

BENEFITS IN CANADA

Understanding how employees value their benefits

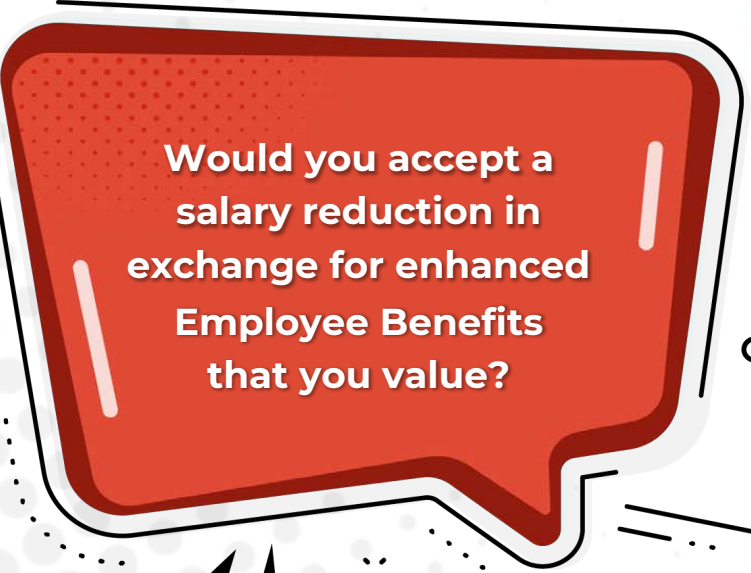
SURVEY UNDERTAKEN BY JRP ANALYTICS™

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THE DETAILS

The foundation of this study was to understand how employees across Canada value their benefits. Our analysis included the following survey questions and considerations:

- ▶ Province or territory of participant.
- ▶ The industry they work within.
- ▶ The position they hold within their company.
- ▶ Amount of time with current employer.
- ▶ Current earnings of participant (gross salary).
- ▶ What benefits the participant has currently.
- ▶ How many dependents, if any (including spouse) are covered under the participants benefit plan.
- ▶ Is the participant satisfied with the benefits they have.
- ▶ Participant's ranking of benefits categories from least to most valuable.
- ▶ Participants ranking of additional forms of compensation from least to most valuable:
 - Additional vacation & paid sick days
 - Benefits
 - Individual & company based performance bonus
 - Paid team events
 - Employer sponsored retirement plans – TFSA & RESP
- ▶ Likelihood of participants to accept a salary reduction in exchange for enhanced employee benefits that they would value more.
- ▶ In the absence of employee Drug, Health and Dental benefits, how much would their salary need to increase to offset the loss.



Would you accept a salary reduction in exchange for enhanced Employee Benefits that you value?



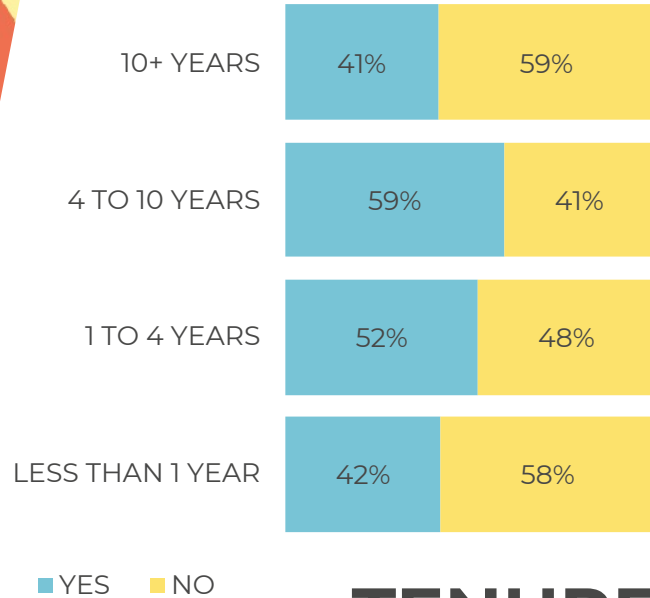
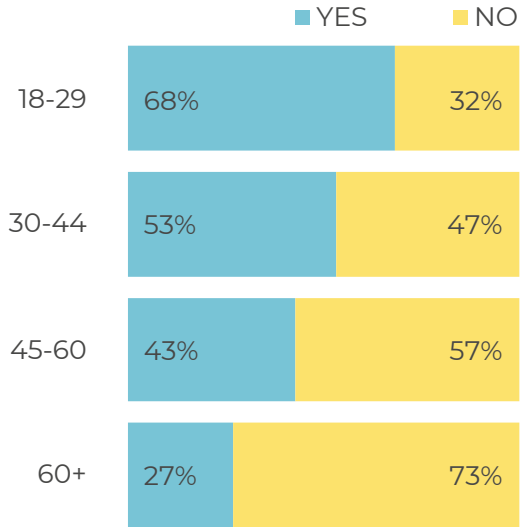
NO
51%

YES
49%

**** YOUNGER EMPLOYEES** WHO HAVE BEEN WORKING FOR SEVERAL YEARS WERE MOST LIKELY TO ACCEPT THE REDUCTION IN SALARY FOR **ENHANCED BENEFITS**.


AGE GROUP

Willingness to accept a salary reduction in exchange for enhanced employee benefits by age group.



TENURE

Willingness to accept a salary reduction in exchange for enhanced employee benefits by tenure.



Rank your
benefits from
least(1) to most(5)
valuable.

1

SHORT-TERM DISABILITY

2

HEALTH

3

LIFE & DEPENDENT INSURANCE,
AD&D, LONG-TERM DISABILITY

4

DENTAL

5

PRESCRIPTIONS DRUGS

** OVERALL, **PRESCRIPTION DRUG** AND **DENTAL** COVERAGE IS PERCEIVED AS 'MOST VALUABLE.'

VALUE BY AGE GROUP

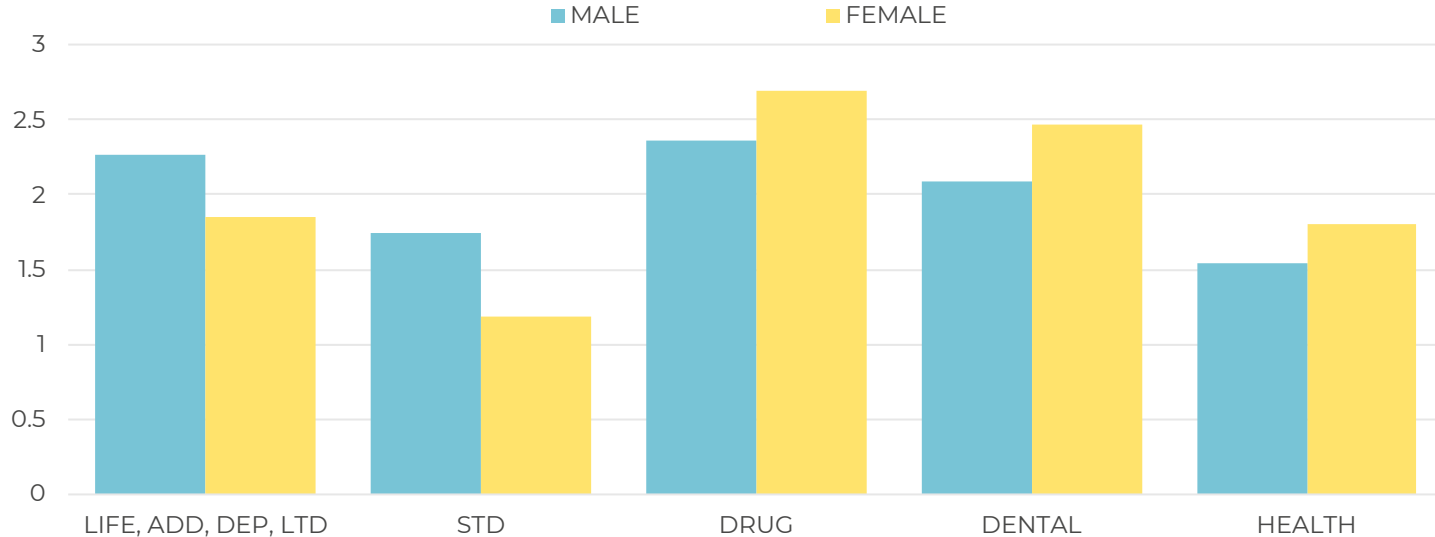
Ranking scored 1 to 5 (1 = least valuable & 5 = most valuable)

When comparing average ranking of benefits by age; drugs and dental became **more valuable with age**, while health, Short-term Disability (STD), Life Insurance, Accidental Death (AD&D), Dependent Life (DEP Life), and Long-term Disability (LTD) **become less valuable**.

BENEFIT RANKING	18-29	30-44	45-60	60+	AGE EFFECT ON RANKING
LIFE & DEP LIFE, LTD, ADD	3.3	3.2	2.8	2.9	LESS IMPORTANT
SHORT-TERM DISABILITY	2.5	2.5	2.5	2.4	LESS IMPORTANT
PRESCRIPTION DRUGS	3.2	3.4	3.8	3.9	MORE IMPORTANT
DENTAL	3.0	3.3	3.5	3.4	MORE IMPORTANT
HEALTH	3.0	2.7	2.5	2.5	MORE IMPORTANT

VALUE BY GENDER

When comparing average ranking of benefits by gender; Life Insurance, Accidental Death & Dismemberment, Dependent Life, Long Term Disability and Short Term Disability are **more valuable to men**, while Drugs, Health and Dental are **more valuable to women**.



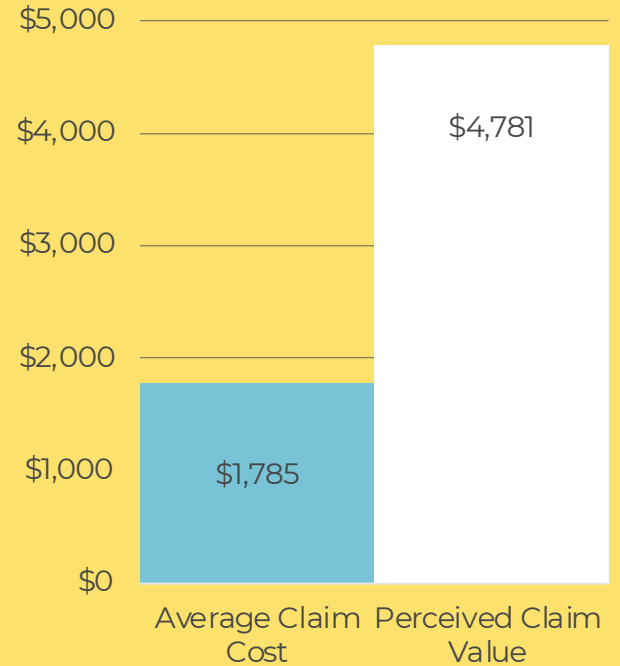


**INTERESTING
INSIGHTS**

Participants who ranked Employee Benefits as the most important form of compensation, rank the Life, AD&D, Dep. Life, LTD benefits value 14% higher, and the Drug benefit 6% higher, than those who did not.

People with benefits, specifically Prescription Drug coverage, rank its value 18% higher than those without coverage.

In the absence of Employee Benefits, how much would your salary need to increase to offset the loss?



** THE PERCEIVED VALUE OF THE PARTICIPANTS' DRUG, HEALTH & DENTAL COVERAGE IS 2.7X GREATER THAN THE ACTUAL COST PER AVERAGE CLAIM.

COST OF BENEFITS VS. PERCEIVED VALUE

- The average reported salary \$60,648.
- The average perceived value of Prescription Drug, Health and Dental benefits is \$4,781.
- People would need on average a perceived **7.88% salary increase** to offset the loss of benefits.

VALUE/COST OF CLAIMS	PERCEIVED ADDITIONAL SALARY REQUIRED	PERCENTAGE OF ANNUAL CLAIMS
UNDER \$1,000	10%	44%
\$1,000 TO \$2,000	16%	27%
\$2,000 TO \$4,000	25%	20%
\$4,000 TO \$6,000	13%	6%
\$6,000 TO \$8,000	13%	2%
\$8,000 TO \$10,000	11%	1%
OVER \$10,000	12%	1%

How satisfied
are you with your
current benefit
plan?

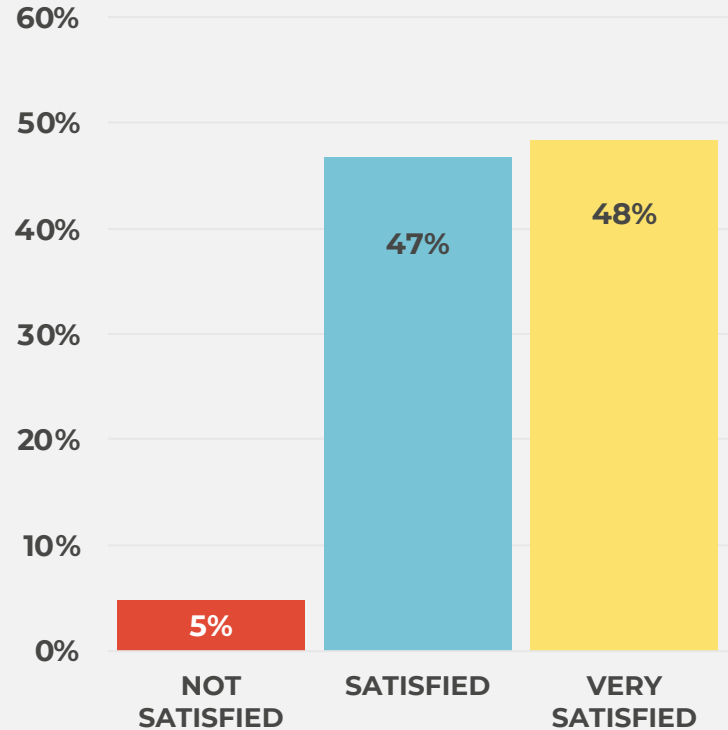
Percent of respondents who are
'satisfied' with their benefits.

57% MALE

43% FEMALE



THE VAST MAJORITY OF PEOPLE WITH BENEFITS ARE EITHER **SATISFIED** OR **VERY SATISFIED** WITH THEIR BENEFITS PROGRAM.



SATISFACTION BY CATEGORY

When comparing those who are 'very satisfied' with their benefits to those who are not (i.e. 'satisfied' and 'not satisfied'), we noticed that respondents who were 'very satisfied', tend to have more benefits.

The 'very satisfied' respondents were at least twice as likely to have Short Term Disability, Health Benefits and Dental coverage.

Participants who are most satisfied with their benefits tend to have upper management or executive positions.

BENEFIT COVERAGE CATEGORY	LESS SATISFIED WITH BENEFIT	VERY SATISFIED WITH BENEFIT
LIFE, DEP. LIFE, AD&D	24%	46%
LONG TERM DISABILITY	17%	31%
SHORT TERM DISABILITY	18%	36%
DRUG COVERAGE	29%	51%
DENTAL COVERAGE	32%	70%
HEALTH BENEFITS	31%	67%

Executives were reportedly the most satisfied, with 54% 'very satisfied.'

44% of respondents aged 30-44 are 'very satisfied.'

37% respondents who are 18-29 say they are 'very satisfied.'

61% of respondents who are 45+ years old, say they are 'very satisfied.'

**INTERESTING
INSIGHTS**

Part-time and occasional employees were the least satisfied, with 56% saying they 'weren't satisfied.'

ALTERNATIVE REWARDS & COMPENSATION

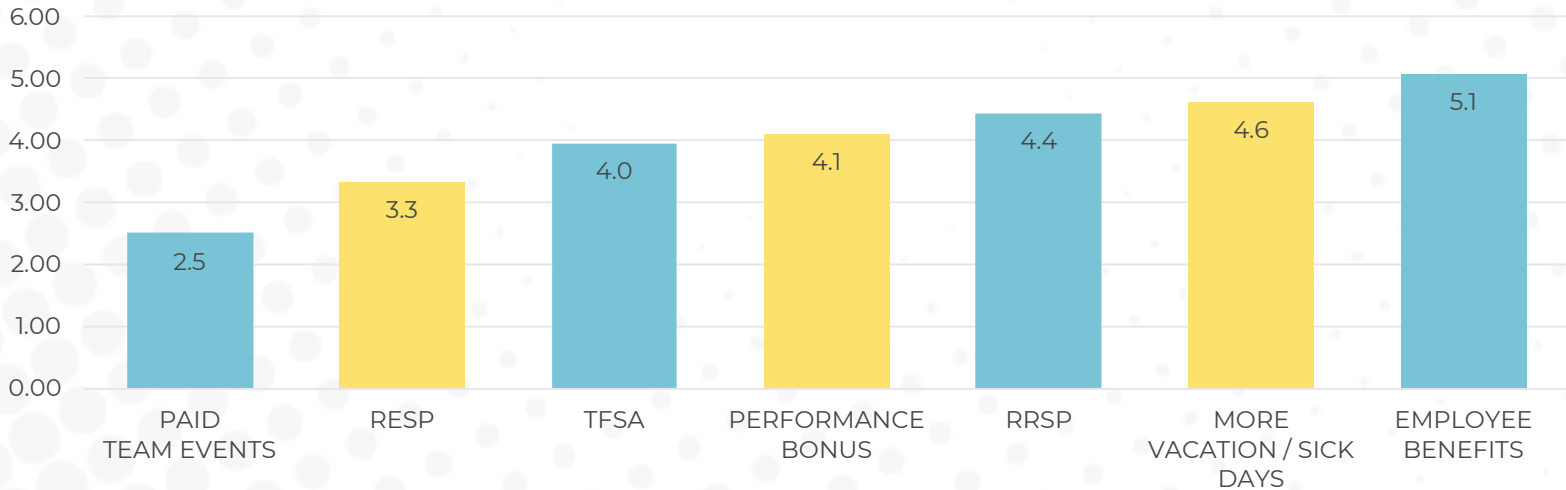
Based on the results from our study, benefits rank as the most valuable form of alternate compensation.

Here is a look at the data from those respondents who chose employee benefits as the most valuable form of additional compensation.

GENDER	
MALE	39%
FEMALE	61%
AGE	
18-29	23%
30-44	35%
45-60	21%
60+	21%
POSITION	
PART TIME, OCCASIONAL	20%
FULL TIME STAFF	27%
PROJECT LEAD / MANAGER / SUPERVISOR	24%
EXECUTIVE OR HIGHER	11%
RETIRED / UNEMPLOYED	18%
BENEFITS COVERAGE	
SINGLE COVERAGE	29%
COUPLE COVERAGE	23%
FAMILY COVERAGE	15%
NO BENEFITS	33%

RANK BY COMPENSATION TYPE

Average ranking for additional rewards and compensation according to participants of our survey.



ABOUT JRP ANALYTICS™

JRP Analytics™ was established to collect, analyze and understand independent data related to employee benefits in Canada.

JRP Analytics™ uses the data it collects to provide Canadian organizations with relevant and current insights into their benefit investment.

To accomplish this, JRP Analytics™ undertakes expansive surveys designed to collect independent data from Canadian employees. Important note:: our sample of participants does not include JRP's clients or their employees.

Independent and unbiased data isn't easily accessible within the Canadian benefits marketplace. Our purpose is to empower organizations to build benefit investments that are designed to serve all their hard working employees. We are people serving people.





JRP

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