



# What Employees Want: Be the **hero** your employees need with LSAs





Ben Thompson

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VP of Sales

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- Husband (14 years) & Father (9 years)
- VP of Sales at Forma (15 months)
- Global Sales , Sales leadership at ADP (13 years)
  
- Lives in Dallas
- Huge Wisconsin Sports fan
- Loves to Travel
- Crossfit enthusiast





# Agenda

- What are Lifestyle Spending Accounts and Who is Forma?
- Why LSA's Work
- Benchmarking Data and How Employers are Funding these programs
- Q&A



What are Lifestyle Spending accounts  
and Who is Forma?

# Swag that comes with the freedom of choice

Scan the QR code and let us know what to send you!



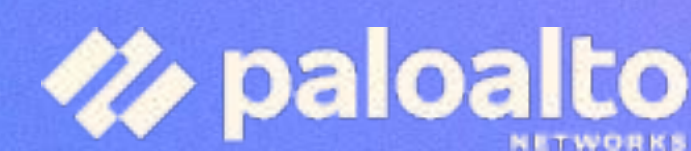


# Transform with Forma.

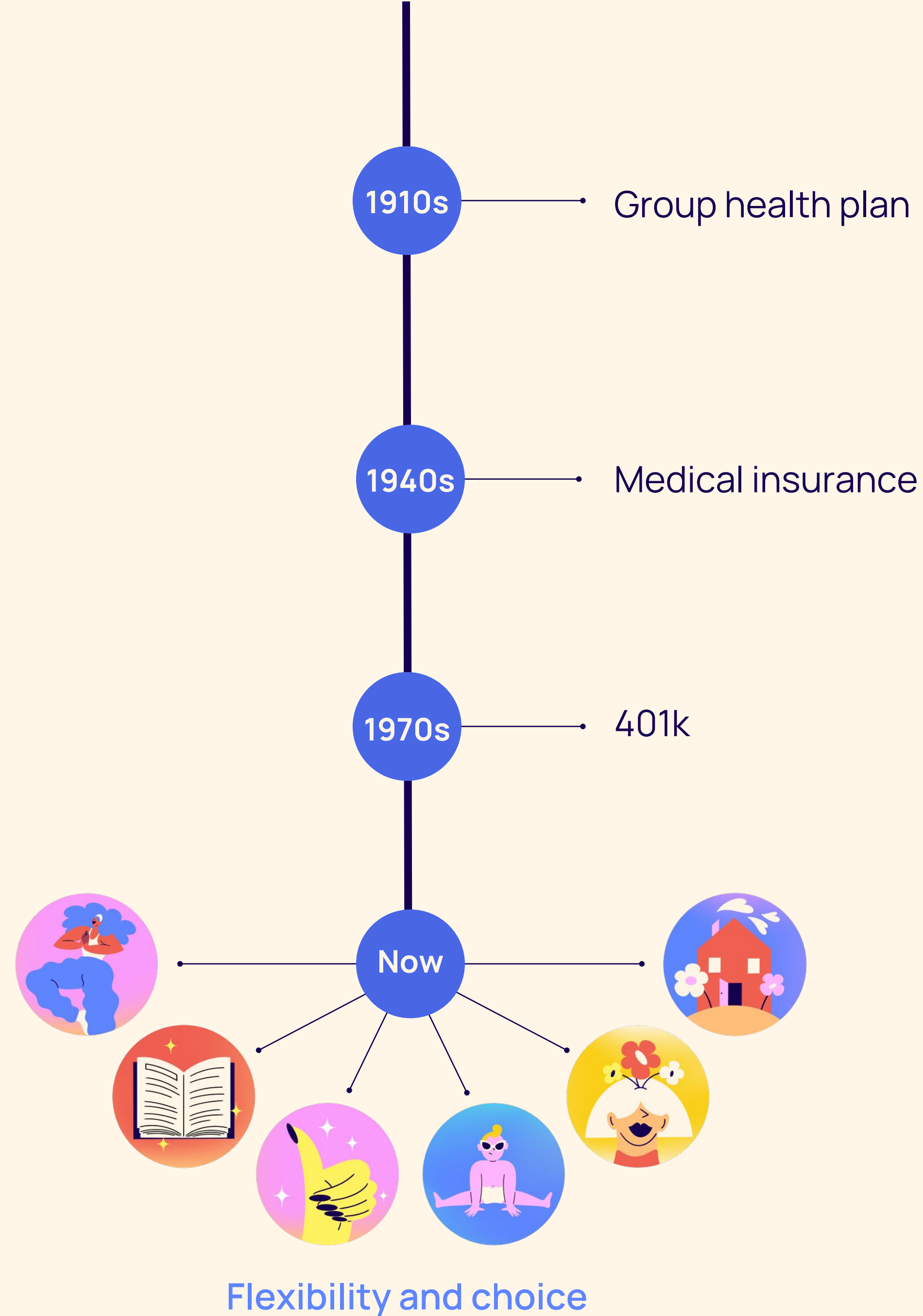
The life benefits platform that enables total wellness and personalized choice for your employees!

We work with 200+ customers, 400k+ members and their families in 150+ countries, and manage \$500m+ of benefits budget a year.

Our customers are seeing great success with 98% client retention, 75+ NPS, and 98% CSAT ratings from members.

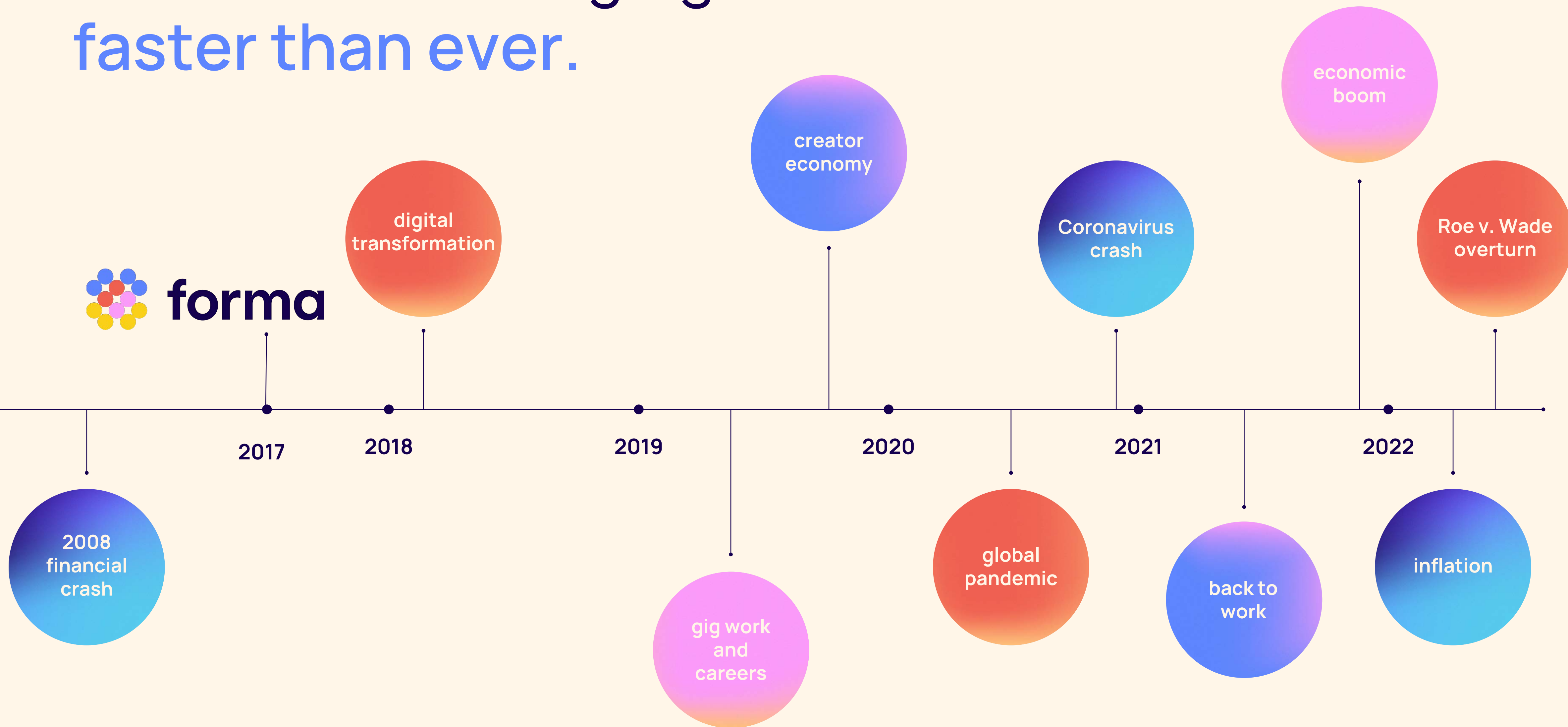


# What workers really want - **Autonomy, Flexibility and Choice**





# The world is changing faster than ever.







# Employees wants and needs — Are constantly changing



## 20s

401K  
Health  
Dental

- + Nutrition
- + Pet insurance
- + Mental health
- + Fitness



## 30s

401K  
Health  
Dental

- + Family planning
- + Meal planning
- + Wellness
- + Education



## 40s

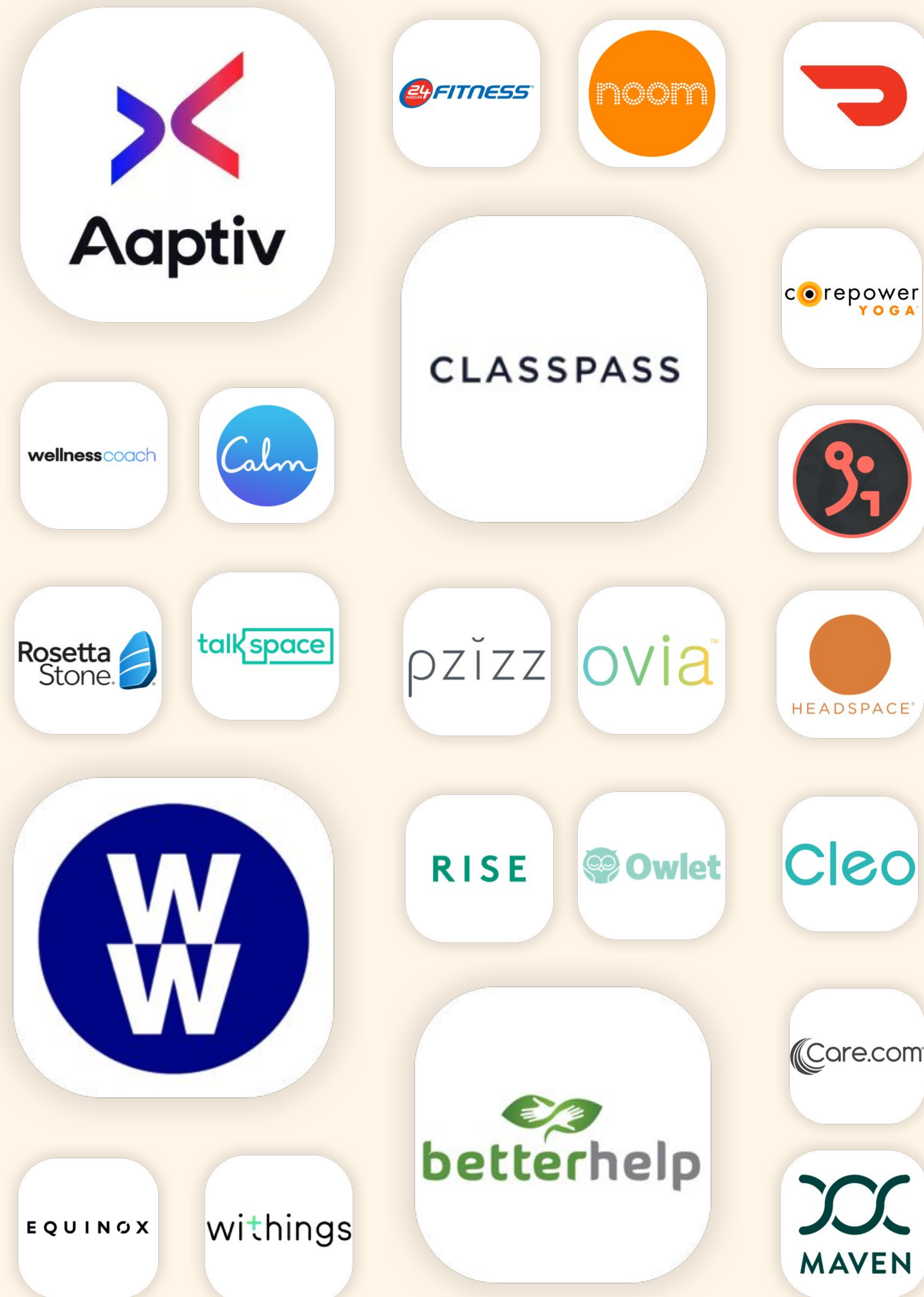
401K  
Health  
Dental

- + WFH
- + Childcare
- + Financial planning
- + Healthcare travel



The process is broken.

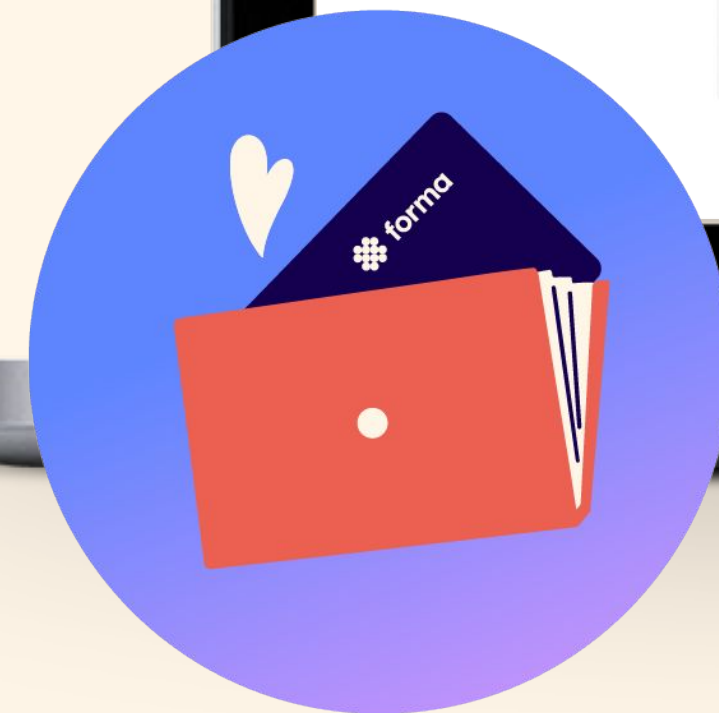
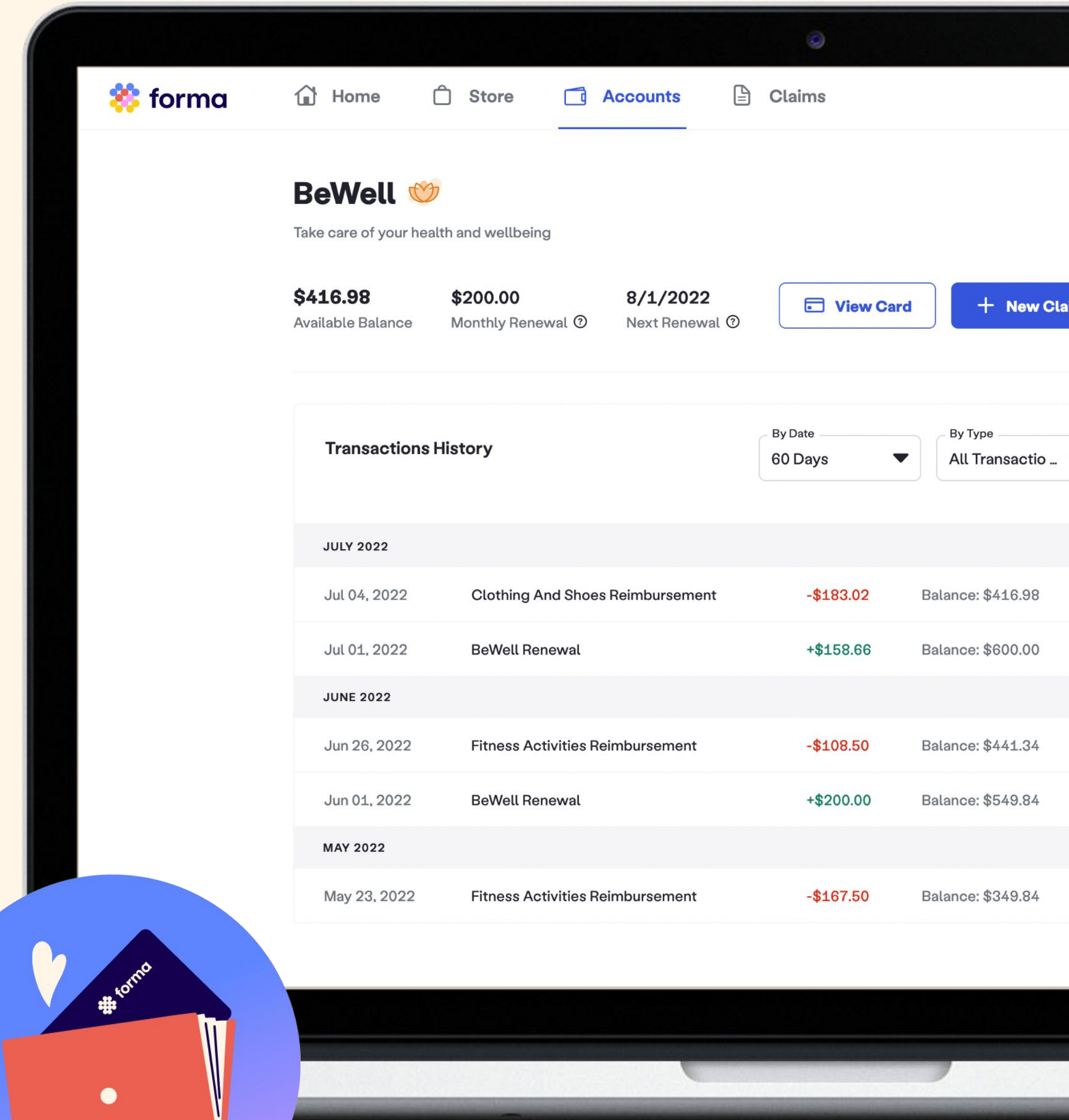
Benefit teams are **struggling** to keep up.



# What is a Lifestyle Spending Account (LSA)?

A flexible benefits account funded by an employer that employees can use to pay for services or products. Lifestyle can be defined as anything that improves an employee's well-being, including:

- + Lifestyle
- + Sustainability
- + Work anniversary
- + New parent
- + Wellness
- + Tuition
- + Student loans
- + Spot bonus
- + Caregiving
- + Health check
- + Charitable donation
- + Learning and development
- + Work from home
- + ERG support





A universe of benefits that flex to fit every lifestyle

# Design and scale a collection of flexible benefits.

## Lifestyle Spending Account (LSA)

- + Lifestyle
- + Wellness
- + Emergency relief
- + Learning and dev
- + Student loans
- + New parent
- + Caregiving and backup care
- + Work from home
- + Donation
- + Meals and goods
- + DE&I/DEIB
- + International healthcare
- + Pet
- + Any custom design!

## Health Reimbursement Arrangement (HRA)

- + Medical travel
- + Mental health
- + Fertility
- + Gender affirmation
- + Dental
- + Vision
- + Any custom design!

## Pre-tax solutions

- + HSA
- + FSA
- + Commuter
- + Limited Purpose FSA
- + Dependent Care FSA

## Member engagement

- + Personalized recommendations with flexible spending methods



# Forma LSA. Modernized spending accounts for the 21st century.



One platform. All spending accounts.



Modern technology & user experience



Beyond white glove support



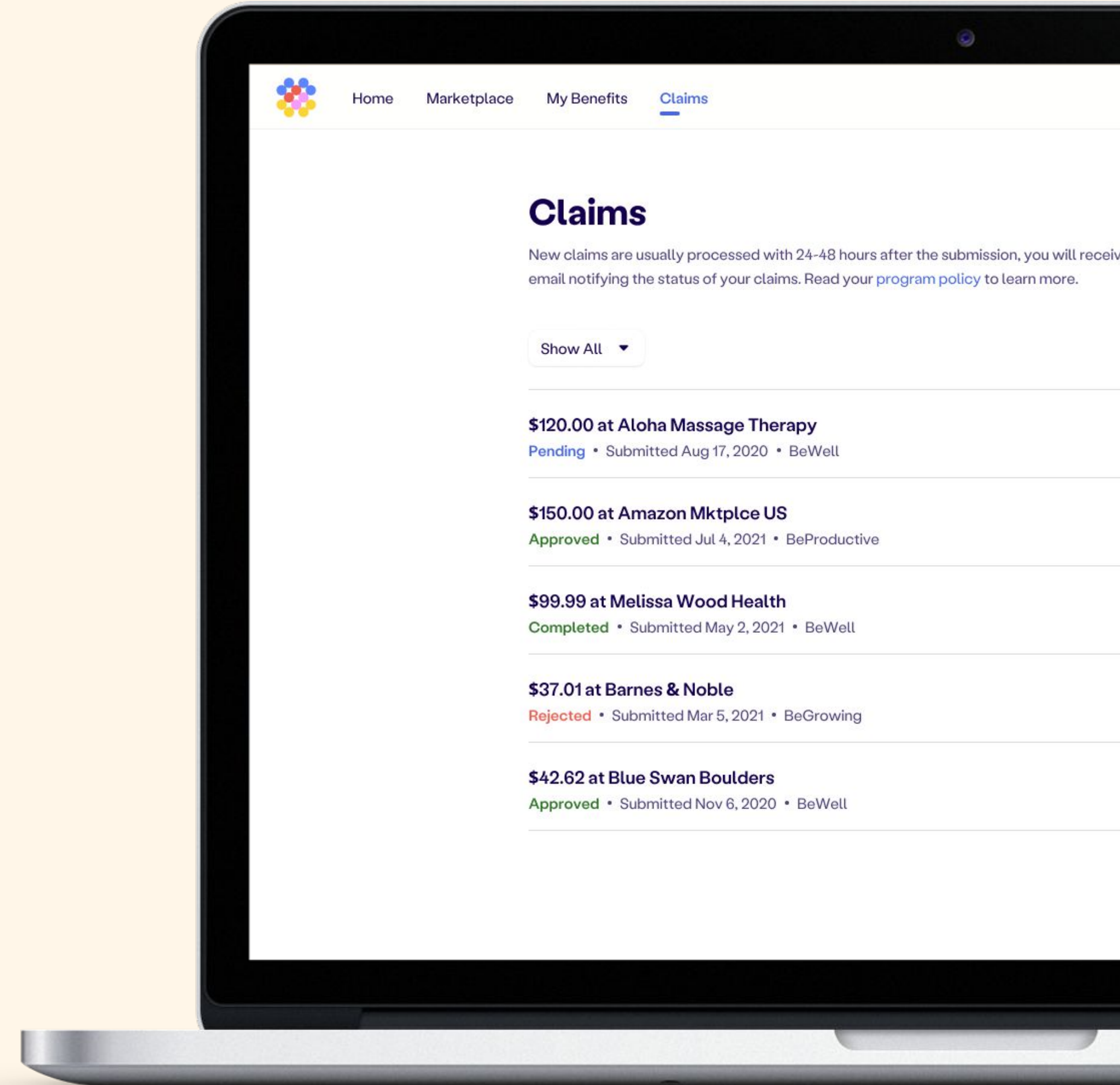
Best-in-class offering

# Didn't use the card or store? **Claims are simple!**

A lightning fast claims process allows your employees to get reimbursed in multiple ways and gives them the flexibility to feel supported and notified every step of the way.

- + 90% of inquiries answered in 24 hours
- + Create custom reimbursement plans
- + See claims statuses and info seamlessly
- + Claims reimbursed within 24-48 hours

Forma: The life benefits platform





Best-in-class offering

# A physical and digital card

Give your employees the ability to spend their benefits on the go with an employer sponsored benefit card.

- + Set merchant availability and restrictions
- + See in-depth spend reporting
- + Eliminate the need for them to file claims and spend money out-of-pocket



Currently available in the US. International availability coming soon.



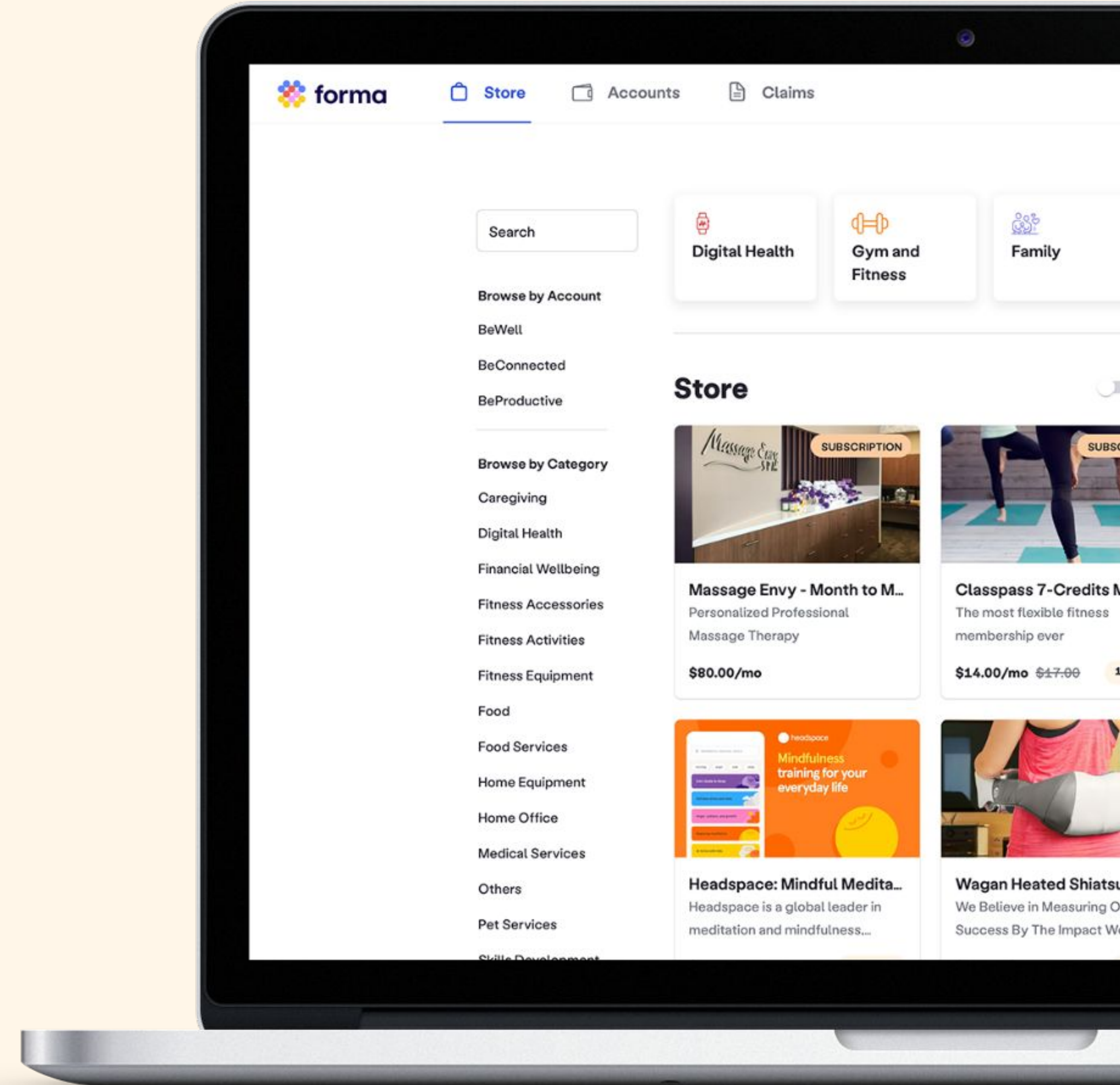
Best-in-class offering

# An online store to use curated benefits instantly

With discounts employees won't find anywhere else, the Forma Store allows purchases of products and services specifically designed for the benefits you choose for them.

- + Set merchant availability and restrictions
- + Curated selections for every employee
- + A checkout process that takes 2 seconds

Forma: The life benefits platform







# An expansive store for all your needs



## Gym/Fitness

- + 24 hour fitness
- + Classpass
- + Planet fitness
- ...and more!



## Mental health

- + Headspace
- + Betterhelp
- + Meditopia
- ...and more!



## Financial health

- + Spring
- + Savi
- + Savology
- ...and more!



## Family support

- + Outschool
- + UrbanSitter
- + Grayce
- ...and more!



## Fitness equipment

- + TRX
- + Fitbit
- + Garmin
- ...and more!



## Wellness

- + Massage envy
- + Goodpath
- + Soothe
- ...and more!



## Work from home

- + VIVO
- + Vornado
- + Ergoworks
- ...and more!



## Food/Nutrition

- + UberEats
- + DoorDash
- + HelloFresh
- ...and more!



## Digital health

- + Noom
- + Weight watchers
- + Aaptiv
- ...and more!



## Virtual coaching

- + Vida Health
- + Roots Reboot
- + The Cru
- ...and more!



## Skills development

- + Rosetta Stone
- + Skillshare
- ...and more!



## Pet

- + TelePAWS
- ...and more!

# What are companies options?

①

## Legacy Pre Tax Providers

- May have global capabilities
- Enterprise size customers
- Outdated Tech
- Limited choices for employees
- Lack member support

②

## New start ups

- Modern Tech
- Often domestic only
- Limited choices for employees
- Lack of enterprise customers and experience

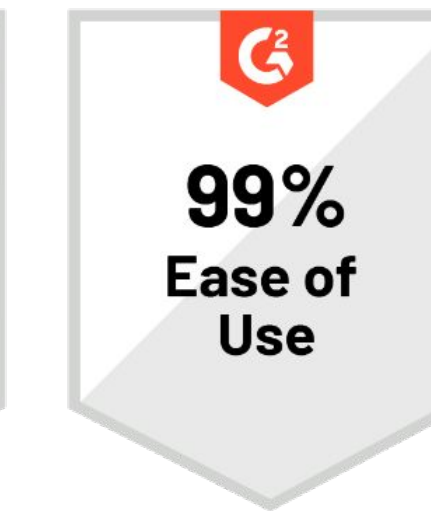
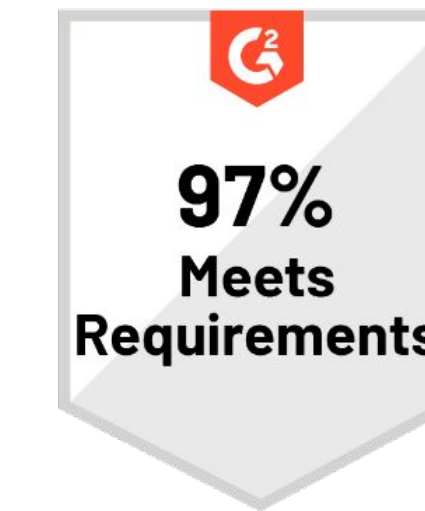
③

## Forma



# Ranked 1st out of 42 in benefits category

“The reimbursement process is so quick and convenient and the Forma card makes things even simpler! The support team has always been friendly and quick to resolve any issues.”





Forma's differentiators: LSA

# World-class services and partnership with you and your employees

Every vendor provides services. Only Forma partners with you and operates as an extension to your team.

- + **CX:** Compliance resources, customer community, program recommendation, vendor coverage
- + **MX:** Human-powered support, 24/7, regular business review, empathy training
- + **Data:** Forma Research, benchmarking, customer reports

Customer:

78 NPS

98% retention

170%+ growth

Member:

75 NPS

97 CSAT

85%+ engagement





Forma's differentiators:

## Global leader

- + 100+ countries around the world
- + Claims adjudication in any country; currency
- + 95% of claims adjudicated in 24 hours!
- + Consistent global experiences
- + 90+ global implementations (LSA)
- + Complex currency localization



# Global or Local Onboarding

Global Rollout

Country Specific Rollout

Domestic Start



Go Live 1/1/22  
57 Countries  
110,000 employees  
Perks + (LSA)  
Global Perks + (LSA)  
Adoption Program - US only

Today  
90 Countries  
140,000 employees  
New Wallets added;  
Physicals (Mexico)  
Global Adoption 7/1/23  
Global Childcare (12 Countries) 7/1  
Dependent Education (7 Countries) 7/1

- zoom
- stripe
- paloalto NETWORKS
- affirm
- üKG

- lululemon
- RIVIAN
- BCG

- JUNIPER NETWORKS
- KLA+
- APPLIED MATERIALS
- HONDA

Why LSAs Work!



# Balancing complex needs for employees and employers



## Employees

- + Mental health
- + Wellness
- + Financial planning
- + DE&I - DEIB
- + Belonging
- + Engagement
- + Burnout
- + Turnover
- + Covid
- + Return to office
- + Work from home
- + Reproductive support
- + Neurodivergent care

...and the list goes on

## Employers

- + Attract/retain talent
- + Great Resignation
- + Rising costs
- + Inflation
- + Market pressure
- + Competitive landscape
- + Client needs
- + Internal pressure
- + Funding
- + ROI
- + Compliance
- + Regulations
- + Data security
- + Privacy

...and the list goes on





# LSA's check **all the boxes** - With The Right Partner

Attraction + Retention



Demonstrated impact on retention

System + Vendor Consolidation



Employee experience

DE&I



Provide true equity and inclusion by providing choice

Wellness Easy Button



Scale your wellness solution without point solutions

Cost + Operational Effectiveness



Reduce point solution spend, administration spend and expenses, create a better employee experience



# LSA is a highly valued benefit in 2022.

According to a conjoint analysis from Radford and Aon, employees value an LSA adjust behind 401(k)



# 2/17

ranking of LSA amongst a list of benefits offerings, just behind 401(k) with a .1 differential between them

# 53%

more value perception for benefits given employee choice vs. those chosen by the employer

5 Days PTO • HSAs • Health Counseling  
Financial Counseling • Fertility Support  
Petcare • Backup Care • Tuition Subsidy

LSAs ranked higher than most benefits program being considered in 2022



# Wellness drives recruiting and retention.

## PWC Study



## Employees:

60pc of employees consider wellbeing one the most important factors to consider when thinking about a job change.

60%



# Lululemon Fosters community through Sweaty Pursuits

- Started with a monthly fitness stipend managed internally.
- Too many limitations to impact employee wellness, compliance and tax laws globally hard to manage, hard to administer.
- Started in Hong Kong, Taiwan, Korea, and Germany.
- Now rolled out globally with **83% engagement and 97% employee satisfaction**
- **For every \$1 spent in Forma platform, saved \$6 in healthcare costs**

# Real time data and analytics

Forma: The life benefits platform

**twic** Dashboard US Dollars

**Last 30 days**

- 50%** ↑ 12: Active employees on Twic (1,293 of 3,382)
- 57%** ↓ 12%: Budget utilization per employee.
- 98%** ↑ 12: Employee satisfaction score for Twic across 1,203 tickets.
- 98%** ↑ 1%: Approval rate across 2,183 claims.

May 1, 2019 - May 1, 2020 | All Accounts | All Locations | Compare View

**Year to Date · All Accounts · All Employees**

**Total company spending**

**Average spend per employee**

**Employees popular spending methods**

SPENT \$90,392.12 · 64%

- Store
- Claims
- Card

**Active employees**

**Claim Approval Rate**

**Popular Categories**

- Fitness
- Wearables
- Childcare
- Messages
- Biking

**twic** Banking

Available Balance: **\$123,637.74**

[Add Funds](#) [Settings](#)

**Transactions** (Most Recent)

**JANUARY 2021**

Jan 1, 2021 One-Time Deposit +\$45,000.00 Processing

**DECEMBER 2020**

Dec 30, 2020	Benefits Card Spending	-\$800.00	Posted
Dec 29, 2020	#T0728 Direct Deposit Payments	-\$5,047.26	Posted
Dec 28, 2020	Manual Top-Up	+\$105,466.00	Posted
Dec 28, 2020	Auto Top-Up	\$49,534.00	Cancelled
Dec 22, 2020	Claims Processed by Twic	-\$6,801.22	Posted
Dec 20, 2020	Claims Processed by Twic	-\$3,110.93	Posted
Dec 19, 2020	Claims Processed by Twic	-\$5,004.57	Posted
Dec 15, 2020	Auto Top-Up	+\$49,534.00	Posted
Dec 11, 2020	Auto Top-Up	\$49,534.00	Cancelled

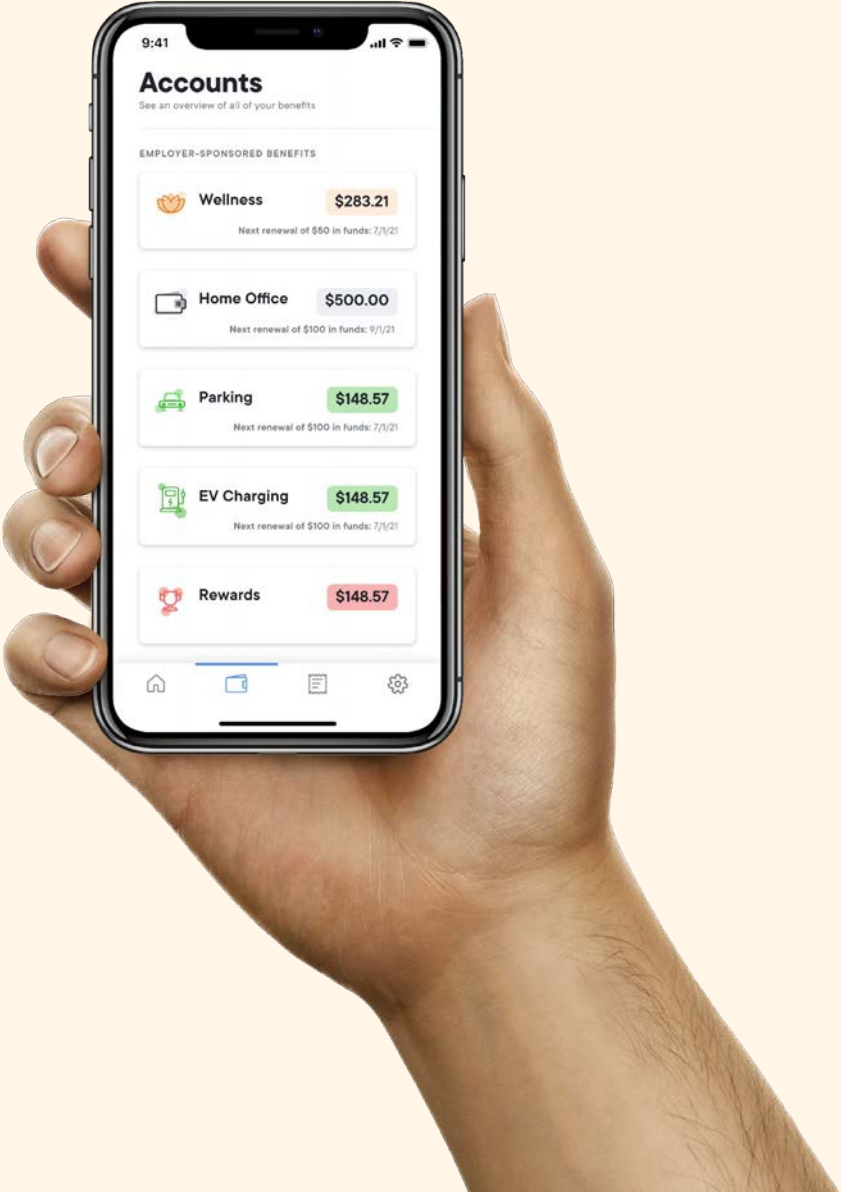
**Account**

Routing No. ....3177

Account No. ....0108

Threshold \$1,000.00

Auto Top-up Enabled



## Create New Report

**Choose Template**

What kind of report would you like to create?

- Balance Report**  
Employee balances in each accounts.
- Spending Report**  
Track employee spending and trends.
- Contribution Report**  
Employee accounts contributions.
- Demographic Report**  
Track employee enrollment to program.
- Transaction Report**  
Employee transaction report.
- Employee Change Report**  
Changes to employees over time.
- Custom Report**  
Create a custom report with any data.

[Continue](#)



Ranked Forma  
as the  
#1 benefit



Forma is the  
#1 top-performing  
and most utilized  
benefit



Employees rank  
Forma's LSA #1



We want to have very good  
retention and make  
employees happy. And with  
Forma, we are having an  
amazing experience.

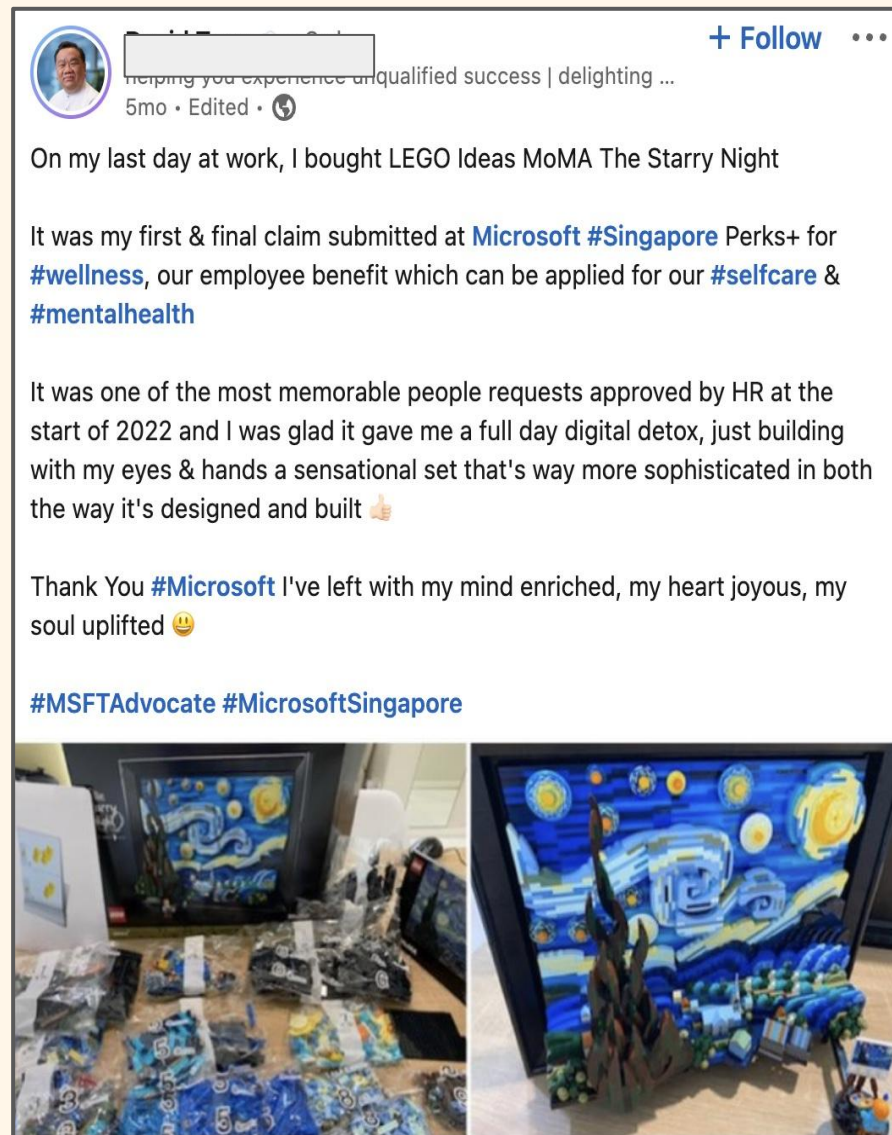
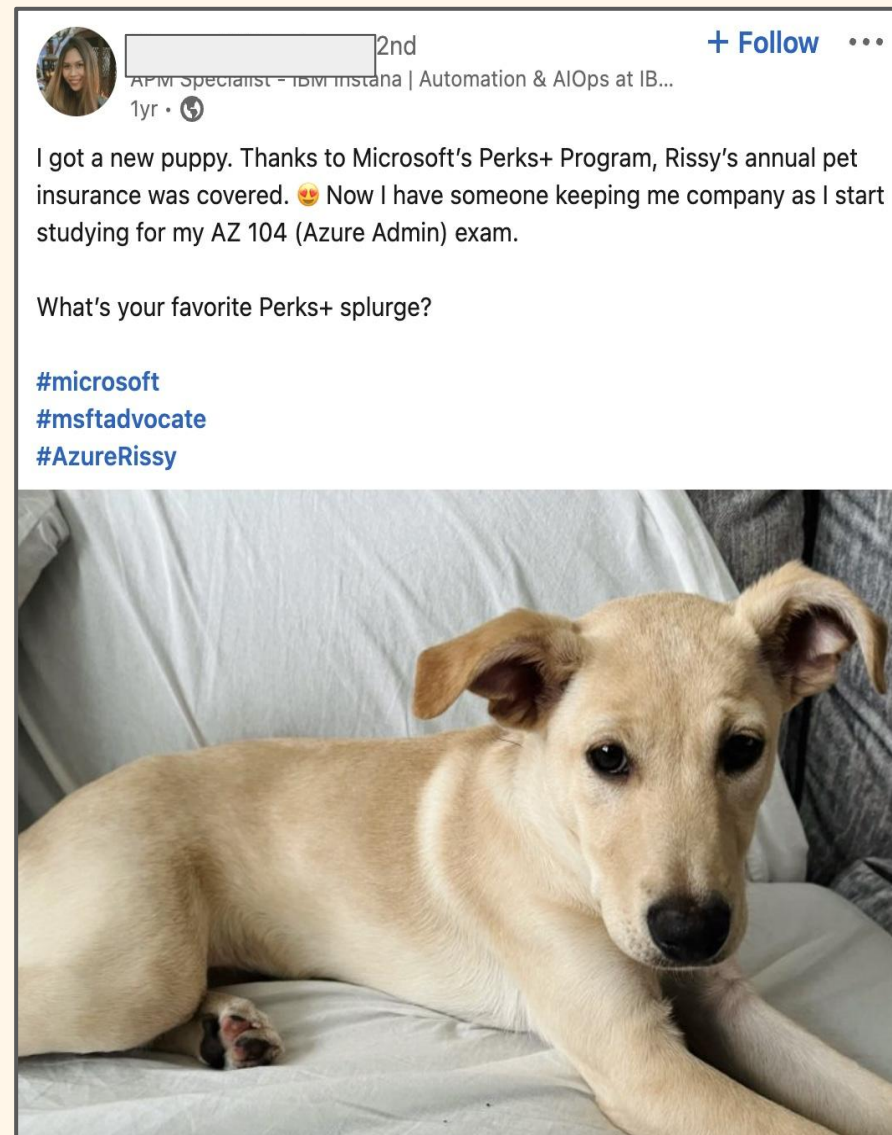
Marina Carpova  
Global Director of Payroll



97.8%  
employee  
satisfaction

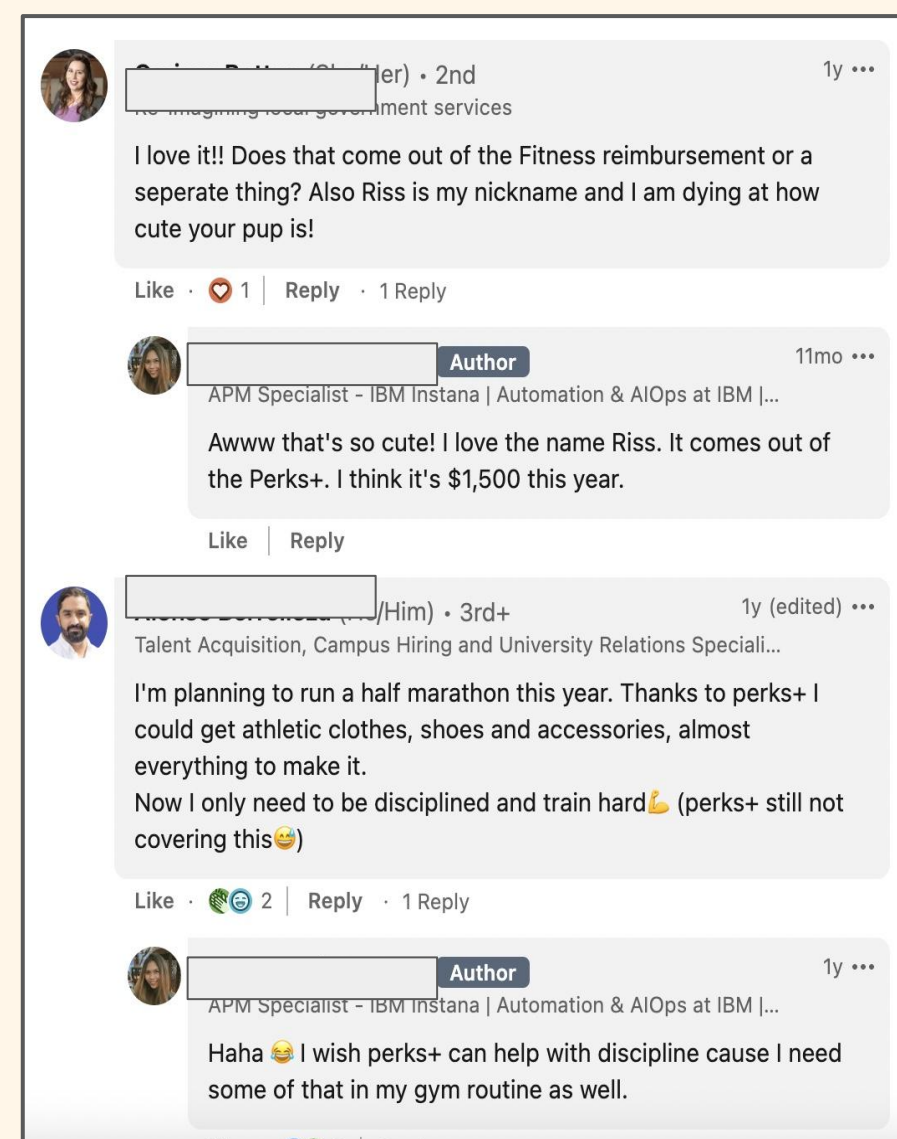
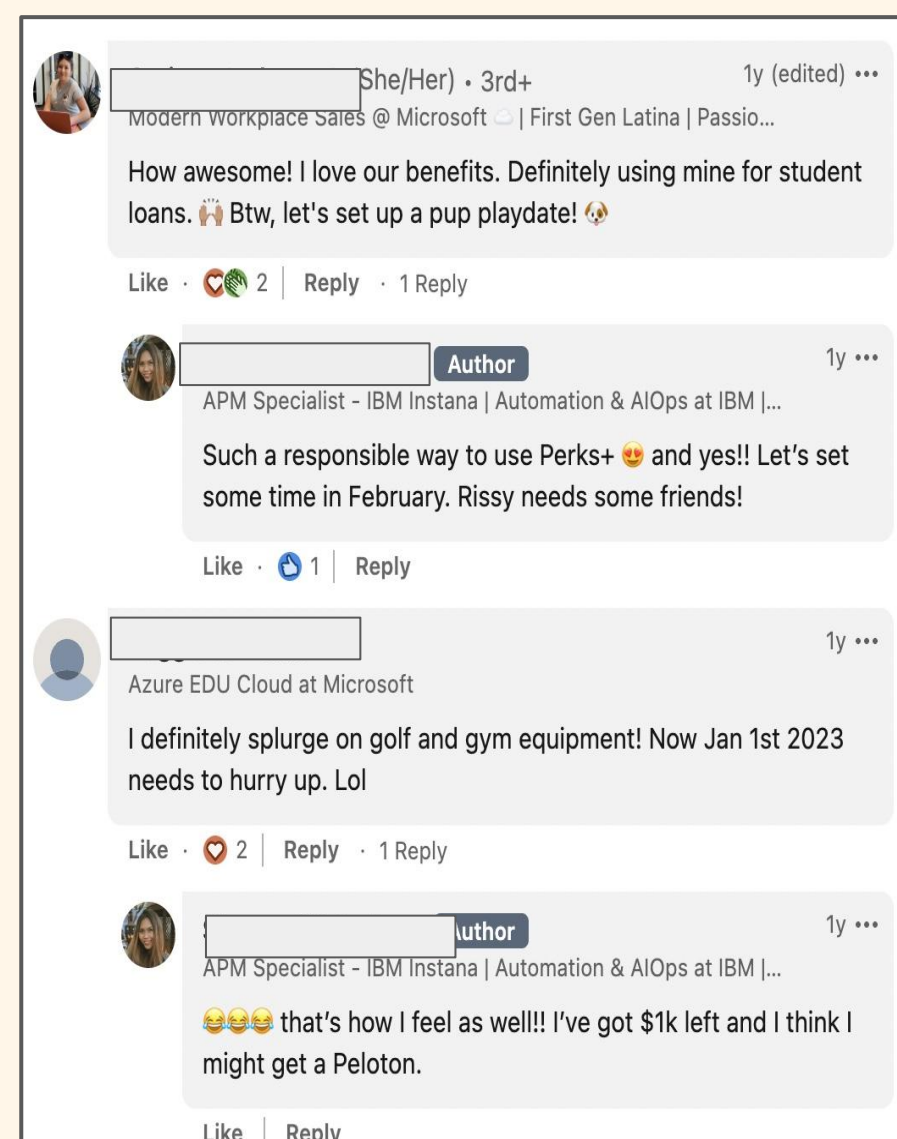


# A Benefit your Employees won't stop talking about



Viral TikTok Videos!

LinkedIn post after LinkedIn post sharing the ❤️



Articles Written about the Program!



# Benchmarking Data and How Employers are funding these Projects



Download resources to explore flexible benefit and LSA today.

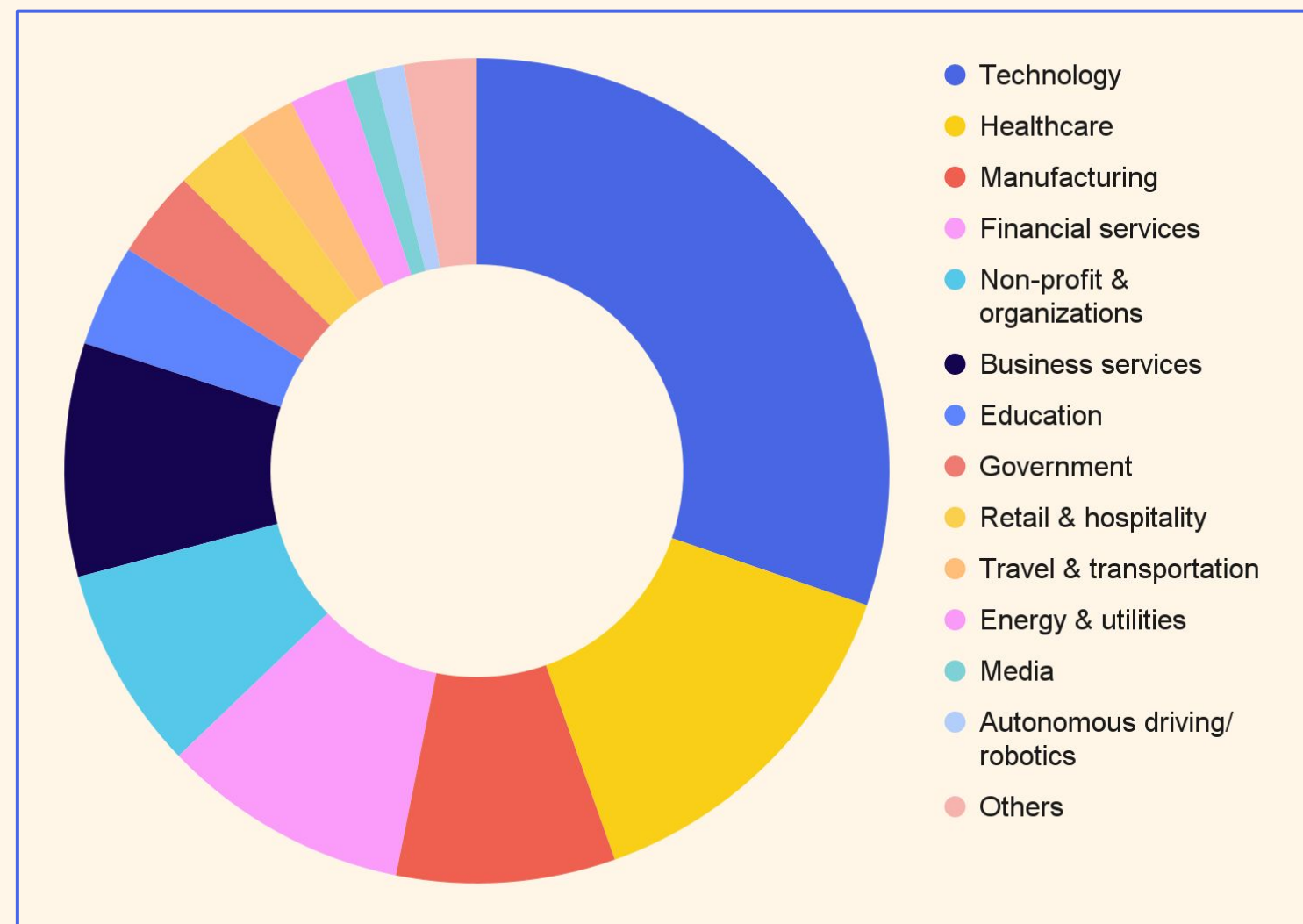




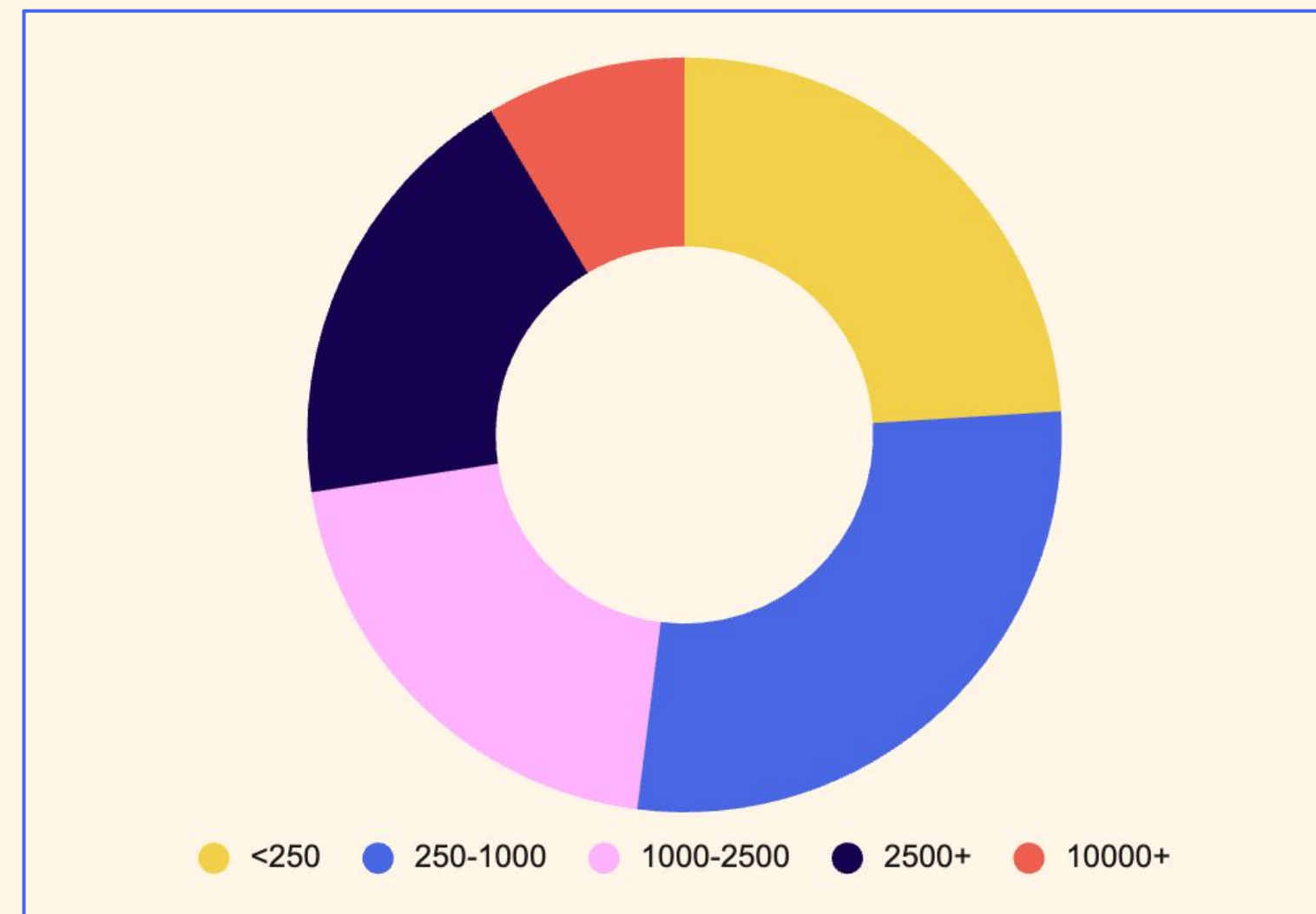
# About this research

2023 flexible benefits benchmark aims to improve our understanding of employer's current benefits program, and to help employer stretch their budget further.

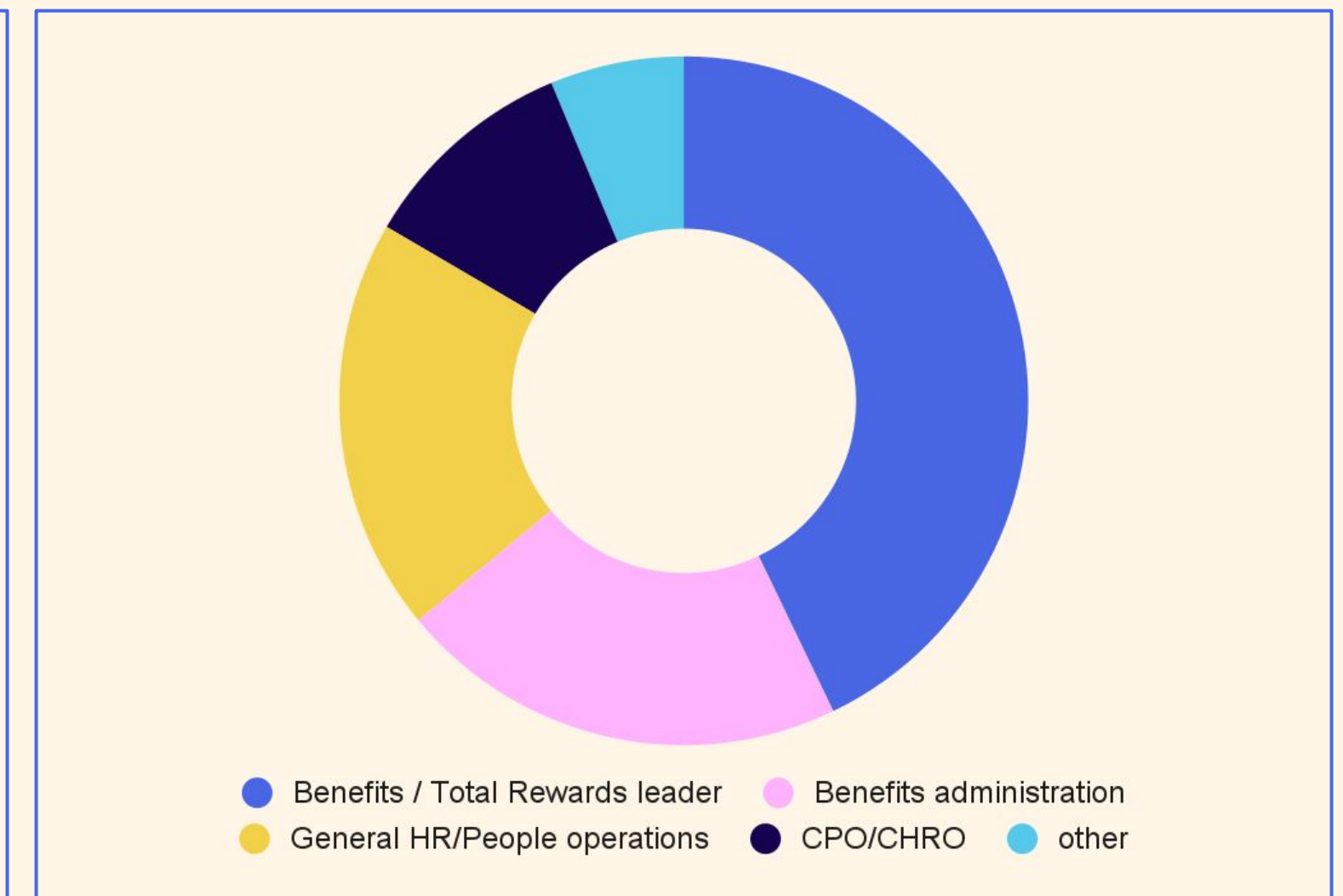
### Various industries



### Companies of different size



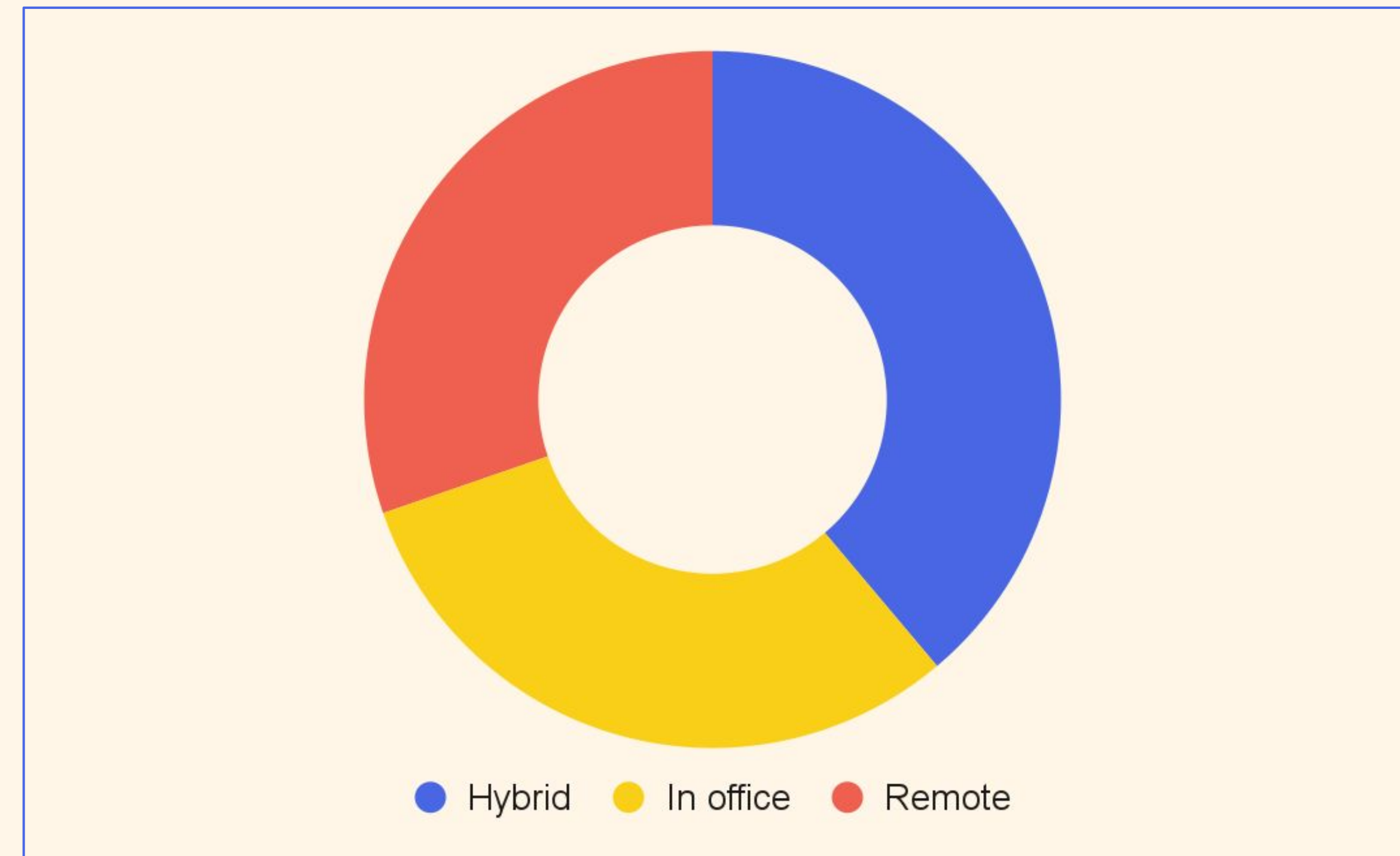
### Benefits / Total Rewards role





Building equitable benefits programs becomes more complex in an increasingly distributed workforce.

Are most of employees remote, in the office, or hybrid?



The average number of perks and wellness benefits companies offered is 9.

Point solutions fatigue is real.

33

perks and wellness programs available in market today

80%

of companies provide 5-15 perks and wellness benefits

9

is the average number of perks and wellness benefits companies offered



# United States

Forma in the United States:

210

Companies

341,118

members

## Top Spending Account Types

Top 3 Account Types

Average Allocation

“Best in Class” Allocation

Lifestyle

\$1,300

\$7,000

Work From Home

\$825

\$3,000

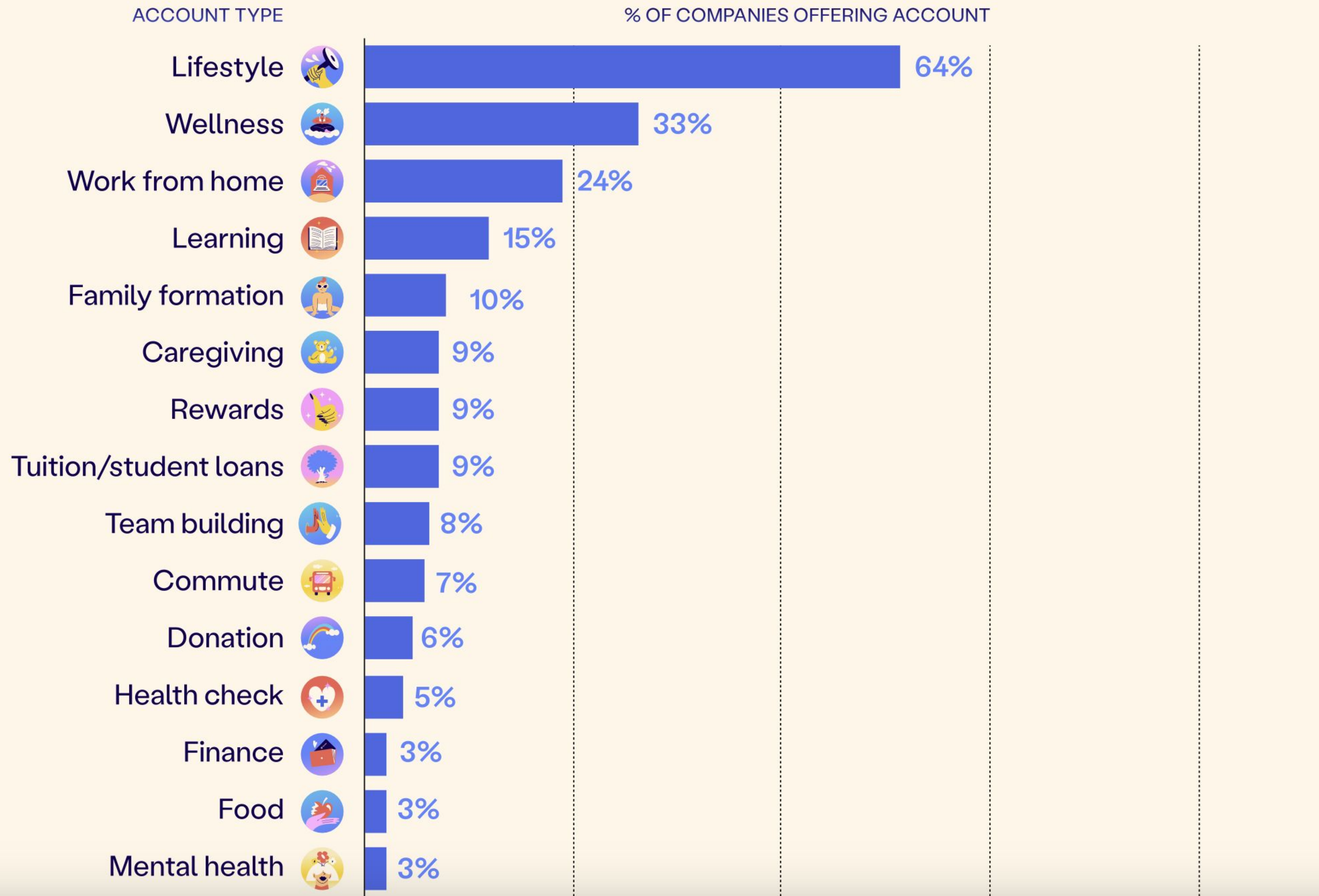
Medical Travel

\$2,500

\$20,000

Honorable Mention: Wellness, Food, Learning and Caregiving

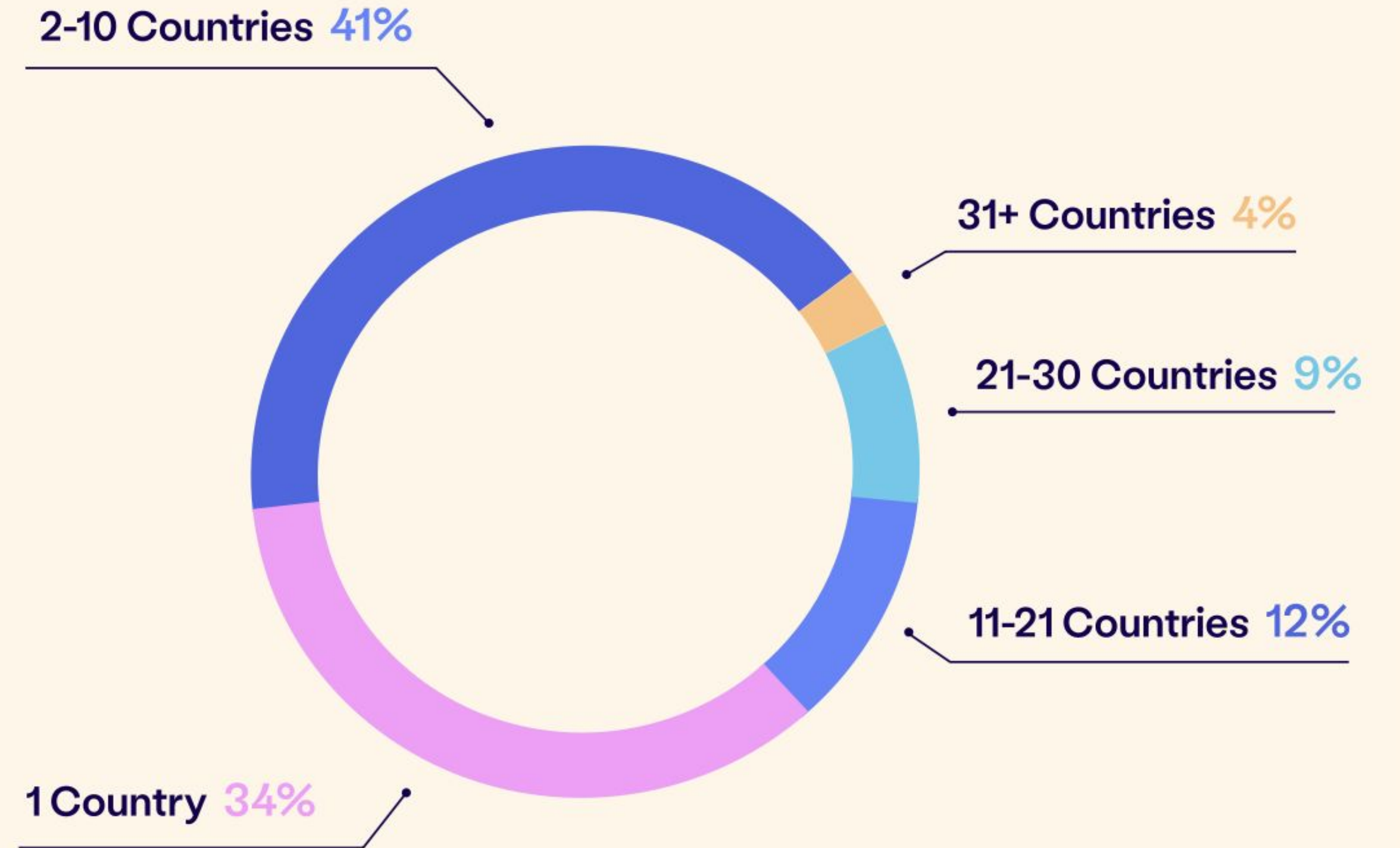
# Most popular account types



# Spending by industry

Industry	USD spending per employee per year
National defense	\$16,333
Human capital	\$9,159
Education	\$8,268
Financial services	\$5,151
Software	\$3,446
Healthcare	\$2,545
Restaurant	\$2,400
Biotechnology	\$1,983
Cybersecurity	\$1,702
Retail	\$1,598
Travel	\$1,402
IT	\$1,204
Media	\$912
Manufacturing	\$508
Nonprofit	\$466
Construction	\$100

## Company breakdown by international presence





# India

Forma in India

42

Companies

8,654

Members

## Top Spending Account Types

Top 3 Account Types

Average Allocation

“Best in Class” Allocation

Lifestyle

\$1,090

\$6,500

Work From Home

\$890

\$3,100

Wellness

\$354

\$560

Honorable Mention: Learning, Family Formation, Donation



# Funding - 78% of our customers use existing budget

1. **Consolidate various employee benefit vendors**
2. **Use wellness funds offered by healthcare providers**
3. **Convert wellness challenge dollars**
4. **Remove costly expense software**
5. **Shift a small portion of the YOY comp increase**
6. Repurpose 401k match contributions
7. Save by bundling pricing for pre-tax and LSA administration
8. Redirect caregiving account funds when unused
9. Shift dollars budgeted for real estate
10. Repurpose gym discounts/Reimbursements



11. Tap the work from home budget
12. Improve cell phone and wifi reimbursements
13. Look for an ergonomic equipment budget
14. Create a more inclusive family formation strategy
15. Give renewed purpose to new parent budgets
16. Draw from the Learning and Development Budget
17. Refresh performance and competitions awards
18. Streamline holiday gift budgets
19. Administer service anniversary bonuses
20. Allow SWAG to be purchased



Scan QR code to start the process of **Business Value Assessment**.

Forma's team of experts will provide free consultation services to help you refine your benefits program and stretch your budget further.

Sign up today. Limited spots available

Q&A