

Voluntary Benefits Insights

Voluntary benefits for the 'new' worker 55 and older

Joseph Quintana

Pop quiz: Which demographic is growing the fastest in the American workplace? You might say it's the millennials. At 73 million strong, workers who were born between the years 1981 and 1996 have a strong majority in the workplace. While formidable, their presence has just about reached the end of its growth.

OK, you say, so what about Generation Z? Born between 1997 and 2012, the oldest members of this generation are graduating and entering the workforce. So, yes, Gen Z will be on the grow for years to come. However, this up-and-coming generation is a topic for another day.

There's a "new" group of workers you'll want to keep in mind. And they have their own list of concerns.

Workers that are age 55 and older are the fastest-growing segment of the workplace, says a recent study by the [Associated Press and the NORC Center for Public Affairs Research](#). According to this study, one in four said they don't plan to quit once they turn 65. In fact, 20% of workers ages 65 and older were either working or looking for a job, whereas, two decades ago, the rate was more like 12%, according to the Bureau of Labor Statistics. What was once rare is now becoming more common. This is a trend that isn't going to fade anytime soon.

More than ever, companies are seeing a larger-than-ever pool of workers who just aren't ready to become retirees.

We'll take a look at these workers and show how voluntary benefits can be an important part of this group's financial security.

Retirement age arrives, but financial reality sets in

Despite the realities of aging, like sore muscles, health problems and simply wanting to enjoy more free time, more workers are sticking around. Why is that? They have their own set of pressing financial realities to deal with. Here's what the study has to say about that.

People are healthier and living longer. That means retirement is just going to last longer. With extended retirement comes the need for more money. Income from IRAs is not going to outlast the longer timeline, and entitlement payments (Social Security) won't make up for the lack. Less than a third of people older than 50 (29%) responded they feel "extremely or very prepared" for retirement. Everyone else just doesn't have enough saved.

On the flip side, you have a **historically tight labor market**, and at some workplaces, older workers hold the key to alleviating that pressure. Indeed, they're asked to postpone retirement because of the shortage of skilled, knowledgeable workers to fill their spots.

Voluntary benefits offer financial protection for older workers

The over-55 workforce is essential to the team and voluntary benefits can be essential for them. Here are some ways to help workplaces and employees connect the dots to see the value of voluntary benefits and learn how they work.

While Medicare provides welcome relief on the horizon of age 65, it doesn't cover everything. Staying on top of the medical expenses is still a big worry for workers older than 55. According to poll results published by the [AARP](#), 70% of



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Americans age 55 and older have debt. Half believe they'll never be debt free. What's more, [another study](#) cites a five-fold increase in recent years in the percentage of older people filing for bankruptcy, with medical debt being a major reason.

Whether workers are near, at or beyond traditional retirement age, here are some ways voluntary benefits can help your clients cultivate a workplace that is competitive to this growing demographic.

In a workplace that will see growing ranks of aging workers, voluntary benefits will be essential for their financial well-being. And group platform pricing with streamlined underwriting offers the easiest, most affordable access for all.

Help with medical bills

Disability insurance, short-term and long-term, is one voluntary benefit that can offer financial protection after an injury, so employees can heal without raiding their retirement accounts. Pair that with **accident coverage**, and they'll have the cash to pay down their deductibles.

Serious medical conditions such as cancer, a stroke or heart attack are scary on their own, and for older workers, the risk of having one of these is much higher than for a younger person. When you factor in the out-of-pocket expenses that can come from a hospital stay, surgery and ongoing treatment, the accompanying financial implications are downright terrifying. **Critical care coverage** offers a lump sum to help cover deductibles and other expenses that come up for employees and spouses that get coverage before reaching age 70.

Dental and vision

Many people don't realize that Medicare benefits (which kick in at age 65) don't cover vision and dental costs. For that reason alone, workplaces will want to tout this core voluntary benefit.

EAP support

Workers who are 55 and older may be serving as a caregiver for a family member, whether it's a partner or even a parent. That's where you'll want to spend time focusing on the EAP program. With options like unlimited referrals to elder care resources, health and wellness and more, EAPs can go a long way in providing workers the support and resources they need to balance home and work. From an employer's standpoint, when workers feel supported and armed with the resources they need to work through these tough, complex decisions, they'll be more productive in the long run.



About the author

Joseph Quintana, Regional Practice Leader, Voluntary Markets, has 23 years of sales and sales management success — as well as product and process expertise — in the Voluntary/Worksite benefits marketplace. Prior to joining Reliance Standard in 2017, he was a regional practice leader with Guardian Life Insurance Company. Prior to that he spent 19 years, in escalating sales and sales management roles, with Colonial Life Insurance Company.

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