

# Benefits Insights

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## 2025's Trendiest Voluntary Benefits

As health care costs continue to rise, so does the demand for voluntary benefits. Since many employers find it increasingly difficult to provide employees with a complete benefits package, voluntary benefits have become an ideal solution to round off their offerings. Voluntary benefits supplement traditional benefits like health insurance and are available to employees for elective purchase. Voluntary benefits are offered through an employer but paid fully or partially by employees through automatic payroll deductions. They allow employers to offer attractive employee benefits without added cost to the company.

According to a 2024 report by benefits administration platform Benefitfocus, nearly 8 out of 10 employees said they are likelier to work for an employer offering voluntary benefits. Employees find such benefits attractive because they have a variety of insurance options available conveniently in one place, often with lower premiums than individual policies they would have bought themselves. These extra perks also allow for more personalization that can help satisfy the unique needs of each worker, especially in today's multigenerational workforce. Furthermore, many voluntary offerings are health-related and can supplement health insurance, which can be attractive at a time when health care costs are rising and many are struggling to afford care and services.

This article highlights the voluntary benefits that are experiencing significant growth or are expected to be notable this year.

### Supplemental Health Benefits

Supplemental health insurance policies have increased as employees navigate changing health care insurance laws and rising medical debt. KFF estimates that nearly 1 in 12

American adults owe medical debt—a total of at least \$220 billion. While many debts are expected and predictable, medical debt is often not when it results from an accident or illness. More Americans are struggling with their medical bills; in fact, a Federal Reserve report revealed that 37% of adults can't afford a \$400 emergency bill.

Accident, critical illness and hospital indemnity insurance stand out as more employees become interested in ways to help offset unexpected deductibles, copays, coinsurance and other expenses when faced with an accident, serious illness or hospital stay. These insurance policies are excluded from most federal health and benefits law provisions that apply to major medical insurance. As such, supplemental plans can serve as affordable ways for employees to fill coverage gaps and give them peace of mind in the event of an accident, serious condition or hospital stay. As Americans face another year of rising health care costs, these benefits can provide a low-cost option to gain more coverage.

### Student Loan Repayment Assistance

The Pew Research Center reported that 1 in 4 U.S. adults under 40 have student loan debt. Educational assistance programs have traditionally been used to pay for employees' books, supplies, tuition and other education-related expenses. However, these programs can now also be used to pay principal and interest on an employee's qualified education loans. Payments made directly to the lender, as well as those made to the employee, may qualify.



The ability to use educational assistance programs to pay for student loans is set to expire Dec. 31, 2025. Until then, employers can offer up to \$5,250 in student loan repayment benefits tax-free. Because employees increasingly look to their employers for student loan assistance, employers who don't have an educational assistance program may want to consider establishing one to take advantage of the current student loan provision before it expires.

### Cybersecurity and Identify Theft Protection

Cybersecurity breaches are on the rise, and attacks are becoming increasingly sophisticated. According to cybersecurity provider Check Point, average weekly cyberattacks per organization reached an all-time high during the third quarter of 2024, a 75% increase from the same time frame in 2023. Social engineering attacks, deepfake technology and artificial intelligence attacks are changing cybersecurity, and employers and employees alike want to do more to protect themselves from evolving modern virtual threats. Aside from employees' personal lives, cybersecurity threats can impact their work lives, as more people log on to work at home or remote locations and use their mobile devices while on the go.

### Term Life Insurance

Financial security is a goal for many Americans; this includes being prepared for the death of a loved one. The majority of (80%) Americans are concerned about being financially prepared in the event of a premature death, yet almost 30% do not own life insurance, according to life insurance company Guardian. Organizations often offer a base-level group term life insurance that is paid partially or fully by the employer, giving the employee an option to add more coverage. Group life insurance may seem like an easy decision for employees since the employer has already done the research and selected policy options. Employer-provided life insurance demonstrates a company's commitment to the welfare of its employees beyond their day-to-day work responsibilities.

### Legal Plans and Services

Legal plan voluntary benefits are widely applicable because there are a myriad of reasons why an employee might seek legal counsel. Like other voluntary benefits, legal plans and

services can support and enhance employees' lives outside of work as they deal with personal issues.

Offering a group legal plan can help reduce employee stress, time away from work and work time that is used for personal legal issues. These benefits can provide assistance in various situations, including common service categories like telephone advice, estate planning documents, real estate matters, financial matters, the lease or purchase of a vehicle, traffic offenses and criminal matters. Productivity may improve as employees spend less of their work time worrying about and resolving legal problems, and having access to an attorney through a legal plan frequently brings about a faster resolution to the problem. Legal assistance through their benefits can help employees feel more secure and financially prepared should they experience a life event in which they need legal services.

### Summary

Voluntary benefits are helpful add-ons that can round out any benefits package. They provide value to employees without raising employers' costs, making them powerful tools for attraction and retention. These extra perks also allow for more personalization to help satisfy each worker's unique needs.

Reach out to us for more voluntary benefits guidance and resources.