

How well do you understand your group benefits?



Benefits of a group benefits package

Your group benefits package provided by your employer can provide a range of products and services, which can safeguard your financial, physical and emotional well-being. However, not all benefits packages are equal.

Your group benefits package provides holistic financial and health support for you and your entire family. It's not limited only to the workplace. Typically, an employer makes available employee benefits which include a retirement fund, insured group risk and healthcare benefits, with additional advice and assistance within the workplace to balance your short-term needs and long-term objectives.

The benefits of employers providing such benefits is that employees can be pooled to provide better terms and conditions and to reduce costs to individuals in securing these benefits. This is due to economies of scale as part of the overall group.

Your employer will personalise the benefit package offered based on an array of benefits, selecting the benefits they believe will meet the needs of their employees. It is important to understand the benefit offering to use the benefits, as some may even be optional.

Set out below are some benefits that your employer may offer and what they mean to you and your family:



Life cover for your spouse

In addition to life cover that pays out if you pass away, you can also cover your spouse under the same policy. This means that if something should happen to either breadwinner, your family is protected.



Education benefit

This benefit covers the education and living costs of your minor children should you pass away before retirement age. This is a crucial complementary product to normal life cover, as it ensures your children's future.



Medical aid

Having access to quality healthcare is something that no person should take for granted. Your group benefit package could include a range of healthcare options, from which you could select an affordable option tailored to your and your family's requirements. Advice is important to meet your needs adequately. You need to review the options every year.



Mental and emotional support

Modern life is stressful, and statistics by the World Health Organization (WHO) show that mental and social disorders are rising rapidly. Most employers offer employee assistance programmes which support employees' emotional, financial and physical well-being, giving them access to confidential counselling and other support.



Gap cover

With increasing medical costs above medical aid rates, this insurance provides for the difference between what your medical aid pays and the rates charged by medical specialists for in-hospital procedures. This can help to ensure that you are not left with a large excess amount to settle. Gap providers offer discounted contributions for groups, which is based on the group's risk profile and participation policy, which could be compulsory or voluntary.



Retirement fund

A retirement fund aims to provide employees with an income in retirement based on their accumulated savings. This retirement income replaces all or part of the money they were earning before retirement. The income they earn in retirement depends on how much money is saved to retirement.

Tax exemptions offered encourage employees to save through the retirement fund. Where an employer has a retirement fund in place, all employees are obligated by law to belong to the retirement fund as a condition of service.

Retirement funds also offer you access to default retail solutions in retirement which may be priced at group rates.



Group risk benefits

Your group risk benefits, such as life and disability cover, are generally priced at institutional rates. This means you benefit from lower fees due to group economies of scale. You would not necessarily have access to this pricing without going for a medical if you tried to source this in your individual capacity.



Advice

The financial advice you receive will always be tailored to your and your family's particular needs and circumstances. Education and advice will help you to become financially savvy and have higher levels of financial courage to improve your financial situation.

This will further promote both your financial and physical well-being. It is therefore worth taking the time to fully understand the benefits your employer offers, and make full use of them.

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