



# The Next Generation

Going forward, smart employers will customize their benefits to stay relevant to employees of all ages

By *Kanupriya Vashisht*



## SYNGENTA: AHEAD OF ITS TIME

While most big companies struggle to shake off legacies, the Canadian division of agriculture company Syngenta wiped the slate clean of all legacy benefits when the division was formed from the merger of Novartis Agribusiness and Zeneca Agrochemicals in 2000. It reassessed trends, established fresh benchmarks and overhauled its group benefits to make them more reflective of employee needs.

To begin with, the company's benefits program isn't static. "We continuously evaluate industry trends, as well as our benefits experience, and consider employee input," says Syngenta Canada's HR manager, Shannon Blacker. "There are numerous examples of benefits that have been reviewed and enhanced since the program's inception. The program also allows annual re-enrollment, which means employees can revisit their benefits choices every year as their family needs change."

In addition, the company offers a lifestyle account: a \$600 subsidy per year that can be used toward any work/life balance initiative, such as a gym membership, a vacation, a hobby or recreational classes. The account has a 100% usage rate.

The company also allows its employees to take a day off to volunteer in their community. Many employees have used it in service of a community organization or charity they're passionate about, and parents often use it to volunteer for a child's school trip.

To make sure its wellness programs continue to be relevant to every demographic, the company recently implemented a wellness strategy—myWellness—to support overall employee health and wellness. A seven-member wellness advisory committee was formed to support the strategy. The committee has access to data on wellness trends within Syngenta and has input on wellness programming that aligns with the trends. For example, based on some of the data and demographic information, cardiovascular screening clinics were initiated in 2014 at all sites across Canada. Since a large contingent of employees work remotely, clinics were also organized at regional meetings.

The committee has also designed online wellness challenges around nutrition and fitness. Enrollment and participation have been high (70%) and well received (e.g., a pregnant employee claimed the nutrition challenge saved her life by keeping her focused on eating healthy during a stressful household move).

**A** little over a decade ago, group benefits were standard fare: traditional health, dental and vision, geared toward the undemanding

average employee. But changing demographics have triggered a culture shift, prompting canny employers to fine-tune their total rewards packages to stay ahead of the hiring curve.

While early and late baby boomers and gen Xers continue to dominate the workplace, it's the new kid on the block—gen Y—that is dictating much of the change.

Statistics Canada reports that millennials currently make up about a quarter of the workforce—but that will swell to about 40% by 2020, when the majority of boomers will have retired, according to U.S. research. Employers that can cater to the needs and wants of this budding generation will have a competitive edge.

To understand gen Y aspirations, it's important to realize that this cohort has grown up during a time when health has evolved from being solely about curing ailments to being more about preventive care and overall wellness.

Recent Sun Life Financial research shows that gen Y values group benefits less than older generations did at a similar life stage. While the importance of core medical and dental benefits remains, the gen Y focus is more on paramedical and lifestyle. Gen Yers also have a greater attitude of entitlement toward their benefits than older generations, with many gen Y employees making a concerted effort to max out their discretionary paramedical coverage.

With four generations co-existing in today's workplace for the first time ever, one size no longer fits all. According to

Vic Medland, CEO of the Ontario Teachers Insurance Plan, "This industry has, so far, lacked real creativity and been internally focused for over 100 years, leaving room for disruptive change by an unexpected competitor as has happened in the music (Apple), TV and movies (Netflix), and home and auto insurance (Progressive) industries." Group benefits today are at a crossroads and ripe for similar innovation.

Here are four big changes that have already affected group benefits in a big way—and will have an even greater impact in the future.

### 1 | Personalized Perks

Due to such divergent values and needs, each generation now relishes greater flexibility in what benefits can do for them. At one end of the continuum boomers still value prescription drug coverage, disability and long-term care. At the other end, their children are young and not so focused on ailments. Perks that assist a healthy and active lifestyle—alternative therapies, gym memberships, wellness programs or paramedicals, for example—excite them more.

Marilee Mark, vice-president of market development, group benefits, with Sun

**“Progressive employers are now thinking of benefits beyond something they offer to fulfill standard expectations”**

— Marilee Mark,  
Sun Life Financial Canada

Life Financial Canada, says choice is key for gen Yers. They want more voluntary benefits beyond the traditional benefits to choose from. Seventy percent of gen Y plan members surveyed in the Sun Life research support this thesis: they prefer a flexible benefits plan to a traditional one.

“They like to choose what they’re spending on. So they’re likely to be more interested in health savings accounts (HSAs) and personal savings accounts, where employees are allotted funds to spend on health-related expenses at their own discretion,” Mark adds.

Gen X—the sandwich generation that has to take care of aging parents and growing children—needs support, too. For this reason, the SSQ Financial Group (SSQ) recently included compassion insurance—which provides compensation for lost wages to employees who need to temporarily take time off to care for a gravely ill loved one—in its benefits offering. The product came about because the department that handles disability found that some claims had to be denied because the employees submitting them were not disabled: they were simply

applying because they wanted to be with a child, spouse or parent with a severe or fatal illness.

“At such delicate times, we found it harsh to tell our employees they were not eligible,” says Carl Laflamme, senior vice-president of group insurance with SSQ. “That’s when we decided to link our short-term disability program to the federal government’s compassionate coverage program.”

## 2 | Plain Speak

When it comes to their benefits, are employees getting the whole picture? Sarah Beech, president of Pal Benefits, says there’s been a lacklustre approach in the HR industry to articulating the value of a benefits program.

“But your plan is only as valuable as people *understand* it to be,” she says. “Clearly illustrating the monetary rewards of benefits really resonates with younger employees. So more and more companies are embracing infographics and have started including total rewards statements with employment offers. It makes the offer more dynamic.”

Medland underscores the need for clearly articulated benefits and easy-to-read contracts. He calls it “a minimum of process and maximum of product and service impact.”

## 3 | Paper Is Passé

In addition, technology has completely changed how we communicate. “Our current customers are consummate users of mobile technology. Whenever and wherever are recurring themes,” Mark says. “And we need to be where our customers are.”

To that end, the insurance industry has developed mobile apps that allow iPhone, Android, BlackBerry and other smartphone users to submit medical and dental claims online; check what they’re covered for; see their HSA balances; and access additional information about their drug plans, including lower-cost alternatives. E-payment services developed by the insurance industry allow plan members to receive benefits claims payment by direct deposit and view claims statements online.

Beech says another big trend is

allowing people to choose how and where to buy their prescription drugs. Mail order or home delivery, she says, is gaining currency and appeal with younger people who shop online for everything. The convenience and cost-effectiveness of home delivery are proving a huge draw for boomers as well, Beech adds.


## 4 | Prevention Over Cure

Today’s workplace has undergone a cultural overhaul, with both employer and employee focus shifting from *cure* to *prevention*. According to Mark, “Progressive employers are now thinking of benefits beyond something they offer to fulfill standard expectations. They’re looking at them more as a means to develop a more engaged, healthy and productive workforce.”

Beech agrees that good plans are now beginning to tie healthy choices to more company money. For example, you could get an additional \$50 in your flex plan if you take a health risk assessment; \$50 if you commit to exercising for 20 minutes, three times a week; and another \$50 if you are a non-smoker. “It’s a reward

versus stick approach,” she says. “And employees are responding positively. This is when choice actually empowers them.”

Work/life balance has a huge appeal for gen Y, and companies do offer some interesting solutions to cater to that. For example, says Beech, some companies give employees the flexibility to buy or sell vacations: those who don’t take time off can monetize their leave; those who want extra time can buy additional vacation days. Barring obvious exceptions, she explains, gen Y likes buying; boomers like selling.

Despite the divergent choices of different generations, one thing is clear: in trying to cater to the mean, existing traditional plans don’t really satisfy the needs and wants of *any* generation. Employers and plan providers need to ensure that benefits remain relevant to both today’s and tomorrow’s employees—or, in the coming war for talent, there’s a risk they’ll be left behind. 

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After the birth of my son Liam, I began to experience symptoms of Rheumatoid Arthritis. I couldn’t even look after my own baby. I was in excruciating pain, a wheelchair seemed to be my only option. Then in 2006, I participated in a clinical trial for a new medicine that would eventually completely reverse my symptoms. Today I am walking, dancing, even hula-hooping, and looking forward to the birth of my first grandchild. Thanks to research into new medicine my future is bright and pain free, I’m at work full time and there’s not a wheelchair in sight.

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