

Employee Benefits Attract Talent for Small Businesses

When competing for talent, the importance of employee benefits cannot be overstated.

Even small businesses with only a handful of employees can attract top talent with the right benefits.

Eighty percent of Canadian employees consider a company's health benefits before accepting a new role, according to a survey by Blue Cross of Canada. And 73% of employees with a health benefits plan would stay with their current employer rather than take a more highly paid position elsewhere.

For 49% of Canadian employees, health benefits are more important than a raise, the survey found. Surprisingly, 36% of small-business employees would take benefits over a \$40,000 raise. These statistics highlight the immense value Canadians place on benefits, especially as inflation continues to drive up the cost of living.

As a small-business employer, the power is in your hands. Yes, providing benefits comes with a cost— around \$1,822 per employee, according to Blue Cross. But you can offset that cost by reducing employee turnover and attracting candidates you might otherwise lose to bigger competitors.

EDUCATE, COMMUNICATE AND BE AGILE

You could offer the best employee benefits package in Canada, but that might not have the intended impact if you don't educate your employees about the services available to them.

As a small-business owner, you have the luxury of agility.

Listen to employee feedback to see what benefits and services are most important to them. Gather feedback through a formal employee survey or informal office chats. Then, modify your plans to meet their needs. For example, say you have five employees and none of them require vision care beyond what is available under their provincial health care plan. You could reallocate some of that cost to cover a different service that is more relevant to them.



Of course, cost is one of the biggest barriers for small businesses that want to offer extensive benefits packages. But there are ways to mitigate those expenses.

For instance, you may want to consider employee benefits pooling. This is where you join a group of companies of similar sizes and sectors to spread your risk and lessen the impact of a costly claim. All you have to do is pay a monthly premium to an insurer, which then takes on the risk for the whole group and pays any claims that arise.

With a pooled benefits plan, you can leverage the combined purchasing power of all the employers in the plan. This can help you offer a broader range of benefits and coverage options to your employees.

Typical benefits that small businesses pool include life, accidental death and dismemberment, disability, and critical illness insurance.

Claims in these categories are typically low frequency but high severity. Such a claim could be almost impossible for a small business to cover on its own. With pooled insurance, your risk of loss is capped, protecting your company from financial ruin.

If you take the pooled benefits route, you may lose some flexibility and customization compared to individual plans, but there are ways around this. For instance, you could use some of your cost savings to offer your employees a health spending account (HSA) or wellness spending account (WSA).

With an HSA, employees get a set amount of money each year to spend on approved medical benefits. This lets them spend their allocated dollars on health care items that are most relevant to them.

The benefits are tax-free, and the eligible services are determined by the Canadian Revenue Agency.

With a WSA, sometimes called a personal spending account (PSA), your employees get a set amount of money to spend on wellness-related expenses. Examples of eligible expenses include gym memberships, therapy, nutrition services, and naturopathic and homeopathic remedies. These benefits are taxable, but they give your employees more flexibility and control over their physical and mental health.

Some other cost-effective and morale-boosting ways to win over current and prospective employees include:

- Increasing the number of paid time off and personal days they can take
- Offering flexible work arrangements, such as remote work and tailored hours
- Providing accessible digital solutions, such as on-demand, online access to cognitive behavioural therapy

Creating an attractive benefits package is all about tailoring your offerings to your employees. It takes some work, but creating a standout plan will help you attract the best talent in the business.

For help creating your employee benefits plan, contact us and we can help you gather employee feedback and modify your benefits to meet your employees' unique needs.

If you have questions specific to your business, or would like additional information, please reach out to your Lloyd Sadd Advisor.

™@Local Touch. National Strength. Navacord and Navacord logo are Trademarks of Navacord. The information contained herein is general in nature and general insurance description only. The information is not intended to be insurance advice; nor does it amend, modify or supplement any insurance policy. Consult your actual policy or your broker for details regarding terms, conditions, coverage, exclusions, products, services and programs which may be available to you.

**LET US HELP YOU
MANAGE YOUR RISK**

Edmonton: 1.800.665.5243
Calgary: 1.866.845.8330
Kelowna: 1.800.665.5243

lloydsadd.com
info@lloydsadd.com

Local Touch. National Strength.™