

NEWS BRIEF

Report Reveals Employers Plan to Offer Compelling Benefits Options in 2024

Recent findings from Mercer's Health and Benefits Strategies for 2024 Survey Report revealed that employers are seeking compelling benefits options to improve affordability, increase flexibility and fill perceived gaps in 2024. According to Mercer, 1 in 4 of more than 700 surveyed employers had made enhancements to their benefits programs in the past two years. Additionally, over two-thirds said they will be incorporating benefits improvements into their plans for the upcoming plan year to support attraction and retention and better meet employee needs.

Survey Results

Employers anticipate a significant increase in health care costs in 2024, with a projected increase of 7% over 2023. This is expected to challenge many organizations as they struggle to balance benefits options with cost-controlling measures. However, Mercer's research reveals that the majority of employers are planning to enhance benefits to remain competitive in the labor market.

Chief among these enhanced benefit options are benefits that support women's health, including preconception planning and menopause. According to Mercer, 46% of employers plan to offer benefits or resources to support women's reproductive health, up from 37% last year. Additionally, the percentage of employers planning to offer menopause support has more than tripled since last year's survey.

In 2024, employers are planning to add value to their benefits programs by increasing employee flexibility. Mercer found that 27% of employers offer unlimited paid time off to at least some employees, up from 22% of large employers in 2021. Paid-time-off policies are also becoming more inclusive, with growth in paid parental leave for all kinds of families. Other popular options employers are adopting to support employee flexibility and work-life balance include hybrid work options (80%), paid time off to volunteer (49%), remote work options (47%), a four-day workweek or consolidated schedule (22%), unpaid sabbaticals (17%), paid sabbaticals (8%), and time off to pay for an ill or newly adopted pet (3%).

Affordability is top of mind for employers as many employees struggle with inflationary pressures. As such, most surveyed employers are adopting strategies to slow health cost growth without shifting costs to employees. Common strategies for this include implementing programs to help employees manage specific health conditions, taking action to address the cost of specialty prescription drugs, focusing on virtual care, and steering employees toward quality care with a navigation or advocacy service.

Employer Takeaways

Offering competitive benefits can improve employee attraction, retention, wellness and morale. However, employers must evaluate their organization's unique needs and decide whether to eliminate, share or absorb the increasing cost of benefits for the coming year.

Contact us today for more information.

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