

Employee Benefits as a Competitive Advantage in Attracting Talent for Municipal Employers

In a recent survey of more than 150 employers, eight in 10 employers said healthcare costs affect their ability to remain competitive in attracting talent. Nearly three quarters of respondents said rising healthcare prices prevented wage increases. Yet benefits are more important to attracting talent than ever. The Society of Human Resource Management's 2022 Employee Benefits Survey shows employers finding that benefits are even more important to employee recruitment than they were prior to the COVID-19 pandemic. In an environment like this, how can municipal employers use health and voluntary benefits to attract and retain employees?

Most Sought-After Employee Benefits

Healthcare is an important employee benefit, but employees also cite other benefits as important, including:

- Mental health benefits
- Remote work
- Paid time off
- Flexible hours
- Paid family leave

Employees and employers are both beginning to acknowledge the importance of mental health benefits, with one in four workers saying they are highly or extremely stressed, and workers under 35 years of age ranking mental health as their top concern according to a Mercer survey. Mental health benefits can extend beyond medical coverage, with Employee Assistance Programs, dedicated mental health telemedicine lines, and other new offerings to support employee mental health.

Forty-four percent of employees, nearly half, want to work remotely full time. While this isn't feasible for every employer or job, it ranks high on the list of employee desires where it's possible. Remote work, flexible hours, and paid time off are all part of the broader employee desire for work-life balance, and even if employees can't work remote, flexible hours or more paid time off can also support balancing work with everyday life.

Paid family leave is also a highly valued employee benefit. According to the Society for Human Resource Management, the number of employers that offer paid maternity leave is only 34 percent, with 30 percent offering paid paternity leave and 29 percent offering adoption leave. Employer-paid leave and short-term disability coverage can both be part of a work-life strategy for giving employees time to care for and grow their families.

Addressing High Medical Out-of-Pockets

Traditionally, in order to reduce monthly costs of health benefits, employers have to raise deductibles for employees, shifting more costs to them. To reduce the impact of this tradeoff, some employers are beginning to offer targeted supplemental benefits that help address the deductibles and out-of-pocket expenses.

Benefits such as 24/7 accident coverage (for on- and off-the-job accidents) and critical illness insurance to help cover out-of-pocket expenses for injuries and serious diseases like cancer are increasing in popularity, as they can help keep monthly costs for health benefits low by raising deductibles on paper but helping employees cover certain catastrophic expenses.

Benefits Are Still Key in Attracting and Retaining Employees

The right benefits package can help municipal employers stay competitive in hiring and retaining talent to build stronger cities. With good benefit design, creative health benefits packages and some often-overlooked benefits that are increasingly important to employees can be a significant part of this hiring strategy.

About TML Health Benefits Pool

TML Health Benefits Pool offers health benefits created by Texans exclusively for Texas cities and political subdivisions. TML Health brings together hundreds of Texas public entities to leverage collective purchasing power and risk sharing to stabilize the cost of health benefits and deliver the lowest long-term net costs, while offering additional services such as wellness programs, virtual health checkups, telemedicine, and online and phone enrollment. By sharing in the Pool, TML Health's members share the rewards of superior health coverage—lower costs, better health outcomes, and more personalized service. ★