they need to confidently complete enrollment by simplifying your messages, taking a holistic approach to benefits education and investing in technology and tools to help employees make better benefits decisions. Other tools, like decision support and educational videos, are great resources to support employee education and engagement.

About PlanSource



At PlanSource, we are devoted to creating the best benefits experience available.

Helping people get the coverage they need is immensely important. Benefits give people peace of mind, access to invaluable health care, and can even save them from financial ruin. It's a responsibility we take seriously. That's why we are honored to partner with thousands of organizations on custom benefits programs, that help millions of employees and their families when they need it most.

PlanSource provides a cloud-based solution for benefits administration that is affordable, intuitive and highly configurable to support any benefits strategy. Combined with a range of complementary benefit services, PlanSource is an employer's single and complete source for benefits engagement and administration.

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