



Attracting Key Employees with Creative Benefits

Employers need to offer a creative benefits package that sets them apart

Whether you are the head of a small, family-owned business or a large corporation, finding the right employees is becoming more and more challenging. Nowadays, it's not uncommon for several businesses to compete for the services of skilled and talented individuals in the same manner as they would compete for a customer's business.

So, how can your business set itself apart from the others and attract high quality, "key" individuals?

Core Benefits

Potential employees have a certain level of expectation concerning benefits. When evaluating each prospective employer, they will first take a look at what core benefits each employer has to offer. The following benefits are usually at the top of the list:

- Health Insurance
- Qualified Plan
- Vacation
- Flexibility of Schedule
- Working Environment

Selective Benefits

There are a variety of additional benefits that can set one employer apart from another when attracting new executive-level employees. However, some businesses may be concerned that Internal Revenue

Service discrimination rules may require the inclusion of such benefits in already existing employee benefit packages. Fortunately, there are some benefits that allow employers to be selective.

Split-Dollar Arrangements

A creative method whereby the employer uses business dollars to provide high quality permanent life insurance for a select employee. Generally, the split-dollar arrangement also ensures the employer will be repaid any premiums paid on the employee's behalf. The employee benefits by acquiring additional life insurance protection and enjoys complete portability of the policy should employment terminate.

Executive Bonus Plans

This benefit allows the employer to pay a selected employee a compensation bonus that is deductible to the corporation. The employee then uses the bonus to pay the premium of a life insurance policy insuring his or her life; the employee owns the policy.

Disability Insurance

A growing concern for many individuals is how they will maintain their financial and personal planning in the event of a debilitating accident or illness. In addition, group disability plans offer only minimal amounts of coverage. Therefore, individual disability insurance paid by the employer is fast gaining popularity as a much sought-after benefit by prospective employees.

Voluntary Benefit Plans

These plans are funded entirely by the employee, generally through payroll deductions. Typically, a menu of benefit options (e.g., dental insurance, disability insurance, etc.) is given to employees in addition to existing core benefits. Employees then pay for whichever benefits fit their respective financial needs. Because voluntary benefit plans are offered in a group setting, costs are generally more affordable than if the employee were to purchase similar benefits individually.

In today's work world, business owners are quickly realizing that salary alone is no longer the only factor highly-skilled employees are seeking. Just as you are shopping for the "right" employee, they are shopping for the "right" employer.

They are looking for the best combination of salary and benefits that is right for their situation. Therefore, employers need to offer a creative benefits package that sets them apart from the competition.