



# 2019 Benefits Benchmark

POWERED BY PLANSOURCE



PLANSOURCE

# Table of Contents

About The Benefits Benchmark Report	3
Executive Summary & Key Findings	4
Full Report	6
Medical Plans & Benefit Offerings	7
Cost of Providing Health Care	8
Who's Paying?	9
HDHPs	10
HSAs	11
Open Enrollment	12
Most Popular Employee Benefits	13
Benefits Rising Stars	14
Top Takeaways	15
About PlanSource	16

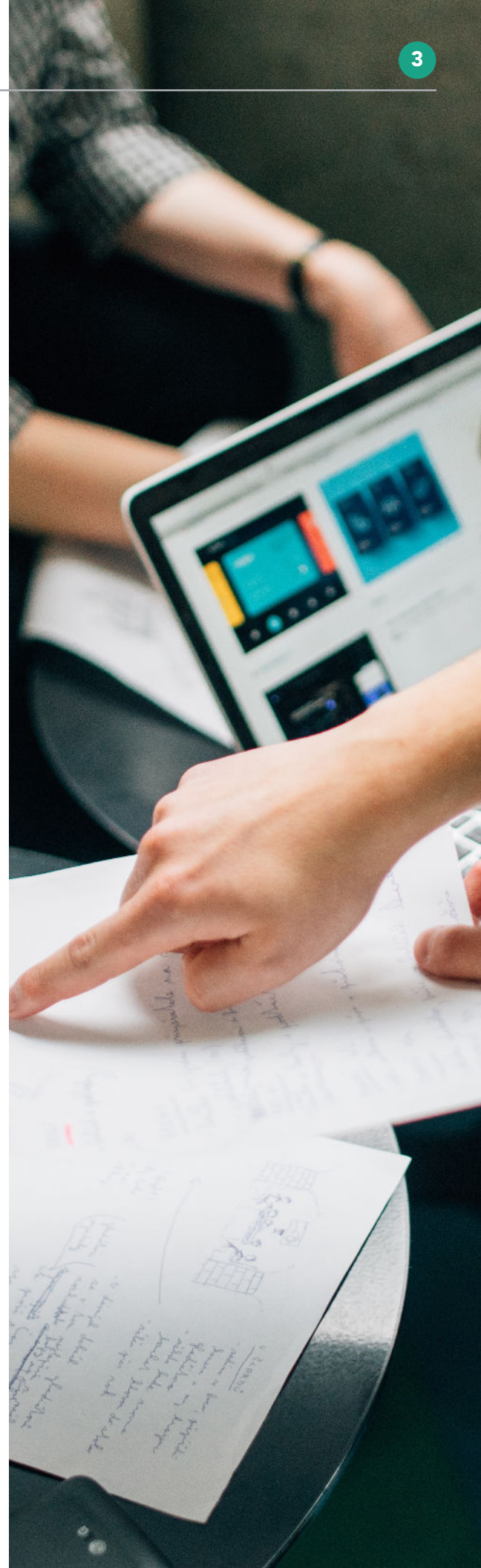
# About The PlanSource Benefits Benchmark Report

Welcome to the first annual PlanSource Benefits Benchmark Report. In this report, we'll showcase this year's top trends for employee benefits enrollment, benefit types offered, contribution amounts and 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 more than **92 million benefit elections** that have been made in our system.

The 2019 report is based on the full 2018 benefits year enrollment data. Unless stated otherwise, comparisons referenced are against our 2017 data set. There were a few spots that were significant enough to look back at 2016 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.





# Executive Summary & 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 2019.

## MEDICAL PLANS AND BENEFITS OFFERINGS

**15**

Average number of total benefits offered by PlanSource customers

**3.5**

Average number of medical plans offered by PlanSource customers



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

## COST OF PROVIDING MEDICAL INSURANCE



Average total cost of single coverage in 2018

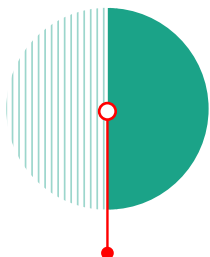


Average total cost of family coverage in 2018



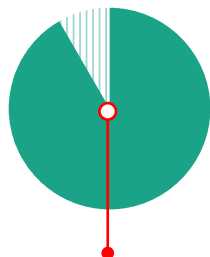
Unfortunately for many, our data indicates alignment with the general consensus that health care costs are on the rise. We saw increases in employee and employer contributions for just about every plan type offered in 2018, and employers continue to carry most of the cost burden.

## HDHPs AND HSAs



**50%**

Companies that offer an HDHP



**90%**

Companies that offer an HDHP that also offer an HSA



Peanut butter and jelly. Peas and carrots. HDHPs and HSAs? Our 2018 data indicates a slight increase in the percentage of employers that offer an HDHP and that most employers with a high deductible plan option also offer an HSA.

## MEDICAL PLANS AND BENEFITS OFFERINGS

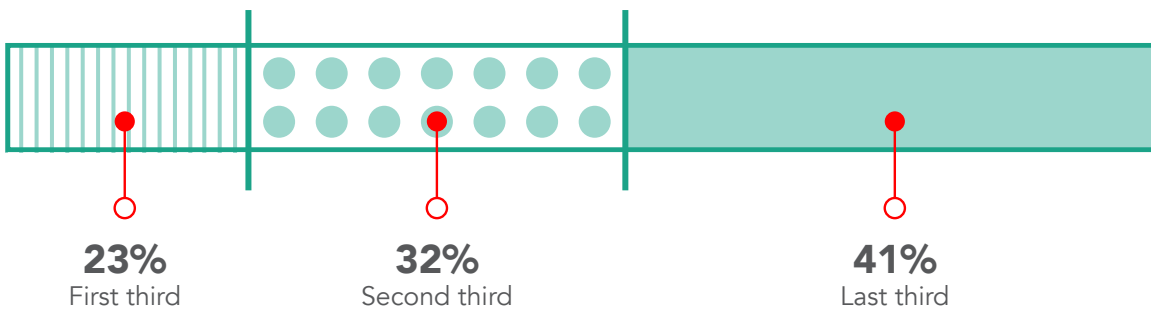
**\$992**  
Average employer contribution to HSA

**\$2,076**  
Average employee contribution to HSA

While HSA contributions are on the rise, there's still plenty of room to help employees make the most of these tax-advantaged accounts.

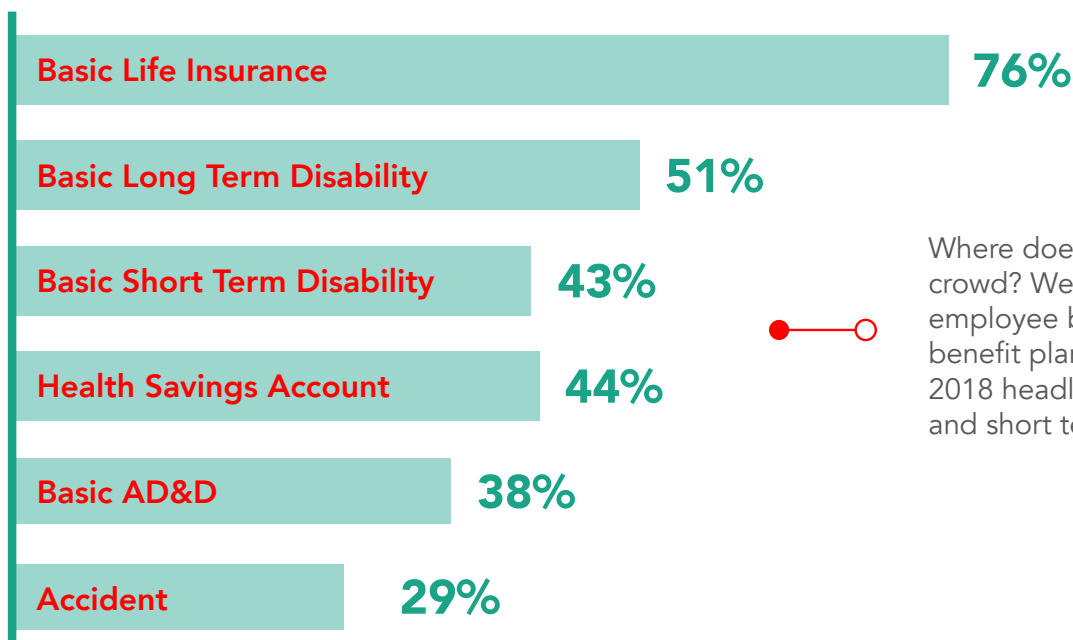
## OPEN ENROLLMENT

Enrollment By Period



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 Benefits



Where does your company stand against the crowd? We took a look at the most popular employee benefits offered. Aside from core benefit plans (medical, vision and dental), 2018 headliners include life insurance, long and short term disability, and basic AD&D.

# Full Report

## Findings, Trends and Takeaways

# Medical Plans & Benefit Offerings

Medical plans and dental plans and vision plans—oh my! These core benefit plans are offered by most employers. How do plans and programs differ by employer size? We've got the answer.

Are your benefits on par with these averages?

## AVERAGE NUMBER OF BENEFITS OFFERED

**15**

The average number of benefits offered by PlanSource customers



## AVERAGE NUMBER OF MEDICAL PLANS OFFERED

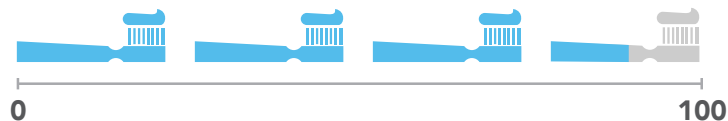
**3.5**

The average number of medical plans offered by PlanSource customers



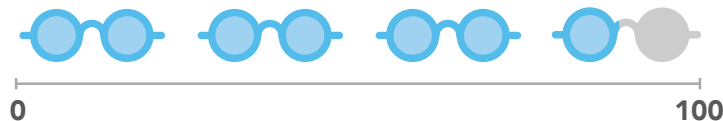
## DENTAL AND VISION PLANS OFFERED

### Dental Insurance



**87%**  
Companies that offer dental insurance

### Vision Insurance



**82%**  
Companies that offer vision insurance

## 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.

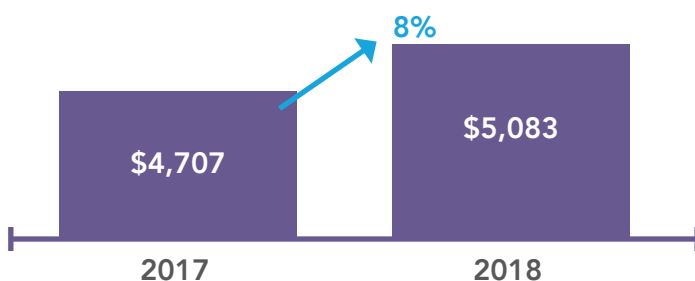


# Cost of Providing Health Care

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 2018?

Average cost of single coverage



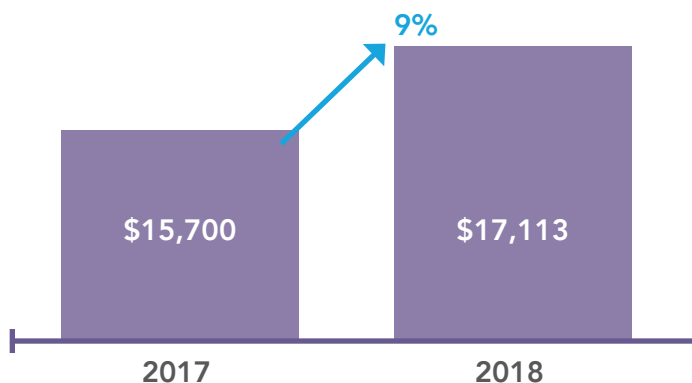
**\$5,083**

The average cost of single coverage in 2018

**8%**

Increase in single coverage cost in just one year

Average cost of family coverage



**\$17,113**

The average cost of family coverage in 2018

**9%**

Increase in family coverage cost in just one year

## HOW DOES IT STACK UP?

For companies using PlanSource as their benefits technology platform, premiums rose 8%-9% this year, which is slightly higher than the latest Kaiser Family Foundation report that indicates a 3%-5% increase in premiums.

For comparison, SHRM predicted an annual increase of 4.3% while Willis Towers Watson predicted an increase of 5.5%.

What can HR teams do to control costs? Only 50% of our customers offer a high deductible health plan, which is a popular option to lower premium costs for employers and employees. Other cost-saving initiatives include offering a telemedicine program, performing a dependent audit, implementing spousal surcharges and investing in decision support tools to help employees make better benefits decisions.

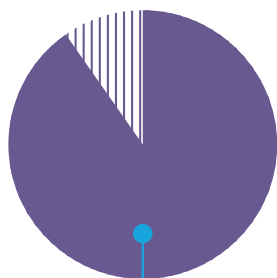


# Who's Paying?

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

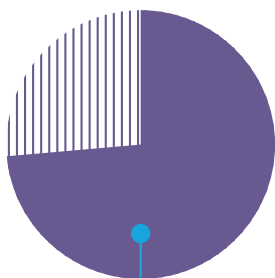
## PREMIUM BREAKDOWN

### HDHP



#### Single

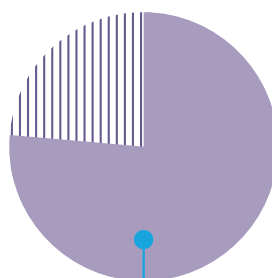
**19%** Employee  
**81%** Employer



#### Family

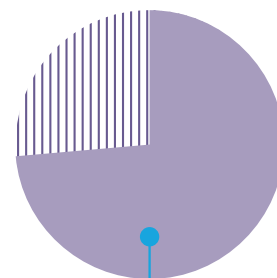
**26%** Employee  
**74%** Employer

### NON-HDHP



#### Single

**24%** Employee  
**76%** Employer



#### Family

**26%** Employee  
**74%** Employer

## WHAT DOES IT MEAN?

Employees are covering more of the cost for family plans and for non-HDHP plans. Employers paid the most for HDHP single plans, while employees paid the least for single HDHPs. *Does your premium cost-sharing model match these numbers?*

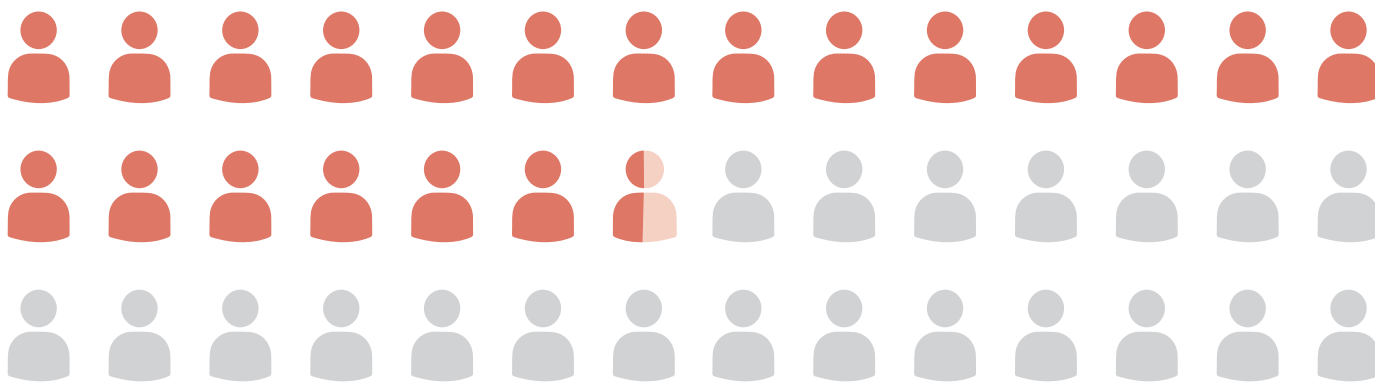
Employers are picking up a majority of the tab for health insurance coverage across the board. This is a major expense that is largely taken for granted. Are your employees aware of the full cost of coverage? Showcasing this through a print or digital total compensation statement is an easy way to reinforce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

# HDHPs

High deductible health plans launched in the early 2000s as a way to make individuals more conscious consumers of health care. But has this worked? Are employees enrolling in plans as expected, and are HSAs being used to supplement gaps in coverage? We take a deep dive into HDHPs and HSAs below.



## HDHP ADOPTION



**Nearly 50%** of PlanSource customers offer an HDHP

Over the past three years, the overall percentage of PlanSource customers offering a high deductible plan has remained flat at ~50%.

**Less than 1%** of employers offer only an HDHP for medical

HDHPs are almost always offered with another plan option. Less than 1% of PlanSource customers offer *only* a high deductible health plan.

## 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 indicates that people value choices and that employers favor plan diversity.

# HSA

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%

Employers that offer an HDHP that also offer an HSA

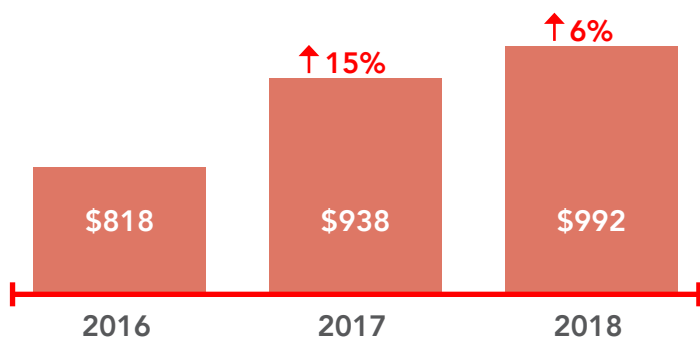
The total number of employers offering an HSA has also increased by 125% between 2016 - 2018.

### EMPLOYER CONTRIBUTIONS

## 48%

Employers that contributed to an HSA account for employees. This is a 42% increase of employers contributing over 2017.

Average Employer Contribution



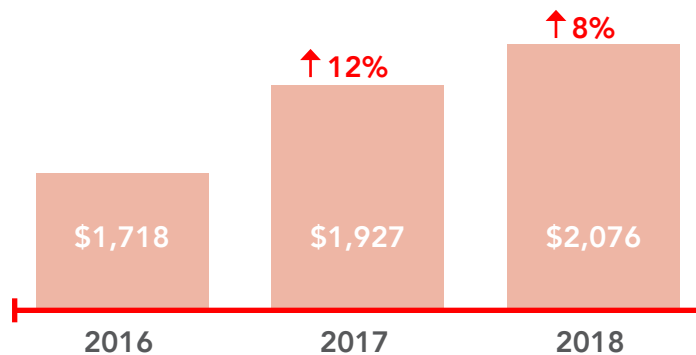
The average employer contribution rose to \$992 in 2018. This is a 6% increase over 2017 contributions (\$938) and a 21% increase over 2016 contributions (\$818).

### EMPLOYEE CONTRIBUTIONS

## 76%

Eligible employees that contributed to an HSA account. This is a 51% increase of total employees contributing over 2017.

Average Employee Contribution



The average employee contribution rose to \$2,076 in 2018. This is an 8% increase over 2017 contributions (\$1,927) and a 21% increase over 2016 contributions (\$1,718).

### WHAT DOES THIS MEAN?

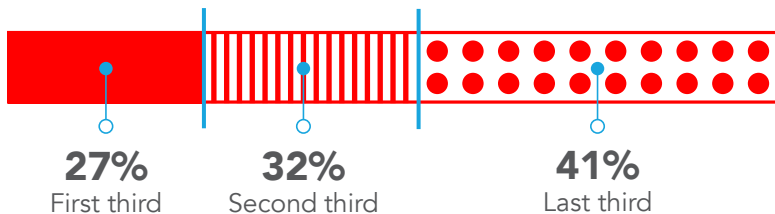
The current (2019) contribution limits are \$3,500 for individual HSAs and \$7,000 for family HSAs. So, despite contributions increasing year over year, there's still plenty of room to grow!

Remember, these contributions are made before taxes are deducted and a great way to fill potential gaps in health care coverage. Communication and education are critical to increasing HDHP adoption and HSA contributions.

# Open Enrollment

How are employees using the PlanSource system? For this segment, we looked at trends related to when and how employees are using PlanSource to enroll in benefits during open enrollment.

## ENROLLMENT BY OE PERIOD



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

## ENROLLMENT BY DAY AND TIME



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



Medical coverage with a side of fries? Most employees completed their open enrollment during work hours, with the highest volume reported around lunch time.



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

## TIME SPENT ON ENROLLMENT

**18 minutes**

The total amount of time employees take to complete open enrollment

**14 minutes**

Average session time for employees

**1.3**

Average number of employee logins during open enrollment

**10%**

Enrollments completed via a mobile phone or tablet

Most employees still enroll in benefits via a desktop device—and this makes sense; we're seeing most employees complete enrollment while they are at work.

However, as PlanSource customers switch to the mobile-friendly experience in 2019, we anticipate more employees will use multiple devices to research, shop for and enroll in benefits.

## WHAT'S THE TREND?

Most employees are cruising through open enrollment on their lunch break during work hours. 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!

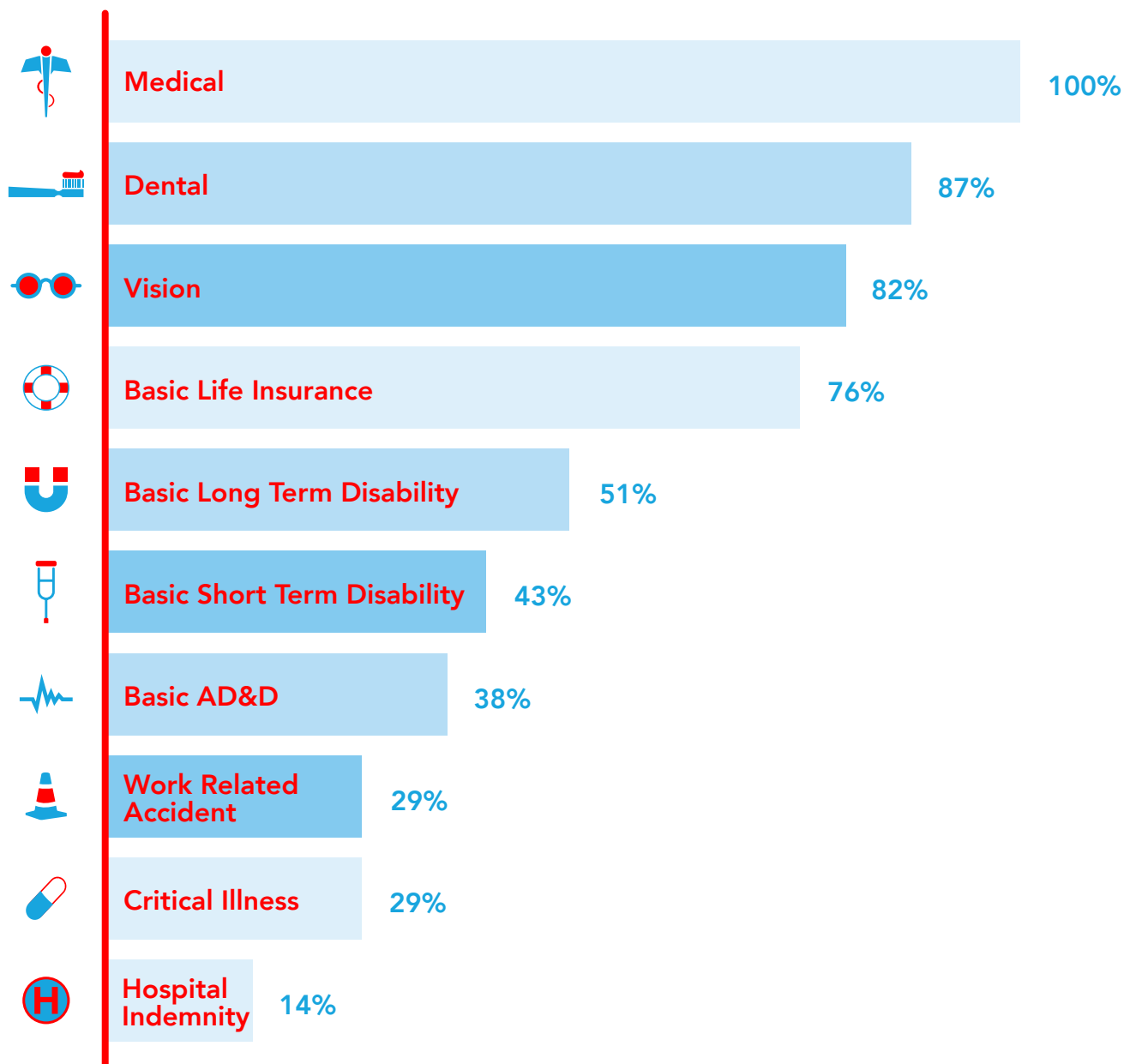


# Most Popular Employee Benefits

These represent the most commonly offered employee benefits based on employer data for the 2018-2019 enrollment season. This data represents benefits offered, not actual enrollment.

*How does your benefits portfolio stack up?*

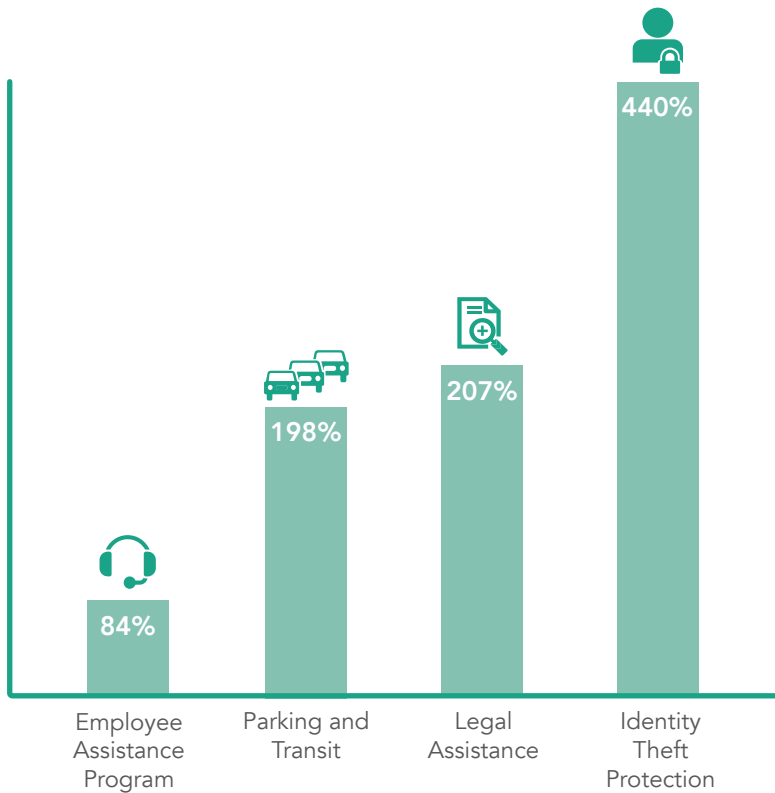
## MOST POPULAR EMPLOYEE BENEFITS OFFERED



# Benefits Rising Stars

These four ancillary benefits are small but mighty. The overall enrollment numbers were on the low end for 2018 but are quickly on the rise from a percentage perspective as more employers look at creative perks to diversify their benefits portfolio.

## ANCILLARY BENEFITS - 3 YEAR GROWTH



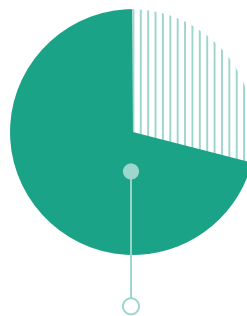
A recent report\* found that 62% of employees under the age of 50 would not consider a job that does not offer voluntary benefits. And, 83% of employees with health care coverage and no voluntary benefits say they are open to enrolling in voluntary benefits through their employer—and they don't expect their employer to pay for them. Voluntary benefits are no longer just 'nice to have'. These innovative perks are now expected by employees and are a surefire way to attract and retain top talent.

## BENEFITS ACCOUNTS

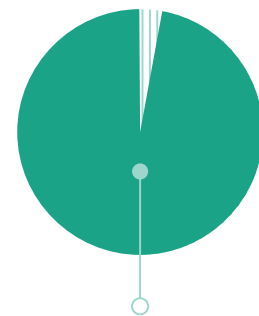
The breakdown of enrollment by benefit account type has remained consistent over the past three years. FSAs are the most popular account offered, while only 2% of PlanSource customers offered an HRA.



**FSA**  
**70%**



**HSA**  
**28%**



**HRA**  
**2%**

# 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 2019.

## 1. COSTS ARE RISING – FOCUS ON COST CONTROL

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

PlanSource customers saw an 8%-9% increase in premiums in just one year. This is more than any other industry report predicted.

Combat continued inflation by implementing cost-control initiatives such as dependent audits, high deductible plan options and decision support tools.

## 2. EMPLOYEES EXPECT CHOICES – DIVERSIFY YOUR BENEFITS

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Another key trend we noted in 2019 is the slow and steady growth in the number of health plans and the total number of benefits offered. And, several niche benefit offerings are gaining traction as more employers diversify their offerings.

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

*How do your benefits stack up against the crowd?*

## 3. ENROLLMENT IS CONFUSING – MAKE IT SIMPLE

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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 stat that employees spend less than 20 minutes enrolling in benefits, with the average employee spending only 18 total minutes on benefits shopping and 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.

Check out our Open Enrollment Kit for free templates, best practices, print materials and more!

# About PlanSource

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

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, services and tools 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 human resources software.

You can learn more at [www.plansource.com](http://www.plansource.com), follow us on [Twitter](#) or [LinkedIn](#) for updates, or schedule a complimentary demo below.

[Take A Tour](#)