

# Spotlight on Benefits

2021/2022 General Industry Study

Produced by the US Benefits Benchmarking Group

A business of Marsh McLennan



	<b>About the Report</b> <i>Participant Information</i>	<b>3</b>
	<b>Retirement/Savings</b> <i>Defined Benefit, Defined Contribution, Stock Purchase</i>	<b>5</b>
	<b>Health/Group</b> <i>Medical, Post-Retirement Medical, Dental, Flexible Spending Accounts</i>	<b>7</b>
	<b>Life Insurance/Disability</b> <i>Life Insurance, Short-Term Disability, Long-Term Disability</i>	<b>10</b>
	<b>Parental Leave</b> <i>Maternity Leave, Paternity Leave, Parental Leave</i>	<b>11</b>
	<b>Paid Leave</b> <i>Paid Time Off, Vacation, Sick Leave, Holidays, Personal Leave</i>	<b>12</b>
	<b>Spotlight Participants and Additional Resources</b>	<b>15</b>

# Contents

# About the Report

## Today's Market

Finding the right balance between a benefit package that supports attraction and retention and one that is financially sustainable has never been easy. Employers need to be thoughtful and specific about their benefits enhancements to ensure a return on their investment.

## Attraction and Retention

Total rewards, and specifically employee benefits, are increasingly vital for retention. Over two-thirds of US employers are planning to enhance health and benefit offerings in 2023 to improve talent attraction and retention\*.

\*According to Mercer's Survey on Health and Benefit Strategies for 2023

## Industry Data

The *Spotlight on Benefits* contains insights on our clients' 2021/2022 plan design and administration of market benefits, allowing benefit professionals to benchmark their plans against other organizations in the US General Industry.



# About the Report

Mercer's 2021-2022 Spotlight on Benefits provides quantifiable statistics at the 50th percentile (median) and summarizes plan details among this cross-section of US employers. All data is based on the number of organizations that reported information in each area.

See page 22 for information regarding special data requests.

## General Industry Statistics

 **1,000+**

Participating organizations

 **55%**

>2,000 employees

 **57%**

>\$1 billion in revenue

## Largest Industries

 **16%**

Manufacturing

 **15%**

Healthcare

 **11%**

Energy

## Top Industries

Agriculture/Forestry  
Automotive  
Construction  
Consumer Goods  
Education  
Energy  
Financial Services  
Healthcare  
High Tech  
Hospitality  
Insurance/Reinsurance  
Internet Based Services  
Life Sciences  
Logistics/Supply Chain  
Manufacturing  
Mining  
Professional Services  
Retail  
Telecommunications  
Utilities  
Plus others

# Retirement/Savings

According to Mercer's *Unmet Needs National Survey*, the ability to retire is now the second largest concern of employees this year, behind only the ability to cover monthly expenses. This is a substantial jump from last year, when it ranked fifth. Fewer than half of respondents (**xx%**) feel confident they can turn their retirement savings into a consistent stream of income to last the rest of their life - and confidence drops to **27%** for low-income workers.



## Market Trends

- Over the past five years, this study observed a **xx%** decrease in organizations offering active Defined Benefit Retirement Plans.
- As a result, more organizations provide funding through fixed or discretionary non-matching contributions to a Defined Contribution Plan, as reported by **xx%** of organizations in this study.
- Organizations are also encouraging participation in pre-tax savings plans with automatic enrollment features, reported by **xx%** of organizations. The median enrollment percentage among the peers is **xx%**.
- **xx%** of the participants still operate a grandfathered or frozen Defined Benefit Plan.

# Retirement/Savings

## Defined Benefit

XX

Have a five-year vesting schedule

XX

Include bonus in the definition of pay

XX

Have an excess feature that removes legislated limits through a nonqualified retirement program

Offered by **XX** of organizations

The most common plan types are Final Average Pay plans offered by **XX** of the participants and Cash Balance offered by **XX**

## Defined Contribution

XX

Offer employer match

XX

Offer employer non-match

XX

Include bonus in the definition of pay

XX

Have an excess feature that removes legislated limits

XX

Offer immediate vesting of employer contributions

Offered by **XX** of organizations

The median total employer contribution is **XX**

## Stock Purchase

XX

Offer a discount

XX

Offer a match

XX

Include bonus in the definition of pay

Offered by **XX** of organizations

The median discount is **XX**

The median maximum employee contribution amount is **XX**

# Health/Group

Benefits make up about **XX** of total compensation according to the Bureau of Labor Statistics, and health insurance is the most costly and the most valued by employees. Still, Mercer's *Inside Employee Minds* survey found that more than two-thirds of workers (**XX**) of employees feel challenged to get needed healthcare for themselves and their families, with younger workers, caregivers and LGBTQ+ employees the most likely to face challenges.

Health care affordability is a top concern for many workers, in particular low-wage earners or those coping with a chronic medical condition. While high-deductible health plans have grown rapidly over the past decade, employers have recognized that these plans aren't a good fit for some employees.



**XX**  
Offer Medical benefits

**XX**  
Offer Dental benefits

**XX**  
Offer Post-Retirement Medical benefits

## Market Trends

Virtual care is now playing an increasingly central role, given its potential to replace some in-person care with lower-cost virtual services and engage employees through more comfortable channels. According to Mercer's 2021 National Survey of Employer-Sponsored Health Plans, while traditional telemedicine services (a critical source of care during the pandemic) are now offered almost universally, the majority of survey respondents will offer virtual care solutions beyond telemedicine in 2023, with over half of large employers (**XX**) offering virtual behavioral health care in 2023, and **XX** offering a virtual Primary Care Physician (PCP) network or service.



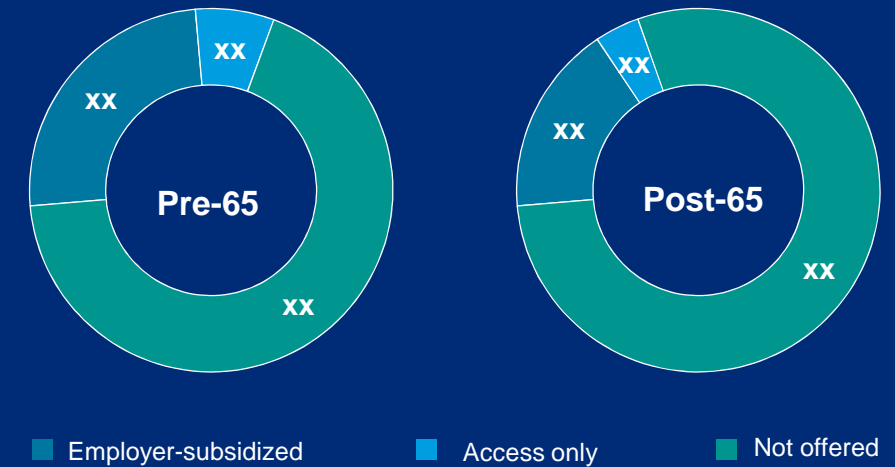
# Health/Group

## Median Medical Plan Features

	HDHP	PPO	HMO
Prevalence*			
In-Network Deductible			
In-Network Inpatient Hospital			
In-Network Office Visits			
In-Network Out-of-Pocket Limits			
Employer HSA/HRA Contributions			
Employee Cost Share			

\*When an organization offers more than one plan type, the majority of employees elect PPO coverage.

## Post-Retirement Medical



- Over the past five years we have seen a **XX** decrease in organizations offering retiree medical coverage to newly hired employees.
- Many organizations have opted to grandfather/freeze these plans or provide **access-only plans**, which allow retirees to enroll but require the retiree to pay the full cost of coverage.



# Health/Group

## Median Dental Plan Features

<b>Plan Type</b>		<b>Employee Cost Share</b>	
<b>Deductible</b>		<b>Annual Maximum</b>	
<b>Lifetime Orthodontia Maximum</b>		<b>Plan Coverage</b>	

\*A Silent PPO plan provides the same level of coverage at both in-network and out-of-network providers; out-of-network service charges are limited to reasonable and customary amounts..



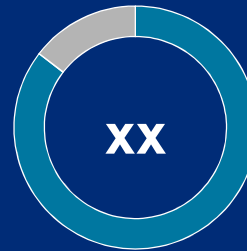
# Life Insurance/Disability

## Provide employer-paid life insurance



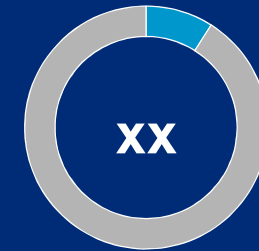
- **XX** base pay is the median multiplier
- **XX** is the median maximum coverage

## Provide employer-paid AD&D insurance



- **XX** offer coverage equal to employee group term coverage

## Provide employer-paid spouse/dependent life insurance



- **XX** median coverage for spouse
- **XX** median coverage for dependent

## Defining Disability



**Disability** incident occurs



**Unpaid** waiting period ends



**Pay Replacement** from Short-term disability typically covers the first 6 months of disability

Long-term disability benefits are based on amounts payable after 6 months of disability



### Disability Occurs

- Median waiting period = **xx days**

### Short-Term Disability

- **XX** provide employer-paid coverage
- Typical plan covers xx of base pay up to 26 weeks with an unlimited weekly benefit
- xx of participants provide all or a portion of the disability at xx pay replacement

### Long-Term Disability

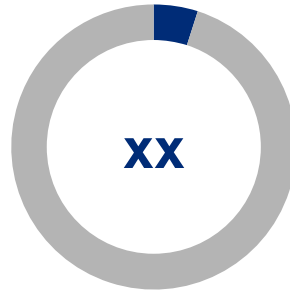
- **XX** provide employer-paid coverage
- Typical plan covers xx of base pay up to xx per month with a family Social Security offset

# Parental Leave

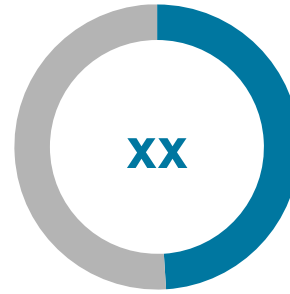
Provide Maternity Leave



Provide Paternity Leave



Provide Parental Leave



Median Plan Design	Maternity Leave	Paternity Leave	Parental Leave
Pay Replacement			
Number of Weeks			

Of organizations offering a Parental Leave plan, xx allow leave to be used for Adoption, and xx allow leave to be used for placement of a Foster child.

## Parental Leave

Traditionally, paid leave benefits for a new parent were limited to the birth mother and covered under the disability program. As employees increasingly want and expect time to bond with children after birth, adoption or foster placement, paid parental leave is quickly becoming a standard element of a comprehensive time-off program. Growing access to parental leave is occurring in virtually all industries; increasingly, employers that do not offer paid parental leave will stand out from their competitors — a type of distinction they may not want.



# Paid Leave



**XX**

Offer a Traditional Vacation plan

**XX**

Offer a Paid Time Off (PTO) plan

**XX**

Offer an Unlimited Time Off plan

- **XX** allow carryover of unused days for traditional plans with a median of **30 days**
- **XX** allow carryover of unused days for PTO plans with a median of **30 days**

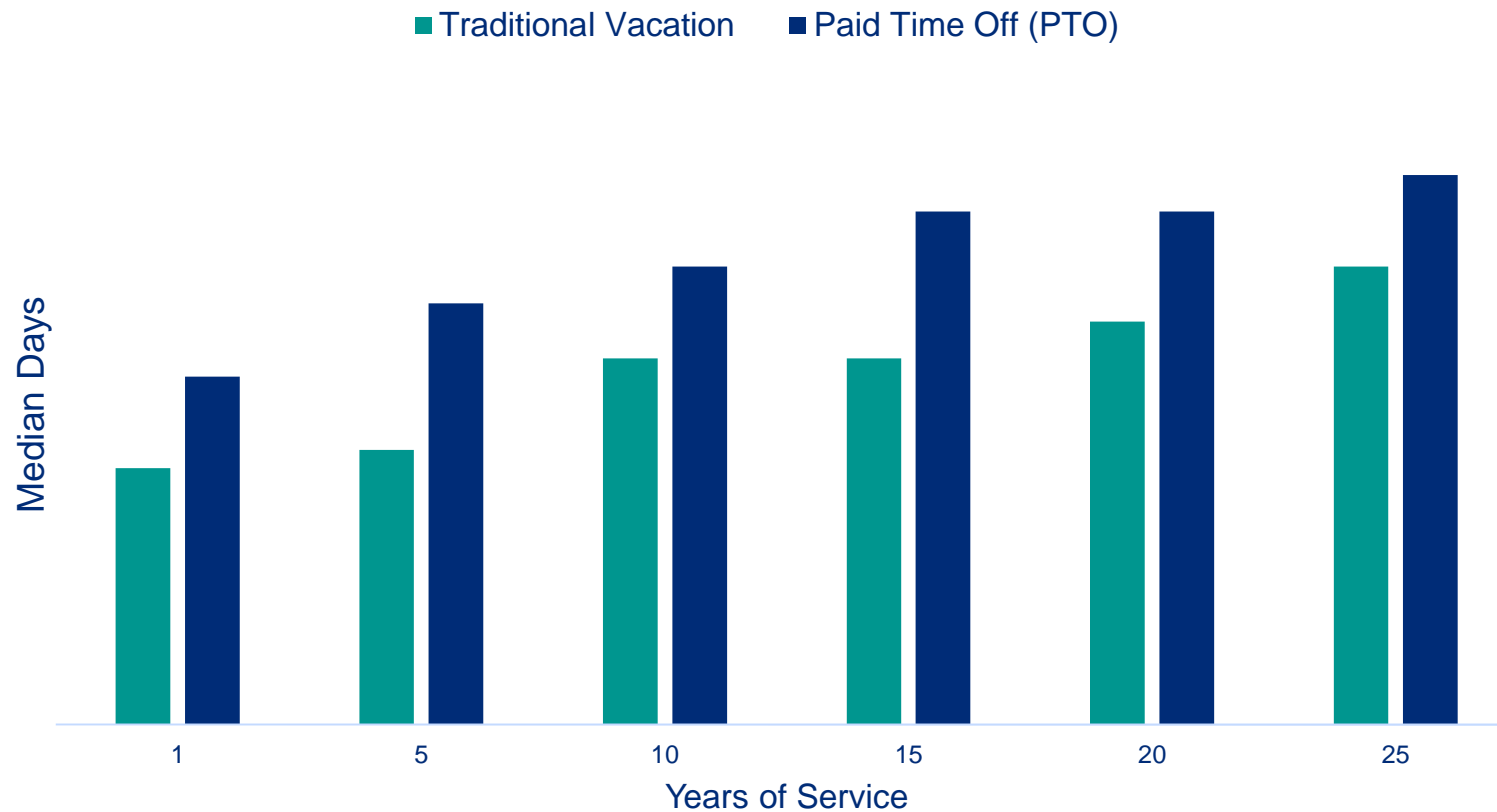
## Market Trends

- Only **XX** of respondents with PTO plans say that most of their employees take all of their allotted time, down from **xx** in 2018 — and **xx** say employees actually use less than half of PTO days.
- More than half report that open accruals/balances at the time of transition from a standard vacation/PTO plan were **forfeited** (where allowable); about two-fifths paid out balances and the rest allowed the accruals/balances to be used for STD top-off pay.
- **Unlimited PTO (UPTO)** saw wider adoption in 2021. While in past years many employers may have considered unlimited PTO, actual implementations were relatively rare. The need for options and flexibility during the pandemic, as well as greater focus on liabilities for accrued but unused PTO, seems to have inspired a number of employers to move ahead, mostly for exempt employees.

Source: Mercer's 2021 Absence and Disability Management Survey

# Paid Leave

## Median Days Offered by Years of Service

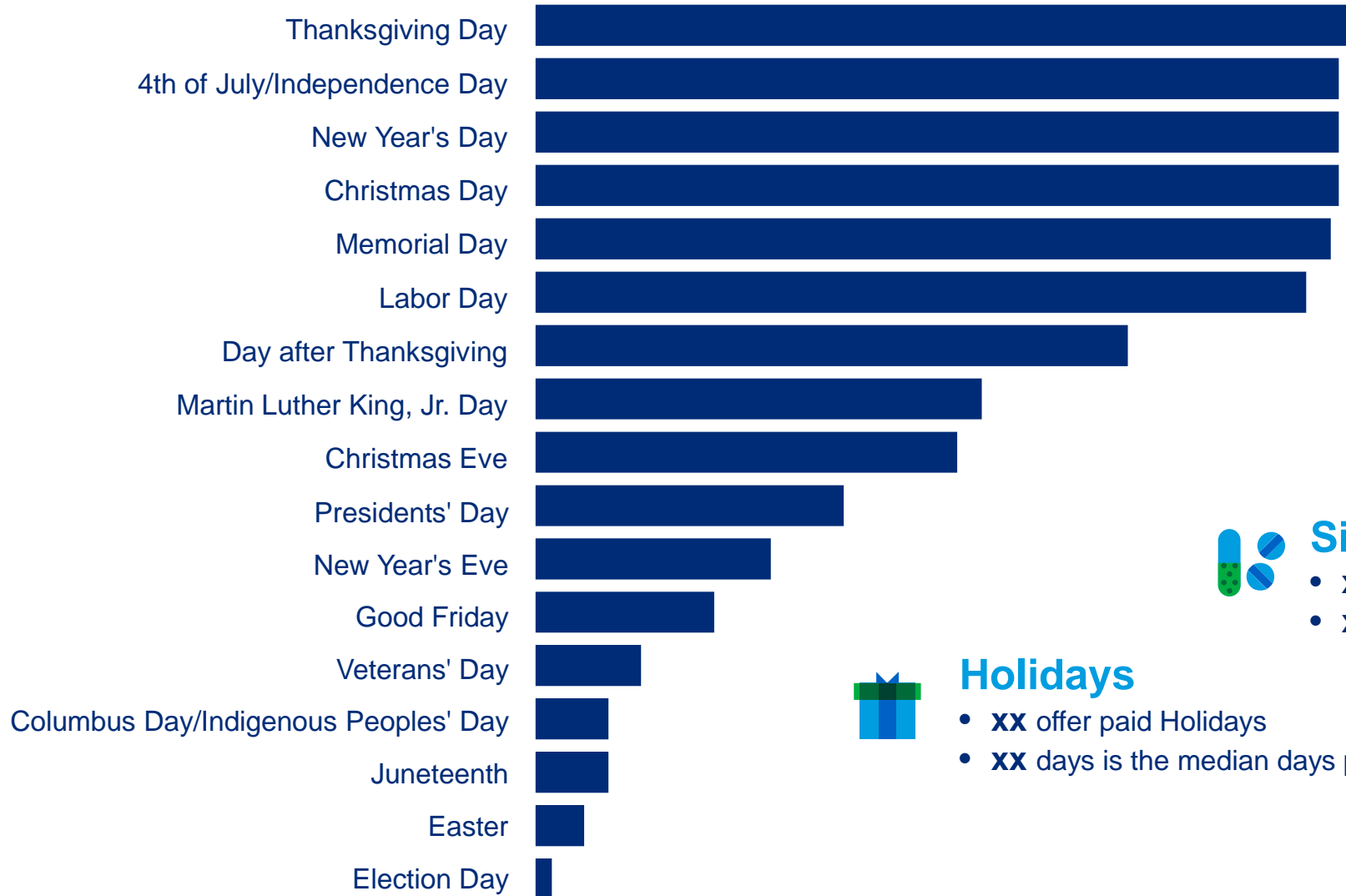


- PTO plans offer more days at each service break due to the inclusion of other forms of paid time off such as Sick, Personal, and/or Holidays.
- Some employers may offer a PTO plan to one group of employees and traditional Vacation plan to another group.



# Paid Leave

## Holidays Observed



Most respondents provide paid fixed holidays separately from vacation/PTO days for both exempt and non-exempt employees. Mercer's *2021 Absence and Disability Management Survey* was conducted before Juneteenth was declared a national holiday, but already **XX** of respondents had declared it to be a paid holiday. Just **XX** currently offer Election Day.

Unlimited Sick Leave is provided by **XX** of the participants while **XX** combine days within the PTO bank. Carryover of unused days is allowed by **XX**.

The median number of paid personal days granted per year has increased by **XX day** from the data just five years ago.



## Sick Leave

- **XX** offer paid Sick Days
- **XX** days is the median days provided



## Holidays

- **XX** offer paid Holidays
- **XX** days is the median days provided



## Personal Days

- **XX** offer a separate bank of paid days
- **XX** days is the median days provided

# Participants

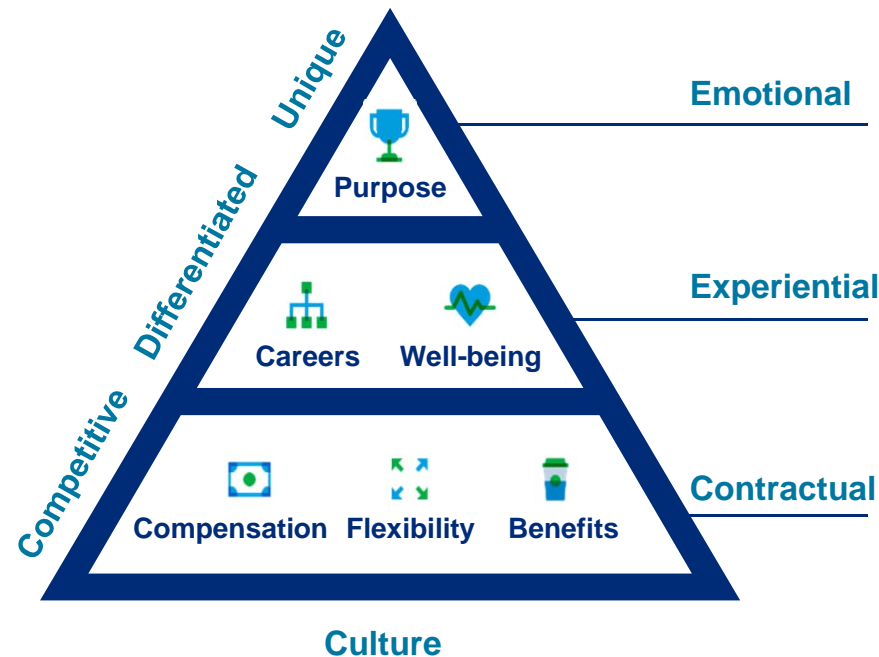
# Additional Resources

## About the US Benefits Benchmarking Group (BBG)

The US Benefits Benchmarking Group (BBG) aims to assist companies in assessing and strengthening the benefits portion of their total rewards package. Investing in the health and wealth of employees can lead to an overall better experience and emotional satisfaction.

Discover the value in Mercer's versatile, real-world solutions focusing on critical issues related to benefits programs.

Visit: [imercer.com/broad-based-benefits](https://www.mercer.com/broad-based-benefits) or contact us at [USBenefits@mercer.com](mailto:USBenefits@mercer.com)



BBG is the only US-centric unit who collects all benefit information used to **provide insights** for prevalence, values, and total remuneration.

BBG will evaluate your benefit plan data against various peer data, allowing BBG to **identify opportunities** for improvement in benefit delivery and competitiveness.

We specialize in providing benefits benchmarking services to approximately **1,200 clients** and conduct more than 200 custom benchmarking projects each year.



