



Defined Contribution

An innovative employee benefits platform

Health and welfare benefits are a powerful tool to attract and retain quality employees. However, as costs continue to escalate, employers are finding it more difficult to maintain competitive benefits, which are often one of the top three expenses for businesses. Imagine an approach that would enable employers to control costs by establishing a predictable budget for the next three to five years, while offering increased choice and flexibility to the employees. A defined contribution model does all of these things.

How does the defined contribution model work?

Traditional Model

The employer selects and funds the same insurance plan for all employees in a one-size-fits-all approach. The employer chooses 1-2 plans to satisfy all employees, yet, in reality, this canned approach only satisfies a few.

vs.

Defined Contribution Model

The employer designates a fixed amount of money, or a defined contribution, to each employee. Employees use that money to purchase insurance products ranging from health insurance to pet insurance based on their needs and those of their dependents.

How the defined contribution model benefits you?

This approach shifts financial responsibility for employee benefits from the employer to the employees. By giving the employees more responsibility and choice in how they spend their employee benefits dollars, they have a direct financial incentive to spend those dollars wisely.

In addition to having more financial responsibility, the employees will have more control of their own benefits portfolio to help them guard against their personal risks, resulting in increased employee satisfaction.

This platform transforms the traditional approach to employee benefits and offers a sustainable win-win for employers and employees alike.

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