

Employee benefits

[Business](#), [Human Resources](#)



Employee Benefits “ Employee benefits are going to be crucial to ensure staff are engaged and motivated in tough economic times, according to research released by Employee Benefits and YouGov” (Sullivan, 2012, p. xiii). Today, employees are very much aware of their rights and the benefits they stand eligible for, and they know that benefits are crucial to give them some extra support in the tough financial times. ‘ Employee benefits’ is a field that has developed drastically in the last two decades. Today, employers are spending thousands of compensation dollars to devise and implement benefit plans because they know that if labor morale is high, that means the company is going to enjoy improved performance, high productivity, and more positive reputation in the competitive market. Technically speaking, when employee benefit plan audit season is around, it is important for an organization to retrieve and manage the internal and external information needed to make an effective employee benefit plan. An individual must be assigned the responsibility of ensuring that the plan is just in accordance with the financial budget of the organization. The individual assigned for this task must be an expert in GAAP (Generally Accepted Accounting Principles). It is also important for the employer to make sure that the plan supports the financial statements through properly maintained financial records. Historical trends show that benefit costs has become a main concern for the employers because the cost of certain benefits even surpasses the wages, like the medical expense coverage. The components of an employee benefit plan must be so designed that they attract and motivate the employees to work harder to achieve the benefits. It is important for the employer to determine what benefits are the most attractive for the employees, or how much they

are willing to work for that benefit. All personal and professional information of the employee must be gained and evaluated properly, so that the benefit goes to the well-deserving candidate. The benefit should be cost-effective for the organization. For example, the retirement benefit plan must consider both the business's and the candidate's needs. The company should properly evaluate the cost and administration needs of such a plan. Let's take an example of health insurance benefit. Organizations employ group health plans to provide medical care to the employees and their families through insurance or reimbursement. A company providing health care benefits also pays for health insurance premiums which makes health insurance an employee welfare benefit, maintained by the employer or the union (Doyle, 2014). Employee Retirement Income Security Act (ERISA) covers most of the private sector health care plans, and provides medical protection to employees and beneficiaries. The individuals who are assigned to manage these plans are required to meet certain standards or the code of conduct that is specified by the law. ERISA is administered and enforced by The Department of Labor's Employee Benefits Security Administration (EBSA), which provides information on health plans for the employees, and also compliance assistance information for the employers. Nathan (2012) writes about the Family Medical Leave Act (FMLA) of 1993 in her article. This Act "was passed to allow employees to take a leave from work, if necessary, and create a better balance between the work environment and personal life" (Nathan, 2014, par. 1). The information that is needed to hold employees eligible for Family Medical Leave may include birth of a child or critical health condition of a member of the family or the employee himself. Although

employers are not required under this Act to pay the employees for the leave; yet, they can pay the employees for the time off to keep up their morale and job satisfaction, and the employees too can enjoy all their employee benefits like maternity benefit, old-age benefit, child allowance, work injury benefit, and maintenance benefit/ alimony. The information that is the least important while creating an employee benefit plan includes the information about the employees' personal background or past experience or education, because the plan must be based on current performance and not the past performance of the candidate. To conclude, employee benefits are an important means to boost employees' performance and increase productivity. Employee benefits have been there since decades, and historical trends show that employ benefits have become a part and parcel of today's employment schemes due to increasing recession and downward economic shift in the industry. It is, however, important for the company to retrieve and evaluate all necessary information before creating an effective employee benefit plan, so that the benefit goes to the deserving candidates.

References
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