

# Design a great Employee Health Benefits Plan

Ultimate guide for  
new-age HRs to design a  
modern health benefits plan for  
high-performing teams.



loop

The employers of today have understood [the importance of employee well-being and the link between workplace wellness and overall productivity](#).

To reach maximum efficiency and ensure they're on the right path to success, employers are giving employees what they want with the help of employee benefits programs.

With employee benefits programs there's no one size fits all. It entirely depends on your organization and employees. But to give you an idea of where to kick things off, [we've gathered some simple steps on how to design an employee benefits program](#). Before you jump to that, read through the quick primer on employee benefits for a better and wholesome understanding.



### Quick Summary ▾

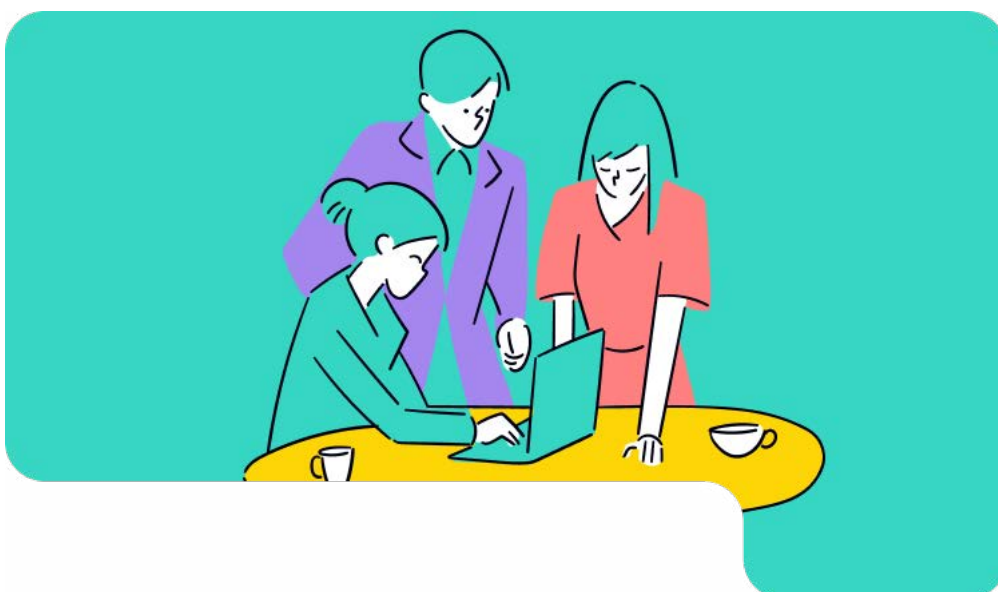
In this ultimate guide to designing a great employee health benefits plan, you'll learn:

- What is an employee benefits program?
- 5 reasons why investing in employee health benefits is a profitable choice.
- 5 simple steps to design an employee benefits program.
- The right employee benefits plan: factors to consider.

## What Is An Employee Benefits Program?

An employee benefits program is **a plan that helps extend a range of benefits to employees**. Typically, it includes perks such as medical insurance, life insurance, paid time off, etc. – all of which aim to provide a layer of comfort or privilege for the employees.

The types of benefits offered as part of the employee benefits program can be **classified as monetary and non-monetary**. The former includes perquisites, such as financial rewards and bonuses that go over and above the total compensation paid to the employees. While the latter includes health insurance and retirement plan benefits that must be provided as per law or optional benefits such as flexible work or paid vacation.



## 5 Reasons Why Investing In Employee Health Benefits Is A Profitable Choice



Health benefits are one of the **key expectations that employees have from their jobs**. So, you're likely to be preferred by the prospect planning to join your company if you cover that base. Talented employees deliver better results.



Absenteeism is 27% lower for those **workers who follow a healthy diet and exercise regularly**. Your employees are more regular at work and are mentally and physically active, so your company's productivity gets a direct boost.



Investing in employees' health **shows that you value their presence in the company**. This builds their loyalty towards the company and also improves their morale. Therefore, they are likely to stay longer with you.



Any premium you pay for employee health benefits is **considered a business expense and is non-taxable**. So, you actually end up saving on taxes by investing in your employees' health.



Every company that's **certified as a 'Great Place to Work'** has comprehensive employee benefits for their employees. If that's where you see your company too, making the investment is a good start.

## 5 Simple Steps To Design An Employee Benefits Program

As per market research studies, **providing employee benefits amounts to roughly 30 to 40% of a company's total compensation costs.** That's why employee benefits programs are created with a great deal of planning and after considering several factors.

Here are 5 simple steps that can help you design and effectively implement an employee benefits package:

### 1) Define your goals



For starters, before anything else, brainstorm the reason you are creating an employee benefits plan and how it will help your organization. While doing so, **think about the areas in which you wish to support your employees** and if there's anything amiss with your current plan.

Once you have defined your goals, you can incorporate the noted parameters into devising the right plan. **However, remember that your employee benefits strategy isn't permanent.** It can and should change with a shift in your goals and as you gain a deeper perspective into the needs of employees.

## 2) Set your budget



Wouldn't it be best if you can give your employees all they ask for and more? Unfortunately, that's not possible. Instead, look at the brighter side and keeping the budget in mind, if any, **prioritize the benefits in the order of their urgency or need.**

If you already have an employee benefits plan in place, **revisit it to see how you can improve it with your new budget.** If you're creating the program for the first time, work out an estimate by getting a quote for basic benefits. Don't forget to factor in a buffer, to avoid chances of over-spilling.

## 3) Assess the needs of your employees



It wouldn't be prudent to assume what your employees are truly looking for. While you may have a general sense of what they want, get confirmation about it from them by rolling out **a survey or by asking for their suggestions.**

Getting employee feedback will help you develop a plan that works in the favor of the workforce and thereby the organization as a whole. You can also **conduct an assessment to understand the benefits that the employees use the most and the ones that they don't need.** This way, you can restructure the plan for more efficiency.

## 4) Consider legal requirements



While the benefits offered mainly intend to boost employee engagement and well-being, they are sometimes mandated as per law too. To stay compliant with legal requirements and avoid regulatory fines/costs, it is essential to consider and prioritize benefits that are legally required in your plan.

For instance, **group health insurance is compulsory as per law**. Health insurance is also one of the most widely used benefits and it is therefore important to adequately factor health care and medical expenses into the employee benefits program.

## 5) Share your plan with employees and upgrade it periodically



Once you have the employee benefits plan ready, **communicate it to the employees** to help them make the most of it. You can also thank them for their feedback and let them know that it helped you immensely in developing the right plan.

Once again, an employee benefits plan needn't be etched in stone. **As the organization grows and your goals change, you must upgrade your benefits plan.** You may look at including flexible working arrangements, mental health awareness seminars, and more as part of the non-fiscal benefits of the program.

# The Right Employee Benefits Plan: Factors To Consider

Narrowing down a health insurance plan is **a crucial business decision that directly impacts you and your employees**. It can get overwhelming, especially with all the jargon involved. Here are a few things you should consider while deciding on a health insurance plan.

## 1) Coverage

A beneficial health benefits plan would always be more holistic in terms of the cover it provides. While making the choice, you should also **consider the scope of the coverage**. A good plan would include not just hospitalization charges, but also provide cover for pre-existing diseases and maternity and newborn care.

Coverage also means **checking the list of hospitals and partner facilities covered in the insurance**. More often than not, your employees can avail of cashless treatment at hospitals that are listed in the plans as partners. So, you'd want a list that has common facilities that your employees are likely to visit.



Lastly, you also need to **decide where you'd want to cover just your employees or would like to extend the benefits to their families too.** You have three options to choose from:

**E - plan: Covers employees only.**

**ESC - plan: Covers employees, spouse, and up to 4 dependent children.**

**ESCP - plan: Covers employees, spouse, up to 4 dependent children, and 2 parents.**

## 2) Cost

You'd also want to compare the premium cost for plans from different insurance providers and choose based on your budget. If you are planning to copay the cost of premium with your employees, you should also **consider that the plan is not offering you a low cost while burning a hole in your employees' pockets.** Consider the cost of the plan for both you and your employees.

### 3) Add-ons

Gone are the days when health benefits meant only providing health insurance. Now companies think of the **holistic health and wellbeing** of their employees.

Employee health benefits plans come with an array of choices for add-ons that you can provide along with health insurance. It's up to you to choose which ones to go for.

In terms of priority, we'd recommend you cover things like **OPD consultations, health checkups, and dental care**, and then move on to benefits like mental health sessions, fitness memberships, etc. It all depends on your budget and what is included in the benefits package that the service provider is offering.

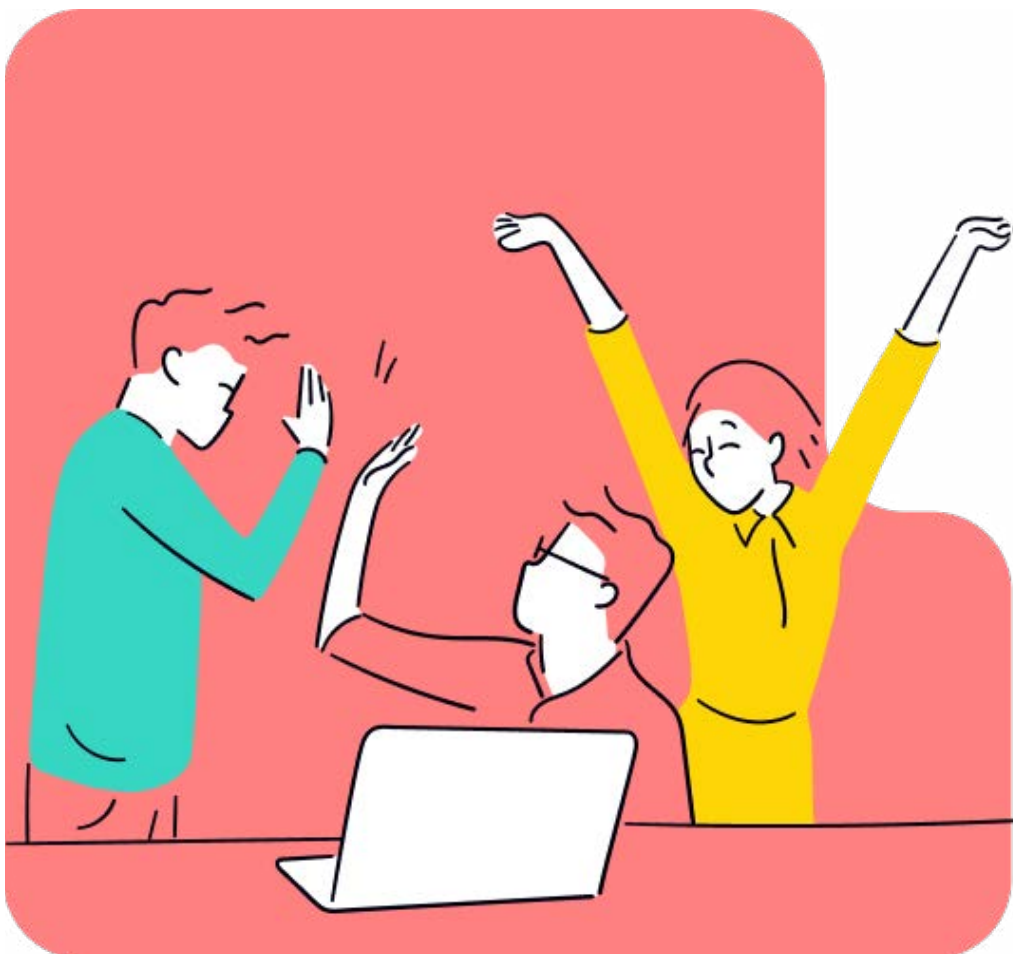
### 4) Limitations and waiting periods

This is one of the most crucial decisions you make while designing your employee health benefits plan. A provision of group health policy, which you'd not find in the individual insurance policy, is that it allows you to **do away with waiting periods**.

You can cover pre-existing diseases from day one and start the cover as soon as you buy the policy for your employees. If budget permits, we'd highly suggest you pick a plan that helps you **do away with cover limitations** and waiting periods.

## 5) Customer Service

A common pain point for employees is that they find it extremely confusing and cumbersome to **manage their health insurance policy**. They don't know how to apply for claims, how to enroll, and feel that even though they have the benefit, they're unable to utilize it. So, when you decide on the plan, understand the customer service process your insurance company has established.



## Plan For Success With Loop Employee Benefits

Everyone wants a workforce that is happy and committed to the office. However, as we all know, **employee engagement isn't a one-way street**. To ensure that your people are happy and healthy at work, it is essential to look after their needs.

To do so, designing an effective employee benefits plan is your first step. While there are several factors included in a benefits program, **health is one of the prime ones**.

While we've given you the steps to design a great employee health benefits plan, you can ensure you have **a seamless process** with a partner like Loop.

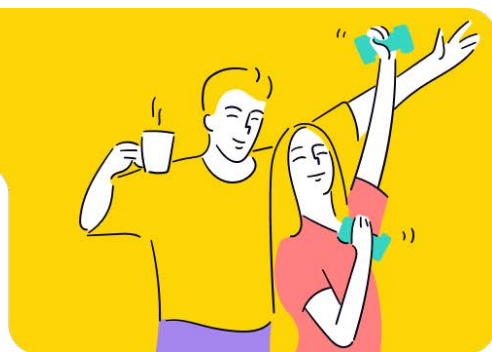
**When you're ready to give your team, the benefits they deserve, Loop is always a call away!**

Loop will get,

- ✓ Your team's insurance is set up in minutes, not days
- ✓ Customized, budget-friendly quotes
- ✓ 24/7 claims and customer support
- ✓ An HR Dashboard that saves you a tonne of time
- ✓ A dedicated medical team to help with your healthcare journey
- ✓ High engagement wellness activities to keep your team going!

This way, you have [an excellent health benefits plan](#) and employees who are well cared for.

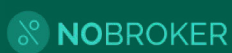
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Modern benefits  
that you and your  
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