



2024  
**WORKPLACE  
BENEFITS  
CONFERENCE**

**Era of  
Innovation**

**Beyond the Silos:  
The Convergence of  
Modern Workplace Benefits**

# Agenda

- New Realities Require a New Perspective
- Benefit Needs Are Evolving, Demanding a Realignment of Company Priorities
- Market Forces Are Converging to Create New Opportunities for Success





New Realities Require a New Perspective

# Forces of Change



Regulatory



Economic



Market Dynamics



Social

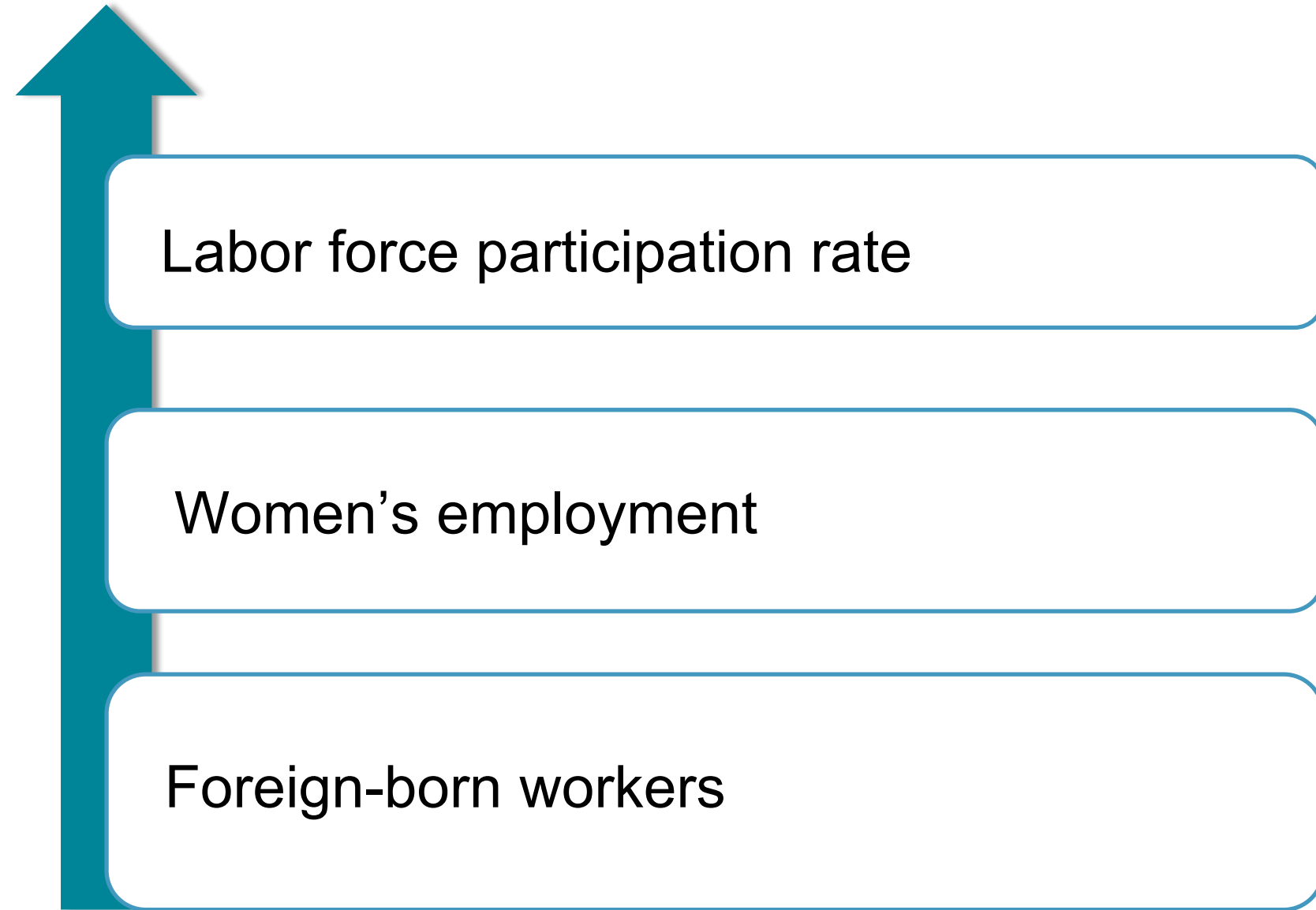


Technology



Demographic

# Labor Force Trends



Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis.

# Growing Employment Sectors

Employment Sector	Number of Employees	Growth Rate Next Five Years	Propensity to Offer Life & Disability Benefits*
Services	23 Million	4.8%	Average
Education & Health	25 Million	3.7%	Above Average
State Government	5 Million	3.2%	Above Average
All Sectors	156 Million	2.4%	Average

Growth rate for sectors is based on years 2023 – 2028.

\* Propensity to offer reflects the percentage of employees with these benefits compared to national averages.

The professional and business services super-sector includes Professional, Scientific, and Technical Services, Management of Companies and Enterprises; and Administrative and Support and Waste Management and Remediation Services.

Sources: LIMRA, U.S. Bureau of Labor Statistics, Moody Analytics.

# The Impact of AI and Technology on Jobs

- Roughly **two thirds** of U.S. occupations are exposed to some degree of automation by AI.<sup>1</sup>
- Globally, automation will displace **85 million** jobs over the next five years; it will also create **97 million** new jobs.<sup>2</sup>
- Generative AI could impact over **300 million** full-time jobs and will make up almost **30 percent** of the jobs that will be lost to automation by 2030.<sup>3</sup>



<sup>1</sup> Goldman Sachs.

<sup>2</sup> World Economic Forum.

<sup>3</sup> Goldman Sachs.

# Impacted Occupations

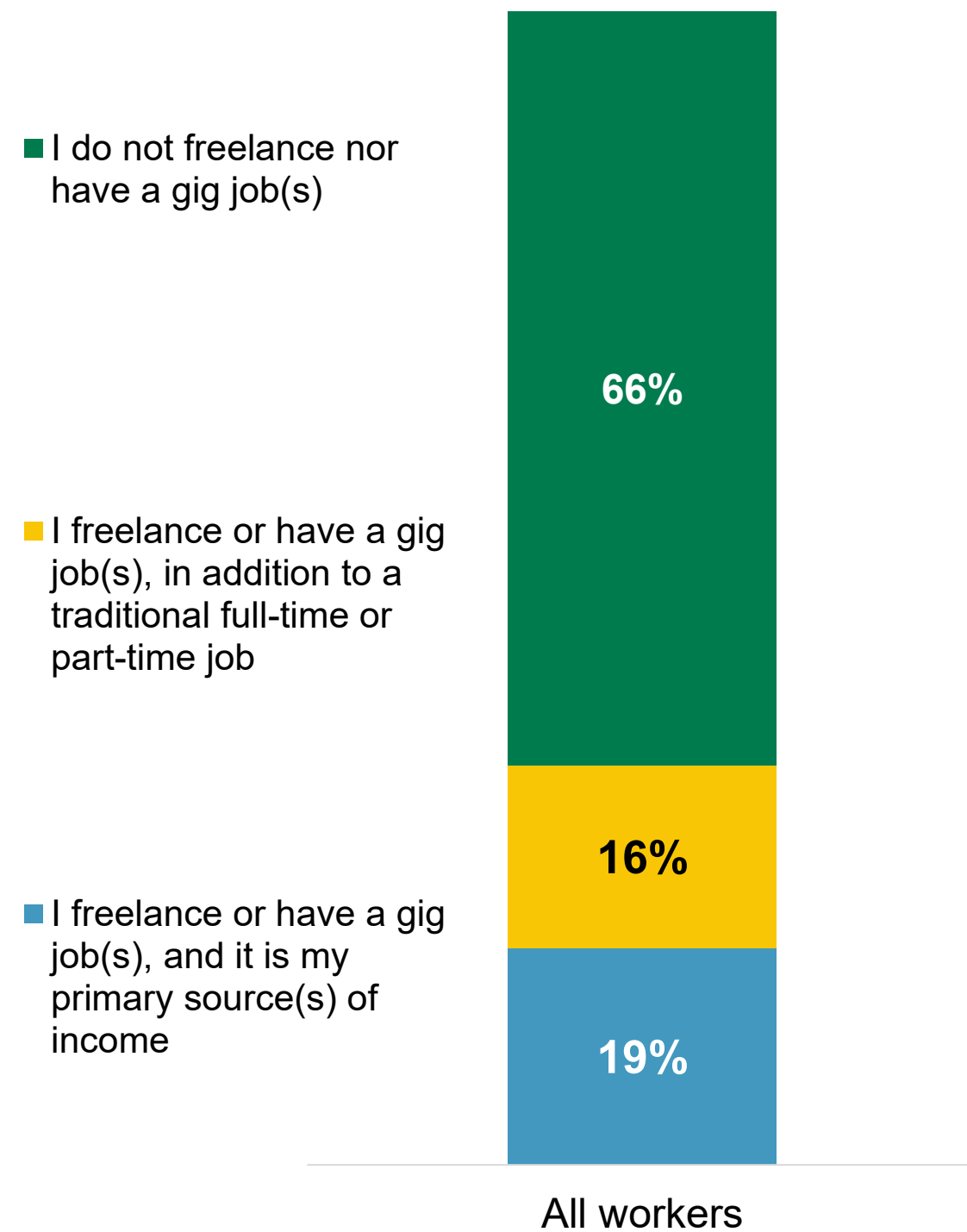
- Technology
- Customer service (e.g., cashiers)
- Media
- Market research and data analysts
- Accounting, Financial
- Legal
- Commercial drivers



Source: *ChatGPT may be coming for our jobs. Here are the 10 roles that AI is most likely to replace.*, Business Insider, 2024.

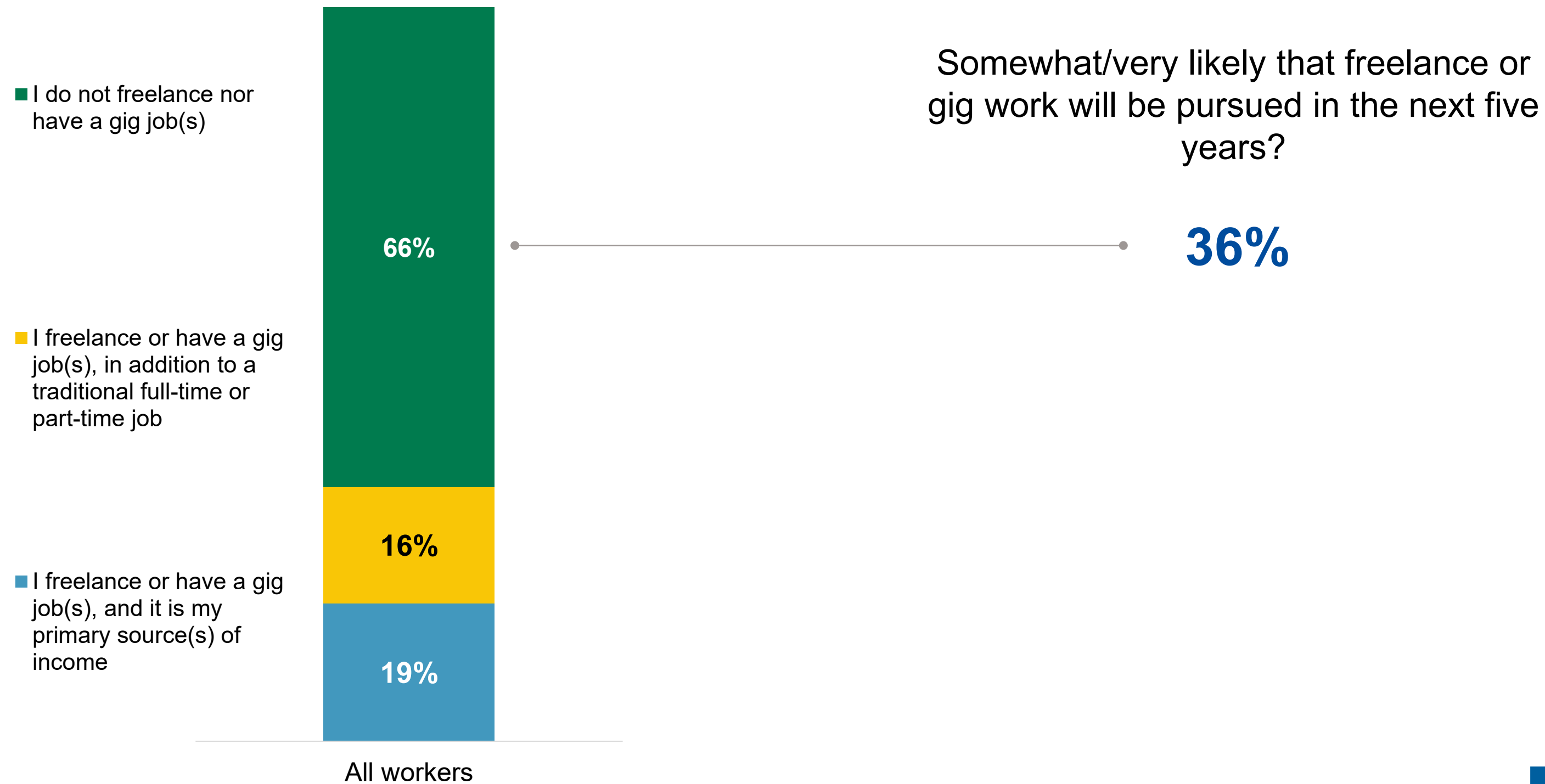


# The Gig Economy Is Growing



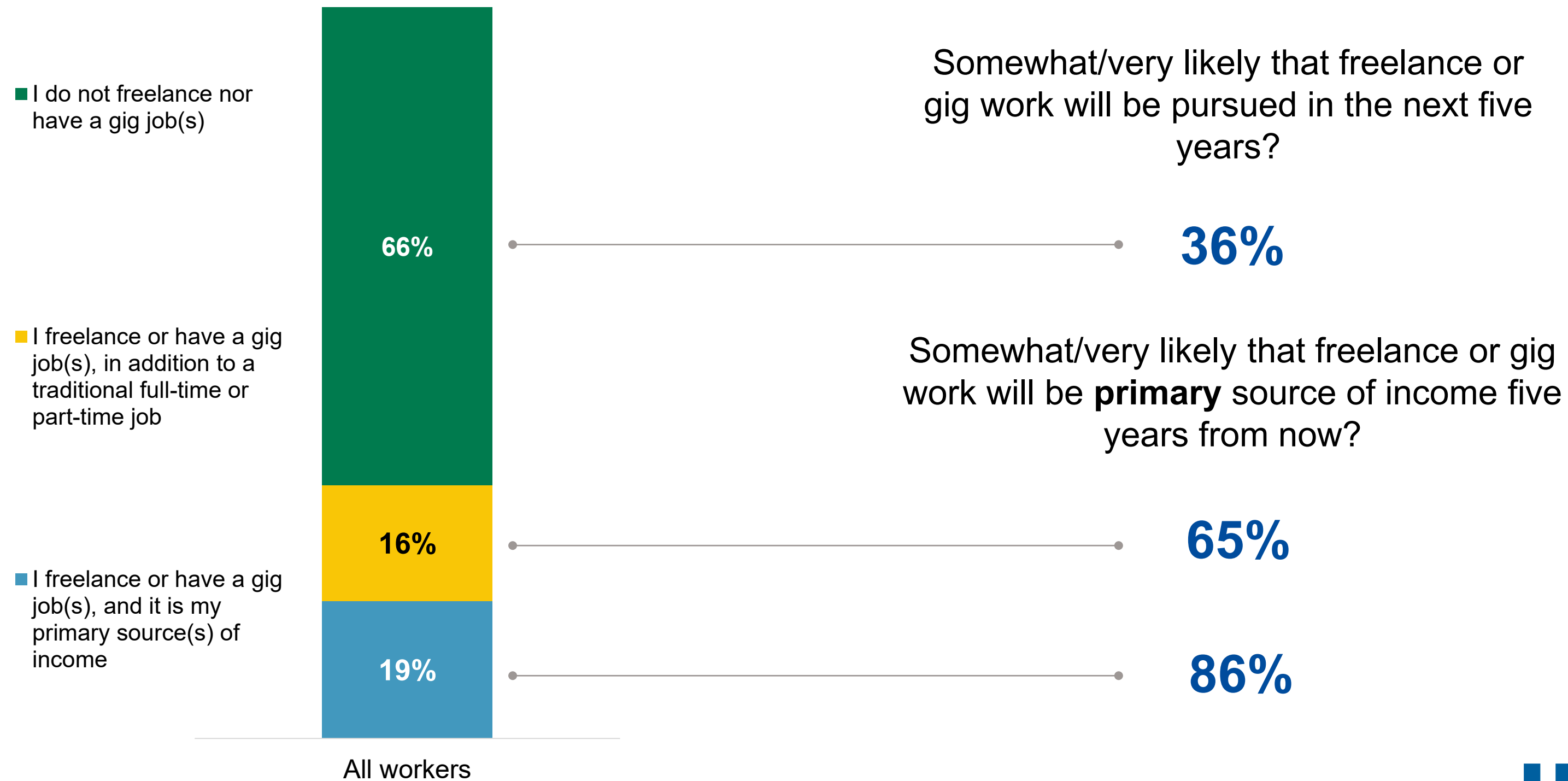
Source: *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

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Source: *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

# The Importance of Workplace Benefits: Employer Perspective

Our company's benefits package will be critical to attract and retain the best workers.

**70%**

Employees at my company will expect a wider variety of benefit options

**61%**

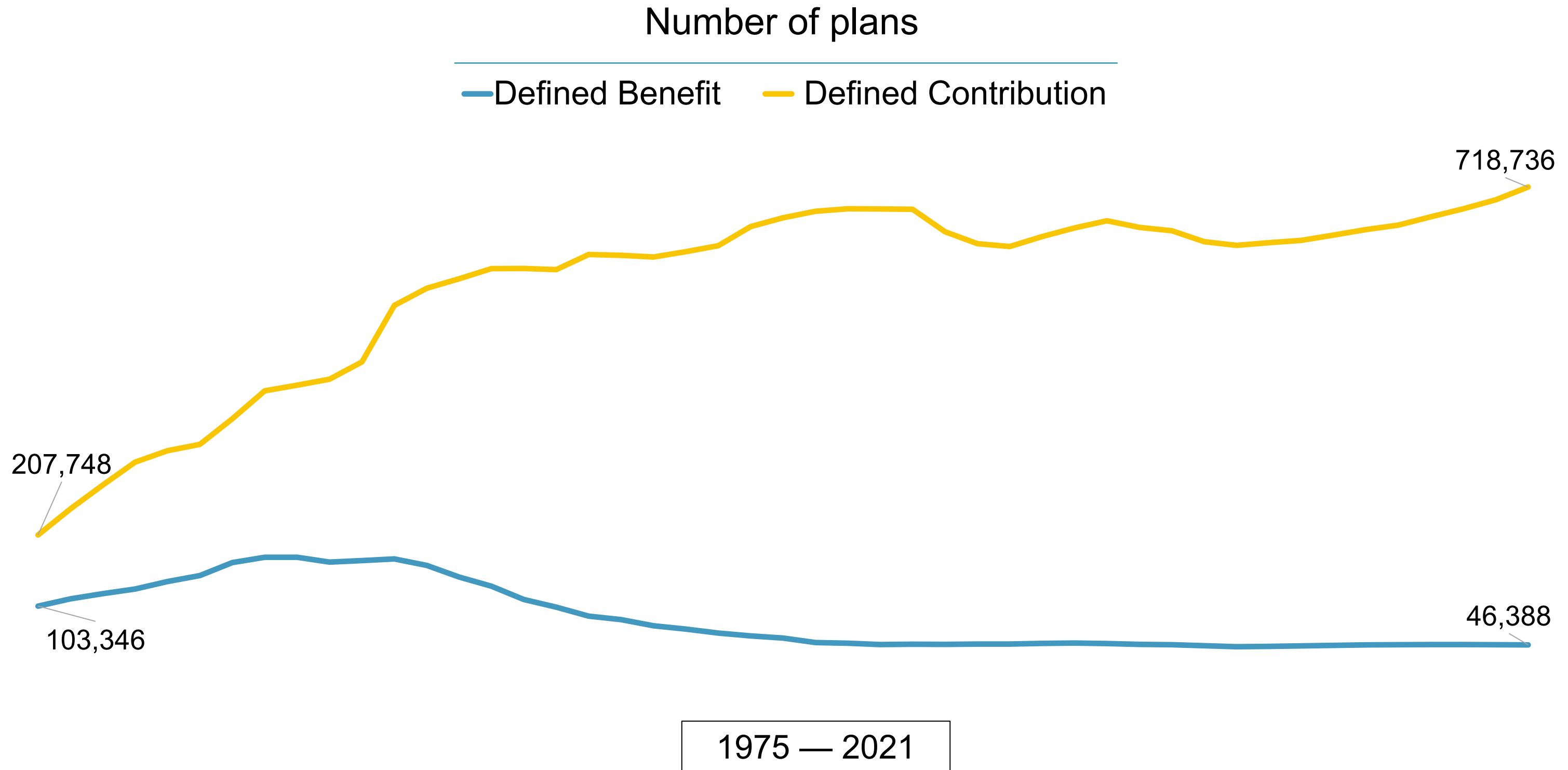
Our company will be offering more benefits than it does today

**51%**

Percent of employers reporting item somewhat or very likely.  
Base: Employers with 10 or more employees.

Source: *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

# The Shift to Defined Contribution Plans



Source: LIMRA analysis, Private Pension Bulletin, EBSA, Department of Labor.

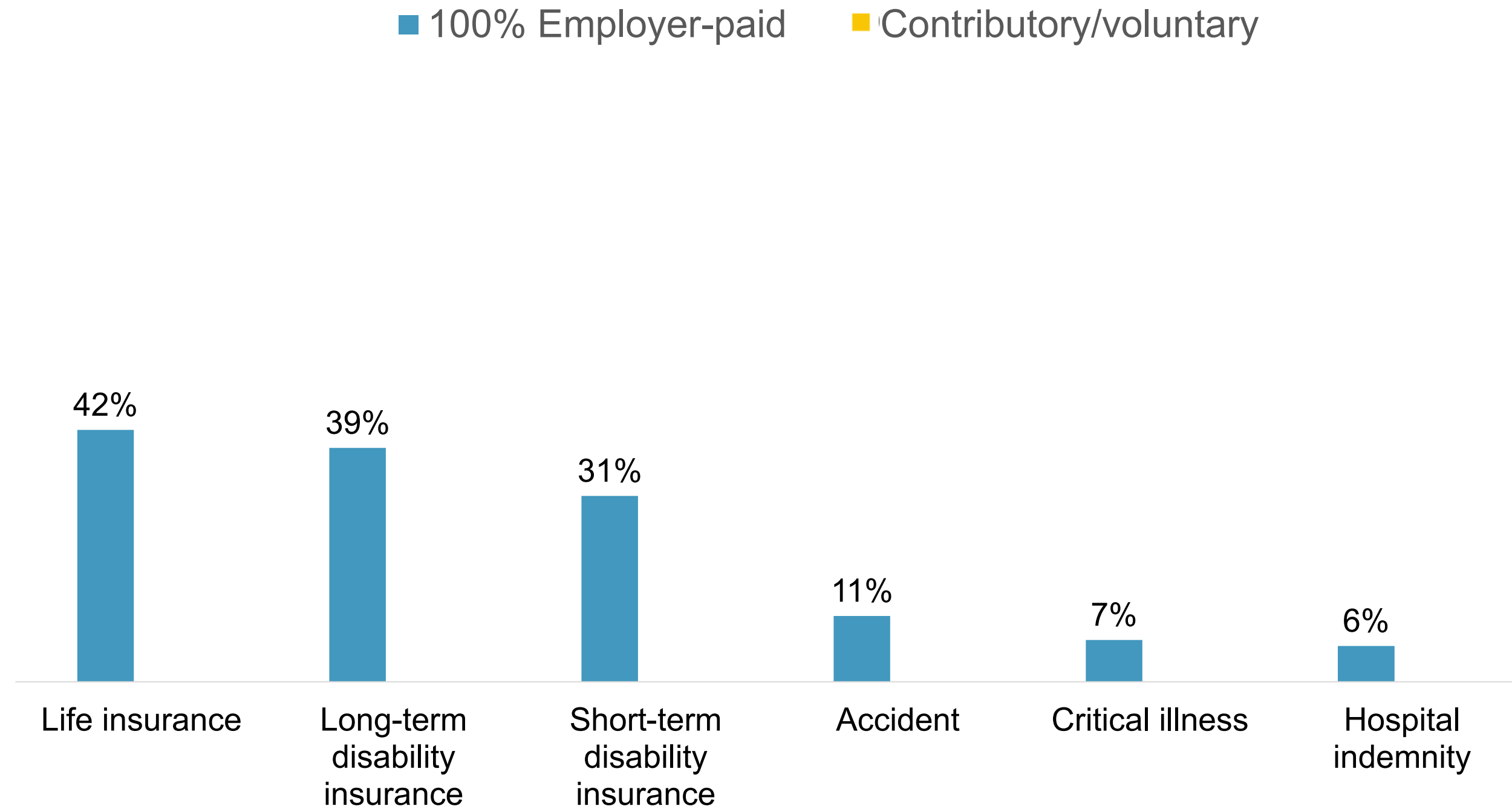
# Insurance Benefits Funding

■ 100% Employer-paid    ■ Contributory/voluntary

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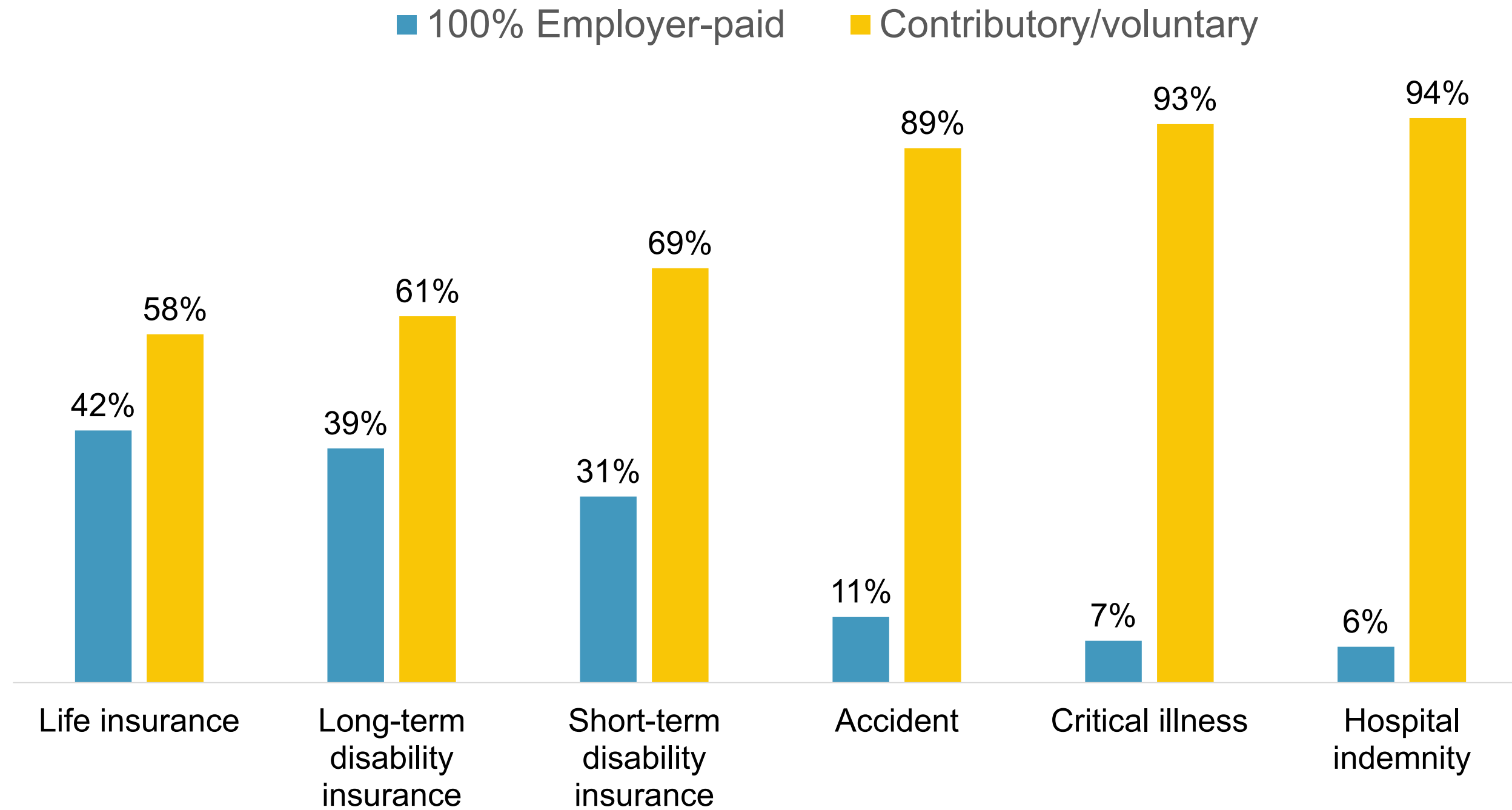
Life insurance	Long-term disability insurance	Short-term disability insurance	Accident	Critical illness	Hospital indemnity
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# Insurance Benefits Funding



Source: *Riding the Tide: Trends in the Employee Benefits Market*, LIMRA, 2023.

# Insurance Benefits Funding



Source: *Riding the Tide: Trends in the Employee Benefits Market*, LIMRA, 2023.



# An Employee-Centric Model

**79%** of employers say their employees will have more influence over benefit decisions at their company.

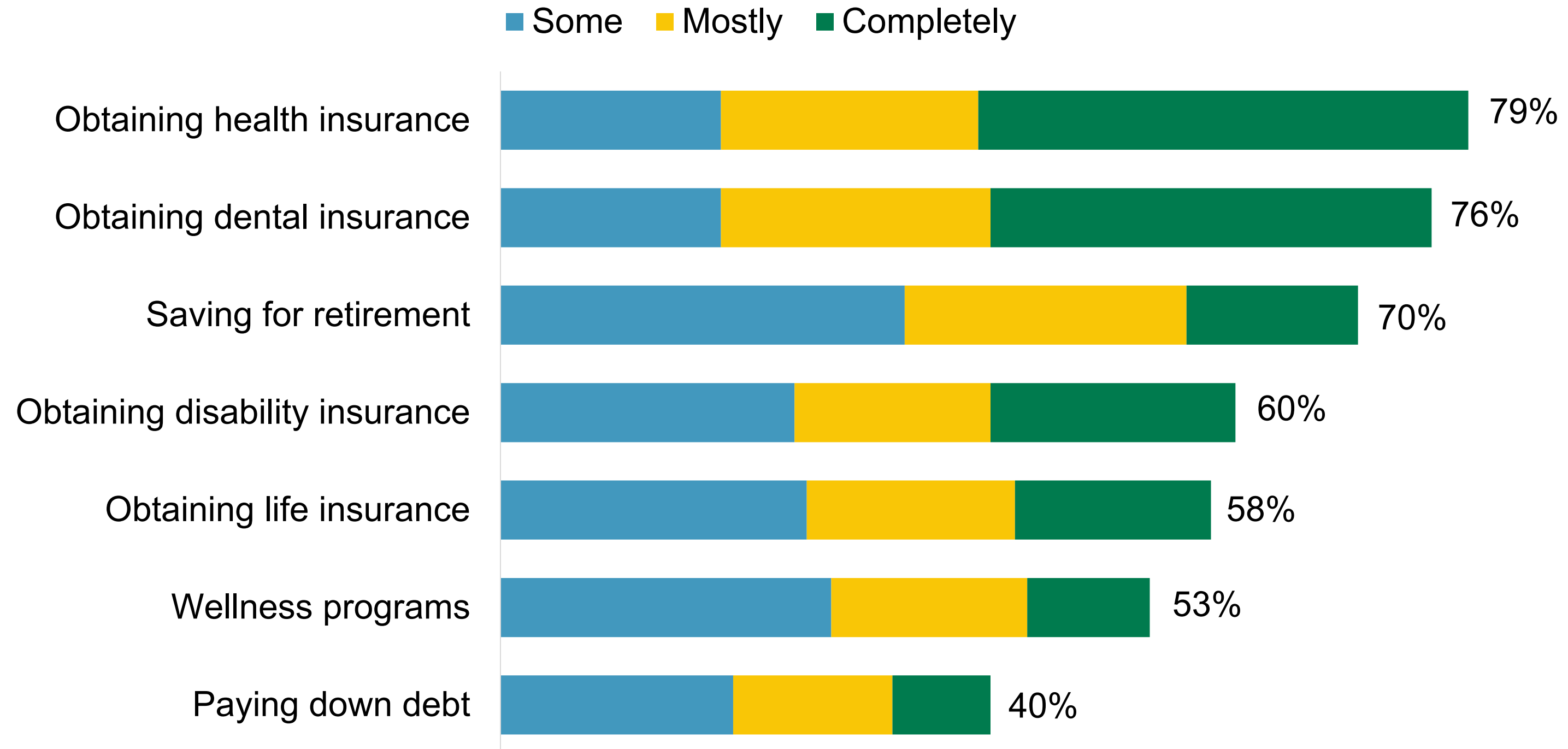
**43%** of employers feel their company's employees will be paying a greater share of the premium costs for benefits than they do now.





# Benefit Needs Are Evolving

# Reliance on Workforce Benefits: Worker Perspective



Base: Employed adults.

Source: U.S. Consumer Sentiment, LIMRA, 2023. Unpublished results.

# And They Are Willing to Pay

79%

of workers feel it is important for employers to offer comprehensive insurance benefits, giving employees the option to participate, *even if employees must pay for some or all the benefit(s) themselves.*

# Meeting the Need?

1/2

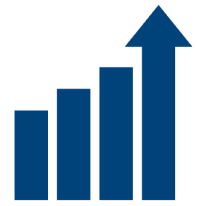
- Only about half of employers offer a comprehensive suite of benefits covering insurance and retirement needs.



- Market penetration of specific insurance benefits and participation rates have been flat.



- 41 percent of households have no access to defined benefit and no savings in defined contribution plans or IRAs.



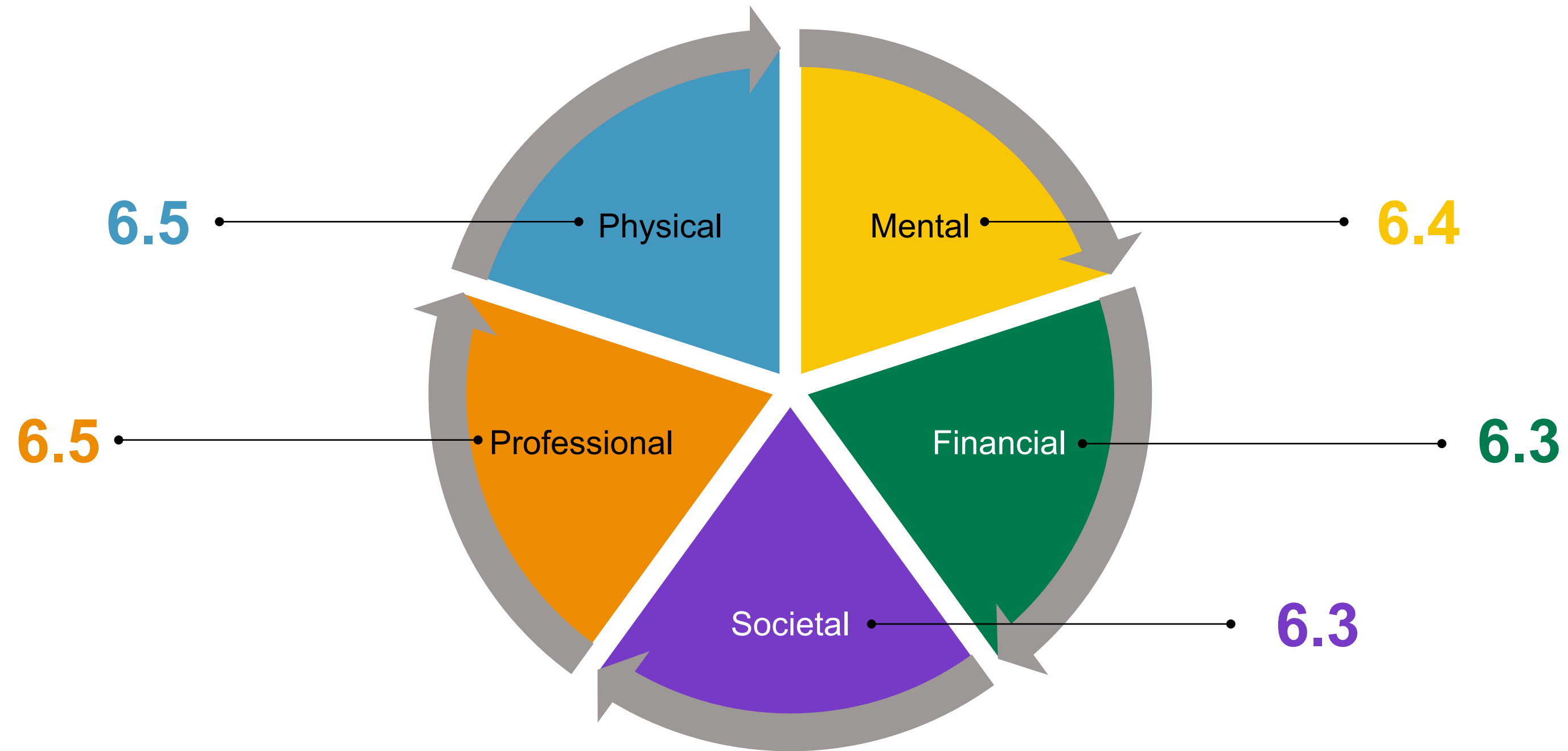
- A record-high number of American adults (42%) say they need (or need more) life insurance.



- Awareness and education continue to be issues.

# Delivering On the LIMRA-EY Wheel of Wellness

## Average Satisfaction Rating (0 to 10)



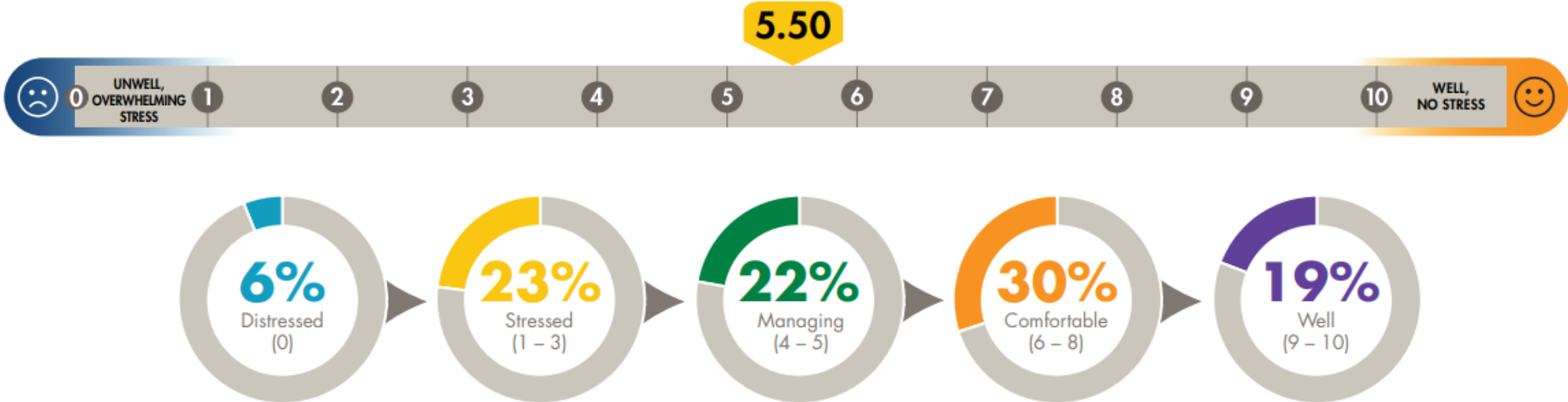
Source: 2024 Workforce Wellness Study (partial dataset analysis), LIMRA.

# And Here Is the Result

According to LIMRA's Financial Wellness Index™, a measure of financial health and stress, the average American worker scores just

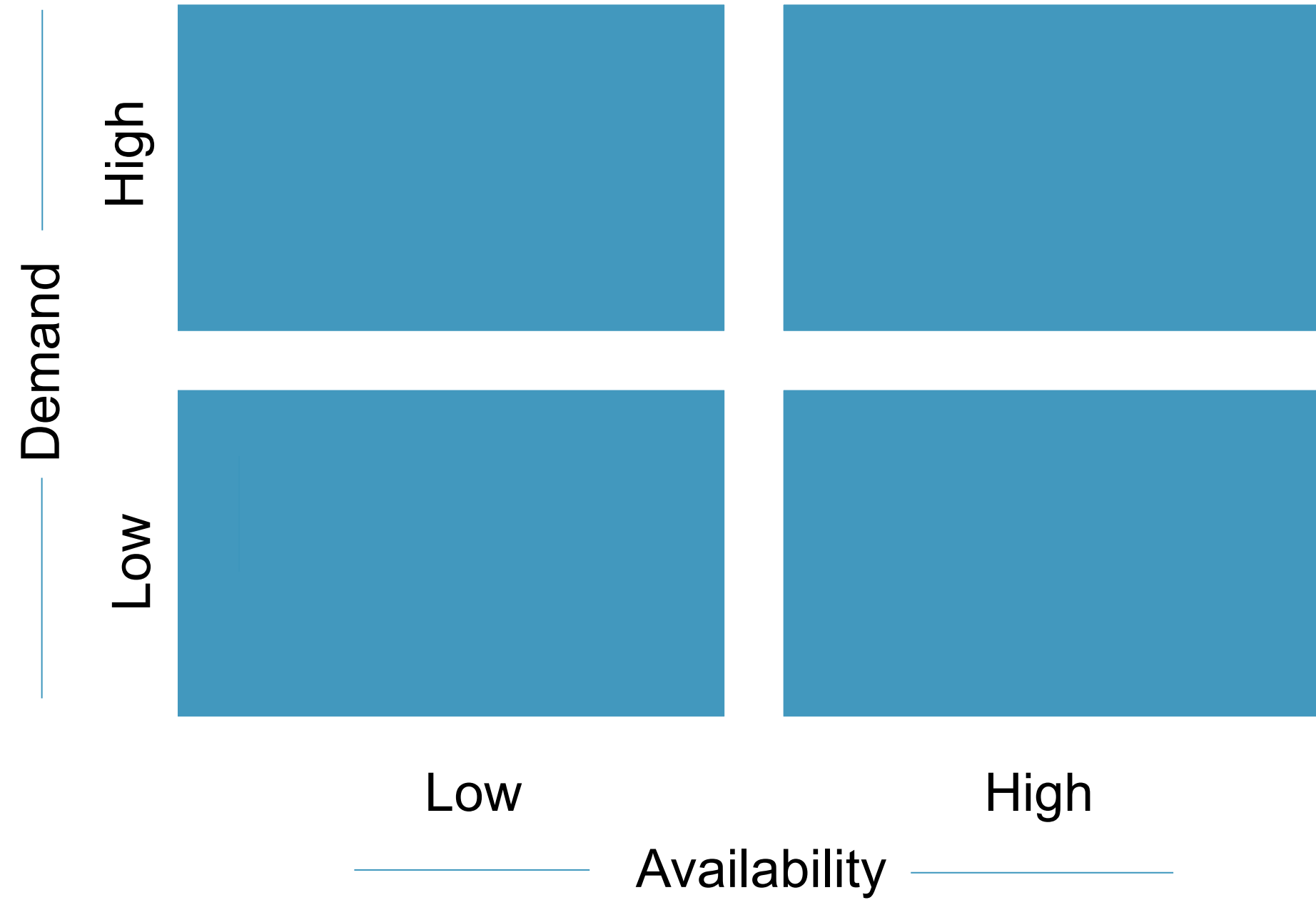
**5.50** (on a scale of 0 to 10)

indicating that financial wellness is a concern for many.



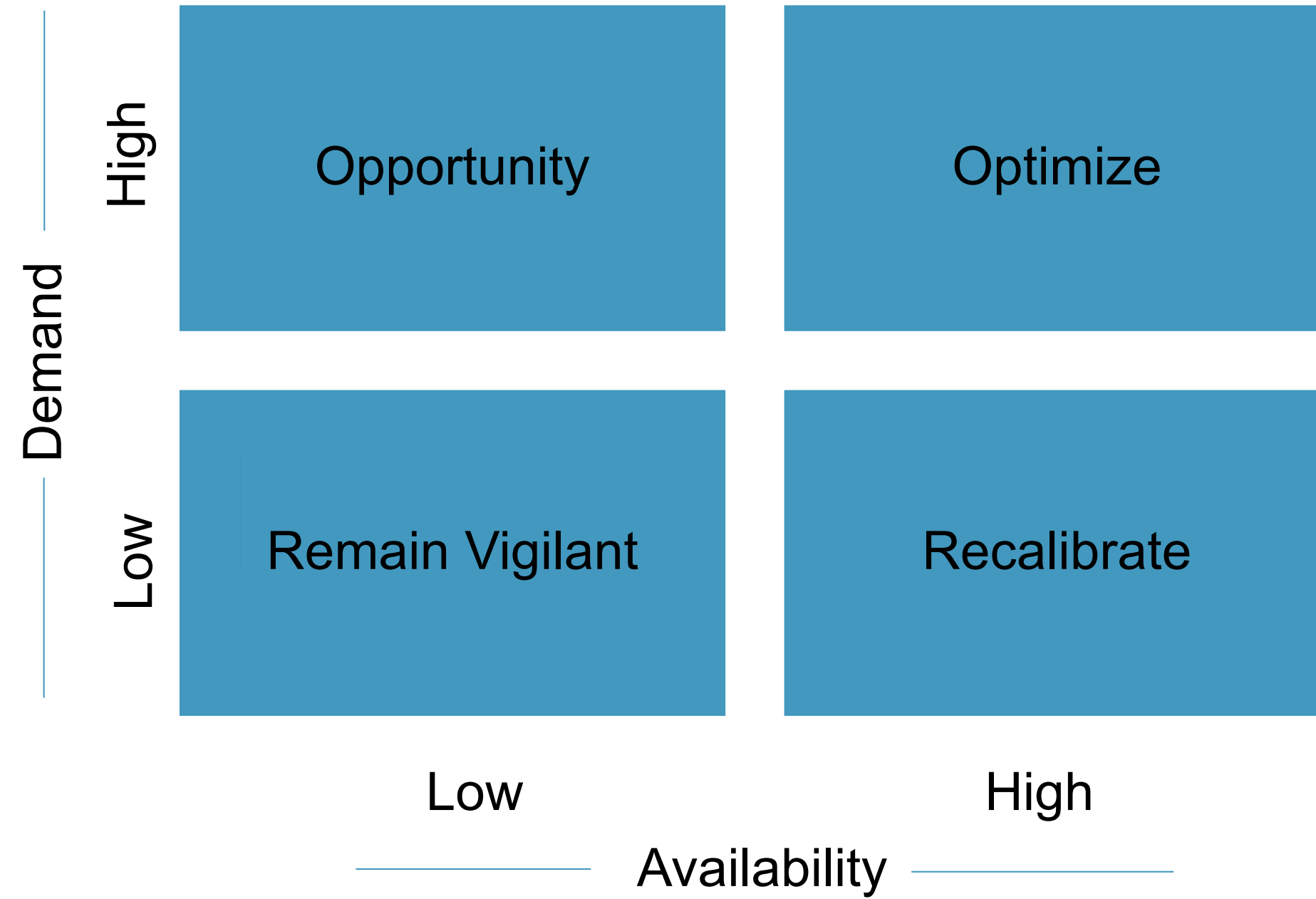
Source: *The Impact of Financial Wellness on Work*, LIMRA, 2022.

# Alignment

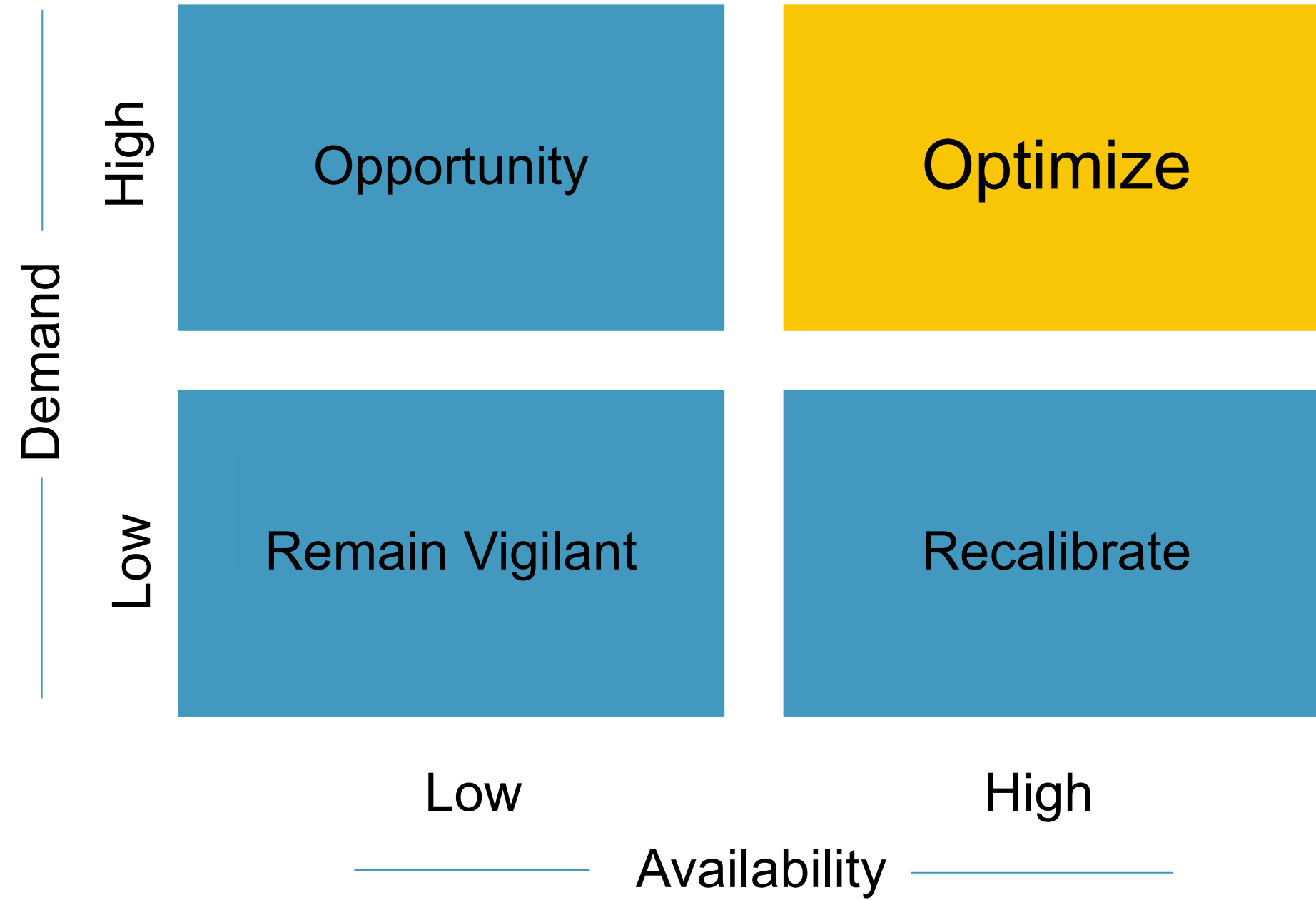




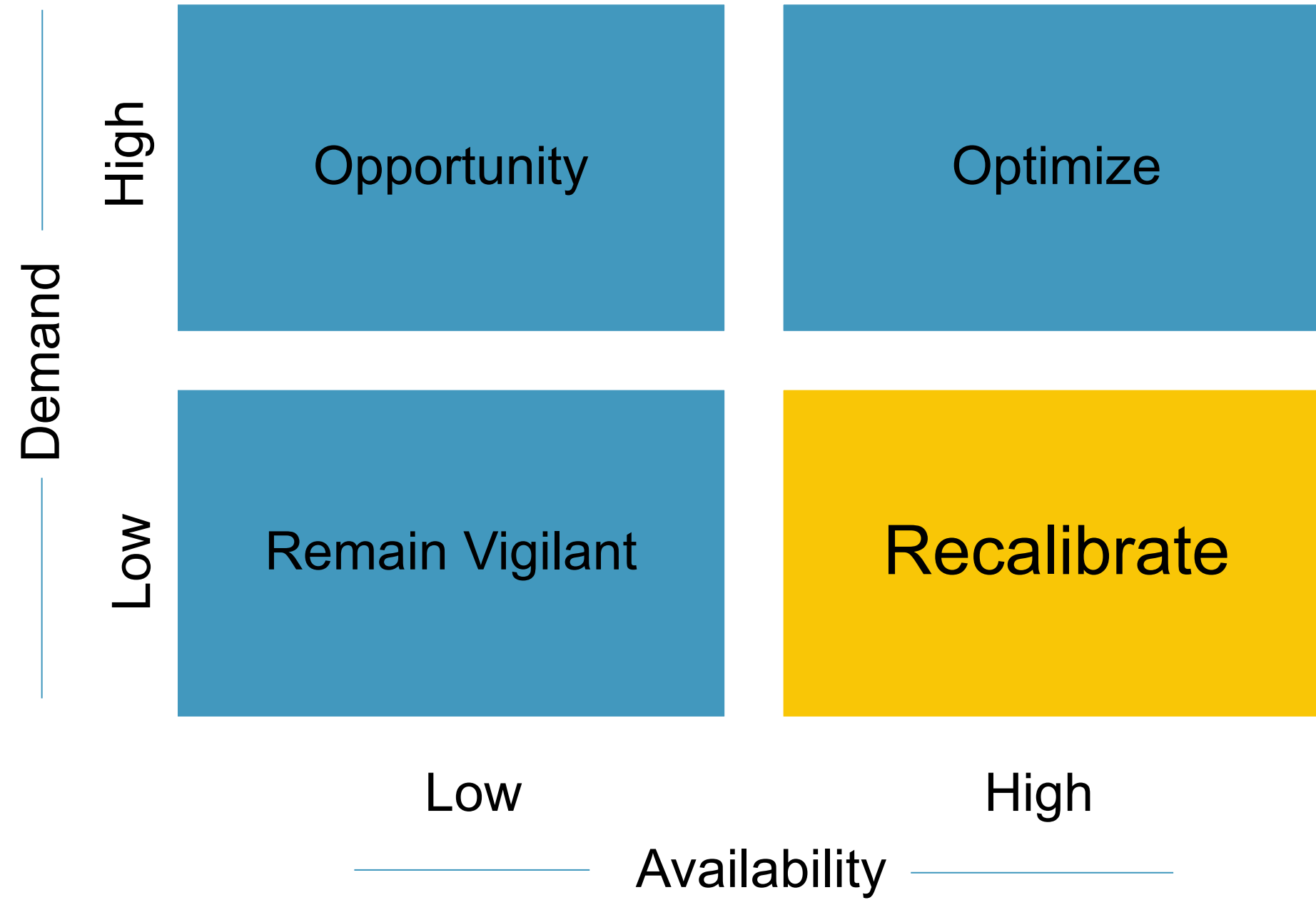
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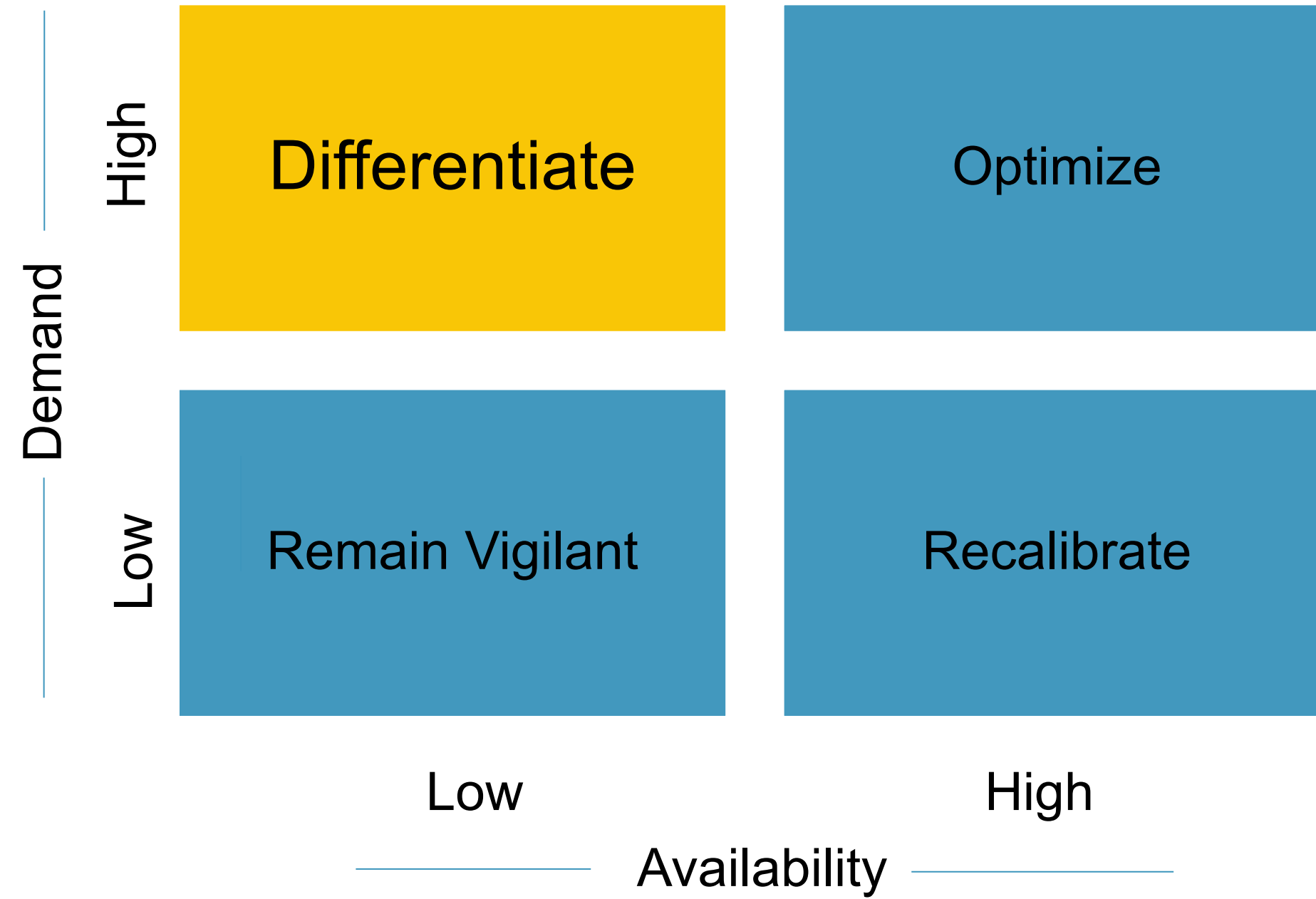
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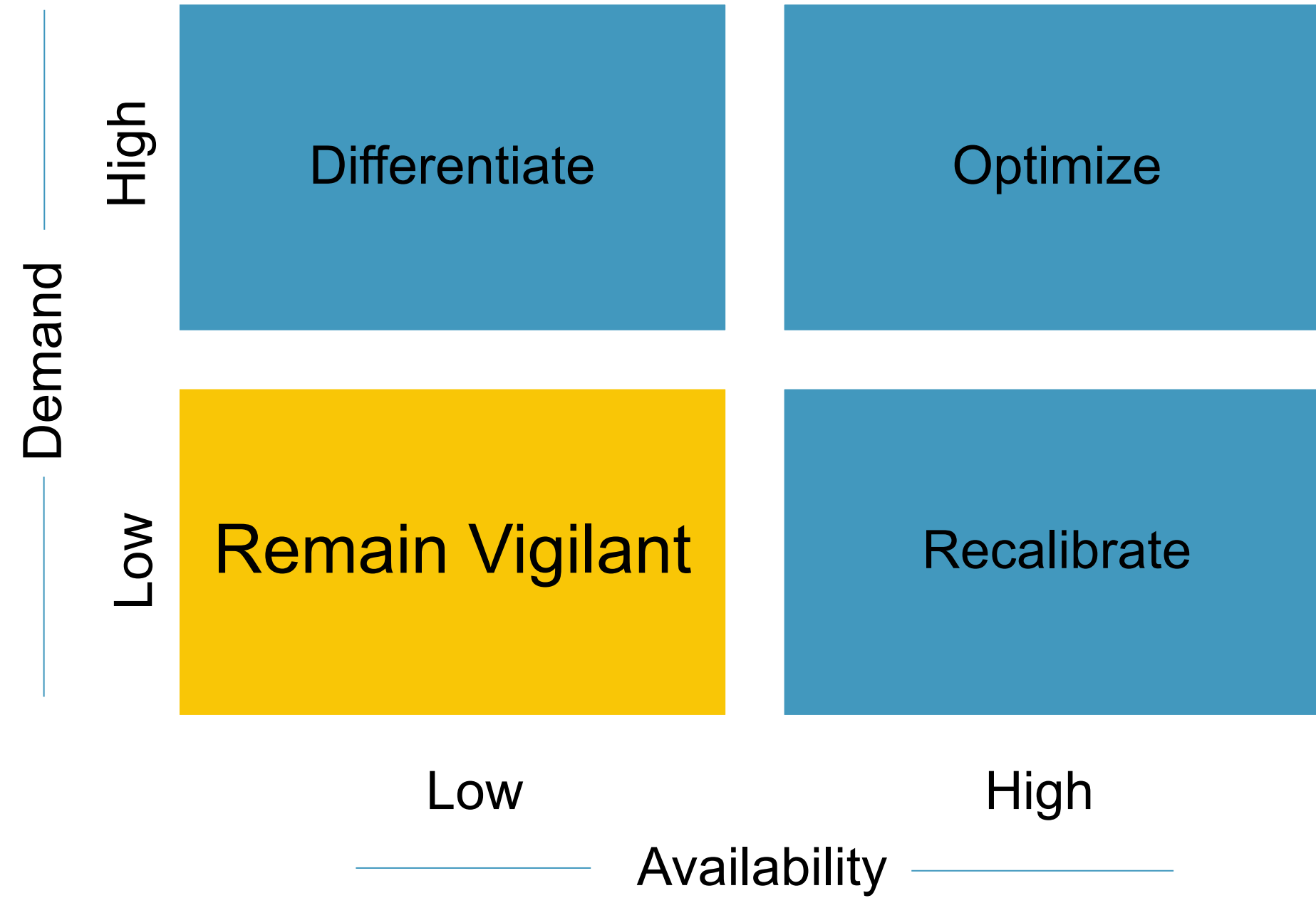
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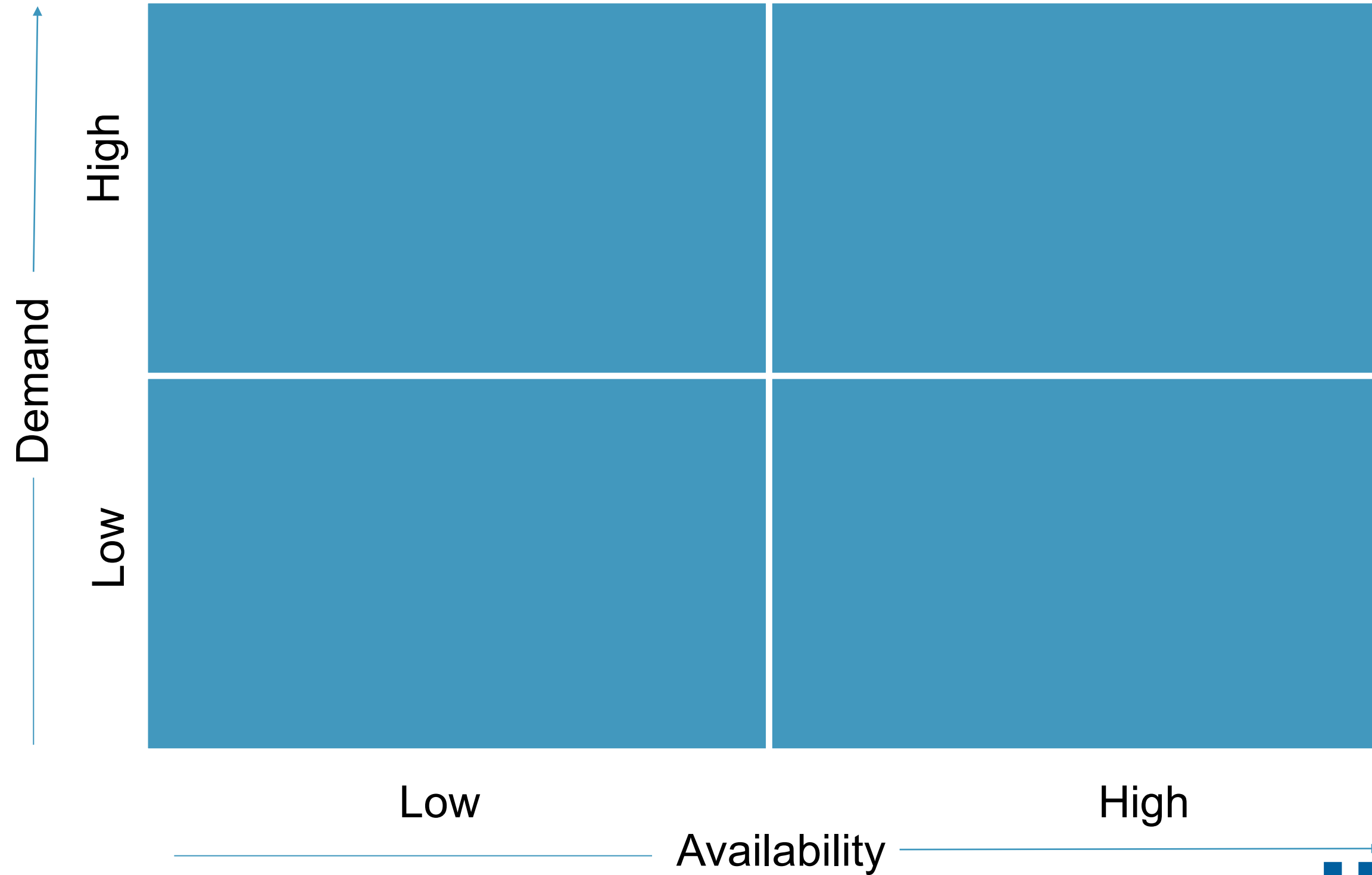
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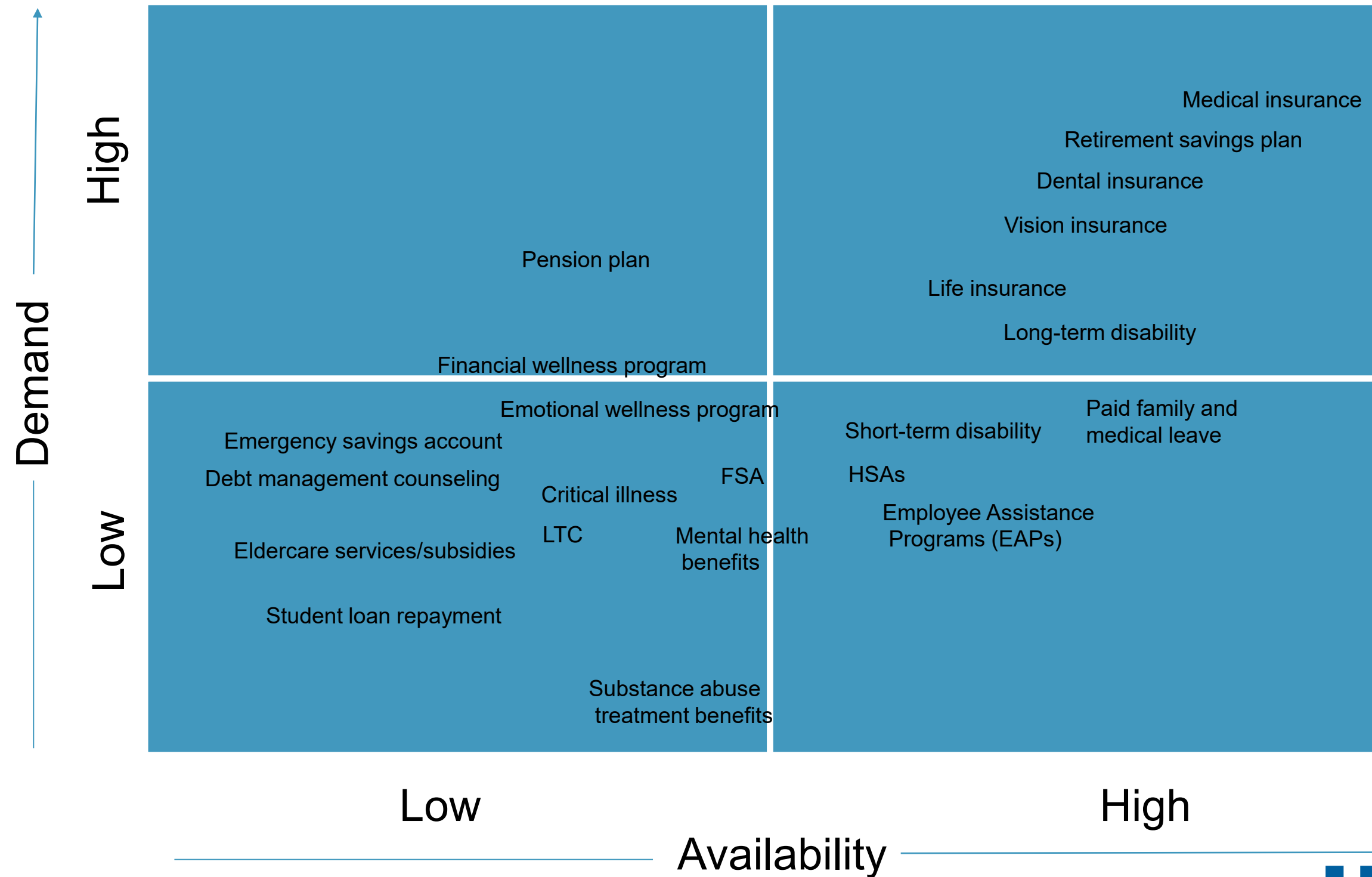
# Alignment



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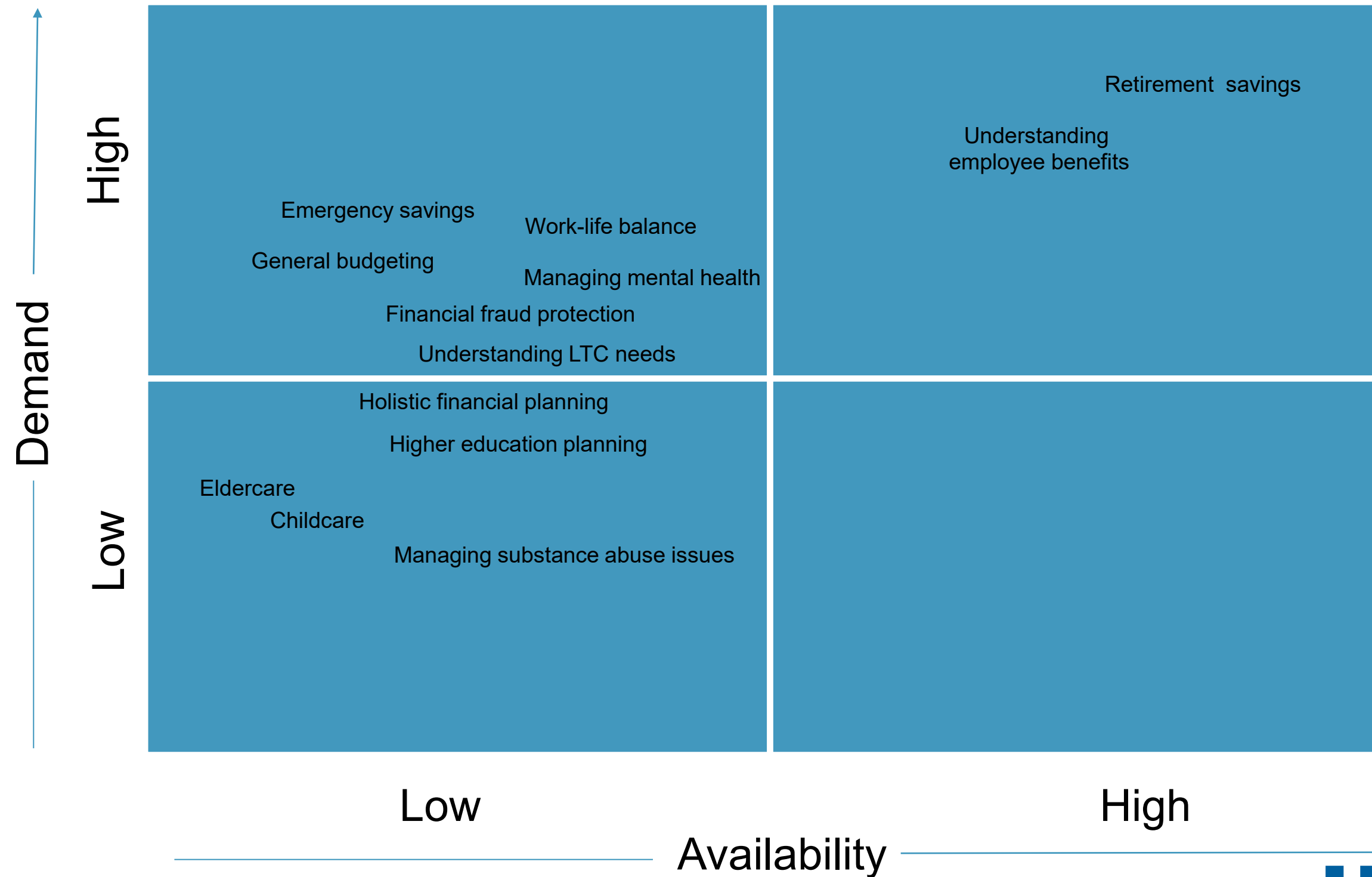


# Benefits Alignment



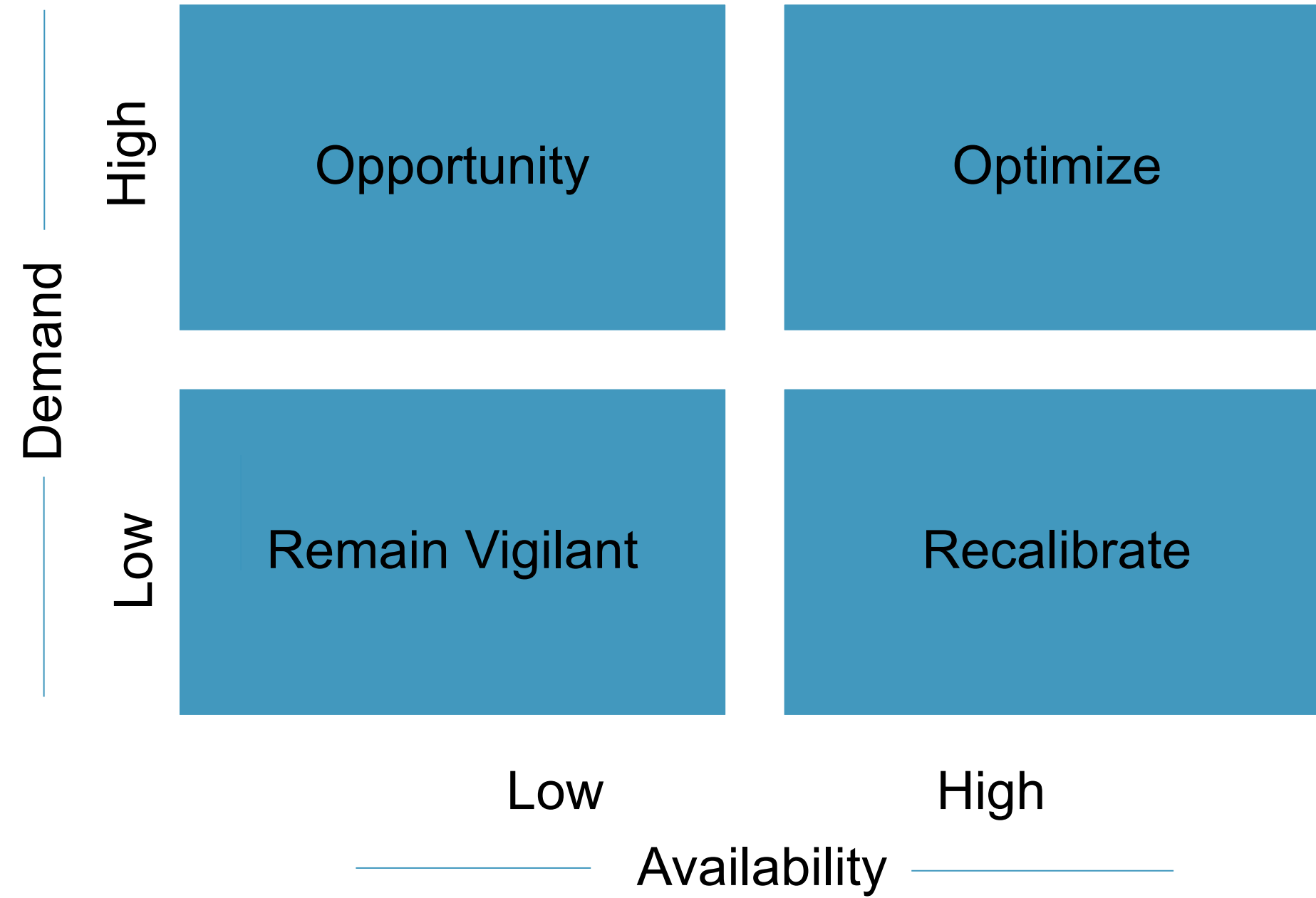
Source: 2024 Workforce Wellness Study (partial dataset analysis), LIMRA, 2024.

# Educational Alignment





# Alignment



Market Forces Are Converging to Create New Opportunities for Success

# Forces of Change



Regulatory



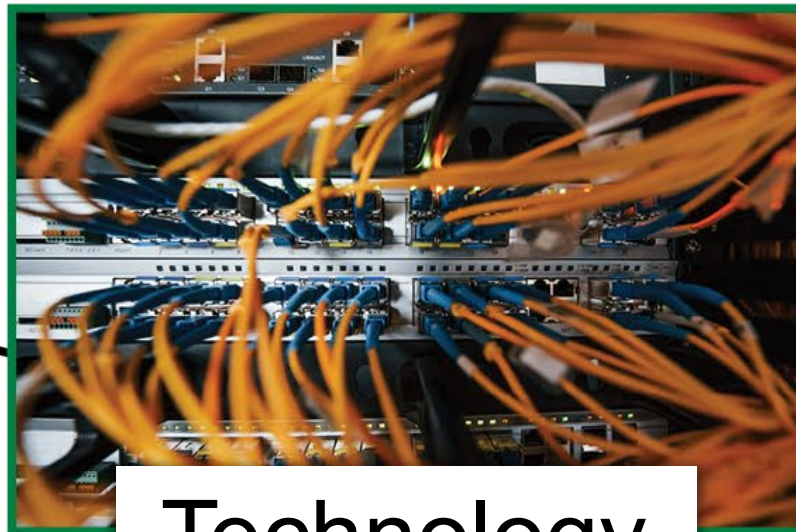
Economic



Market Dynamics



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Technology



Demographic

# Bridging the Gap

- Organizational Alignment
- Total Compensation Statements
- Marketplaces and Embedded Benefits
- Wealth Management/Retirement Planning
- Behavior Economics and Behavioral Finance



# Market Forces: Regulatory

**The SECURE Act  
(2019)**

**MA Dental MLRs**

**SECURE 2.0**

**Paid Family  
& Medical Leave**

**DOL Fiduciary Rule**

**CA Assembly Bill  
(AB) 5**

**Tri-Agency Rule**

**WA Cares Fund**

# The Secure Acts: Key Provisions

1. Auto-enrollment & escalation
2. Higher catch-up contributions
3. Emergency savings
4. Student loan repayments
5. Small business start up tax credit
6. Clarification of MEP rules
7. Introduces PEPs
8. Facilitate employer's ability to offer annuity options



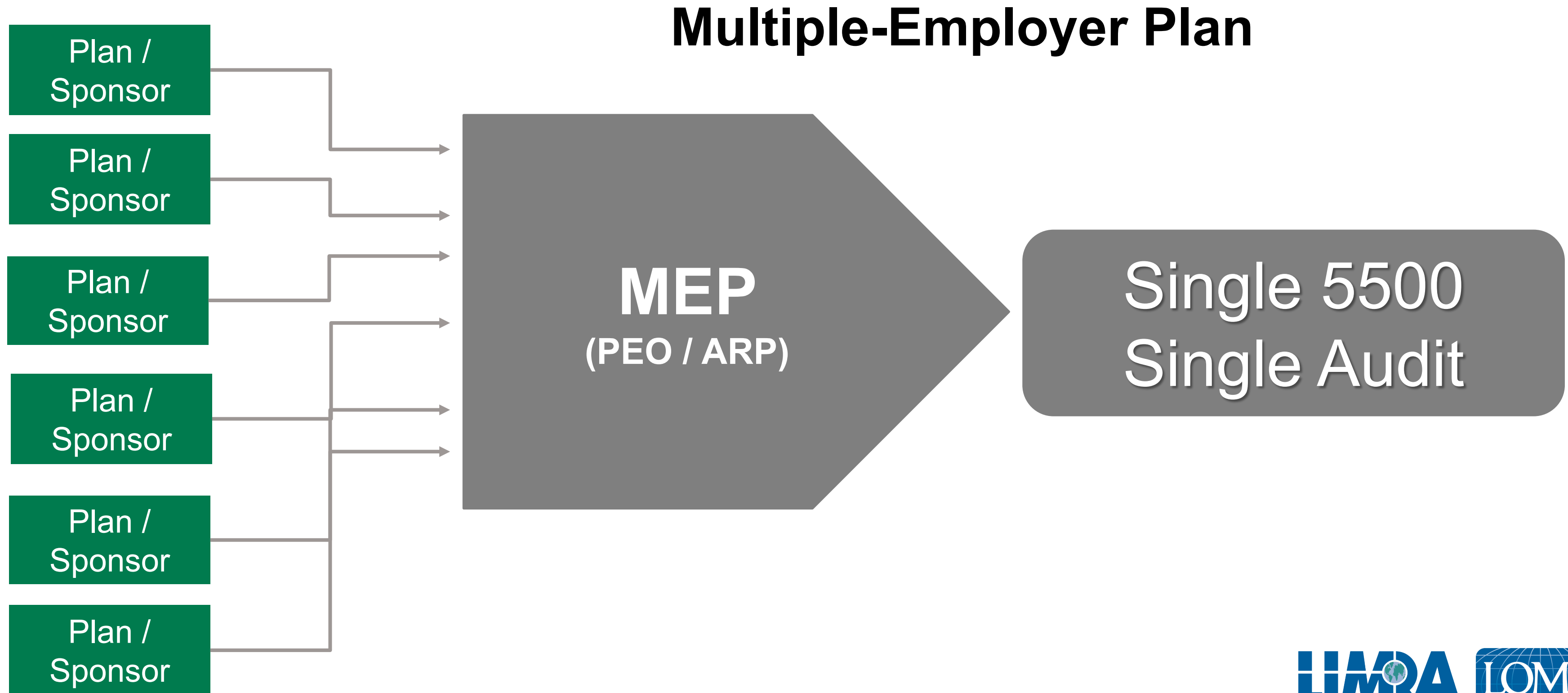
# Retirement Planning: Stepping Back

**Help Them Get In**

**Help Them Get Out**

# Helping Them Get In: Multiple-Employer Plans (MEPs)

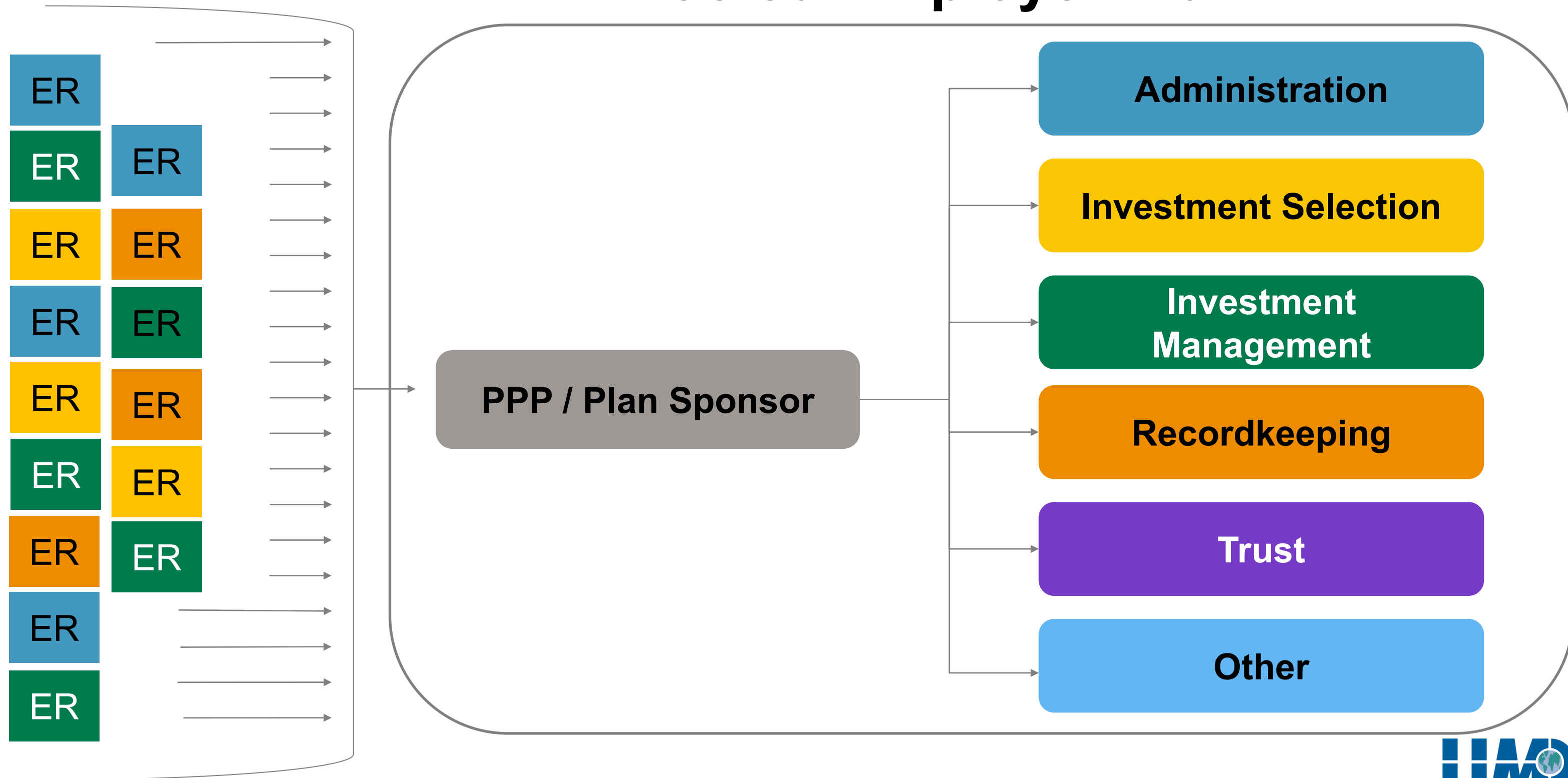
An existing approach



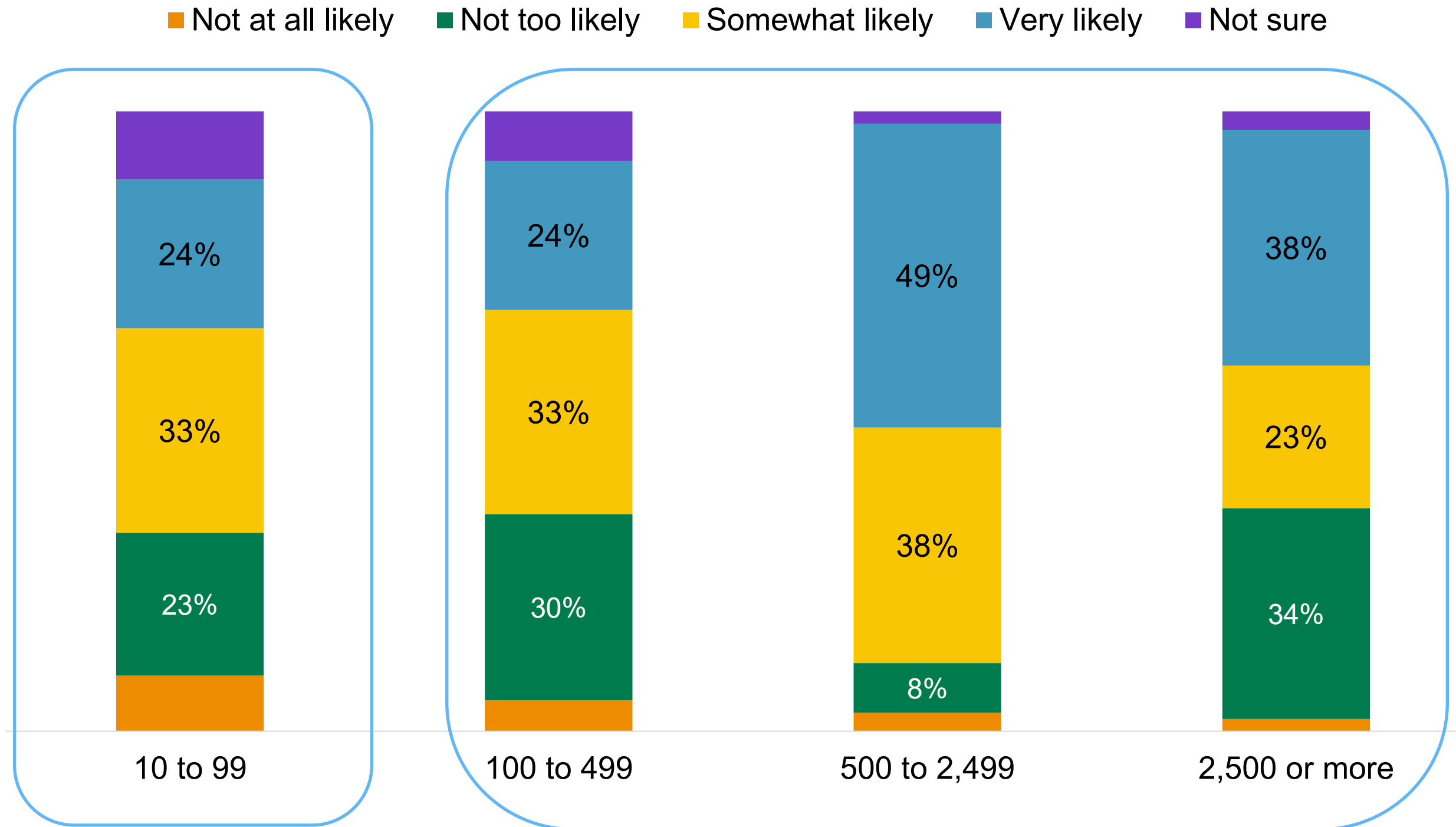


# Pooled Employer Plans (PEPs): A New Construct

## Pooled Employer Plan



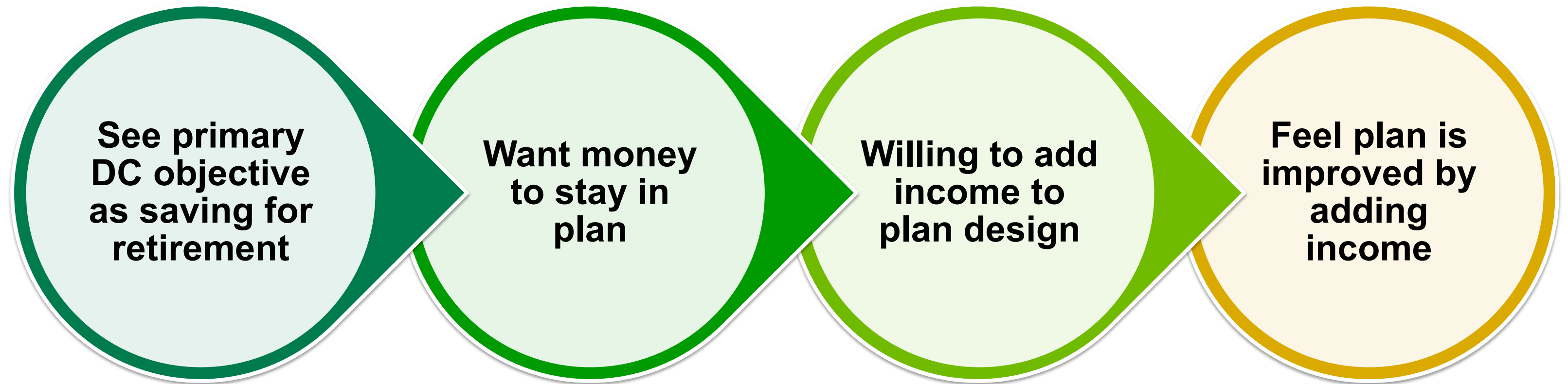
# Likelihood of Joining a PEP by Employer Size



Source: 2021 Plan Sponsor Survey of 1,105 Defined Plan Contribution Plan Sponsors, LIMRA. Unpublished results.

# Helping Them Get Out: In Plan Income

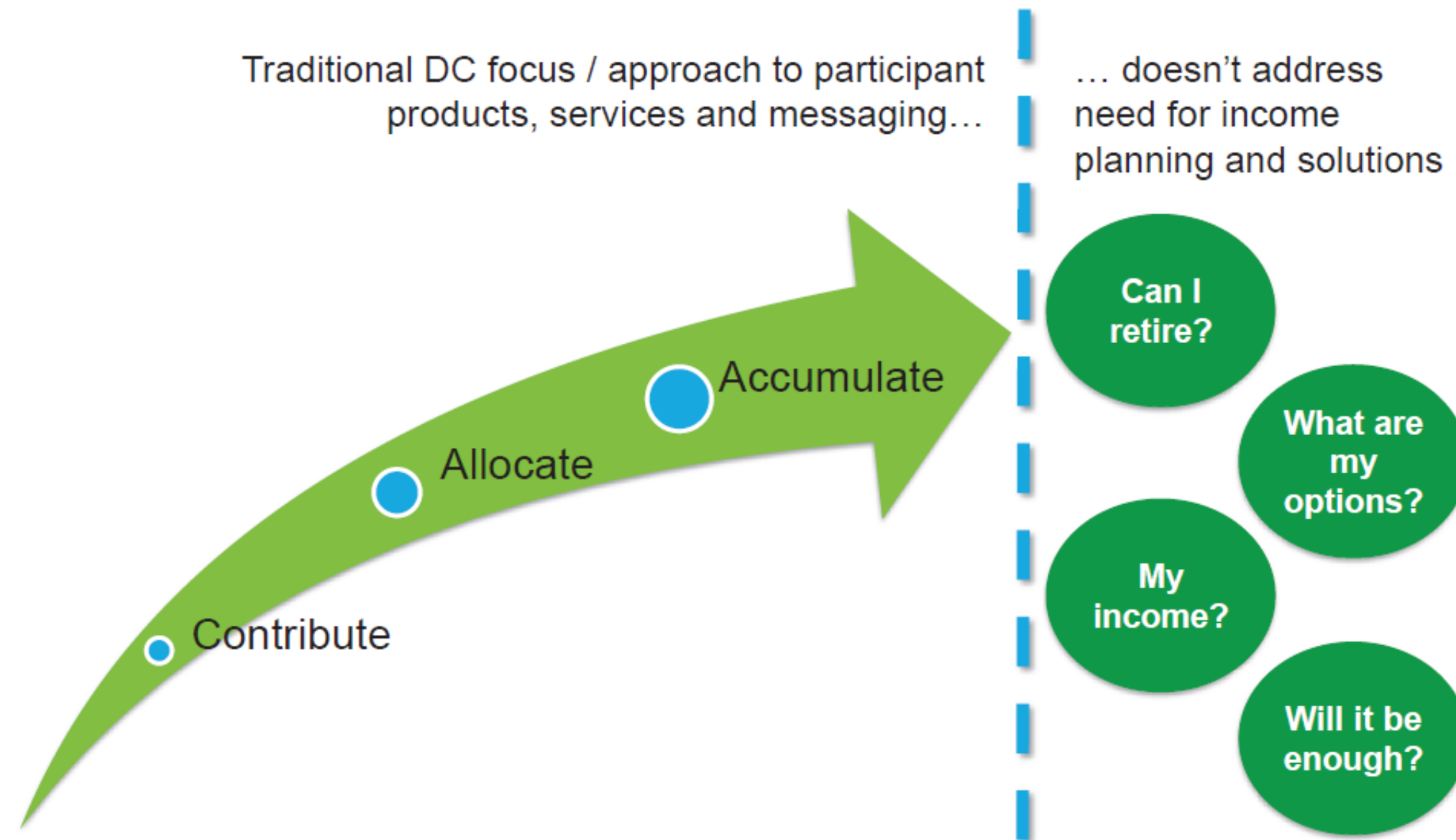
## Evolution in Sponsor Approaches to In-Plan Income



Source: *DConversations: Income Solutions in Defined Contribution Plans*, LIMRA, 2020.

# Helping Them Get Out

## DC: Transition to Income

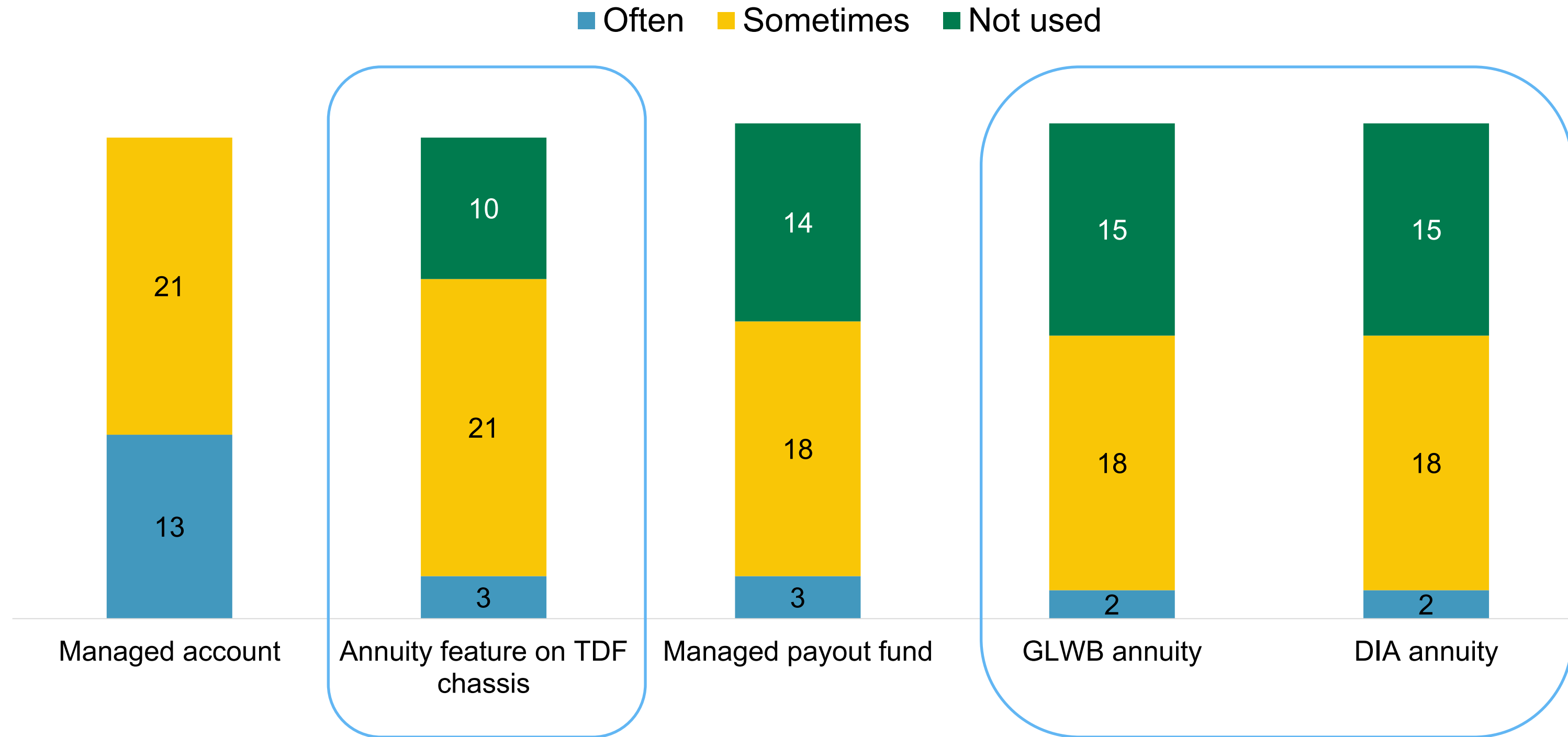


# Helping Them Get Out: Guaranteed Lifetime Income

Currently, only **14 percent** of DC plans offer the option for participants to annuitize their plan balances.

Additionally, **70 percent** of workers believe the in-plan guarantee should be an option.

# Helping Them Get Out: Plan Use of Income Investment Options



Plan use of income investment options

Source: *Defined Contribution Industry Professionals' Perspectives on Retirement Income*, LIMRA, 2024.

# Momentum Building Around In-Plan Annuities

Lincoln National launches 2 pooled employer plans (PEPs) with in-plan annuities (Lincoln PathBuilder Income).

(April 2024)

TIAA in-plan retirement income option (RetirePlus) reaches \$30B from \$10B in 24 months as demand grows for guaranteed lifetime income.

(February 2024)

Empower launches comprehensive suite of new retirement income solutions (managed accounts with a guaranteed lifetime withdrawal benefit; access to Blueprint Income marketplace; a new target date fund series; a managed spend-down strategy and proprietary variable annuity).

(March 2024)

Fidelity launches Guaranteed Income Direct which gives participants an option to convert 401(k), 403(b), or 457(b) savings into an immediate income annuity.

(January 2024)

BlackRock prepares LifePath Paycheck to address in-plan retirement income. Solution functions like a target-date fund, embedding the option to annuitize a portion of a participant's assets starting at age 55.

(February 2024)

ADP to offer Hueler's annuity platform to over 135,000 employers. The Hueler "Income Solutions" platform will give 3 million retirement plan participants access to income annuity options.

(November 2023)

# Demand for Leave Programs Have Sparked Innovation

## In Short-Term Disability Benefits

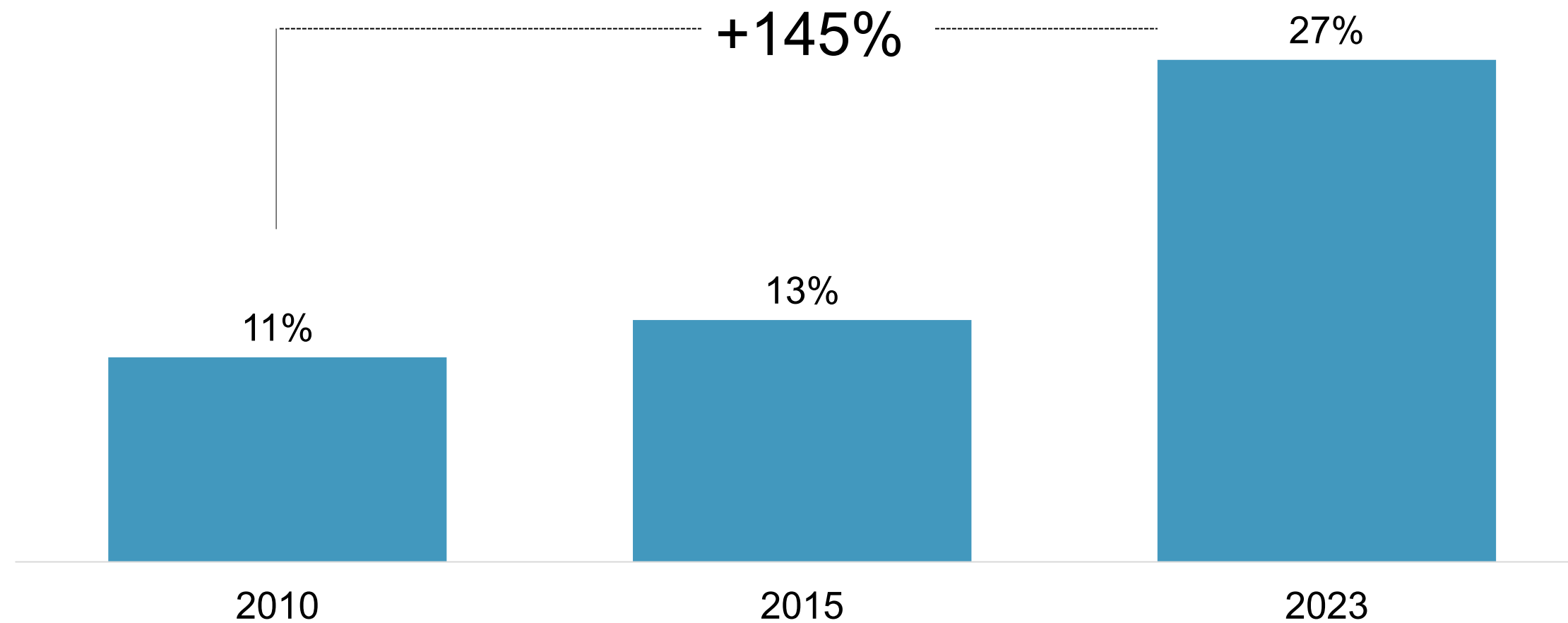
*“The majority of employers will change their leave programs in the next two years.”*





# Growth in Access to Employer-Provided Paid Family Leave

Employee Access to Paid Family Leave



Access is based on public and private employees where employers incur a cost to offer.

Paid Family Leave is a leave granted to workers to care for a family member and includes paid maternity and paternity leaves.

Sources: LIMRA analysis of National Compensation Survey, U.S. Bureau of Labor Statistics, 2023.

# Paid Family Leave Is a Catalyst for Growth in STD Benefits

Over the past 10 years, the number of workers with STD benefits has grown over 10%.

**12M**   
12 million additional workers

Growth is based on public and private employees.

Sources: LIMRA analysis of National Compensation Survey, U.S. Bureau of Labor Statistics, 2023.

# Market Forces: Technology

**Generative and  
Conversational AI**

**Retirement Plan  
Platform Chatbots**

**Data and Analytics**

**Back Office  
Automation**

**API Connections**

**Claims Integration**

**Platform  
Modernization**

**Data Exchange  
Standards**

**Hyper  
Personalization**

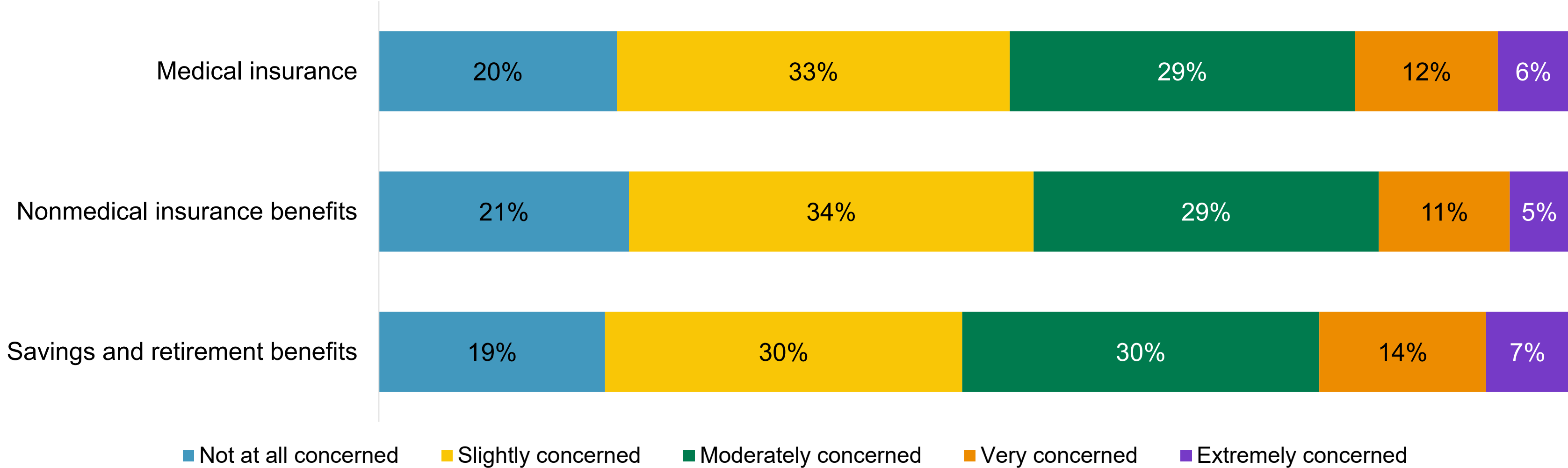
**Cybersecurity  
With Advanced  
Technologies**

**Managed Accounts  
and AI**

**New Data  
Sources**

# Level of Concern Regarding Personal Data Security and Workplace Benefits

Percent of Workers



Base: Workers who have listed benefits.

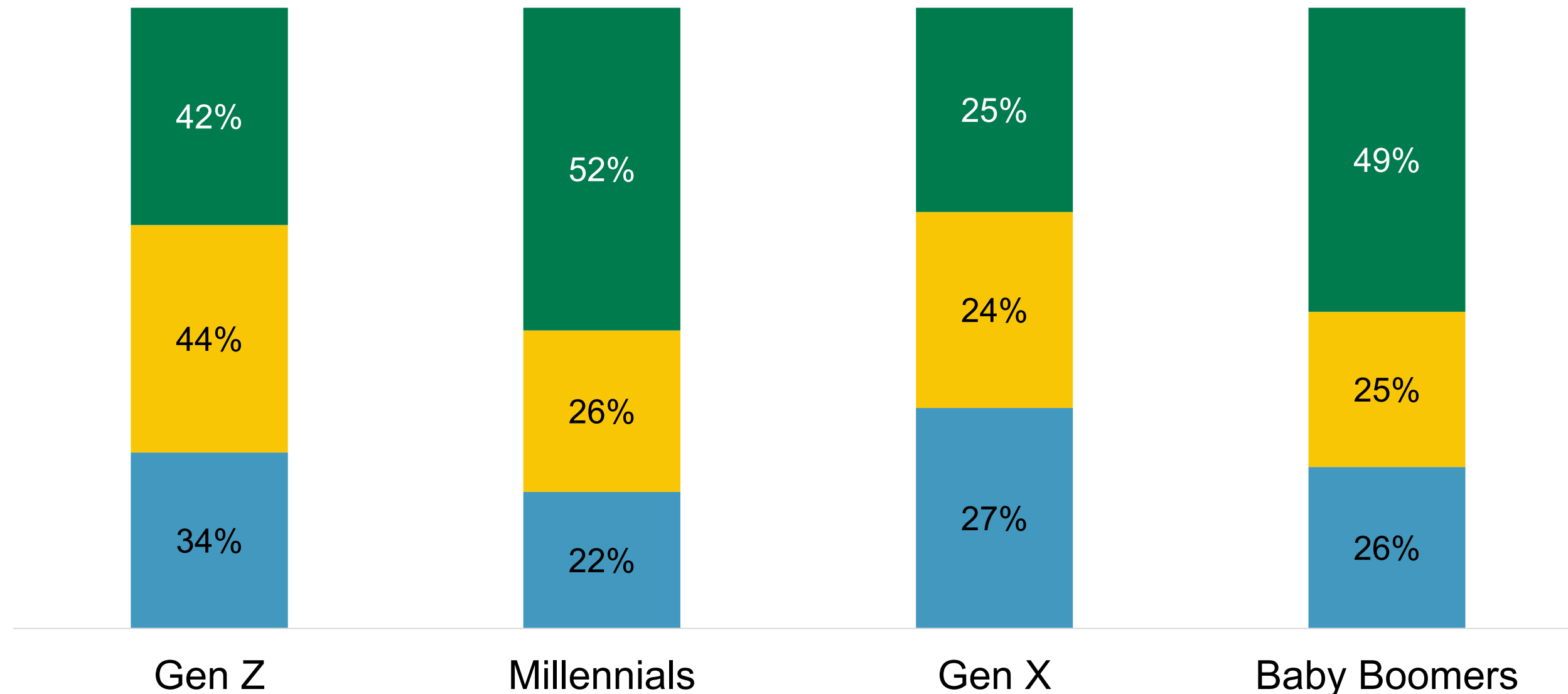
Source: *U.S. Consumer Sentiment*, LIMRA, October 2023.



# Balancing Convenience vs. Privacy

I expect my employer to use personal information about me to improve the benefits and services available through work

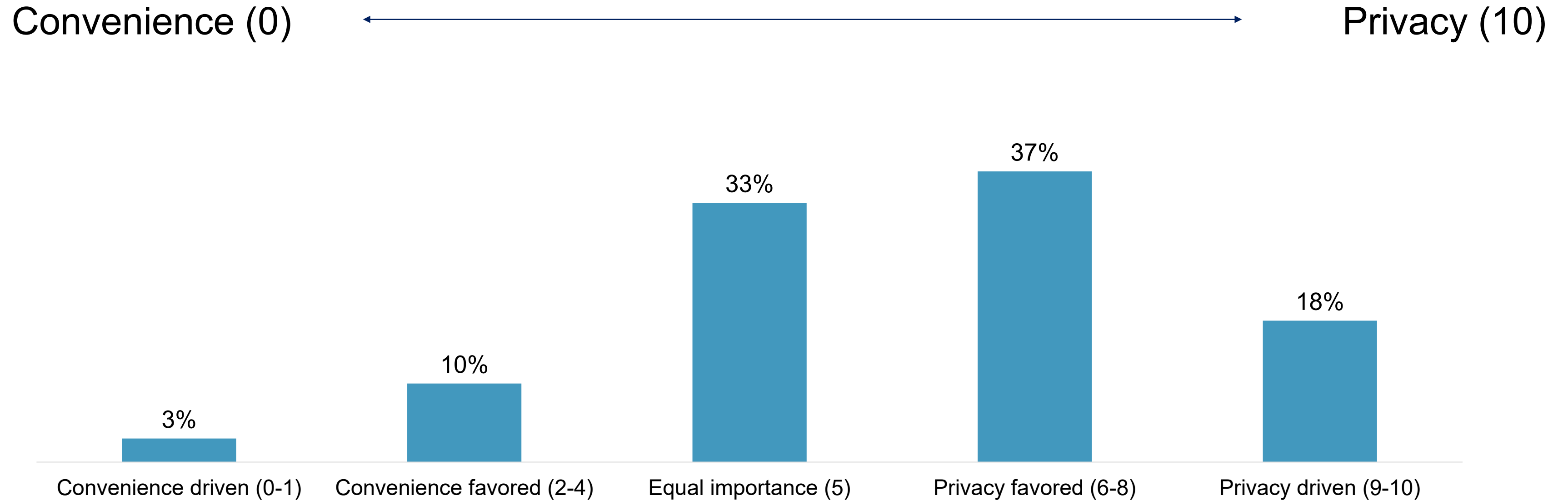
■ Disagree ■ Neutral ■ Agree



Base: Full-time workers.

Source: *U.S. Consumer Sentiment*, LIMRA, October 2023.

# Balancing Convenience vs. Privacy



Base: Full-time workers.

Source: *U.S. Consumer Sentiment*, LIMRA, October 2023.

# In Conclusion



The model of the future will:

- Be defined by a holistic view of worker needs
- Lean into market forces
- Leverage opportunities within and across benefits needs
- Adopt a digital-first mindset

“

*The industry has the ideal conditions for continued above average growth. The key will be product, services, and marketing innovation. Without innovation, industry growth will be entirely dependent on economic factors in the future.* ”

Workplace Life and Disability Benefits Forecasts for 2023–2025  
LIMRA 2024



# Thank You

