

2025 Benefits Guide For Employers



Insights from Blue Harbor Benefits
August 2025 Newsletter

Welcome to the Blue Harbor Benefits 2025 Benefits Guide! This guide highlights key trends shaping employee benefits and provides actionable insights for employers.



At Blue Harbor Benefits, we understand that offering a competitive and attractive benefits package is crucial for attracting and retaining top talent. The landscape of employee benefits is constantly evolving, and staying ahead of the curve is essential. We hope you find this guide informative and helpful as you plan your benefits strategy for the upcoming year. This guide will cover Gen Z's take on reimagining benefits in the workplace, The One Big Beautiful Bill Act (OBBBA), and compliance notices.

WHAT GEN Z WANTS: REIMAGINING BENEFITS FOR A NEW WORKFORCE

Born between 1997 and 2012, **Gen Z** is entering the workforce in large numbers - and their expectations around benefits look different from previous generations. This generation is digitally native, socially conscious, and places a high value on mental health, financial stability, and flexibility. To stay competitive, employers must consider how their benefits packages align with Gen Z's values.

Top Gen Z Benefit Priorities

1. Mental Health Comes First

- Therapy and telehealth options
- App-based mindfulness and meditation tools
- Clear communication about what's covered



2. Financial Wellness Tools

- Student loan repayment or contribution programs
- Budgeting tools and financial literacy resources
- On-demand pay for hourly and younger workers



3. Flexibility & Remote Access

- Flexible work schedules
- Remote or hybrid options
- Telehealth for both physical and mental health needs



4. Purpose-Driven Perks

- Sustainability initiatives
- Volunteer time off (VTO)
- Identity-conscious health resources

COMPLIANCE CORNER: AUGUST 2025

The One Big Beautiful Bill Act (OBBBA)

Impact on Employer-Sponsored (Group) Health Plan

While the bill is built around Medicaid, Medicare, and the ACA, it includes **employee-benefit provisions** affecting group health plans:

- **Health Savings Accounts (HSAs):** Employers may convert FSA/HRA balances into HSA contributions within HDHPs, up to FSA annual caps (~\$3,300 in 2025).
- **Telehealth and fringe benefits:** Telehealth expansions are authorized in 2025; other changes—like dependent care assistance limits—take effect in 2026.

However, group health plans face **indirect effects**:

- As more employees lose Medicaid or marketplace coverage, **reliance on employer coverage may increase**, potentially raising costs for employers.
- **Healthcare providers**, particularly rural hospitals, may cut services or close, disrupting provider networks for group plans.
- Reduced Medicaid reimbursement may shift uncompensated-care burdens to providers that serve both insured and uninsured populations

Why It Matters for Group Health Plans

- **Cost-shifting:** As government coverage recedes, insurers and employers may face higher claims mix and premiums.
- **Network disruption:** Rural hospital closures and provider reductions may force changes in employer networks or plan areas.
- **Administrative complexity:** New benefit structures (HSAs conversion rules) and telehealth provisions require coordination with plan sponsors.
- **Employee impact:** Low-income workers may face gaps in coverage or increased out-of-pocket costs, influencing workforce health and retention.

Final Thought

Though the bill doesn't directly target employer health coverage, the **ripple effects could be significant**. Group plans are likely to experience **rising enrollment pressure, cost uncertainty, increased administrative complexity, and network instability**—especially in rural and employer-heavy states.

Additional Compliance

Form 5500 & Summary Annual Report (SAR)

If your plan renewed in January and you haven't filed your Form 5500 yet, the extended deadline (with Form 5558) is fast approaching. SAR **must be sent out within 3 months after the 5500 is filed**. Be sure you're using the most updated forms. *Form 5500 is only required for groups with more than 100 employees enrolled in any plan.*

Medicare Part D Notices

These are due to all Medicare-eligible employees and dependents **before October 14, 2025**. Notices must indicate whether your plan provides creditable or non-creditable prescription drug coverage.

Need help with compliance filings? Blue Harbor's compliance team is here to assist you with reminders, filings, and distribution.

HOW TO TAKE ACTION

- **Unsure how to appeal to Gen Z?** Let Blue Harbor audit your current benefits and provide recommendations.
- **Want to add student loan repayment or flexible perks?** Ask us about Gen Z-focused vendors.
- **Behind on 5500s or Medicare D notices?** We can help you stay compliant and avoid penalties.

Contact your Blue Harbor representative today to review your plan, explore new benefit solutions, and keep your compliance calendar in check.

