

Creating Benefits-Literate Employees: The Case for Off-Cycle Education

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Each year, you invest time and resources to ensure your employee benefits are competitive, cost-effective and tailored to your population. Yet, [nearly half of employees \(45%\)](#) don't fully understand their benefits packages.

Benefits literacy plays a vital role in job satisfaction—and, ultimately, retention. When knowledge gaps exist or employees aren't aware of benefit features, they may miss out on critical resources, feel undervalued and become more likely to disengage or seek opportunities elsewhere.

Enter the concept of benefits-literate employees (BLEs)—a workforce well-versed in their business options, which leads to more informed decisions, fewer questions during open enrollment, increased satisfaction and a happier, healthier workforce. Building a benefits-literate culture requires a strategic approach to year-round education.

The Limitations of Open Enrollment

Traditionally, employees only engage with benefit packages during new hire onboarding and annual open enrollment. This approach can cause [benefits fatigue](#), where employees focus on basic coverage while critical voluntary benefits get lost in the shuffle. Benefits like mental health services, financial wellness programs and legal assistance plans—which can be life-changing in times of need—often receive little attention. As a result, employees miss out on the full value of their benefits packages.

Open enrollment is a hectic time for both HR teams and employees. With carrier deadlines, Summary of Benefits and Coverage (SBC) distribution, employee contributions and an endless flood of questions, it's easy for this period to feel rushed. Employers tend to zero in on the big three—medical, dental and vision—squeezing valuable voluntary benefits into the final moments of a presentation. This approach doesn't properly educate employees on how these additional programs can benefit them and their families.

Why Benefits Literacy Matters: Bridging the Gap Between Awareness and Utilization

Unfortunately, many employees only realize the importance of a particular benefit during or after a personal crisis. Whether needing a will drafted, seeking crisis counseling for a dependent with addiction or addressing urgent financial concerns, these moments of distress often reveal the gaps in an employee's understanding of their benefits.

This lack of awareness frustrates both employees and HR teams. Despite offering comprehensive benefits, employers often receive low scores on surveys. This disconnect can demoralize HR teams that work hard to provide valuable benefits and lead to finance teams cutting lesser-utilized benefits, mistakenly assuming they aren't needed.

The Power of Off-Cycle Education

Focusing on off-cycle education ensures a better-prepared, more knowledgeable and engaged workforce. Off-cycle education, delivered through small, focused sessions in person or virtually, offers a solution to the benefits literacy problem. By engaging employees outside the pressure-cooker of open enrollment, companies can provide deeper dives into specific benefits, such as FSAs or EAPs. These sessions could range from quick 30-minute refreshers to more comprehensive seminars. Companies that have embraced off-cycle education report higher voluntary benefit utilization rates, better employee satisfaction scores and more informed decision-making among their staff.

These off-cycle sessions can be tailored to employee needs and interests, making it easier for them to engage in the conversation. For example, a quick refresher on what an FSA is and why someone might want one could be scheduled mid-year, and a broader event like an all-staff meeting could include a segment on benefits extras, covering topics like the employer-sponsored EAP, what gets covered under a legal plan or who might need additional coverage for short-term disability.

Engaging Employees: Making Education Fun and Effective

Engagement is key to the success of off-cycle education. Employers can keep things lively by offering lunch-and-learn sessions, complete with raffle prizes or interactive elements. For example, offering a raffle prize for participation, even something as simple as a branded coffee mug, can significantly increase engagement.

Partnering with benefits consultants or external experts can lend additional credibility to these sessions, making employees more likely to engage and trust the information presented, and making it more than just HR tooting the company horn. Tracking attendance, participation and follow-up questions can provide valuable data on the effectiveness of these sessions and help refine the approach over time.

A Year-Round Commitment to Benefits Literacy

Building a workforce of BLEs is no small task, but the rewards are well worth the investment. HR leaders should start by partnering with their benefits consultant to design a strategic plan for off-cycle education, incorporating it into their broader employee engagement initiatives. By doing so, companies can ensure their employees are fully aware of their benefits and are equipped to use them when it matters most. ■

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