

# Modernizing Employee Benefits

Trends, Challenges, and Solutions

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# Disclaimer

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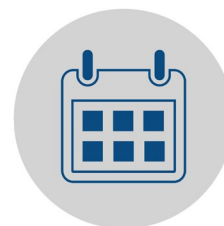
Wellness  
Programs



SECURE 2.0  
Act Provisions  
for 2025



Retirement  
Programs



Narrow Networks



Dependent  
Verification Review



Financial Wellness

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# “Why don’t workers participate in employer wellness programs?”<sup>1</sup>

- Benefits Pro

<sup>1</sup><https://www.benefitspro.com/2024/05/22/why-dont-workers-participate-in-employer-wellness-programs/>. May 22, 2024. August 5, 2024

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# Question

- Does your organization offer wellness programs? If so, what kind? How do you get participation and educate?

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# Wellness works both ways

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# Wellness and Awareness



Learn



Educate



Accommodate



Demonstrate



[americanfidelity.com/blog](https://americanfidelity.com/blog)

<sup>2</sup>[https://americanfidelity.com/blog/general/implement-wellness-program/?utm\\_source=modernizing-ee-benefits-2025&utm\\_medium=webinar&utm\\_campaign=ASBOI&utm\\_content=qr-code](https://americanfidelity.com/blog/general/implement-wellness-program/?utm_source=modernizing-ee-benefits-2025&utm_medium=webinar&utm_campaign=ASBOI&utm_content=qr-code). September 20, 2022. Accessed March 27, 2025.

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# “53% of Americans surveyed feel they are behind on retirement planning and savings”

- CNBC

<sup>3</sup><https://www.cnbc.com/2024/04/03/many-americans-feel-behind-on-retirement-planning-cnbc-survey-finds.html#:~:text=A%20CNBC%20and%20SurveyMonkey%20poll,median%20balance%20is%20about%20%2487%2C000>

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# Question

- Which generation invests at the earliest age?
  - Baby Boomers
  - Generation X
  - Millennials
  - Generation Z

<sup>4</sup><https://www.cnn.com/2024/06/14/gen-z-retirement-saving-younger-millennials-ira-investing.html>. June 14, 2024. March 27, 2025.

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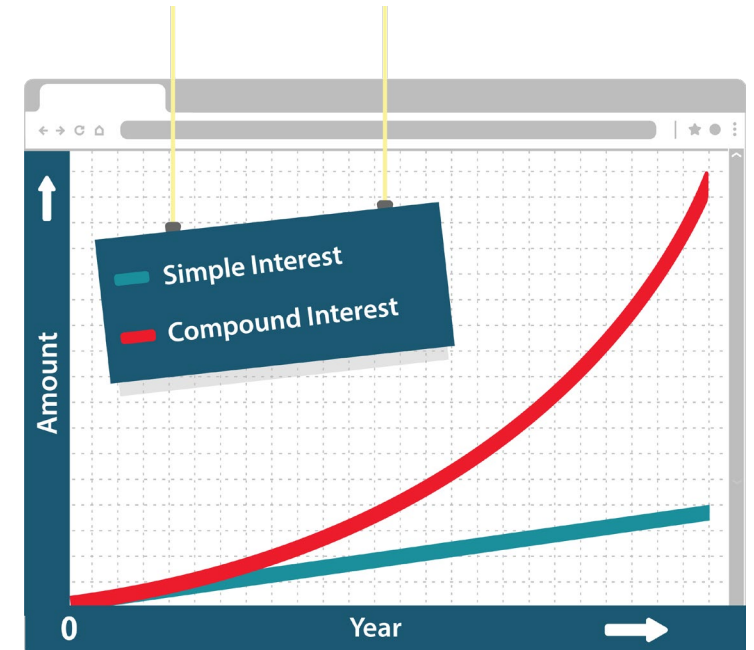
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- Gen Z and millennials outpace previous generations in savings for the future<sup>5</sup>
- Approximately 27% of workforce is comprised of Gen Z<sup>6</sup>

<sup>5</sup><https://www.qureos.com/hiring-guide/gen-z-statistics#:~:text=Zurich%20Insurance%20reports%20that%20Gen,of%20the%20workforce%20by%202025>. July 24, 2024. Accessed August 5, 2024.

<sup>6</sup><https://finance.yahoo.com/personal-finance/average-savings-by-generation-194254649.html?guccounter=1>. July 3, 2024. Accessed August 5, 2024.

<sup>7</sup><https://www.cnn.com/select/millennials-and-gen-zers-are-investing-in-an-hsa/>. July 30, 2023. Accessed August 5, 2024



The Power of Compounding

# SECURE 2.0 Act Provisions

- Automatic enrollment provisions in new plans (not required for governmental plans)
- Additional Catch-Up Contributions for employees ages 60-63
- New distribution options

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# “7.2M Americans Over 50 Hold Student Debt”

insidehighered.com

<sup>8</sup><https://www.insidehighered.com/news/students/financial-aid/2024/08/06/72-million-americans-over-50-hold-student-debt>.  
August 6, 2024. Accessed March 27, 2025.

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# Question

- Who is familiar with Public Service Loan Forgiveness (PSLF)?
- Has anyone here participated in PSLF?

① *Start presenting to display the poll results on this slide.*

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# Public Service Loan Forgiveness

- Can reduce student loan balance after 10 years of qualifying payments
- All full-time public employees, including education professionals, are eligible
- Offers potential employee debt elimination
- May increase likelihood of retirement investing



[americanfidelity.com/blog](https://americanfidelity.com/blog)

<sup>9</sup><https://americanfidelity.com/blog/general/pslf-relief/>. October 13, 2022. Accessed March 27, 2025.

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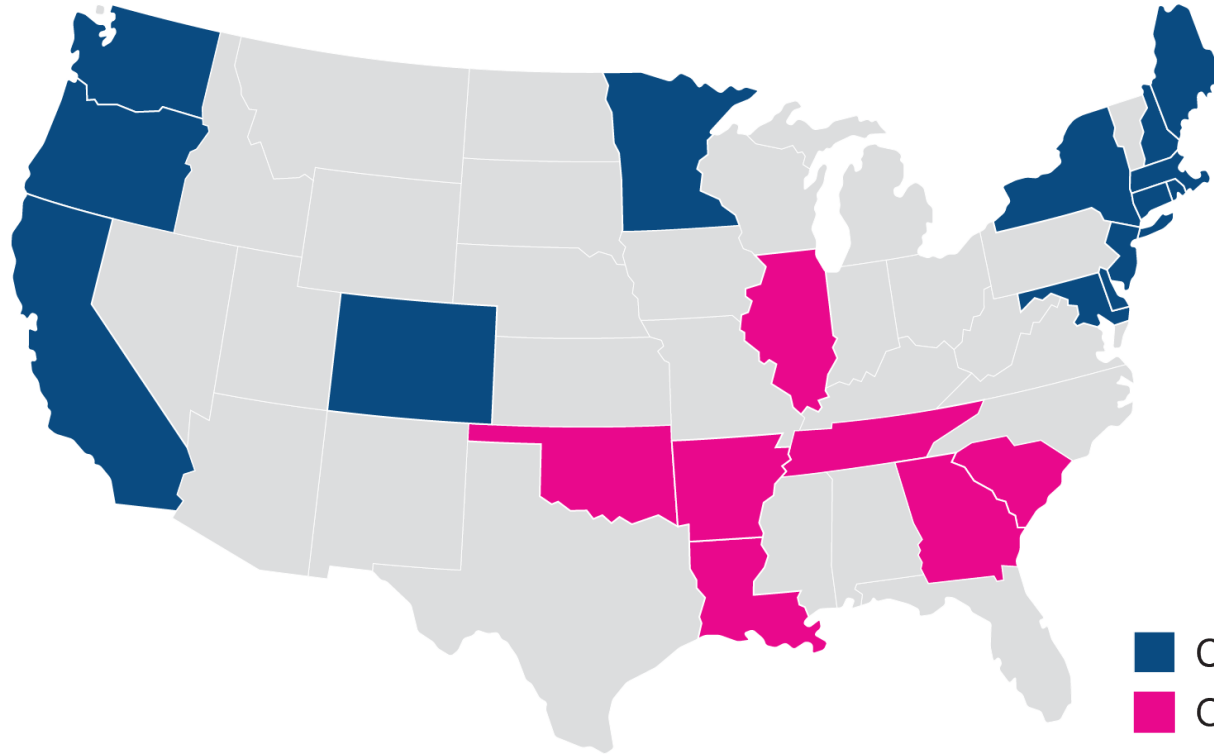


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# PFML in Action



- i Connecticut
- i Delaware
- i New Hampshire
- i New Jersey
- i Massachusetts
- i Maryland
- i Rhode Island
- i Washington D.C.

■ Comprehensive PFML Programs  
■ Other Leave Programs

<sup>11</sup><https://americanfidelity.com/pages/leave/>.  
Accessed March 27, 2025.

<sup>12</sup><https://navigatorresearch.org/americans-overwhelmingly-support-paid-family-and-medical-leave/>.  
September 23, 2022. Accessed March 27, 2025.

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# Things to Consider with PFML

- How will this affect employers, labor unions, and associations?
- Are employers prepared to manage the additional administrative tasks associated with these types of plans?
- How will this impact recruitment and retention rates?



[americanfidelity.com/leave](https://americanfidelity.com/leave)

<sup>13</sup><https://americanfidelity.com/pages/leave/>. Accessed March 27, 2025.

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# “Health Insurance Costs Are Squeezing Workers and Employers”<sup>14</sup>

- American Progress

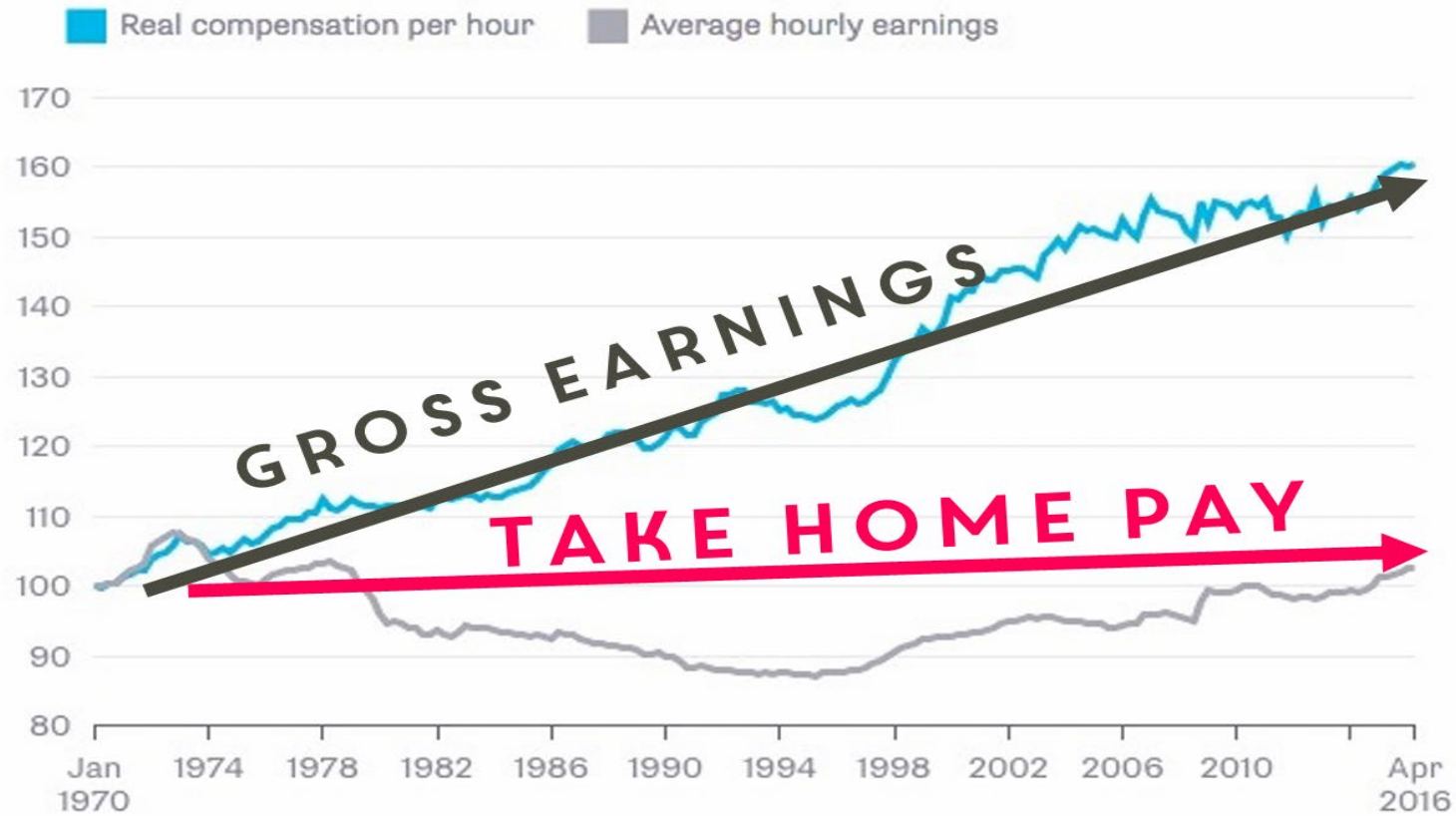
<sup>14</sup><https://www.americanprogress.org/article/health-insurance-costs-are-squeezing-workers-and-employers/>. November 29, 2022. Accessed August 7, 2024.

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## Compensation, including benefits, versus take-home pay.\*



Source: Federal Reserve Bank of St. Louis  
\* Indexed to 100, adjusted for inflation.

HEALTHCARE  
COSTS  
ATE  
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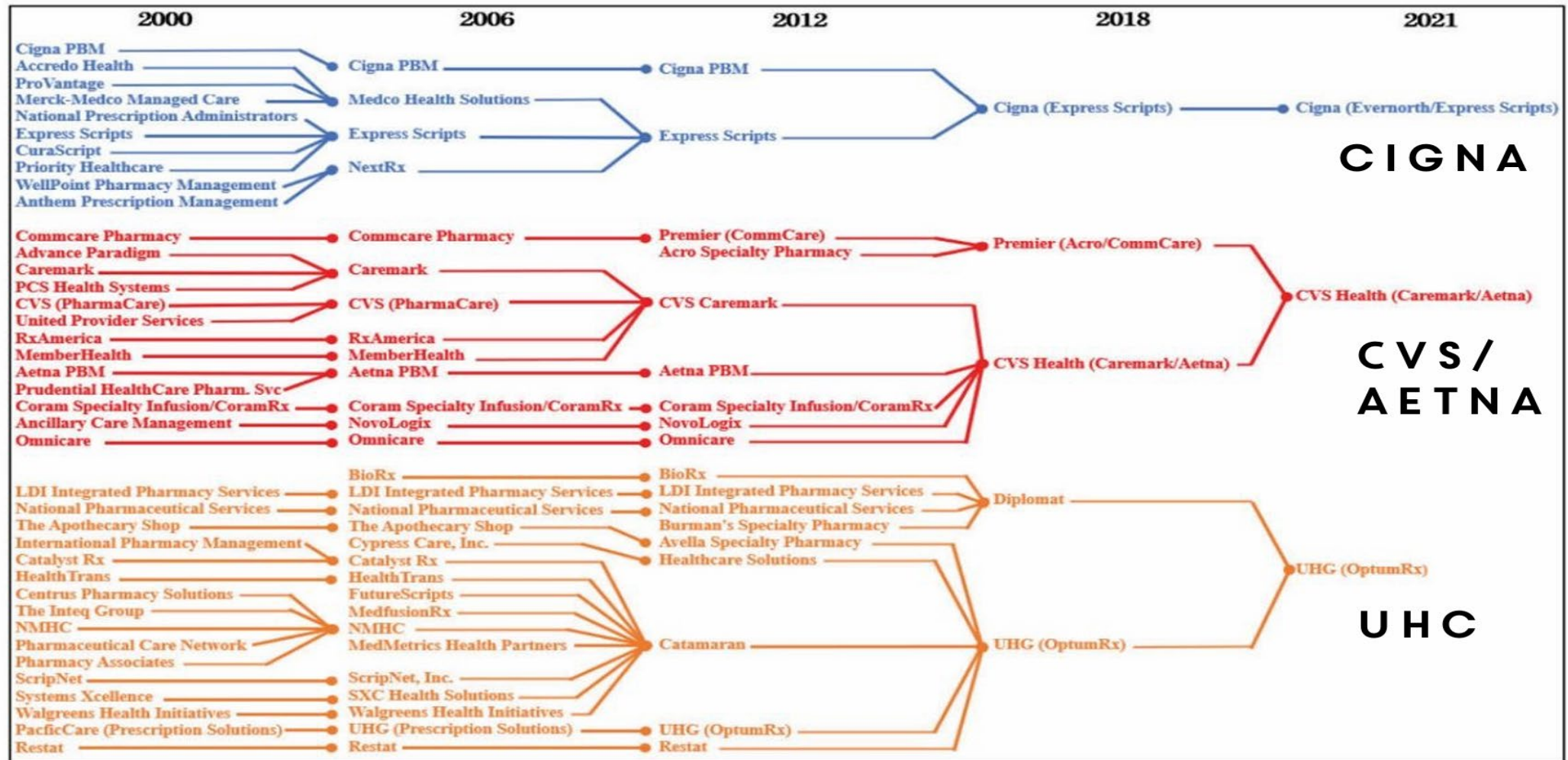
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Figure 3. PBM Parent Entity Consolidation<sup>21</sup>



# “23% of ACA marketplace enrollees are in a narrow network plan”<sup>24</sup>

- Healthcare Finance

<sup>24</sup><https://www.healthcarefinancenews.com/news/patients-see-narrow-networks-aca-marketplace-plans-kff-finds>.  
August 29, 2024. Accessed March 26, 2025.

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# Keep It Simple

- On average, employee benefits cost will be about 1/3 of the total cost of employee compensation.<sup>17</sup>
- Employees are looking for a simple, efficient approach to benefits
- More isn't always better, especially in benefits

<sup>17</sup><https://edenredbenefits.com/what-is-the-average-cost-of-benefits-per-employee-today/>.  
December 7, 2023. Accessed March 27, 2025.

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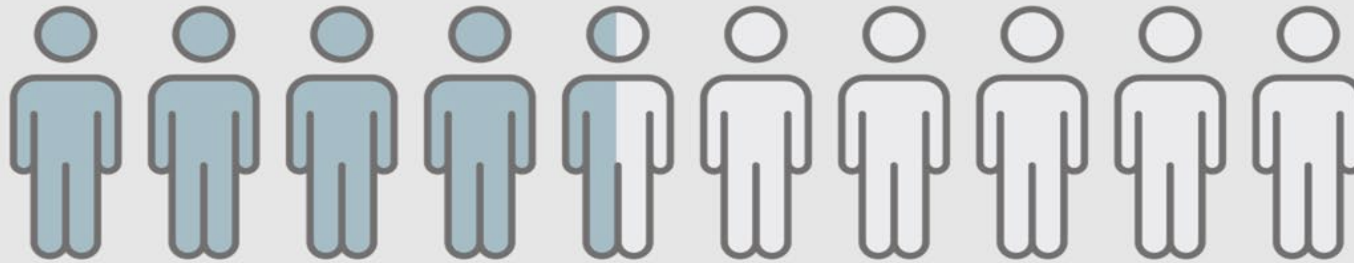


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# Insurance vs. Insight

153 Million Non-Elderly People<sup>3</sup>



45% of employees who say they do not fully understand their benefits.<sup>4</sup>

<sup>3</sup><https://www.kff.org/report-section/ehbs-2023-summary-of-findings/> - fn 1. October 18, 2023. Accessed August 29, 2024.

<sup>4</sup><https://www.asppa.org/news/why-it%E2%80%99s-critical-employees-understand-their-benefits-packages#:~:text=Still%2C%20nearly%20half%20of%20employees,they%20do%20not%20fully%20understand.> September 18, 2023. Accessed August 23, 2024.

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a different opinion

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# Health Savings Account (HSA) Contributions with HDHP

- High-Deductible Health Plan (HDHP) enrollments increased from 20% (2013) to 27% (2024)
- In 2024, 27% of covered employees are enrolled in HSA-qualified HDHPs<sup>18</sup>

<sup>18</sup>[https://www.kff.org/report-section/ehbs-2024-section-8-high-deductible-health-plans-with-savings-option/#:~:text=ENROLLMENT%20IN%20HDHP%2FHRAS%20AND,years%20ago%20\(27%25%20v.](https://www.kff.org/report-section/ehbs-2024-section-8-high-deductible-health-plans-with-savings-option/#:~:text=ENROLLMENT%20IN%20HDHP%2FHRAS%20AND,years%20ago%20(27%25%20v.)  
October 18, 2023. Accessed March 27, 2025.

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# HSA Education with HDHPs

- Rollover funds year after year
- Investing money for growth
- Recruitment tactic for employers
- Using funds now or later – the employee's choice



[americanfidelity.com/blog](https://americanfidelity.com/blog)

<sup>19</sup><https://americanfidelity.com/blog/reimburse/hsa-rollover-facts/>. December 12, 2023. Accessed March 27, 2025.

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“A considerable chunk  
of its healthcare  
expenses stem from  
ineligible dependents”

- HR Daily Advisor

<sup>20</sup><https://hrdailyadvisor.blr.com/2024/04/29/6-reasons-to-complete-a-dependent-eligibility-verification-audit/>.  
April 29, 2024. Accessed March 27, 2025.

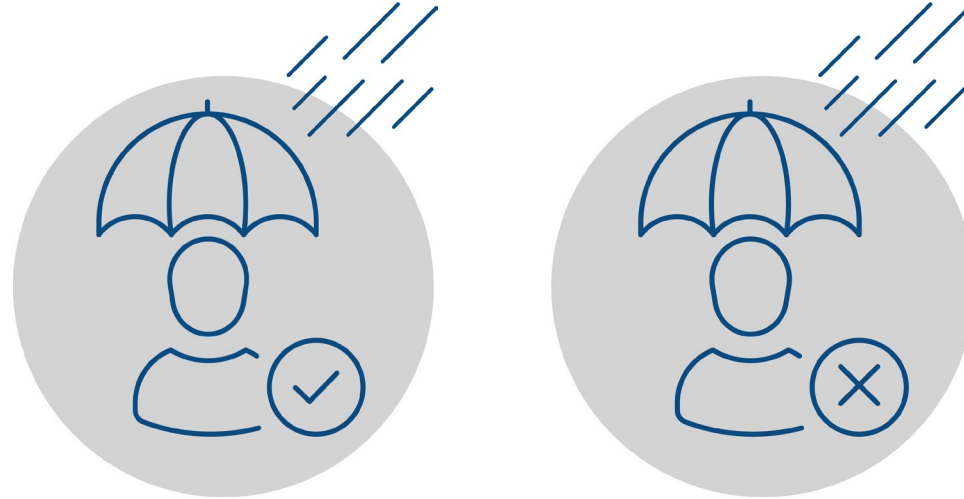
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# More Dependents, More Expenses

Dependents  
may cost up to  
\$3,500 per year.  
Save or lose?<sup>21</sup>



<sup>21</sup><https://plansource.com/resources/blogs/ongoing-vs-one-time-dependent-eligibility-audit-verification/>. April 7, 2022.  
Accessed March 27, 2025.

# Dependent Verification Reviews

- As many as 15% of spouses and dependents covered under an employer's health plans are ineligible
- DVRs can help you ensure you're covering only the correct people according to your plan
- This can save as much as hundreds of thousands – even millions – of dollars, depending on variables such as plan type, utilization of rates, and claims experience

<sup>22</sup><https://www.unifyhr.com/eligibility-verification-services/>. Accessed March 27, 2025.

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# Information About DVRs



[americanfidelity.com/blog/general/dvr-checklist](https://americanfidelity.com/blog/general/dvr-checklist)

<sup>23</sup><https://americanfidelity.com/blog/general/dvr-checklist/>. January 10, 2023. Accessed March 27, 2025.

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# “Half of U.S. adults lack financial literacy, survey shows”

26

- World Economic Forum

<sup>26</sup><https://www.weforum.org/stories/2024/04/financial-literacy-money-education/>. April 24, 2024. Accessed March 27, 2025.

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How do you define “financial success” for your employees?

① *Start presenting to display the poll results on this slide.*

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# Matching Financial Values With Priorities

## Value Examples

## What It Might Look Like for Employees

Family & Relationships

Plan family outings, vacations, or long-term care

Generosity & Giving

Make charitable donations

Financial Freedom & Independence

Plan to pay down debts and build savings

Education & Development

Buy courses, books, and attend conferences

Adventure & Experience

Plans for traveling and events

Stability & Security

Investments for retirement income, purchasing a home

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# Is Debt Holding Employees Back?

- \$66,772 – The average American debt (per U.S. adult)<sup>27</sup>
- How Could Being Debt-Free Affect Their Lives?
  - Opportunity cost
  - Credit score
  - Stress and health
  - Relationships
  - Spending power
  - Charitable Giving
  - Future goals



<sup>27</sup>[https://www.ramseysolutions.com/debt/average-american-debt?srsId=AfmBOoopsMtDCv0nx\\_0F-InA0oK2dkUrcFUcfUUoqm43wcQxPT3pPPEx](https://www.ramseysolutions.com/debt/average-american-debt?srsId=AfmBOoopsMtDCv0nx_0F-InA0oK2dkUrcFUcfUUoqm43wcQxPT3pPPEx). May 13, 2024. Accessed March 2025.

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# Reducing Financial Risk

“The essence of risk management lies in maximizing the areas where we have some **control over the outcome** while minimizing the areas where we have absolutely no control over the outcome.”

– Peter L. Bernstein

Financial historian, economist, and educator

<sup>28</sup>Peter L. Bernstein (2012). *Against the Gods: The Remarkable Story of Risk*, p.239, John Wiley & Sons

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# Potential Threats to Savings

- **\$315K** – The average cost of medical expenses that couples can expect during retirement<sup>29</sup>
- **70%** – The chance seniors 65 years+ have of needing long-term care in the future<sup>30</sup>
- **14 million** – The number of seniors 65 years+ who fall each year<sup>31</sup>

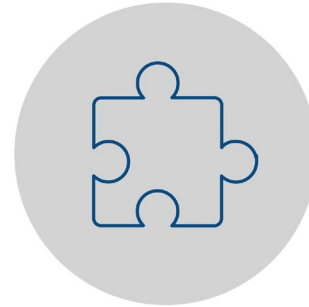


<sup>29</sup><https://www.plansponsor.com/health-care-retirement-will-cost-average-315000/>. May 16, 2022. Accessed March 27, 2025

<sup>30</sup><https://www.singlecare.com/blog/news/long-term-care-statistics>. January 24, 2024. Accessed March 27, 2025

<sup>31</sup><https://www.ncoa.org/article/get-the-facts-on-falls-prevention>. June 1, 2024. Accessed March 27, 2025.

# Supplemental Benefits to Fill the Gaps



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# Tools for Saving and Investing

**Retirement calculator from American Fidelity Retirement Services can help employees know:**

- When they can retire
- How much is needed
- Net worth
- Projected retirement income



Scan for the calculator

[retirement.americanfidelity.com/  
retirement-calculator](https://retirement.americanfidelity.com/retirement-calculator/)

<sup>32</sup><https://retirement.americanfidelity.com/retirement-calculator/>. June 2024. Accessed March 27, 2025.

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# 2025 Takeaways

**1** Examined today's top benefits trends  
(i.e., wellness programs, retirement programs, etc.) through current headlines

**2** Discussed how these trends can affect everyone in the workplace – from new hires to retirees

**3** Evaluated financial and retirement goals and their metrics for success

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