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EMPLOYEE BENEFIT STRATEGIES FOR A SEASONAL WORKFORCE

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Whether you're in the produce, packaging, or distributing industry, the rising cost of healthcare continues to be at the forefront of each respective industry's budget process. The food industry is no exception. Food business owners all share this concern, but also realize that offering attractive benefits is necessary to keep up in an increasingly competitive job market. Adding seasonal employees to the health plan, while a powerful tool for employee retention, present cost and administrative challenges along with the burden of offering a valuable plan to an employee who is not full time. Considering some of the answers from the NCSL survey below, the cost concern is justified, and the issues appear to be escalating each year:

- **"Annual premiums reached \$18,764 for 2017,** up 3 percent from 2015 for an average family coverage with workers on average paying \$5,714 towards the cost of their coverage.
- For comparison, the **2016 Employer Health Benefits Survey** showed annual premiums for employer-sponsored family health coverage reached \$18,142 year, up 3 percent from 2015 with workers on average paying \$5,277 towards the cost of their coverage."

The challenge facing employers is how to identify the most effective plan design from a cost and quality perspective. Additionally, what other creative benefits can be offered to make the program more creative and enticing?



HEALTH SAVINGS ACCOUNTS

First, an emerging trend in this space with seasonal employees has been implementing a Health Savings Account (HSA) plan. From a survey conducted by BenefitFocus, "Participation in HSAs among eligible employees – those in HDHPs – grew by more than 60 percent, from roughly 50 percent in 2017 to 81 percent in 2018. Millennials were especially eager to adopt

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these accounts, nearly doubling their HSA participation from 2017.” Based on these results, food employers have an opportunity to encourage their employees to opt for HSAs or flexible spending accounts (FSAs) to cover HDHPs’ higher out-of-pocket expenses. This also benefits the seasonal employee; HSAs are employee-owned accounts and give the individual the option to contribute pre-tax dollars. If they are only employed seasonally, or move jobs, then they take the account with them, which creates flexibility complementing a seasonal employee’s agenda. An HSA allows these employees to pay for their healthcare claims like they would with a debit card.

WELLNESS PROGRAMS

Wellness programs have also become increasingly popular as the number one driver to help curb the rising costs of healthcare and help companies attract/retain talent. Regardless of whether seasonal workers are in the fields or in a warehouse, the jobs are physically demanding and can take a toll on employees’ health. These programs concentrate on improving employee wellbeing and promoting a healthier lifestyle for your work population. Many offer exercise, incentives for preventative visits, stretching goals, dietary plans, walking challenges, and social/gaming aspects. This role of creating a healthy working environment falls mainly on leadership; employees recognize and appreciate the value, which in turn makes healthier and happier employees. Healthier employees become more energized and productive in the workplace, therefore benefiting the employee and company alike.

VOLUNTARY BENEFITS

Lastly, another extremely effective strategy is offering voluntary benefit options to a seasonal workforce. Seasonal agricultural/packing work has become increasingly complex, requiring workers with skills in mechanics, biology, project management, and critical thinking. Voluntary benefits can be a great tool for hiring/retaining these highly qualified and desired employees. This structure entails offering voluntary lines for dental, vision, or life coverage, which the employee pays for, but at a lower group rate. This strategy can be implemented at no additional cost to the company, while offering a benefit to the employees at a lower cost than if they went to the individual marketplace. According to an article by Harvard Business Review, “[About 60% of people report that benefits and perks are a major factor](#) in considering whether to accept a job offer. The survey also found that 80% of employees would choose additional benefits over a pay raise.” Offering voluntary plans would bring additional sticky options to your company’s benefit offerings without contributing to escalating costs.

While the food industry is facing some serious challenges in the coming years, there are [emerging trends](#) that will help organizations regain control of total healthcare spend. When applied mindfully in an appropriate context, these strategies can assist with the hiring and retention of quality employees. To get started exploring which options are available to your organization, contact an experience employee benefits consultant today.

References and Resources

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