

2023 McGriff Paid Leave & Compensation Survey

August 2023



About McGriff

McGriff is a subsidiary of Truist Insurance Holdings, the fifth largest insurance broker in the U.S.¹ Truist Insurance Holdings is a subsidiary of Truist Financial Corporation, one of the nation's largest and best managed financial institutions. McGriff provides a full suite of employee benefits programs, consulting, brokerage services, and risk management solutions. The firm's offerings also include commercial property and casualty, corporate bonding and surety services, cyber, management liability, captives and alternative risk transfer programs, small business, title insurance and personal lines.

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About Our Survey

In this latest installment of the McGriff Survey Series we asked employers about their paid leave benefit offerings and compensation strategies. We heard from 412 employers in all major industries and geographies with large employers (500 or more employees) representing 15% of all responses. With the varying complexities and requirements from different state and local municipalities, managing leave and compensation can be difficult for internal teams to manage, stay compliant, and compete with other employers. Our key findings suggest that the larger the employer the more likely they are to provide a more robust leave and compensation plan.

¹Source: Truist IH ranking as listed in *BusinessInsurance.com*. July 2023

Key Findings

1

When asked which benefits their organization offers to their employees, nearly all employers offer paid vacation (99%), while more than half offer paid sick leave to their employees (55%). Thirty-nine percent of employers offer paid maternity leave and 30% offer paid paternity leave; 29% offer both.

2

Employers that offer paid parental leave may set requirements before employees become eligible for the benefit. Forty percent of employers report that employees are eligible for paid parental leave after 12 months of employment while 30% report they are eligible upon hire. Forty-one percent report employees must be full-time and 34% report they must work at least 30 hours per week.

3

Sixty-nine percent of employers said they pay 100% of their employee's regular earnings during parental leave and 73% offer employer-sponsored disability to birth mothers during their medical recovery.

4

Most employers base their vacation/PTO allowances on tenure (99%), job title (14%), and/or pay grade (3%). Sixty-three percent of employers allow employees to carry-over their PTO from year to year, with a maximum of five days being the most common amount. Seventy-seven percent of employers pay out unused vacation/PTO upon separation. Four percent of employers offer unlimited PTO to their employees.

5

When filling a new position, 44% of employers say they pay whatever is necessary to fill the opening. When planning for base pay increases, 61% rely on cost-of-living adjustments (COLA) and 52% base increases on performance. Seventy-eight percent of employers offer performance bonuses and 45% offer sign-on bonuses.

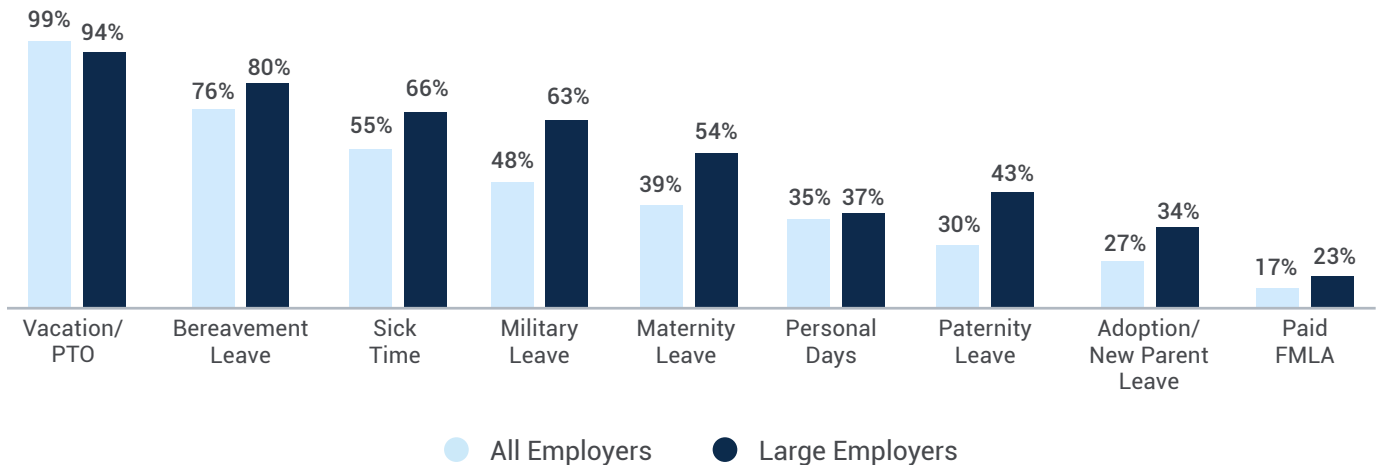
6

Thirty-nine percent of employers have a formalized compensation management plan and another 26% are thinking about implementing one in the next 12-18 months. Forty percent of those who have one use a vendor to assist with their compensation management plan.

Paid Leave

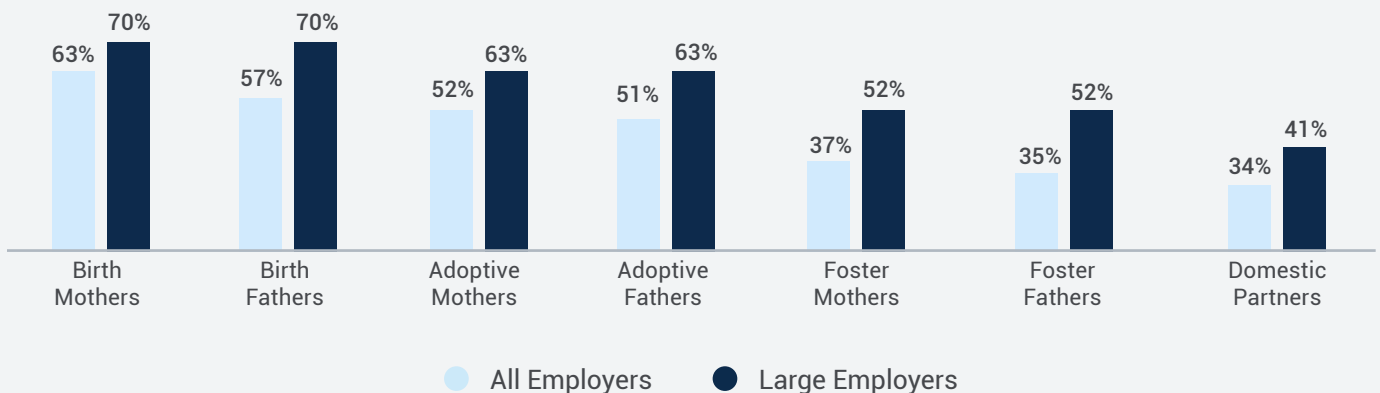
Our survey revealed that employers tend to offer more robust leave benefits as their size increases. The largest difference with what large employers are providing is related to those offering maternity and paternity leave, respectively.

Which of the following paid leave benefits does your organization offer to employees?

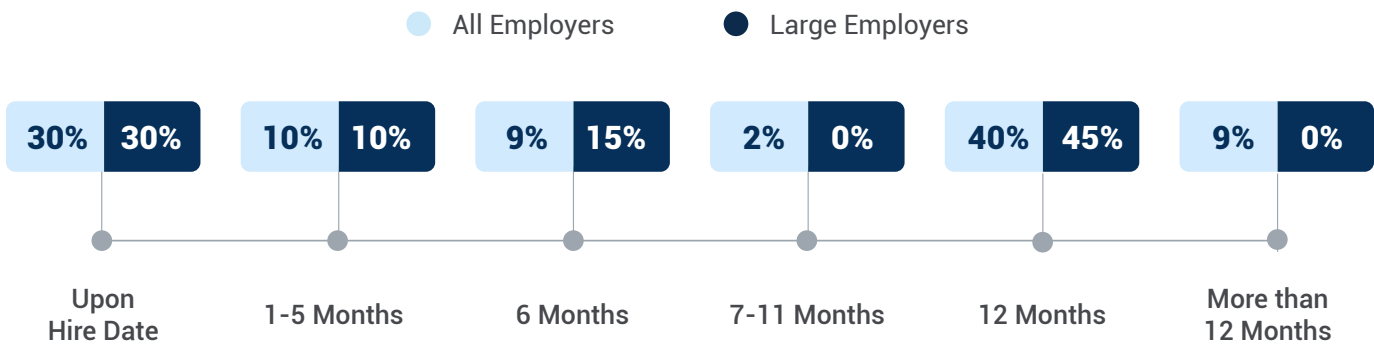


Paid leave allows employees to strike a balance between their personal and family commitments, as well as their professional obligations. The varying complexities can make it difficult to understand the average paid leave benefits offered by employers. But understanding them can help employers support the work-life balance of their employees while remaining market competitive with their offerings.

Which employees are eligible for your organization's paid parental leave benefits?



Length of Employment Required for Paid Parental Leave Eligibility

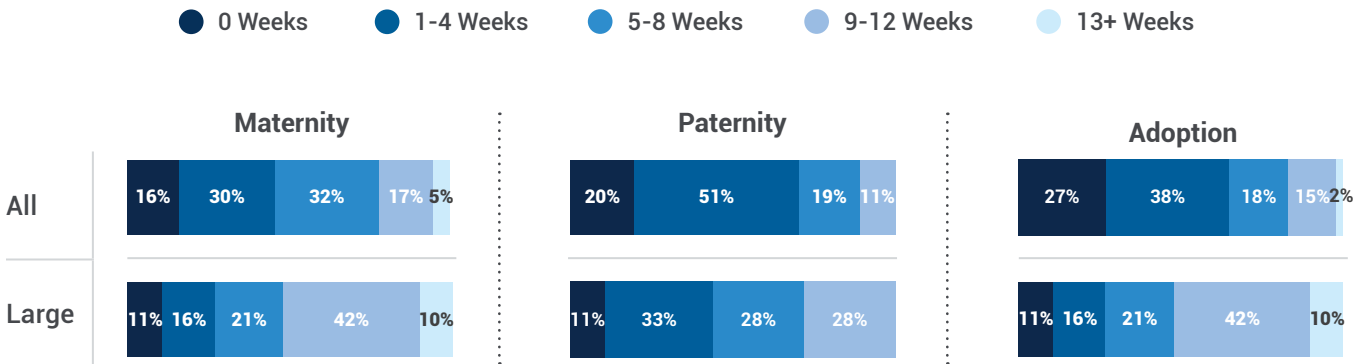


Excluding any disability or insurance programs that cover the medical portion of a birth mother's leave, how many weeks of paid parental leave does your organization offer?

Average Paid Parental Leave	Weeks
Maternity	5.7
Paternity	3.6
Adoption	4.2



How many weeks of paid parental leave does your organization offer?



Paid Time Off

Ninety-nine percent of employers base the amount of vacation/PTO provided to their employees on tenure. Average amounts provided are listed below.

9.3 Days
New Hires

15.2 Days
5 Years of Service

18.9 Days
10 Years of Service

19.9 Days
15 Years of Service

Do you allow your employees to carry-over unused vacation/PTO days?



Yes

All Employers: 63%
Large Employers: 69%



No

All Employers: 37%
Large Employers: 31%

Maximum Days Allowed to Carry-Over

Days Allowed	All Employers	Large Employers
1-5 Days	36%	29%
6-15 Days	26%	38%
16-30 Days	23%	24%
More Than 30 Days	15%	9%

Do you pay out unused vacation/PTO upon separation?

● Yes ● No

All Employers

77%

23%

Large Employers

88%

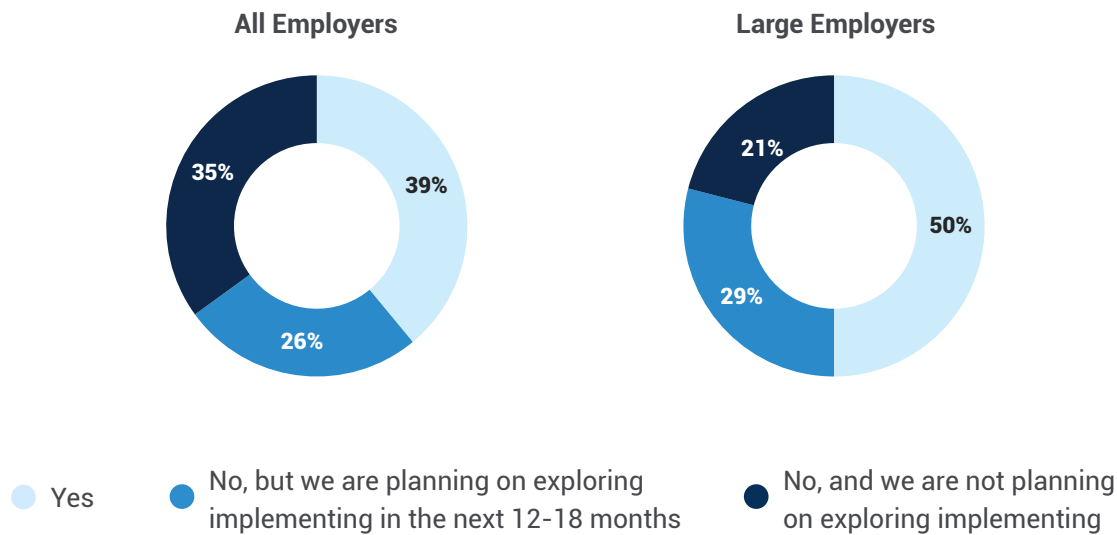
12%



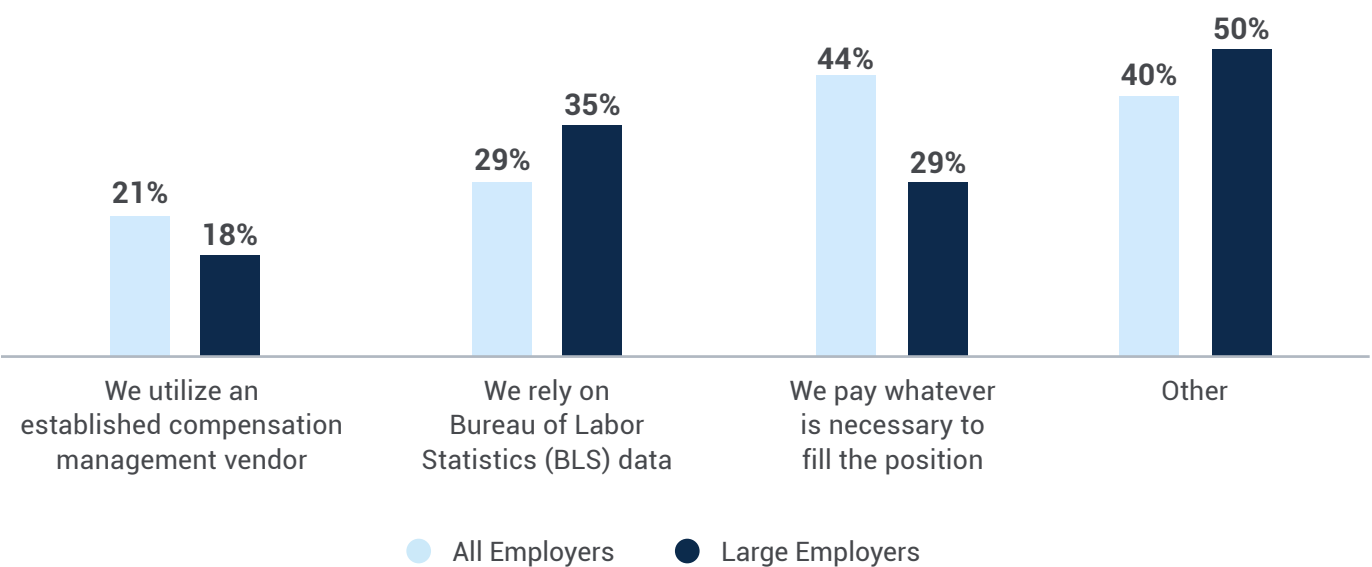
Compensation

The complexity and variability of leave and compensation plans can make it difficult for internal teams to manage these benefits effectively. Thirty-nine percent of all employers have a formalized/written compensation management plan and 40% of those employers have a vendor that assists with their compensation management plan.

Do you currently have a formalized/written compensation management plan in place?

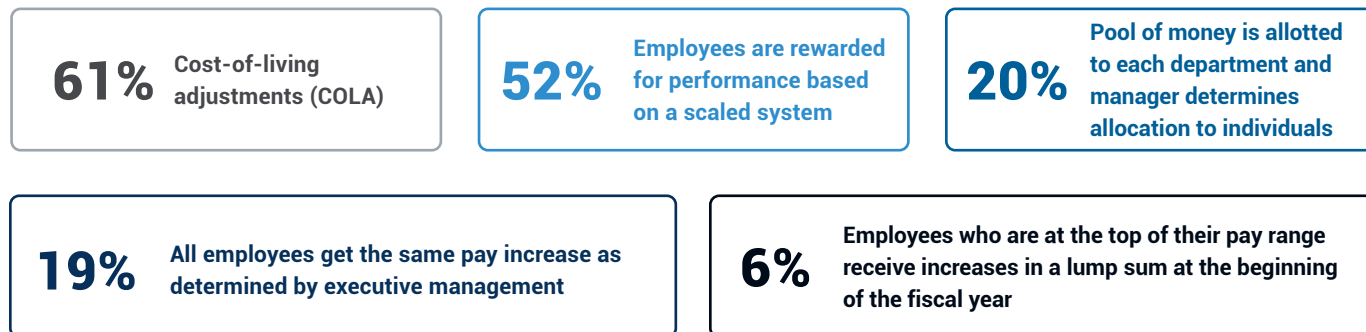


When you create a new position or change a job description, how do you assure you are accurately pricing the position?

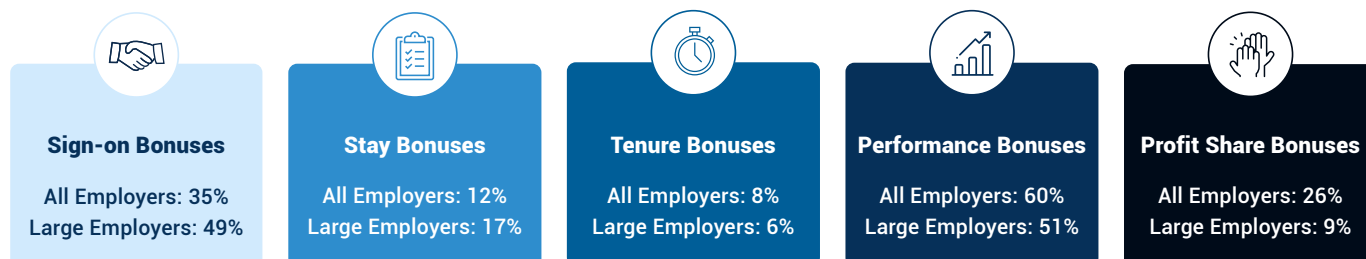


The decision about how to increase base pay is a complex one, with employers weighing a variety of factors such as a cost-of-living adjustments (COLA), the availability of talent, and the organization financial performance. However, the majority of employers ultimately decide to increase base pay based on general inflation (COLA) and individual performance.

Base Pay Increases Strategies



Seventy-seven percent of all employers offer bonuses to their employees. The most commonly provided are performance and sign-on bonuses. The size of the employer greatly impacts the type of bonus offered.



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