



**The Benefits of
Benefits to SMBs:
Access to Big-company
Benefits is Key to
Attracting Talent**

The Changing, Challenging World of Employee Benefits

Small and medium-sized business (SMB) owners and managers understand that success depends in large part on their ability to attract and retain the most talented people in their industry. Perhaps there was a time when salary alone could attract the best and brightest, but with 10.1 million job openings in the U.S. in August of 2022¹ and a changing approach to work-life balance, today's employees consistently demand a growing menu of traditional and nontraditional benefits.

While benefits of all types play a crucial role, and high quality traditional benefits such as health insurance and retirement plans remain top of mind, employees also value a number of nontraditional benefits that, depending on industry, include:

- **A choice of programs that deliver private and equitable access to benefits** that efficiently adapt to changing times and circumstances, such as those that support the need for medical travel, adoption assistance, education or disaster relief
- **Training, education and mentoring programs** that give employees growth opportunities and more control over their career paths²
- **Unlimited paid time off**, a structure in which employees are not assigned a set number of paid days off but, rather, have the freedom to take time off when needed as long as doing so will not disrupt business³
- **Wellness programs** that reward healthy behavior
- **Subsidized childcare or senior care**⁴
- **Phased retirement programs** that allow employees approaching retirement age to continue working with a reduced workload as they transition from full-time work to full-time retirement
- **Paid sabbaticals**
- **On-site free or subsidized services** (e.g., meals, gym, dry cleaning, childcare and grooming services)
- **On-site health care** (including mental health)
- **Employee assistance programs** (EAP)

1. <https://tradingeconomics.com/united-states/job-offers>. Accessed October 17, 2022.

2. <https://www.shrm.org/about-shrm/press-room/press-releases/pages/shrm-releases-2022-employee-benefits-survey--healthcare-retirement-savings-and-leave-benefits-emerge-as-the-top-ranked-be.aspx>. Accessed October 11, 2022.

3. Ibid.

4. Ibid.

In a competitive job market, forward-looking SMBs understand they cannot ignore the benefits challenge if they hope to compete successfully with each other and with larger businesses to attract and retain talent. However, the challenge for SMBs is that many lack the experience, expertise or resources to shop for, communicate about and administer strategically viable, cost-effective benefit packages—much less maintain compliance and reporting for a growing number of state, federal and, at times, local regulations.

Here's the good news for SMBs: a professional employer organization (PEO) can help address many of these concerns.

HOW A PEO HELPS

The very nature of being an SMB requires a laser-like focus on your core business. Administering benefits is certainly an extremely important business function, but it can also be an expensive, time-consuming and often frustrating distraction that PEOs can help alleviate. A PEO like TriNet brings multiple advantages to the table.

Percentage of employees that feel flexible benefits are important⁵

49%
2019

83%
2020-2021

70%
2022

HR expertise and resources: TriNet's benefits consultants are experienced professionals whose sole focus is benefits administration. They are experts at helping SMBs choose the right funding strategies for traditional benefits and mix of nontraditional benefits for their workforce.

Access to big-company benefits: As solo entities, SMBs cannot typically access the breadth in quality packages of traditional and nontraditional benefits. That's a problem, especially in fields where the most talented individuals have options. A PEO has the ability to provide access to large group plans, typically only available to large companies, while helping minimize your work and risk.

Customization and choice: Ideally, your benefits funding is custom-curated for your particular employees and industry. TriNet works with thousands of businesses across different industries, appropriate to both industry and geography. In addition, TriNet's size and expertise enable it to respond quickly to a changing workforce and changing times with offerings that align with current employee preferences.

Ease of benefits administration: TriNet assists with what would otherwise be heavy administrative and compliance loads for your company. Federal, state and local regulations, particularly around health, disability and retirement benefits abound and vary region to region. There is a whole body of law that frequently changes and poses significant risks in the form of fines. TriNet's compliance experts help SMBs keep up with ever-changing employment regulations and help with common compliance pitfalls such as 5500 filings and ACA compliance.

5. <https://www.shrm.org/about-shrm/press-room/press-releases/pages/shrm-releases-2022-employee-benefits-survey--healthcare-retirement-savings-and-leave-benefits-emerge-as-the-top-ranked-be.aspx>

Ease of use for employees: TriNet onboarding experts conduct new hire orientations that walk employees through the benefits enrollment process with a level of professionalism that eases the process. In addition, TriNet’s mobile app provides easy access to view paychecks, flexible spending account (FSA) activity and TriNet-sponsored benefits information as well as managing time off requests. That’s a powerful and valued convenience for employees who are often juggling work, school and family.

Communication: Communicating with prospective and existing employees about the value of benefit packages, as well as the details of taking advantage of those benefits is both sensitive and time-consuming. TriNet has expert communication teams that develop and send benefit communications for TriNet-sponsored plans.

TRADITIONAL BENEFITS

Traditional benefits are still top of mind for many prospective and existing employees. Both choice and quality make a difference.

Health benefits: Medical, including mental health, dental, and vision coverage remain among the most important considerations for individuals joining an organization. These health benefits are likely to increase in importance when you consider that according to the Centers for Medicare and Medicaid Services, “Annual growth in national health spending is expected to average 5.1% over 2021-2030 and to reach nearly \$6.8 trillion by 2030.”⁶

Moreover, talented prospective employees understand that health insurance benefits are quite diverse and are, therefore, discerning about their choices. TriNet offers access to robust plans from multiple carriers, each may include a wide range of deductible and copay choices, as well as coverage for alternative treatments like chiropractic care. As a PEO, TriNet can gain administrative efficiencies that can result in attractive and robust benefit offerings.

For dental insurance, TriNet also offers access to several carriers with multiple plans for each carrier and even has a plan that will cover orthodontics. Health savings accounts (HSAs) and FSAs are also available.

Some employees value HSAs and FSAs due to the tax advantages of contributing and the opportunity to save and grow HSA funds on a pre-tax basis to pay for eligible health care expenses. Some employees that have relatively low health care costs may prefer the lower premiums of high-deductible health plans with HSAs; also some employees who are looking to save for medical expenses in retirement, may value HSAs, because the savings can accrue, and even be invested, over time. On the other hand, those who decide that a high-deductible health plan isn’t ideal for their situation will still be able to use a healthcare FSA, even if they aren’t eligible for an HSA.

Retirement benefits: Saving for retirement has always been a concern, but the near total disappearance of employer-sponsored pension plans has raised employees’ anxiety about

“TriNet allows us to manage our company as if we had a full-time HR manager onsite without the cost and challenges that can often-times bring.”

Chief Operating Officer at an Oil & Energy Company

whether they can save enough. With an average total retirement savings rate of 10.5% for workers ages 25 to 34 and 8% for workers under 25, these employees likely aren't saving enough to meet their retirement goals.⁷

Therefore, offering access to retirement plans like 401(k) plans that help employees reach their retirement savings goals can be a significant factor in attracting and retaining talent. TriNet can help because it works with an independent investment adviser who conducts ongoing benchmarking of plan and investment fees, and TriNet's 401(k) plans have competitive administrative fees. The plans also have company contribution options including profit sharing, matching and safe harbor contributions.

Disability benefits: Short-term disability insurance provides employees who have either unpaid sick leave or who exhaust their accrued paid sick leave with a certain level of wage replacement. It's especially valuable for employees who suffer an accident, unexpected surgery or illness with a long recovery time. TriNet offers access so employers can fund these plans or offer them as optional, employee-funded plans. And TriNet's nationwide reach enables it to offer disability benefits and ensure appropriate coverage no matter where a company is located. This is especially important because some states have their own disability and family and medical leave requirements in addition to Family and Medical Leave Act (FMLA) requirements. For those states, TriNet handles administration of the applicable coverage.

Life insurance: For employees at all stages of their career, life insurance is an important tool for protecting assets. Buying a life insurance policy through an employer typically allows employees to obtain coverage at more affordable rates than policies purchased on an individual basis.

ENRICHING YOUR COMPANY'S BENEFITS IN RESPONSE TO CHANGING TIMES

Benefit programs that respond rapidly, equitably and appropriately to cultural change are essential for attracting top talent, as well as for optimizing existing employees' job satisfaction and productivity. Our Enrich™ product line is just one example of the way TriNet responds to changing times, all while protecting employee privacy. At present, Enrich has four products:

- **Enrich Access** allows companies to provide tax-free travel reimbursements to their eligible employees, and household dependents if companies so choose, who travel to obtain medical care that is not available to them locally. The employee's identity remains anonymous to their employer, which is often a challenge for small companies.
- **Enrich Adopt** gives companies a means to provide a tax-favored adoption assistance program that supports eligible employees who wish to expand their immediate families through adoption.
- **Enrich Learn** lets companies provide tax-optimized reimbursements for expenses incurred by their employees to advance their education.
- **Enrich Disaster Relief** allows companies to provide tax-favored reimbursements for expenses incurred by employees impacted by federally declared disasters.

For more information on TriNet Enrich, visit www.trinet.com/enrich

NONTRADITIONAL BENEFITS

Nontraditional benefits are the fastest growing element of employer-sponsored benefit packages, likely because many of these benefits are essential for the work-life balance so many of today's employees crave. Typically, employers cover some nontraditional benefits, while the rest are voluntary, meaning the employee pays, but often at a discounted rate only available through the employer. This eGuide will not attempt to comprehensively cover all of these benefits, but below, is a list of some of the most powerful benefit categories.

Flexible work arrangements: Employees continue to value flexible work arrangements, which might include unlimited paid time off, flexible hours, compressed workweeks and working remotely.

Paid leave: Paid leave (excluding vacation pay, sick pay and paid time off) is another coveted nontraditional benefit category. FMLA requires certain public agencies and private sector companies to provide 12 weeks of unpaid, job-and-benefits-protected leave in a 12-month period to eligible employees for certain family and medical reasons, including parental leave. Some companies now attract and keep hard-to-replace talent by offering fully paid FMLA-type leave without requiring employees to use accrued vacation, sick days or paid time off.

Childcare: Though it's not widespread at this point, some companies offer onsite childcare or subsidies for childcare costs.

Pet insurance: Having pet insurance gives employees one less thing to worry about as the cost of pet care rises. TriNet's Voluntary Benefits Central (see below) includes a pet insurance benefit program.

“TriNet offers a benefit package with more offerings than we would be able to do on our own.”

Financial analyst at a non-profit company



Phased retirement programs: Phased retirement allows employees to continue earning income while scaling back on job responsibilities and time spent working. This makes it easier for companies to retain experienced workers and attract new talent.

Commuter programs: Many companies offer pre-tax deductions for commuting expenses—and some cities even mandate that an employer offer this benefit. TriNet offers access to this through Health Equity (formerly Wageworks), a program that allows employees to set aside pretax dollars for both parking and transit expenses.

Training and mentoring: While formal mentoring programs and training do not directly address work-life balance, they contribute to the job satisfaction that can enhance that balance. These programs often help you attract and motivate employees who are considering a career track in high turnover fields.



ACCESS TO THE ENTIRE RANGE OF VOLUNTARY BENEFITS

TriNet has used its considerable reach and resources to make accessing voluntary benefits easier by creating a user-friendly Voluntary Benefits Central site that features many voluntary programs. For some of these benefits, employees sign up at any time; other benefits are available only during open enrollment. Offerings include pet insurance, auto and homeowner's insurance, legal plans, accident insurance, critical illness insurance and hospital indemnity insurance.

TriNet also has another user-friendly site, Marketplace, which offers discounts on a broad range of services, from Disney World tickets to cellphone service and gym memberships. Marketplace is available to all TriNet clients and their employees.

BENEFIT PACKAGES: AN ESSENTIAL TOOL FOR SMB SUCCESS

A comprehensive benefits package that brings together attractive traditional benefits with nontraditional benefits delivers far more than the sum of its parts. TriNet has found that providing nontraditional benefits improves employee morale, employee retention and company culture. By giving your employees the support they need to succeed, you build a loyal team that, as an added benefit, fosters invaluable institutional memory from increased employee retention.

Talented people have choices for where they will work. It only makes sense that these individuals want access to benefits that contribute to an environment full of opportunity and the cherished work-life balance. Such benefit packages were once limited to large enterprises, but not anymore.

Today, by teaming with a full-service HR provider like TriNet, your SMB can get the comprehensive benefit options necessary to compete successfully for talent with any sized business. There may be no more valuable tool for crafting a team that will empower your business to thrive.

About TriNet

TriNet (NYSE: TNET) provides small and medium size businesses (SMBs) with full-service HR solutions tailored by industry. To free SMBs from HR complexities, TriNet offers access to human capital expertise, benefits, risk mitigation and compliance, payroll and real-time technology. From Main Street to Wall Street, TriNet empowers SMBs to focus on what matters most—growing their business.

Go to **TriNet.com** to get started or speak with a TriNet representative at **888.874.6388**.

Learn all about our tailored solutions at [TriNet.com](https://www.trinet.com) or call **888.874.6388**.

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