

An Epicor® White Paper

# Making the Most of Open Enrollment Season





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**92% of employees rate healthcare benefits as important or very important.**

## Introduction

Workplace benefits choices can seem confusing to many employees. Employers often experience that confusion firsthand during the organization's open enrollment period. On top of unfamiliar language, there is a lot of information to process and important decisions to make. Though studies have shown that people tend to prefer more choices, they are less likely to make a decision and ultimately less satisfied with their decision when more choices are offered. With multiple benefits options, some employees may choose to simply do nothing during open enrollment, even when it may be advantageous to make changes to their benefits plans.

Open enrollment can be daunting for HR professionals as well. From increased paperwork to the important and time-consuming task of educating employees regarding their options, open enrollment season can be a challenging time for HR personnel. You shouldn't dread open enrollment, however. With the right tools and proper communication, open enrollment can be a manageable experience for everyone involved. First, learn best practices to communicate with your workforce before and during the open enrollment period. Then, find out how using a tool such as Epicor Human Capital Management can make open enrollment easy for both HR and the rest of your workforce.

## Employee satisfaction reduces risk

Employee satisfaction with workplace benefits is important because studies consistently show that employees highly value their benefits. Research by the Society of Human Resource Management (SHRM)<sup>1</sup> shows that 92% of employees rate healthcare benefits as important or very important. In addition, they rate their overall benefits package among the top three contributors to job satisfaction. The research report says, "Historically, benefits have played a major role in contributing to job satisfaction ... As the economy continues to improve and job seekers become more confident in securing new positions, organizations must design competitive benefits packages to attract and retain top talent." The report further states that "forty-five percent of employees reported that they would be likely or very likely to look for other jobs outside their current organization within the next year."

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### The benefits package is among the top three contributors to job satisfaction.

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Now consider that open enrollment is a time when employees commonly make the mistake of not spending enough time understanding how changes to the coming year's benefits affect them and their families, financially or otherwise. That can create dissatisfaction after the new benefits kick in, well after the open enrollment period has ended for another year.

Research by Aflac<sup>®</sup> shows that open enrollment is a time when "employees usually make two basic mistakes. First, they spend little or no time choosing their benefits: 77 percent spend 60 minutes or less preparing for and selecting benefits, and nearly half (46 percent) spend 30 minutes or less. This leads to their second mistake: The majority (90 percent) simply keep the same benefits year-after-year, despite the fact that most (73 percent) only sometimes, rarely, or never understand changes to their policies each year."<sup>2</sup>

<sup>1</sup> "Employee Job Satisfaction and Engagement: Revitalizing a Changing Workforce," SHRM, 2016

<sup>2</sup> "2014-2015 Benefits Open Enrollment Guide for Employers," Aflac, 2014

With 68% of employees reporting that they are satisfied with their current benefits,<sup>3</sup> your job is to make sure your organization's sole benefits initiative of the year—open enrollment—is leveraged to help maximize employee job satisfaction. With the right planning, preparation, resources, and tools, you can do a lot to help employees make informed decisions about their benefits during open enrollment and create a more satisfied workforce.

The easiest way to help employees at open enrollment time is to educate them about their benefits choices, focusing on three key components:

1. Provide employees with plenty of information
2. Deliver the information in an easy-to-understand format
3. Tailor information to focus on various life stages

## Before open enrollment begins

### Communicate with employees

The first step in preparing employees for open enrollment is communication. When open enrollment is approaching, it is vital that employees learn when exactly the open enrollment period begins and ends. In addition to giving employees plenty of notice that open enrollment is approaching, it is important to give employees plenty of tools, resources, and information about their benefits options far enough in advance that they have time to truly look over the materials. Not only do you need to determine what you want to communicate to employees, but also how you are going to communicate to employees.

Typically organizations inform employees that open enrollment is approaching through e-mails, notices on internal websites, and internal social channels. How you communicate to your employees depends on your organization—it will be more effective if you use the channels of communication your company prefers for important news. However you choose to inform employees, using more than one medium to spread the news about open enrollment will increase the likelihood your employees will see and retain this important information.

### Plan ahead

Use your communications to encourage employees to start thinking about benefits and prepare for the upcoming open enrollment. Ways employees can prepare include looking at their previous benefits plans and gathering information such as how much they paid out of pocket for healthcare in the past year. Such information can help employees make a better decision on which benefits plans make the most sense for them. If you have informational meetings or online webcasts planned, advertise when and where these will take place. The more information employees have to prepare for the upcoming open enrollment, the easier it will be for them to make informed decisions—and the fewer questions HR will have to answer.

Another way to prepare employees for open enrollment is to let employees know how much your organization contributes to their benefits. The Bureau of Labor Statistics reports that, on average, employers pay 81 percent of the cost of premiums for single coverage and 68 percent of the cost for family coverage<sup>4</sup> for employees participating in employer-sponsored medical plans. As the cost of healthcare increases and employees are paying more each year for benefits, showing employees how much your company contributes towards their benefits can help raise morale and

<sup>3</sup> "Employee Job Satisfaction and Engagement: Revitalizing a Changing Workforce," SHRM, 2016

<sup>4</sup> "Employee Benefits in the United States—March 2016," USDL-16-1493, Bureau of Labor Statistics

put the cost of healthcare in perspective. The Bureau of Labor Statistics also found that benefits accounted for 31.5 percent of employee compensation costs.<sup>5</sup> Sharing this information with employees can help ease the pain of new expenses they may incur related to their benefits.

## During open enrollment

### Getting the word out

Once employees are aware that open enrollment is approaching, the next step is communicating what benefits options are available, what changes have been made to the plans, and why they should consider each option. The most common way to share this information with employees initially is through e-mail communications that include links to an internal website containing details about changes and new benefits. Organizing open enrollment information in a consumable way online gives employees a broad overview of every benefit your company offers, but it usually isn't personalized to the individual.

### Personalization

As personalized data becomes more prevalent in our everyday lives, employees' expectations of receiving their benefits information in a personalized manner are on the rise, too. With personalized benefits data—either through the websites of benefits providers or on the company's own internal website—employees can better educate themselves about their benefits options. The most effective tools you can offer employees for researching their benefits options are online calculators and other interactive digital tools. In fact, younger workers are growing to expect these types of digital tools, which allow them to manipulate real data in real time to aid them in their selections.

Another popular option to educate employees about benefits is to conduct onsite seminars or online webcasts with HR personnel and representatives from insurance providers. Spouses or other decision makers can also attend to learn about their choices, ask questions, and determine which plans may be best for them. Employees are seeking guidance more than ever in making these important decisions. As employees' portion of healthcare costs continues to rise, employees are more cognizant of which healthcare plans they choose and, in turn, pay more attention to all benefits offered. Being able to speak with an HR professional or insurance representative directly can help employees feel more comfortable making decisions about their benefits, especially if they gain new information not found in printed or digital material.

## Life stages

One vital benefits question for employees is what options are best for them in their current life stage. Whether they're approaching retirement, single, married, or have dependents, employees like to know what is best for them personally. Though you can't imagine every person's life situation, ask your benefits providers to prepare material for several different life stages. Employees certainly don't have to choose the recommended plans for the life stage most similar to their own, but it can be a starting point for employees to explore offered benefits. If you offer voluntary benefits such as short-term disability, life insurance, or car insurance, consider separating these into recommended life stages as well. For example, you may recommend that a healthy 23-year-old employee with no children put more money into a retirement account than they do toward life insurance.

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<sup>5</sup> "Employer Costs for Employee Compensation Historical Listing, National Compensation Survey," Bureau of Labor Statistics, June 2016



### Making a decision and looking ahead

With all the information and tools you provide, employees should be able to make a final decision on their benefits with a great deal of confidence. After employees confirm their final benefits elections for the coming year—ideally online via a self-service channel—and benefits providers have received the updated enrollment information, the HR team can breathe a little easier.

As open enrollment closes for one year, it's time to start planning for the next year. Consider taking an employee survey the week after open enrollment ends to get feedback on what was most helpful and what was least helpful. Did your employees find it more helpful to read material on their own or to talk with an insurance representative? Were there any benefits not offered that they wish had been? Is there a better way to communicate with employees? Allowing employees to complete surveys anonymously gives you a head start for a more effective open enrollment period next year.

### How Epicor HCM can help

Open enrollment is a major undertaking for even the most experienced and organized HR professional. Using technology like the best-in-class Epicor HCM solution, however, can help take some of the pain out of open enrollment. It allows you to communicate more effectively with your employees while streamlining the entire open enrollment process—from announcing open enrollment dates to having employees complete their benefits elections. Learn how Epicor HCM can help you take open enrollment to the next level by making it easier to:

- ▶ Communicate with employees
- ▶ Create valuable reports
- ▶ Allow employee-driven enrollment
- ▶ Interface directly with benefits providers
- ▶ Reduce time delays

With Epicor HCM, open enrollment runs much smoother for the HR department and your entire workforce—implementing even some of its features can make a big difference.

### Communication

To get the best return on your company's investment in employee benefits, communication is absolutely vital. Epicor HCM helps you communicate with your organization about employee benefits and is especially useful during open enrollment time. Its employee self-service capabilities support content that can be fully customized, allowing you to post the dates of open enrollment, provide links to benefits sites, and upload important forms and documents, for example. If you have employees in different geographic regions that have different benefits options, you can customize home pages by workgroups or locations to reflect the correct information.

If you offer seminars or webcasts on your benefits plans, the Epicor HCM training and development module can schedule and manage these events. Employees can search through the scheduled seminars and webcasts and register online. Not only will employees be able to pick the day and time that is most convenient for them, but you will have an electronic record to gauge employee interest and increase or decrease the number of seminars and webcasts accordingly.

No matter how you communicate with employees, you can always communicate better, and it's important for employers to find ways to communicate successfully with their employees about benefits. Using Epicor HCM communication tools to reach your employees is one way to improve.

### **Reporting**

Benefits account for nearly a third of employee compensation costs on average. Though employers are aware of this, many employees may not be. With total compensation reports generated through the Epicor HCM reporting suite, employees can see their complete compensation—including the cost of benefits, education opportunities, paid leave, and more. Total compensation reports provide easy-to-read pie charts that break down the percentage and value for various forms of compensation and give employees full visibility into the resources your organization invests in them. Employees can also access a benefits report, which breaks down the annual benefits cost between employee and employer for each plan in which an employee is enrolled.

Employees can also see details about each benefit plan they are currently enrolled in through the employee self-service module. With access to the details behind their benefits, they can view how much they pay per month for each benefit, how much your organization pays, and other important information. Epicor HCM also tracks the complete benefits history of each employee, so employees can access information about which benefits plans they were previously enrolled in. Having this detailed and personalized reporting available at employees' fingertips saves HR time and helps employees plan for the upcoming year. Allowing employees to see what they have done in the past can help them make a more informed decision for their future.

From an HR standpoint, the powerful Epicor HCM reporting suite allows you to build comprehensive reports regarding your workforce's benefits tendencies. You can use standard reports built into Epicor HCM or create your own custom reports. Use these reports to see which benefits plans are the most and least used, demographics of employees signed up for certain plans, or other data you may need. If there is a custom report you need to run on a regular basis, you can easily create and add that report to the standard report list found in Epicor HCM. With the expansive amount of benefits data stored in Epicor HCM, it is easy to create detailed reports that track trends in your employees' benefits preferences.

### **Employee self-service**

Epicor HCM self-service capabilities improve the employee experience by allowing them to easily sign up for and make changes to their benefits plans on their own time. With a step-by-step interface guiding them through the enrollment process, employees can choose which plans to enroll in and see the cost breakdown of each plan. They can even model various combinations of benefits plans and experiment with different options until they find the right plans for them. Epicor HCM is accessible around the clock from any Internet connection—allowing employees to do additional research, view various combinations of benefits plans, and make their final decision from the comfort of their own home.

Having employees enroll themselves in benefits plans reduces the amount of data entry and organization your HR department must do. More importantly, employee self-enrollment drastically reduces the amount of human error that can occur during data entry. This method makes it easier for employees to enroll themselves in benefits while making it easier for HR professionals to organize benefits information. Employee-driven enrollment creates a more accurate, easy, and efficient open enrollment period for all by reducing errors and time-consuming paper management processes. Online enrollment also saves paper, making it a more environmentally conscious approach.

With employee self-service tools making it easier for employees to enroll in benefits plans and for human resource departments to manage benefits, consider offering more voluntary benefits to your employees. Voluntary benefits, for which employees pay the total cost, are a cost-effective way to offer your employees more benefits options and an easy way to increase employee satisfaction. Employer-sponsored voluntary benefits (e.g., accident insurance, short- and long-term disability insurance, life insurance, legal assistance, financial consulting, and others) are attractive to employees for their convenience. With most employees ranking benefits as “very important<sup>6</sup>,” you increase the likelihood of retaining a happy workforce by offering more—and more impactful—benefits.

### **Stay secure**

With so much sensitive data involved in the enrollment process, it is important that enrollment is secure. After employees use the latest technology and security credentials to access Epicor HCM and make their benefits decisions, they are prompted to answer electronic signature questions. These questions help verify the employee’s identity in addition to acting as a signature. This added layer of security maintains the integrity of the benefits enrollment process.

Even with employees updating their own benefits information, HR still maintains control over the open enrollment process. Besides setting when employees are allowed to sign up for their benefits, you can also specify which employees are eligible to sign up for certain benefits. Employees with different locations, pay ranges, or worker status who qualify for different benefits only see the plans that are available to them when they use employee self-service. By setting access rules appropriately, you can eliminate employee confusion about plan eligibility and maintain control over the open enrollment process.

When the open enrollment period is complete and all data is accurate, Epicor HCM can be enabled to securely send the updated information directly to your benefits providers in compliance with HIPAA data-transfer regulations. Before Epicor HCM allows you to export data to benefits providers, it runs a final analysis of the plans employees enrolled in to check for discrepancies or missing information. If for some reason an employee with no dependents signed up for a family medical plan, for example, Epicor HCM would alert you of this issue so it can be fixed.

With manual processes drastically reduced for both your organization and benefits providers, employees are enrolled in their benefits more efficiently, accurately, and securely.

### **Save time**

Epicor HCM reduces the time and the hours HR spends every year on open enrollment. Imagine an open enrollment period that doesn’t leave your HR staff overwhelmed with paperwork, questions, data entry, and other time-consuming activities. From communicating with employees through the actual open enrollment period to submitting data to benefits providers, Epicor HCM helps save you time every step of the way.

Instead of organizing paperwork, spend more time connecting with employees and creating an educational and informative open enrollment period. Instead of spending time on data entry, create a campaign encouraging employees to use online calculators and resources to choose their benefits. You can use the time you save on ways to refine the open enrollment process further.

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<sup>6</sup> “Employee Job Satisfaction and Engagement: Revitalizing a Changing Workforce,” SHRM, 2016



## Conclusion

Open enrollment doesn't have to be stressful. By focusing on communication, education, and personalization, employees will have more confidence choosing their benefits for the upcoming year. The more satisfied employees are with their benefits, the happier they will be with their jobs. It is easier than ever to communicate effectively with employees by using Epicor HCM and other tools to run open enrollment. By providing employees with guidance on which benefits plans may be most beneficial for their life stage or resources such as benefits calculators and interactive decision-making tools, employees will feel more prepared to make a decision regarding their benefits.

Giving employees more choices is a good thing, especially if you help them sift through and decipher these choices. Communicate with employees about the upcoming open enrollment through a variety of channels, encourage them to attend benefits seminars and webcasts, distribute literature about offered benefits that may best suit each life stage, and urge employees to use self-service tools to explore their options. Open enrollment should be a positive experience, and with the right tools it can be. Take advantage of available resources to make open enrollment easier for employees and more efficient for the HR department.

Epicor HCM improves your HR processes in more aspects than just open enrollment and benefits management. From basic HR functions such as absence tracking, personnel management, and compensation management to more advanced features such as performance management, training, and development, plus international functionality, Epicor HCM helps you manage your workforce from recruitment to retirement. Contact us to learn how Epicor HCM can help refine HR processes and grow your organization.

## About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit [www.epicor.com](http://www.epicor.com).



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