

# Voluntary Benefits Cheat Sheet

Voluntary benefits are optional insurance and service offerings that you can choose to enroll in, often at a group rate through your employer. They provide added financial protection and flexibility, allowing you to customize your benefits package to better meet your personal and family needs.

Voluntary benefits programs have four key characteristics:

1. Employee-paid (either partially or fully)
2. Offered through an employer
3. Solicited and enrolled through a carrier or enrollment firm
4. Paid through automatic payroll deductions

## Common Voluntary Benefits

The following are common voluntary benefits:

**Dental insurance**—Dental coverage focuses on preventive and diagnostic procedures in an effort to avoid more expensive services associated with dental disease and surgery. The type of service or procedure determines the amount of coverage for each visit. Each type of service fits into a class of services according to complexity and cost.

**Vision insurance**—Vision insurance generally provides coverage for basic care and eyewear. Most vision plans will cover annual or biannual eye exams, eyeglass frames, eyeglass lenses and contact lenses.

**Term life insurance**—Term life insurance provides employees with financial protection for a specific period, such as 10, 15 or 20 years. If the insured person passes away during the term, their designated beneficiaries receive a death benefit. Employers often offer multiple tiers of coverage. Some may cover a lower amount of term life insurance while allowing employees the option of contributing to an additional larger policy.

**Short-term disability insurance**—Short-term disability insurance can offer financial security in the event that an illness or injury prevents you from working. Most disability insurance plans define a disability as the inability or reduction in ability to perform your job duties; the definition of "disability" will be specified by your policy. The purpose of short-term disability insurance is to protect your income during short periods of disability.

**Long-term disability insurance**—Long-term disability insurance can offer financial security in the event that an illness or injury prevents you from being able to work. Most disability insurance plans define a disability as the inability or reduction in ability to perform your job duties; the definition of "disability" will be specified by your policy. The purpose of long-term disability insurance is to protect your income if you become disabled for a prolonged period prior to your retirement.

**Critical illness insurance**—Critical illness insurance is designed to cover out-of-pocket expenses not covered by your health insurance, such as your deductible and copays, as well as many out-of-network charges. Illness can often lead to extended time away from work, and critical illness benefits can offset some of those lost wages and help you pay routine living expenses, such as child care, transportation, and rent or mortgage payments.

**Pet insurance**—Pet insurance provides coverage for pet illnesses and accidents. These plans are somewhat similar to your own health insurance plan, but with more focus on unforeseen

medical incidents rather than routine preventive visits. Most pet plans cover dogs and cats, though some may cover other animals.

**Identity theft insurance**—Identity theft insurance is designed to relieve you of the financial burden of repairing damages after your identity has been stolen. This type of insurance does not reimburse loss from theft, such as stolen credit card numbers or forged bank checks, but rather prevents further loss once you have already become a victim of identity theft. Also, aside from some plans that may provide free credit monitoring, identity theft insurance does not work to prevent identity theft. Instead, identity theft coverage helps with expenses as you navigate the identity recovery process, which is helpful whether or not you actually lost money to an identity thief.

**Hospital indemnity**—Hospital indemnity insurance is a type of supplemental insurance plan that can be added to an existing health insurance plan to help cover the costs of a hospital stay. It does not replace a health insurance plan. Like many other supplemental insurance plans, hospital indemnity insurance pays out a cash benefit directly to you. This type of plan pays you a predetermined benefit amount per day for each hospital admission, typically up to a year.

**Adoption assistance**—Adoption assistance benefits help you with various parts of the adoption process. Benefits might include advice and help with paperwork, time off while bringing the child home, reimbursement for adoption-related costs or other types of assistance. Employers that offer adoption assistance benefits understand the importance of supporting their employees who choose to adopt. Employers typically design their adoption assistance benefits similarly to the benefits they provide for new biological parents, particularly regarding parental leave policies.

**Accident insurance**—This insurance can help protect you financially in case of an accidental injury. Regular medical insurance typically won't cover all the expenses that result from injury, and accident insurance can help fill those coverage gaps as you pay out-of-pocket medical bills.

**Legal plans**—Group legal plans can give employees access to legal services they probably couldn't otherwise afford. Employees pay into the program through payroll deductions, and when they need legal assistance, they have access to an attorney to help them without the usual high cost of legal fees.

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These are common voluntary benefits; however, your employer may not offer all of these options. Additional voluntary benefits may also be available depending on your employer's offerings.

If you have questions, check with your employer for further resources.