

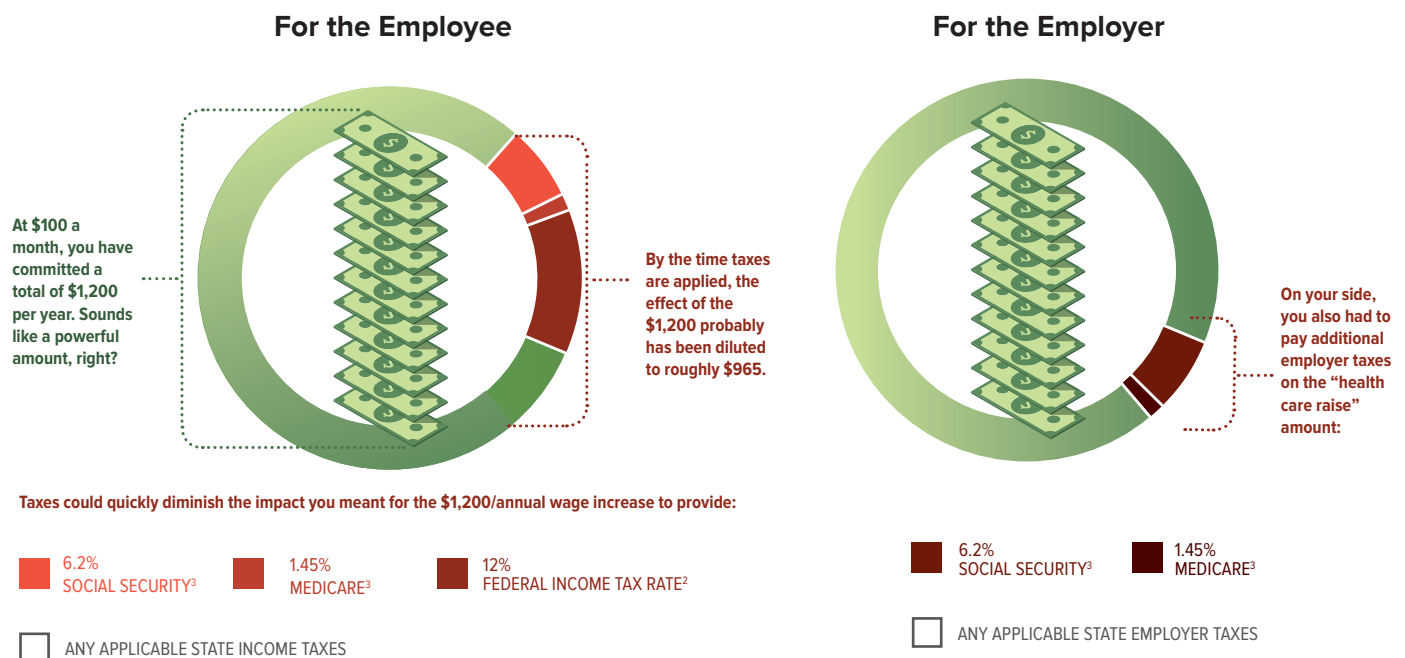
The case for more benefits vs. a health care raise.

The current health care landscape and rising costs have pushed some businesses to believe that offering health benefits is not only impractical, but also unrealistic. This situation has created what feels like an easy way out, “the health care raise.”

On the surface, this seems like a great idea because it looks and sounds easy, affordable and hands-off. Upon taking a closer look, this approach may not only be adding unnecessary costs to your operation, but it’s also doing little or nothing to help employees obtain health insurance.

Let’s break it down and see what an extra \$100 per month, per employee (**PMPE**) can afford as wages increase.

According to the Census Bureau, the annual per capita income in 2016 was \$29,829.¹ To be practical, let’s use \$30,000 as the basis individual income for tax rate purposes.



Each month, the employee may be seeing about \$80 of your originally intended \$100. If you pay twice a month, an employee will see about \$40 more in each paycheck. If you pay weekly, the extra lift from each pay check results in \$20.



¹U.S. Census Quick Facts: 2016, accessed June 27, 2018. <https://www.census.gov/quickfacts/fact/table/US/SEX255216>

²Tax Foundation Income Tax Brackets and Rates, accessed June 11, 2018. <https://files.taxfoundation.org/20180207142513/TaxFoundation-FF567-Updated.pdf>

³IRS Topic No. 751 Social Security and Medicare Withholding Rates, accessed June 11, 2018. <https://www.irs.gov/taxtopics/tc751>

What can an individual do with \$20 extra per week?

And, do you think your employees are actually spending it in health care or wellness? Likely, not.



\$20 might afford an entrée and dessert at a popular family restaurant.^{4,5}

On any given month, you may have afforded a family of four with a night at the movies, popcorn and drinks.⁶

What if your investment can be used to provide competitive benefits options that may save you some money and be perceived as being more valuable than eating out?

- Do your employees have access to proper dental and vision care insurance?
- Do your employees have life insurance?
- What about long- and short-term disability insurance?
- Can your employees maintain their financial position in the event of a medical emergency due to illness, injury or death?

If your employees are like many workers, they may not be prepared and living paycheck-to-paycheck would leave them in a tough spot if their finances were threatened by the unexpected.

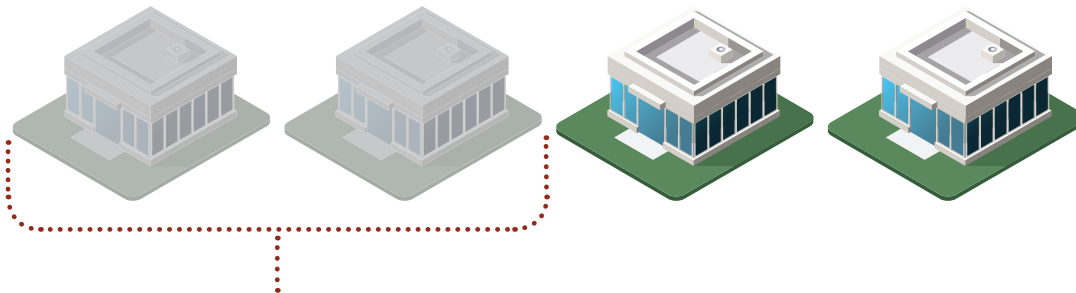


*Several of these benefits may also qualify for potential tax-savings for your business.

⁴Based on online Olive Garden menu for a meal of fettuccine alfredo for \$12.99 and a warm apple crostata at \$6.49, for a total of \$19.48, as of June 11, 2018.

⁵Parents.com - The 10 Best Family Restaurants - Runners Up List, accessed June 11, 2018. <https://www.parents.com/recipes/cooking/kid-friendly-food/the-10-best-family-restaurants/>

⁶Based on AMC's website listed admission ticket prices for 2 adults at \$12.69 ea. and 2 children \$10.69 ea. With a large popcorn plus two drinks combo at \$20.79 and two kids pack combos at \$6.89 ea. For a total of \$83.33, accessed June 29, 2018. <https://movietheaterprices.com/amc-concession-prices/>



Fifty percent of small businesses with 3-49 employees don't offer health benefits to any employees, and the top cited reason not to, is cost.⁷ However, 20 percent of non-offering small firms did offer benefits in the last five years and decided to stop.⁸ That's why Aflac Total Care provides a wider shopping advantage for employers and employees to afford non-major medical benefits on a budget.

Most business decision-makers would agree that saving money or using money better is worth exploring.

Talk to an Aflac Benefits Advisor to see what your next planned employee wage increase investment could afford in desired health benefits.

⁷KAISER/HRET Survey of Employer-Sponsored HealthBenefits, 2017, accessed June 29, 2018. <https://www.kff.org/report-section/ehbs-2017-section-2-health-benefits-offer-rates/>

⁸The Kaiser Family Foundation and Health Research & Educational Trust. Employer Health Benefits 2017 Annual Survey, Accessed July 2, 2018. <https://www.kff.org/report-section/ehbs-2017-section-2-health-benefits-offer-rates/> Accessed June, 2018.

The insurance lines listed within this article are not designed to and do not replace the need and mandate for major medical health plan insurance. The policies and plans offered through the Everwell exchange are provided by multiple carriers. Please visit aflac.everwellbenefits.com for more details. **Aflac herein refers to American Family Life Assurance Company of Columbus and/or American Family Life Assurance Company of New York.**