McGriff
A Marsh & McLennan Agency LLC Company

2025 National Benefit Trends Survey

April 2025

Content

About McGriff

When it comes to protecting what matters most in business and everyday life, we believe our clients should never settle for less than the best. For more than a century, we've relied on expertise, resources, and relationships to deliver insurance and risk management solutions focused on our clients' priorities and what they value most.

Our solutions include commercial property and casualty, corporate bonding and surety, cyber, management liability, captives and alternative risk transfer programs, employee benefits, small business insurance, and personal lines. McGriff is part of Marsh McLennan Agency (MMA).

Visit McGriff.com to learn more.

About Our Survey

McGriff's fifth annual National Benefit Strategies Survey is a compilation of insights from organizations regarding their human resources (HR) initiatives, employee benefits, and strategies for managing workforce challenges. The survey results are organized into various sections, each addressing different aspects of employee benefits and organizational strategies. We continue to focus this year on top-of-mind strategies and benefits for employers as they navigate rising healthcare costs, access to quality care, and trending high-cost drugs.

We heard from 656 employers in all major industries and geographies. 18% of respondents have 500 or more employees, and 35% are self-funded. Key findings from this year's survey show that employers are increasing their focus on employee engagement while balancing healthcare cost management strategies with a keen focus on high cost pharmaceuticals.

Key Findings

01

Focus on Employee Retention and Engagement:
A significant emphasis on employee retention (53%) and engagement (40%) indicates that organizations are prioritizing strategies to keep their workforce satisfied and motivated. Leadership development (41%) is also a key focus, highlighting the importance of nurturing future leaders.

02

Cost Management Strategies:
With rising medical costs, organizations are actively seeking ways to manage expenses. Changing medical carriers (36%) and implementing targeted cost control programs (29%) are common strategies, indicating a proactive approach to financial sustainability.

03

Anti-obesity drugs and GLP-1 medications continue to grow in popularity and drive pharmacy costs. A significant majority of organizations—60%—do not currently cover GLP-1 medications for weight loss and are not considering adding this coverage in the near future. In contrast, only 7% of employers provide coverage for both diabetes and weight loss without restrictions, while 33% cover these medications for diabetes and for weight loss only if specific criteria are met. This indicates a cautious approach regarding the inclusion of GLP-1 medications in benefits offerings, despite the growing recognition of their effectiveness in managing metabolic conditions.

04

A majority of organizations (81% for medical benefits and 89% for retirement benefits) plan no changes to their benefit offerings in the coming year. This stability suggests confidence in current programs but may also indicate a reluctance to innovate or adapt to new trends.

05

The presence of wellness programs, including biometric screenings (50%) and health coaching (49%), indicates a strong focus on employee health and well-being. However, challenges such as cost and resource limitations still hinder broader implementation.

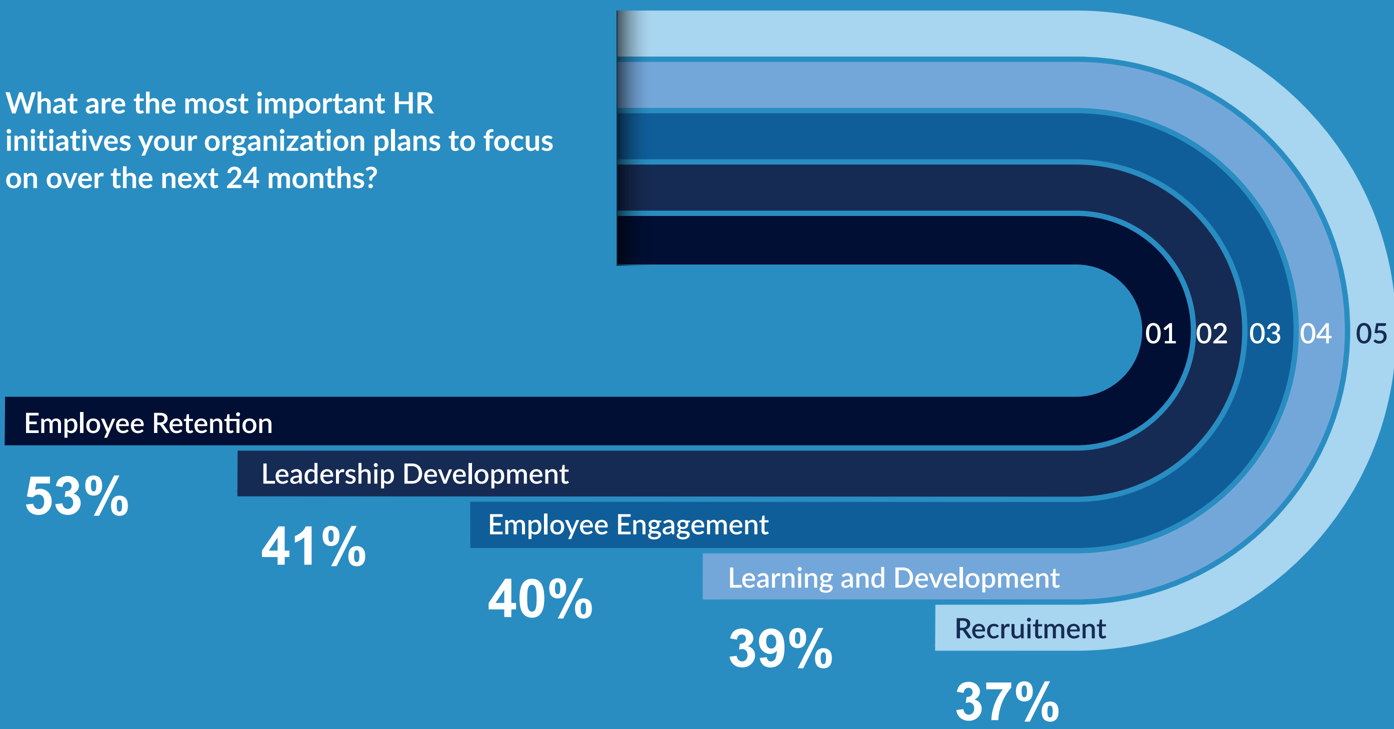
06

In the evolving landscape of employee benefits, compliance with current regulations is a significant priority for organizations, with 75% of respondents rating it as “very important” and another 21% as “important” for the upcoming 12 months. This strong emphasis on regulatory compliance highlights the critical role it plays in safeguarding organizations against legal and financial risks. In today’s complex regulatory environment, organizations are prioritizing compliance to meet industry standards, protect employee rights, and maintain operational integrity. This focus on compliance fosters a culture of accountability and transparency, which is vital for the long-term success and sustainability of the organization.

Top HR Concerns and Initiatives

In the past few years of our survey, employers have continued to indicate a strong emphasis on employee retention and engagement, while recruitment of new employees has become less of a focus than it was in the early years of the COVID-19 pandemic. In this years' survey we saw retention (53%) remain the top area of focus, with leadership development (41%) and employee engagement (40%) rounding out the top three. Recruitment (37%) was slightly down from 2024 (39%). This continued trend is particularly significant in the current labor market, where competition for talent is fierce, and employee expectations are evolving. Employers are reacting to these market pressures and recognizing the benefits of doing all they can to help keep current employees satisfied. The financial implications of turnover are substantial. Estimates suggest that replacing an employee can cost anywhere from 50% to 200% of their annual salary, depending on the role. This reality drives organizations to focus on retaining their existing talent.

What are the most important HR initiatives your organization plans to focus on over the next 24 months?



How important are the following items to your organization in the next 12 months?

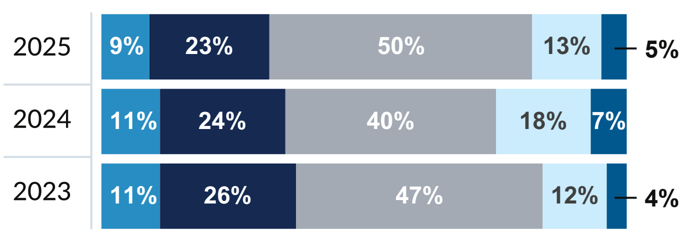
Employee retention, medical benefit costs, and compliance with current regulations remain the top issues for employers.

Very Important · Important · Neither Important or Unimportant · Unimportant · Very Unimportant

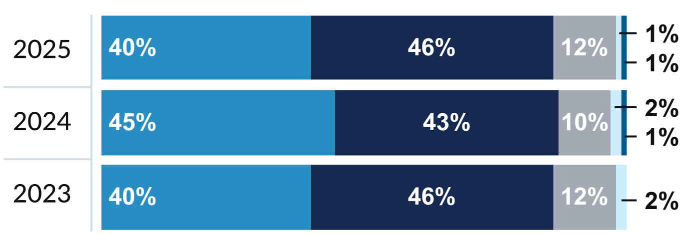
Compliance With Current Regulations

Controlling Medical Costs

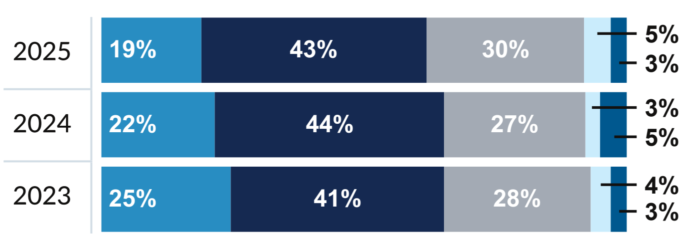
Low Participation in Benefits



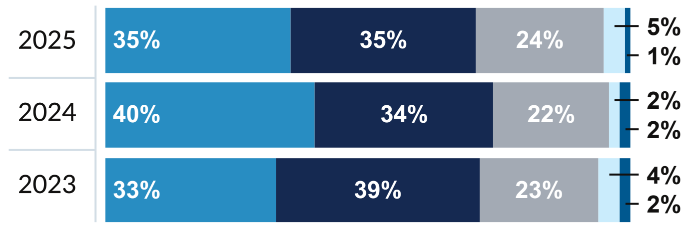
Effective Communication and Education of Benefits



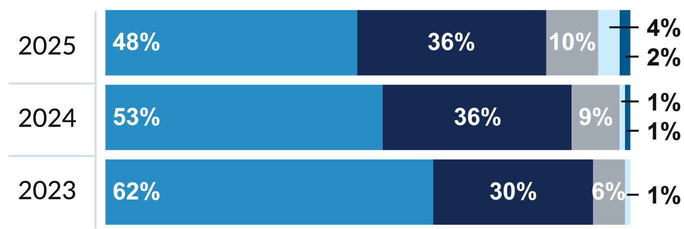
Cost Effectiveness of Retirement Benefits



Managing Pharmacy Costs

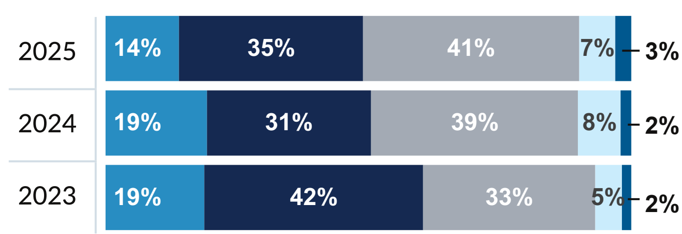


Recruiting Employees



Retaining Employees

Technology Systems Related to Benefits



McGriff uses a proprietary program to create metrics to better quantify benefit plan performance. **McGriff MORE Insights™** is designed to transform a company's employee benefits program from a corporate expense to a competitive advantage by improving selection, design, management and engagement.

Recruitment and Retention Strategies

Recruitment

A significant majority of employers (64%) are increasing compensation as a primary strategy for recruitment. This includes not only base salary adjustments but also bonuses (23%) and other financial incentives to make their offers more competitive. Additionally, about 43% of organizations are enhancing their onboarding processes to create a more welcoming and efficient experience for new hires. Employers are also offering additional perks and benefits (32%) that go beyond traditional health insurance. This includes family planning and fertility benefits, wellness programs, and mental health support, which can differentiate them in a competitive job market.

Overall, these strategies reflect a comprehensive approach to recruitment –focused on competitive compensation, supportive work environments, and a strong commitment to employee development and well-being.

What strategies have you used in the past 12 months to help recruit employees?

Increased Compensation
2025: 64% | **2024:** 65% | **2023:** 73%

Improved the Employee On-Boarding Process
2025: 43% | **2024:** 45% | **2023:** 38%

Additional Perks or Benefits
2025: 32% | **2024:** 34% | **2023:** 35%

Additional Workplace Flexibility
(Policy on Hybrid/Remote Work)
2025: 23% | **2024:** 29% | **2023:** NA%

Additional PTO or Vacation
2025: 25% | **2024:** 28% | **2023:** 25%

Sign-On Bonuses
2025: 23% | **2024:** 26% | **2023:** 29%

Adjustment to the Traditional 40-Hour Work Week
2025: 13% | **2024:** 12% | **2023:** 19%

Enhanced Retirement Benefits
2025: 10% | **2024:** 8% | **2023:** 9%

Retention

Retaining employees remains a top concern among employers, with 68% reporting it is very important to their organization in the next 12 months. High turnover can lead to increased recruitment and training costs, loss of institutional knowledge, and disruptions in team dynamics. Organizations are implementing various strategies to enhance retention, including competitive compensation, career development opportunities, and work-life balance initiatives. Engaged employees are more productive, motivated, and committed to their work. Research shows that organizations with high employee engagement levels also experience better performance, lower absenteeism, and higher customer satisfaction.

While retention strategies haven't changed dramatically over the past three years, we are seeing an increased focus on professional development, career growth, and flexible work given the increase in remote workers.

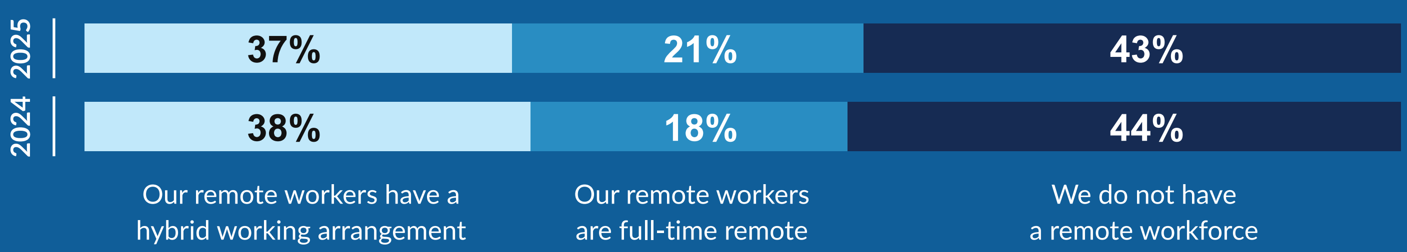
What strategies have you used in the past 12 months to help retain employees?

Strategies	2025	2024	2023
Increased Focus on Professional Development Opportunities and Career Paths	41%	40%	40%
Commitment to On-going Flexible Work Arrangements and Policies	40%	37%	44%
Additional Perks or Benefits	36%	40%	39%
Investments in Employee Professional Development Resources	28%	28%	28%
Off-Cycle Salary Increases	26%	31%	38%
Additional PTO or Vacation	22%	27%	26%
Formalized Boundaries Around Work/Life Balance and Working Hours	16%	16%	14%
Retention Bonuses	15%	17%	19%
Adjustment to the Traditional 40-Hour Work Week	14%	13%	20%
Enhanced Retirement Benefits	12%	10%	11%

Remote Work

The continued prevalence of hybrid work arrangements (37%) and full-time remote work (21%) reflects a shift in workplace dynamics. Organizations have largely adapted to flexible work models, which have become standard in many industries as we've consistently seen in our survey the past 3 years.

Would you consider your remote workforce strategy to be hybrid, or full-time remote work?



87% For employers who said they have a hybrid work arrangement, 87% said they expect workers to be in the office more than one day per week.

Employee Engagement

Employee engagement was again cited as a top-three focus among employers. Many organizations are utilizing employee engagement surveys to help identify areas for improvement and inform strategies to enhance the overall employee experience. 40% of employers say they administer an employee engagement survey, with another 13% planning to do so in the next 12 months.

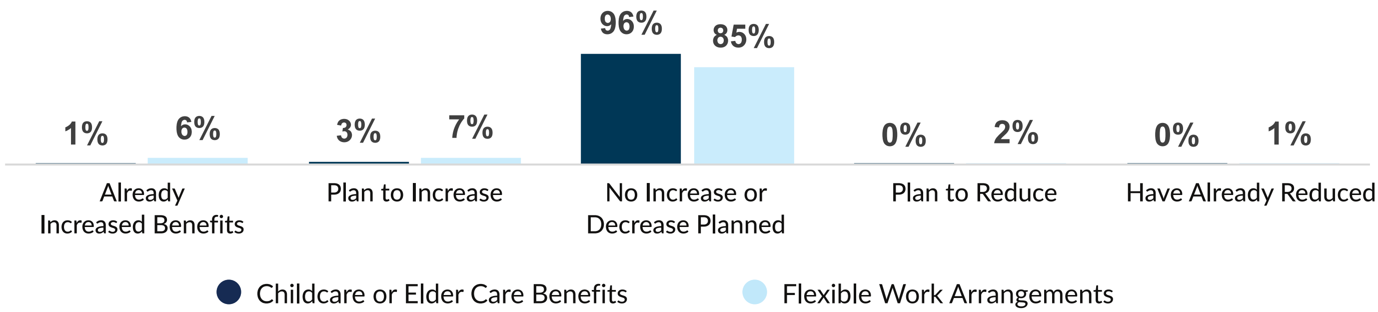
With 41% of organizations focusing on leadership development, there is a recognition that strong leadership is crucial for fostering a positive work environment and driving employee engagement. Effective leaders can inspire and motivate their teams, leading to higher retention rates.

As organizations navigate a competitive labor market, investing in strategies that enhance employee satisfaction and commitment will be an important component for long-term success. By prioritizing retention and engagement, organizations can support developing a more motivated workforce, reduce turnover costs, and ultimately create better business outcomes.

2025 Trends in Work-Life Balance

A majority of organizations (81% for medical benefits and 89% for retirement benefits) plan no changes to their benefit offerings in the coming year. However, supporting work-life balance remains a top priority among employers. A big piece of this is workplace flexibility and childcare support. This year's survey reveals that, as in prior years, employers have set boundaries to help support their workforce and their families by being flexible and offering benefits for all stages of life.

Is your organization planning to make changes to the benefit offerings in the following areas in the next 12 months?



Over the past three years, employers have said that providing flexible work hours is the best way to meet the evolving needs of worker childcare. Sponsoring a dependent care FSA also continues to be a popular benefit in this area, with 37% of employers reporting they have one.

What benefits do you have to help employees with childcare?

Category	2025	2024
Flexible Work Hours or Schedule	40%	38%
Sponsoring a Dependent Care FSA	37%	37%
Other	10%	10%
Additional Sick Time (Family Sick Leave)	8%	11%
Access to Back-Up Childcare Benefits	2%	4%
Offering Tutoring Support/Benefits For School-Age Children	1%	1%
Direct Financial Support For Childcare	1%	0%
Offering a Caregiver Pay Benefit	0%	1%

Fertility/Family Planning

While only 6% of all employers provide fertility coverage as a part of their benefits packages, 20% of larger employers (over 500 employees) are doing so. Employers that offer comprehensive fertility benefits often find that it enhances their overall benefits package, making them more attractive to potential hires. Of those employers who are covering fertility/family planning benefits, the most popular components of those programs are IVF and fertility medication coverage.

Which of the following fertility/family building benefits does your organization offer?*

59%	70%	51%	81%	35%	19%	22%
Evaluation by Specialist	Fertility Medication/ Drug Therapy	Intrauterine Insemination (IUI)	In Vitro Fertilization (IVF)	Egg, Sperm, or Embryo Freezing	Travel Benefit for Fertility Coverage Outside of Local Area	Other Family Building Services

*Out of the 6% of companies who offer these benefits.

Economic Impact on Medical Benefits

The survey results reveal that organizations are increasingly focused on cost-management strategies, particularly in response to rising medical expenses and overall benefits costs. Organizations are feeling the pressure to manage these escalating costs while still providing comprehensive benefits to their employees. Organizations are increasingly utilizing data analytics to monitor healthcare spending and identify trends. By analyzing claims data, employers can pinpoint areas where costs are rising and develop targeted interventions. Conducting regular reviews of benefits offerings and costs allows organizations to stay proactive in managing expenses. This includes assessing the effectiveness of current strategies and adjusting as needed.

Have you implemented or are your considering any of the following strategies to combat expected future cost increases and/or in anticipation of medical inflation in the next 12 months?

36%
Changing Medical Carriers

29%
New targeted programs to control costs

12%
Requiring higher out-of-pocket costs for certain low-value services or sites of care

28%
Shift more costs to employees via increased medical plan contributions

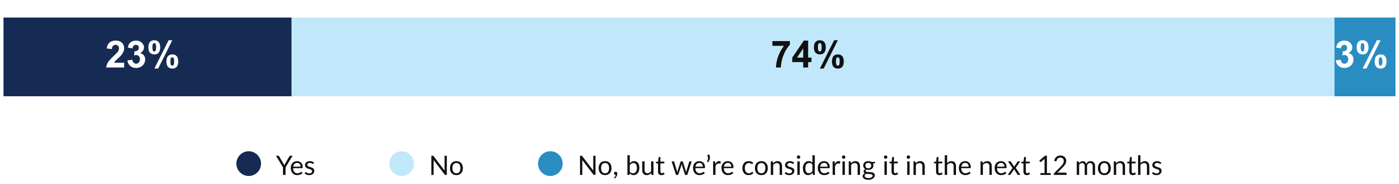
22%
Shift more costs to employees via plan design changes

28% ↑ from 2024

of employers report that they are considering shifting more costs to employees via increased medical plan contributions

However, around 1 in four employers either already provide or are considering a lower cost medical plan for lower wage workers.

Does your organization provide lower cost medical plan employee contributions for lower wage workers?

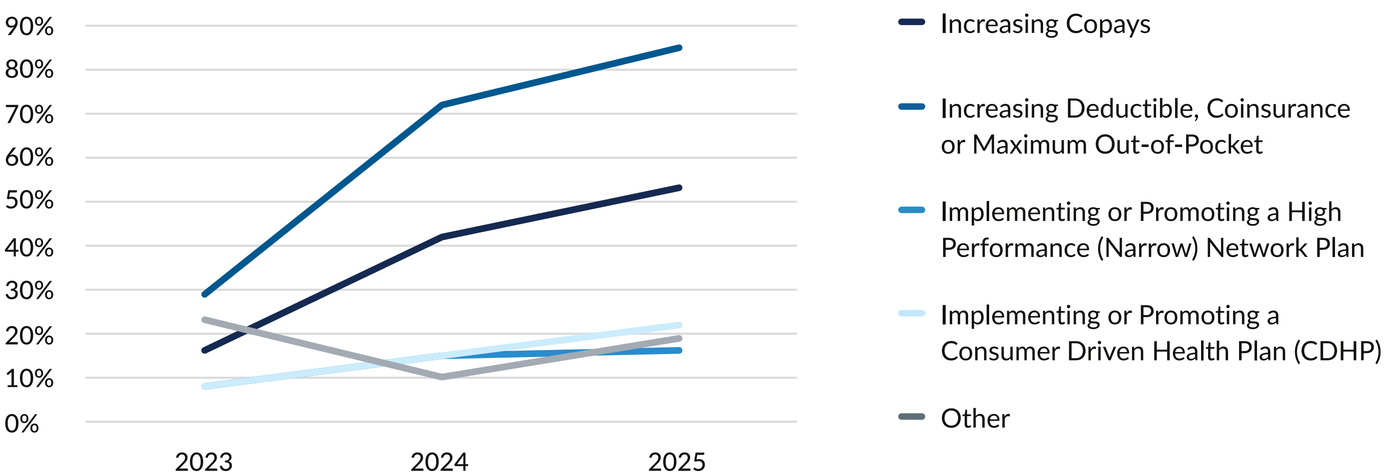


Many employers are concerned about the rising costs associated with providing spousal coverage, particularly if spouses have access to their own employer-sponsored health plans. This has led some organizations to consider implementing spousal surcharges or limiting coverage options for spouses who have access to other health insurance.

Does your plan have any provisions regarding coverage of spouses?

Increasing plan deductibles and maximum out of pockets continues to be the most popular strategy for employers looking to change benefits to lower costs, with 85% reporting this as a consideration this year. Over half of employers who said they're considering shifting more costs to employees said they're considering doing so by increasing copays.

Of the 22% of employers considering plan design changes, what changes are they considering?



Pharmacy Trends

Organizations are exploring ways to control pharmacy costs amid complex benefit structures. Implementing strategic pharmacy benefit approaches can enhance employee well-being and financial health. The trends include increased cost-sharing, strategic management of specialty drugs, and careful evaluation of emerging therapies like gene therapy.

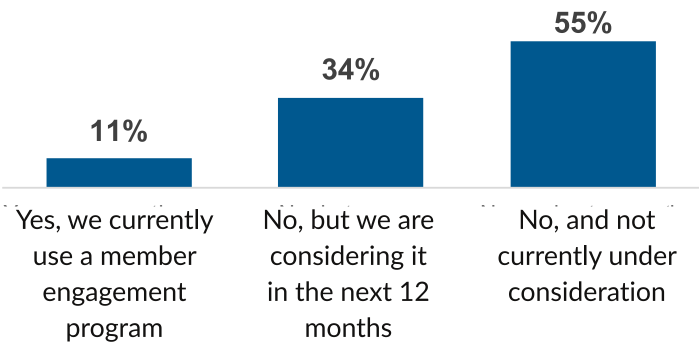
70% of employers say that managing pharmacy cost is either important or very important in the next 12 months.

To achieve these goals, 43% of the organizations that are self-funding their health plan are carving out pharmacy benefits from their medical third-party administrator (TPA) and utilizing a different Pharmacy Benefit Manager (PBM). This may allow them to negotiate better pricing and terms with PBMs and manage specialty drugs and formulary design more effectively, leading to lower overall costs.

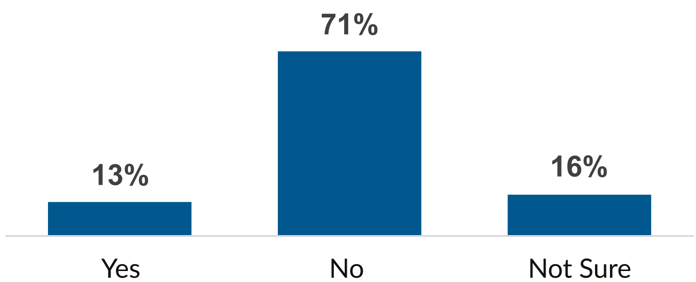
Member engagement programs can also help manage pharmacy costs by educating employees about lower-cost medications and condition management opportunities. While only 11% of employers say they are currently utilizing such a strategy, an additional 34% report say they're considering doing so in the next year. Member engagement programs are one way to enhance benefits offerings and support employees in making smarter healthcare decisions.

In addition to these strategies, various prescription drug discount cards are available, making medications more affordable at the point of sale. While these cards are marketed similarly to health insurance cards, they are not processed through insurance. Discount card sponsors often negotiate lower prices than typical insurance, encouraging members to compare prices for their medications. However, using a discount card usually means that insurance payers won't process the claims, so costs won't count toward deductibles or out-of-pocket maximums.

Is your organization using or considering a member engagement program to education participants about lower cost medications and/or condition management programs that are available to them?



Do you offer your employees a discount card for point-of-sale prescription drug discounts?



McGriff's Drug Discount Card is available to consumers at no cost. Scan the QR code to download your card.

Specialty Rx Trends and Strategies

The rising trend in pharmacy costs is largely driven by high-cost specialty drugs, which represent a small percentage of all prescriptions but close to half of total expenditures. This significant financial burden has prompted employers to seek effective strategies to reduce costs. A significant 40% of organizations are utilizing prior authorization for specialty medications billed under the pharmacy benefit, and 26% for those billed under the medical benefit. This approach helps ensure that medications are used appropriately and that costs are justified before treatment begins.

Approximately 31% of organizations have implemented carved-out specialty pharmacy programs. This strategy allows companies to partner with specialized PBMs that can negotiate better pricing and provide tailored management of specialty drugs. There is also a growing emphasis on biosimilars, with 13% of organizations offering lower-cost tiers for these alternatives and 10% excluding brand name biologics when a biosimilar is available, which can significantly reduce specialty medication expenses.

Which of the following methods is your organization currently using to manage specialty pharmaceuticals?

Methods	2025
Approval for only a limited supply	16%
Carved out specialty pharmacy program	31%
Case management or medication coaching programs	25%
Delaying inclusion of new treatments from formulary for a certain amount of time	3%
Direct contracting with manufacturers	3%
Excluding specialty drugs from our formulary	8%
International procurement strategies	9%
Lower cost tier for biosimilars	13%
Prior authorization for specialty medications billed under the pharmacy benefit	40%
Prior authorization for specialty medications billed under the medical benefit	26%
Excluding brand name biologics from the formulary when biosimilar is available	10%
Site of care management	3%

Gene Therapies

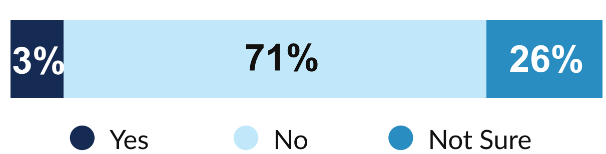
Another important decision facing self-funded employers when it comes to pharmacy benefit offerings is related to gene therapy coverage. Gene therapies represent a revolutionary advancement in treating genetic disorders, offering potential solutions for inherited conditions, certain cancers, and neurodegenerative diseases. However, the high costs associated with these therapies—often exceeding $1 million—pose a significant challenge for employers.

This year's responses again show that very few organizations are currently covering gene therapies: 9% in total. Another 4% are considering coverage in the next year.

- **5%** Yes, under the medical benefit
- **2%** Yes, under the pharmacy benefit
- **1%** Yes, under both our medical and pharmacy benefit
- **1%** Yes, as a capitated benefit
- **4%** No, but we are considering coverage for gene therapy in the next 12 months
- **88%** No, and it is not under consideration

When it comes to managing the financial risks of these high-cost treatments, only 3% of organizations purchase extra stop-loss coverage specifically for gene therapies, with 71% not doing so and 26% unsure. This cautious approach reflects the complexity and high costs of gene therapies. As these treatments develop, employers may need to rethink their strategies to balance access to innovative therapies with cost management.

Does your organization purchase additional stop-loss coverage specifically for gene therapies?



Pharmacy Spotlight: GLP-1s

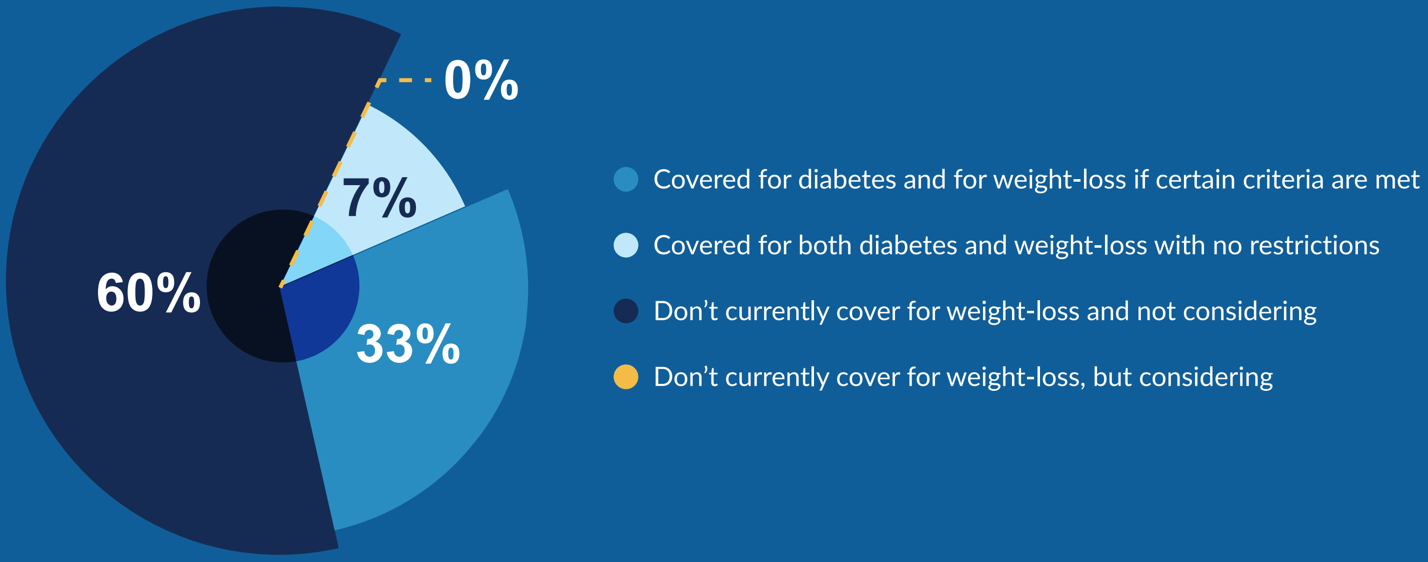
The rising use of GLP-1 drugs over the past several years is adding to the pressure to provide popular treatments for managing metabolic conditions. The high prices of these drugs significantly adds to growing pharmacy expenses, creating a challenging landscape for employers who must balance access to these innovative treatments with financial sustainability for both their organizations and their employees.

Data shows that over the past four years, the costs and utilization of top weight-loss drugs have surged dramatically. While these drugs have proven effective and may lead to long-term medical savings, it is unlikely these savings will fully offset their high costs. As a result, employers are actively strategizing on how to cover these medications while managing expenses, especially in light of recent reports indicating that Medicare Part D spending on diabetes medications soared 364% from 2019 to 2023.*

This trend underscores the importance for effective cost-management strategies in the face of rising pharmaceutical expenditures. However, the current stance among organizations indicates a cautious approach to coverage.

*Medicare part D spending for 10 selected diabetes drugs totaled $35.8 billion in 2023, an increase of 364 percent from 2019. Office of Inspector General | Government Oversight | U.S. Department of Health and Human Services. (2025, February 24). https://oig.hhs.gov/reports/all/2025/medicare-part-d-spending-for-10-selected-diabetes-drugs-totaled-358-billion-in-2023-an-increase-of-364-percent-from-2019/#:~:text=Percent%20From%202019-,Medicare%20Part%20D%20Spending%20for%20 10%20Selected%20Diabetes%20Drugs%20Totaled,of%20364%20Percent%20From%202019

What is your organizations current stance on GLP-1 medications? (e.g., Ozempic, Wegovy, Mounjaro, etc.)



Reference-Based Pricing (RBP)

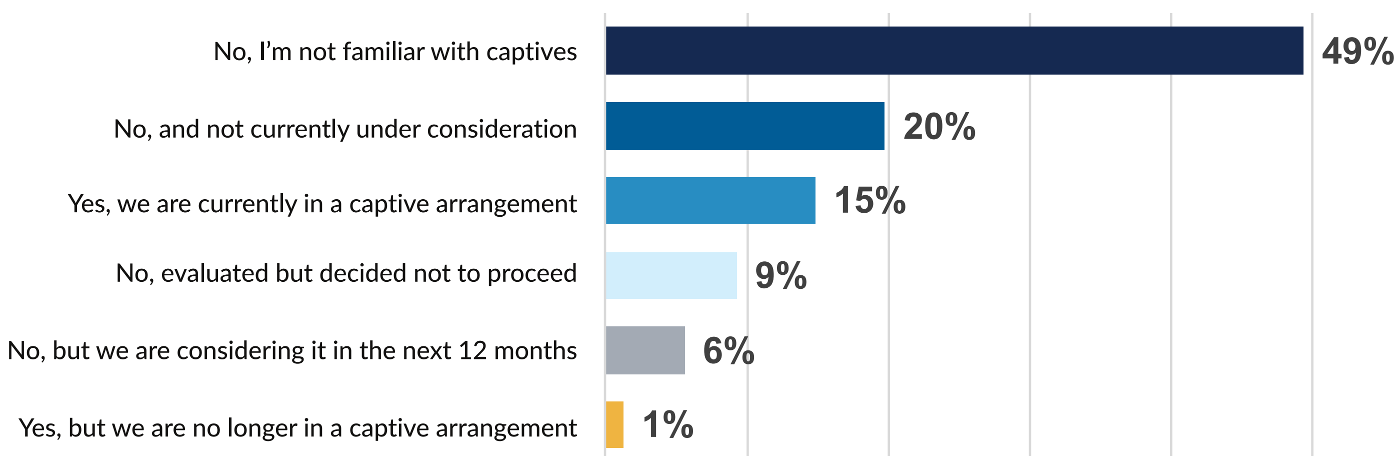
Reference-Based Pricing (RBP) is a cost-containment strategy that sets reimbursement rates for medical services or procedures based on a benchmark, such as Medicare, for "shoppable" services. This approach moves away from fixed provider-network agreements, allowing for greater flexibility in pricing negotiations and potentially significant cost savings for both employers and employees. However, the complexities involved in administering RBP, the risk of provider disruption, and the possibility of balance billing can pose challenges that may deter some organizations from adopting this strategy.

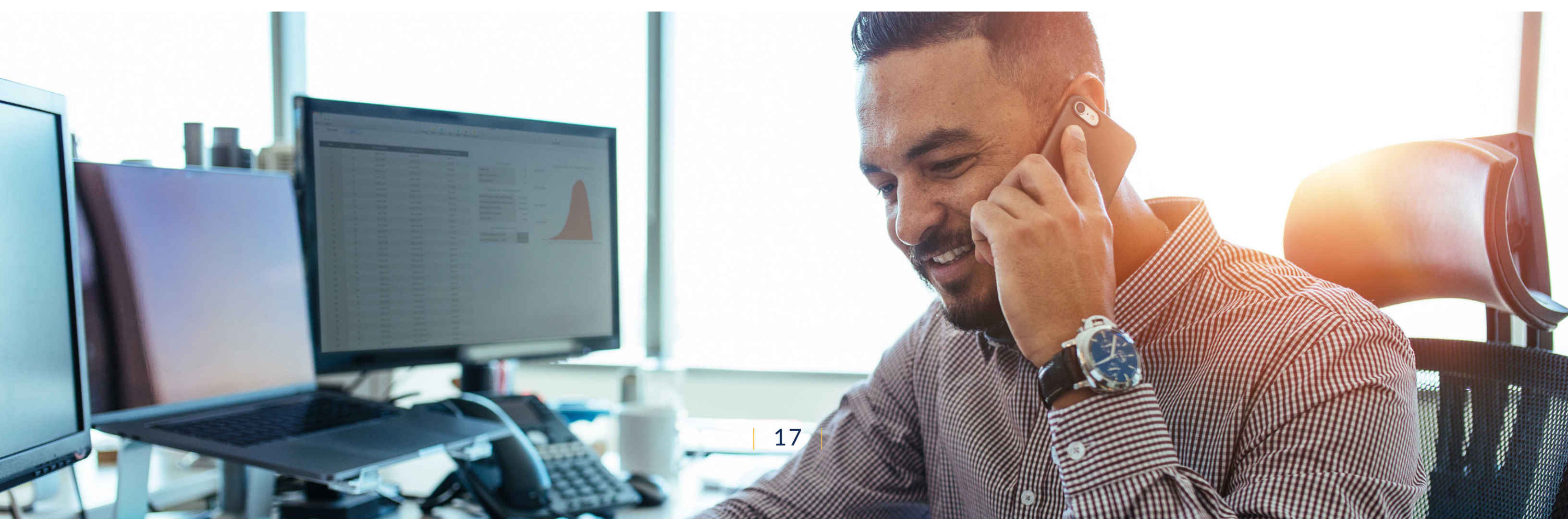
Similar to last year, only 4% of organizations are currently using a reference-based pricing network, while 1% have used it in the past but no longer do so. A substantial 78% of employers are not considering RBP at this time. However, 7% are contemplating its implementation in the next year, and 11% have evaluated it but decided against proceeding. This indicates that while RBP is not widely adopted, there is some interest among employers in exploring this cost-saving strategy.

Have you ever participated in a reference-based pricing network arrangement?

4%	1%	78%	7%	11%
Yes, we are currently utilizing a reference-based pricing network	Yes, but we are no longer utilizing a reference-based pricing network	No, and not currently under consideration	No, but we are considering it in the next 12 months	No, evaluated but decided not to proceed

Do you participate in a captive for your organization's medical plan?





Virtual Health and Telemedicine

The COVID-19 pandemic significantly accelerated the adoption of virtual health and telemedicine, a trend that continues to thrive in the post-pandemic landscape. Currently, 82% of employers report offering virtual health or telemedicine services, reflecting a strong commitment to providing accessible healthcare options. Furthermore, 16% of employers have either enhanced their virtual health benefits in the past year or plan to do so soon, indicating a proactive approach to meeting employee needs.

Benefits	Already Increased Benefits	Plan on Increasing	No Increase or Decrease Planned	Plan to Reduce	Have Already Reduced
Virtual Health/ Telemedicine Benefits	9%	7%	84%	0%	0%

Survey results reveal that a majority of organizations—67%—limit their virtual health offerings to primary care and minor acute services. However, there is a growing recognition of the value of expanding these services. Only 15% of employers include specialty services such as cardiology, physical therapy, and endocrinology in their virtual health programs. This presents a significant opportunity for organizations to broaden their telemedicine offerings to include a wider range of specialty services.

Are any of the following specialty services offered through your organization's virtual health/telemedicine offering?

83% Behavioral/ Mental Health

40% Dermatology

73% General Wellness

27% Physical Therapy

26% Sleep Management

23% Cardiology

18% Endocrinology

48% Nutrition Counseling

15% Pulmonology

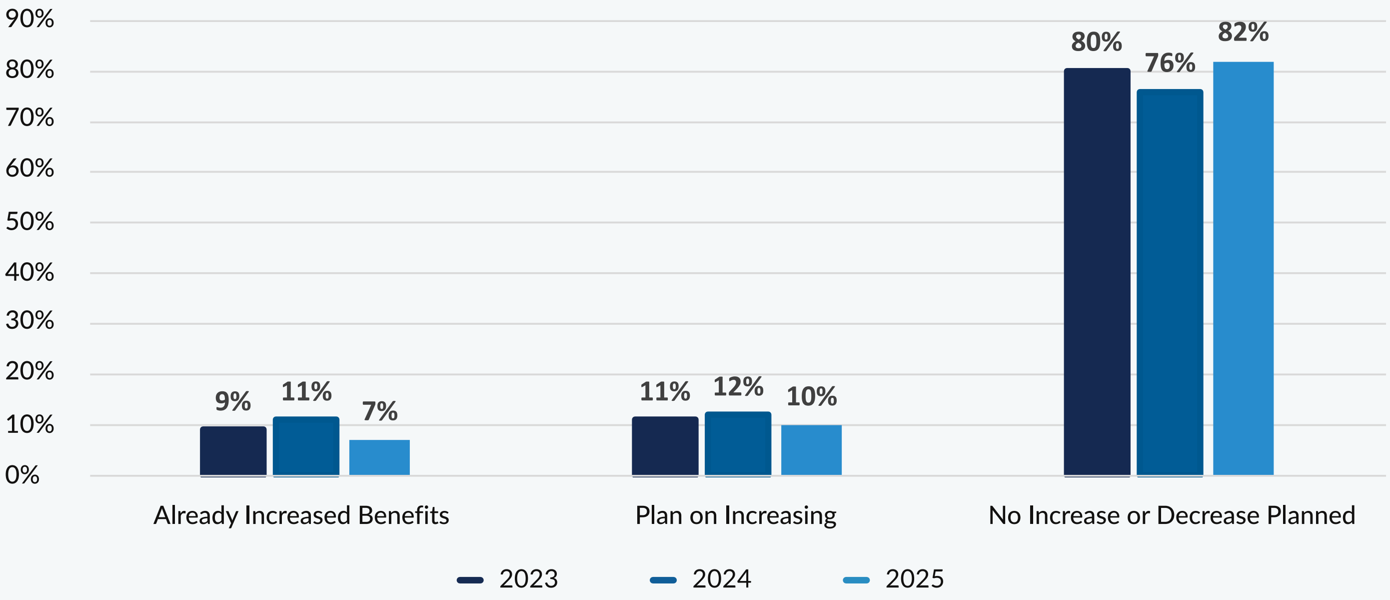
27% Prenatal Care/ Pregnancy Health

Among the specialty services currently offered, behavioral and mental health stands out, with 83% of organizations providing access through virtual platforms. Other notable services include general wellness (73%), dermatology (40%), and nutrition counseling (48%). However, there is still room for growth in areas like endocrinology (18%), pulmonology (15%), highlighting the opportunity for employers to broaden their telemedicine offerings to better meet employee needs.

Voluntary Benefits

Voluntary benefits play a crucial role in enhancing the overall well-being of employees by supplementing traditional health insurance and retirement plans. These optional offerings create a more comprehensive benefits package that addresses a wide range of employee needs beyond the core benefits typically provided. By allowing employees to customize their coverage according to their individual preferences—ranging from pet insurance and critical illness coverage to legal assistance and identity theft protection—employers can foster a supportive environment that acknowledges the diverse circumstances and priorities of their workforce.

The results of this year's survey reflect a consistent trend observed in previous years, with 17% of employers indicating that they've already increased or plan to increase their voluntary benefits offerings. This commitment to enhancing employee benefits demonstrates an understanding of the evolving needs of the workforce and a recognition that comprehensive benefits can lead to improved employee morale and productivity. As organizations continue to adapt to changing employee expectations, investing in voluntary benefits will likely remain a strategic priority for fostering a healthy and engaged workforce.



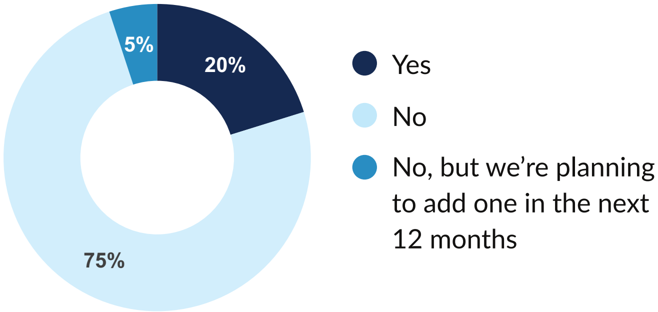
17%

of employers indicating that they've already increased or plan to increase their voluntary benefits offerings.

Diversity, Equity and Inclusion

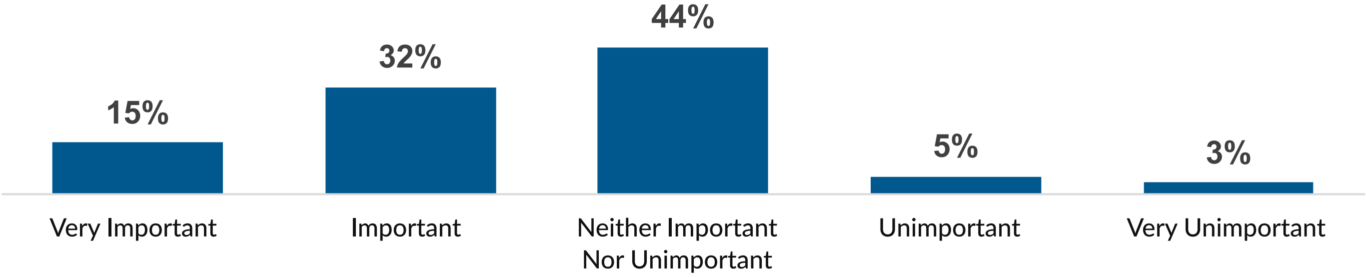
Diversity, Equity, and Inclusion (DEI) initiatives are designed to help create a workplace that values and respects all individuals. Currently, 20% of companies say they have a formal DEI initiative, highlighting a significant opportunity for enhancing employee engagement practices. Effective DEI strategies include ensuring equitable opportunities for advancement and fostering an inclusive culture where every employee feels valued and supported. To achieve these goals, companies may implement comprehensive training programs and establish inclusive policies.

Does your organization have a formal Diversity, Equity & Inclusion (DEI) policy or initiative?



Health equity – making sure that employees have necessary access to essential healthcare resources and services – is a critical component of DEI efforts. By focusing on health equity within their DEI initiatives, organizations can foster a more holistic approach to employee well-being. In fact, 47% of employers consider it a key factor in shaping their benefits strategy over the next year. This focus on health equity not only supports individual health outcomes but also contributes to a more equitable workplace overall.

How important is it for organization to take steps to address health equity?



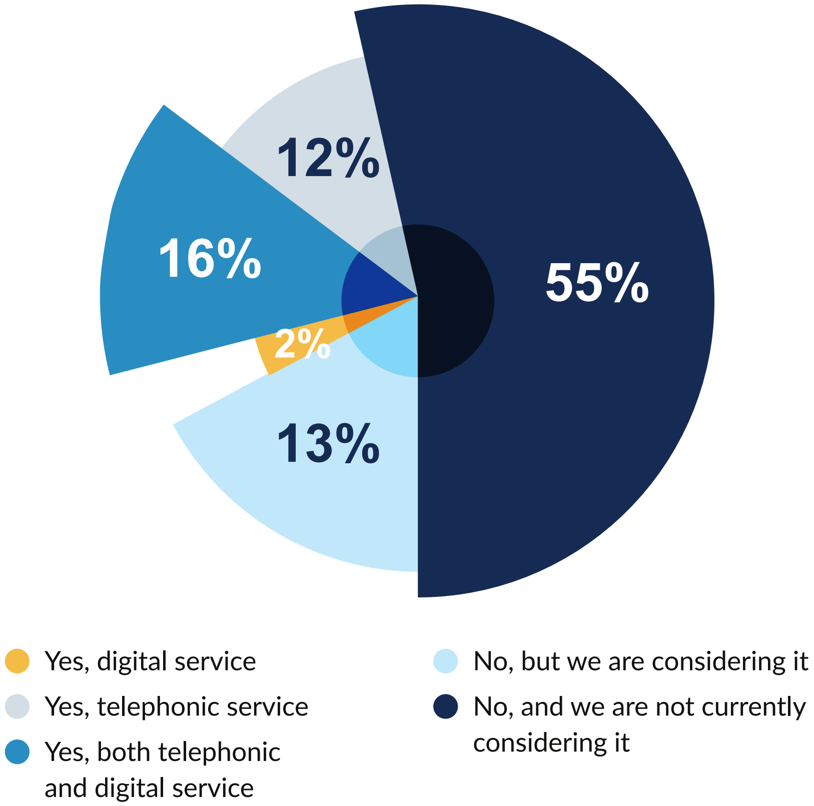
Employee Benefits Communication and Technology

Effective communication and technology in employee benefits are crucial for enhancing the overall employee experience. By leveraging modern tools, organizations can deliver clear and transparent information regarding health plans, retirement benefits, and other perks. This year, 74% of employers are utilizing online benefits administration software with self-enrollment capabilities. Additionally, 27% of employers are offering decision support tools to assist employees in making informed elections.

Mobile applications remain popular, with 48% of employers now using apps for benefits enrollment. Furthermore, 31% of organizations provide a benefits communication mobile app with push notification capabilities, enhancing engagement and accessibility. To support employees in navigating their healthcare options, 45% of all employers have health navigation or advocacy services or are considering implementing them, while 62% of large employers are exploring these offerings.

Accessible online platforms can simplify the enrollment process and provide easy-to-understand resources, fostering a sense of empowerment and engagement. By addressing healthcare illiteracy through comprehensive information and support services, organizations can significantly improve the employee experience and help employees feel informed and confident in their benefits choices.

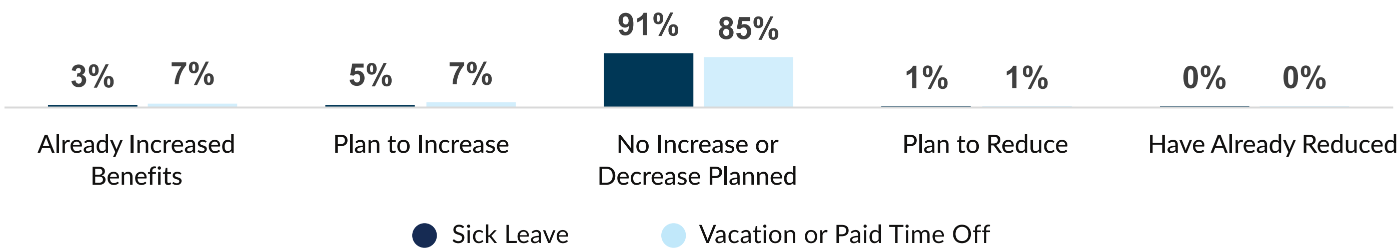
Does your organization offer a health navigation or advocacy service for your employees beyond the health plan's standard offerings?



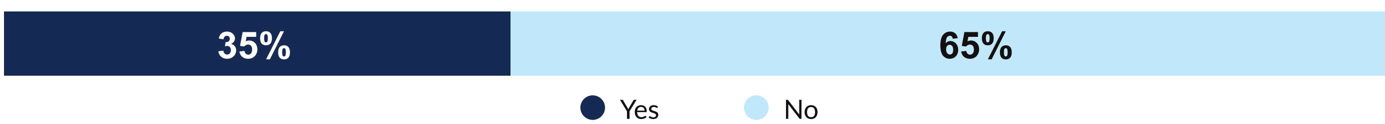
Wellness and Well-Being

Sick time, paid vacation, and time off are essential components of employee benefits that significantly contribute to overall wellness. Research shows that when employees have access to adequate paid time off, they are more likely to recover from illness, attend medical appointments, and recharge, leading to improved health outcomes and higher productivity. Additionally, regular vacations are linked to higher job satisfaction and lower stress levels, which can help reduce burnout—a growing concern in today's fast-paced work environment.*

*Westman M, Etzion D. The impact of vacation and job stress on burnout and absenteeism. Psychol Health. 2001 Sep;16(5):595-606. doi: 10.1080/08870440108405529. PMID: 22804501.



Do you offer a wellness program for your employees?



Employers who offer a wellness plan recognize their value beyond just an aim to reduce healthcare expenses, with 72% citing the desire to foster a culture of health and healthier employees as their top reason for implementation. 58% of organizations aim to reduce healthcare expenses through these programs, highlighting the financial benefits of investing in employee well-being. Additionally, 29% of all employers say they provide an incentive to employees - and sometimes spouses - for having an annual wellness visit.

Wellness plans can lead to healthier employees, which in turn can decrease absenteeism, enhance productivity, and ultimately lower healthcare costs. Furthermore, 31% of employers see wellness initiatives as a way to increase employee satisfaction and retention, while 22% believe they can help prevent medical premium increases. Although attracting talent is a lesser priority, it still reflects the competitive advantage that a robust wellness program can provide.

What are your organization's top 2 reasons for having a wellness plan?

Responses	2025
Foster a culture of health/having healthier employees	72%
Reduce healthcare expenses	58%
Prevent medical premium increases	22%
Increase employee satisfaction and retention	31%
Attract talent	3%
Other	1%

On the other hand, organizations that do not offer a wellness plan often cite several barriers. The primary reasons include the cost of implementation and administration (25%), a lack of time and human resources (32%), and a limited perception of the program's value (23%). These concerns suggest that some employers may underestimate the long-term benefits of wellness initiatives, which can lead to cost savings and improved employee morale. By addressing these barriers and recognizing the potential return on investment, employers can better appreciate the value that wellness programs bring, not only in promoting a healthier workforce but also in enhancing overall organizational performance.

What is your organization's primary reason for not offering a wellness plan?

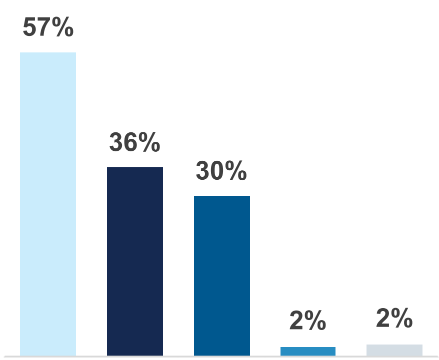
Responses	2025
Cost of implementation and administration	25%
Lack of time and human resources	32%
Limited perception of program value	23%
Other	15%

What are the key components of your organization's wellness plan?

Component	2025	2024
Labs or Biometric Screenings	50%	53%
Health Coaching	49%	43%
Health Challenges	48%	49%
Healthy Food Options	35%	38%
On-Site Fitness Facility or Gym Membership Credit	37%	38%
On-site Screenings	24%	31%
Seminars, Classes and Education	54%	46%
Weight Management Programs	29%	39%
Disease or Condition Specific Solutions	23%	27%
Health Risk Assessments	30%	31%

McGriff has a unique wellness offering through **Peak Health**, intended to help employers gain better control of their wellness costs and benefits by helping employees make health improvements that decrease risks, reduce costs, and improve outcomes. Peak Health is a health behavior change program which blends the clinical power of on-site registered nurses with data-driven insights to provide risk assessments, coaching, and wellness navigation. To learn more about a real-life success story, download this Peak Health Case Study.

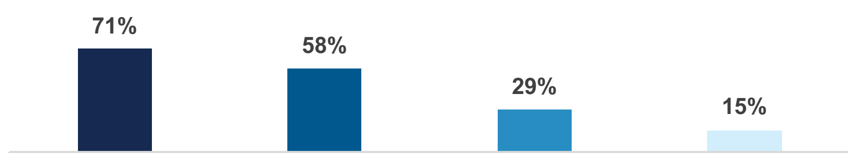
How is your organization's wellness program designed and administered?



- By the carrier
- By third-party vendors
- By local companies
- In-house
- Other

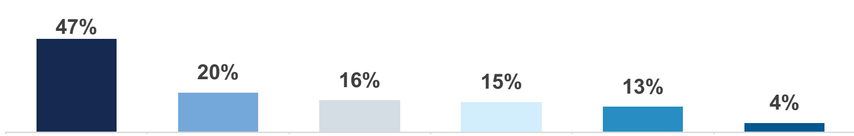
85% offer some sort of incentive to participate in their wellness offering.

What health behaviors does your wellness program incentivize?



- Participation in the program
- Health activities (labs, annual physicals, etc.)
- Health outcomes (tobacco use, health status, etc.)
- No incentives provided

How are incentives for your wellness plan paid out to participants?



- Gift Cards or Cash Incentives
- Health Reimbursement Account (HRA) Contribution
- Health Savings Account (HSA) Contribution
- Medical Contribution Incentive (reduced payroll contributions for employees)
- No Incentives Provided
- Other

16% of employers have increased their organization's wellness budget in the past 24 months.

Mental Health and Well-being

Employers can enhance their support for mental health by offering a diverse range of benefits. Prioritizing mental health not only fosters a positive workplace culture but also reduces stress, boosts morale, and enhances overall engagement and productivity.* Many employers recognize the importance of mental health initiatives, with 73% of organizations currently offering an Employee Assistance Program (EAP), 17% offering free access to a well-being mobile app, and 15% have a specific network for mental health providers.

Even still, opportunities remain for employers to expand their mental health offerings, including digital health coaching and lower copays for mental health medications, which are currently not widely implemented. By investing in these strategies, employers can demonstrate their commitment to employee mental health, fostering a workplace culture that prioritizes overall well-being.

*Novotney, A. (2023, April 23). Why mental health needs to be a top priority in the workplace. American Psychological Association. https://www.apa.org/news/apa/2022/surgeon-general-workplace-well-being

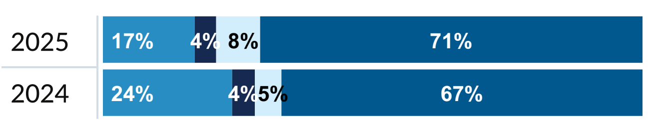
Emotional Health or Well-being Programs

7%	20%	72%	0%	0%
Already Increased Benefits	Plan on Increasing	No Increase or Decrease Planned	Plan to Reduce	Have Already Reduced

Which of the following mental health strategies have you implemented or plan to implement in the next 24 months?

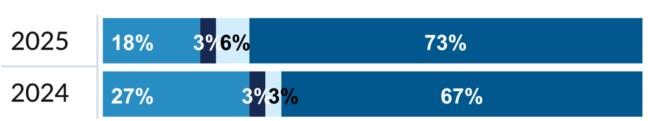
Already in place · Planning to add 2025/2026 · Considering for 2027 · Not Currently Considering

Offering free access to a well-being mobile app



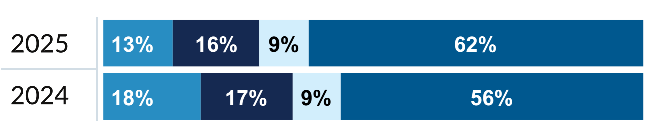
Adding a specific network for mental health providers

Providing digital health coaching for mental health conditions

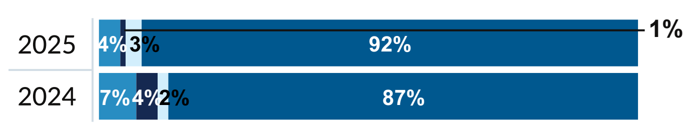


Implementing a company-wide mental health anti-stigma campaign

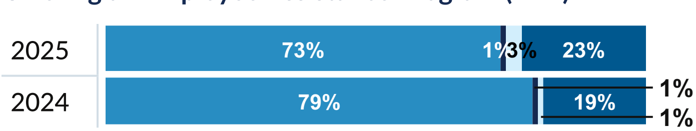
Providing managers/supervisors with training on mental health/substance abuse issues in the workforce



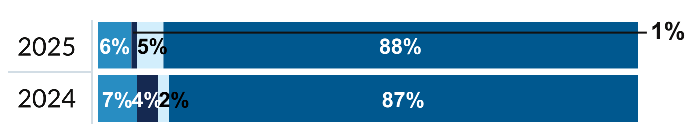
Implementing well-being leave allowances



Offering an Employee Assistance Program (EAP)



Offering lower copays for medications treating mental health conditions



Trends in Consumerism for Healthcare

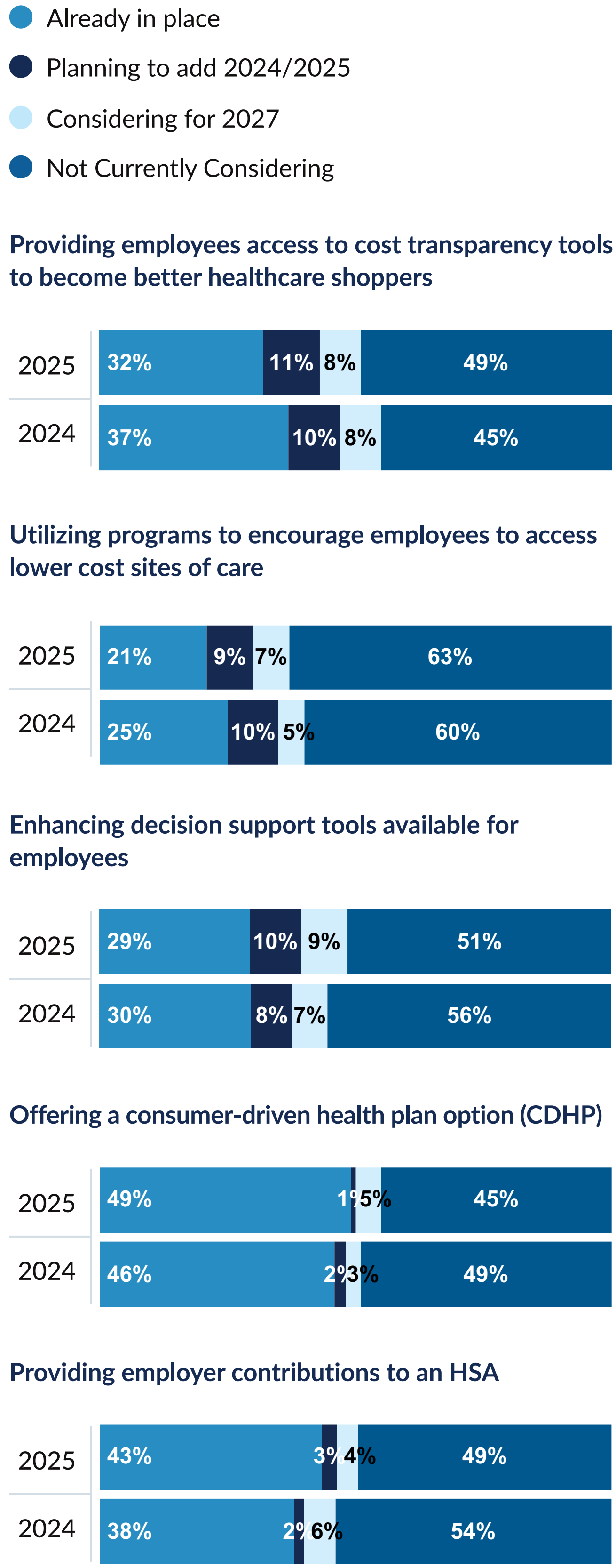
Trends in consumerism in healthcare are increasingly shaping how employers approach employee benefits, with a focus on empowering employees to make informed healthcare decisions. Results of this year's survey indicate that 49% of organizations have already implemented consumer-driven health plan options (CDHPs), while 32% provide access to cost transparency tools, highlighting a growing recognition of the importance of informed consumer choices. However, nearly half of employers are not currently considering these strategies, suggesting room for growth. Additionally, only 21% utilize programs that directly steer employees to access lower-cost or high-value care sites, indicating that many organizations have yet to fully embrace network changes to influence certain site-of-care decisions. As the healthcare landscape evolves, a shift to consumerism can lead to better health outcomes and cost savings for both employees and employers.

43%

of all employers provide an employer contribution to a Health Savings Account. That's up 4% from last year.

The average employer HSA contribution for employee-only coverage is **$912**; family coverage is **$1,461**.

Have you implemented any of the following strategies to encourage greater employee consumerism?



Primary Care Solutions

Accessible primary care allows employees to address health concerns early, leading to better overall health and fewer chronic conditions on average.* This proactive approach not only leads to healthier employees but also decreases reliance on costly medical interventions over time. By prioritizing employee well-being and reducing long-term health plan expenses, primary care solutions are a compelling option for employers.

Survey results reveal that while 54% of organizations provide access to virtual primary care services, other advanced solutions are not as widely adopted. For instance, only 17% currently promote virtual first primary care, and just 13% have on-site or near-site clinics.

These results indicate a significant opportunity for employers to explore and implement more advanced primary care models that can lead to better health management, increased employee satisfaction, and potential cost savings in the long run. As the healthcare landscape evolves, embracing these types of innovative solutions can help organizations better meet the needs of their workforce.

Shi L. The impact of primary care: a focused review. Scientifica (Cairo). 2012;2012:432892. doi: 10.6064/2012/432892. Epub 2012 Dec 31. PMID: 24278694; PMCID: PMC3820521.

Does your organization utilize any of the following primary care solutions or do you plan to in the next 24 months?

Narrow Network for Primary Care
2025: 15% | **2024:** 13% | **2023:** 9%

Virtual Primary Care Services
(Primary Care Telemedicine)
2025: 60% | **2024:** 63% | **2023:** 53%

Direct Provider Contracting
2025: 9% | **2024:** 14% | **2023:** 10%

Virtual First Primary Care
2025: 25% | **2024:** 24%

On-site/Near Site Clinics
2025: 18% | **2024:** 24% | **2023:** 16%

Which of the following benefit programs does your organization offer?

Responses	2025	2024	2023
401(k) Retirement Plan	89%	91%	88%
Accident Policy	72%	73%	63%
Business Travel Accident	12%	18%	15%
Cancer Policy	37%	39%	36%
Cash Balance or other Hybrid Pension Plan	2%	3%	2%
Critical Illness Policy	62%	61%	50%
Defined Benefit Pension Plan	10%	14%	12%
Employer Paid Dental	33%	30%	28%
Employer Paid Life Insurance with AD&D	81%	84%	77%
Employer Paid Vision	26%	28%	25%
Hospital Indemnity Policy	40%	34%	26%
Individual Disability Insurance	38%	39%	32%
Employer Paid Long-Term Disability	58%	–	–
Employer Paid Short-Term Disability	48%	–	–
Long-Term Disability*	–	85%	80%
Short-Term Disability*	–	89%	82%
Voluntary Dental	75%	77%	72%
Voluntary Life Insurance	85%	89%	78%
Voluntary Vision	77%	78%	73%
Voluntary Whole Life Insurance	29%	31%	28%
Voluntary Long-Term Disability	36%	–	–
Voluntary Short-Term Disability	44%	–	–

*Beginning in 2025, our survey now differentiates employer paid and voluntary disability offerings.

Does your organization offer any of the following benefits?

Responses	2025	2024	2023
Tuition Assistance/Reimbursement	38%	43%	36%
Management or Leadership Training Program	22%	26%	25%
Pet Insurance	18%	17%	10%
Workplace Financial Wellness Program	17%	22%	17%
Identity Theft Protection	17%	18%	18%
Prepaid Legal Services	14%	19%	14%
Fertility and Family Planning Benefits	6%	9%	5%
Vacation Purchase	4%	5%	6%
Student Loan Repayment Program	4%	4%	4%
Adoption Assistance	3%	7%	5%
Gender Affirmation Surgery	3%	4%	3%
Lifestyle Savings Accounts (LSA)	2%	1%	0%
Subsidized Childcare	1%	3%	1%

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