

EMPLOYEE BENEFITS



Money-Focused Trends in Benefit Plans for 2021

Survey of thousands of employers summarizes top employee benefit trends

Boston-based financial services behemoth Fidelity Investments surveyed thousands of employers and compiled a list of additional employee benefit trends for 2021. Let's examine the trends that are more money-focused.

Directly from the Fidelity release earlier this year:

“Workplace giving and volunteer programs to help employees support their community and the causes important to them.

Many of the events of 2020, including the pandemic, natural disasters, and social justice issues, have prompted an increasing number of employers to consider adding a workplace giving program to their benefits platform. In addition, many workers are expecting their employers to offer some type of giving program – a recent Fidelity survey showed 66% of employees felt it was important for their employer to support charitable causes. These programs help employees donate their time and financial support to the communities in which they operate, as well as to charities and causes that are most important to them.

Increased help with student debt for women, employees of color.

More than \$1.5T in student debt still hinders millions of employees' ability to save for retirement and other financial goals, and women and people of color are increasingly impacted by student debt. While the most

recent stimulus package does still include a tax benefit to employees with the extension of employer-paid student debt, employers continue to focus on expanding tools and support to help these employees manage their debt. These include employer contribution programs that make after-tax contributions on their employees' outstanding student loans and help employees to pay off their debt faster – which in turn allows them to focus on other savings priorities, including retirement.

Resources to help employees create an emergency savings fund.

The financial impact of the pandemic has highlighted the importance of having an emergency fund to help employees avoid tapping their retirement savings to cover financial emergencies. In fact, recent Fidelity research indicates 8-in-10 Americans plan to focus on emergency savings in 2021. A growing number of employers are providing information and resources to help employees understand how to create an emergency fund, as well as exploring adding an emergency fund option that would allow employees to contribute directly from their paycheck.

More self-directed brokerage windows in 401(k) and 403(b) plans.

As more workers express interest in specific investments for their retirement savings, a growing number of employers are adding a self-directed

brokerage window to their workplace savings plan. A brokerage window allows employees to select the investment option that best meets their needs, even if it's not part of their plan's official fund line-up – such as a fund that invests in a specific company or sector.”

Source: Fidelity.com

Link here:

https://s2.q4cdn.com/997146844/files/doc_news/2021/Top-employee-benefit-trends-for-2021-for-Fidelity-Newsroom.pdf