



The Small

Business Guide to

Employee Benefits

**All you need to know to make the best
benefits plan choices for your business**

Designed for businesses with 3 or more employees

www.grouphealth.ca

 **GroupHEALTH**[®]
Benefit Solutions

SO, WHAT ARE EMPLOYEE BENEFITS?

Technically, anything that your business offers to employees beyond their wages, workplace safety, and vacation can be considered an **employee benefit**. When most people think about benefits, they're usually thinking about health and insurance benefits. Typically these fall into one of four categories, and it's the combination of these things that make up your business' **employee benefits plan**:



EXTENDED HEALTH AND DENTAL COVERAGE

Extended health and dental coverage is usually the cornerstone to a benefits plan. Without employee group health benefits, the majority of your employees will find themselves paying for some type of expense in this category.

When building your plan, you can choose the types of extended health and dental coverage you'd like to offer. For the most part, expenses that fall under this category include prescription drugs, paramedical expenses (like massage therapists and podiatrists), dental expenses, and vision care (like prescription glasses).



DISABILITY COVERAGE

Disability coverage provides income protection for your employees in the event they become unable to work due to illness or injury. Paying day to day living expenses while not bringing in an income is very challenging; this coverage can help with that.



LIFE INSURANCE AND CRITICAL ILLNESS COVERAGE

Life insurance provides financial security in the event one of your employees or their dependents passes away. Critical Illness coverage is paid to your employees should they be diagnosed with a life altering illness. It's hard to think about, but it does happen. With coverage, your employee can have some reassurance that their loved ones will have help during a very difficult time.



WELLNESS

Healthy employees are productive employees. Wellness coverage offers access to an Employee and Family Assistance plan (EFAP). EFAPs usually include counselling or support to help employees maintain good mental health. They are also a great resource for dealing with the mental aspect of a challenging situation.

Another option is a wellness spending account to encourage employees to be more active. For example, a wellness spending account could reimburse employees when they sign up for a gym membership or running club.

Including wellness as part of an employee benefits plan can be a relatively inexpensive preventative measure. After all, employees who are healthy and happy are more productive and less likely to be absent.



DOES YOUR SMALL BUSINESS REALLY NEED TO OFFER EMPLOYEE BENEFITS?

This is a key question!

Small businesses need to balance their employee's needs and desires with the financial cost of adding benefits. But there can be a cost to not offering employee benefits, too. **Small businesses can pay more for absent, unproductive or disengaged employees than it might cost them in benefits.** And often small business owners themselves don't have health coverage – which can end up costing their business even more.

You should consider offering employee benefits if you want to:



ATTRACT NEW EMPLOYEES

When you offer a prospective employee a job to help support your business' growth, adding employee benefits can sweeten the deal. Employee benefits supplement wages and vacation – and can be the tipping point for a prospective employee choosing to work for either your business, or a competitor.



RETAIN & ENGAGE YOUR EMPLOYEES

Retaining your employees helps increase your productivity and decrease your costs. By offering right-sized employee benefits, your employees appreciate that you're doing more for them than simply giving them a paycheque, and they will reciprocate with their loyalty and productivity.



INCREASE YOUR PRODUCTIVITY

An employee's health can have a significant impact on your business' productivity, through both absenteeism and presenteeism. Small business' feel this productivity loss more keenly than larger businesses. Employee benefits give your employees opportunities to get, and stay, healthy.



PROTECT YOUR FAMILY & BUSINESS

Well-designed employee benefits ensure not only that your employees can access health services they need, but also that you and your family receive the same protection. For complete coverage, this should include more than extended health coverage: your employee benefits should include life, critical illness and disability insurance.



THE BOTTOM LINE:

HAVING EMPLOYEE BENEFITS

PROVIDES FINANCIAL BENEFITS

FOR YOUR SMALL BUSINESS



Even if you don't offer employee benefits, your business will still pay something when you, or an employee, needs medical treatment or is diagnosed with an illness – it's just that the "payment" may be in lost time and productivity. This is especially true for small business owners, whose current employee "benefits plan" may simply be paying for medical treatment, or losses due to health issues out of your own pocket.

When your small business purchases employee benefits you need to be confident that the bottom line return justifies your investment. Fortunately, offering employee benefits makes good financial sense.

500,000+ Canadians are off sick due to mental stress or illness every week

- The Canadian Mental Health Commission



1 TAX BENEFITS

As a general rule, your share of employee benefits is tax deductible, reducing your costs while giving your business a significant advantage as an employer.

2 BENEFITS POOLING

The cost of employee benefits can depend on how your employees use your benefits. For a small business, this can create significant swings in costs. By "pooling" your benefits together with other businesses, your costs become stable – and your financial risks decrease.

3 SAVING AND GROUPING

By purchasing different employee benefits together through one provider your business can take advantage of buying power and economies of scale. For example, your employee benefits provider can provide standard insurance services – and high value services like employee and family assistance programs are included as well.

4 COST CONTAINMENT

Well designed employee benefits need to be cost sustainable – this is essential for small businesses who must manage their budgets closely. A benefits advisor will help build affordability right into your employee benefits features.



5 QUESTIONS TO ASK WHEN CHOOSING AN EMPLOYEE BENEFITS PLAN

1 What kind of plan is the most suitable for your business?

2 What is the process to renew your plan each year?

3 What are the premiums and deductibles?

4 What benefits do your employees need?

5 What is covered?



Who pays for Employee Benefits?

The Myth:

Many employers believe that their business is solely responsible for all the costs related to benefits.

The Facts:

Employers have more options than they may know when it comes to who pays for benefits, and how much.

The Options:

EMPLOYER PAYS

Your business covers the full costs of benefits

most popular



EMPLOYER & EMPLOYEE SPLIT

Employers pay a set portion and employees pay the balance of benefit costs.

COVERAGE BY COVERAGE

Employers pay for all or part of some coverage, and employees pay for others



4 EMPLOYEE BENEFITS TRENDS YOUR SMALL BUSINESS NEEDS TO KNOW



INVESTING IN EMPLOYEE WELLNESS PAYS OFF

Traditional employee benefits tend to be reactive: when an employee needs coverage, they can draw on their benefits plan to pay for treatment. Employers and employees are beginning to see the value in programs that encourage healthy lifestyles – not only as a way to keep benefits costs affordable, but as a way to improve productivity and engagement – and as a way to give back to employees and their families.



VIRTUAL HEALTHCARE IS HERE – AND IT'S POPULAR!

Virtual healthcare allows employees to consult confidentially with an accredited doctor or nurse practitioner by video conference using their phone, tablet, or computer. Over 50% of an employee's primary care concerns traditionally seen in a doctor's office can be addressed through virtual healthcare without ever having to leave home or work. Employers love it in their employee benefits plan because it helps reduce absenteeism and improves employee health. Employees love it for its convenience, security, and user friendliness.



DIGITAL TOOLS SIMPLIFY THE EMPLOYEE BENEFITS EXPERIENCE

The last thing your small business needs is more paperwork and bureaucracy. Modern employee benefits plans cut through the clutter by offering your business easy ways to access your plan information; giving your employees always-on websites, apps, and direct payment tools to make using their benefits easier. Some benefits companies are eliminating paper entirely – reducing the waste, overhead, and hassle that it brings.



SMALL BUSINESSES AND THEIR EMPLOYEES NEED SMART OPTIONS

The days of the traditional one-size-fits-all benefits plan is over. Both employers and employees expect flexibility – especially small business owners, who need to know that they can make easy adjustments as their business grows. Important new features – like integrating medicinal cannabis as a treatment option, or new mental health support services – should be easy to add and access without a complete redesign that disrupts your employees, and therefore your business. Your employees want choices as well: features like health spending accounts give your employees maximum flexibility, while your business gets cost certainty.



WHERE TO START?!

Your first step toward employee benefits is a conversation with a benefits expert. Do this at your own convenience, in person or by phone, so that you don't have to take time away from running and growing your business.

GroupHEALTH is an expert in the employee benefits field for small businesses! We started as a small business in 1982, and since then we've grown by making employee benefits make sense for Canadian small businesses.

Call 1-877-542-4110 or visit grouphealth.ca to make a no-obligation appointment to speak to an expert. They'll ask you about your business, walk you through some options, and make sure you understand the benefits buying process.



HOW TO PICK A SUITABLE EMPLOYEE BENEFITS PLAN FOR YOUR SMALL BUSINESS

- 1** Decide whether your business will offer employee benefits only to full-time employees, or whether you'll include part-time employees as well
- 2** Align your preferred coverage offerings with your employees' demographics and health needs
- 3** Determine what your business can afford
- 4** Discuss your employee benefits options with a licensed Benefits Advisor
- 5** Design and implement an employee benefits plan that is optimized for your business and its employees



How to get started with GroupHEALTH

1 Make an appointment with an expert Advisor Partner, by phone or in person

2 Explain your specific needs and talk through some of your options

3 Provide some basic information about your small business

- a. How many employees will get employee benefits?*
- b. What do they need from their employee benefits?*
- c. What is your budget?*

4 Your expert Advisor Partner will build your proposed benefits plan, which could include:

- a. Extended Health, Dental and Drug Coverage*
- b. Life Insurance*
- c. Accident & Serious Illness*
- d. Disability*
- e. Employee wellness*

5 Agree on a plan design and price

6 Onboard your employees onto your new plan!

GET MORE INFORMATION

Read more about what can go into a benefits plan

<https://www.grouphealth.ca/coverages-and-benefits/>

Read more about how a benefit plan gets built

<https://www.grouphealth.ca/plan-strategies/>

Read more about what you should look for in a benefits plan

<https://www.grouphealth.ca/experience/>



SMART PLAN

for small business™

DON'T KNOW WHERE TO START WITH YOUR EMPLOYEE BENEFITS?

The Smart Plan for Small Business™ helps Canadian small businesses balance excellent benefit coverage with cost containment.

The Smart Plan is designed specifically for businesses that:

- Have three or more employees, including the owner
- Don't currently have an employee benefits plan
- Are concerned about containing their costs, and need cost transparency
- Need flexibility and configurability to not pay for benefits they don't need

WHY CHOOSE THE SMART PLAN FOR SMALL BUSINESS™



IT'S CONFIGURABLE

The Smart Plan can be adjusted for the specific needs of your business and your employees, across virtually any sector or location in Canada



IT'S AFFORDABLE

The Smart Plan pricing has been benchmarked against other group benefits plans to ensure that small businesses are receiving competitive and maximum value



IT'S COMPREHENSIVE

The core Smart Plan includes every key features of a modern, adaptable benefits plan, while allowing your business to add or upgrade components as your business grows



IT'S EASY TO IMPLEMENT

Our expert advisors can help you build your Smart Plan over the phone and get you a quote fast. You can be up and running in days



CALL US FOR A FREE CONSULTATION
1.866.636.3348



| EMPLOYEE HEALTH TREATMENT | SMART PLAN | SMART UPGRADE |
|--|------------|----------------------------------|
| 80% drug coverage, with SmartRx Solutions* *mandatory generic drugs, MaintainRx with FormuCARE | ✓ | |
| 80% paramedicals up to \$250 each annually | ✓ | |
| 80% visioncare, including prescription glasses or contacts for prescription glasses, contacts & assessments | | set your own limit |
| Health Savings Account (HSA) employees decide how to spend their health treatment dollars | available | 100% semi-private hospital |
| Emergency medical bundle up to \$5,000 accidental dental, ambulance, semi-private hospital, medical appliances | ✓ | |
| Health recovery bundle up to \$10,000 convalescence home care, private duty nursing | ✓ | |
| Out of country emergency medical up to \$5,000,000, up to 180 days | ✓ | |
| Virtual healthcare, powered by Akira access to nurse practitioner, 24/7/365 by phone, tablet or computer | ✓ | |
| LifeWorks short-term counselling services talk to a qualified counselor by phone or in person, 24/7 | ✓ | |
| EMPLOYEE DENTAL TREATMENT | | |
| 80% basic & preventative up to \$1,000 annual max, 9 month recall, 8 scaling units per year | ✓ | |
| DISRUPTIVE HEALTH EVENTS | | |
| Accident & serious illness coverage up to \$25,000 | ✓ | |
| Optional guaranteed critical illness coverage employees can individually purchase up to \$50,000 without a medical exam | ✓ | |
| Medical second opinion confirm a difficult diagnosis & get more treatment options | ✓ | |
| Life insurance coverage \$25,000, 50% reduction at age 65, termination at age 70 | ✓ | 1 year annual salary |
| Dependent life insurance coverage protect family members | | select your amount |
| Long-term income replacement (disability) up to 60% non-taxable benefit, 112 day elimination period, 12 month own occ, to age 65 | | up to 60% |
| DMI assist customized treatment, return-to-work plans & rehab services | | included in all disability plans |
| EMPLOYEE WELLNESS & LIFESTYLE | | |
| LIFT session physical fitness personalized fitness programs via phone or computer | ✓ | |
| Living Well e-newsletter monthly wellness & life hack newsletter | ✓ | |
| Employee wellness library 24/7 video, webinar & online resources | ✓ | |
| Travel assistance get help in an emergency to get home when illness or accidents disrupt plans | ✓ | |
| Trip cancellation recover travel expenses when illness disrupt plans | ✓ | |
| EMPLOYEE SUPPORT | | |
| Paper free plan onboarding eliminate paperwork with 24/7 mobile-friendly plan member onboarding | ✓ | |
| myGroupHEALTH claims & info portal 48-hour claims turnaround, photo claims, pay direct, extended hour contact centre | ✓ | |
| EMPLOYER SERVICES | | |
| AssurePLUS rate pooling, for pricing stability & predictability available for organizations with less than 16 employees | ✓ | |
| Plan Administration (PA) Assist 24/7 self-service, paper-free plan administration & extended hours client support | ✓ | |

THE UNOFFICIAL EMPLOYEE BENEFITS GLOSSARY

Jargon and acronyms can make understanding employee benefits more difficult than it needs to be. Here are some common terms, explained in plain language.

Advisor Partner

Sometimes referred to as a “broker”, this person is licensed to provide advice and sell employee benefits to Canadian businesses.

Claim

A request by an employee to receive funds when a medical or life event covered by an insurance policy has occurred. When an employee makes a claim, their request will be evaluated against the terms of the policy purchased through the employer.

Copay

The portion of the expense the member must pay before they are eligible for reimbursement from the benefits plan. Copay can help share costs between an employer and employee, and they can prevent employees from abusing the benefits plan.

Employee Benefits Plan

A plan that offers a combination of Life, Disability, Health and Dental coverages. These benefits provide income support and cover expenses not covered by your provincial medical plan.

Group Coverage / Employee Group Benefits

“Group insurance” is the more formal name for what we just call “employee benefits.”

Premium

The amount to be paid for an insurance plan. Your business can pay it all, or you can share the costs with your employees by deducting it from their pay.

Presenteeism

The event where an employee continues to come to work despite illness or injury which results in reduced productivity.

Wellness

An active program to help employees make conscious choices towards a healthy and happy life. A good wellness program can increase engagement and productivity and reduce absenteeism.

Learn more employee benefits terms at:

<https://www.grouphealth.ca/glossary>

