

# BENEFITS CORNER



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## Benefits as Easy as 1-2-3!

Colorado is blessed with a large number of small businesses. The independent and entrepreneurial nature of many of our residents helps to create the unique spirit and makeup of our community. If you are one of our small business owners—Congratulations!

Questions that you will inevitably find yourself asking are: “Should I offer benefits to my employees?” or “Am I offering the right benefits?” The answer to those questions will vary given the number of employees you have, the length of time you have been in business, and the stability of your business.

There are some businesses where the answer to the first question will most certainly be a resounding NO! These businesses usually have employees that are “part-time” workers or that don’t require special skills or education to perform their jobs well. In these types of businesses, the job itself is the benefit!

On the other hand, most businesses today do require certain special training, education, or skills from their employees to make the business a success. If that is the case for your business, a benefit program might be considered an essential requirement to get the best people for your company.

Benefit programs are essentially a tool for you to attract and retain the best employees. If you can keep your staff intact, your training costs will diminish greatly and your customers will come to know and appreciate these dedicated employees. How many times have gone into one of your vendors, only to find that they have all new faces to greet you and to serve you? Your customers appreciate dealing with the same employees as well! Too many times, I have heard of an employer losing its best people to a competitor because the benefits were better across the street or down the hill.

So what benefits should you consider offering to your employees? I like to break this down into three different categories of benefits. The first category, Level One, is composed of a simple package. The second category, Level Two, is what I call a core benefit package and meets more needs. While the third category, Level Three, can be built up to what would be considered a “rich” benefit program.

Benefits in Level One would contain only health insurance and an employee handbook or written time-off policy. This type of package would be most suitable for a newer business or for one that has not offered any benefits in the past. Health insurance is the number one concern for most employees. You might be able to offer a high-deductible plan that would keep premiums relatively affordable, while easing the concern of a catastrophic illness forcing your employee into a difficult financial situation. A written time-off, or vacation, policy allows your employees to know that you care about their family and time away from the workplace. A time-off policy would indicate the maximum days allowed away from the office and whether this would be composed of paid or unpaid days. An employee handbook would go into a more detailed review of requirements and expectations.

Benefits in Level Two include those in Level One but add a group life insurance plan, long-term disability coverage, and a retirement plan. The life insurance benefit is an inexpensive benefit that shows that you care about that

person and his or her family. A long-term disability program allows an employee to have an income replacement plan in the event of a partial or total disability. Most disability plans are designed to replace up to 60 percent of a person’s wages should they become disabled. The most advantageous retirement plans for your employees are typically offered through employers. With the questions about the availability of Social Security in the future, your employees need an easy way to save for their retirement. The Level Two benefits program would be great plan for many small businesses; almost all major lifetime concerns are addressed at this level!

Benefits in Level Three could add dental coverage, short-term disability coverage, vision coverage, long-term care insurance, and a wide range of other payroll deducted coverages. Benefits in Level Three are considered true “perks” of employment. This level of benefits program might be needed by some small employers that have to compete for a very skilled labor force.

As an employer, your employees are vital to the success of your business. Is it time to review your benefit plan? Or is it time to implement your first plan? If that is the case, I would enjoy the opportunity to assist you designing a solid, cost-effective program for you and your business!

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