

Employers Continue to Alter Benefits in Response to Pandemic

Flexible leave and reimbursing remote-work expenses became more common

By Stephen Miller, CEBS

February 1, 2021

Employers are continuing to make benefits changes to support their workforce through the COVID-19 pandemic, new research indicates.

For its January 2021 *Employee Benefits in a COVID-19 World—Six-Month Update* survey report, the nonprofit International Foundation of Employee Benefit Plans (IFEFP) asked U.S. employers about the effects of the COVID-19 pandemic on their employee benefits plans (<https://www.ifebp.org/store/Pages/covid-19-update-survey.aspx>). The results from 527 organizations surveyed last fall showed that more employers are reimbursing work-from-home expenses, adapting their paid-leave policies, offering flexible work schedules, and supporting workers with child and elder care responsibilities.

"In March 2020, when employers first began requiring their 'nonessential' employees to work from home due to COVID-19, few of us could have imagined that we'd still be working remotely 10 months later," said Julie Stich, vice president of content at IFEFP. "Employers have found it necessary to examine their benefits offerings in order to make decisions that best support their workforce while ensuring the long-term success of their organization."

Feedback

Reimbursing Work-from-Home Expenses

Before the COVID-19 pandemic, employers report that, on average, 14 percent of their employees worked remotely, compared with 56 percent of their workforce who are working remotely now.

This shift has caused some employers to provide reimbursements to employees for expenses incurred when working from home. Among the respondents:

- 31 percent are reimbursing their workers for specific items, most commonly office supplies, electronic devices such as printers or laptops, and Internet service.
- 8 percent reimburse through a general stipend that covers all work-from-home expenses.
- 17 percent are considering offering work-from-home reimbursements.

Flexibility for Workers with Child Care Responsibilities

"For employees who are also parents, one of the greatest challenges of the pandemic has been working from home when schools or day care facilities are closed," Stich said. "Employers have recognized the need to provide support and are offering options ranging from flexible schedules to virtual school tutors."

Employers have helped workers accommodate child care and schooling needs by implementing work-from-home arrangements (65 percent) and permitting flexible hours (59 percent).

Due to the pandemic, about 14 percent of employers are providing resources and referrals for child care, tutoring or backup emergency child care; 13 percent are considering doing so.

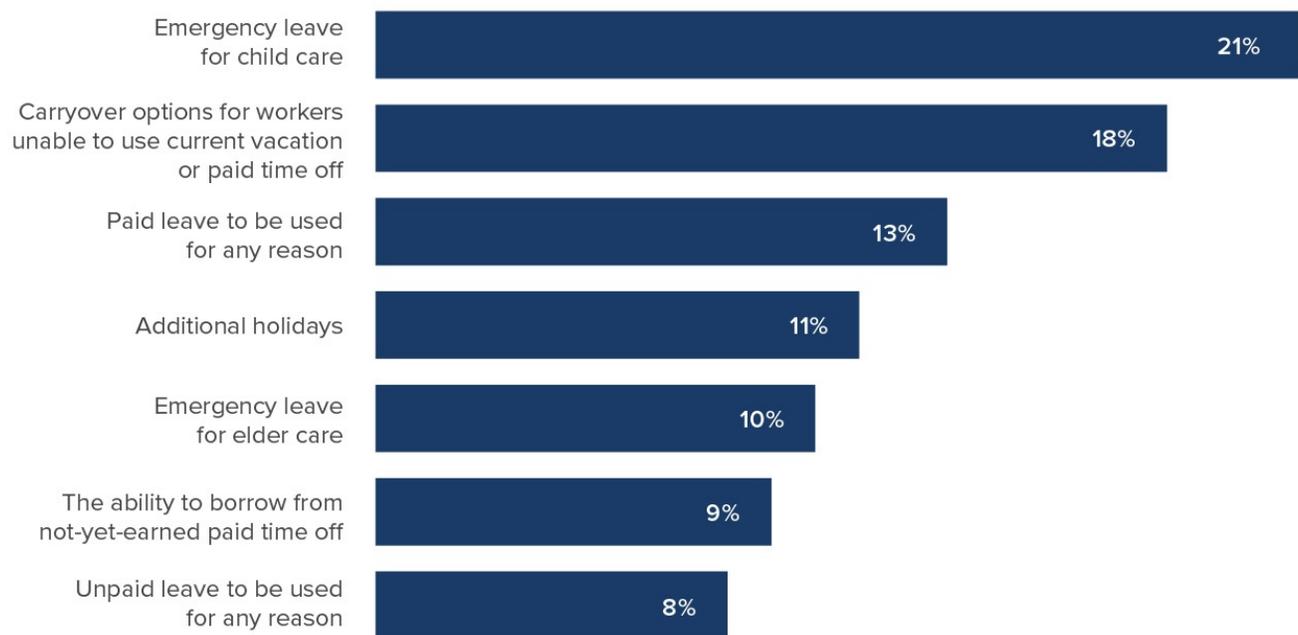
"Which of these workplace changes will become permanent in a post-COVID world has yet to be determined," Stich said. "It's likely that at least some of these changes are here to stay."

Paid and Unpaid Leave Policies

"Recognizing that employees had few vacation options this year, some employers are allowing workers to roll over more days than usual to 2021," Stich said. That finding was among the results from IFEBP's survey, as shown below.

Changes to Paid and Unpaid Leave

The majority of surveyed U.S. employers (63 percent) have made some sort of change to their leave offerings due to the pandemic. The most common changes include offering:



Source: *Employee Benefits in a COVID-19 World—Six-Month Update*, IFEBP, January 2021.

Similarly, according to benefits provider Guardian Life's survey conducted in the third quarter of 2020, 3 in 4 U.S. employers changed their unpaid leave policies to paid leave due to COVID-19, while 1 in 3 employers created new and separate COVID-19 leave policies (<https://www.guardianlife.com/absence-management/redefined-report>). The Guardian survey received responses from 1,211 U.S. benefits professionals at employers with at least 50 full-time, benefits-eligible employees.

Several leave trends emerged last year, Guardian found, including increased outsourcing of leave administration and greater use of technology such as online platforms to improve the experience of requesting and tracking leave.

Higher Employee Expectations

"The outbreak of a global pandemic has heightened employee expectations when it comes to corporate health care provisions, with many turning to their employers like never before for effective well-being solutions," said Hemal Desai, global medical director at benefits provider Aetna International. "Workers' needs for health and well-being support are also more visible to employers than ever."

Feedback

In September, Aetna surveyed more than 1,000 U.S. office-based employees for its November 2020 Global Employee Health Study Data (<https://www.aetnainternational.com/content/dam/aetna/pdfs/aetna-international/Explorer/Global-Employee-Health-Study-Data.pdf>) report, which included the results below.

Improved Health and Well-Being Benefits

When U.S. employees were asked "in which ways has your employer improved support for your health and well-being in the last six months?" they responded that their employers:



Source: *Global Employee Health Data Study*, Aetna International, November 2020.

Just 17 percent of the respondents said their employer had not improved support for health and well-being over the past six months, Aetna reported.

Feedback

Making a Difference

"Employers are recognizing they must expand beyond traditional benefits, especially as many employees are experiencing burnout and the boundaries between work and home have blurred," said Marc Brown, chief people officer at Zovio, an education technology services firm in Chandler, Ariz., that was recognized as a Cigna 2020 Well-Being Award Winner (<https://www.prnewswire.com/news-releases/zovio-recognized-as-a-cigna-2020-well-being-award-winner-301215408.html>).

Management at the firm has taken care "to listen to our employees to ensure that our benefits are evolving along with their needs," Brown said. "In keeping with our commitment to supporting health and wellness, some of our newer benefits include tools to help with stress management and mental health."

Last year, for example, Zovio enhanced its employee assistance program with the addition of online fitness classes and one-on-one coaching with an on-staff certified health and wellness coach, Brown said. "Additionally, we are offering webinars and communications around taking care of yourself, managing work and family during a pandemic, and time management. We have also added one-on-one tutoring, through [the app] TutorMe, to support employees whose children are home-schooling."

Ongoing Support

Working Americans will increasingly be turning to their employers in 2021 for education, support and guidance to better understand their workplace benefits, according to benefits provider Voya Financial. The firm's December survey of more than 1,000 U.S. adults shows that nearly 6-in-10 workers (56 percent) spent more time reviewing their benefits offered by their employer during the fall open enrollment period than in prior years.

"This is good news suggesting that many employees did not simply hit the 'default button' during open enrollment and likely signed up for additional workplace benefits," said Rob Grubka, president of Voya's employee benefits business. "The challenge now in 2021—especially among younger workers, like Millennials—is providing ongoing support and education to help employees understand how to maximize their new benefit selections."

Related SHRM Articles:

Benefits Are Often an Afterthought During Recruitment (www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/benefits-are-often-an-afterthought-during-recruitment.aspx), *SHRM Online*, January 2021

Upheavals Alter the 2021 Benefits Landscape (www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/upheavals-alter-the-2021-benefits-landscape.aspx), *SHRM Online*, January 2021

When Should Employers Reimburse Expenses for Remote Workers? (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/when-should-employers-reimburse-expenses-for-remote-workers.aspx), *SHRM Online*, November 2020

Employers Are Searching for Child Care Solutions (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employers-are-searching-for-child-care-solutions.aspx), *SHRM Online*, July 2020

Mental Health Apps Offer New Ways to Support Employees (www.shrm.org/resourcesandtools/hr-topics/benefits/pages/mental-health-apps-offer-new-ways-to-support-employees.aspx), *SHRM Online*, May 2020

Feedback

HR DAILY NEWSLETTER

News, trends and analysis, as well as breaking news alerts, to help HR professionals do their jobs better each business day.

Email Address

CONTACT US (WWW.SHRM.ORG/ABOUT-SHRM/PAGES/CONTACT-US.ASPX) | 800.283.SHRM (7476)

© 2021 SHRM. All Rights Reserved

SHRM provides content as a service to its readers and members. It does not offer legal advice, and cannot guarantee the accuracy or suitability of its content for a particular purpose.

Disclaimer (www.shrm.org/about-shrm/Pages/Terms-of-Use.aspx#Disclaimer)