

Defined Contribution 101 | Employers

Defined contribution is a funding strategy in which you provide a set dollar amount to each employee for benefits. Unlike the defined benefit approach, defined contribution facilitates transparency, your employees have their choice of how to spend their benefit dollars, and you will help gain predictability in setting long-term benefit budgets.

This is an innovative way for small businesses in New Jersey to provide their employees valuable benefits. The defined contribution strategy works best in an exchange environment where employees have a number of health plans to choose from.

You Choose The Budget. Your Employees Choose Their Benefits.

MyAHNJ Defined Contribution Portal is a whole new approach to employee benefits — using a defined contribution product, you set a fixed budget, and choose a health plan package. The rest of the decisions are made by your employees. This minimizes the pressure of choosing the one health plan for everyone in your company.

Advantages For You

Predictable Benefits Costs

Because you set the budget, it can help you plan for this year and years to come – avoiding the potential volatility of traditional benefits costs. Most employers save 10 - 30% in the first year alone.

Simplified Benefits Program Management

Instead of juggling multiple health plans from a variety of carriers, now you can consolidate and simplify administration.

Higher Employee Satisfaction

When employees have transparency into their benefits dollars, they may appreciate and value them more.

Advantages For Your Employees

Choice of Health Plans

Employees can choose from the health plans offered based on their individual and family circumstances, all from top national and regional providers.

Total Support

Multiple levels of support are available to help employees and their families during enrollment and throughout the year.

Better Understanding Of How To Use Their Benefits

Educated employees are more likely to be engaged in their health care and financial decisions.

Employees May Save Money

Employees choose the health plan that they feel best fits their need from among the health plans offered which may save them money.

Getting Started

- Speak with your New Jersey Insurance Broker to sign up for the MyAHNJ Defined Contribution Portal
- Employees fill out a simple questionnaire, receive personalized recommendations, and get additional educational information and guidance
- Employees pick their portfolio of plans from a range of choices

Contact Information

AmeriHealth New Jersey is proud to be the first health insurer in the state to offer small employers access to a defined contribution portal. If you or your customers have any questions about the portal or experience any technical problems, please contact Liaison Customer Support at 855-376-7990.