



A Research Report by the Society for Human Resource Management (SHRM)

# 2012 Employee Benefits

## The Employee Benefits Landscape in a Recovering Economy





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# About This Survey Report

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The following report provides an analysis of the 2012 SHRM Employee Benefits Survey results. In January 2012, the Society for Human Resource Management (SHRM) conducted its annual survey to gather information on the types of benefits employers offer to their employees. The survey instrument listed 297 benefits and asked human resource (HR) professionals to indicate whether their organization offered these benefits. If the HR professional reported that his or her organization did not offer the benefit, the respondent was asked if there were plans to offer the benefit in the next year.

## About SHRM

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India. Visit SHRM at [www.shrm.org](http://www.shrm.org).

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# A Message from Colonial Life

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Colonial Life makes benefits count for you and your employees by providing personal benefits that fit your company's and employees' needs. We understand you want to make the best benefits program decisions for your company, and we know what you're up against:

- **Figuring out what health care reform means for your company and employees.**
- **Finding benefits strategies that help you not only better manage your benefits budget but also remain competitive in hiring and keeping top talent.**
- **Looking for ways to ease your benefits program's administrative burdens.**
- **Providing education to help employees learn about the benefits they have, what they cover and where their gaps are.**

Whew! You're wrestling with a lot of issues.

## We Can Help

Colonial Life has been a market leader since 1939 in providing personal insurance benefits for employees and their families at the workplace all across the nation. We pioneered worksite voluntary benefits in 1955, and it's our specialty. But personal insurance isn't all we do. There's a whole lot more. Today, we serve nearly 80,000 businesses, many just like yours. Here are just a few of the services we provide – at no direct cost to you – to help you get better value from your benefits program and effectively handle program administration:

### Consultation

Our national team of benefits professionals can help you get the most return on investment from your current benefits program. They can also recommend personal insurance plans to round out your benefits, giving employees choices to fill any gaps in their financial safety nets.

### Education

Our team of professional benefits counselors is the best in the business at helping employees learn about their benefits choices. In 1-to-1 personal benefits counseling sessions with employees, our benefits counselors listen to employees and get to know them, explain your company's core benefits program, help employees decide if they need additional coverage based on their personal situation and help them enroll in the benefits they choose.

Educating employees about their benefits is very important. We can help you provide effective benefits education through our wide range of educational materials and tools. You'll really like our interactive website, BenefitsLearningCenter.com. It helps employees learn more about insurance terms and different kinds of insurance. In the website's Youville<sup>SM</sup> section, employees can have fun answering questions about their unique situation and getting personal coverage suggestions to consider.

How do these educational services and tools benefit your company? Employees will better understand their benefits, make smarter insurance decisions and have greater appreciation for what your company provides. You'll also know how your employees liked the 1-to-1 benefits counseling sessions through our post-enrollment survey. Our national score is the top grade – an A!

### Administration

Let's face it. Open enrollments and ongoing new hire enrollments can be an administrative hassle. Colonial Life makes benefits enrollment administration easy with our Harmony<sup>®</sup> enrollment system and various online and electronic services. Our trained benefits professionals can tell you more about how our E-Services can help.

### On a Personal Note

Call us at (803) 798-7000 to see how we can make benefits count for your company and employees. Visit us at ColonialLife.com, and tour BenefitsLearningCenter.com where you can experience Youville<sup>SM</sup>, too. Call us at (803) 798-7000. We'd love to hear from you.



# Executive Summary

## Executive Summary

# The Employee Benefits Landscape in a Recovering Economy

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The employee benefits landscape has changed profoundly over the last 10 years. It has been transformed primarily by the escalating costs of benefits, coupled with legislative changes and new benefit options. Over the last three years, HR benefits budgets have experienced substantial cuts because of the economy. As a result, employers are shifting employee cost accountability and decision-making to employees. This has forced organizations to be creative in their efforts to remain competitive in the recruitment and retention of employees. It is not surprising that this research confirmed that employers continue to remodel their benefits plans, giving employees greater responsibility to manage their benefits.

Noteworthy findings from this research include:

- **Health care and welfare:** Health savings accounts (HSAs) have continued to gain in prominence in recent years.
- **Preventive health and wellness:** Over the last five years, there has been an increase in the percentage of organizations providing health and lifestyle coaching, health care premium discount for getting an annual health risk assessment, health care premium discount for not using tobacco products, and rewards or bonuses for completing certain health and wellness programs.
- **Retirement savings and planning benefits:** Employer-sponsored retirement plans continue to shift toward defined contribution retirement savings plans and Roth 401(k) savings plans. However, there was a decline in the percentage of organizations that offered employer-matching contributions to the defined contribution savings plans.
- **Financial and compensation benefits:** Financial and compensation benefits have experienced considerable declines in the last five years. The most significant decreases were to automobile allowances for business use of personal vehicles, business cell phone or smart phone for personal use, credit union, employee computer purchase discounts (not a loan), employee discount on company services, employee referral bonus, employee stock purchase plan, life insurance, life insurance for dependents, matching employee charitable contributions, and sign-on bonus (executive and nonexecutive).
- **Leave benefits:** Paid time off plans, which combine traditional vacation time, sick leave and personal days into one comprehensive plan, continue to gain in popularity.

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Over the last three years, HR benefits budgets have experienced **substantial cuts** because of the economy.

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- **Family-friendly benefits:** With the exception of adoption assistance and elder care referral service, family-friendly benefits have remained relatively stable in recent years.
- **Flexible working benefits:** After slight declines between 2008 and 2010, the percentage of organizations offering some form of telecommuting is once again trending upward.
- **Employee programs and services:** Executive club memberships, organization-sponsored sports teams and travel planning services have experienced significant declines over the last five years.
- **Professional and career development benefits:** After gradual declines over the last five years, certification/recertification fees, mentoring programs, professional license application or renewal fees, and professional memberships appear to be trending upward again.
- **Housing and relocation benefits:** In the last five years, there were several decreases in the number of organizations offering many housing and relocation benefits. The following benefits experienced sharp declines: cost-of-living differential, location visit assistance, rental assistance, spouse relocation employment assistance and temporary relocation benefits.
- **Business travel benefits:** Business travel benefits have remained relatively stable in recent years.
- **Percentage of payroll reflecting the employer costs of employee benefits:** Organizations spent on average 19% of an employee's annual salary on voluntary benefits, 18% on mandatory benefits and 10% on pay-for-time-not-worked benefits.

## Strategies to Remain Competitive in Retaining and Attracting Top Talent

HR professionals in recent SHRM studies have indicated their organizations are having problems matching job seekers with the skill sets required for their open positions. More than one-half of organizations reported having difficulty finding skilled workers for specific job openings, with engineering, medical, technical, scientific and executive positions being especially hard to fill.<sup>1</sup> Organizations that continue to have problems filling key jobs should examine their employee benefits offerings as a way to retain and recruit top talent.

### Workplace Flexibility: A low-cost initiative with high returns

A recent report by the Families and Work Institute and SHRM revealed that workplace flexibility has a positive impact on employees' work-life experiences. These low-cost initiatives can lead to increased employee job satisfaction, lower turnover and lower insurance costs.<sup>2</sup> SHRM believes that the United States must have a 21st-century workplace flexibility policy that meets the needs of both employers and employees. As opposed to a one-size-fits-all mandate for all employers, we support a new approach that reflects diverse employee needs and preferences, as well as differences among work environments, representation, industries and organizational sizes. This workplace flexibility policy should support employees in balancing their work, family and personal obligations and, at the same time, provide certainty, predictability and stability to employers.<sup>3</sup>



## Improve Benefits Communication

It is unreasonable for organizations to assume that employees are able to retain and understand elements of their entire benefits package from a distinct event, such as open enrollment or new-hire orientation. As organizations continue to shift benefits cost decision-making responsibilities to employees, employers may need to develop a benefits communication approach that continues throughout the year. According to a national study, employees who reported that their organization had effective benefits communications were more likely to be loyal to their organization, and more satisfied with their benefits and with their jobs.<sup>4</sup> Continuous benefits communication can make it more likely that employees will value, understand and use their benefits program. In addition to a benefits communication strategy that involves an ongoing process, it is becoming important for organizations to have messaging that is tailored to different segments of the workforce.

# Survey Results

## Survey Results

# Health Care and Welfare Benefits

Table A-1 lists a series of health care and welfare benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table A-1   Health Care and Welfare Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Prescription drug program coverage	97%	*
Dental insurance	96%	*
Mail-order prescription program	91%	*
Mental health coverage	85%	*
Accidental death and dismemberment insurance (AD&D) <sup>A</sup>	83%	*
Preferred provider organization (PPO)	83%	*
Chiropractic coverage	82%	1%
Long-term disability insurance <sup>B</sup>	80%	1%
Vision insurance	79%	1%
Employee assistance program (EAP)	78%	2%
Contraceptive coverage	73%	1%
Medical flexible spending accounts <sup>C</sup>	70%	2%
Short-term disability insurance <sup>D</sup>	68%	1%
Rehabilitation assistance	53%	*
Supplemental accident insurance	48%	1%
Health care premium flexible spending account <sup>E</sup>	44%	0%
Health savings accounts (HSAs)	43%	4%
Bariatric coverage for weight loss	38%	1%
Acupressure/acupuncture medical coverage	36%	1%
Cancer insurance	34%	1%
Infertility treatment coverage other than in-vitro fertilization	33%	*
Health maintenance organization (HMO)	32%	1%
Long-term care insurance	28%	2%
In-vitro fertilization coverage	27%	*
Employer contributions to health savings accounts (HSAs)	25%	4%
Critical illness insurance <sup>F</sup>	24%	1%
Continued on next page		

Table A-1 | Health Care and Welfare Benefits (continued)

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Retiree health care coverage	24%	1%
Laser-based vision correction coverage	24%	*
Intensive care insurance <sup>G</sup>	23%	1%
Point of service (POS) plan	23%	1%
Health reimbursement arrangements (HRAs)	22%	2%
Hospital indemnity insurance	22%	1%
Pharmacy management program <sup>H</sup>	18%	1%
Wholesale generic drug program for injectable drugs	17%	*
Alternative/complementary medical coverage	15%	1%
Exclusive provider organization (EPO)	8%	1%
Indemnity plan (fee-for-service)	8%	1%
Elective procedures coverage <sup>I</sup>	8%	*
Experimental/elective drug coverage	6%	*
Gender reassignment surgery coverage	5%	*
Mini-med health plan	2%	1%
Subsidized cost of elder care	2%	*

(n = 522-550)

\* Less than 1%.

<sup>A</sup> Does not pertain to employee-paid supplemental insurance.<sup>B</sup> Does not pertain to employee-paid supplemental insurance.<sup>C</sup> IRC Section 125.<sup>D</sup> Does not pertain to employee-paid supplemental insurance.<sup>E</sup> IRC Section 125 Cafeteria Plan allowing for premium conversion.<sup>F</sup> Provides funds to help cover extra expenses upon diagnosis of a critical illness or condition.<sup>G</sup> Provides funds to help cover the extra expenses for accidents or illnesses that result in an admission to a hospital intensive care unit.<sup>H</sup> Independent of medical plan management.<sup>I</sup> Any non-emergency surgical procedure other than laser-based vision correction coverage.

Source: 2012 Employee Benefits: A Research Report by SHRM

## Prescription Drug Coverage

The most commonly offered health care and welfare benefit was prescription drug program coverage: 97% of organizations offered this benefit to their employees. Ninety-one percent offered a mail-order prescription program, through which employees can save money on medication by filling prescriptions through licensed pharmacies and having them conveniently delivered through the mail at a discounted rate. Other benefits related to prescription drug coverage included pharmacy management programs (18%) and wholesale generic drug programs for injectable drugs (17%).

## Health Insurance Programs

The most frequently offered type of health insurance was a preferred provider organization (PPO) plan, offered by 83% of respondents' organizations. These plans offer a network of health care providers that patients must use or otherwise pay more for services from providers outside of the network. Almost one-third (32%) of organizations offered health maintenance organization (HMO) plans, which require participants to choose a primary care physician from their network to coordinate all of the patient's care. A point of service (POS) plan, offered by 23% of organizations, is a unique managed care health insurance system that combines attributes from both HMOs and PPOs.

Exclusive provider organizations (EPOs) are self-funded medical plans that combine aspects of a PPO and an HMO. EPOs provide a certain level of benefits



if care is provided by a specific network of service providers; otherwise, no payment is made. Overall, 8% of organizations offered this plan.

Indemnity, or fee-for-service, plans are thought of as more traditional health care plans, which charge employees for each individual service and allow employees complete choice in which providers they see. Only 8% of organizations reported offering this type of plan.

Mini-med health plans are limited-benefit indemnity medical plans. They can vary widely, but are typically distinguished by low premiums and low payment caps. These plans usually appeal to organizations with high staff turnover or many hourly and part-time workers. Only 2% of organizations reported offering mini-med health plans.

Twenty-two percent of organizations offered health reimbursement arrangements. These health care spending accounts are set up by the employer for the employee to pay for health care services, and the employer makes contributions to these accounts. Health reimbursement arrangements are similar to flexible spending accounts, except that the funds roll over from year to year, allowing the employee to accumulate funds over time.

The vast majority of organizations (96%) offered dental insurance to employees, and over three-quarters (79%) offered vision insurance. These programs may be either part of or in addition to other health insurance plans.

Other forms of insurance offered by respondents' organizations included mental health coverage (85%), accidental death and dismemberment insurance (83%), chiropractic coverage (82%), supplemental accident insurance (48%), cancer insurance (34%), long-term care insurance (28%), critical illness insurance (24%), intensive care insurance (23%) and hospital indemnity insurance (22%).

## Health Care for Employees and Their Dependents

Some health care and welfare benefits are intended to help employees manage the costs associated with caring for their dependents. As family structures in our society continue to change, organizations are expanding the relationships that are qualified for certain benefits. Figure 1 illustrates the percentage of organizations that fully pay the costs of health care and those that share the costs of health care for employees and their dependents.

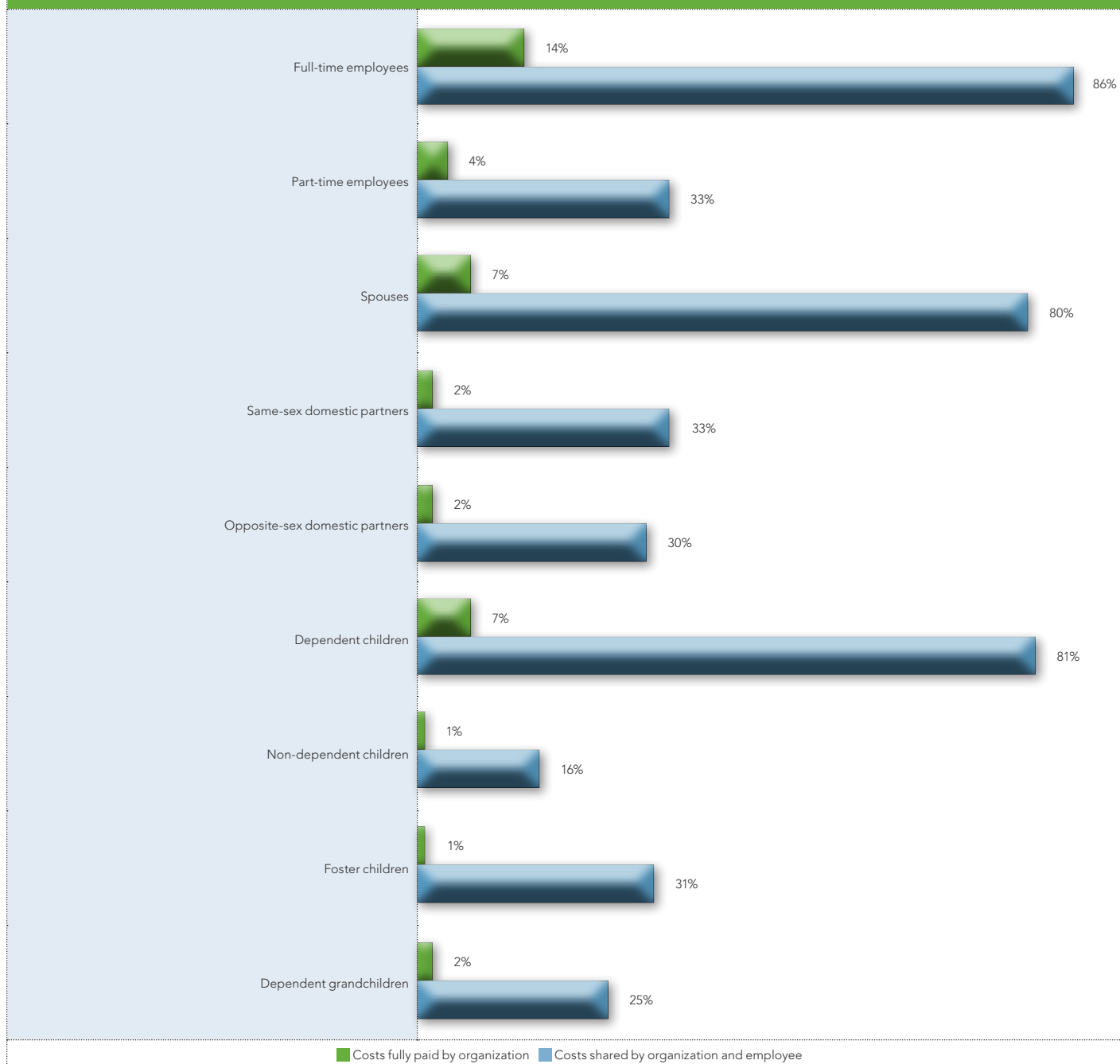
## Women's Health

Some organizations offer health care and wellness benefits that focus on child-bearing and fertility. The most commonly offered benefit was contraceptive coverage (73%). In addition, 33% of organizations provided infertility treatment coverage other than in-vitro fertilization, and 27% specifically offered in-vitro fertilization coverage.

## Health Savings Accounts

Health savings accounts (HSAs) were created by the Medicare bill in 2003 and are designed to help individuals save on a tax-free basis for future qualified medical and retiree health care costs. Forty-three percent of organizations provided these accounts. Contributions to HSAs can be made by the employer, the employee or both. Twenty-five percent of organizations made contributions to these accounts.

Figure 1 | Health Care Coverage for Employees and Their Dependents



n = 550

Source: 2012 Employee Benefits: A Research Report by SHRM

## Flexible Spending Accounts

Medical flexible spending accounts allow employees to deduct pretax dollars from their paychecks to pay for health care services, such as co-payments, insurance deductibles and vision and dental expenses. These accounts offer organizations a way to help employees manage their health care costs. The maximum amount each eligible employee may contribute to these accounts is determined by the employer. Seventy percent of organizations offered medical flexible spending accounts (IRC Section 125, for all expenses), and 44% offered health care premium flexible spending accounts (IRC Section 125 Cafeteria Plan allowing for premium conversion).

## Disability

Long-term disability (offered by 80% of organizations) and short-term disability (offered by 68% of organizations) provide income replacement for employees whose illness or injury causes a longer absence from work. Short-term disability usually starts after a one- to two-week absence, and long-term disability usually goes into effect after between six weeks and 12 weeks. While paid sick leave usually covers an employee's entire salary, short-term and long-term disability may cover only a portion of the employee's salary.

## Mental and Emotional Health

Some organizations offer health and welfare benefits that are directed toward employees' mental and emotional well-being. An employee assistance program (EAP) is a confidential counseling program designed to assist employees with any problems that may distract them from their work. Over three-quarters (78%) of organizations offered an EAP.

## Other Health Care and Welfare Benefits

Some employers include nontraditional healing methods among their health and welfare benefits. More than one-third (36%) of organizations offered acupuncture/acupressure medical coverage, 15% offered other alternative/complementary medical coverage, and 6% covered experimental or elective drug treatments.

Almost one-quarter of organizations (24%) offered health care coverage to retirees, and 2% offered subsidized cost of elder care. Other health care and welfare benefits offered included rehabilitation assistance (53%), bariatric coverage for procedures such as stomach stapling or gastric bypass surgery (38%), laser-based vision correction coverage (24%), elective procedures coverage (any non-emergency surgical procedure other than laser-based vision correction coverage) (8%) and gender reassignment surgery coverage (5%).

## Health Care and Welfare Benefits Over Time

Table A-2 shows the percentage of organizations offering specific health care and welfare benefits from 2008 through 2012. Health savings accounts (HSAs) were the only benefit offered by more organizations in 2012 than in 2011. The following benefits were offered by more organizations in 2012 than in 2008: mental health coverage, rehabilitation assistance, HSAs, bariatric coverage for weight loss and employer contributions to an HSA. The health care and welfare benefits offered by fewer organizations in 2012 than in 2008 were HMO, long-term care insurance, retiree health care coverage and wholesale generic drug program for injectable drugs.

Table A-2 | Health Care and Welfare Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Prescription drug program coverage	96%	96%	96%	96%	97%		
Dental insurance	94%	96%	94%	94%	96%		
Mail-order prescription program	87%	91%	91%	91%	91%		
Mental health coverage	75%	80%	82%	82%	85%	▲	
Accidental death and dismemberment insurance (AD&D)	81%	78%	82%	80%	83%		
Preferred provider organization (PPO)	85%	81%	85%	84%	83%		
Chiropractic insurance	81%	80%	85%	83%	82%		
Long-term disability insurance	78%	77%	76%	76%	80%		
Vision insurance	78%	76%	77%	76%	79%		
Employee assistance program (EAP)	75%	75%	75%	75%	78%		
Contraceptive coverage	73%	66%	68%	69%	73%		
Medical flexible spending accounts	70%	71%	72%	73%	70%		
Short-term disability insurance	69%	70%	71%	66%	68%		
Rehabilitation assistance	33%	37%	45%	47%	53%	▲	
Supplemental accident insurance	47%	40%	44%	45%	48%		
Health care premium flexible spending account	46%	43%	43%	45%	44%		
Health savings accounts (HSAs)	29%	32%	33%	35%	43%	▲	▲
Bariatric coverage for weight loss	21%	29%	31%	36%	38%	▲	
Acupressure/acupuncture medical coverage	31%	28%	31%	32%	36%		
Cancer insurance	28%	33%	31%	34%	34%		
Infertility treatment coverage other than in-vitro fertilization	28%	30%	30%	31%	33%		
Health maintenance organization (HMO)	42%	35%	33%	33%	32%	▼	
Long-term care insurance	45%	39%	31%	29%	28%	▼	
In-vitro fertilization coverage	26%	23%	25%	25%	27%		
Employer contributions to health savings accounts (HSAs)	13%	15%	15%	20%	25%	▲	
Critical illness insurance	—	—	21%	22%	24%		
Retiree health care coverage	32%	26%	25%	25%	24%	▼	
Laser-based vision correction coverage	—	19%	19%	22%	24%		
Intensive care insurance	—	—	19%	21%	23%		
Point of service (POS) plan	26%	26%	21%	22%	23%		
Health reimbursement arrangements (HRA)	27%	26%	25%	21%	22%		
Hospital indemnity insurance	25%	23%	19%	21%	22%		
Pharmacy management program	17%	18%	15%	14%	18%		
Wholesale generic drug program for injectable drugs	24%	17%	18%	16%	17%	▼	
Alternative/complementary medical coverage	18%	16%	14%	15%	15%		
Exclusive provider organization (EPO)	9%	8%	9%	5%	8%		
Indemnity plan	12%	7%	8%	8%	8%		
Elective procedures coverage	—	5%	7%	11%	8%		
Experimental/elective drug coverage	5%	3%	3%	5%	6%		
Gender reassignment surgery coverage	—	1%	2%	2%	5%		
Mini-med health plan	—	—	—	1%	2%		
Subsidized cost of elder care	4%	3%	3%	1%	2%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM



# Preventive Health and Wellness Benefits

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Table B-1 lists a series of preventive health and wellness benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

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**61%** of organizations offered wellness programs.

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As the costs of health care continue to spiral upward, employees and employers are searching for ways to keep these costs under control and as manageable as possible. Preventive health and wellness benefits are designed to help maintain or change employees' behavior in order to achieve better health and decrease the associated health risks. By preventing or lessening the incidence of health conditions, organizations hope to save on long-term health costs. Overall, 77% of organizations provided wellness resources and information, and 61% of organizations offered wellness programs.

According to a Health Affairs report on U.S. workplace disease-prevention and wellness programs, for every dollar employers spent on wellness programs medical costs were reduced by \$3.27 and absenteeism costs dropped \$2.73.<sup>5</sup>

## Preventable and Chronic Conditions

Obesity is a growing health concern in the United States. There are many health problems associated with excess weight and other types of preventable and chronic conditions. These conditions affect the health and well-being of employees and also have a significant economic impact on businesses. Organizations are attempting to combat these issues with health and lifestyle coaching (45%), subsidies or reimbursements for fitness center memberships (32%), weight loss programs (32%), on-site fitness centers (22%), nutritional counseling (20%), on-site fitness classes (20%) and fitness equipment subsidy/reimbursement (4%). Other benefits that encourage a healthy lifestyle included smoking cessation programs (39%) and stress reduction programs (11%).

Organizations offered additional benefits to help employees deal with preventable and chronic conditions, including on-site seasonal flu vaccinations (61%), health screening programs for conditions such as high glucose or high cholesterol levels (45%) and preventive programs specifically targeting employees with chronic health conditions (36%).

Table B-1 | Preventive Health and Wellness Benefits

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Wellness resources and information	77%	5%
Wellness programs	61%	10%
Wellness publication <sup>A</sup>	61%	3%
On-site seasonal flu vaccinations	61%	1%
24-hour nurse line <sup>B</sup>	54%	1%
CPR/first aid training	51%	3%
Health screening programs <sup>C</sup>	45%	7%
Health and lifestyle coaching <sup>D</sup>	45%	1%
Smoking cessation program	39%	5%
Health fairs	38%	7%
Preventive programs specifically targeting employees with chronic health conditions	36%	6%
Rewards or bonuses for completing certain health and wellness programs	35%	7%
Fitness center membership subsidy/reimbursement	32%	4%
Weight loss program	32%	1%
On-site fitness center	22%	0%
Health care premium discount for getting an annual health risk assessment	21%	5%
Health care premium discount for not using tobacco products	20%	3%
Nutritional counseling	20%	3%
On-site fitness classes <sup>E</sup>	20%	3%
On-site blood pressure machine	20%	2%
Health care premium discount for participating in a wellness program	15%	5%
On-site sick room	12%	0%
On-site stress reduction program	11%	3%
Health care premium discount for participating in a weight loss program	9%	3%
On-site massage therapy services	9%	2%
On-site medical clinic	8%	*
On-site nap room	6%	0%
Fitness equipment subsidy/reimbursement	4%	*

(n = 543-550)

\* Less than 1%.

<sup>A</sup> For example, newsletter, column, etc.

<sup>B</sup> Available to help employees make more informed health care decisions.

<sup>C</sup> For example, glucose, cholesterol, etc.

<sup>D</sup> Used to help employees change and better manage their health habits.

<sup>E</sup> For example, yoga, aerobics, etc.

Source: 2012 Employee Benefits: A Research Report by SHRM

## Preventive Health and Wellness Incentives

Over one-third (35%) of organizations offered rewards or bonuses for completing certain health and wellness activities. Some organizations offer health care discounts to employees for participating in health-related assessments or programs: 21% of organizations provided health care premium discounts for getting an annual health risk assessment, 20% provided a discount for not using tobacco products, 15% offered discounts for participating in a wellness program, and 9% provided health care premium discounts for participating in a weight loss program.

## Preventive Health and Wellness Resources

Preventive health and wellness resources help make employees aware of wellness issues while providing them with important tools to live a healthy lifestyle.

Sixty-one percent of organizations offered a wellness publication, and 38% offered health fairs.

**Other Preventive Health and Wellness Benefits**

Other types of preventive health and wellness benefits offered by organizations included a 24-hour nurse line (54%), CPR/first aid training (51%) and an on-site blood pressure machine (20%). In addition, 9% of organizations offered massage therapy services for employees at the office. Massage therapy can be a great health maintenance tool that aids in stress reduction. This may be especially beneficial for employees who work in a very stressful work environment. Less commonly offered benefits included on-site sick rooms (12%), medical clinics (8%) and nap rooms (6%).

**Preventive Health and Wellness Benefits Over Time**

Table B-2 shows the percentages of organizations that offered specific preventive health and wellness benefits from 2008 through 2012. Two benefits were offered by more organizations in 2012 than in 2011: health care premium discount for getting an annual health risk assessment and health care premium discount for not using tobacco products. The preventive health and wellness benefits offered by more organizations in 2012 than in 2008 were health and lifestyle coaching, rewards or bonuses for completing certain health and wellness programs, health care premium discount for getting an annual health risk assessment and health care premium discount for not using tobacco products.

Table B-2 | Preventive Health and Wellness Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Wellness resources and information	72%	72%	75%	75%	77%		
Wellness programs	58%	59%	59%	60%	61%		
Wellness publication	—	—	—	56%	61%		
On-site seasonal flu vaccinations	—	—	68%	64%	61%		
24-hour nurse line	50%	50%	56%	53%	54%		
CPR training/first aid	55%	53%	55%	53%	51%		
Health screening programs	41%	38%	43%	42%	45%		
Health and lifestyle coaching	33%	33%	33%	37%	45%	▲	
Smoking cessation program	40%	39%	39%	36%	39%		
Health fairs	44%	44%	42%	39%	38%		
Preventive programs specifically targeting employees with chronic health conditions	30%	30%	33%	33%	36%		
Rewards or bonuses for completing certain health and wellness programs	23%	23%	28%	31%	35%	▲	
Fitness center membership subsidy/reimbursement	36%	35%	33%	30%	32%		
Weight loss program	31%	30%	30%	30%	32%		
On-site fitness center	21%	21%	21%	24%	22%		
Health care premium discount for getting an annual health risk assessment	11%	10%	12%	14%	21%	▲	▲
Health care premium discount for not using tobacco products	8%	8%	11%	12%	20%	▲	▲
Nutritional counseling	20%	19%	18%	17%	20%		
On-site fitness classes	15%	12%	14%	16%	20%		
On-site blood pressure machine	17%	18%	20%	20%	20%		
Health care premium discount for participating in a wellness program	9%	8%	9%	11%	15%		
On-site sick room	—	8%	12%	12%	12%		
On-site stress reduction program	14%	11%	10%	12%	11%		
Health care premium discount for participating in a weight loss program		4%	4%	7%	9%		
On-site massage therapy services	14%	12%	12%	11%	9%		
On-site medical clinic	—	5%	10%	9%	8%		
On-site nap room	5%	4%	5%	6%	6%		
Fitness equipment subsidy/reimbursement	6%	4%	5%	4%	4%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM





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## Expert Q&A: Tom Lerche, Senior Vice President, The Vitality Group

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- **It is obvious that a healthier workforce is more productive and beneficial for employers. What trends are you seeing in the form of wellness programs offered and other forms of health benefits that go beyond basic medical care?**

An employer's vision of a highly successful wellness/health promotion program would be a healthy and engaged workforce with increased physical and emotional energy. This results in more productive employees who are fully engaged in serving clients and driving the mission of the organization. Secondary benefits from a successful wellness program would include lower employer medical costs and lower incidence of claims for disability and workers' compensation programs.

Although national surveys indicate the majority of employers have some form of a wellness program, many employers only offer fairly pedestrian programs focused on assessing health risks rather than changing them. We see several new and emerging trends in employers' investment in wellness programs for employees. First, many employers with "first-generation wellness programs" focused on a "know your numbers" campaign using a health screening approach are becoming disillusioned with their current program and the lack of employee engagement and subsequent behavior change. These employers are coming to the wellness marketplace asking for wellness solutions with proof the programs work as advertised by changing employee behavior and resulting in a measurable return on investment.

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*Many employers with "first-generation wellness programs" are becoming disillusioned with their current program and the lack of employee engagement and subsequent behavior change.*

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Second, employers are experimenting with various means to drive employee participation in wellness programs, such as using rewards and incentives by linking employee health insurance contributions to the employee's participation and level of engagement in wellness. The derivation of reward amount (positive or negative) for desired activity remains inefficient as many employers do not have the data to set their reward targets.

Third, employers are looking for a state-of-the-art wellness solution that can reduce the incidence and duration of both workers' compensation and disability claims. Employers with a global workforce focus initially on designing a second generation model in the United States, which is successful in changing employee behavior, with the plan to expand the wellness program to other countries with large populations of firm employees. The U.S. wellness model can be built on a global platform, but needs to be customized to reflect language and cultural concerns of countries that often are more focused on employee absence or disability costs, rather than employee health care trends.

Beyond wellness programs, more employees are seeking new skills and knowledge to manage chronic stress and the depression and anxiety that come with unmanaged stress. In addition, fatigue resulting from insufficient sleep is an acute problem for employees in the transportation sector as well as other industries.

- **What has been the biggest adjustment for HR professionals, in terms of compliance with the Patient Protection and Affordable Care Act?**

For HR leaders, national health reform is a journey and not a single event. The first year following passage of the Patient Protection and Affordable Care Act (PPACA) was stressful for most HR teams, given the need to understand and comply with insurance market reforms, including offering group coverage to qualified adult children and addressing the requirements to eliminate or phase out life and annual limits on plan coverage. The pace for implementing the PPACA slowed in 2011 as several regulatory requirements were delayed, and employers are now in a waiting period for the design and implementation of state-based insurance exchanges beginning Jan. 1, 2014. In 2014, eligibility for state exchanges will be generally limited to uninsured Americans and employees of smaller companies, with potential expansion to larger organizations in subsequent years.

Most HR leaders now fully realize the PPACA did not address the biggest problem facing most employers—high single-digit or low double-digit annual cost increases. Employers need to develop a formal three-to-five-year strategy dealing with employee health and the continuing cost escalation, because employee health costs are the largest indirect business expense for virtually all employers. In addition, uncertainty about the PPACA continues due to court challenges to employee mandates and potential changes coming out of the 2012 election.

- **There has been much debate on whether these changes will result in savings or increased costs for providing coverage. Do you think many employers are still weighing whether to offer health care, due to this uncertainty?**

Employers have traditionally believed the sponsorship of group health coverage was important for the recruitment and retention of employees. However, the commitment to continue employer-based coverage has gradually eroded in the small-employer market, due to multiple years of high single-digit or low double-digit cost increases for group health insurance. The passage of the PPACA did

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*Beyond wellness programs, more employees are seeking new skills and knowledge to manage chronic stress.*

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not directly address or resolve the significant annual cost increases required to continue employer-based coverage. The new law primarily addresses changes in individual and small-group insurance markets and the need to reduce the number of uninsured through expanded coverage for adult children, broader Medicaid eligibility and the development of state-based insurance exchanges beginning in 2014.

Although numerous employers remain committed to sponsoring employer-based coverage, an increasing number of organizations are looking for an “exit strategy” from plan sponsorship that does not have a negative impact on the recruitment and retention of employees. Small employers eligible for state insurance exchanges will explore that option in 2014, although many employers are skeptical about the viability of these public exchanges.

Employers are also interested in the potential of private, or corporate, exchanges to provide a broader marketplace of plan options for employees, with employer sponsorship structured as a defined contribution instead of the conventional defined benefit model.

- **Workers aged 55 or more are staying on the job longer and representing a greater proportion of the labor force. In the future, how will this affect the types of health benefits offered through employers?**

Some employees over the age of 55 are considering working past traditional retirement age of 60 to 65 due to reductions in traditional pension plans, concerns about the viability of Social Security payments and reductions in defined contribution retirement plans such as 401(k) plans. The ability of these older and experienced workers to work beyond traditional retirement is strongly linked to their personal health status and resultant productivity. Approximately one-third of early retirees leaving the workforce before age 65 have to retire due to significant health problems. Even with good health, older workers need to be fully productive and engaged in the company’s mission and continue to update skills in technology.

Employees working past age 65, which is the current date to begin Medicare eligibility, would remain on their employers’ health coverage, with Medicare coverage being secondary. Several national proposals have recommended Medicare eligibility be raised to age 67, but there is no consensus in Congress on such a change. Although the number of employees working full time past age 65 is relatively small, employers need to fully engage these older adults in the same health promotion and wellness programs offered to other active employees, and also provide effective care management services dealing with acute and chronic medical problems.

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*Employers are also interested in the potential of private, or corporate, exchanges to provide a broader marketplace of plan options for employees.*

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# Retirement Savings and Planning Benefits

Table C-1 lists various retirement savings and planning benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table C-1 | Retirement Savings and Planning Benefits

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Defined contribution retirement savings plan <sup>A</sup>	92%	*
Employer match for defined contribution retirement plan	68%	2%
Defined contribution plan loans <sup>B</sup>	66%	0%
Investment advice offered online <sup>C</sup>	55%	1%
Individual investment advice offered one-on-one	44%	0%
Investment advice offered in a group/classroom <sup>C</sup>	41%	2%
Automatic enrollment into the defined contribution retirement plan	39%	2%
Retirement preparation specific planning advice <sup>D</sup>	39%	0%
Roth 401(k) savings plan	34%	2%
Defined benefit pension plan (open to all employees)	21%	0%
Automatic escalation of salary deferral amounts for defined contribution plans	19%	1%
Permit conversion of funds in traditional 401(k) account into Roth 401(k) account	19%	1%
Defined benefit pension (frozen) <sup>E</sup>	12%	0%
SERP (supplemental executive retirement plan)	7%	*
Cash balance pension plan	6%	0%
Formal phased retirement program <sup>F</sup>	5%	1%
Informal phased retirement program <sup>G</sup>	5%	*
Defined contribution savings plan debit card	2%	0%

(n = 538-550)

\* Less than 1%.

<sup>A</sup> 401(k), 403(b) or similar type plan.

<sup>B</sup> Allows participants to borrow from their retirement savings.

<sup>C</sup> Any recommendation that tries to educate, advise or guide an investor regarding a particular investment product or series of products.

<sup>D</sup> Any recommendation that tries to educate, advise or guide an employee regarding retirement.

<sup>E</sup> Frozen for current employees and/or not open to new hires.

<sup>F</sup> A formal program that provides reduced schedule and/or responsibilities prior to full retirement.

<sup>G</sup> An informal program that provides reduced schedule and/or responsibilities prior to full retirement.

Source: 2012 Employee Benefits: A Research Report by SHRM



## Retirement and Financial Planning

Many organizations offer retirement plans to help employees plan for their financial future. Overall, defined contribution retirement plans (92%) were the most common type of plan offered, followed by Roth 401(k) savings plans (34%), traditional defined benefit pension plans (21%) and cash balance pension plans (6%). In addition, 7% offered supplemental executive retirement plans (SERPs). SERPs are nonqualified plans that grant benefits above those covered in other retirement plans that are authorized under the Employee Retirement Income Security Act (ERISA); however, these plans are not required to be funded and can be lost if the organization goes bankrupt.

In defined contribution plans, the employer states that it will contribute a fixed amount, or no amount, to the employee's individual account. The employee bears the investment risk in these plans since the value of the account's investments may decrease over time. Sixty-eight percent of organizations provided an employer match on some or all of the employee's contributions, and 66% of organizations offered defined contribution plan loans. These loans allow participants to borrow from their retirement savings. In addition, 39% of organizations automatically enrolled employees into their defined contribution plans unless employees actively opted out, 19% provided automatic escalation of salary deferral amounts for defined contribution plans, and 2% offered a defined contribution savings plan debit card.

The Roth 401(k) is a retirement savings plan that combines some aspects of both the 401(k) and the Roth IRA. Under the Roth 401(k), employees can decide to contribute funds on a post-tax elective deferral basis. Nineteen percent of organizations permitted conversion of funds in a traditional 401(k) account into a Roth 401(k) account.

Defined benefit pension plans (offered by 21% of organizations), as their name suggests, differ from defined contribution plans in that the employer promises to pay a certain benefit upon the employee's retirement. The benefit amount is calculated based on factors such as age, earnings and length of service. Employers bear the investment risk in these plans since they are required to pay the promised benefit regardless of the plan's investment performance. Twelve percent of all organizations reported their defined benefit pension plans were frozen, making them unavailable to newly hired employees. Cash balance pension plans (offered by 6% of organizations) are technically a type of a defined benefit plan, though they look like a defined contribution plan in that employees have and can see their individual account balances.

Organizations also offered financial planning benefits such as investment and retirement preparation planning advice. Overall, 67% of organizations offered some form of investment advice: 55% provided online investment advice, 44% offered one-on-one investment advice, and 41% offered investment advice in a group/classroom. Furthermore, 39% of organizations offered planning advice specific to retirement preparation. While these programs do not directly contribute to employees' retirement savings, they can help employees plan for a financially sound retirement as well as other major life goals.

A phased retirement program provides a reduced schedule and/or responsibilities prior to full retirement. These programs provide older workers with a way to ease into retirement while passing along institutional knowledge to others. Overall, 10% of organizations offered some type of phased retirement: 5% offered a formal phased retirement program and 5% offered an informal program.

## Retirement Savings and Planning Benefits Over Time

Table C-2 shows the percentages of organizations offering specific retirement savings and planning benefits from 2008 through 2012. Although there were no significant changes in these benefits from 2011 to 2012, some of the benefits offerings increased or decreased over the five-year period. The following benefits were offered by more organizations in 2012 than in 2008: defined contribution retirement savings plan, automatic enrollment into defined contribution retirement plan and Roth 401(k) savings plan. The two retirement savings and planning benefits offered by fewer organizations in 2012 compared with 2008 were defined benefit pension plan (open to all employees) and employer match for defined contribution retirement plan.

**Table C-2 | Retirement Savings and Planning Benefits (by Year)**

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Defined contribution retirement savings plan	84%	90%	92%	93%	92%	▲	
Employer match for defined contribution retirement plan	75%	72%	72%	70%	68%	▼	
Defined contribution plan loans	69%	69%	69%	69%	66%		
Investment advice offered online	—	—	—	—	55%		
Individual investment advice offered one-on-one	40%	38%	40%	42%	44%		
Investment advice offered in a group/classroom	—	—	—	—	41%		
Automatic enrollment into defined contribution retirement plan	32%	35%	39%	41%	39%	▲	
Retirement preparation specific planning advice	38%	35%	39%	37%	39%		
Roth 401(k) savings plan	21%	24%	28%	31%	34%	▲	
Defined benefit pension plan (open to all employees)	33%	29%	27%	22%	21%	▼	
Automatic escalation of salary deferral amounts for defined contribution plans	—	—	18%	15%	19%		
Permit conversion of funds in traditional 401(k) account into Roth 401(k) account	—	—	—	19%	19%		
Defined benefit pension plan (frozen)	—	—	—	12%	12%		
Supplemental executive retirement plan (SERP)	11%	8%	11%	11%	7%		
Cash balance pension plan	9%	6%	9%	8%	6%		
Formal phased retirement program	6%	6%	6%	5%	5%		
Informal phased retirement program	—	—	—	—	5%		
Defined contribution savings plan debit card	—	1%	2%	1%	2%		
<p>Note: An asterisk (*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.</p> <p>Source: 2012 Employee Benefits: A Research Report by SHRM</p>							



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## Expert Q&A: Dallas Salisbury, President and CEO, Employee Benefit Research Institute

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- Based on recent research from the Employee Benefit Research Institute (EBRI), what is the most notable trend or piece of data you've seen regarding retirement?

Working longer, and planning to work longer, is the most significant trend of the last 20 years, and the economic downturn seems to have reinforced it in such a way as to suggest it will not reverse. Our studies using U.S. Census Bureau data show a turning point in the early 1990s as older workers kept working in larger numbers, and those percentages have been going up for nearly 20 years. Our annual Retirement Confidence Survey has recorded over 20 years of an intention to work longer, with recent years being even more pronounced. Our *EBRI Notes* of December 2011 reported that between 2006 and 2010 the proportion of workers 50 and over saying they planned to retire before or at 62 had continued its steady decline, reaching 7.9%. The same report finds that the proportion of those planning to retire at 70, 75 and 80 continues to climb.

The most significant piece of data that goes along with working longer was contained in our June 2011 *Issue Brief*, which looked at how much longer one would need to work to make up for a shortfall in retirement savings and expected income—if the goal was simply to have enough to be almost certain that you can cover basic expenses for your remaining lifetime. We found two things of note. First, working longer will almost always allow you to stay in better financial condition. But, second, for many in the lowest income groups, who have never had any participation in either defined benefit or defined contribution retire-

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*Working longer, and planning to work longer, is the most significant trend of the last 20 years.*

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ment programs, even working into the 80s will never get you to enough income for retirement. Finally, at all income levels, health status and health expenses are the single cost factor that can keep individuals and families from having a decent retirement.

The good news in all of this is that every data source and survey tells us that as individuals and as a nation we are all paying more attention to saving and planning. We are not simply just retiring the day someone says we are “age eligible,” only then to realize we do not have enough income or savings and have to go find another job!

- **Older workers often have more expertise, making it beneficial for companies to keep them on payrolls for longer periods. Are there broader economic benefits of older workers staying on the job longer?**

Talent in the workforce always provides economic benefits at many levels. Workers pay taxes, which support Social Security, Medicare and many other programs. And, delaying the age at which you retire and take these benefits reduces the cost of the programs. For Social Security and most other retirement programs, it also increases the benefit you will ultimately be paid. The economy then benefits from retirees with more income because they spend more to drive the economy. Human capital increases over time with on-the-job learning and training and the experience of being able to identify circumstances and troubleshoot what is happening. That has economic value for the nation, not just an individual employer.

The fact that there is currently a large number of vacant jobs in the nation because we do not have enough properly trained workers available begs for well-trained workers to work longer. A commonly stated fear of many employers today—hospitals, for example—is the coming wave of retirements of nurses and other medical professionals with no pipeline to fill the positions. This is true in many fields, and another example of how the economy benefits from later retirements.

- **Are there also downsides to these employees working longer? If so, what are they?**

The answer depends upon whom we are talking about. The nurses and doctors and pilots and engineers that have kept their training up to date and are in positions where the economy does not have enough qualified applicants do not produce any downside.

Where a retired individual takes a position—full or part time—where there are many qualified unemployed willing to fill the position, one can argue there is a downside. The question for society is whether we anticipate getting back to such low unemployment that we need to beg workers to stay in the workforce, and also provide a magnet for illegal immigration because there are so many jobs at all levels of the economy that employers go wanting.

Expansion gets truncated because there are now workers available. There are both short- and long-term issues, and long term I certainly hope our economy is vibrant enough that it is always to our advantage to have everyone work as long as they want—and economically need—to do so.

- **What do you think is the most important step for improving retirement security, and why?**

It is actually a few steps that work together. The first important step is taking whatever action is needed to secure Social Security as we know it. It is an

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*At all income levels, health status and health expenses are the single cost factor that can keep individuals and families from having a decent retirement.*

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essential floor for nearly everyone. My dad worked for one firm for 30 years and had a defined benefit plan, a defined contribution plan, employer-paid retiree medical, etc., and investments to draw on that lasted until he and mom hit about 85. When he retired in 1978, he had it all. Fast forward to 2007, when my dad passed just shy of 94: Suddenly, mom had one and only one income source: Social Security. So first things first: secure Social Security.

The second important step is for employers to provide automatic payroll deduction, at an average of 15% of pay, into a savings program for every worker, from day one of employment. Workers must then preserve the money upon job change and add more with every increase in income. For those that start at 35 instead of 20, they will have to do more like 25% on average for the rest of their working years. Oh, you are self-employed? Then you have to set up the automatic savings payment with a financial institution. Pay yourself first and save for your future!

Step three is to have a plan, update it regularly and include life income in the plan so that someone else takes on the risk of you living as long as both my parents did. Finally, have life insurance, disability protection and health insurance to make sure all of your life risks are secured so that you can save for your future!

- **Are employers doing anything to strengthen workers' retirement prospects or perhaps making benefits more enticing for older workers?**

Employers are doing a great deal to strengthen workers' retirement prospects. First, they are sponsoring savings and retirement plans, increasingly using automatic enrollment, contribution escalation and life income choices.

Second, all employers are helping fund Social Security (retirement, disability and survivors) and Medicare, unemployment and workers' compensation insurance, and added voluntary benefits at work. Large numbers provide communication and education programs that increase financial capability and offer programs that make it easier to assure your financial security. For older workers and part-time retirees, employers are increasing the reach of programs for part-time workers, adding flexibility of schedules and benefits choice.

EBRI's Value of Benefits Surveys have made it clear for decades that workers value trust in their employers more than most institutions, want them involved and appreciate the benefits they provide access to, regardless of whether the employer, the employee or both share in the cost.

- **Do you expect the "graying" of the workforce to ebb once the economy enters a period of significant expansion, or are we seeing a "new normal" for delayed retirement?**

I will end where I began with the note that retirement ages and workforce participation of those over 55 and 65 and 75 and 80 began to change in the early 1990s, and that is when the "new normal" began to form. What has been different in this new decade is that even the lucky few that have long service, a pension, retiree health care and more have been hesitant to retire until the economy rebounds.

I think that as long as the Federal Reserve artificially holds interest rates at near zero so that savings essentially provide no interest income at all, the trend will hold. Only when, and if, rates rebound to more historically normal levels like 5%, will some comfort return and the willingness to leave a paycheck behind accelerate.

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*Only when, and if, [interest] rates rebound to more historically normal levels like 5%, will some comfort return and the willingness to leave a paycheck behind accelerate.*

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The longer the current interest rate environment persists, the deeper the memory scars will be, and the more one might expect even the best-off among workers to keep working longer. If working longer than our parents is viewed as the “new normal,” then yes, the “new normal” is with us to stay.

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*If working longer than our parents is viewed as the “new normal,” the “new normal” is with us to stay.*

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# Financial and Compensation Benefits

Table D-1 lists 49 financial and compensation benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table D-1   Financial and Compensation Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
On-site parking	87%	0%
Life insurance <sup>A</sup>	84%	*
Undergraduate educational assistance	61%	2%
Service anniversary award <sup>B</sup>	59%	2%
Graduate educational assistance	58%	1%
Life insurance for dependents	55%	*
Business cell phone or smart phone for personal use	55%	0%
Incentive bonus plan (executive)	50%	1%
Automobile allowances for business use of personal vehicles	42%	*
Incentive bonus plan (nonexecutive)	41%	1%
Employee referral bonus	38%	2%
Spot bonus <sup>C</sup>	38%	1%
Shift premiums	38%	*
Credit union	33%	*
Employee discounts on company services	33%	0%
Donations for participation in charitable events	32%	1%
Full flexible benefits plan <sup>D</sup>	31%	0%
Financial advice offered one-on-one <sup>E</sup>	28%	0%
Accident insurance <sup>F</sup>	25%	*
Financial advice offered online <sup>E</sup>	24%	1%
Sign-on bonus (executive)	23%	*
Company-owned vehicle for employee use	23%	0%
Financial advice offered in group/classroom <sup>E</sup>	22%	2%
Employee computer purchase discounts (not a loan)	22%	0%
Credit counseling service <sup>G</sup>	21%	1%
Payroll advances	20%	*
Continued on next page		

Table D-1 | Financial and Compensation Benefits (continued)

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Accelerated death benefits <sup>H</sup>	20%	0%
Loans to employees for emergency/disaster assistance	19%	0%
Matching employee charitable contributions	18%	1%
Scholarships for members of employees' families	17%	*
Sign-on bonus (nonexecutive)	15%	*
Retention bonus (executive)	13%	*
Transit subsidy	13%	*
Auto insurance program	10%	1%
Employee stock purchase plan	10%	*
Retention bonus (nonexecutive)	10%	*
Low-/no-interest loans to employees for non-emergency situations	9%	*
Qualified transportation spending account	9%	*
Restricted stock options	9%	0%
Incentive stock options (ISOs)	8%	*
Parking subsidy	8%	0%
Non-qualified stock options <sup>I</sup>	7%	*
Free computers for employees' personal use	5%	0%
Loans for employees to purchase personal computers	5%	0%
Carpooling subsidy	4%	0%
Stock appreciation rights (SARs)	3%	1%
Free or discounted home Internet service	3%	*
Educational loans for members of employees' families	2%	*
Personal tax services	2%	0%

(n = 541-550)

\* Less than 1%.

<sup>A</sup> Does not pertain to employee-paid supplemental insurance.<sup>B</sup> Based on the number of years of employment.<sup>C</sup> Unscheduled bonus for going above and beyond in some capacity.<sup>D</sup> Ability to select from a variety of benefits.<sup>E</sup> Financial advice is defined as providing employees with information on how to manage their financial resources effectively for a lifetime of financial well-being.<sup>F</sup> Separate from travel accident insurance.<sup>G</sup> Credit, debt consolidation, housing counseling, etc.<sup>H</sup> For terminal illnesses.<sup>I</sup> NQSOs or NSOs.

Source: 2012 Employee Benefits: A Research Report by SHRM

## Monetary Convenience Benefits

Many financial and compensation benefits aim to make monetary transactions more convenient for employees. One-third (33%) of organizations offered membership in a credit union. Credit unions often offer lower interest rates and fees than traditional banks or financial institutions. Nineteen percent offered loans to employees for emergency or disaster assistance, while 9% offered low- or no-interest loans for non-emergency situations. Finally, 20% of organizations provided payroll advances.

## Insurance

Eighty-four percent of organizations offered life insurance to employees, 55% offered life insurance for dependents, 25% offered accident insurance (separate from travel accident insurance), and 20% offered accelerated death benefits for financial assistance in the case of a terminal illness.

## Commuter Benefits

Some organizations offer benefits to offset the costs employees incur in commuting to and from the office. The U.S. Census Bureau estimates that 86% of U.S. workers drive to work.<sup>6</sup> Eighty-seven percent of organizations offered on-site parking, 8% offered parking subsidies, and 42% reported providing automobile allowance/expenses. Nine percent of organizations offered qualified transportation spending accounts—a specific type of flexible spending account that deducts a portion of an employee's pretax earnings to an account that reimburses the employee for transportation expenses. The Census Bureau also reports that 10% of employees carpool to work and 5% take public transportation.<sup>7</sup> According to the survey results, some organizations offered benefits to encourage these employees by providing transit subsidies (13%) or carpooling subsidies (4%). These benefits help reduce the number of vehicles on the road and the environmental impact of commuting; they also may help lower stress levels of employees who would otherwise spend a large amount of time in traffic during their daily commutes. The financial effects of rising gas prices may make transit and carpooling subsidies more valued benefits in the future.

Finally, 23% offered company-owned vehicles for employee use, and 10% offered an auto insurance program to employees.

## Educational Assistance

Some organizations provide educational assistance to the dependents of their employees. As with career development benefits, educational assistance not only helps the employee but also benefits the employer by developing a more educated workforce. Sixty-one percent of organizations offered undergraduate educational assistance, and 58% offered graduate educational assistance. A recent SHRM study revealed the maximum reimbursement allowed for tuition/education expenses is, on average, \$5,591.<sup>8</sup>

Seventeen percent of organizations provided educational assistance to members of employees' families in the form of scholarships, and 2% offered educational loans for members of employees' families.

## Monetary Bonuses

Many organizations supplement employees' base pay with some type of monetary bonuses. The most commonly offered type of bonus was an incentive bonus plan, wherein the organization lays out criteria that, if met, result in additional compensation for employees. Fifty percent of organizations offered this type of plan to executive employees and 41% offered it to nonexecutive employees. Incentive bonus plans can promote high performance because the bonus amount is usually tied directly to company and/or individual performance.

Thirty-eight percent of organizations offered employee referral bonuses to encourage current employees to refer others to the organization. Referral bonuses can both expand the applicant pool and potentially reduce recruiting costs, and they tend to be one of the most effective recruiting strategies available to organizations.

Almost one-quarter (23%) of organizations offered sign-on bonuses to executive-level employees, and 15% offered these bonuses to nonexecutive employees. Sign-on bonuses are provided to employees when they agree to join the organization. A sign-on bonus usually must be returned if the employee leaves the organization within a certain time frame, and therefore it helps both recruitment and retention.

In addition, 13% of organizations offered specific retention bonuses to executive-level employees, and 10% offered them to nonexecutive employees. These bonuses usually reward an employee for agreeing to stay with the organization through a particular project or period of time. Finally, 59% offered service anniversary awards, and 38% offered spot bonuses, or unscheduled bonuses for exceptional performance.

### Supplemental Compensation

In addition to bonuses, organizations offered a number of other types of supplemental compensation. Thirty-eight percent of organizations offered shift premiums to workers who worked outside of the traditional 9-to-5 office hours.

Ten percent of organizations offered employee stock purchase plans, allowing employees to purchase shares of company stock, often at a discount and/or through a direct deduction from their paychecks. In addition, 9% provided restricted options, 8% offered incentive stock options, 7% provided non-qualified stock options, and 3% offered stock appreciation rights.

### Financial/Investment Advice

Some employers offer employees access to financial or investment training designed to educate employees about personal finance. This could include helping employees manage their assets, understand basic financial concepts, manage debt and plan for future expenses, such as college tuition or house down payment. Twenty-eight percent of organizations offered one-on-one financial advice, 24% offered online advice and 22% offered in-group or classroom financial advice.

### Technology Discounts

Many organizations offer free or discounted technological services or devices for employee use. For example, 55% offered a business cell phone or smart phone to employees for personal use.

As personal computer and Internet use has expanded dramatically over the past decade, organizations are offering benefits that help employees manage the associated costs. According to the survey respondents, these benefits included employee computer purchase assistance or discounts (22%), loans for employees to purchase personal computers (5%), free computers for personal use (5%) and free or discounted Internet service (3%).

### Other Financial Benefits

Other financial benefits organizations provided were employee discounts on company services (33%), donation for participating in charitable events (32%), full flexible benefits plans (31%), credit counseling services (21%), matching employee charitable contributions (18%) and personal tax services (2%).

### Financial and Compensation Benefits Over Time

Table D-2 shows the percentages of organizations that offered financial and compensation benefits from 2008 through 2012. There were no significant changes in these benefits from 2011 to 2012. The following three benefits were offered by more organizations in 2012 than in 2008: full flexible benefits plan, accident insurance and credit counseling service. A number of benefits were offered by fewer organizations in 2012 than in 2008: life insurance, life insurance for dependents, business cell phone or smart phone for personal use, automobile

allowance for business use of personal vehicles, employee referral bonus, credit union, employee discount on company services, sign-on bonus (executive), employee computer purchase discounts (not a loan), matching employee charitable contributions, sign-on bonus (nonexecutive) and employee stock purchase plan.

Table D-2   Financial and Compensation Benefits (by Year)							
	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
On-site parking	90%	90%	90%	87%	87%		
Life insurance	92%	91%	87%	85%	84%	▼	
Undergraduate educational assistance	66%	63%	62%	58%	61%		
Service anniversary award	—	—	—	54%	59%		
Graduate educational assistance	61%	59%	56%	54%	58%		
Life insurance for dependents	63%	58%	58%	55%	55%	▼	
Business cell phone or smart phone for personal use	65%	62%	62%	56%	55%	▼	
Incentive bonus plan (executive)	54%	50%	54%	50%	50%		
Automobile allowances for business use of personal vehicles	52%	51%	49%	46%	42%	▼	
Incentive bonus plan (nonexecutive)	47%	45%	46%	43%	41%		
Employee referral bonus	54%	52%	41%	40%	38%	▼	
Spot bonus	38%	38%	30%	34%	38%		
Shift premium	40%	38%	41%	36%	38%		
Credit union	43%	36%	36%	32%	33%	▼	
Employee discount on company services	39%	38%	38%	32%	33%	▼	
Donations for participation in charitable events	—	32%	34%	31%	32%		
Full flexible benefits plan	24%	28%	30%	32%	31%	▲	
Financial/investment advice offered one-on-one	—	—	—	30%	28%		
Accident insurance	18%	16%	24%	24%	25%	▲	
Financial/investment advice offered online	—	—	—	22%	24%		
Sign-on bonus (executive)	31%	27%	26%	24%	23%	▼	
Company-owned vehicle for employee use	25%	27%	23%	22%	23%		
Financial/investment advice offered in group/classroom	—	—	—	24%	22%		
Employee computer purchase discounts (not a loan)	33%	29%	26%	22%	22%	▼	
Credit counseling service	13%	10%	16%	18%	21%	▲	
Payroll advances	—	18%	19%	21%	20%		
Accelerated death benefits	22%	23%	25%	23%	20%		
Loans to employees for emergency/disaster assistance	19%	19%	18%	15%	19%		
Matching employee charitable contributions	25%	19%	23%	20%	18%	▼	
Scholarships for members of employees' families	20%	17%	17%	15%	17%		
Sign-on bonus (nonexecutive)	24%	21%	16%	16%	15%	▼	
Retention bonus (executive)	17%	11%	14%	13%	13%		
Transit subsidy	13%	13%	11%	12%	13%		
Auto insurance program	15%	14%	10%	10%	10%		
Employee stock purchase plan	19%	15%	12%	10%	10%	▼	
Retention bonus (nonexecutive)	14%	10%	11%	11%	10%		
Low/no-interest loans to employees for non-emergency situations	9%	10%	7%	9%	9%		
Qualified transportation spending account	15%	13%	12%	8%	9%		
Restricted stock options	—	—	—	8%	9%		
Incentive stock options (ISOs)	—	—	10%	9%	8%		
Parking subsidy	11%	10%	7%	8%	8%		
Non-qualified stock options	—	—	6%	7%	7%		
Continued on next page							

**Table D-2 | Financial and Compensation Benefits (by Year) (continued)**

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Free computers for employees' personal use	6%	5%	5%	5%	5%		
Loans for employees to purchase personal computers	6%	5%	7%	7%	5%		
Carpooling subsidy	5%	6%	5%	4%	4%		
Stock appreciation rights (SARs)	—	—	—	3%	3%		
Free or discounted home Internet service	9%	6%	3%	3%	3%		
Educational loans for members of employees' families	3%	2%	3%	2%	2%		
Personal tax services	3%	3%	2%	3%	2%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM

# Leave Benefits

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Leave benefits include paid and unpaid time away from work for a wide assortment of activities, from vacation and personal days to sabbatical programs and military leave. Table E-1 lists various leave benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

## Vacation Leave

A vast majority (94%) of organizations provided some form of paid vacation leave to their full-time employees: 51% offered paid vacation leave through a paid time off plan and 43% through a stand-alone paid vacation plan.<sup>9</sup>

## Paid Time Off Plans

A paid time off (PTO) plan combines traditional vacation time, sick leave and personal days into one comprehensive plan. Under this plan, employees have more freedom and flexibility in managing their leave. Overall, 51% reported offering this type of plan. Among those with a PTO plan, 18% offered a cash-out option and 16% offered a donation program, wherein employees donate PTO to a general pool that can then be used by other workers. In addition, 1% provided their employees with unlimited PTO.

## Paid Vacation Plans

Thirteen percent of organizations offered a paid vacation cash-out option, and 12% indicated that their organizations offered a paid vacation leave donation program, wherein employees donate vacation leave to a general pool that can then be used by other workers. Seven percent reported offering a vacation purchase plan, which allows employees to “buy” additional vacation days through a payroll deduction. In addition, one percent provided their employees with unlimited paid vacation time.

## Paid Personal Leave

Paid personal leave provides employees with paid leave to use as they see fit. Personal days may be used by employees for instances such as birthdays, religious purposes and mental health days. By offering this benefit, organizations recognize the need for employees to take time off for purposes other than



Table E-1 | Leave Benefits

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Paid holidays	97%	0%
Paid bereavement leave	89%	1%
Paid jury duty above what is required by law	69%	1%
Paid time off plan <sup>A</sup>	51%	0%
Paid vacation plan	43%	0%
Floating holidays <sup>B</sup>	40%	0%
Paid sick leave plan	33%	0%
Paid personal day(s)	26%	*
Paid family leave	24%	0%
Family leave above required federal FMLA leave	22%	*
Paid time off to serve on the board of a community group or professional association	21%	1%
Paid military leave <sup>C</sup>	19%	*
Paid time off for volunteering	19%	0%
Family leave above required state FMLA leave	18%	*
Paid time off cash-out option	18%	*
Parental leave above federal FMLA leave	18%	0%
Paid adoption leave	17%	*
Paid maternity leave <sup>D</sup>	16%	*
Paid paternity leave	16%	*
Paid time off donation program <sup>E</sup>	16%	*
Parental leave above state FMLA leave	16%	*
Unpaid sabbatical program	15%	1%
Paid vacation cash-out option	13%	0%
Paid vacation leave donation program <sup>F</sup>	12%	1%
Elder care leave above federal FMLA leave	10%	0%
Elder care leave above state FMLA leave	10%	0%
Paid day off for employee's birthday	8%	*
Emergency flexibility <sup>G</sup>	7%	*
Vacation purchase plan <sup>H</sup>	7%	*
Paid sick leave donation program <sup>I</sup>	6%	1%
Paid sabbatical program	5%	*
Paid sick leave cash-out option	5%	0%
Company-paid time off for group vacations	2%	*
Unlimited paid sick time	2%	*
Unlimited paid time off	1%	1%
Unlimited paid vacation time	1%	0%

(n = 545-550)

\* Less than 1%.

<sup>A</sup> Sick, vacation and personal days all in one plan.<sup>B</sup> Other than personal days.<sup>C</sup> Beyond what may be required by law.<sup>D</sup> Other than what is covered by short-term disability or state law.<sup>E</sup> Allows employees to donate paid time off to another employee.<sup>F</sup> Allows employees to donate vacation leave to other employees.<sup>G</sup> Fixed number of days off with pay for emergencies.<sup>H</sup> Payroll deduction.<sup>I</sup> Allows employees to donate sick leave to other employees.

Source: 2012 Employee Benefits: A Research Report by SHRM

illness or vacation. Twenty-six percent of organizations offered paid personal leave separate from paid vacation and paid sick leave plans (paid time off plans include personal days).

## **Paid Holidays**

Organizations the United States observe a variety of federal, local, state and religious holidays throughout the year. Overall, 97% of organizations reported providing paid holidays.

Floating holidays allow employees a certain number of days to be used throughout the year for holidays of their choice. Forty percent of organizations offered paid floating holidays.

## **Paid Sick Leave**

Organizations offer a variety of leave benefits to employees who must miss work due to illness. These benefits protect employees against the loss of income during short-term absences from the workplace. Overall, 84% of organizations provided some form of paid sick leave to employees: 51% offered paid sick leave through a paid time off plan and 33% through a stand-alone sick leave plan. Six percent of organizations offered a paid sick leave donation program, which allows employees to donate sick leave to a general pool where the donated leave can be used by workers who have exhausted their own sick leave. In addition, 5% provided a paid sick leave cash-out option and 2% provided unlimited paid sick time.

## **Family and Medical Leave Act (FMLA)**

The federal Family and Medical Leave Act (FMLA) of 1993 guarantees eligible employees 12 weeks of unpaid job-protected leave during any 12-month period for an employee's serious medical condition or to care for a parent, spouse or child. During this leave, the employee retains his or her benefits. Some states have further FMLA requirements as well. Federal law does not require FMLA leave to be paid, but 24% of organizations did offer paid family leave. Twenty-two percent of organizations offered family leave above required federal FMLA, and 18% provided family leave above state FMLA. In addition, 18% reported offering parental leave above federal and state FMLA, 16% reported offering parental leave above state FMLA, and 10% reported offering elder care leave above federal and state FMLA.

## **Leave for New Parents**

There are specific paid leave benefits available to new parents. Sixteen percent of organizations offered both paid maternity leave (other than what is covered by short-term disability or state law) and paid paternity leave. In addition, 17% offered paid adoption leave.

## **Bereavement Leave**

Bereavement leave allows an employee to receive paid leave because of the death of a close relative, friend or associate. Bereavement leave is separate from leave available from paid time off, vacation, sick and personal leave plans. The availability and amount of paid bereavement leave available to an employee may vary depending upon individual circumstances such as distance to a funeral, responsibility for funeral and estate arrangements, or the relationship between the employee and the deceased. Eighty-nine percent of respondents reported offering paid bereavement leave.

## Military Leave

As the U.S. military interventions in the Middle East continue, organizations are accommodating employees who are away from the office on active duty. Nineteen percent offered paid military leave beyond what may be required by law (a small number of states have paid military leave requirements).

## Other Leave Benefits

Other types of leave offered by organizations included paid jury duty above what is required by law (69%), paid time off to serve on the board of a community group or professional association (21%), paid time off for volunteering (19%), unpaid sabbatical programs (15%), a paid day off for the employee’s birthday (8%), emergency flexibility (fixed number of days off with pay for emergencies) (7%), paid sabbatical programs (5%) and company-paid time off for group vacations (2%).

## Leave Benefits Over Time

Table E-2 shows the percentages of organizations offering leave benefits from 2008 through 2012. There were no significant changes in these benefits from 2011 to 2012. The following benefits were offered by fewer organizations in 2012 than in 2008: paid military leave, paid vacation leave donation program and paid sick leave donation program.

Table E-2 | Leave Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Paid holidays	97%	97%	97%	97%	97%		
Paid bereavement leave	90%	90%	89%	90%	89%		
Paid jury duty above what is required by law	—	62%	68%	68%	69%		
Paid time off plan	—	42%	47%	48%	51%		
Paid vacation plan	—	47%	44%	44%	43%		
Floating holidays	—	45%	43%	42%	40%		
Paid sick leave plan	—	39%	36%	37%	33%		
Paid personal days	—	31%	29%	26%	26%		
Paid family leave	25%	25%	24%	25%	24%		
Family leave above required federal FMLA leave	25%	22%	20%	21%	22%		
Paid time off to serve on the board of a community group or professional association	—	—	20%	20%	21%		
Paid military leave	29%	24%	22%	24%	19%	▼	
Paid time off for volunteering	18%	15%	17%	19%	19%		
Family leave above required state FMLA leave	22%	20%	19%	18%	18%		
Paid time off cash-out option	—	—	19%	17%	18%		
Parental leave above federal FMLA	21%	17%	17%	18%	18%		
Paid adoption leave	15%	15%	16%	16%	17%		
Paid maternity leave	15%	14%	17%	16%	16%		
Paid paternity leave	13%	15%	17%	16%	16%		
Paid time off donation program	—	—	15%	14%	16%		
Parental leave above state FMLA	19%	15%	17%	17%	16%		
Unpaid sabbatical program	13%	12%	16%	15%	15%		
Paid vacation cash-out option	—	—	18%	16%	13%		
Paid vacation leave donation program	21%	20%	17%	15%	12%	▼	
Elder care leave above federal FMLA	13%	11%	11%	11%	10%		
Elder care leave above state FMLA	12%	11%	11%	11%	10%		
Paid day off for employee's birthday	8%	8%	10%	9%	8%		
Emergency flexibility (fixed number of days off with pay for emergencies)	6%	6%	7%	7%	7%		
Vacation purchase plan	8%	8%	5%	7%	7%		
Paid sick leave donation program	13%	16%	11%	7%	6%	▼	
Paid sabbatical program	5%	5%	4%	4%	5%		
Paid sick leave cash-out option	—	—	7%	6%	5%		
Company-paid time off for group vacations	2%	1%	1%	2%	2%		
Unlimited paid sick time	—	—	—	—	2%		
Unlimited paid time off	—	—	—	—	1%		
Unlimited paid vacation time	—	—	—	—	1%		
Note: An asterisk (*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.							
Source: 2012 Employee Benefits: A Research Report by SHRM							

# Family-Friendly Benefits

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Table F-1 lists various family-friendly benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

## Dependent Care Flexible Spending Accounts

Dependent care flexible spending accounts allow employees to set aside pretax dollars that can later be reimbursed for dependent care expenses. These accounts are popular with employees since the tax benefit offsets some of the expenses of dependent care. Almost three-quarters (72%) of organizations offered this benefit.

## Dependent Care Educational Assistance

Some organizations provide educational assistance to the dependents of their employees. Fourteen percent of organizations provided 529 plans—tax-advantaged savings plans designed to encourage saving for future college costs.

## Domestic Partner Benefits

Fifteen percent of organizations offered same-sex domestic partner benefits (excluding health care), and 15% provided opposite-sex domestic partner benefits (excluding health care).

## Child Care Benefits

With the majority of single-parent families having a parent in the workforce and 58% of two-parent families with both parents employed,<sup>10</sup> child care benefits are an important recruiting and job satisfaction driver for working parents. Thirty-two percent of organizations allowed employees to bring their children to work in a child care emergency, 17% offered a child care referral service, and 1% allowed parents to bring their babies to work on a regular basis.

These types of benefits, which help the employee at a minimal cost to the organization, were more commonly offered than costlier benefits such as access to nonsubsidized child care center (4%), subsidized child care program (4%), subsidized child care center (4%), backup child care services (3%) and consortium child care center (1%), which is a center sharing the costs and responsibilities with several organizations.

## Adoption and Foster Care Assistance

According to responding HR professionals, 9% of organizations offered adoption assistance and 2% provided foster care assistance to their employees.

## Elder Care Benefits

According to a national research study, 48.9 million people in the U.S. serve as unpaid family caregivers to an adult.<sup>11</sup> Many of these individuals are part of the “sandwich” generation—caring for young children in addition to their elder care responsibilities. Dependent care flexible spending accounts can be used to offset the cost of both child care and elder care, and some organizations offered elder

Table F-1 | Family-Friendly Benefits

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Dependent care flexible spending account	72%	1%
Bring child to work in emergency	32%	0%
On-site lactation/mother's room <sup>A</sup>	30%	0%
Child care referral service <sup>B</sup>	17%	*
Domestic partner benefits for opposite-sex partners <sup>C</sup>	15%	*
Domestic partner benefits for same-sex partners <sup>C</sup>	15%	*
529 plan <sup>D</sup>	14%	1%
Elder care referral service <sup>B</sup>	10%	0%
Adoption assistance	9%	0%
Lactation support services <sup>E</sup>	6%	*
Parenting workplace seminars	5%	*
Nonsubsidized child care center <sup>F</sup>	4%	*
Subsidized child care center <sup>F</sup>	4%	0%
Subsidized child care program <sup>G</sup>	4%	0%
Access to backup child care services <sup>H</sup>	3%	*
Geriatric counseling <sup>I</sup>	3%	0%
On-site elder care fairs <sup>J</sup>	2%	*
On-site vaccinations for infants/children	2%	*
Elder care assisted living assessments	2%	0%
Elder care in-home assessments <sup>K</sup>	2%	0%
Foster care assistance	2%	0%
Babies at work <sup>L</sup>	1%	*
Access to backup elder care services <sup>H</sup>	1%	0%
Consortium child care center <sup>M</sup>	1%	0%
On-ramping programs for family members dealing with elder care issues	1%	0%
On-ramping programs for parents re-entering the workforce	1%	0%

(n = 544-550)

\* Less than 1%.

<sup>A</sup> A separate room that goes above and beyond the PPACA law requiring that employees be “shielded from view” and “free from intrusion” during their break.

<sup>B</sup> Program that provides employees with the names of providers (separate from or part of an EAP).

<sup>C</sup> Not including health care coverage.

<sup>D</sup> Tax-advantaged savings plan designed to encourage saving for future college costs.

<sup>E</sup> Lactation consulting and education.

<sup>F</sup> An on-site or near-site center.

<sup>G</sup> Helps employee pay child care fees.

<sup>H</sup> For an unexpected event.

<sup>I</sup> Provides counseling services to seniors and their families.

<sup>J</sup> Provides an opportunity for employees to speak directly with elder care experts about the many types of elder care services.

<sup>K</sup> Provides families with appraisals to determine care needs.

<sup>L</sup> Children under one year of age are allowed to come to work with a parent on a regular basis.

<sup>M</sup> An on-site or near-site center sharing the costs and responsibilities with several organizations.

Source: 2012 Employee Benefits: A Research Report by SHRM

care options similar to child care benefits. Again, the most frequently offered benefit of this type was an elder care referral service, which 10% of organizations made available to employees. Less commonly offered elder care benefits included geriatric counseling (3%), elder care assisted living assessments (2%), elder care in-home assessments (2%), on-site elder care fairs (2%), access to backup elder care services in the case of an unexpected event (1%) and on-ramping programs for family members dealing with elder care issues (1%).

### Other Family-Friendly Benefits

In addition to child care benefits, elder care benefits, adoption and foster care assistance, organizations offered a number of other benefits that pertained to employees' dependents. Overall, 30% of organizations had an on-site lactation/mother's room, and 6% provided lactation support services. Other family-friendly benefits included parenting workplace seminars (5%), on-site vaccinations for infants/children (2%) and on-ramping programs for parents re-entering the workforce (1%).

### Family-Friendly Benefits Over Time

Table F-2 depicts the percentages of organizations offering family-friendly benefits from 2008 through 2012. Although there have been changes over the five-year period, there were no significant changes in these benefits from 2011 to 2012. The following two benefits decreased from 2008 to 2012: elder care referral service and adoption assistance.



Table F-2 | Family-Friendly Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Dependent care flexible spending account	75%	70%	72%	73%	72%		
Bring child to work in emergency	31%	29%	30%	33%	32%		
On-site lactation/mother's room	25%	25%	28%	28%	30%		
Child care referral service	18%	13%	17%	17%	17%		
Domestic partner benefits for opposite-sex partners (not including health care coverage)	14%	14%	13%	14%	15%		
Domestic partner benefits for same-sex partners (not including health care coverage)	15%	14%	15%	14%	15%		
529 plan	14%	14%	13%	12%	14%		
Elder care referral service	20%	11%	11%	9%	10%	▼	
Adoption assistance	16%	10%	9%	8%	9%	▼	
Lactation support services	6%	5%	4%	5%	6%		
Parenting workplace seminars	4%	2%	3%	4%	5%		
Nonsubsidized child care center	4%	2%	3%	4%	4%		
Subsidized child care center	6%	3%	4%	4%	4%		
Subsidized child care program	—	—	—	—	4%		
Access to backup child care services	6%	5%	4%	3%	3%		
Geriatric counseling	3%	2%	4%	2%	3%		
On-site elder care fairs	1%	1%	1%	1%	2%		
On-site vaccinations for infants/children	3%	3%	5%	3%	2%		
Elder care assisted living assessments	2%	1%	1%	1%	2%		
Elder care in-home assessments	2%	1%	1%	1%	2%		
Foster care assistance	6%	2%	1%	1%	2%		
Babies at work	—	—	1%	1%	1%		
Access to backup elder care services	5%	1%	2%	2%	1%		
Consortium child care center	1%	1%	1%	1%	1%		
On-ramping programs for family members dealing with elder care issues	—	—	—	1%	1%		
On-ramping programs for parents re-entering the workforce	—	—	—	1%	1%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM

# Flexible Working Benefits

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Table G-1 lists a number of flexible working benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

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**Flexible working benefits**  
are a cost-effective way to  
help employees balance their  
**work and personal lives.**

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## Nontraditional Scheduling Options

Flexible working benefits are a cost-effective way to help employees balance their work and personal lives. According to the latest *SHRM 2011 Employee Job Satisfaction and Engagement* research report, 38% of employees cited the flexibility to balance work/life issues as a very important aspect of job satisfaction.<sup>12</sup> These benefits help organizations attract and retain high-quality talent and are a key factor in employee satisfaction. The Families and Work Institute (FWI) and SHRM recently released a toolkit that provides the tools needed to build support for workplace flexibility in communities and organizations.<sup>13</sup> This publication includes discussions about why workplace flexibility is important to HR professionals and how they can promote flexibility.

The majority (53%) of organizations offered some form of flextime, which allows employees to select their work hours within limits established by the employer. Fifty-one percent of respondents reported that their organizations offered flextime during their core business hours and 25% indicated flextime was provided outside of their core business hours. In addition, 57% of organizations offered some form of telecommuting: 45% of respondents reported that their organizations offered telecommuting on an ad-hoc basis, 36% on a part-time basis and 20% on a full-time basis. More than one-third (35%) of organizations offered compressed workweeks, where full-time employees are allowed to work longer days for part of a week or pay period in exchange for shorter days or a day off during that week or pay period. Twelve percent offered job sharing, in which two employees share the responsibilities, accountability and compensation of one full-time job. These types of flexible scheduling benefits allow organizations to recruit and retain motivated workers who may not be able or willing to work a traditional 9-to-5 schedule.

Twenty-two percent of organizations offered shift flexibility, where employees are allowed to coordinate with co-workers to adjust their schedules by trading, dropping or picking up shifts. Three percent of organizations had a results-only work environment (ROWE), allowing employees to work wherever and whenever they wish as long as projects are completed on a timely basis.

## Casual Dress

The majority (55%) of organizations offered casual dress at least once a week, 36% allowed casual dress every day, and 24% allowed seasonal casual dress, which permits employees to dress casually for extended periods during the year. While many organizations may consider casual dress part of their organizational culture as opposed to an employee benefit, employees appreciate the opportunity to wear more comfortable clothes.

## Break Arrangements

Some organizations offer a variety of benefits designed to provide employees more flexibility in deciding when they can take breaks. Forty-three percent provided break arrangements that give employees who generally can only take assigned breaks more flexibility over when they take breaks. Thirty-eight percent offered mealtime flex, which allows employees to make up time at some point during the day as a result of a longer meal break or to leave early as a result of a shorter meal break.

**Table G-1 | Flexible Working Benefits**

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Telecommuting	57%	*
Casual dress day (one day per week)	55%	*
Flextime <sup>A</sup>	53%	0%
Flextime during core business hours <sup>B</sup>	51%	*
Telecommuting on an ad-hoc basis <sup>C</sup>	45%	*
Break arrangements <sup>D</sup>	43%	0%
Mealtime flex <sup>E</sup>	38%	*
Telecommuting on a part-time basis	36%	*
Casual dress (every day)	36%	0%
Compressed workweek <sup>F</sup>	35%	*
Flextime outside of core business hours <sup>G</sup>	25%	*
Casual dress (seasonal) <sup>H</sup>	24%	0%
Shift flexibility <sup>I</sup>	22%	*
Telecommuting on a full-time basis	20%	0%
Seasonal scheduling <sup>J</sup>	19%	*
Job sharing <sup>K</sup>	12%	1%
Alternating location arrangements <sup>L</sup>	5%	0%
Results-only work environment (ROWE) <sup>M</sup>	3%	0%

(n = 544-550)

\* Less than 1%.

<sup>A</sup> Allowing employees to choose their work hours within limits established by the employer.

<sup>B</sup> Allowing employees to choose their work hours during core business hours.

<sup>C</sup> Situations that may occur intermittently throughout the year or as a one-time event.

<sup>D</sup> Employees who generally can only take assigned breaks enter into an arrangement with their employers giving them more flexibility over when they take breaks (e.g., employees who need breaks for health reasons such as diabetics, nursing mothers, etc.).

<sup>E</sup> Making up time at some point during the day as a result of a longer meal break or allowing employees to leave early as a result of a shorter meal break.

<sup>F</sup> Allowing full-time employees to work longer days for part of the week or pay period in exchange for shorter days or a day off each week or pay period.

<sup>G</sup> Allowing employees to choose their work hours within limits outside of core business hours.

<sup>H</sup> Allowing casual dress for extended periods during the year (e.g., summer months, holidays, etc.).

<sup>I</sup> Allowing employees to coordinate with co-workers to adjust their schedules by trading, dropping or picking up shifts.

<sup>J</sup> Employees work only a certain number of months per year.

<sup>K</sup> Two or more employees share the responsibilities, accountability and compensation of one full-time job.

<sup>L</sup> Employees work part-year in one location and part-year in a second location (e.g., "snowbirds").

<sup>M</sup> Allowing employees to work wherever and whenever they wish as long as projects are completed on a timely basis.

Source: 2012 Employee Benefits: A Research Report by SHRM

## Other Flexible Working Benefits

Other types of flexible working benefits offered by organizations included seasonal scheduling (19%) and alternating location arrangements (5%), allowing employees to work part of the year in one location and the rest of the year in another location (e.g., snowbird employees—those who move from colder climates to warmer climates in the winter).

## Flexible Working Benefits Over Time

Table G-2 shows the percentages of organizations that offered flexible working benefits from 2008 through 2012. There were no significant changes in these benefits from 2011 to 2012. Casual dress day (one day per week) was the only benefit offered by fewer organizations in 2012 than in 2008.

Table G-2 | Flexible Working Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Telecommuting	57%	51%	55%	53%	57%		
Casual dress day (one day per week)	62%	59%	57%	55%	55%	▼	
Flextime	59%	54%	49%	53%	53%		
Flextime during core business hours	—	—	—	—	51%		
Telecommuting on an ad-hoc basis	47%	45%	44%	42%	45%		
Break arrangements	—	43%	43%	45%	43%		
Mealtime flex	44%	41%	39%	40%	38%		
Telecommuting on a part-time basis	35%	34%	34%	34%	36%		
Casual dress days (every day)	38%	36%	34%	36%	36%		
Compressed workweek	37%	37%	34%	35%	35%		
Flextime outside of core business hours	—	—	—	—	25%		
Casual dress (seasonal)	—	—	23%	24%	24%		
Shift flexibility	26%	21%	19%	18%	22%		
Telecommuting on a full-time basis	21%	19%	17%	20%	20%		
Seasonal scheduling	—	16%	17%	16%	19%		
Job sharing	18%	16%	13%	13%	12%		
Alternating location arrangements	—	4%	4%	5%	5%		
Results-only work environment (ROWE)	—	3%	1%	2%	3%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM





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## Expert Q&A: Ellen Galinsky, President and Co-founder, Families and Work Institute

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- **Flexible work practices have become more popular in recent years, but what are the biggest barriers to their acceptance on a broader basis?**

Yes, flexibility has become more popular in recent years, even during the recession. In fact, Families and Work Institute's (FWI) 2009 study, *The Impact of the Recession on Employers*, found that most employers either maintained the workplace flexibility they offered (81%) or increased it (13%) during the recession; only 6% decreased flexibility. So in good economic times or bad, employers still need talent.

In the nationally representative study of employers we conduct with SHRM—the 2012 National Study of Employers (NSE)—we ask about obstacles in implementing work-life programs and policies. Note that these programs include not just flexibility but also child care and elder care assistance, health benefits and so on. That is important in light of the fact that the most frequently mentioned obstacles are cost (25%), the fact that job requirements and workloads don't allow for these programs (12%), a lack of staff to implement these programs (11%), a potential loss of productivity (10%), and difficulty supervising employees (10%). However, 5% report there are no obstacles. Additionally, 5% say work-life policies would be impractical given the company's industry.

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*Most employers either maintained the workplace flexibility they offered (81%) or increased it (13%) during the recession; only 6% decreased flexibility.*

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- **Many people think of telework when the discussion turns to flexible policies, but that option is not realistic in some workplaces. What are some of the other forms of flexible work that have proven to be effective?**

First, there are many kinds of flexibility. FWI and SHRM are creating a resource guide, and in it, we group the large variety of flexible options into seven categories:

- **Choices in managing time:** includes control over one's schedule and agreeing that the schedule or shift meets the employee's needs.
- **Flex time and flex place:** includes traditional flexibility, daily flexibility (short-notice schedule changes), compressed workweeks and working at home.
- **Reduced time:** includes full-timers who could arrange to work part time in their current position and part-timers who could arrange to work full time in their current position, as well as part-year work.
- **Time off:** includes the ability to take time off for personal or family matters, paid days off for personal illness, paid days off to care for sick children, time off for elder care without fear of losing one's job, paid vacation time, paid holidays, time off for volunteering without the loss of pay, and caregiving leave for birth, adoption and seriously ill family members.
- **Flex careers:** enable employees to dial up or dial down their careers by taking extended time off for caregiving or sabbaticals; they also enable employees to phase into retirement.
- **Dealing with overwork:** includes efforts to create reasonable work demands, to reduce unnecessary work and to create boundaries between life on and off the job.
- **Culture of flexibility:** includes not having to choose between advancement and devoting attention to family life, not having advancement jeopardized by asking for flexibility, and overall supervisor support when work-life issues arise.

In terms of which kinds of flexibility don't work, we find that there is no one-size-fits-all solution. And that is why there are so many options! At best, flexibility should work for both employers and employees. Thus, it is typically designed to solve a business problem, such as the need to recruit or retain top talent or to increase staff coverage. The solution—the type of flexibility—must fit the needs of the organization and its employees.

- **Are there specific industries where flexible practices have been more popular? Why?**

In the 2012 NSE, we look at this issue. We find that flexibility is most prevalent in finance, insurance and real estate, and in professional services. "Why" is a great question! When I asked that of an accounting firm, the answer was, "We do the numbers. It's good for our business."\*

- **It can sometimes be difficult to measure the benefits of flexible work policies, so what offers the best proof that these measures are useful?**

It is difficult. Our studies find that workplaces with greater flexibility are more likely to have employees who are more engaged, in better health, more satisfied

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*We find that flexibility is most prevalent in finance, insurance and real estate, and in professional services.*

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with their jobs and more likely to plan to remain on the job. However, these are correlations, not causal studies.

A number of companies have done studies before and after they have implemented greater flexibility. An example is Ryan LLC, headquartered in Dallas. It has found that voluntary turnover dropped dramatically, from 18.5% to 6.5% over three years. Involuntary turnover also dropped to 10%, compared with the industry average of 21%. At the same time, client service scores increased. Perhaps most impressively, the company's CEO, Brint Ryan, says, "In 2009, in arguably the worst economic conditions in my generation, we posted record profits and record revenue."

- **Have you found that more workers and job seekers are judging companies based on their flexible work practices? Is this something that has become a standard expectation, alongside traditional benefits offered by employers?**

FWI's 2008 National Study of the Changing Workforce found that 87% of all employees say that flexibility would be "extremely important" or "very important" to them if they were looking for a new job. This is not surprising, since U.S. employees are increasingly experiencing a time famine. Between 2002 and 2008, the percentage of those saying they don't have enough time for themselves rose from 55% to 60%, while those saying they don't have enough time for their spouse climbed from 50% to 63%, and those saying they don't have enough time for their children went up from 66% to 75%. Some people say that time has become the new currency.

It is well known that Millennials expect to work more flexibly, but so do older employees as they move toward retirement, and so do the 42% who had elder care responsibilities in the past five years. At one time or another, we will all need some flexibility.

I can't say that seeking flexibility has become a standard expectation among job seekers yet, but it is well on its way to becoming one.

\* If you are looking for further information about the prevalence of flexibility in various industries, FWI wrote a series of papers that looked at this issue for the Department of Labor's Women Bureau as a follow up to a White House forum on workplace flexibility. All of those papers can be found at <http://familiesandwork.org/site/research/reports/main.html#workflexstatus>.

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*At one time or another, we will all need some flexibility.*

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# Employee Programs and Services

Employee programs and services range from legal assistance to pet health insurance. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table H-1 | Employee Programs and Services

	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Free coffee <sup>A</sup>	74%	0%
Vending machine snacks and beverages <sup>B</sup>	47%	*
Free/discounted uniforms	26%	0%
On-site ATMs	22%	0%
Legal assistance/services	21%	1%
On-site cafeteria <sup>C</sup>	20%	*
Postal services for employees	20%	*
Organization-sponsored sports teams	18%	1%
Paycards	16%	3%
Travel planning services	10%	*
Dry cleaning services	10%	0%
Executive club memberships	9%	0%
ESL (English as a second language) classes	8%	*
Foreign language classes <sup>D</sup>	8%	0%
Pet health insurance	6%	1%
Employer-sponsored personal shopping discounts	6%	*
Self-defense training	6%	*
On-site haircuts	3%	0%
Prepared take-home meals	3%	0%
Concierge services	2%	0%

(n = 546-550)

\* Less than 1%.

<sup>A</sup> Fully subsidized coffee or coffee service.

<sup>B</sup> Fully or partially subsidized by the company.

<sup>C</sup> Food and beverages available in the cafeteria are fully or partially subsidized by the company.

<sup>D</sup> Non-English.

Source: 2012 Employee Benefits: A Research Report by SHRM

## Work/Life Balance Benefits

Some of the benefits in this category are designed to save employees the time and energy of having to schedule such everyday tasks as visiting the bank (16% offered paycards), accessing food and beverages (74% provided free coffee, 47% offered vending machine snacks and beverages, 20% had an on-site cafeteria, and 3% offered prepared take-home meals), visiting the post office (20% offered postal services) or going to the dry cleaner (10% offered dry-cleaning services).

In addition, 22% had on-site ATMs, and 3% provided on-site haircuts. Other benefits, such as legal assistance or services (21%), travel planning services (10%) and concierge services (2%), help employees in more specific circumstances.

## Uniform Benefits

Some employees are required to wear certain attire while working, and employers may offer assistance in paying for it. More than one quarter of organizations (26%) offered free or discounted uniforms to employees.

## Language Skills

A recent study conducted by SHRM and AARP asked HR professionals to identify the greatest basic skills and applied skills gaps between workers age 31 and younger compared with workers age 50 and older.<sup>14</sup> Overall, 51% of respondents indicated they find older workers to have stronger writing, grammar and spelling skills in English. In addition, 8% of organizations offered English as a second language (ESL) classes to workers looking to improve their English language skills.

An increasingly diverse workforce and the globalization of the economy have made language skills more important than ever. Workers, supervisors, customers and business partners may have different levels of English proficiency, and some may not speak English at all. To address this divide, some organizations offer foreign language classes to workers or supervisors who frequently deal with individuals whose native language is not English. Eight percent of organizations offered some form of foreign language classes.

## Other Personal Services Benefits

Eighteen percent of organizations offered organization-sponsored sports teams. In addition to physical exercise and health benefits, sports teams offer employees a chance to socialize and build rapport outside of their work environment.

Other types of personal services offered by organizations included executive club memberships (9%), employer-sponsored personal shopping discounts (6%), pet health insurance (6%) and self-defense training (6%).

## Employee Programs and Services Over Time

Table H-2 shows the percentages of organizations that offered employee programs and services from 2008 through 2012. Although there were no significant changes in these benefits from 2011 to 2012, some benefits became less prevalent compared with five years ago. The following benefits were offered by fewer organizations in 2012 than in 2008: organization-sponsored sports teams, travel planning services and executive club memberships.

Table H-2 | Employee Programs and Services (By Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Free coffee	—	—	—	77%	74%		
Vending machine snacks and beverages	—	—	—	47%	47%		
Free/discounted uniforms	30%	29%	30%	26%	26%		
On-site ATMs	17%	20%	20%	22%	22%		
Legal assistance/services	24%	21%	20%	20%	21%		
On-site cafeteria	—	—	—	19%	20%		
Postal services for employees	24%	22%	19%	19%	20%		
Organization-sponsored sports teams	27%	25%	22%	17%	18%	▼	
Paycards	—	—	11%	11%	16%		
Travel planning services	21%	16%	10%	9%	10%	▼	
Dry cleaning services	13%	10%	7%	10%	10%		
Executive club memberships	23%	19%	19%	14%	9%	▼	
ESL (English as a second language) classes	8%	6%	8%	8%	8%		
Foreign (non-English) language classes	9%	5%	7%	8%	8%		
Pet health insurance	7%	3%	4%	4%	6%		
Employer-sponsored personal shopping discounts	11%	8%	9%	6%	6%		
Self-defense training	5%	6%	3%	6%	6%		
On-site haircuts	—	1%	1%	2%	3%		
Prepared take-home meals	3%	1%	3%	3%	3%		
Concierge services	5%	3%	2%	2%	2%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM

# Professional and Career Development Benefits

Table I-1 lists a series of professional and career development benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

## Career Development Assistance

Organizations offer a variety of benefits designed to help employees advance in their careers. These types of benefits provide a dual advantage—employees feel the organization cares about their professional development, and the organization gains a richer, better-prepared workforce. Overall, 87% of organizations offered their staff some form of professional development opportunities: 83% offered off-site opportunities and 65% provided on-site opportunities. Ninety percent of organizations offered paid professional memberships, 75% indicated that their organizations paid for professional license application or renewal fees, and 74% paid for certification or recertification fees.

Table I-1   Professional and Career Development Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Professional memberships	90%	0%
Professional development opportunities	87%	0%
Off-site professional development opportunities <sup>A</sup>	83%	1%
Professional license application or renewal fees	75%	*
Certification/recertification fees	74%	*
On-site professional development opportunities <sup>A</sup>	65%	3%
Cross-training to develop skills not directly related to the job	38%	2%
Mentoring program <sup>B</sup>	20%	3%
Career counseling	12%	2%
College selection/referral <sup>C</sup>	9%	*
(n = 548-550)		
* Less than 1%.		
<sup>A</sup> Seminars, conferences, courses or training to keep skills current, etc.		
<sup>B</sup> Formal program.		
<sup>C</sup> Provides employees with information and helps link them to colleges.		
Source: 2012 Employee Benefits: A Research Report by SHRM		

Thirty-eight percent offered cross-training to develop skills not directly related to employees’ current jobs. In addition to furthering employees’ skill sets, this can increase understanding and communication between different departments. In addition, 20% of organizations offered formal mentoring programs, 12% provided career counseling, and 9% offered college selection/referrals, providing employees with information and helping to link them to colleges.

Professional and Career Development Benefits Over Time

Table I-2 shows the percentages of organizations that offered professional and career development benefits from 2008 through 2012. Although there were no significant changes in these benefits from 2010 to 2011, some benefits became less prevalent compared with five years ago: professional development opportunities and cross-training to develop skills not directly related to the job were offered by fewer organizations in 2012 compared with 2008.

Table I-2   Professional and Career Development Benefits (By Year)							
	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Professional memberships	91%	91%	90%	87%	90%		
Professional development opportunities	95%	91%	90%	87%	87%	▼	
Off-site professional development opportunities	—	—	—	82%	83%		
Professional license application or renewal fees	77%	73%	70%	72%	75%		
Certification/recertification fees	76%	77%	71%	71%	74%		
On-site professional development opportunities	—	—	—	67%	65%		
Cross-training to develop skills not directly related to the job	55%	49%	49%	43%	38%	▼	
Mentoring program	25%	22%	17%	17%	20%		
Career counseling	—	14%	15%	11%	12%		
College selection/referral	14%	11%	11%	9%	9%		
Note: An asterisk (*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.							
Source: 2012 Employee Benefits: A Research Report by SHRM							



# Housing and Relocation Benefits

Table J-1 provides a list of housing and relocation benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table J-1   Housing and Relocation Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Relocation lump sum payment	29%	0%
Temporary relocation benefits	25%	0%
Location visit assistance <sup>A</sup>	21%	*
Reimbursement of shipping fees	19%	0%
Reimbursement of closing costs <sup>B</sup>	12%	0%
Spouse relocation employment assistance	12%	0%
Cost-of-living differential	11%	1%
Assistance selling previous home	11%	0%
Reimbursement of realtor fees <sup>B</sup>	11%	0%
Housing counseling <sup>C</sup>	6%	0%
Reimbursement for financial loss sustained from a home sale <sup>B</sup>	6%	0%
Rental assistance	6%	0%
Home insurance program <sup>D</sup>	5%	*
Home buyout program	5%	0%
Mortgage assistance	3%	0%
Renter insurance program <sup>E</sup>	3%	*
Down payment assistance	3%	0%
Mortgage insurance	2%	0%
(n = 543-550)		
* Less than 1%.		
<sup>A</sup> House-hunting trips.		
<sup>B</sup> Employers cover some or all of the costs.		
<sup>C</sup> Advice on buying, renting, defaults and foreclosures.		
<sup>D</sup> Discount on home insurance.		
<sup>E</sup> Discount on renters insurance.		
Source: 2012 Employee Benefits: A Research Report by SHRM		

## One-Time Permanent Relocation Benefits

Most housing and relocation benefits involve newly hired or transferred employees who face a one-time, permanent move. The most commonly offered assistance in this situation was single relocation lump-sum payment, which 29% of organizations offered. Some employers prefer this option because providing a single lump sum to the relocating employee eliminates paperwork and administration for the organization.

Twenty-one percent of organizations provided location visit assistance or house-hunting trips to employees who were relocating to a new area. In addition, 19% provided reimbursement of shipping fees, 12% offered closing cost assistance, 11% of organizations offered assistance to employees who needed to sell a home at their original location and 11% offered reimbursement of realtor fees. Twelve percent of respondents indicated that their organizations offered spouse relocation assistance to help married employees whose “trailing” spouse might be faced with searching for a job in an unfamiliar location, and 11% offered a cost-of-living differential to assist employees relocating to a more expensive area. Six percent offered reimbursement for financial loss sustained from a home sale, and 5% offered a home buyout program.

## Temporary Relocation Benefits

Temporarily relocated employees are often maintaining two households—one at the permanent location to which they plan to return and one to maintain a comfortable presence at their temporary location. One quarter (25%) of organizations offered temporary relocation benefits to assist in easing this burden.

## Housing Assistance

Some organizations offer employees assistance in purchasing a new home: 5% offered a home insurance program, 3% provided mortgage assistance, 3% offered down payment assistance, and 2% provided mortgage insurance. These benefits may be offered as part of a relocation package or as a general employee benefit to increase retention. Most organizations that offer these types of benefits require employees to have certain tenure and/or stay for a certain period of time after receiving the assistance. Organizations also hope that homeowners may feel more rooted in the community and therefore less likely to leave.

Additional housing and relocation benefits offered by organizations included housing counseling (6%), rental assistance (6%) and renter insurance program (3%).

## Housing and Relocation Benefits Over Time

Table J-2 shows the percentages of organizations that offered these housing and relocation benefits from 2008 through 2012. Although there were no significant changes in these benefits from 2011 to 2012, the prevalence of a number of housing and relocation benefits declined over the past five years. The following benefits were offered by fewer organizations in 2012 than in 2008: temporary relocation benefits, location visit assistance, spouse relocation employment assistance, cost-of-living differential and rental assistance.

Table J-2 | Housing and Relocation Benefits (by Year)

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Relocation lump sum payment	—	30%	28%	26%	29%		
Temporary relocation benefits	40%	35%	28%	25%	25%	▼	
Location visit assistance	39%	36%	20%	18%	21%	▼	
Reimbursement of shipping fees	—	—	—	—	19%		
Reimbursement of closing costs	—	—	—	8%	12%		
Spouse relocation employment assistance	19%	15%	10%	12%	12%	▼	
Cost-of-living differential	20%	15%	10%	10%	11%	▼	
Assistance selling previous home	17%	13%	11%	9%	11%		
Reimbursement of realtor fees	—	—	—	8%	11%		
Housing counseling	11%	9%	6%	4%	6%		
Reimbursement for financial loss sustained from a home sale	—	6%	5%	5%	6%		
Rental assistance	17%	12%	3%	5%	6%	▼	
Home insurance program	6%	7%	6%	6%	5%		
Home buyout program	—	—	—	4%	5%		
Mortgage assistance	10%	7%	3%	3%	3%		
Renter insurance program	—	4%	3%	3%	3%		
Down payment assistance	9%	6%	2%	2%	3%		
Mortgage insurance	4%	3%	1%	2%	2%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM

# Business Travel Benefits

When employees travel for business, organizations often provide additional benefits to make up for incidental costs and inconvenience associated with being away from home. Table K-1 lists various types of business travel benefits. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table K-1   Business Travel Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Employee keeps frequent flyer miles	69%	*
Employee keeps hotel points	69%	0%
Per diem for meals	65%	0%
Business laptop for personal use while on travel	61%	0%
Paid Internet access while on travel	57%	0%
Paid long-distance calls home while on business travel	50%	0%
Travel accident insurance	37%	1%
Car or limo service to/from the airport	35%	0%
Rental car upgrades	18%	0%
First or business class airfare for international travel	14%	0%
Paid dry cleaning while on business travel	13%	0%
First or business class airfare for domestic travel	10%	0%
Additional pay for weekend travel <sup>A</sup>	9%	0%
Paid minibar snacks at the hotel	9%	0%
Paid travel expenses for spouse	7%	0%
Paid airline club membership	5%	0%
Paid travel expenses for dependent children	5%	0%
Paid health club fees while on travel	4%	*
Paid pay-per-view movies at the hotel	4%	*
Paid travel expenses for opposite-sex domestic partner	3%	0%
Paid travel expenses for same-sex domestic partner	3%	0%
Paid child care expenses while an employee is on business travel	1%	0%
Paid pet care expenses while an employee is on business travel	1%	0%
(n = 545-550)		
* Less than 1%.		
<sup>A</sup> Beyond what is required by law for nonexempt employees.		
Source: 2012 Employee Benefits: A Research Report by SHRM		

## Travel Benefits

The most commonly offered business travel benefits included allowing employees to keep hotel points (69%) and frequent flyer miles (69%) earned while traveling for business and put them toward personal use. Majority of organizations also provided per diem for meals (65%), gave employees a business laptop for personal use (61%) and paid for Internet access (57%) and long-distance calls home (50%) while employees were away.

A smaller number of organizations provided car or limo service to/from the airport (35%) and paid for rental car upgrades (18%), first class/business class for international travel (14%), dry cleaning expenses (13%), first class/business class for domestic travel (10%), minibar snacks at the hotel (9%), paid airline club memberships (5%), health club fees (4%), pay-per-view movies (4%), child care expenses (1%) and pet care arrangement expenses (1%) incurred when employees were on business travel.

## Additional Pay

Nine percent of organizations offered supplementary pay for weekend travel beyond what is required by law for nonexempt employees.

## Insurance

More than one-third (37%) of organizations offered travel accident insurance, which provides coverage for individuals who might be harmed or killed while on business travel.

## Paid Travel Expenses for Others

Less commonly offered travel benefits included paid travel expenses for a spouse (7%), dependent children (5%), opposite-sex domestic partner (3%) and same-sex domestic partner (3%).

## Business Travel Benefits Over Time

Table K-2 shows the percentages of organizations offering these business travel benefits from 2008 through 2012. There were no significant changes in these benefits from 2011 to 2012. Paid dry cleaning and paid long-distance calls home while on business travel were the benefits offered by fewer organizations in 2012 compared with 2008.

**Table K-2 | Business Travel Benefits (by Year)**

	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Employee keeps frequent flyer miles	71%	68%	64%	67%	69%		
Employee keeps hotel points	70%	68%	64%	67%	69%		
Per diem for meals	70%	65%	65%	65%	65%		
Business laptop for personal use while on travel	—	63%	62%	64%	61%		
Paid Internet access while on travel	—	54%	55%	56%	57%		
Paid long-distance calls home while on business travel	62%	58%	54%	51%	50%	▼	
Travel accident insurance	42%	39%	37%	37%	37%		
Car or limo service to/from the airport	—	37%	35%	35%	35%		
Rental car upgrades	17%	11%	13%	16%	18%		
First or business class airfare for international travel	—	—	—	13%	14%		
Paid dry cleaning while on business travel	20%	15%	12%	13%	13%	▼	
First or business class airfare for domestic travel	11%	12%	12%	11%	10%		
Additional pay for weekend travel	9%	7%	7%	7%	9%		
Paid minibar snacks at the hotel	14%	9%	9%	8%	9%		
Paid travel expenses for spouse	6%	5%	6%	3%	7%		
Paid airline club membership	7%	4%	5%	5%	5%		
Paid travel expenses for dependent children	—	—	—	—	5%		
Paid health club fees while on travel	5%	3%	3%	3%	4%		
Paid pay-per-view movies at the hotel	7%	5%	5%	4%	4%		
Paid travel expenses for opposite-sex domestic partner	—	—	—	—	3%		
Paid travel expenses for same-sex domestic partner	—	—	—	—	3%		
Paid child care expenses while an employee is on business travel	2%	2%	2%	1%	1%		
Paid pet care expenses while an employee is on business travel	1%	1%	1%	1%	1%		

Note: An asterisk (\*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.

Source: 2012 Employee Benefits: A Research Report by SHRM



# Other Benefits

Table L-1 lists other benefits that did not fit into one of the 11 previous categories. HR professionals reported if their organizations offered each benefit. If the benefit was not offered, the respondents indicated whether their organizations planned to do so within the next 12 months. To get a complete picture of benefits and coverage, respondents indicated whether any aspect of any organization-held plan included these particular benefits.

Table L-1   Other Benefits		
	Offer the Benefit	Plan to Begin Offering the Benefit Within the Next 12 Months
Company picnic	55%	2%
Noncash companywide performance awards <sup>A</sup>	45%	2%
Community volunteer programs	43%	1%
Discount ticket services <sup>B</sup>	32%	1%
Take your child to work day	24%	*
Company-purchased tickets <sup>B</sup>	23%	1%
Pets at work	5%	*
Take your pet to work day <sup>C</sup>	1%	*
Take your parent to work day	1%	0%
(n = 547-550)		
* Less than 1%.		
<sup>A</sup> For example, gift certificate, extra day off.		
<sup>B</sup> For example, sporting events, cultural events, theme parks, etc.		
<sup>C</sup> Once a year as opposed to pets at work generally.		
Source: 2012 Employee Benefits: A Research Report by SHRM		

## Social Gatherings

Social gatherings provide the opportunity for employees to get to know one another outside of the job, which can lead to better working relationships at the office. More than half (55%) of organizations offered company picnics, almost a third (32%) offered discount ticket services, and 23% offered company-purchased tickets to events such as cultural proceedings, sporting events or theme parks.

## Volunteer Programs

Community volunteer programs offer organizations an excellent opportunity to provide value-added benefits to the business, employees and community. These

programs can be tailored to best suit the needs of the organization's mission, vision and business goals, and were offered by 43% of organizations.

## Other Benefits

Other benefits included noncash companywide performance awards, such as gift certificates or an extra day off (45%), take your child to work day (24%), allowing pets at the office (5%), take your pet to work day (1%) and take your parent to work day (1%).

## Other Benefits Over Time

Table L-2 shows the percentages of organizations offering these benefits from 2008 through 2012. There were no significant changes in these benefits from 2011 to 2012. The following benefits were offered by fewer organizations in 2012 than in 2008: company picnic, noncash companywide performance awards, discount ticket services, take your child to work day and company-purchased tickets.

Table L-2   Other Benefits (by Year)							
	2008	2009	2010	2011	2012	Differences Between 2008 and 2012*	Differences Between 2011 and 2012*
Company picnic	62%	59%	56%	55%	55%	▼	
Noncash companywide performance awards	56%	51%	47%	43%	45%	▼	
Community volunteer programs	48%	42%	40%	40%	43%		
Discount ticket services	45%	40%	37%	35%	32%	▼	
Take your child to work day	35%	33%	25%	25%	24%	▼	
Company-purchased tickets	41%	38%	32%	26%	23%	▼	
Pets at work	5%	6%	6%	6%	5%		
Take your parent to work day	1%	1%	1%	2%	1%		
Take your pet to work day	—	1%	1%	1%	1%		
Note: An asterisk (*) indicates a significant change from 2011 to 2012 or from 2008 to 2012. A dash (—) indicates that this particular benefit was not asked about or was combined with another benefit. Blank cells in the last two columns indicate that no statistically significant differences were found.							
Source: 2012 Employee Benefits: A Research Report by SHRM							

# Employee Benefits in Today's Business Environment

## How Has the Economy Affected Organizations and Benefits?

HR professionals were asked to what extent their organizations—and specifically their organizations' employee benefits offerings—had been negatively affected by the slow pace of recovery from the economic recession. Eighty-seven percent of respondents reported their organizations were feeling the impact of the economic downturn (22% reported being affected to a large extent and 65% to some extent), and 73% reported that the employee benefits offerings have been negatively affected (11% reported being affected to a large extent and 62% to some extent). Over the last year, the impact of the economy on organizations and benefits offerings has changed very little. These results are depicted in Figures 2 and 3.

Over the last year, the impact of the economy on organizations and benefits offerings has changed **very little**.

Figure 2 | Organizations Negatively Affected by the Economy: 2011 and 2012

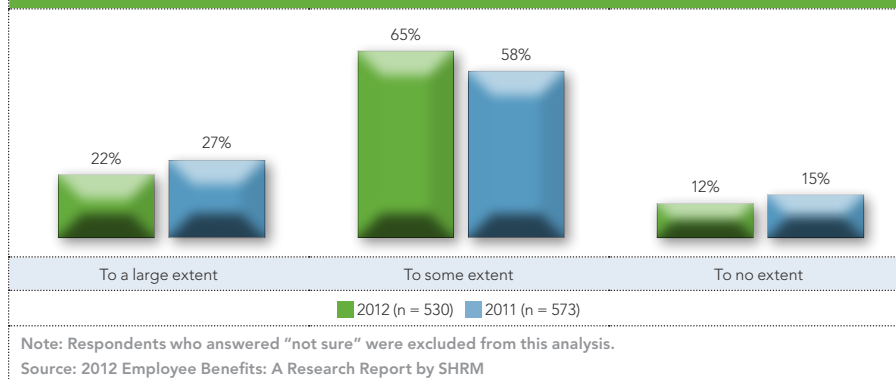
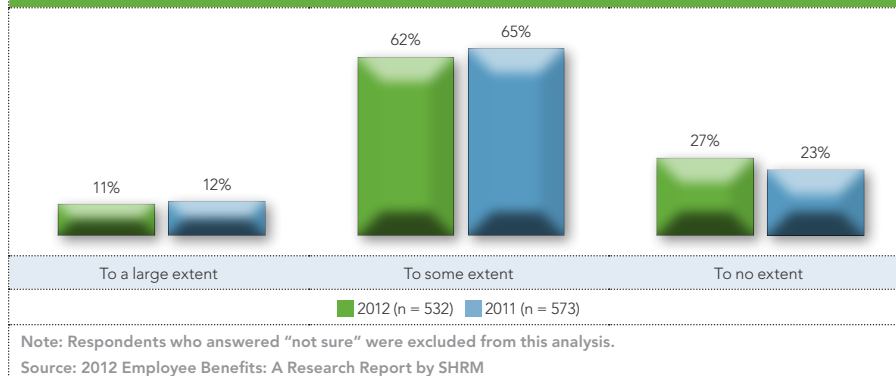


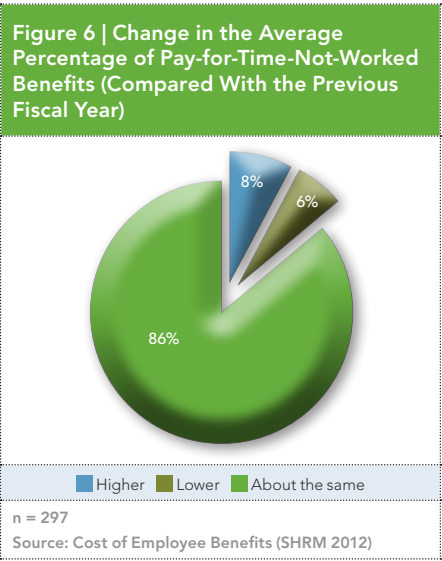
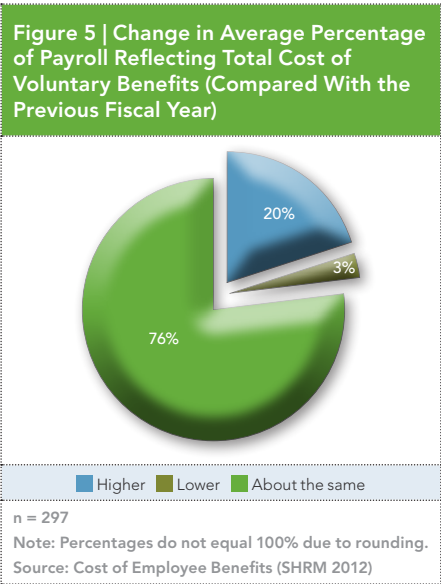
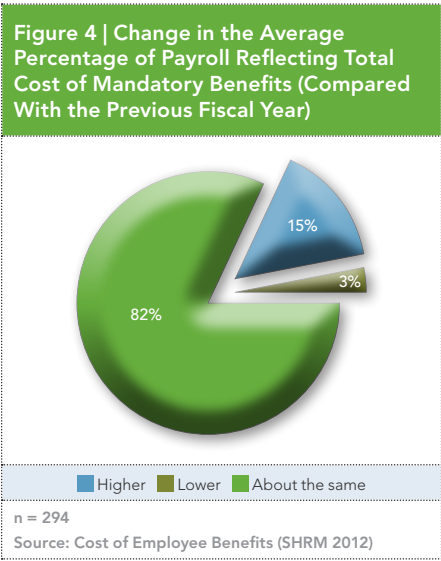
Figure 3 | Employee Benefits Offerings Negatively Affected by the Economy: 2011 and 2012



## Percentage of Payroll Reflecting Total Cost of Benefits

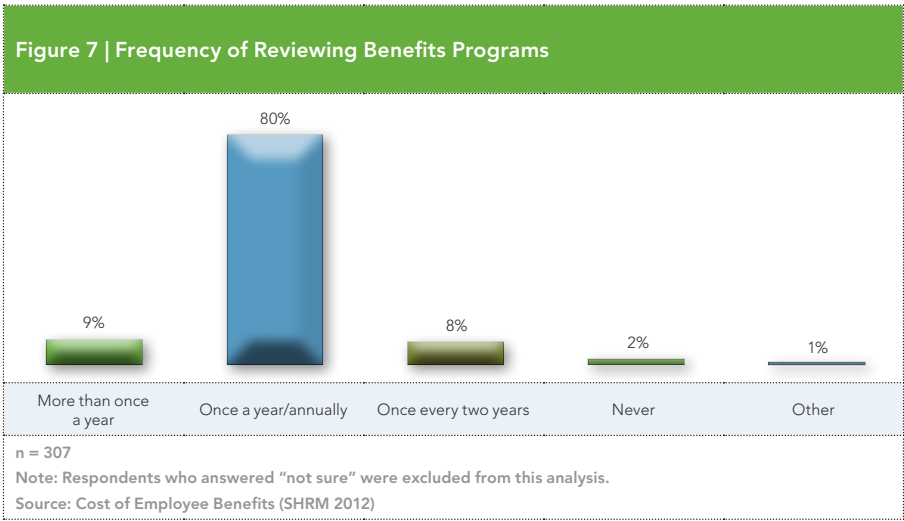
Organizations spent an average of 19% of an employee’s annual salary on voluntary benefits (such as medical plans, dental plans, prescription coverage, flexible spending accounts, vision plans, survivor benefits) 18% on mandatory benefits (such as unemployment, worker’s compensation, Social Security) and 10% on pay-for-time-not-worked benefits (regular rate of pay for a nonworking period of time, such as vacations, holidays, personal, bereavement and sick leave). An analysis of these results by organization staff size revealed that large-staff-sized organizations spent more on voluntary benefits when compared with small-staff-sized organizations.

Figures 4, 5 and 6 show that for most organizations these percentages stayed about the same as in previous fiscal year (82% reported no change for mandatory benefits, 76% for voluntary benefits and 86% for pay-for-time-not-worked benefits). More organizations indicated that the percentage of payroll reflecting the cost of voluntary benefits (20%) and mandatory benefits (15%) had increased compared with those who reported increases in pay-for-time-not-worked benefits (8%).



## Reviewing and Analyzing the Benefits Plan

As illustrated in Figure 7, 80% of organizations reviewed their benefits programs annually, and 9% reported reviewing them even more frequently. Only 2% of organizations never reviewed their benefits programs.



# About This Research

## What We Found

## What We Learned

## What We Did



# Survey Demographics

## Organization Industry

<b>Manufacturing</b> (food, beverage and tobacco product manufacturing; textile and textile product mills; apparel manufacturing; leather and allied product manufacturing; wood product manufacturing; paper manufacturing; printing and related support activities; petroleum and coal products manufacturing; chemical manufacturing; plastics and rubber products manufacturing; nonmetallic mineral product manufacturing; primary metal and fabricated metal product manufacturing; machinery manufacturing; computer and electronic product, electrical equipment, appliance, and component manufacturing; transportation equipment manufacturing; furniture and related product manufacturing; other manufacturing)	24%
<b>Professional, Scientific and Technical Services</b> (legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; consulting services; management and technical; scientific research and development services; biotechnology research and development; high-tech; pharmaceutical; advertising, public relations and related services; other professional, scientific and technical services)	18%
<b>Health Care and Social Assistance</b> (ambulatory health care services; hospitals; nursing and residential care facilities; social assistance; other healthcare and social assistance)	16%
<b>Educational Services</b> (elementary and secondary schools; junior colleges; colleges, universities and professional schools; business schools and computer and management training; technical and trade schools; educational support services; other educational services)	11%
<b>Finance and Insurance</b> (monetary authorities, central bank; credit intermediation and related activities; securities, commodity contracts and other financial investments and related activities; insurance carriers and related activities; funds, trusts and other financial vehicles; other finance and insurance)	9%
<b>Administrative, Support, Waste Management and Remediation Services</b> (office administrative services; facilities support services; employment services; business support services; travel arrangement and reservation services; investigation and security services; services to buildings and dwellings; waste management and remediation services; other administrative, support, waste management and remediation services)	7%
<b>Government Agencies</b> (executive, legislative and other general government support; justice, public order and safety activities; government human resource programs; government environmental quality programs; government housing programs; urban planning and community development; government economic programs; government space research and technology; national security and international affairs; other government agencies)	6%
<b>Transportation and Warehousing</b> (air transportation; rail transportation; water transportation; truck transportation; transit and ground passenger transportation; pipeline transportation; support activities for transportation; postal service; couriers and messengers; warehousing and storage; other transportation and warehousing)	6%
<b>Religious, Grantmaking, Civic, Professional and Similar Organizations</b> (religious organizations; grantmaking and giving services; social advocacy organizations; civic and social organizations; business, professional, labor, political, and similar organizations; other religious, grantmaking, civic, professional and similar organizations)	5%
<b>Retail Trade</b> (motor vehicle and parts dealers; food and beverage stores; clothing and clothing accessories stores; general merchandise stores; nonstore retailers; other retail trade)	5%
<b>Accommodation and Food Services</b> (accommodation; food services and drinking places; other accommodation and food services)	4%
<b>Construction</b> (construction of buildings; heavy and civil engineering construction; specialty trade contractors; other construction)	4%
<b>Wholesale Trade</b> (merchant wholesalers, durable goods; merchant wholesalers, nondurable goods; wholesale electronic markets and agents and brokers; other wholesale trade)	4%
<b>Information</b> (publishing industries, except Internet; motion picture and sound recording industries; broadcasting, except Internet; telecommunications; data processing, hosting and related services; other information services)	3%
<b>Mining</b> (oil and gas extraction; mining, except oil and gas; support activities for mining; other mining)	3%
<b>Repair and Maintenance</b> (automotive repair and maintenance; electronic and precision equipment repair and maintenance; commercial and industrial machinery and equipment—except automotive and electronic—repair and maintenance; personal and household goods repair and maintenance; other repair and maintenance)	3%
<b>Utilities</b> (electric power generation, transmission and distribution; natural gas distribution; water, sewage and other systems; other utilities)	3%
<b>Arts, Entertainment and Recreation</b> (performing arts, spectator sports and related industries; museums, historical sites and similar institutions; amusement, gambling and recreation industries; other arts, entertainment and recreation)	2%
<b>Real Estate and Rental and Leasing</b> (real estate; rental and leasing services; other real estate and rental and leasing)	2%
<b>Agriculture, Forestry, Fishing and Hunting</b> (crop production; animal production; forestry and logging; fishing, hunting and trapping; support activities for agriculture and forestry; other agriculture, forestry, fishing and hunting)	1%
<b>Personal and Laundry Services</b> (personal care services; death care services; dry cleaning and laundry services; other personal and laundry services)	1%
n = 550. Note: Percentages do not equal 100% due to multiple response options.	

## Organization Staff Size

1-99 employees	35%
100-499 employees	35%
500-2,499 employees	19%
2,500 or more employees	10%
Note: n = 541. Percentages do not equal 100% due to rounding.	

## Organization Sector

Privately owned for-profit organization	50%
Nonprofit organization	25%
Publicly owned for-profit organization	17%
Government agency	8%
n = 550	

## Region

Midwest (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	34%
South (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)	25%
Northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	21%
West (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Montana, Oregon, Utah, Washington, Wyoming)	20%
n = 541	

## Survey Methodology

A sample of HR professionals was randomly selected from SHRM's membership database, which included approximately 250,000 individual members at the time the survey was conducted. Only members who had not participated in a SHRM survey or poll in the last four months were included in the sampling frame. Members who were students, located internationally or had no e-mail address on file were excluded from the sampling frame. In January 2012, an e-mail that included a hyperlink to the Employee Benefits Survey was sent to 3,500 randomly selected SHRM members. Of these, approximately 3,200 e-mails were successfully delivered to respondents, and 550 HR professionals responded, yielding a response rate of 17%. The survey was accessible for a period of four weeks, and multiple reminders were sent to nonrespondents in an effort to increase response rates. The sample of HR professionals was generally representative of the SHRM membership population.

The report is composed of 12 benefits sections: health care and welfare benefits, preventive health and wellness benefits, retirement savings and planning benefits, financial and compensation benefits, leave benefits, family-friendly benefits, flexible working benefits, employee programs and services, professional and career development benefits, housing and relocation benefits, business travel benefits, and other benefits. Each section has two tables in the body of the report. Table 1 displays the overall percentage of organizations that offer each benefit and the percentage of organizations that do not offer the benefit now but have plans to do so within the next 12 months. Table 2 illustrates the percentage of organizations offering benefits on an annual basis over a period of five years.

A number of benefits have been added, changed or dropped from 2011 to 2012. Forces driving the changes included SHRM's own research of benefits trends, a need for clarification of some represented benefits, member input, and external research and resources. New or edited items are footnoted throughout the report.

## Notations

**Differences:** Conventional statistical methods were used to determine if observed differences were statistically significant (i.e., there is a small likelihood that the differences occurred by chance). Therefore, in most cases, only results that were significant are included, unless otherwise noted. In some cases, data may be discussed in the text of this report but not presented in an accompanying figure or table.

**Tables:** Unless otherwise reported in a specific table, please note that the following is applicable to data depicted in tables throughout this report:

- Data is sorted in descending order by the first percentage column in a table.

**Generalization of results:** As with any research, readers should exercise caution when generalizing results and take individual circumstances and experiences into consideration when making decisions based on these data. While SHRM is confident in its research, it is prudent to understand that the results presented in this survey report are only truly representative of the sample of HR professionals responding to the survey.

**Number of respondents:** The number of respondents (indicated by “n” in figures and tables) varies from table to table and figure to figure because some respondents did not answer all of the questions. Individuals may not have responded to a question on the survey because the question or some of its parts were not

applicable or because the requested data were unavailable. This also accounts for the varying number of responses within each table or figure.

**Confidence level and margin of error:** A confidence level and margin of error give readers some measure of how much they can rely on survey responses to represent all SHRM members. Given the level of response to the survey, SHRM Research is 95% confident that responses given by responding HR professionals can be applied to all SHRM members, in general, with a margin of error of approximately 4%. For example, 61% of HR professionals reported their organizations offered wellness programs. With a 4% margin of error, the reader can be 95% certain that between 57% and 65% of SHRM members would report that their organizations presently offer wellness programs.

# Appendix

## Appendix

# Prevalence of Benefits (in Alphabetical Order)

24-hour nurse line	54%
529 plan	14%
Accelerated death benefits	20%
Access to backup child care services	3%
Access to backup elder care services	1%
Accident insurance	25%
Accidental death and dismemberment insurance (AD&D)	83%
Acupressure/acupuncture medical coverage	36%
Additional pay for weekend travel	9%
Adoption assistance	9%
Alternating location arrangements	5%
Alternative/complementary medical coverage	15%
Assistance selling previous home	11%
Auto insurance program	10%
Automatic enrollment into the defined contribution retirement plan	39%
Automatic escalation of salary deferral amounts for defined contribution plans	19%
Automobile allowances for business use of personal vehicles	42%
Babies at work	1%
Bariatric coverage for weight loss	38%
Break arrangements	43%
Bring child to work in emergency	32%
Business cell phone or smart phone for personal use	55%
Business laptop for personal use while on travel	61%
Cancer insurance	34%
Car or limo service to/from the airport	35%
Career counseling	12%
Carpooling subsidy	4%
Cash balance pension plan	6%
Casual dress (every day)	36%
Casual dress (seasonal)	24%
Casual dress day (one day per week)	55%
Certification/recertification fees	74%
Child care referral service	17%
Chiropractic coverage	82%
College selection/referral	9%
Community volunteer programs	43%
Company picnic	55%
Continued on next page	

Company-owned vehicle for employee use	23%
Company-paid time off for group vacations	2%
Company-purchased tickets	23%
Compressed workweek	35%
Concierge services	2%
Consortium child care center	1%
Contraceptive coverage	73%
Cost-of-living differential	11%
CPR/first aid training	51%
Credit counseling service	21%
Credit union	33%
Critical illness insurance	24%
Cross-training to develop skills not directly related to the job	38%
Defined benefit pension (frozen)	12%
Defined benefit pension plan (open to all employees)	21%
Defined contribution plan loans	66%
Defined contribution retirement savings plan	92%
Defined contribution savings plan debit card	2%
Dental insurance	96%
Dependent care flexible spending account	72%
Discount ticket service	32%
Domestic partner benefits for opposite-sex partners	15%
Domestic partner benefits for same-sex partners	15%
Donations for participation in charitable events	32%
Down payment assistance	3%
Dry cleaning services	10%
Educational loans for members of employees' families	2%
Elder care assisted living assessments	2%
Elder care in-home assessments	2%
Elder care leave above federal FMLA leave	10%
Elder care leave above state FMLA leave	10%
Elder care referral service	10%
Elective procedures coverage	8%
Emergency flexibility	7%
Employee assistance program (EAP)	78%
Employee computer purchase discounts (not a loan)	22%
Employee discounts on company services	33%
Employee keeps frequent flyer miles	69%
Employee keeps hotel points	69%
Employee referral bonus	38%
Employee stock purchase plan	10%
Employer contributions to health savings accounts (HSAs)	25%
Employer match for defined contribution retirement plan	68%
Employer-sponsored personal shopping discounts	6%
ESL (English as a second language) classes	8%
Exclusive provider organization (EPO)	8%
Executive club memberships	9%
Experimental/elective drug coverage	6%
Family leave above required federal FMLA leave	22%
Family leave above required state FMLA leave	18%
Financial advice offered in group/classroom	22%
Financial advice offered one-on-one	28%
Continued on next page	



Financial advice offered online	24%
First or business class airfare for domestic travel	10%
First or business class airfare for international travel	14%
Fitness center membership subsidy/reimbursement	32%
Fitness equipment subsidy/reimbursement	4%
Flextime	53%
Flextime during core business hours	51%
Flextime outside of core business hours	25%
Floating holidays	40%
Foreign language classes	8%
Formal phased retirement program	5%
Foster care assistance	2%
Free coffee	74%
Free computers for employees' personal use	5%
Free or discounted home Internet service	3%
Free/discounted uniforms	26%
Full flexible benefits plan	31%
Gender reassignment surgery coverage	5%
Geriatric counseling	3%
Graduate educational assistance	58%
Health and lifestyle coaching	45%
Health care premium discount for getting an annual health risk assessment	21%
Health care premium discount for not using tobacco products	20%
Health care premium discount for participating in a weight loss program	9%
Health care premium discount for participating in a wellness program	15%
Health care premium flexible spending account	44%
Health fairs	38%
Health maintenance organization (HMO)	32%
Health reimbursement arrangements (HRAs)	22%
Health savings accounts (HSAs)	43%
Health screening programs	45%
Home buyout program	5%
Home insurance program	5%
Hospital indemnity insurance	22%
Housing counseling	6%
Incentive bonus plan (executive)	50%
Incentive bonus plan (nonexecutive)	41%
Incentive stock options (ISOs)	8%
Indemnity plan (fee-for-service)	8%
Individual investment advice offered one-on-one	44%
Infertility treatment coverage other than in-vitro fertilization	33%
Informal phased retirement program	5%
Intensive care insurance	23%
Investment advice offered in a group/classroom	41%
Investment advice offered online	55%
In-vitro fertilization coverage	27%
Job sharing	12%
Lactation support services	6%
Laser-based vision correction coverage	24%
Legal assistance/services	21%
Life insurance	84%
Life insurance for dependents	55%
Continued on next page	

Loans for employees to purchase personal computers	5%
Loans to employees for emergency/disaster assistance	19%
Location visit assistance	21%
Long-term care insurance	28%
Long-term disability insurance	80%
Low-/no-interest loans to employees for non-emergency situations	9%
Mail-order prescription program	91%
Matching employee charitable contributions	18%
Mealtime flex	38%
Medical flexible spending accounts	70%
Mental health coverage	85%
Mentoring program	20%
Mini-med health plan	2%
Mortgage assistance	3%
Mortgage insurance	2%
Noncash companywide performance awards	45%
Non-qualified stock options	7%
Nonsubsidized child care center	4%
Nutritional counseling	20%
Off-site professional development opportunities	83%
On-ramping programs for family members dealing with elder care issues	1%
On-ramping programs for parents re-entering the workforce	1%
On-site ATMs	22%
On-site blood pressure machine	20%
On-site cafeteria	20%
On-site elder care fairs	2%
On-site fitness center	22%
On-site fitness classes	20%
On-site haircuts	3%
On-site lactation/mother's room	30%
On-site massage therapy services	9%
On-site medical clinic	8%
On-site nap room	6%
On-site parking	87%
On-site professional development opportunities	65%
On-site seasonal flu vaccinations	61%
On-site sick room	12%
On-site stress reduction program	11%
On-site vaccinations for infants/children	2%
Organization-sponsored sports teams	18%
Paid adoption leave	17%
Paid airline club membership	5%
Paid bereavement leave	89%
Paid child care expenses while an employee is on business travel	1%
Paid day off for employee's birthday	8%
Paid dry cleaning while on business travel	13%
Paid family leave	24%
Paid health club fees while on travel	4%
Paid holidays	97%
Paid Internet access while on travel	57%
Paid jury duty above what is required by law	69%
Paid long-distance calls home while on business travel	50%
Continued on next page	

Paid maternity leave	16%
Paid military leave	19%
Paid minibar snacks at the hotel	9%
Paid paternity leave	16%
Paid pay-per-view movies at the hotel	4%
Paid personal day(s)	26%
Paid pet care expenses while an employee is on business travel	1%
Paid sabbatical program	5%
Paid sick leave cash-out option	5%
Paid sick leave donation program	6%
Paid sick leave plan	33%
Paid time off cash-out option	18%
Paid time off donation program	16%
Paid time off for volunteering	19%
Paid time off plan	51%
Paid time off to serve on the board of a community group or professional association	21%
Paid travel expenses for dependent children	5%
Paid travel expenses for opposite-sex domestic partner	3%
Paid travel expenses for same-sex domestic partner	3%
Paid travel expenses for spouse	7%
Paid vacation cash-out option	13%
Paid vacation leave donation program	12%
Paid vacation plan	43%
Parental leave above federal FMLA leave	18%
Parental leave above state FMLA leave	16%
Parenting workplace seminars	5%
Parking subsidy	8%
Paycards	16%
Payroll advances	20%
Per diem for meals	65%
Permit conversion of funds in traditional 401(k) account into Roth 401(k) account	19%
Personal tax services	2%
Pet health insurance	6%
Pets at work	5%
Pharmacy management program	18%
Point of service (POS) plan	23%
Postal services for employees	20%
Prescription drug program coverage	97%
Preferred provider organization (PPO)	83%
Prepared take-home meals	3%
Preventive programs specifically targeting employees with chronic health conditions	36%
Professional development opportunities	87%
Professional license application or renewal fees	75%
Professional memberships	90%
Qualified transportation spending account	9%
Rehabilitation assistance	53%
Reimbursement for financial loss sustained from a home sale	6%
Reimbursement of closing costs	12%
Reimbursement of shipping fees	19%
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Relocation lump sum payment	29%
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Rental car upgrades	18%
Renter insurance program	3%
Restricted stock options	9%
Results-only work environment (ROWE)	3%
Retention bonus (executive)	13%
Retention bonus (nonexecutive)	10%
Retiree health care coverage	24%
Retirement preparation specific planning advice	39%
Rewards or bonuses for completing certain health and wellness programs	35%
Roth 401(k) savings plan	34%
Scholarships for members of employees' families	17%
Seasonal scheduling	19%
Self-defense training	6%
SERP (supplemental executive retirement plan)	7%
Service anniversary award	59%
Shift flexibility	22%
Shift premiums	38%
Short-term disability insurance	68%
Sign-on bonus (executive)	23%
Sign-on bonus (nonexecutive)	15%
Smoking cessation program	39%
Spot bonus	38%
Spouse relocation employment assistance	12%
Stock appreciation rights (SARs)	3%
Subsidized child care center	4%
Subsidized child care program	4%
Subsidized cost of elder care	2%
Supplemental accident insurance	48%
Take your child to work day	24%
Take your parent to work day	1%
Take your pet to work day	1%
Telecommuting	57%
Telecommuting on a full-time basis	20%
Telecommuting on a part-time basis	36%
Telecommuting on an ad-hoc basis	45%
Temporary relocation benefits	25%
Transit subsidy	13%
Travel accident insurance	37%
Travel planning services	10%
Undergraduate educational assistance	61%
Unlimited paid sick time	2%
Unlimited paid time off	1%
Unlimited paid vacation time	1%
Unpaid sabbatical program	15%
Vacation purchase plan	7%
Vending machine snacks and beverages	47%
Vision insurance	79%
Weight loss program	32%
Wellness programs	61%
Wellness publication	61%
Wellness resources and information	77%
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Source: 2012 Employee Benefits: A Research Report by SHRM	

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# Additional SHRM Resources

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## SHRM Resources Related to Employee Benefits

- SHRM Health Care Reform Resources Page
- SHRM Workplace Flexibility Public Policy Statement
- Employee Benefits Prevalence Benchmarking
- Health Care Benchmarking
- Retirement and Welfare Benchmarking

To access these publications and products, please visit [www.shrm.org/research](http://www.shrm.org/research).

## SHRM Research Products

### Benefits

1. 2012 Holiday Schedules (November 2011)
2. 2011 Employee Benefits Research Report (June 2011)
3. The State of Consumer-Directed Health Plans in the Workplace (June 2011)
4. Health Care Reform: Where Are Organizations in the Decision-Making Process? (February 2011)
5. Organizations' Response to Health Care Reform (September 2010)
6. 401(k) Investment Education and Advice Organizations Are Providing to Plan Participants (September 2010)

### Business Leadership

1. SHRM's Metro Economic Outlook reports
2. An Examination of How Social Media Is Embedded in Business Strategy and Operations: Survey Findings (January 2012)
3. The Post-Recession Workplace: Competitive Strategies for Recovery and Beyond: Survey Report (November 2010)
4. Challenges Facing Organizations and HR in the Next 10 Years (September 2010)

### Compensation

1. SHRM Compensation Data Center

## Diversity

1. An Examination of Organizational Commitment to Diversity and Inclusion (October 2011)
2. Workplace Diversity Practices: How Has Diversity and Inclusion Changed Over Time? (October 2010)
3. Global Diversity & Inclusion: Perceptions Practices, & Attitudes Survey Report (June 2009)
4. Religion and Corporate Culture Survey Report (October 2008)

## Employee Relations

1. SHRM People InSight—An Employee Job Satisfaction and Engagement Service
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