2024

EMPLOYEE BENEFITS SURVEY
EXECUTIVE SUMMARY

75TH ANNIVERSARY
SHRM
BETTER WORKPLACES
BETTER WORLD™

Welcome to the 2024 SHRM Employee Benefits Survey, one of the longest-running annual surveys of employee benefits trends in the U.S. Each year, SHRM collects data from HR professionals across the country to measure the popularity and prevalence of employer-offered benefits.

In this executive summary, six key benefits categories are explored, including prevailing trends. This year, key takeaways have been added to enable business leaders to apply these findings within their own organizations.

HR professionals, business leaders, and policymakers can use the full survey's findings to understand trends in employee benefits practices, benchmark against the aggregate of over 4,500 organizations, and make informed decisions about benefits offerings.

Looking to go even deeper? SHRM members have exclusive access to an interactive online database to benchmark the survey results by industry, organization size, and location (region and state). Members can also access five years of data, from 2020 to 2024.

Find the Employee Benefits Survey Results benchmarking tool at shrm.org/benefits.

WHICH BENEFITS DO EMPLOYERS PRIORITIZE?

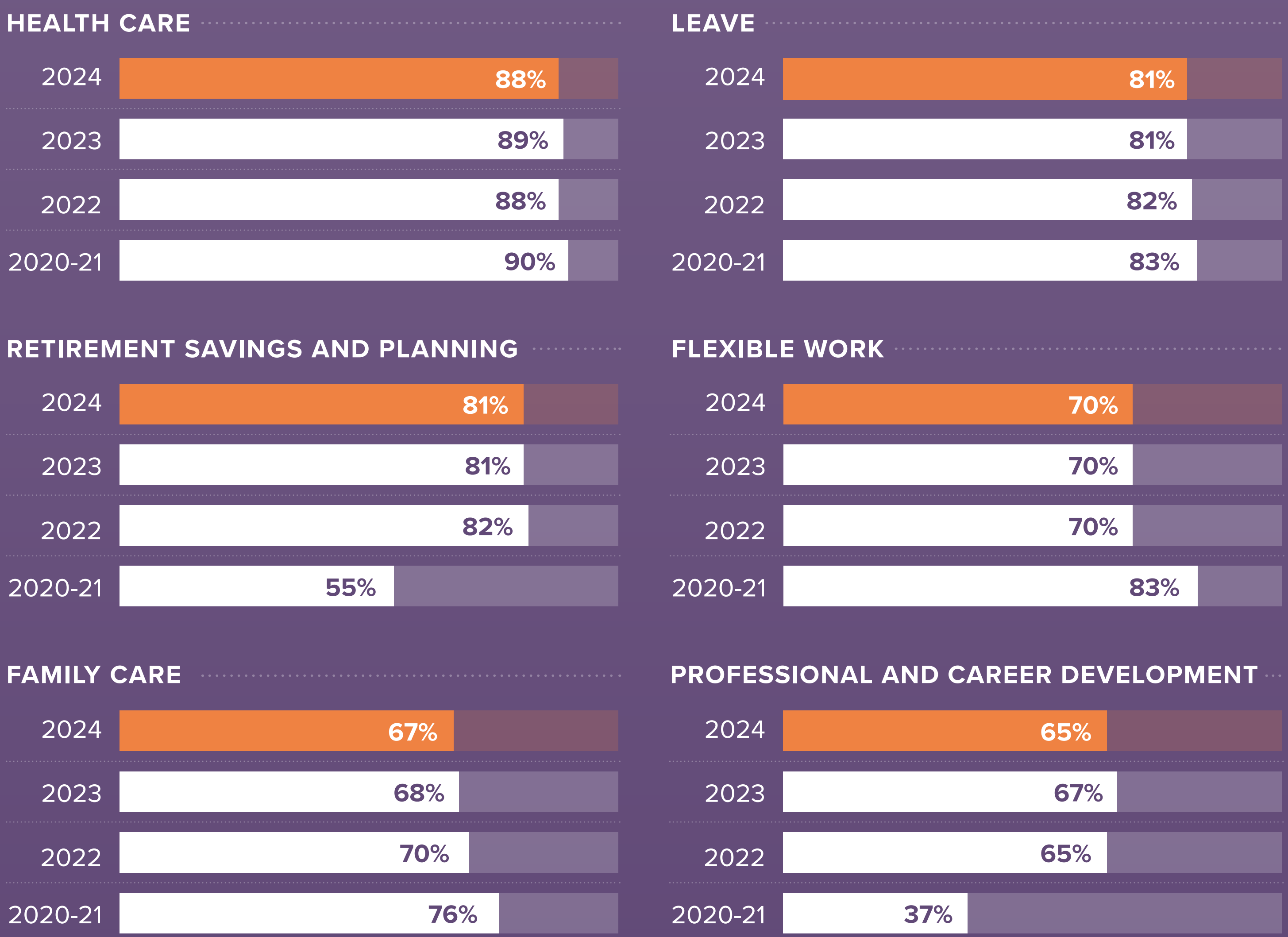
Every employer considers a mix of factors when setting benefits policies, including applicable laws, industry standards, workforce demographics, budget, and recruitment and retention objectives. That said, a few categories stand out across industries and organization sizes.

According to the 2024 SHRM Employee Benefits Survey, health care-related benefits remain the benefit type employers are most likely to select as either “extremely important” or “very important” to their workforces (88%). Leave benefits tied for second with retirement savings and planning benefits at 81%.

Below that trio is a second tier of high-priority benefits: flexible work benefits (70%), family care benefits (67%), and professional and career development benefits (65%). These categories are notable because they suggest employers’ desire to meet employee wants and needs in a tight labor market where many workers continue to value flexibility and professional development.

EMPLOYER-RANKED IMPORTANCE OF BENEFITS CATEGORIES

Percentages show combined “very important” and “extremely important” ratings.



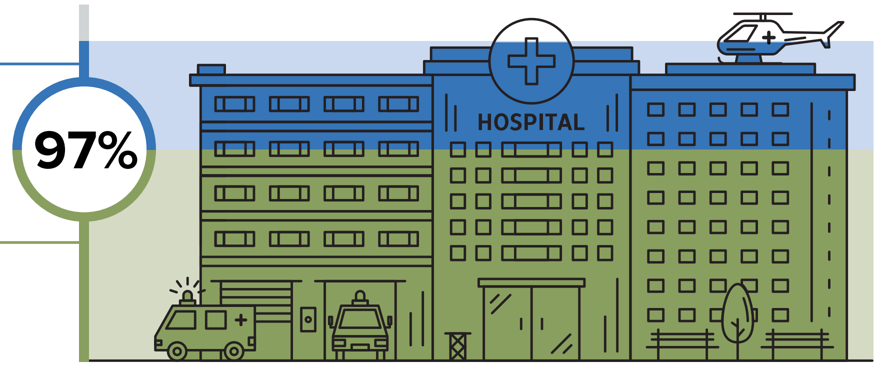
BENEFITS SNAPSHOT: HEALTH CARE

This year's survey found 88% of employers considered health care benefits "very important" or "extremely important" to their workforce. This is reflected in health care coverage, where 97% of organizations said they make some form of coverage available to their employees.

Seven in 10 respondents (70%) said they offer a fully insured health plan, meaning they pay a fixed premium amount to an insurer, who then pays the medical claim. Just over one-quarter of organizations (27%) said their health plan features a self-insured plan, meaning they operate their own health plan and typically pay medical claims themselves, often through a third-party administrator.

27% of organizations offer a self-insured health plan.

70% of organizations offer a fully insured health plan.



Preferred provider organization (PPO) plans remain the most common type of health insurance coverage offered (82%), followed by high-deductible health plans (HDHPs) linked with a savings or spending account at 63%. These HDHPs have a health savings account (HSA), health reimbursement arrangement (HRA), or flexible spending account (FSA) as a key coverage feature.

HEALTH-RELATED SAVINGS OR SPENDING ACCOUNTS

HSAs: Of the 60% of employers that offer an HSA, 62% contribute to their employees' accounts. On average, the maximum annual employer contribution is about $1,033 for individual plans and $1,633 for family plans.

HRAs: Group HRAs stayed flat at 15%, with an additional 2% offering individual coverage HRAs that aren't required to be linked to an HDHP. On average, the annual employer contribution is about $2,154 for individual plans and $3,604 for family plans.

Medical FSAs: 63% of employers offer medical FSAs, down from 68% in 2020 and 2021.

60% OFFER HSAs

15% OFFER HRAs

63% OFFER FSAs

Other common health care benefits are nearly universal in prevalence, such as dental insurance (99%) and vision insurance (96%).

In previous years, this survey has highlighted the increased prevalence of telemedicine and telehealth services (91%) and mental health coverage (90%). As those percentages have stabilized in recent years, this suggests these benefits are becoming standard, much like dental and vision benefits.

Another notable shift involves coverage of emergency health care expenses. In 2024, 51% of employers offer critical illness insurance, which helps cover extra expenses for people diagnosed with a critical illness or condition. That's up three percentage points from last year. And 36% of employers offer hospital indemnity insurance in 2024, reaching the highest prevalence rate in the history of the survey.

NEW AND NOTABLE

In this year's survey, three health care benefits were asked about for the first time:

17%

Menopause benefits

(e.g., counseling, education)

12%

Gender-affirming hormone therapy

4%

Lifestyle saving accounts

(an employer-funded post-tax account used for discretionary wellness and healthy lifestyle spending)

While 12% of employers cover gender-affirming hormone therapy, 11% cover gender-affirming surgery.

In addition, although 17% of employers offers some level of menopause-related benefits, only 2% offer menstrual and/or menopause leave beyond already available sick time. Worth watching is a bipartisan Senate bill introduced in May 2024 that would fund additional federal research into menopause, along with physician training and other supports. This bill could signal increasing attention to menopause as a health care and benefits issue. Given that women ages 45-54—the age range most likely to begin experiencing menopausal symptoms—make up 9.3% of the total U.S. labor force, companies may want to consider looking into benefits in this area further.

LOOKING FORWARD:

PROPOSED RULE CHANGE AND ITS IMPLICATIONS FOR EMPLOYER MENTAL HEALTH COVERAGE

The Biden administration in 2024 could finalize regulatory changes that would affect employer-sponsored mental health coverage. The proposed rule aims to ensure parity between mental health and medical benefits, as mandated by the Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008. Employers should take note of how this pending rule could affect mental health-related coverage, particularly as more than 20% of U.S. adults are living with a mental illness.

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

- Insurance
- Prescription drugs
- Wellness
- Specific services

BENEFITS SNAPSHOT: RETIREMENT

Retirement savings and planning benefits continue to be top of mind for employers, with 81% or more considering this "very important" or "extremely important" for the third consecutive year. Most benefits offerings in this category have stabilized in recent years.

Traditional 401(k) or similar defined contribution plans are the most prevalent retirement savings option, with 94% of respondents offering them and 84% of those offering a 401(k) match. Both figures were unchanged from a year ago. Meanwhile, 73% of employers offer a Roth 401(k) or similar defined contribution plan, up two percentage points from 2023 and 10 percentage points from 2020—showing its consistently increasing popularity. Seventy-five percent of those employers offer a Roth 401(k) match, up from 74% in 2023.

Even as more employers offer formal retirement savings programs, they're less likely to offer retirement planning or investment advice, whether online, in a group/classroom, or one-on-one. Only 49% of employers provide this benefit in 2024, compared with 58% as recently as 2021.

6.61%

AVERAGE EMPLOYER MATCH FOR **TRADITIONAL 401(K)** CONTRIBUTIONS

6.50%

AVERAGE EMPLOYER MATCH FOR **ROTH 401(K)** CONTRIBUTIONS

LOOKING FORWARD:

STATE-MANDATED RETIREMENT PLANS

Heading into 2024, at least seven states, including California, had implemented state-sponsored retirement savings programs for private-sector employees without access to employer-sponsored plans. These programs typically require employers to offer a retirement plan or enroll employees in the state program and set up payroll deductions. Several other states offer similar plans, but with voluntary participation.

Impact on Employers: Employers in states with mandated retirement plans will need to enroll employees in the state program or offer an alternative retirement plan. More states are planning to create such programs in the coming years.

Impact on Employees: More employees can access retirement savings options, improving their long-term financial security. In some states, such as Hawaii, employees will need to opt in.

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

- Pension plans
- Lifetime income solutions
- Phased retirement programs

BENEFITS SNAPSHOT: LEAVE

Paid vacation, holiday, and sick leave continue to be near-universal benefits, all being provided by 96% or more of employers. Most employers (68%) combine vacation and sick leave as paid time off (PTO), although this is down two percentage points from 2023. Only 7% offer paid open/unlimited leave, down from 8% in 2023.

New for this year, SHRM asked organizations that offer paid leave the average amount of paid leave granted to employees based on their service time to the organization. As expected, average leave rises with tenure. For example, employees with 20+ years of service time receive roughly twice as many annual PTO days as employees with less than one year of service.

PARENTAL LEAVE STEADIES:

The prevalence of paid-leave policies for parents generally plateaued in 2024 but preserved the previous large gains from prior years. For example, paid parental leave only increased one percentage point from last year, to 40%; however, it has maintained the large increase from 33% in 2022. Paid paternity leave (32%) and paid adoption leave (33%), meanwhile, have increased by five percentage points each since 2022. And 39% of employers offer paid maternity leave separately from other paid-leave programs or applicable law—up four percentage points from two years ago.

VOTING PTO DECLINES:

Despite this year's presidential and congressional elections, only 50% of employers offer paid time off to vote. That's down four percentage points from 2023—one of the larger percentage-point declines registered across any benefits question. Unpaid time off to vote declined three percentage points from 2023 to 42% this year.

40%
OFFER PAID PARENTAL LEAVE

39%
OFFER PAID MATERNITY LEAVE
(separately from other paid leave or applicable law)

32%
OFFER PAID PATERNITY LEAVE
(separately from other paid leave)

50%
OFFER PAID TIME OFF TO VOTE

42%
OFFER UNPAID TIME OFF TO VOTE

LOOKING FORWARD:
STATES ADD PAID-LEAVE REQUIREMENTS

While federal law doesn't require paid leave for private-sector employers, states continue to act on their own. In 2024, Colorado, Illinois, and Minnesota have enacted paid-leave programs with varying stipulations. For example, employees in Illinois can use their accrued leave for any reason, while Colorado's law focuses on family and medical leave circumstances.

Impact on Employers: Many employers will have to re-examine their leave policies to ensure not only compliance, but also competitiveness with other employers. While most employers offer paid sick leave and paid vacation, only 40% offer paid parental leave, and smaller percentages offer paid leave beyond federal or state laws. Employer benefits in this area could make a difference when recruiting and retaining employees.

Impact on Employees: Employees in these states will have more options for paid leave, and they might look to employers to match or beat those benefits when job hunting.

NEW AND NOTABLE

46%

Floating holiday
(not personal days)

39%

Bereavement leave for loss of pregnancy, etc.
(among those that offer bereavement leave)

4%

Grandparent leave
(for both birth and adoption of a new grandchild)

Three different new or returning leave benefits were asked about in 2024. Notably, while 91% of employers in 2024 offer some kind of paid bereavement leave, only 39% of those employers extend that to bereavement for the loss of a pregnancy, failed surrogacy, or failed adoption.

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

- Family care leave beyond the FMLA
- Paid leave for mental health days
- In-depth data on average vacation, sick, and PTO days by tenure

BENEFITS SNAPSHOT: FAMILY CARE BENEFITS

Family care benefits have evolved rapidly in recent years. First, the pandemic forced millions of people into work-from-home situations, while recent years have seen employers look to restore on-site work while meeting employee needs for flexibility, child care, and other benefits.

The biggest upward trend in 2024 is the prevalence of on-site lactation/mother's rooms. This year, that figure increased 19 percentage points, to 73%. This is likely the result of the Providing Urgent Maternal Protections (PUMP) for Nursing Mothers Act, a federal law signed in December 2022 that "requires employers to provide reasonable break time for an employee to express breast milk for their nursing child," as well as private space to do so.

Other on-site offerings for child care have not kept pace. For the third year running, only 6% of employers allow parents to regularly bring a child younger than 1 year old to the office. And child care center benefit offerings, already at very low prevalence rates, have been cut in half since 2021, whether subsidized (3%) or unsubsidized (2%).

Another area worth watching is pet health insurance, which is offered by 22% of employers. That's up from 19% in 2023 and 14% in 2022. Not only has pet ownership increased in recent years, but American households are now more likely to have pets than children under 18. This trend could continue, as pet health insurance can be a relatively low-cost, low-effort benefit for employers to provide.

LOOKING FORWARD:
AN AGING POPULATION AND ELDER CARE

The U.S. population has never been older, on average, and the share of Americans ages 65 and older will increase from 17% of the U.S. population today to 23% by 2050.

Many employees with aging loved ones will grapple with difficult decisions on how to support them—and whether they can do so while in their current job. In 2024, however, employers are slightly less likely than a year ago to offer elder care referral services (13%) or elder care subsidies (1%).

Impact on Employers: Much of the recent emphasis on paid leave has focused on new parents, which is important. However, with 14% of the U.S. population providing unpaid elder care, employers might also consider the risks to their current and future talent needs by failing to offer benefits to help their workforce manage elder care concerns, which will only increase.

Impact on Employees: Given the high cost of at-home or long-term care, as well as the difficulty of navigating caregiving responsibilities, some workers may feel compelled to leave their jobs if they must choose between working and caring for elderly relatives, which on average takes 3.6 hours per day. They might also seek out employers that offer more support for elder care and other family care needs.

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

- Dependent care FSAs
- Adoption assistance
- Foster care assistance

BENEFITS SNAPSHOT: FLEXIBLE WORK

Most employers continue to prioritize flexible work policies and benefits, with 70% calling this "very important" or "extremely important" for the third consecutive year. Hybrid work continues to be popular and is offered by 63% of employers, up from 62% a year earlier.

However, there are suggestions of pullback on other flexible work benefits. The biggest sustained pullback is seen in employer subsidies of at-home work equipment. Now, only 56% of employers offer this benefit, compared with 62% in 2022 when it was first measured. Companies providing this benefit in 2024 offered an average annual maximum reimbursement amount of $871.

56% OF EMPLOYERS

PROVIDE AT-HOME OFFICE EQUIPMENT OR SUBSIDIZE THE COST. WHAT ARE THEY MOST LIKELY TO COVER?

96%
OFFICE TECHNOLOGY
(e.g., monitors, keyboards)

63%
GENERAL OFFICE SUPPLIES

35%
CELLPHONE SERVICE COVERAGE

25%
OFFICE CHAIRS

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

- Flextime
- Compressed workweeks
- Four-day workweeks

BENEFITS SNAPSHOT: PROFESSIONAL AND CAREER DEVELOPMENT

Professional development was named by 65% of employers as “very important” or “extremely important” in 2024, down two percentage points from 2023. This benefits category will be worth watching in future years amid rapid changes in technology, including the acceleration of artificial intelligence (AI). A 2023 edX survey suggests 49% of workplace skills will become irrelevant as early as 2025 because of AI.

Unsurprisingly, two of the most prevalent development benefits are formal training or education for keeping skills current (82%) and upskilling/reskilling (80%). SHRM’s 2024 AI in the Workplace research supports this trend, as 83% of HR leaders believe that upskilling will be essential for workers to remain in a job market shaped by AI.

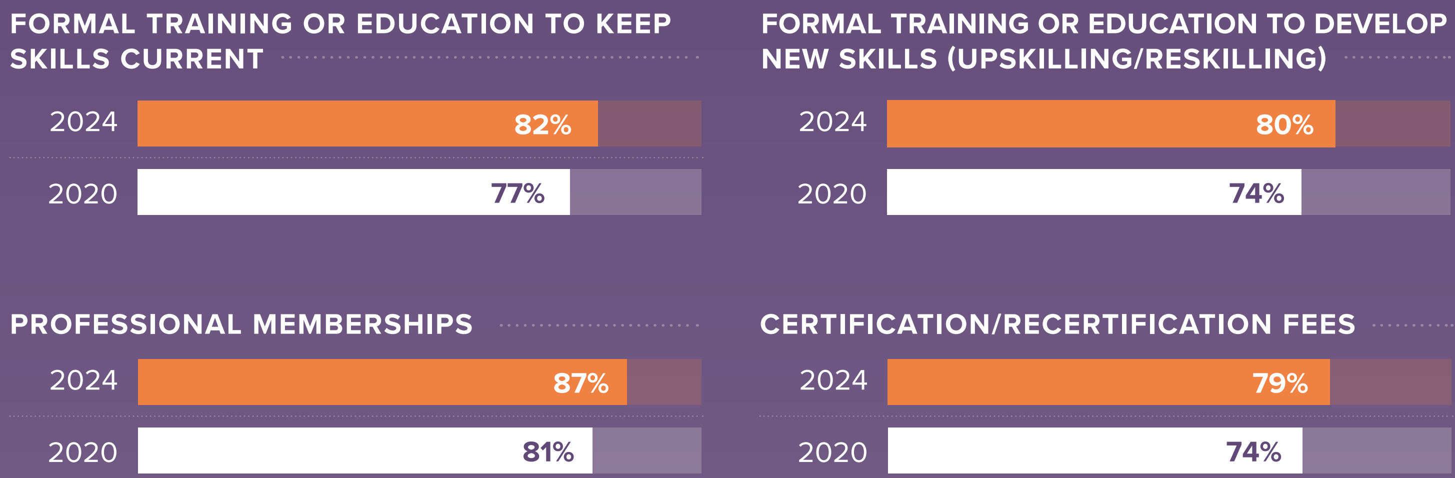
Most U.S. workers are likely to welcome such benefits, according to the SHRM research, with 51% believing that AI will transform existing jobs rather than replace them. Even more (76%) believe that upskilling will be essential for workers to remain in a job market shaped by AI.

The 2024 SHRM Employee Benefits Survey found that employers continue to cover costs that may be required for employees to be able to do their jobs, such as professional license application or renewal fees (unchanged at 77%), as well as those costs that directly help employees improve their skills, such as certification/recertification fees (79%, up from 78%). However, companies appear more reluctant to offer open-ended educational benefits, such as 529 plan payroll deductions (8%, down from 9%) and tuition assistance (46%), which is at its lowest prevalence in years.

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

- Mentoring
- Leadership coaching
- Student loan payments
- Average maximum amount provided for education assistance

FROM 2020 TO 2024, MORE EMPLOYERS HAVE COVERED PROFESSIONAL DEVELOPMENT EXPENSES:



ADDITIONAL BENEFITS TO WATCH

Beyond the main benefits categories, there were changes in other benefits that are noteworthy and could influence employer policies moving forward.

NONRETIREMENT FINANCES:

Over the last several years, employers have been less likely to offer formal retirement planning advice, but they are still addressing personal finance. Employers were slightly more likely this year to offer nonretirement financial advice benefits (32%) and credit counseling services (16%). That said, only 11% offer a credit union, down from 13% in 2023.

32%
OFFER NONRETIREMENT FINANCIAL ADVICE

16%
OFFER CREDIT COUNSELING SERVICES

SHIFT IN PERKS

Even as many employers are emphasizing on-site work, budget constraints could potentially be causing a pullback in certain perks and benefits:

50%
SNACKS AND BEVERAGES (EMPLOYEE-PAID)
(down from 53%)

38%
COMPANY-OWNED CELLPHONE
(down from 40%)

78%
FREE COFFEE
(down from 79%)

18%
ON-SITE STRESS MANAGEMENT PROGRAM
(down from 21%)

Visit the Employee Benefits Survey Results interactive online tool at **shrm.org/benefits** to explore more benefits trends, including ones in:

- Awards and bonuses
- Transportation benefits
- Housing and relocation benefits

TAKEAWAYS FOR BUSINESS LEADERS

Every employer must make benefits decisions based on their own circumstances, data, and principles. But the annual SHRM survey can give you better information and more context for making the tough judgment calls that can move the needle on employee engagement, productivity, and retention. Here are a few takeaways from this year's results to consider when making benefits decisions going forward:

START WITH COMPLIANCE

Federal, state, and local regulations are increasingly scrutinizing or requiring benefits related to paid leave, retirement savings programs, and numerous other areas. While compliance isn't the only consideration when setting benefits policies, make sure you're up-to-date on all existing regulations, as well as laws and regulations that are in progress or considered likely to pass in the coming year.

STANDARDIZE PAID-LEAVE POLICIES

Paid leave has expanded well beyond the basic categories of vacation and sick leave. With states enacting a variety of paid-leave laws, now is the time to assess your mix of paid-leave benefits offerings. For employers facing a patchwork of regulations, you might consider a blanket policy that is equal to or exceeds the most stringent applicable laws. This can reduce paperwork, avoid mistakes, and help employees feel that leave policies are applied fairly.

Likewise, look at your mix of paid-leave benefits. What's working, and what isn't? Do these policies match employee needs, wants, and demographics? If you're not already surveying employees about leave policies, start there.

COMMUNICATE ABOUT RETIREMENT SAVINGS AND OTHER FINANCIAL BENEFITS

Most employers offer some kind of retirement savings and planning benefits, and many have added offerings such as Roth 401(k)s and employer matches for employee contributions. Make sure employees know about these benefits—not just how to sign up for them, but also how important such benefits are for their future. These benefits can add peace of mind and increase employee loyalty, especially if other potential jobs have lesser retirement offerings. Likewise, consider providing and regularly communicating about other financial benefits available to employees, such as nonretirement financial advice, credit unions, and payroll advances.

CONNECT PROFESSIONAL DEVELOPMENT BENEFITS TO SKILLS NEEDS

What is your organization's current skills inventory, and how does it compare to the skills your business will need in five or 10 years? Knowing that information can help you shape professional development benefits to train, upskill, or reskill your employees for the skills you need most. Taking inventory of the required skills for each role can also help you recruit people with the skill sets you need—potentially reducing the need to spend money on reskilling or upskilling.

As a member-exclusive benefit, SHRM offers an interactive online benchmarking tool, where users can filter results from the Employee Benefits Survey according to their organization's size, industry, and location (region and state). In addition, users may view and export results across the entirety of the benefits surveyed—all available on demand.

METHODOLOGY

The 2024 SHRM Employee Benefits Survey was conducted from Jan. 18 to March 5, 2024. Online surveys were sent to U.S.-based professional members of SHRM, which yielded eligible responses from 4,529 participants representing independent organizations. Respondents were asked to provide answers regarding what employee benefits their organizations offered during plan year 2024. 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 U.S. The data is unweighted.

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

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