



## Employee Benefits Administration and Outsourcing

Labor shortages are pushing companies to rethink how they hire and retain employees. More small businesses are discovering that managing benefits effectively matters just as much as offering them.

### What Is Benefits Administration?

Benefits administration is the process of creating, developing, managing, and updating the benefits program that an organization offers its employees. This involves benefits reporting, employee communications, internal and external audits, plan updates, and governmental filings — all of which require significant time and attention from an HR team.

### What Is Employee Benefits Administration (EBA) Software?

Benefits administration software helps HR teams manage benefit offerings like health insurance, 401(k), dental, vision, and employee wellness programs.

Beyond a self-service portal, EBA software should include:

- A cost estimator to show how benefit selections impact employee paychecks before enrollment confirmation
- Plan comparison tools that let employees evaluate different benefit options side by side
- Compliance tracking and reporting for the Affordable Care Act (ACA) and other regulatory requirements
- Benefits reporting capabilities for generating reports for review and analysis
- Enrollment tracking and reminders to automate notifications to reduce manual work and missed deadlines
- Data security that safeguards sensitive employee information

Benefits administration software addresses one of HR's biggest time drains: responding to the same questions repeatedly. Software can give businesses time back while also creating transparency that builds trust.

### Why Do Companies Outsource Benefits Administration?

Companies outsource benefits administration for three main reasons: time, expertise, and cost control. Managing benefits internally requires specialized knowledge of ever-changing regulations, dedicated staff time for administrative tasks, and ongoing investment in technology and compliance training.

Human resources and employee benefit administration are often overwhelming, especially for small businesses. With outsourced benefits administration, businesses can increase their access to expertise, which can give them more accurate information and advice than if they tried to learn these topics independently.

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