

2024



CANADIAN GROUP BENEFITS

Benchmarking report

The 2024 Canadian group benefits benchmarking report is designed to evaluate group benefits plans to help organizations attract and retain a quality workforce.



bbd.ca | [@bbdcanada](https://twitter.com/bbdcanada) | [#bbdworkplace](https://hashtag.bbdworkplace)

This benchmarking report offers a glimpse into the group benefits landscape, focusing on the employee benefits Canadian companies are including in their plans. Employers can use this information to create competitive benefits plans to attract and retain top talent and keep employees happy, healthy, and productive.

Table of contents

Advantages to group benefits.....	3
What employee benefits are Canadian companies taking?.....	4
Who pays the premiums for employee benefits in Canada?.....	5
Insurance definitions.....	6
Benefits to consider.....	7
About Benefits by Design (BBD)	10

1 | Advantages to group benefits

1



Attract and retain top talent

Prospective employees are looking at employers' benefits plans as a significant consideration in whether to take a job. Likewise, existing employees who feel supported and valued through a benefits plan are more likely to report greater job satisfaction.

2



Increased employee performance

Happy, healthy employees are more productive, engaged, creative, and innovative. All of that creates employees who are capable of delivering better ideas, products, and customer service to your customers.

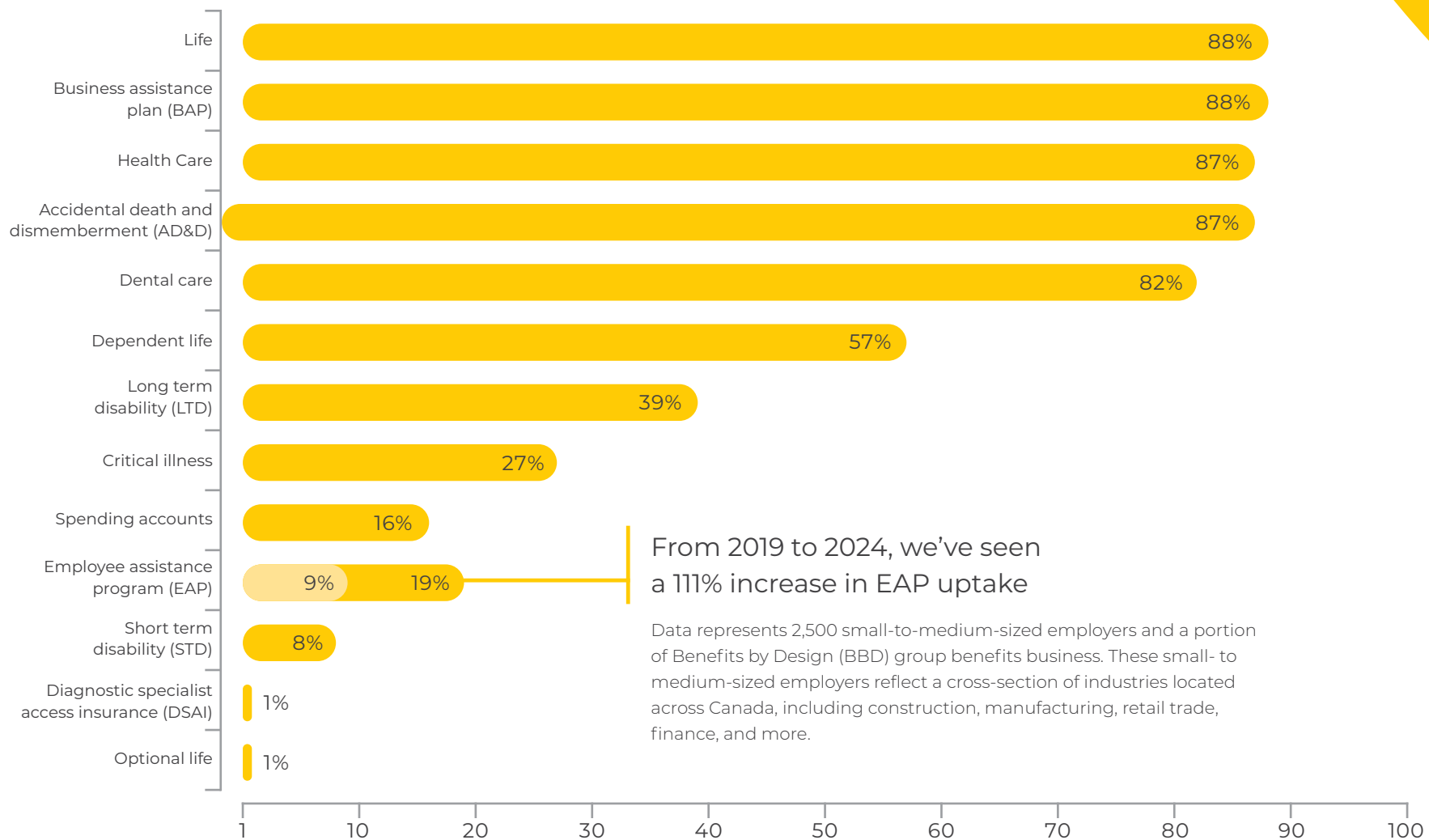
3



Tax-effective

Providing a benefits plan is a tax-effective method of compensating employees. Increases in pay are subject to payroll and income taxes, whereas employees can receive health and dental benefits tax-free. What's more, any contributions employers make are a tax-deductible business expense!

2 | What employee benefits are Canadian companies taking?



3 Who pays the premiums for employee benefits in Canada?

[Cost-sharing](#) is the division of responsibility for premium payment between an employer and an employee. We looked at how our groups are cost-sharing, and noticed a significant increase over last year in employers paying 100% of the premium for both LTD and health care. We think this is due to the increased difficulty employers are facing when it comes to employee attraction and retention.

	Employer pays 100% of premium	Employer and employee each pay 50% of premium	Employee pays 100% of premium
Life insurance and other pooled benefits	53%	20%	23%
Long term disability (LTD) insurance	20%	2%	77%
Health care and dental care	66%	27%	>1%

**Totals do not equal 100%, since some groups have custom cost-sharing arrangements not included in the above options.*

[Blog: Why do cost-sharing arrangements exist for group benefits?](#)



4 | Insurance definitions



[Life insurance](#) – Provide financial assistance to an employee's family in the event of a covered employee's death.



[Accidental death & dismemberment \(AD&D\)](#) – Provide financial assistance to an employee's family in the event of bodily harm as the result of an accident.



[Business assistance program \(BAP\)](#) – Resolve business dilemmas by accessing experts who can provide legal, human resource, and financial advisory.



[Health care](#) – Provide support and services for good health through extensive coverage designed to supplement provincial health care plans.



[Travel insurance](#) – Protect your employees in case of emergency medical costs while travelling within Canada or abroad. Travel Insurance is embedded within the health care benefit, or is available as an add on through a secondary provider for those without health care coverage.



[Dental care](#) – Provide coverage for eligible dental expenses including, basic, major, and orthodontic services.



[Dependent life insurance](#) – Provide tax-free financial assistance in the event of a covered dependent's death. Dependents can be a spouse or dependent child.



[Disability insurance](#) – Protect your employees from income loss if they become disabled and cannot work.



[Critical illness insurance](#) – Provide financial support to protect employees and their families from the unforeseen expenses that come with a life-altering illness.



[Health care spending account \(HCSA\)](#) – Offer health and dental benefit choice and self-service for employees. Only pay for what employees claim.



[Employee assistance program \(EAP\)](#) – Help your employees manage personal and work-related problems with a confidential, short-term counselling service.



[Diagnostic Specialist Access Insurance \(DSAI\)](#) – Provide the ability for employees to skip the line for an MRI, CT scan, or specialist appointment and get treatment faster.

5 | Benefits to consider

Shifting trends in the group insurance industry and the Canadian economy warrant specific consideration, particularly in how they relate to employers' decisions on benefits plans.

Employee assistance programs (EAP)s

Employee assistance program (EAP)

9% 19%



Data pulled from [chart on page 4](#)

From 2019 to 2024, we've seen a 111% increase in EAP uptake

The mental health crisis in Canada is an ongoing problem, made worse by increased anxiety and depression in the wake of the COVID-19 pandemic. Experts are already warning that the pandemic's impact on mental health will be significant in the years to come.

EAPs are among an employer's best options to support employees' mental health. Offering counselling and support services, an EAP can assist employees in dealing with a variety of life's challenges, and in turn, keep up their productivity, engagement, and job satisfaction.

We expect the uptake of EAPs to continue to increase in 2025 and beyond as employers aim to get ahead of the impacts of poor mental health and better support employees.

[Learn more about EAPs](#)



5 | Benefits to consider *continued*

Health care



Data pulled from [chart on page 4](#)

There's a reason 87% of our groups include health care in their benefits plan! It's one of the most highly sought-after employee benefits, as it covers everything from medical supplies or paramedical services to prescription medication and travel.

The health care benefit can be a further support system for employees' mental health.

Employers have the option to increase drug coverage to accommodate increased claims for antidepressants and anti-anxiety medication, a symptom of the growing mental health crisis in Canada.

Alternatively, they may seek to increase paramedical maximums, such as those used under a psychology benefit, to offer employees more support and counselling options.

[Learn more about health care](#)



5 | Benefits to consider *continued*

Health care spending accounts

Fully insured
benefits + HCSA

16%

HCSA

37%

Data pulled from [chart on page 4](#) and from data of the entire Benefits by Design block of business

Companies with a health care spending account (whether it is paired with other products or not) represent 37% of the total Benefits by Design's block of business. And 16% of companies with fully insured benefits also include a spending account.

There are now five different generations in the workforce, all with different values, wants, and needs. In many cases, traditional, one-size-fits-all benefits coverage doesn't work for everyone.

Health care spending accounts (HCSAs) give employees flexibility and choice in how they spend their benefits dollars. Employers allocate a set amount for each employee for the year, allowing employers to accurately predict their overall cost of providing benefits, rather than traditional, fully-insured plans with varying costs and the likelihood of annual increases.

As workplaces continue to become more diverse, we expect to see the uptake in HCSAs increase in 2025 and beyond.

[Learn more about HCSAs](#)



About Benefits by Design (BBD)

Benefits by Design (BBD) is a proud Canadian success story. Established in 1996, we are on a mission to help working Canadians promote and protect their health, wealth, and happiness by delivering employee benefits by design.

The intent of this report is to provide you with general information regarding the current landscape within the Small and Medium Enterprises (SME) employee benefits environment. The data does not constitute recommendations or other advice regarding employee benefits programs and the user is in no way obligated to use any of this information within their organization. The decision to utilize this information rests with the user. BBD recommends that the user consults with their advisor or tax authority regarding any plan designs.

©Copyright Benefits by Design (BBD) 2024

**You have the data — now let us
help you put it into action.**

Contact our Business Development team to learn more about employee benefits: businessdevelopment@bbd.ca



bbd.ca | [@bbdcanada](https://www.instagram.com/bbdcanada) | [#bbdworkplace](https://www.youtube.com/bbdworkplace)