



Employee Benefits & the Cost of Smoking

By: Corporate Synergies' Benefits Experts

Fewer Americans are smoking every year as more and more people understand the negative effects the cost of smoking has on their health and well-being.

Due to the potentially devastating side effects to a person's health, smoking also affects health care costs. People that smoke often have more health care claims, more absences from work and may pay higher premiums for health and life insurance than nonsmokers.

Smokers and Insurance

Approximately 14% of adults in the United States smoke some form of tobacco, which costs their employers money for a variety of reasons. Smoking increases an individual's risk of developing a variety of health conditions (like heart and lung disease and cancer), which leads to more health care claims, higher health care bills, and, consequently, higher insurance premiums for employers. Most employers pass at least some of this cost on to employees.

Smoking and Absenteeism

People who smoke tend to be absent from work more often than those who do not. On average, smokers miss two to three more days of work each year than nonsmokers.

Smoking and Health Care Costs

Research has shown that smoking increases health care costs considerably for employers and employees. Consider the following statistics.

According to the Centers for Disease Control and Prevention (CDC), smoking costs the nation more than \$300 billion annually—nearly \$170 billion in health care costs and more than \$156 billion in lost productivity due to premature death and exposure to secondhand smoke.

Insuring Smokers

Besides the direct costs of absenteeism and increased health care claims, the cost of insuring smokers is greater than the cost of insuring nonsmokers. On average, each employee who smokes costs his or her employer \$45 more per year than a nonsmoking employee in accidental injury and workers' compensation costs.

What You Can Do About It

To help reduce the effect smoking has on health care costs for you and your employer, either try to quit smoking, or don't start in the first place. While quitting smoking can be difficult, it will improve your overall health and well-being, and, as a result, it will lower your overall health care costs.