



## Majority of employers will change their leave programs in the next two years, WTW survey finds

January 22, 2024

### Enhancements to parental, caregiver and bereavement leave on the rise

NEW YORK, Jan. 22, 2024 (GLOBE NEWSWIRE) -- Most (84%) U.S. employers are planning to make changes to their leave programs in the next two years, according to a new survey by leading global advisory, broking and solutions company WTW (NASDAQ: WTW). In an effort to remain competitive and improve attraction and retention, employers are investing in their leave programs.

WTW's 2023 Leave, Disability and Time-off Trends Survey found supporting attraction and retention strategies to be the number one driver for making changes to paid leave, time off or disability programs, cited by almost three-quarters (73%) of employers that have made or plan to make changes to their leave programs. Nearly as many (72%) cited enhancing the employee experience as a top reason. These reasons for making changes are consistent, with just small variations, across all employer sizes, from 100 employees to more than 25,000 or more employees. They also hold across a wide span of industries. Rounding out the top reasons for making changes to programs are diversity, equity and inclusion initiatives, reported by one-third (32%) of these respondents.

"Following a great deal of change over the past few years, including how and where people work, employers are recognizing the importance of flexible leave programs that accommodate the diverse needs of their employees and evolving work styles," said Alex Henry, Group Benefits leader, WTW. "By modernizing time-off programs, employers can create a supportive work environment that fosters engagement and improves the overall employee experience."

Among the changes, employers plan to enhance parental leave, bereavement leave and caregiver leave. For parental leave, although most employers currently offer paid leave (86% provide maternity leave, 82% provide paternity leave and 82% provide adoption leave), nearly one-fifth of those companies plan to increase the value of their current programs. Similarly, while the overwhelming majority of employers (95%) report having a bereavement leave policy (other than what is required by various state laws), 25% of those that offer bereavement leave intend to increase the value of their current offering, with half of those employers planning to expand covered persons/reasons and enhance the benefit/duration.

Paid caregiver leave stands to experience some of the most substantial increases in adoption. While 25% of employers report having a paid caregiver leave policy in place today, another 22% of employers are planning or considering it over the next two years. Should this come to pass, nearly half of employers would be offering formal caregiving support to their employees.

Notably, more companies are planning to adopt unlimited paid time-off (PTO) programs in the next two years. With 12% in place today, up from 9% two years ago, 16% of employers anticipate offering unlimited PTO to exempt employees in the next two years. Unlimited PTO is even more prevalent among directors and executives, with 31% of companies reporting this type of program in place today and an additional 9% planning or considering it over the next two years. For respondents that aren't offering unlimited PTO, changes to time-off programs are also underway, as one-quarter (23%) have already taken action to change the number of days provided, and nearly as many (22%) are planning or considering doing so.

As legislation changes, more employers are finding it difficult to maintain compliance with leave laws, particularly large employers operating in multiple states. As a result, in the next two years, the prevalence of outsourcing leave programs is expected to increase by 22%. Among the nearly two-thirds (64%) of employers that currently outsource state family medical leave administration, many are dissatisfied; more than half (54%) are considering a move to a new administrator in the next two years despite the effort involved in such a move.

"The leave landscape is evolving at a rapid pace due to social, political and regulatory changes. Employers need to adapt to remain competitive, and offering a generous leave program can be a real differentiator for attraction and retention," concluded Henry.

#### About the survey

A total of 517 employers participated in the 2023 Leave, Disability and Time-off Trends Survey, which was conducted in from late October to mid-November of 2023. Respondents employ 7.9 million employees.

#### About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the

global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance.

Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you.

**Media contacts**

Ileana Feoli: +1 212 309 5504

[ileana.feoli@wtwco.com](mailto:ileana.feoli@wtwco.com)

Stacy Bronstein

[stacy.bronstein@wtwco.com](mailto:stacy.bronstein@wtwco.com)