

Hold the salary, up the benefits

There's an alternative form of compensation you may have overlooked: a group benefits plan that provides health protection for your employees – and cost effectiveness for you.

GROUP BENEFITS PLAN AND YOUR BUSINESS

Group benefit plans ensure that affordable health care services are there when your employees need them – and can play a key role in providing you with a healthy, productive workforce.

Employees who have current group benefits coverage highly value this protection.

WHEN OFFERED \$10,000 vs. HEALTH BENEFITS

59% keep health benefits **31%** take the money **10%** don't know

It's not just employees in the prime of family life who value these benefits. Research conducted in 2011 on Generation Y (made up of employees currently in the 20s and early 30s) revealed that this group of values group benefits like any other, but with a particular focus on health and wellness benefits that can help prevent health issues from occurring.

BETTER VALUE

Tax-effectiveness is one reason the benefits are highly valued. Health and dental coverage – which is a key component of most group benefits packages – are a non-taxable benefit to employees in most provinces. So while many employees will pay up to 40% or more of any pay raise in taxes (depending on their earnings level) **they keep 100% of the value of their health and dental group benefits.** Other benefits, where employer contributions are a taxable benefit – such as group life insurance - provide valuable protection than employees both need and value.

There's a cost advantage for your business as well. While you pay sales tax on group benefits plan premiums that

you cover for employees located in Ontario, Quebec and Manitoba, this usually amount to less than the additional cost associated with a pay raise.

By contributing the same amount to a group benefits plan for employees versus a pay raise, you will not only save on taxes but your employee will also receive something that they will value. Adding a group benefits plan (such as health and dental coverage) could help your bottom line and help ensure a happy, healthy and productive employee.

SMALL SIZE IS NO BARRIER TO GROUP BENEFITS

In 2012, Sun Life Financial undertook research involves more than 400 small businesses to uncover the barriers to group benefit adoption. The largest barrier to group benefit plan adoption for small businesses without a current plan is a simple belief that their organization is “too small” for group benefits.

That perception is far from reality – with the number of group benefits products and services designed specifically for the small business market. With Money Assist Financial Inc we have a variety of options that are both flexible and affordable, designed for small businesses with fewer than 50 employees. And there is a little time commitment required to launch and maintain a group benefits plan.

With only 40% of small businesses offering their employees a group benefits plan, the opportunity to stake out a competitive advantage in the marketplace is significant. A group benefits plan can yield significant dividends for your organization – by providing a cost-effective strategy for employee attraction and retention, and by helping to ensure a healthier more productive workforce.

For more information on how a group benefits plan can meet your business needs contact your Money Assist Financial Advisor today.



**YOUR GROUP
BENEFITS EXPERTS**
group@moneyassist.ca