

Modernizing Employee Benefits

For 2025

This presentation is to be informative and not to promote specific products, services companies, etc. Illinois ASBO Sponsored Programs are permitted to promote products and services in accordance with the Service Associate Ethics Policy and Code of Conduct.



Introductions

Name: Audra Bussard, Speaker
- *State Manager, American Fidelity*



Name: Kaitlin Luke, Speaker
- *Account Development Exec., American Fidelity*



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Wellness
Programs



SECURE 2.0
Act Provisions
for 2025



Retirement
Programs



Narrow Networks



Dependent
Verification Review



Financial Wellness



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“Why don’t workers participate in employer wellness programs?”

- Benefits Pro



Question

Does your organization offer wellness programs?
If so, what kind?

How do you get participation and educate?



Wellness works both ways



Wellness and Awareness



Learn



Educate



Accommodate



Demonstrate



²https://americanfidelity.com/blog/general/implement-wellness-program/?utm_source=modernizing-ee-benefits-2025&utm_medium=webinar&utm_campaign=ASBOI&utm_content=qr-code. September 20, 2022. Accessed March 27, 2025.

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³<https://www.cnbc.com/2024/04/03/many-americans-feel-behind-on-retirement-planning-cnbc-survey-finds.html#:~:text=A%20CNBC%20and%20SurveyMonkey%20poll,median%20balance%20is%20about%20%2487%2C000>

“53% of Americans surveyed feel they are behind on retirement planning and savings”

- CNBC



Question

- Which generation invests at the earliest age?
 - Baby Boomers
 - Generation X
 - Millennials
 - Generation Z



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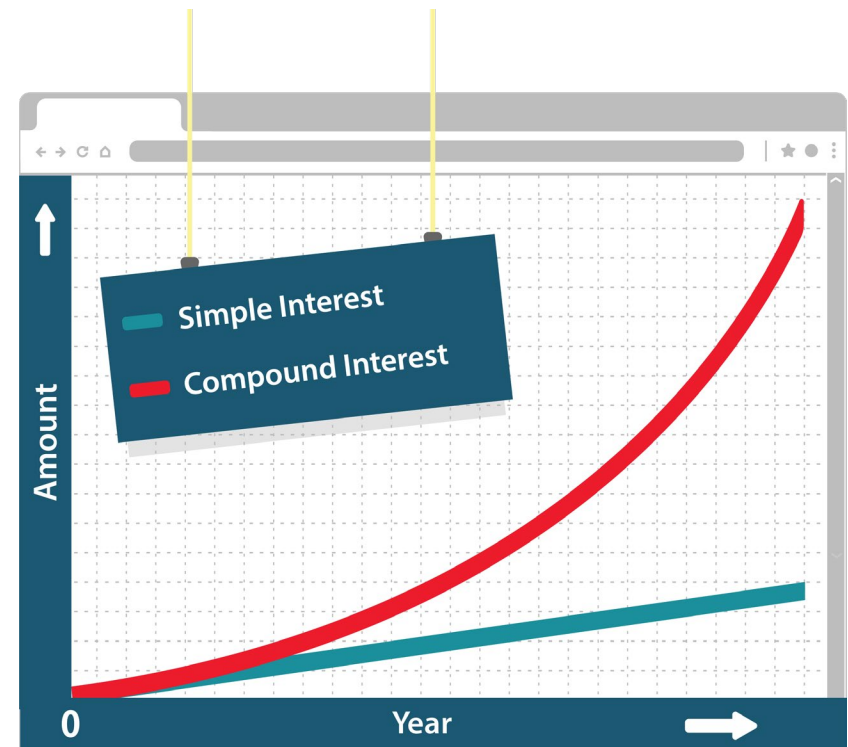
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⁵<https://www.quareos.com/hiring-guide/gen-z-statistics#:~:text=Zurich%20Insurance%20reports%20that%20Gen,of%20the%20workforce%20by%202025>. July 24, 2024. Accessed August 5, 2024.

⁶<https://finance.yahoo.com/personal-finance/average-savings-by-generation-194254649.html?guccounter=1>. July 3, 2024. Accessed August 5, 2024.

⁷<https://www.cnbc.com/select/millennials-and-gen-zers-are-investing-in-an-hsa/>. July 30, 2023. Accessed August 5, 2024

- Gen Z and millennials outpace previous generations in savings for the future⁵
- Approximately 27% of workforce is comprised of Gen Z⁶



The Power of Compounding

SECURE 2.0 Act Provisions

- Automatic enrollment provisions in new plans (not required for governmental plans)
- Additional Catch-Up Contributions for employees ages 60-63
- New distribution options

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⁸<https://www.insidehighered.com/news/students/financial-aid/2024/08/06/72-million-americans-over-50-hold-student-debt>. August 6, 2024. Accessed March 27, 2025.

- “7.2M Americans Over 50 Hold Student Debt”
-insidehighered.com



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Question

- Who is familiar with Public Service Loan Forgiveness (PSLF)?
- Has anyone here participated in PSLF?

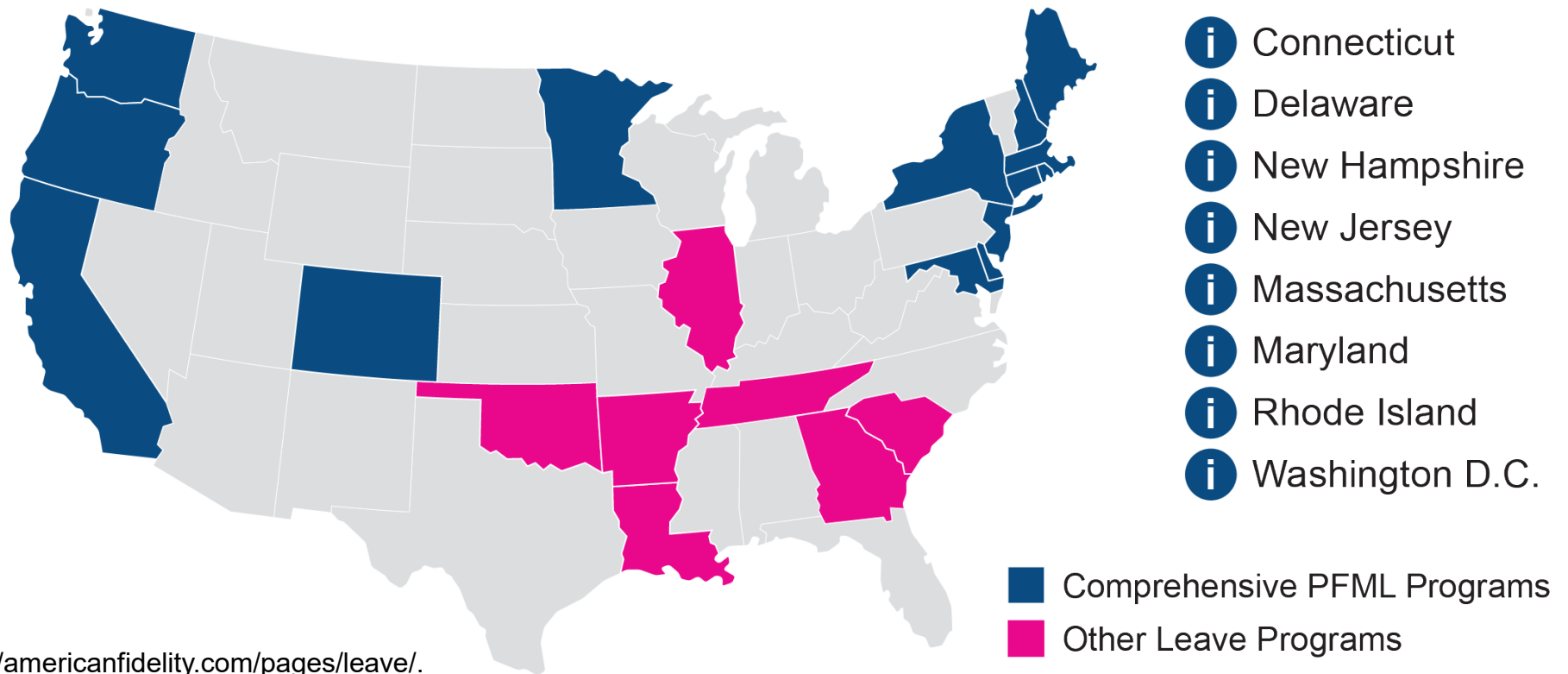
Public Service Loan Forgiveness

⁹<https://americanfidelity.com/blog/general/pslf-relief/>.
October 13, 2022. Accessed March 27, 2025.



- Can reduce student loan balance after 10 years of qualifying payments
- All full-time public employees, including education professionals, are eligible
- Offers potential employee debt elimination
- May increase likelihood of retirement investing

PFML in Action



¹¹<https://americanfidelity.com/pages/leave/>. Accessed March 27, 2025.

¹²<https://navigatorresearch.org/americans-overwhelmingly-support-paid-family-and-medical-leave/>. September 23, 2022. Accessed March 27, 2025

Things to Consider with PFML

- How will this affect employers, labor unions, and associations?
- Are employers prepared to manage the additional administrative tasks associated with these types of plans?
- How will this impact recruitment and retention rates?



[americanfidelity.com/leave](https://americanfidelity.com/pages/leave/)

¹³<https://americanfidelity.com/pages/leave/>. Accessed March 27, 2025.

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¹⁴<https://www.americanprogress.org/article/health-insurance-costs-are-squeezing-workers-and-employers/>.
November 29, 2022. Accessed August 7, 2024.

Health Insurance Costs Are Squeezing Workers and Employers”

- American Progress



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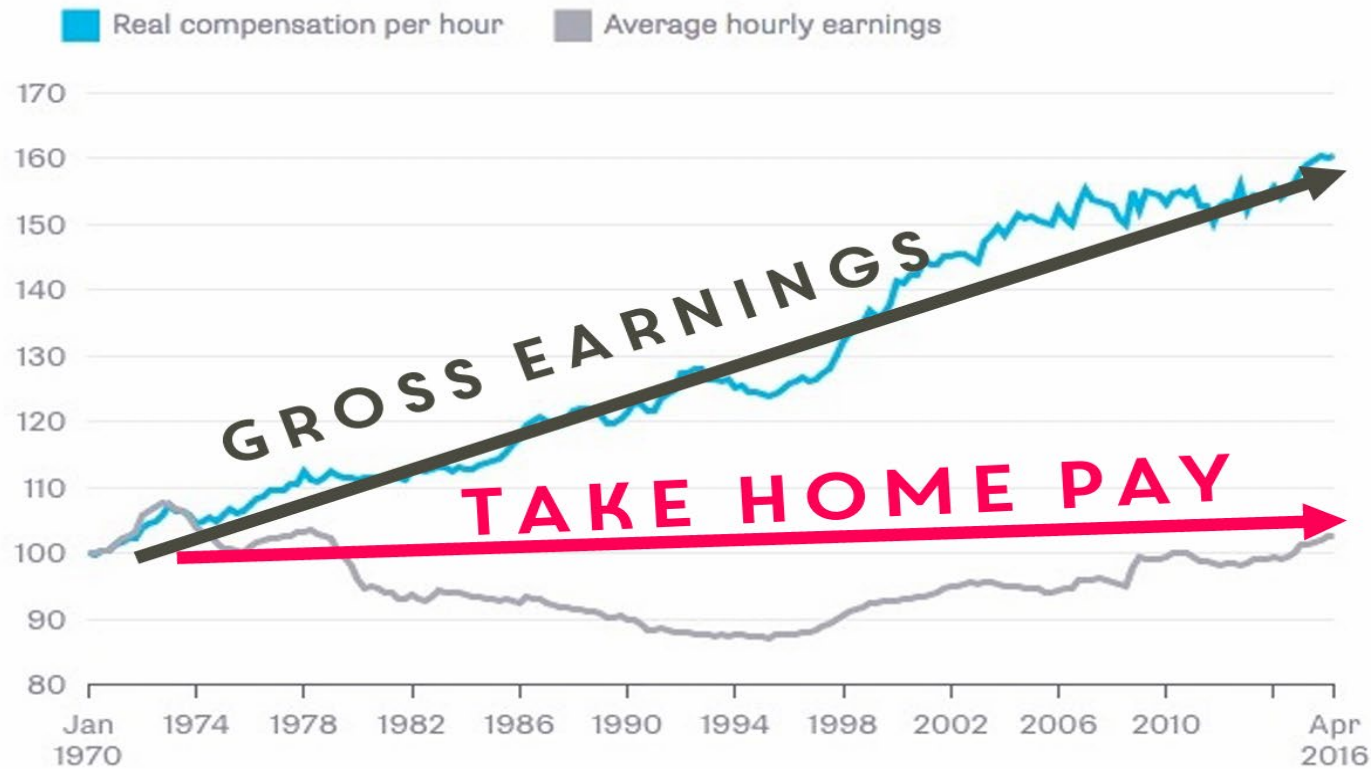


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Compensation, including benefits, versus take-home pay.*



Source: Federal Reserve Bank of St. Louis

* Indexed to 100, adjusted for inflation.

HEALTHCARE

COSTS

ATE

YOUR

PAY

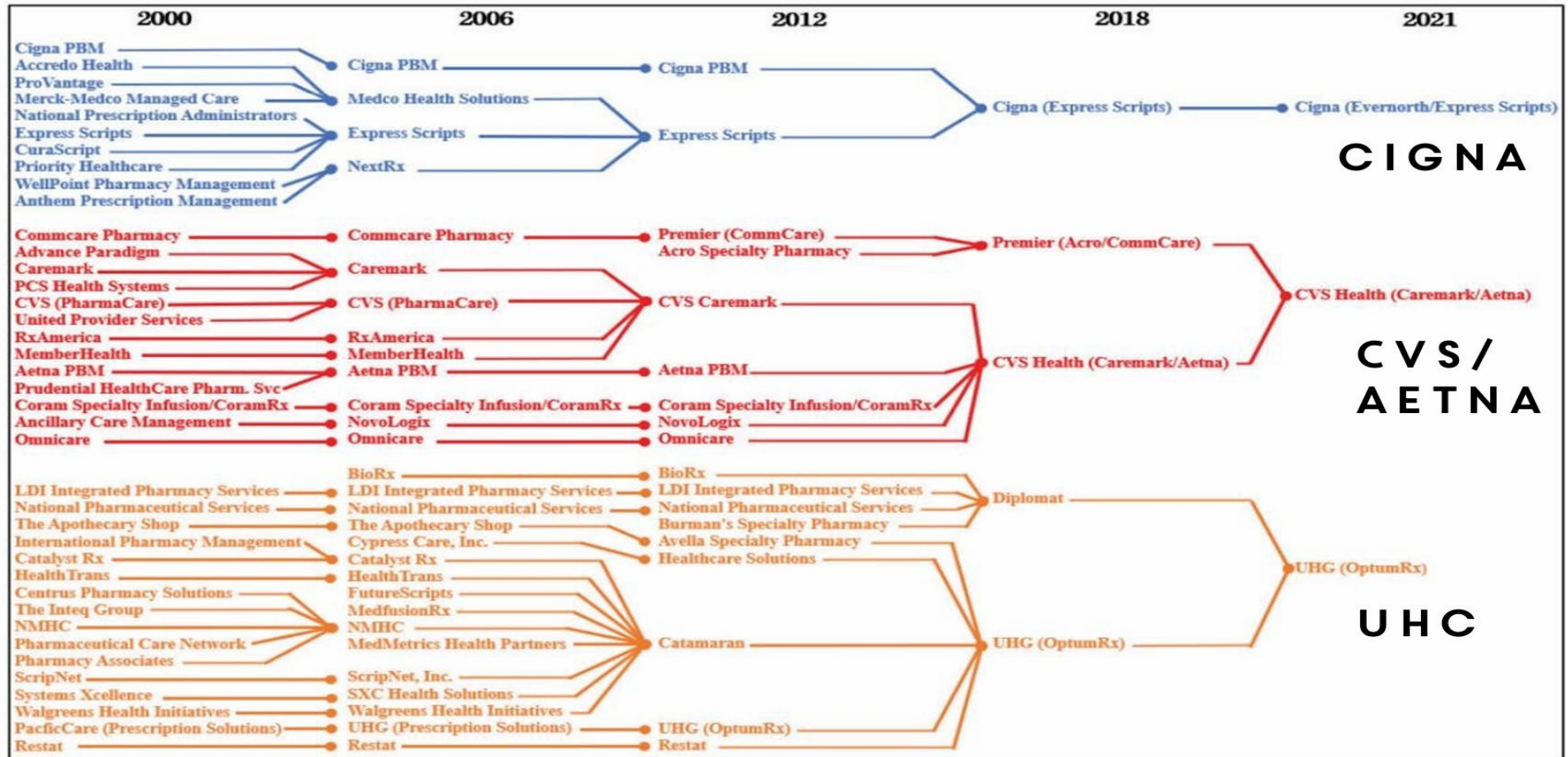
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Figure 3. PBM Parent Entity Consolidation²¹



“23% of ACA marketplace enrollees are in a narrow network plan”

- Healthcare Finance

²⁴<https://www.healthcarefinancenews.com/news/patients-see-narrow-networks-aca-marketplace-plans-kff-finds>.
August 29, 2024. Accessed March 26, 2025.



Keep It Simple

- On average, employee benefits cost will be about 1/3 of the total cost of employee compensation.¹⁷
- Employees are looking for a simple, efficient approach to benefits
- More isn't always better, especially in benefits

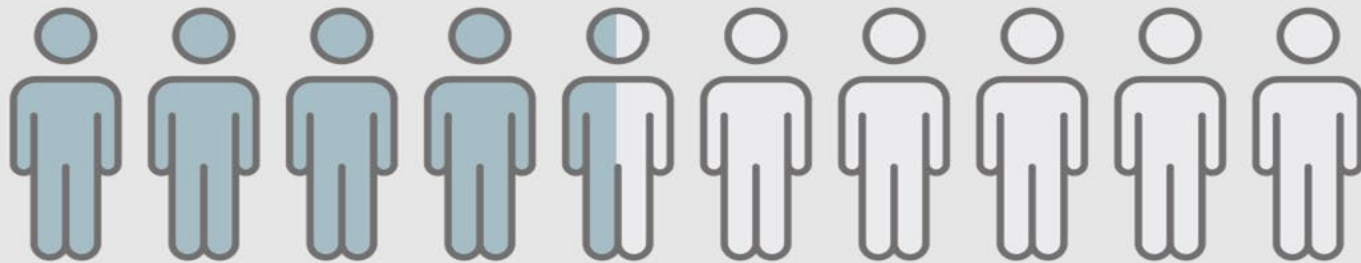
¹⁷<https://edenredbenefits.com/what-is-the-average-cost-of-benefits-per-employee-today/>.
December 7, 2023. Accessed March 27, 2025.

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Insurance vs. Insight

153 Million Non-Elderly People³



45% of employees who say they do not fully understand their benefits.⁴

³<https://www.kff.org/report-section/ehbs-2023-summary-of-findings/> - fn1. October 18, 2023. Accessed August 29, 2024.

⁴<https://www.asppa.org/news/why-it%E2%80%99s-critical-employees-understand-their-benefits-packages#:~:text=Still%2C%20nearly%20half%20of%20employees,they%20do%20not%20fully%20understand.> September 18, 2023. Accessed August 23, 2024.

Health Savings Account (HSA) Contributions with HDHP

- High-Deductible Health Plan (HDHP) enrollments increased from 20% (2013) to 27% (2024)
- In 2024, 27% of covered employees are enrolled in HSA-qualified HDHPs¹⁸

¹⁸[https://www.kff.org/report-section/ehbs-2024-section-8-high-deductible-health-plans-with-savings-option/#:~:text=ENROLLMENT%20IN%20HDHP%2FHRAS%20AND,years%20ago%20\(27%25%20v.](https://www.kff.org/report-section/ehbs-2024-section-8-high-deductible-health-plans-with-savings-option/#:~:text=ENROLLMENT%20IN%20HDHP%2FHRAS%20AND,years%20ago%20(27%25%20v.)
October 18, 2023. Accessed March 27, 2025.



HSA Education with HDHPs

- Rollover funds year after year
- Investing money for growth
- Recruitment tactic for employers
- Using funds now or later – the employee's choice



americanfidelity.com/blog

¹⁹<https://americanfidelity.com/blog/reimburse/hsa-rollover-facts/>. December 12, 2023. Accessed March 27, 2025.

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“A considerable chunk
of its healthcare
expenses stem from
ineligible dependents”²⁰

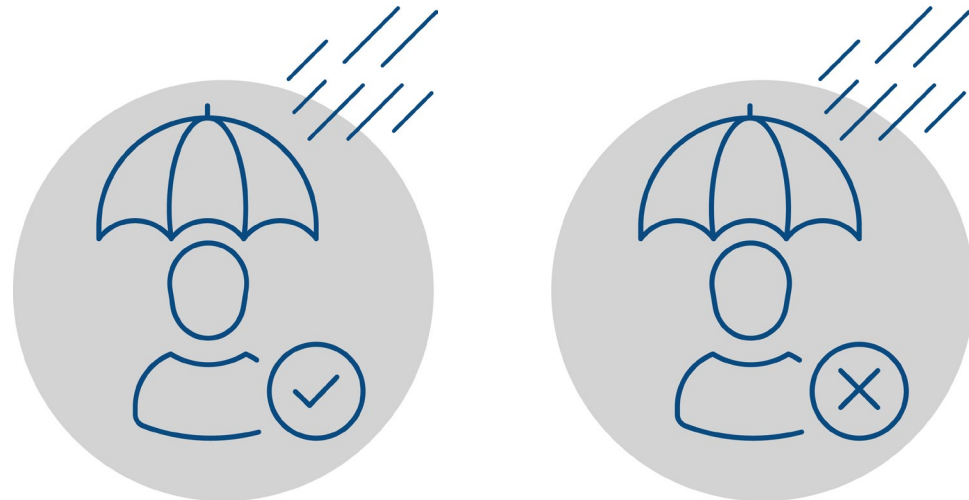
- HR Daily Advisor

²⁰<https://hrdailyadvisor.blr.com/2024/04/29/6-reasons-to-complete-a-dependent-eligibility-verification-audit/>.
April 29, 2024. Accessed March 27, 2025.



More Dependents, More Expenses

Dependents
may cost up to
\$3,500 per year.
Save or lose?²¹



²¹<https://plansource.com/resources/blogs/ongoing-vs-one-time-dependent-eligibility-audit-verification/>. April 7, 2022.
Accessed March 27, 2025.

Dependent Verification Reviews

- As many as 15% of spouses and dependents covered under an employer's health plans are ineligible
- DVRs can help you ensure you're covering only the correct people according to your plan
- This can save as much as hundreds of thousands – even millions – of dollars, depending on variables such as plan type, utilization of rates, and claims experience

²²<https://www.unifyhr.com/eligibility-verification-services/>. Accessed March 27, 2025.

Information About DVRs



americanfidelity.com/blog/general/dvr-checklist

²³<https://americanfidelity.com/blog/general/dvr-checklist/>. January 10, 2023. Accessed March 27, 2025.

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“Half of U.S. adults
lack financial literacy,
survey shows”

- World Economic Forum

²⁶<https://www.weforum.org/stories/2024/04/financial-literacy-money-education/>. April 24, 2024. Accessed March 27, 2025.



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How do you define “financial success” for your employees?



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Matching Financial Values With Priorities

Value Examples

What It Might Look Like for Employees

Family & Relationships

Plan family outings, vacations, or long-term care

Generosity & Giving

Make charitable donations

Financial Freedom & Independence

Plan to pay down debts and build savings

Education & Development

Buy courses, books, and attend conferences

Adventure & Experience

Plans for traveling and events

Stability & Security

Investments for retirement income, purchasing a home



Is Debt Holding Employees Back?

- \$66,772 – The average American debt (per U.S. adult)²⁷
- How Could Being Debt-Free Affect Their Lives?
 - Opportunity cost
 - Credit score
 - Stress and health
 - Relationships
 - Spending power
 - Charitable Giving
 - Future goals



²⁷https://www.ramseysolutions.com/debt/average-american-debt?srltid=AfmBOoopsMtDCv0nx_0F-InA0oK2dkUrcFUcfUUoqm43wcQxPT3pPPEx. May 13, 2024. Accessed March 2025.

Reducing Financial Risk

“The essence of risk management lies in maximizing the areas where we have some **control over the outcome** while minimizing the areas where we have absolutely no control over the outcome.”

– Peter L. Bernstein

Financial historian, economist, and educator

⁸Peter L. Bernstein (2012). *Against the Gods: The Remarkable Story of Risk*, p.239, John Wiley & Sons

Potential Threats to Savings

- **\$315K** – The average cost of medical expenses that couples can expect during retirement²⁹
- **70%** – The chance seniors 65 years+ have of needing long-term care in the future³⁰
- **14 million** – The number of seniors 65 years+ who fall each year³¹

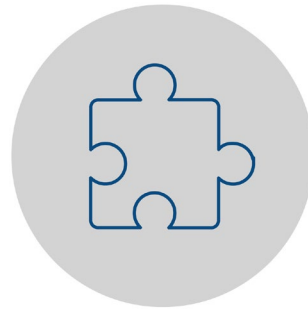


²⁹<https://www.plansponsor.com/health-care-retirement-will-cost-average-315000/>. May 16, 2022. Accessed March 27, 2025

³⁰<https://www.singlecare.com/blog/news/long-term-care-statistics>. January 24, 2024. Accessed March 27, 2025

³¹<https://www.ncoa.org/article/get-the-facts-on-falls-prevention>. June 1, 2024. Accessed March 27, 2025.

Supplemental Benefits to Fill the Gaps



Tools for Saving and Investing

Retirement calculator from American Fidelity Retirement Services can help employees know:

- When they can retire
- How much is needed
- Net worth
- Projected retirement income



Scan for the calculator

[retirement.americanfidelity.com/
retirement-calculator](https://retirement.americanfidelity.com/retirement-calculator/)

³²<https://retirement.americanfidelity.com/retirement-calculator/>. June 2024. Accessed March 27, 2025.

2025 Takeaways

1

Examined today's
top benefits trends

(i.e., wellness
programs, retirement
programs, etc.)
through current
headlines

2

Discussed how
these trends can
affect everyone in
the workplace –
from new hires to
retirees

3

Evaluated
financial and
retirement goals
and their
metrics for
success



Questions and Answers

We thank you for your time!



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