

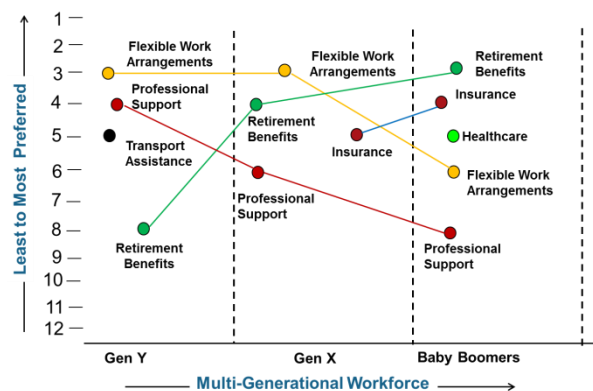


# Flexible Benefits

By Chitra Jayasimha

The presentation gives a point of view on the concept of flexible benefits, approach towards effective flex benefits management Aon Hewitt technology platform, Total Benefit Solutions (TBS) and how it can be used to implement a flexible benefit structure.

- According to Aon Hewitt's study, Employee Listening, different categories of employees have different expectations as follows-
  - Gen Y employees give importance to Work-life balance & financial incentives both
  - Gen X employees give importance to work-life balance
  - Baby Boomers give importance to the retirement benefits
- According to the study, 81% of the employees want flexibility in Benefits and 61% of the employees are willing to make voluntary contributions to get access to certain additional benefits
- In a flexible benefit design, the benefits are divided into-
  - **Core Benefits** – to mitigate risk of poor selection by employees
  - **Optional Benefits** – to give a menu of choices whereby options are designed to cater to different needs of employees
  - **Flex Credits** – which facilitate the defined contribution approach towards some benefits
- Aon Hewitt Approach is a four step process-
  - **Define** - Define key principles, philosophies, and/or strategy
  - **Measure** - Measure gaps in current vs. desired and competitive
  - **Design** - Design new approaches to close the identified gaps
  - **Implement** - Implement new programs, communicate changes



- Aon Hewitt's TBS facilitates seamless integration of analytics, broking, consulting and administration which in turn helps manage flexible benefits in a company.
- Aon Hewitt's flexible benefit proposition is based on a process of continuous improvement as shown in the adjacent figure.
- According to a flexible benefit research, India has growing opportunities with very strong interest among employers and employees and thus has a high potential for adopting flexible benefits structure on a large scale.

