

# ByTheNumbers

## A shakeup in total rewards priorities

Rising costs may reduce plan design flexibility

While a large number of employers expect an increase in the cost of providing benefits, two-thirds of them are making no immediate changes to their benefits programs, signaling a wait-and-see approach that likely will reduce plan design flexibility.

In addition, according to new research from Deloitte and the International Society of Certified Employee Benefits Specialists, employees may need to pay more of the cost of their benefits to address this strategic challenge facing employers.

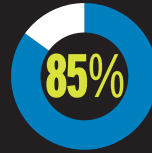
"Though the economy is rebounding, there are ominous signs that employees may soon need to start contributing more of their paychecks to total rewards programs," says David Lusk, a principal with Deloitte Consulting LLP. "With concern for their ability to afford retirement, many employees are increasing their contributions to retirement savings plans, while employers are seeking more opportunities to share health care costs with them. This results in competing objectives," Lusk notes.

Concerns about health care reform are driving employers' concerns. "Challenges associated with attracting, motivating and retaining talent remain a concern for organizations rebounding from the recession," says ISCEBS president Steven Grieb. "A clear priority for businesses today is the understanding, preparation and management of costs associated with the health reform law." **EBA**

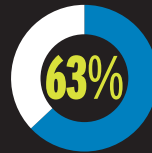
## EMPLOYERS' TOP 5 TOTAL REWARDS PRIORITIES:

- 1 THE COST OF HEALTH BENEFITS
- 2 EMPLOYEES' WILLINGNESS TO SHARE MORE OF THE BENEFIT
- 3 THE ABILITY OF REWARD PROGRAMS TO ATTRACT, MOTIVATE AND RETAIN TALENT
- 4 THEIR ABILITY TO COMPLY WITH AND ADJUST TO PPACA'S MANDATES
- 5 CLEAR ALIGNMENT OF THEIR TOTAL REWARD STRATEGY WITH BUSINESS STRATEGY AND BRAND

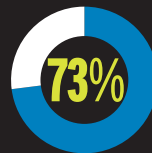
## IMPACT OF HEALTH CARE REFORM



expect health care reform to **increase** benefits costs per employee.



said their primary focus is **controlling** health care costs.



said health care reform will drive them to **reevaluate** their benefits in the next 12 months.



## EMPLOYEE PERSPECTIVE



Ranked "ability to afford retirement" as a top 3 personal challenge.



Ranked **job security** as a top 3 concern, down 9% from 2010.



Plan to **increase contributions** to their DC plans.



Plan to **delay retirement**, down from 41% in 2010.

## MORE COST SHARING AHEAD?



will consider greater cost-sharing in the next 12 months.



did so in the last 12 months.

Source: Deloitte/ISCBS