

EMPLOYEE BENEFITS SURVEY

EXECUTIVE SUMMARY



The Employee Benefits Survey Reimagined

Each year, SHRM launches the Employee Benefits Survey—one of the longest-running annual bodies of research covering trends in employee benefits in the United States. This research collects data from HR professionals across the country to measure the popularity and prevalence of employer-offered benefits.

In 2022, the Employee Benefits Survey regained a sense of normalcy both in terms of returning to traditional timing for data collection as well as reintroducing many specific benefits that were removed from the survey during the height of the COVID-19 pandemic. This provides organizations and business leaders with a more timely and complete picture on how they compare to others in the employer-offered benefits space.

This year, SHRM has prepared the survey's results in a new way by exclusively equipping SHRM members with the capability to benchmark their offered benefits to other organizations using an interactive online tool. Using this tool, members will be able to filter the survey results to view those most aligned with their organization's size, industry and/or location.

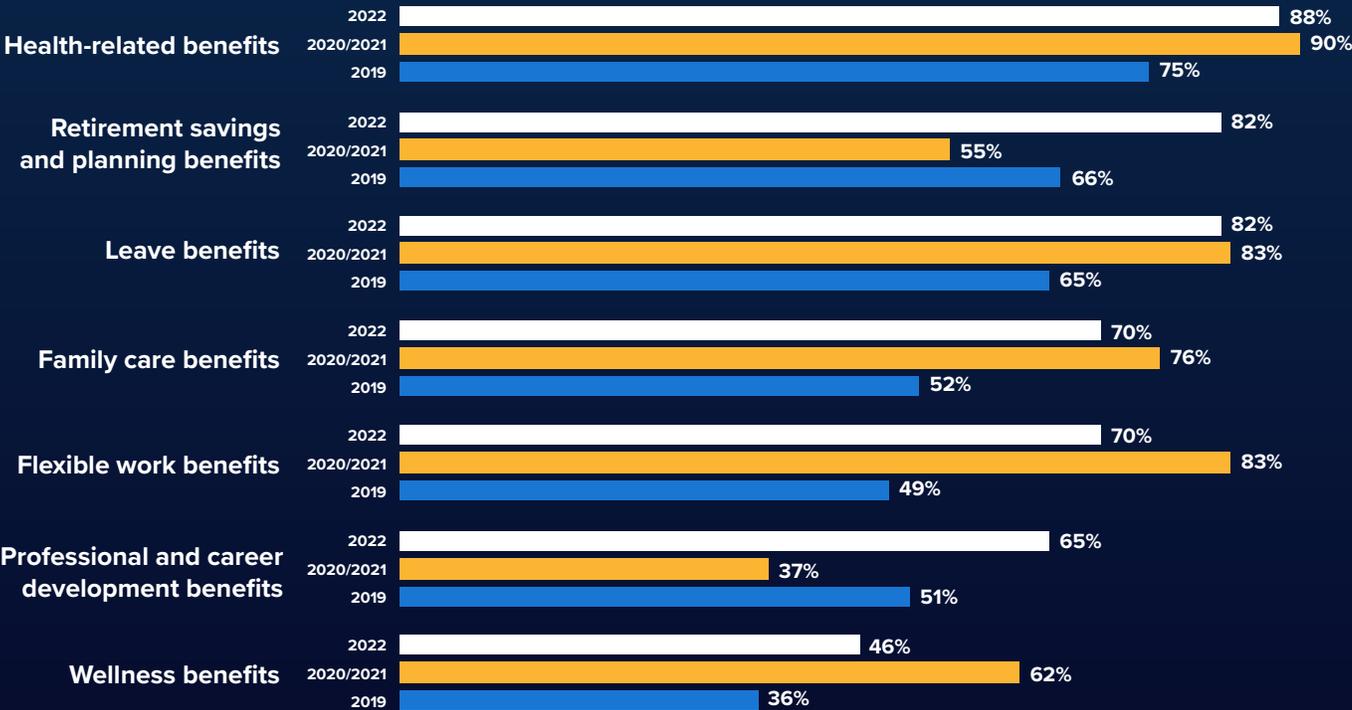
Visit shrm.org/benefits to experience the new Employee Benefits Survey Results interactive online tool.

Beginning to Feel Like (the New) Normal

When the COVID-19 pandemic struck, businesses across the country were forced to rapidly adapt to survive the pandemic’s sweeping economic impacts. Today, these shifting impacts continue to evolve and affect the world of work, including what types of benefits employers feel are important to offer their employees. Ranked importance of benefits shifted drastically in 2020 as employers were making these pandemic-inspired adjustments, but these rankings have since returned to an order like that seen pre-pandemic as businesses regain a semblance of normal operations—with health-related, retirement savings and leave benefits emerging as the top-ranked benefits employers feel they can offer. In addition, all benefit types were rated by employers as more important to offer today than before the COVID-19 pandemic.

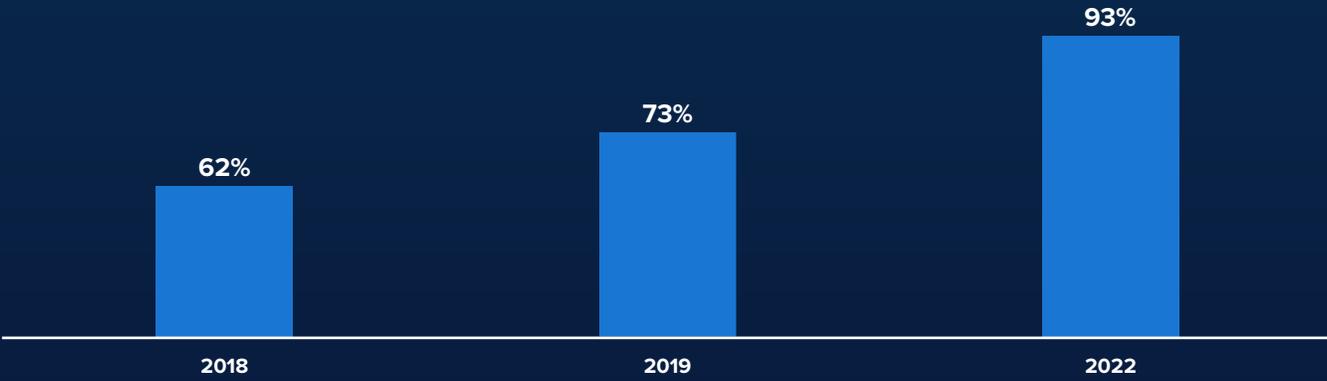
Ranked importance of top benefits categories

(percentages represent those who selected Very or Extremely Important)



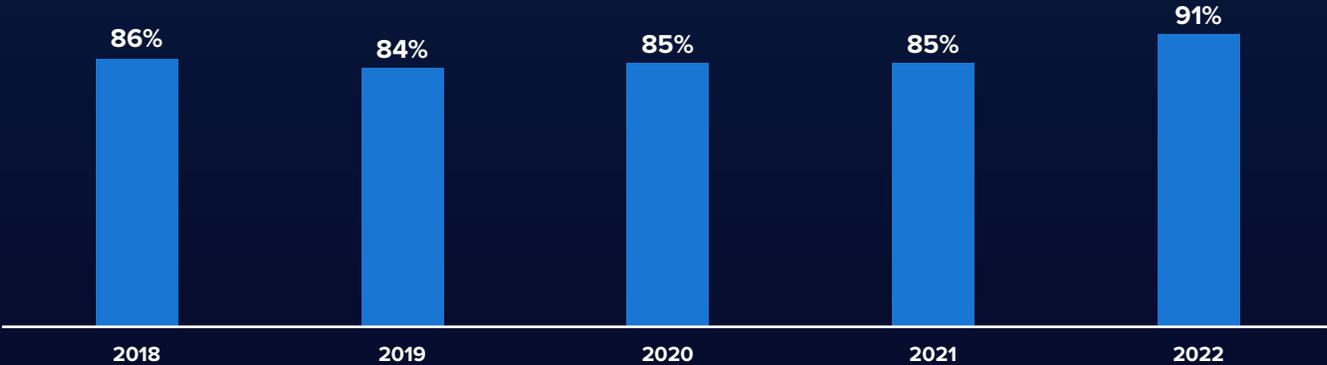
The COVID-19 pandemic’s impact on the world of work has resulted in seemingly lasting changes among specific benefits offerings. For instance, 93% of organizations indicated that they offer telemedicine or telehealth offerings as a benefit to their workers. Since last recorded, prevalence for this benefit increased by 20 percentage points. Similarly, employers indicating they offer mental health coverage also hit a new high of 91%. The strong prevalence of these benefits, even after businesses have returned to more normal conditions following the COVID-19 vaccine rollout, indicates that these benefit offerings may likely become permanent fixtures available in the future.

Prevalence of organizations offering telemedicine or telehealth*



*Data not available for 2020 and 2021.

Prevalence of organizations offering mental health coverage



Benefits Snapshots

Health Care

Employers continued to feel that health care benefits are the most important type of benefit that an organization can offer its workers. Amid the ongoing and changing nature of the COVID-19 pandemic, it comes as no surprise that health care emerged as the leader in ranked importance.

Almost all organizations indicated they offer some type of health care plan to their employees. Nearly three-quarters (72%) of organizations said they offer a fully insured health plan, meaning that they pay a fixed premium amount to an insurer who then pays the medical claim. Just over one-quarter of organizations (26%) said their health plan features a self-insured plan, meaning they operate their own health plan and typically will pay medical claims themselves, although often through a third-party administrator.

Medical flexible spending accounts (FSAs) and health savings accounts (HSAs) continued to be the most popular type of health-related spending accounts, with 63% and 57% of employers offering them, respectively. Nearly two-thirds (63%) of organizations that offer an HSA said they make employer contributions to these plans, which is the lowest prevalence since 2018, when 64% said they offered this benefit. Additionally, group coverage health reimbursement arrangement (HRA) prevalence also declined in 2022, reaching its lowest point in the last five years—16%. Together, these results may indicate a trend seen in some nonstandard health-related services: that organizations may be looking to trim some of these services as a cost-saving measure.



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more health-related benefits trends, including those on:

- Insurance
- Dental
- Vision
- Prescription drugs
- Wellness
- Specific services

Retirement and Savings

Possibly serving as a proxy for recovering financial health, employers ranked retirement and savings benefits as among the most important types of benefits they can offer employees. After falling in ranked importance during the height of the COVID-19 pandemic, this return to form shows that employers still strongly believe in the importance of retirement and savings benefits.



In 2022, most employers offered some type of retirement savings plan to their employees, with 94% offering a traditional 401(k) and 68% offering a Roth 401(k). Many of those employers also provided some type of employer match to those retirement plans, with 83% contributing to traditional 401(k) plans and 76% contributing to Roth 401(k) plans. On average, employers provided a maximum percentage salary match of 6.8% for traditional 401(k) plans and 6.7% for Roth 401(k) plans.

Just over half (51%) of organizations said they automatically enroll new or existing employees in their company's retirement plan—a figure that has held steady since the onset of the COVID-19 pandemic. Automatic escalation of salary deferrals also held steady with rates seen since the beginning of the COVID-19 pandemic, with 26% of organizations' plans including this feature.



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more retirement and savings-related benefits trends, including those on:

- Lifetime income solutions
- Retirement planning or investment advice
- Phased retirement programs

Leave

Leave benefits remained among the top-ranked benefits that employers felt an organization should offer, even after the initial adjustment to the onset of the COVID-19 pandemic.

Despite its strongly ranked importance, leave for new parents (beyond what is required by law) returned to pre-pandemic levels of prevalence after all the different types of leave reached their highest prevalence in 2020. The number of



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more leave-related benefits trends, including those on:

- Family care leave
- Bereavement leave
- Time off to vote

organizations offering paid maternity leave dropped to 35% (from 53% in 2020) and the number offering paid paternity leave dropped to 27% (from 44%). Additionally, the number of organizations offering paid adoption leave dropped to 28% (from 36%), and the number offering paid foster child leave dropped to 22% (from 28%). These declines seem to indicate that the increases in paid parental leave prevalence during the early stages of the COVID-19 pandemic

could be attributed to the direct needs created by the pandemic. Now that many businesses have returned to a more typical way of operating, employers seem to be dialing back on expanded parental leave opportunities.



1 in 5 employers offer mental health days

When it comes to other types of leave, practically all employers offered paid vacation leave (99%) or paid sick leave (96%), with two-thirds (67%) indicating they offered a bank of paid time off covering both vacation and sick time. Paid open or unlimited leave continued to be rarely offered, with only 6% indicating they offered this benefit. In addition, 20% of organizations said they offered paid mental health days separate from regular sick leave.

Family Care

The COVID-19 pandemic has shined a bright spotlight on the often-conflicting demands of caregiving and work. When many organizations sent their workforces home to work and many schools sent children home to learn remotely, the importance of caregiving responsibilities was put on full display as family members had to reimagine how their loved ones would receive the best care. In 2022, these responsibilities are still just as important.

Over half of organizations (59%) said they offer a dependent care FSA, which allows employees to save funds directly for expenses related to caregiving. Additionally, 31% of organizations said they would allow employees to bring children to work in an emergency as a benefit.



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more family care-related benefits trends, including those on:

- Family care referral services
- Child care centers
- Elder care services and information



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more flexible work-related benefits trends, including those on:

- Flextime
- Compressed workweeks
- Four-day workweeks

Flexible Work

The one area of work that has probably been highlighted the most throughout the COVID-19 pandemic is workers shifting to either partially or fully remote work. Today, hybrid work opportunities continue to be well-represented among benefits offerings. Among employers, 63% said they offer most of their workers the opportunity to adopt a hybrid work model, which involves a combination of working both remotely and in person.

\$891

to cover costs related
to working from home

Across all organizations, 62% said they offer employees a subsidy or reimbursement for at-home office or work equipment. On average, these employers provided about \$891 to employees to cover costs related to working from home. Nearly all these employers (95%) said they cover costs related to work technology, such as computer monitors, keyboards or headsets. Over two-thirds (68%) said they cover costs related to general office supplies like pens or notepads, and 24% said they cover the cost of chairs for employees working from home.

Professional Development

The number of employers who felt professional development benefits were important to offer rebounded from 2020, growing to 65% in 2022. Accordingly, several professional development benefits increased in prevalence in 2022. For instance, 78% of organizations indicated they cover opportunities to develop new skills (up from 75% in 2021). However, there were some professional development benefits that did not increase and remained at their pandemic-influenced decreased level of prevalence. One example is the 48% of employers who indicated they offer undergraduate or graduate tuition assistance as a benefit. This prevalence remained relatively the same as seen throughout the pandemic—and lower than its peak in 2019, when 56% of organizations said they offered this benefit.



of organizations
cover opportunities to
develop new skills



Visit the Employee Benefits Survey Results interactive online tool at shrm.org/benefits to explore more professional development-related benefits trends, including those on:

- Formal skills training
- Mentoring
- Leadership coaching

Dive Deeper

Employer-offered benefits provide organizations with a key opportunity to improve the employee experience and directly make a difference in their employees' lives. The COVID-19 pandemic and its lasting impacts on economic and public health have expedited the evolving nature of organizations, many of which now have access to wider talent pools through the possibility of remote work. Workers now have more options for where and when they will work, and these two factors together create a challenging talent landscape for organizations everywhere. Benefits can play an instrumental role in this competition for talent and, in some cases, may determine success or failure.

As a member-exclusive benefit, SHRM offers an interactive online benchmarking tool that allows users to see results from the Employee Benefits Survey according to their organization's size, industry and location. In addition, users may view and export results across the entirety of the benefits surveyed—all available whenever needed.

**To access SHRM's Employee Benefits Survey Results
interactive online tool, visit shrm.org/benefits**

Research Methodology

The 2022 SHRM Employee Benefits Survey was conducted from January 11 to February 28, 2022. Online surveys were sent to U.S.-based professional members of SHRM, which yielded eligible responses from 3,129 participants representing independent organizations. Respondents were asked to provide answers regarding what employee benefits their organizations offered during plan year 2022. A stratified sampling approach was used to ensure coverage of all locations (including states) in the online benchmarking tool. Respondents represent organizations of all sizes—from two employees to more than 25,000—in a wide variety of industries and sectors across the United States. The data is unweighted.