

COMPEN\$ATION BESIDES BASE PAY



Many employers express pressing concerns around finding and keeping talent in this booming economy. Competitive pay is the greatest attractor, yet pay trend surveys report that pay structure increases are expected to be around 3% once again in 2019. How can companies compete for top notch employees? One way is through compensation outside base pay, i.e., a robust total rewards package including traditional benefits, non-traditional benefits and variable pay. With the new year approaching, now is a good time to focus on benefit planning. MRA is pleased to present this Hot Topic survey: *Compensation outside base pay: Is your Total Rewards Strategy complete with Unique/Emerging Benefits and Variable Pay?*



Viewpoint of the Employee

Understanding employee views is central to organizations' effective communication of the value of a total rewards package. Compensation outside base pay is sometimes referred to as a "hidden paycheck." Many benefits are no cost for the employer yet highly valuable to employees. Furthermore, employees don't see employer cost of most benefits in their paychecks, and the company-paid portion of benefits represents a significant portion of overall compensation.

Most organizations think employees

- are attracted because of the benefits offered (71%)
- are confident of their benefit and allocation selections (69%)
- are happy with organization-selected benefits (68%)
- are well informed of their benefit choices (62%)

Some organizations think employees

- prefer having many benefit choices (52%)
- are happy with their cost share (51%)
- select benefits that prepare them for emergencies (49%)

Few organizations think employees

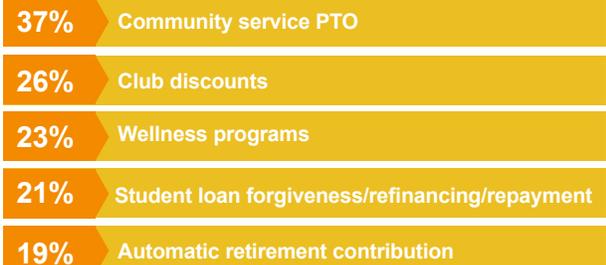
- are customizing their benefits (33%)

Top 5 Unique/Emerging Benefits Organizations Currently Offer

Staying current with unique and emerging benefit offerings and trends is very or somewhat important to 89% of survey participants. What some organizations view as "traditional" benefits may be new to others.



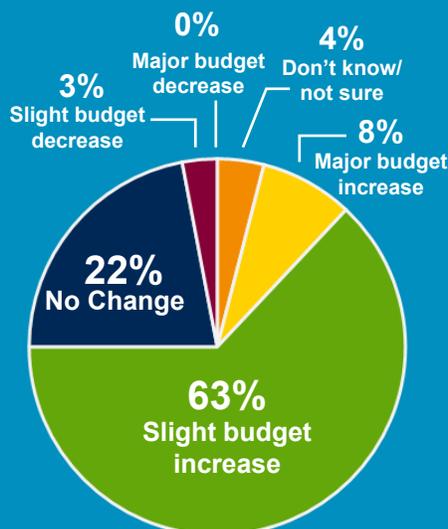
TOP 5 Unique/Emerging Benefits Organizations Are Considering



Changes in Past Year

Of Benefits Offered
43% have increased the number of employee benefits they offer

57% have not



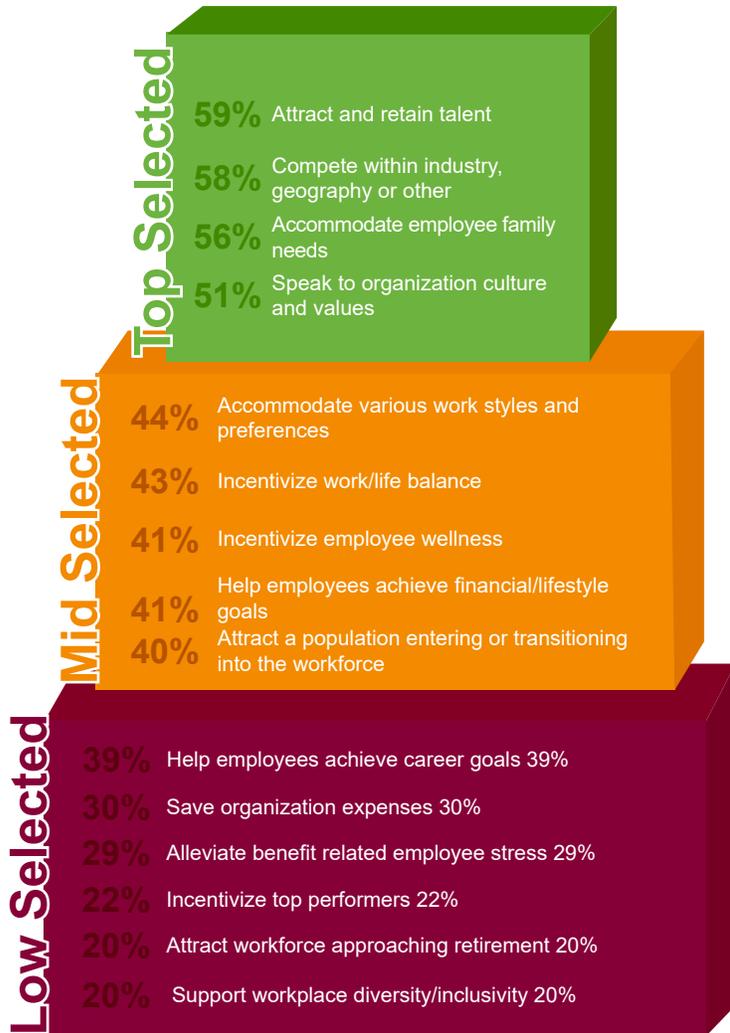
Organizations also offer/consider: 100% company paid insurance premiums, 401k student loan repayment, auto/home discounts, bring pet to work, bicycle commuting reimbursements, free or reduced health/wellness services, free trash service, free UBER, free uniforms/safety equipment, fresh produce in break room, pet daycare, self-defense classes, shareable PTO, and vacation purchase packages.

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Reasons Organizations Offer Unique/Emerging Benefits

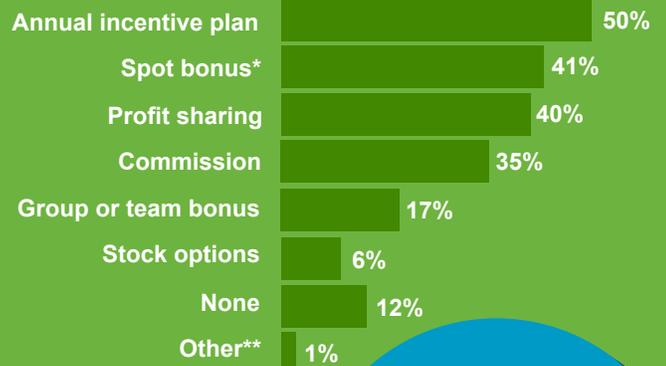
The top reason organizations offer unique benefits is their impact on employee attraction and retention. Additionally, organizations want to offer benefits that reflect their core values.



Variable Pay

Variable pay is another form of compensation many organizations utilize to enhance pay packages.

Which types of variable pay/ incentives do you use?



*Spot bonuses include holiday/annual/quarterly/monthly bonus

**Other comments include shift premiums, 401K and 403(b) contributions and matches, and pension plans.

64%
Anticipate no changes to variable pay in the next 1 to 2 years

Agree variable pay is important in recruiting, retaining & rewarding employees

73%

Benefits strategies vary, yet the bottom line is clear: benefits are a powerful tool to recruit, retain and reward employees. Organizations are getting creative in outreach to employable populations and in enticements to retain top performers. Unique benefits, variable pay, perquisites and other rewards are ways to stand apart from other organizations. Employees are taking notice and researching compensation outside base pay when evaluating jobs. Employers are likewise considering employees' explorations and are trying to offer robust total rewards packages that rival their competition. Does your total rewards package need a refresh for 2019?

Please note: The benefits and variable pay strategies that organizations have reported may not be universally applicable to all industries, localities, sectors or companies. We urge you to review the appropriateness of using this information for your particular situation.

Methodology



Brief

9 question survey; follow-up to MRA's 2018 Pay Trends & Talent Strategies Survey



525

MRA Participating Organizations



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Data Collected



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