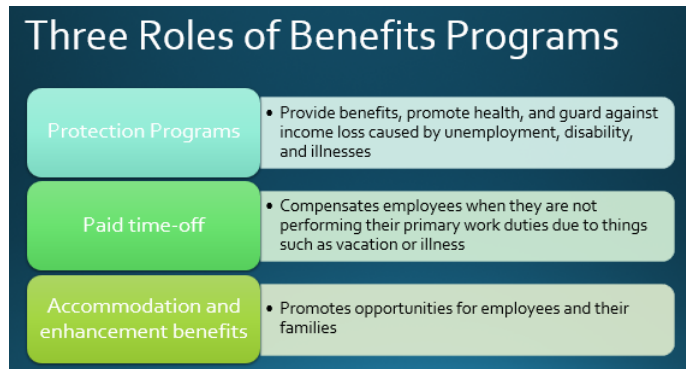


1.1: Employee Benefits - An Overview

Why Do We Have Employee Benefits?

- Began as a form of social insurance during industrialization and the Great Depression
- Retirement plans were the earliest benefit - begun in the late 1800s
- Welfare practices described anything for the comfort of the employee and not required by law
- Today, employees view benefits as entitlements.. Why do you think this is?



Three Roles of Benefits Programs

- **Protection programs** - guards against loss of income caused by illness, disability, or unemployment
- **Paid time-off** - guarantees payment for holidays, vacation, or illness
- **Accommodation and enhancement benefits** - promotes opportunities for employees and their families

Legal and Regulatory Influences



- **Social Security Act of 1935**
 - Mandates a variety of programs such as federal retirement and unemployment insurance
 - Learn more: [Historical Background and Development of Social Security](#)
- **Employee Retirement Income Security Act of 1974 (ERISA)**

Sets minimum standard for most voluntarily established retirement and health plans in private industry

 - Provides protection for individuals in these plans
 - Learn more: [ERISA website](#)

Strategic Planning and Benefits

- Today's market is competitive!!
- Companies need to offer benefits that employees want or need
- According to the [US Chamber of Commerce: The top 3 reasons employees are changing jobs](#)
 - Work-life balance
 - Flexible scheduling
 - Positive culture

Informations Sources to Consider in Strategic Planning

- **External Market Environment**
 - Economic conditions and forecasts
 - Employer costs for compensations and benefits
 - benefits average 30% of total compensation costs
 - Government regulations of employee benefits
 - Changing demographics of the labor force
- **Internal Company Environment**
 - Workforce demographics
 - Collective bargaining agreements

NOTE: A PowerPoint covering this information can be downloaded below.

[1.1: Employee Benefits - An Overview](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by Mabel Gehrett and Western Technical College.