



Cara Kirsch

HR/Benefits Breakout 4:

“Generations, Rewards, Competition: How to Balance Priorities in Changing Times.”

Spanning the Generations

By 2024, about 25% of the workforce is projected to be the age of 55, and the traditional retirement age is getting older as workers take on part-time and temporary positions. This trend has resulted in a new phenomenon: more generations in the workplace. In fact, today many workplaces are composed of five generations:

- Traditionalists — born before 1946
- Baby Boomers — born 1946-1964
- Generation X — born 1965-1976
- Generation Y / Millennials — born 1977-1997
- Generation Z — born after 1997

With five generations in the workplace, employers are challenged to create employee benefit programs that are valuable to their entire workforce.

The task doesn't have to be as daunting as it might initially seem, and Cara Kirsch plans to help attendees at the 2019 Xchange better understand what they need to consider and how they need to approach benefit offerings.

“National survey data shows that employees continue to view retirement plans and medical coverages as the most important employee benefits,” explained Kirsch, Vice President of SilverStone Group Employee Benefits Division. “What kind of retirement plans do you have? Do you offer a retirement plan match? What investment funds do you offer? From a medical plan design perspective, how much are employee premiums and what is the medical plan design (e.g., co-payments and coinsurance)?”

“When asked whether employees think their medical coverage is ‘good,’ they respond with mixed feedback,” Kirsch said. “With our clients, we find that Traditionalists, Baby Boomers, and Generation X may prefer lower cost shares in their medical plans with higher premiums, while Millennials, who may be healthy and may not use the medical plan, prefer options that allow them to fund savings accounts, like Health Savings Accounts (HSA). It is our role to help the employer solve this challenge by understanding their culture and budget and defining programs that respond to the majority.”

Kirsch provided a real-life example to illustrate her point. One of her clients has about 300 employees, many of whom are Millennials. They currently offer a low-deductible, co-payment-based PPO plan. Employee-only medical and dental coverage is free. The growing Millennial group does not view those benefits as valuable because they don't see any financial contribution in their paycheck and they are not using the coverage, so they don't value the benefit of lower cost shares. Implementing a qualified high-deductible health plan (in addition to the current plan) with an employer HSA contribution may solve the issue so that the Millennials have choice and can watch their HSA account balance grow.

Ultimately, an employer's budget is usually the first step to figuring out how to respond to the various ages.

“However, we find that culture plays a huge role,” Kirsch said. “In our model, we use our culture assessment to determine readiness for change and need for

employee education.” How much input you get from the employees on designing the benefits plan depends on the employer, Kirsch said.

“Some employers take a lot of time to do engagement surveys or focus groups,” she said. “But other employers who don’t have the liberty because of their budget, they are going to make the best decisions they can with the budget dollars they have. I find even now,

when budgets are tight and health-care costs continue to go up at such a rapid pace, that the employers are asking the employees more than ever before because what they don’t want is to pay for something and have the employee not value it.” ✨

Written by Jennifer Cronin

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