Drewberry | PART OF THE BROWN & BROWN TEAM

Employee Benefits Benchmarking Report

2026









Our 2026 Report

Welcome to Drewberry's latest Employee Benefits Benchmarking Report 2026.

Following the success of our previous reports, this year's edition offers fresh insights into the employee benefits market across the UK.

We surveyed over 600 organisations of all sizes and industries, including our own clients, to give you a comprehensive view of current benefits trends and benchmarks.

Why Benchmark Your Benefits?

With only 36% of employers confident their benefits are very well understood by staff, and nearly half still not benchmarking against competitors, understanding how you compare has never been more essential.

It's a flywheel effect: well rewarded employees are happier, happier employees are more productive, and greater productivity drives business success. That's a win-win for your culture and your business performance.

But success hinges on careful planning and execution. To keep your benefits relevant, valued and competitive, it's essential to understand how they stack up against what others are offering.

That's where benchmarking comes into play.

It helps businesses like yours stay competitive and meet employee expectations, by providing valuable insights into how your benefits compare within the industry. Armed with this knowledge, you can make informed decisions to strengthen your offering.

Every business should carefully evaluate the benefits they provide, as they play a crucial role in shaping employee satisfaction and driving business performance.

With this in mind, we hope that these findings will help you benchmark your benefits against competitors, using the insights to refine and enhance your package for greater impact.

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> **46.8%**
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> of employers are not benchmarking their benefits against competitors
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> Drewberry Employee Benefits Benchmarking Report 2026
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This report is based on a survey of 626 HR and finance professionals conducted in February 2026 via online survey. The sample includes UK employers of all sizes across a number of different sectors. Findings are indicative of trends among the survey population and may not be representative of all UK employers. Where year-on-year comparisons are made, these reflect changes in the survey population between years, which may differ in composition.

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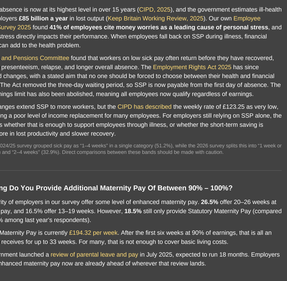
Leave, Pay & Flexible Working

Statutory benefits sit at the core of any employee benefits package. Enhancing areas such as sick pay, holiday, and maternity/paternity pay could make all the difference in attracting, retaining or potentially losing top talent.

What Level of Full Pay Sick Pay Do You Offer?

Around **9%** of employers still rely solely on Statutory Sick Pay, with respondents to our 2024/25 report showing a similar figure. The picture is clear: most employers are offering meaningful enhanced cover. **2–4 weeks** of full pay is the most common provision at **32.9%**, followed by **5–13 weeks** at **23.2%**.

The gap between SSP and real life is significant. SSP is £123.25 a week, yet average UK household spending sits at £623 per week (ONS, 2025). That means SSP covers less than a fifth of a typical household's outgoings. Our Employee Benefits Survey 2025 found **26% of employees couldn't survive more than a month on savings**. For those workers, falling back on SSP during illness isn't just difficult, it creates real financial pressure.



Sickness absence is now at its highest level in over 15 years (CIPD, 2025), and the government estimates ill-health costs employers **£85 billion a year** in lost output (Keep Britain Working Review, 2025). Our own Employee Benefits Survey 2025 found **41% of employees cite money worries as a leading cause of personal stress**, and **80%** say stress directly impacts their performance. When employees fall back on SSP during illness, financial pressure can add to the health problem.

The Work and Pensions Committee found that workers on low sick pay often return before they have recovered, leading to presenteeism, relapse, and longer overall absence. The Employment Rights Act 2025 has since introduced changes, with a stated aim that no one should be forced to choose between their health and financial hardship. The Act removed the three-day waiting period, so SSP is now payable from the first day of absence. The lower earnings limit has also been abolished, meaning all employees now qualify regardless of earnings.

These changes extend SSP to more workers, but the CIPD has described the weekly rate of £123.25 as very low, representing a poor level of income replacement for many employees. For employers still relying on SSP alone, the question is whether that is enough to support employees through illness, or whether the short-term saving is costing more in lost productivity and slower recovery.

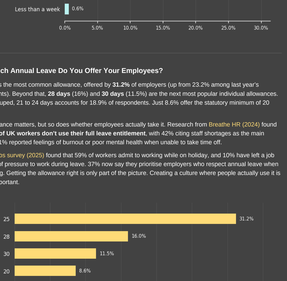
Note: The 2024/25 survey grouped sick pay as "1–4 weeks" in a single category (51.2%), while the 2026 survey splits this into "1 week or less" (7.7%) and "2–4 weeks" (32.9%). Direct comparisons between these bands should be made with caution.

How Long Do You Provide Additional Maternity Pay Of Between 90% – 100%?

The majority of employers in our survey offer some level of enhanced maternity pay. **26.5%** offer 20–26 weeks at 90–100% pay, and 16.5% offer 13–19 weeks. However, **18.5%** still only provide Statutory Maternity Pay (compared with 15.8% among last year's respondents).

Statutory Maternity Pay is currently £194.32 per week. After the first six weeks at 90% of earnings, that is all an employee receives for up to 33 weeks. For many, that is not enough to cover basic living costs.

The government launched a review of parental leave and pay in July 2025, expected to run 18 months. Employers offering enhanced maternity pay now are already ahead of wherever that review lands.

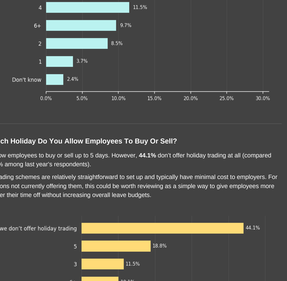


How Long Do You Provide Full Paternity Pay For?

27.3% of employers pay full salary for the statutory two-week paternity period, the most common response in our survey. But a significant number go further: **20.4%** offer 4 weeks of full pay, and **13.6%** go beyond that. On the other end, **18.8%** still only provide statutory paternity pay (14.1% among last year's respondents), currently just £194.32 per week.

Since April 2026, paternity leave is a day-one right under the Employment Rights Act 2025. Fathers and partners no longer need 26 weeks of continuous service to qualify. The government estimates this gives 1.5 million more parents access to statutory leave.

At £194.32 per week, statutory paternity pay covers less than a third of the average full-time salary. With the statutory minimum now set at just two weeks, employers offering four weeks or more are making a meaningful difference for new parents.

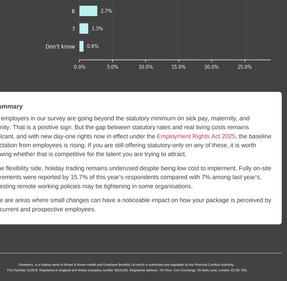


How Much Annual Leave Do You Offer Your Employees?

25 days is the most common allowance, offered by **31.2%** of employers (up from 23.2% among last year's respondents). Beyond that, **28 days** (16%) and **30 days** (11.5%) are the next most popular individual allowances. When grouped, 21 to 24 days accounts for 18.9% of respondents. Just 8.6% offer the statutory minimum of 20 days.

The allowance matters, but so does whether employees actually take it. Research from Breathe HR (2024) found that **65% of UK workers don't use their full leave entitlement**, with 42% citing staff shortages as the main reason. 81% reported feelings of burnout or poor mental health when unable to take time off.

A TotalJobs survey (2025) found that 59% of workers admit to working while on holiday, and 10% have left a job because of pressure to work during leave. 37% now say they prioritise employers who respect annual leave when job hunting. Getting the allowance right is only part of the picture. Creating a culture where people actually use it is just as important.



How Many Extra Holiday Days Can Employees Earn Through Length Of Service?

26.8% of employers offer up to 5 extra days for long service, making it the most popular option. However, **23%** don't offer any additional holiday for service at all.

How Much Holiday Do You Allow Employees To Buy Or Sell?

18.8% allow employees to buy or sell up to 5 days. However, **44.1%** don't offer holiday trading at all (compared with 35.8% among last year's respondents).

Holiday trading schemes are relatively straightforward to set up and typically have minimal cost to employers. For organisations not currently offering them, this could be worth reviewing as a simple way to give employees more control over their time off without increasing overall leave budgets.

How Many Days Per Week Can Your Employees Work Remotely?

2 days per week is the most common remote working allowance (**25.1%**), closely followed by 3 days (19.3%). **15.7%** require employees to be fully on-site (compared with 7% among last year's respondents), while 14.2% leave it entirely up to staff.

In Summary

Most employers in our survey are going beyond the statutory minimum on sick pay, maternity, and paternity. That is a positive sign. But the gap between statutory rates and real living costs remains significant, and with new day-one rights now in effect under the Employment Rights Act 2025, the baseline expectation from employees is rising. If you are still offering statutory-only on any of these, it is worth reviewing whether that is competitive for the talent you are trying to attract.

On the flexibility side, holiday trading remains underused despite being low cost to implement. Fully on-site requirements were reported by 15.7% of this year's respondents compared with 7% among last year's, suggesting remote working policies may be tightening in some organisations.

These are areas where small changes can have a noticeable impact on how your package is perceived by both current and prospective employees.

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Employee Benefits

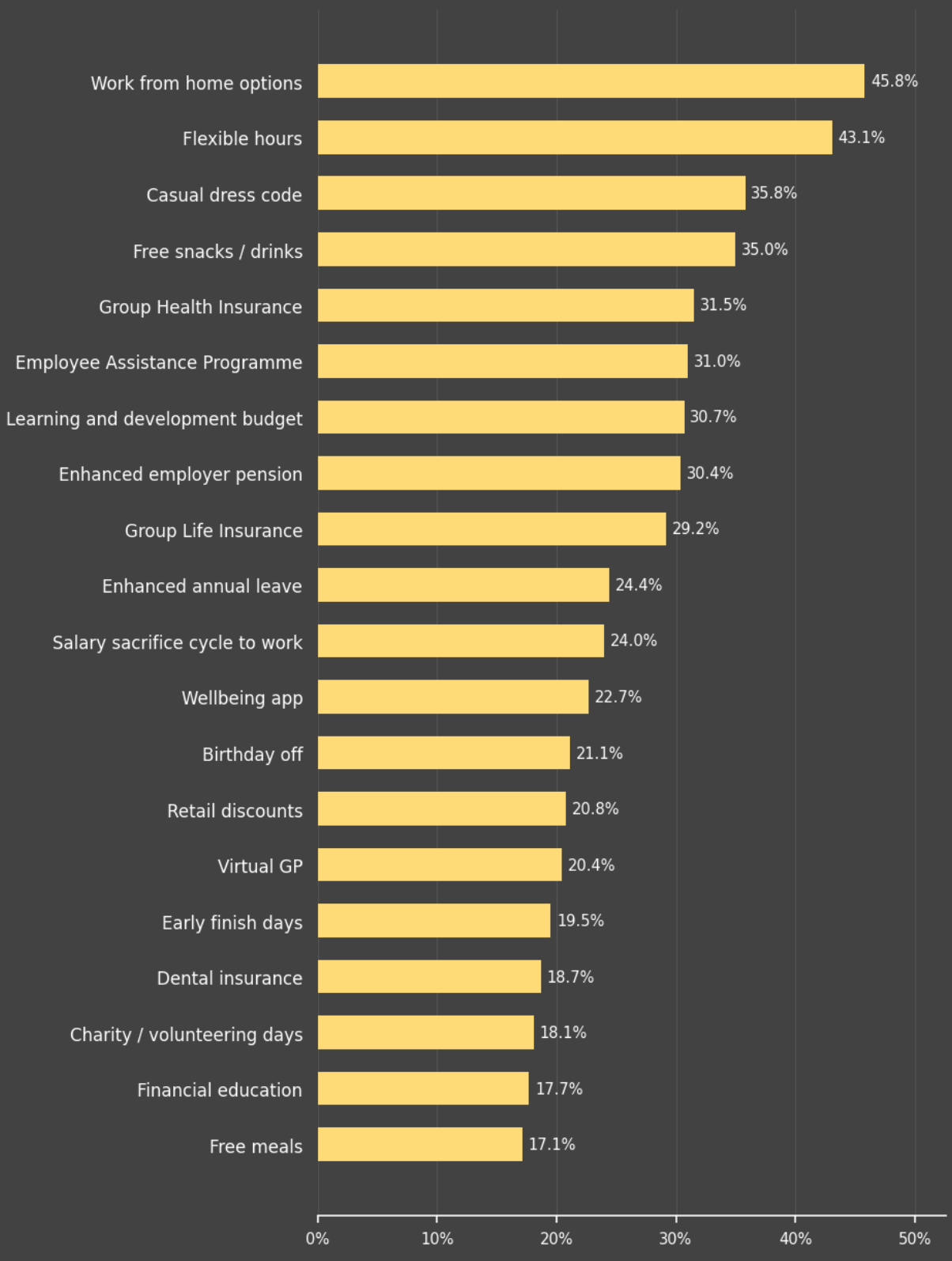
Beyond statutory requirements, the benefits you offer can set you apart. From flexible working and wellness programmes to EAPs and financial wellbeing support, these are the extras that help attract, engage and retain your people.

What Employee Benefits Do You Currently Provide?

Work-from-home options (**45.8%**), flexible hours (**43.1%**), and casual dress code (**35.8%**) are the most commonly offered benefits. Free snacks and drinks (35%) and EAPs (31%) round out the top five.

The Employment Rights Act 2025 will strengthen the right to request flexible working from 2027, requiring employers to explain refusal reasons and demonstrate they are reasonable. With nearly half of employers already offering remote and flexible options, the legislation has caught up with what good employers were already doing.

EAPs at 31% is notable. With sickness absence at its highest level in over 15 years, early intervention through EAPs and wellbeing programmes can play a key role in reducing long-term absence.



Top 20 benefits shown. Full data available in the interactive benchmarking tool at drewberryinsurance.co.uk.

In Summary

Three of the five most offered benefits (remote working, flexible hours, casual dress) cost nothing to provide. If you are looking for quick wins that genuinely matter to employees, start here.

Only 31% of employers offer an EAP. Given that sickness absence is at its highest level in 15 years and our own Employee Benefits Survey 2025 found 41% of employees cite money worries as a leading cause of stress, early intervention is one of the most practical and affordable tools available. If you don't have an EAP in place, it is worth costing one out.

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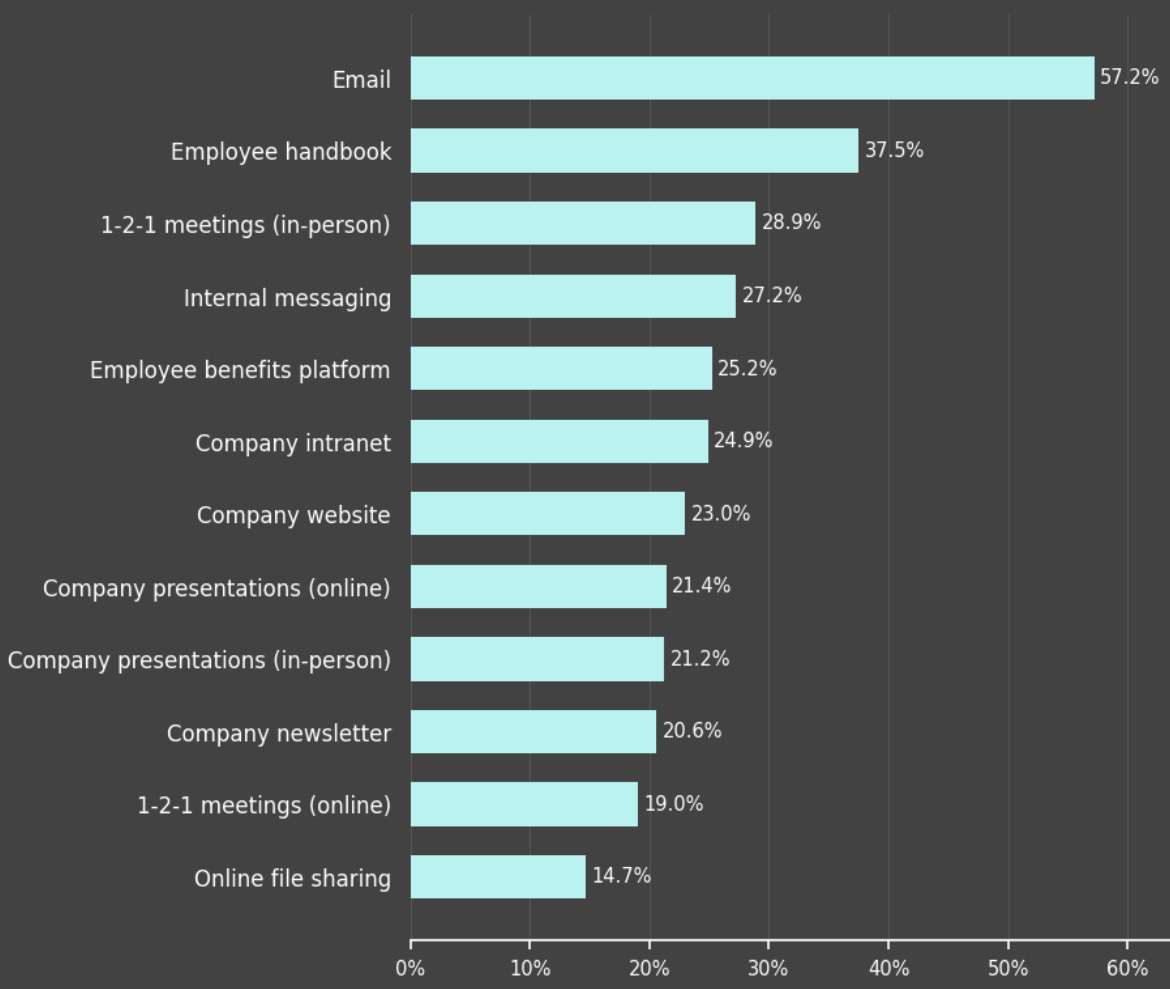
Communication & Engagement

Having great benefits means nothing if your people don't know about them. This section explores how employers communicate their benefits and measure engagement, from annual reviews to digital platforms.

How Do You Typically Communicate Your Benefits to Staff?

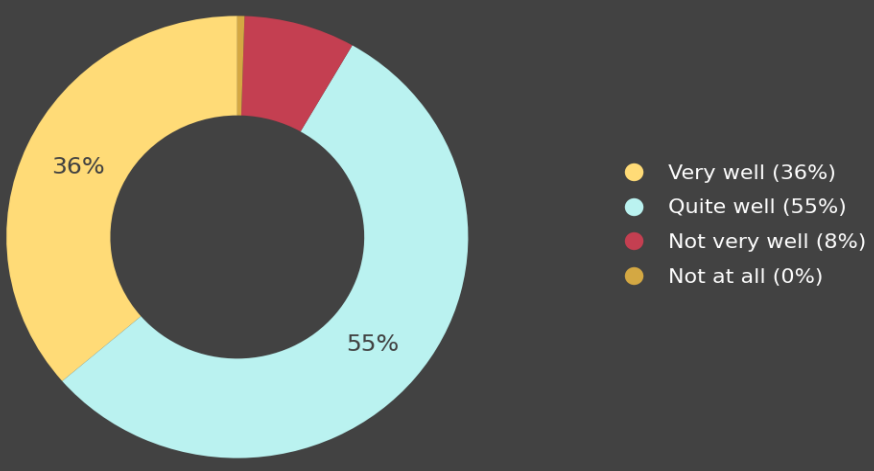
Email remains dominant at **57.2%**, followed by employee handbooks (**37.5%**) and in-person 1-2-1 meetings (**28.9%**). Benefits platforms sit at **25.2%**.

Read this alongside the next question: only 36% of employers feel their benefits are very well understood by staff. If the primary channel is email and employees are still not fully engaging with what's on offer, the method may be part of the problem. A benefits platform or regular face-to-face sessions could help close that gap.



How Well Understood, if at All, Do You Feel All the Employee Benefits You Offer Are?

Only **36.3%** feel their benefits are very well understood. The majority (**55.4%**) say 'quite well', which suggests there is room for improvement. If employees don't fully understand what's available to them, even a generous benefits package can lose its impact on retention and engagement.



In Summary

Email is still the dominant way employers communicate benefits, yet only 36% feel their package is very well understood by staff. That gap suggests the channel itself may be part of the problem.

Employers seeing stronger engagement tend to use a mix of methods: benefits platforms, face-to-face sessions, and regular touchpoints beyond the annual enrolment window. If understanding is low, it is worth reviewing not just what you are communicating but how and how often.

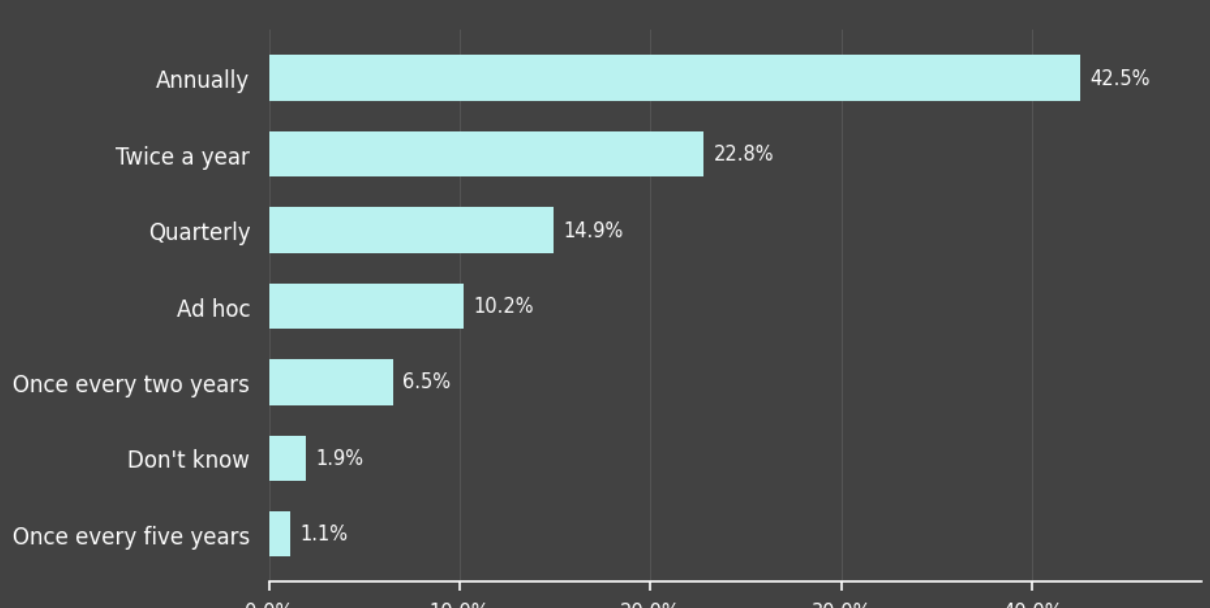
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Benchmarking & Reviews

How often do employers review their benefits, and are they benchmarking against the competition? This section reveals how proactive (or reactive) businesses are when it comes to staying competitive.

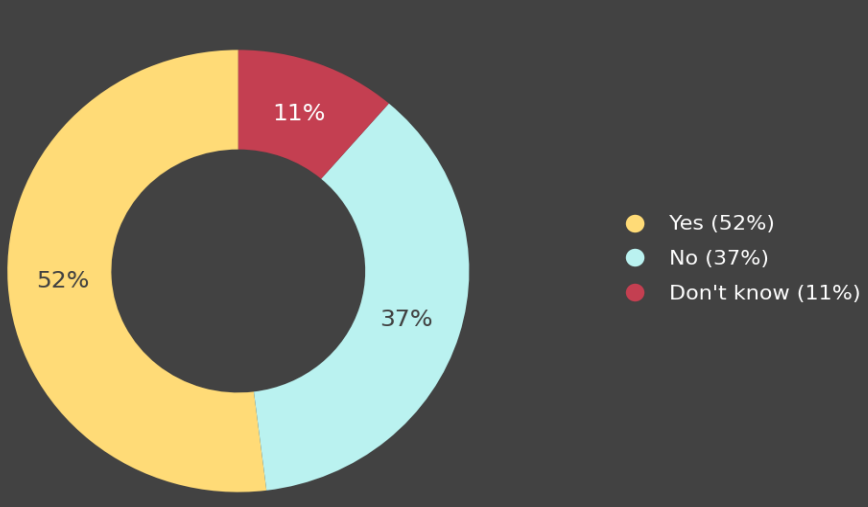
How Often, if at All, Do You Conduct a Formal Review of Your Employee Benefits?

42.5% review benefits annually, with 22.8% reviewing twice a year. 10.2% only review ad hoc. Regular reviews matter because, as the next chart shows, over half of employers who do review have found cost savings as a result.



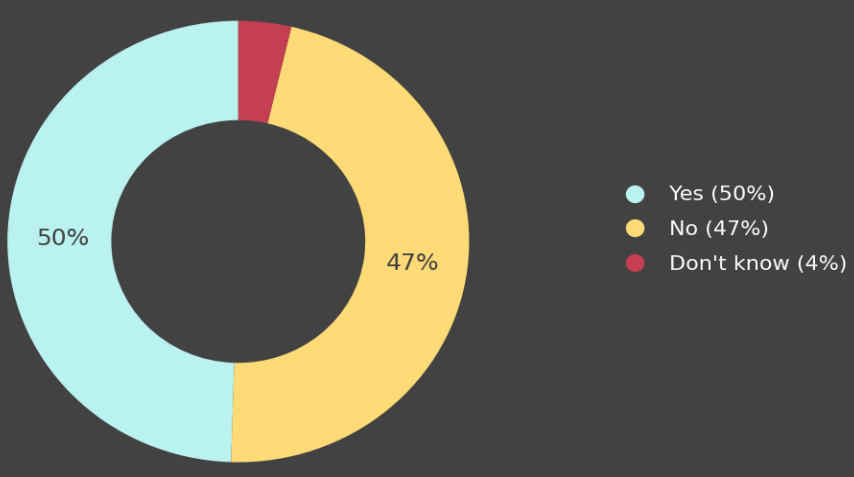
Have You Brought About Cost Savings as a Result of Your Benefits Reviews?

51.9% of employers have achieved cost savings from benefits reviews. For those who haven't reviewed recently, the question is whether there are savings being missed.



Do You Benchmark Your Benefits Against Your Competitors?

49.5% benchmark their benefits against competitors, but **46.8%** still don't. Given that over half of employers who review their benefits find cost savings, those who aren't benchmarking may be missing improvements. Without it, it's difficult to know whether your package is competitive or where to focus your next investment. An adviser can help you compare your provision against employers of a similar size and sector.



In Summary

51.9% of respondents said benefits reviews have led to cost savings. Yet 46.8% still don't benchmark against competitors, and 10.2% only review ad hoc. If you are spending on benefits without regularly checking what the market looks like, you may be overpaying for cover or missing gaps that matter to your employees.

Reviewing doesn't need to be complicated. Comparing your package against employers of a similar size and sector, even once a year, can surface quick wins and help you prioritise where your next investment will have the most impact.

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Workplace Pensions & Salary Exchange

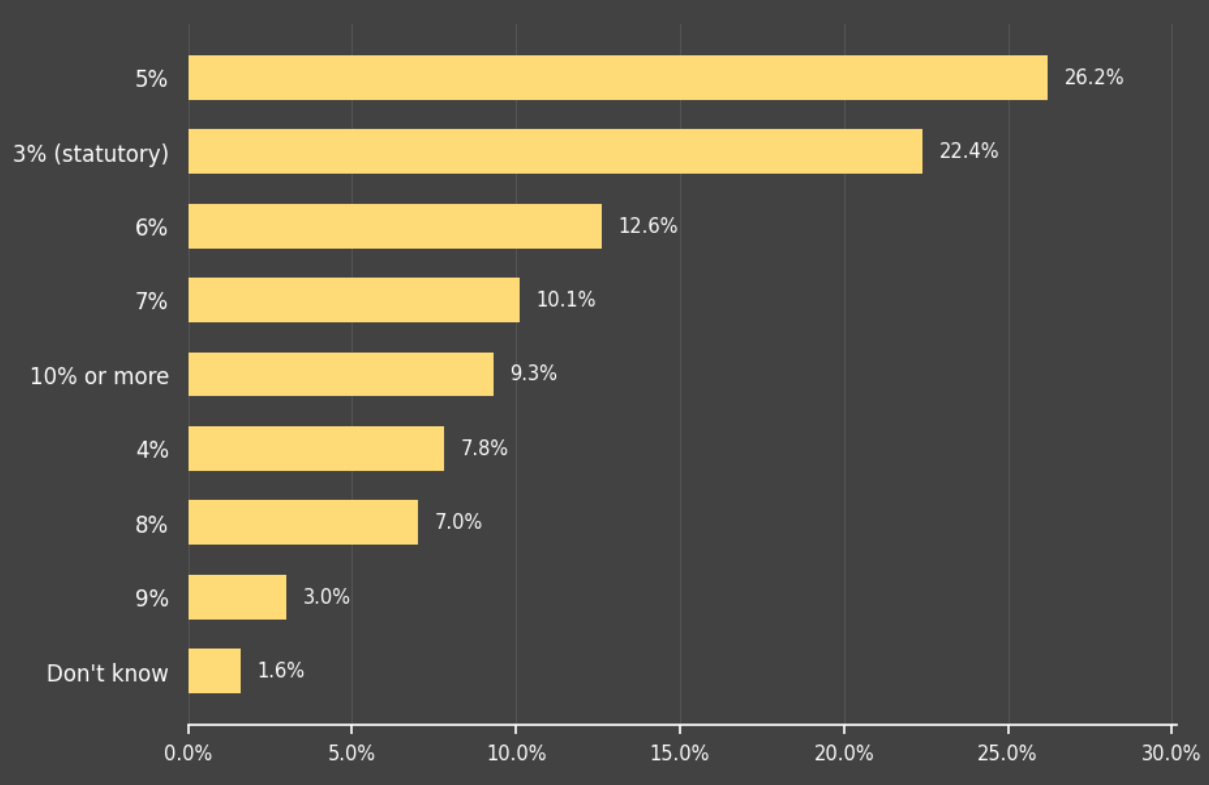
Workplace pensions remain one of the most significant employee benefits. This section looks at employer contribution levels, salary exchange adoption, and how businesses are structuring their pension offerings.

What Base Employer Pension Contributions Do You Make?

76% of employers contribute above the statutory minimum of 3%. The most common rate is **5%** (26.2%), followed by 3% statutory (22.4%).

The UK's total minimum workplace pension contribution of 8% is among the lowest in the developed world. According to the OECD's Pensions at a Glance 2025, countries such as Italy (33%), Sweden (21.7%) and Poland (19.5%) require significantly higher mandatory contributions. The UK's net pension replacement rate (the percentage of working salary your pension replaces in retirement) of 54.2% also falls below the OECD average of 63.2%.

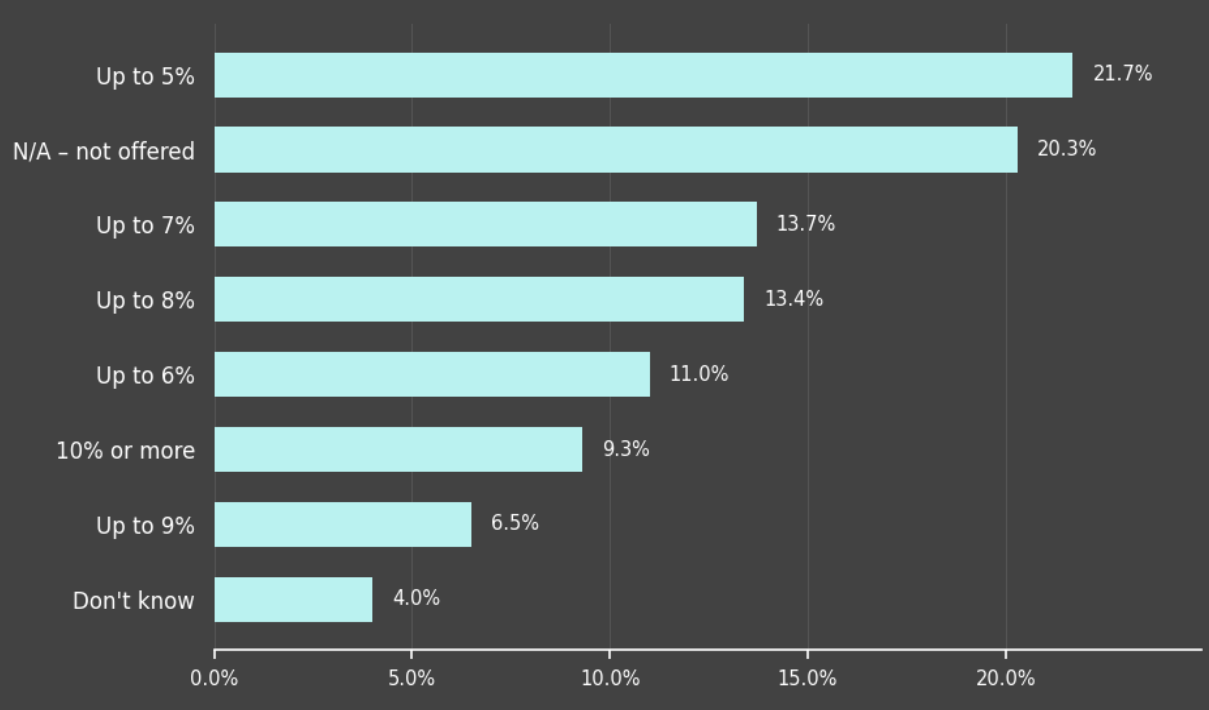
Employers contributing above 3% are giving their people a meaningful advantage. Those still at the minimum should consider whether that is enough to attract and retain talent in a market where three quarters of employers are doing more.



What Level of Matching Contributions Do You Offer?

75.7% offer some level of matching contributions. 20.3% don't offer matching at all.

Our Workplace Pension Survey 2025 (1,000 UK employees) found that **48% would increase their own contributions if their employer matched them**, and 88% said they would participate in a matching scheme. Matching costs nothing until an employee opts in, but the survey data suggests it is one of the most effective ways to get employees saving more for retirement.



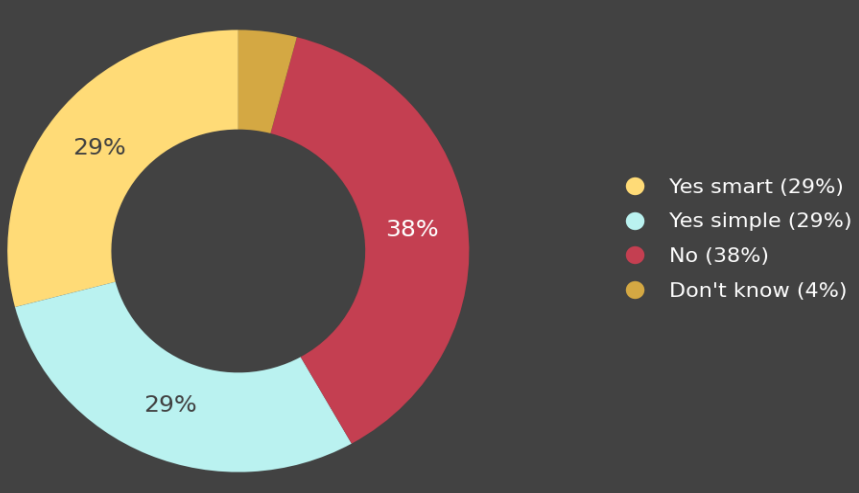
Do You Offer Salary Exchange for Employee Pension Contributions?

58.4% of employers offer salary exchange for pension contributions (29.2% smart, 29.2% simple). 37.9% still don't offer it, missing out on potential NI savings for both employer and employee.

Currently, employees save 8% NI and employers save 15% NI on every pound of salary exchanged for pension contributions. For a typical scheme, that adds up quickly. But the window is narrowing.

The Autumn Budget 2025 announced that from April 2029, only the first £2,000 per year of employee pension contributions via salary exchange will be exempt from NI. Anything above that will be subject to NI for both employer and employee. The change is expected to raise £4.7 billion in 2029–30.

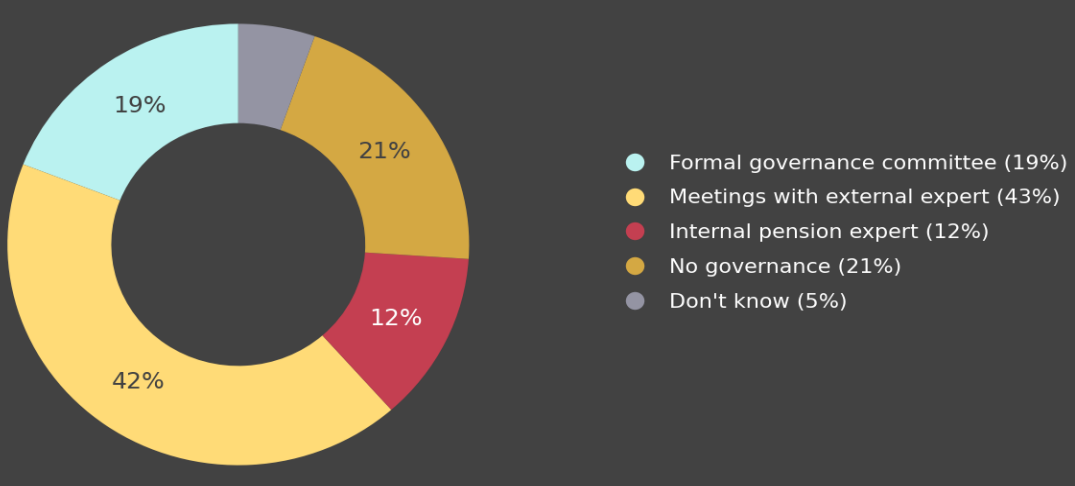
For the 37.9% of employers not yet offering salary exchange, the next three years present a potential window of opportunity. The full NI savings are still available now, and putting a scheme in place before the cap takes effect means employers and employees can benefit while the numbers are at their most favourable.



Important: A Salary Exchange agreement cannot bring an employee's earnings below the National Minimum Wage, so not all workers may be eligible. An agreement can also affect entitlement to state benefits such as Statutory Maternity Pay and Statutory Sick Pay, and reduce borrowing power when it comes to mortgages and loans. These factors should be fully considered and communicated to employees before implementing a salary sacrifice arrangement.

What Governance Do You Have for Your Workplace Pension Scheme?

42.7% rely on regular meetings with an external expert for governance. 20.8% have no governance at all. Good pension governance doesn't need to be complex, but it does need to exist. A regular review with your adviser can help you check your scheme remains fit for purpose and your duties as an employer are being met.



In Summary

76% of employers contribute above the pension auto-enrolment minimum, and 75.7% offer some level of matching. That puts the 22.4% still at the statutory 3% in a competitive position worth reviewing.

Salary exchange represents a potential opportunity for many employers. 38% are not yet offering it, but the full NI savings for both employer and employee are still available until the 2029 cap takes effect. The next three years present a window worth exploring.

On governance, one in five employers have no formal process at all. A regular review with your pension adviser can help you check your scheme is well-run and your duties as an employer are being met.

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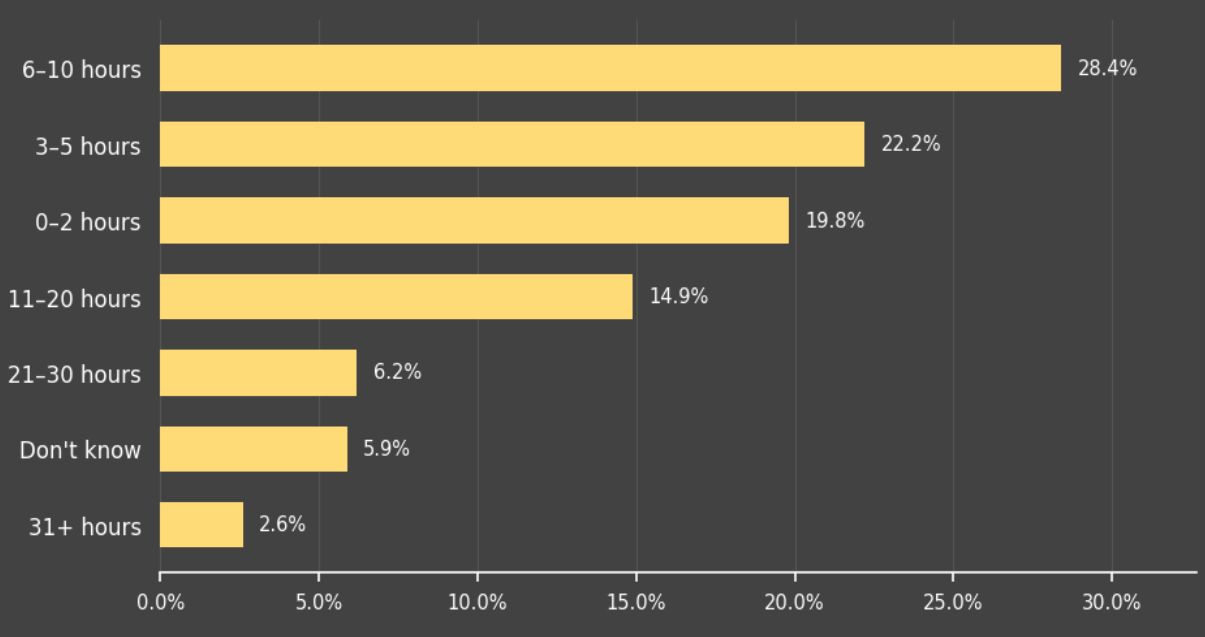
Admin, Challenges & Data Quality

Managing employee benefits comes with operational challenges. This section explores the time spent on administration, the biggest pain points, and how confident employers are in the quality of their benefits data.

On Average, How Many Hours per Month Are Spent Internally Managing Employee Benefits?

(e.g. renewals, enrolments, chasing providers, employee queries)

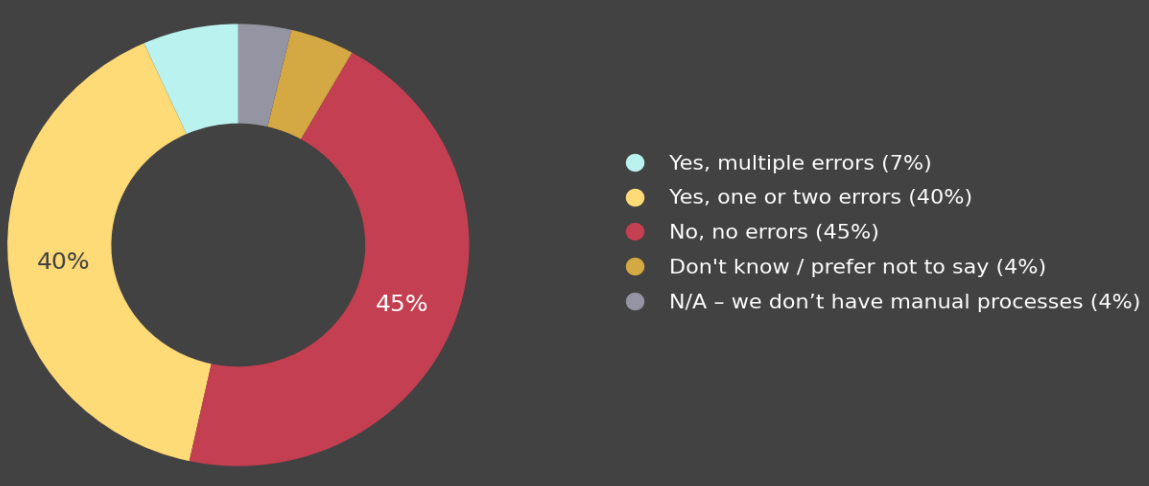
The majority of employers spend **6–10 hours per month** (28.4%) managing benefits. 23.7% spend 11 hours or more.



In the Past 12 Months, Have You Experienced Any Errors in Your Benefits Data Due to Manual Processes?

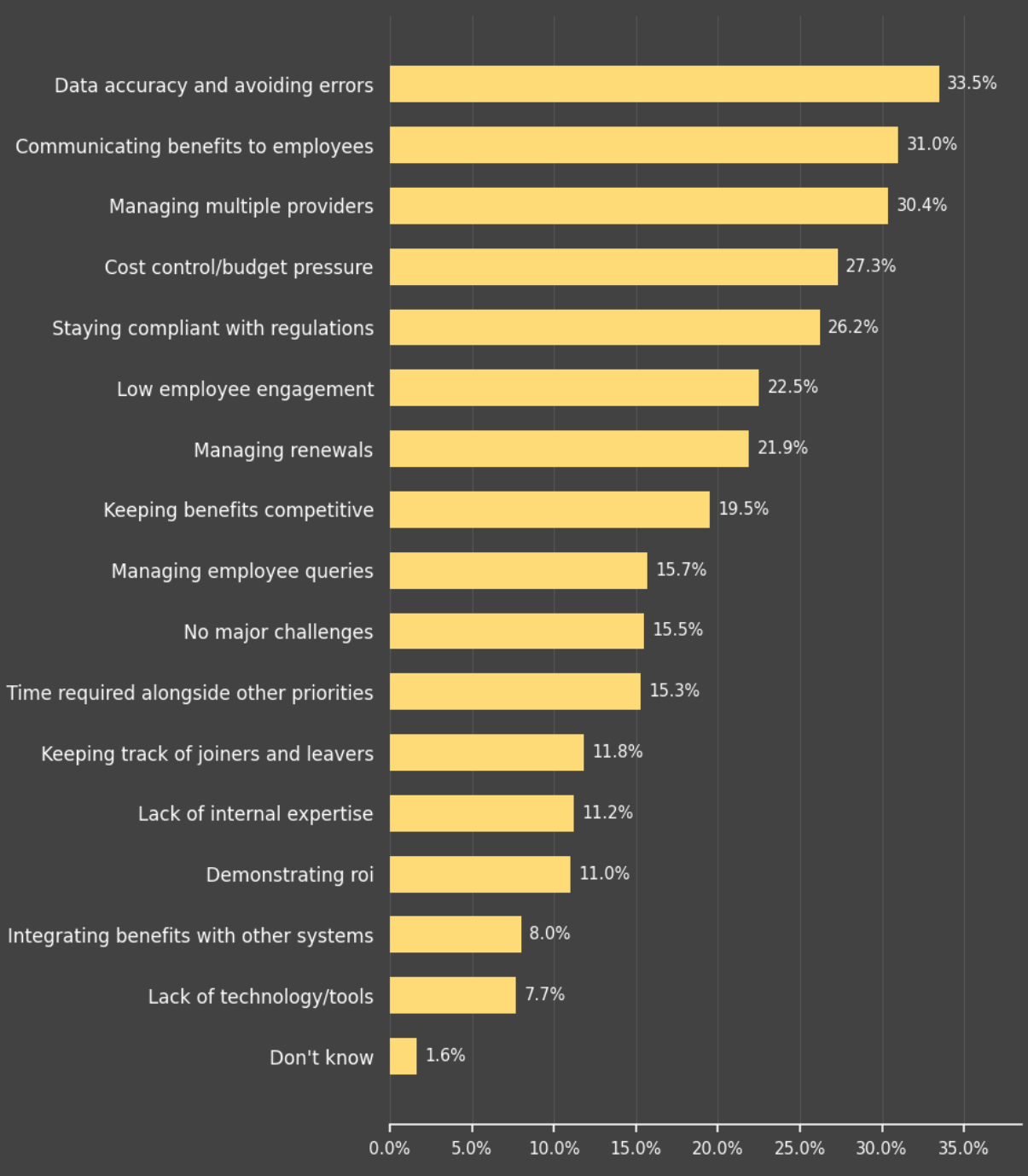
46.6% experienced benefits data errors in the past year due to manual processes. Only 45.2% reported no errors.

That means nearly half of employers have dealt with incorrect benefits data in the past twelve months. Of those, **7%** reported multiple errors. Only 4% said they have no manual processes at all. For the majority still relying on spreadsheets or manual data entry, the risk of errors in scheme memberships, contributions, or cover levels is real.



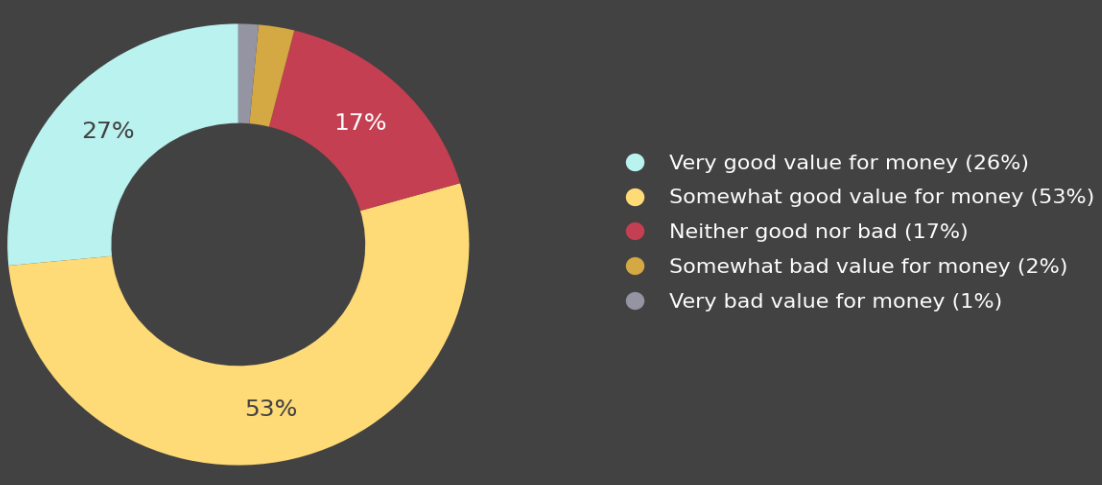
Which, if Any, Challenges Do You Face When Managing and Administering Employee Benefits?

The biggest challenges: **data accuracy** (33.5%), **communicating benefits** (31%), **managing multiple providers** (30.4%), and **cost control** (27.3%). The top three are all operational problems linked to manual admin. Combined with the error rates above, the pattern is clear: manual processes are creating avoidable work and avoidable mistakes.



Do You Feel You Are Currently Getting Good or Bad Value for Money From Your Employee Benefits Spend?

79.4% feel they’re getting good value from their benefits spend. Only 3.9% feel they’re getting bad value.



In Summary

79% of employers feel they are getting good value from their benefits spend. But 46.6% experienced data errors from manual processes in the past year, and the three biggest challenges reported (data accuracy, communicating benefits, managing multiple providers) are all rooted in manual administration. If the data going into your benefits decisions contains errors, it is worth asking how confidently you can measure the value coming out.

This is not about whether benefits are worth having. The data clearly says they are. The question is whether manual processes are quietly undermining the return on that investment through avoidable errors, wasted time, and poor communication to employees who may not fully understand what they have.

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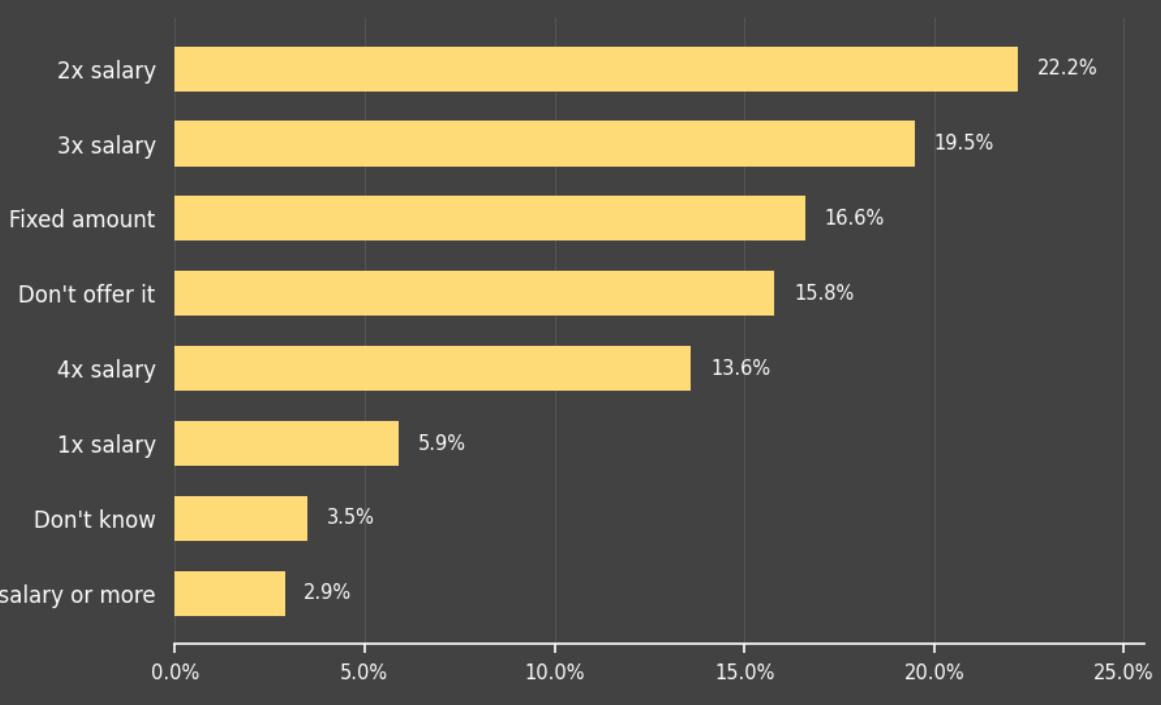
Group Insurance

Group insurance schemes, including Life Assurance, Income Protection and Critical Illness, provide essential financial protection for employees and their families. This section explores what cover employers are providing and at what levels.

What Level of Group Life Insurance Do You Provide?

80.7% provide some level of Group Life Insurance. 2x salary is the most common level (**22.2%**), followed by 3x salary (19.5%) and a fixed amount (16.6%). Beyond that, **13.6%** offer 4x salary and a further 2.9% offer 5x or more.

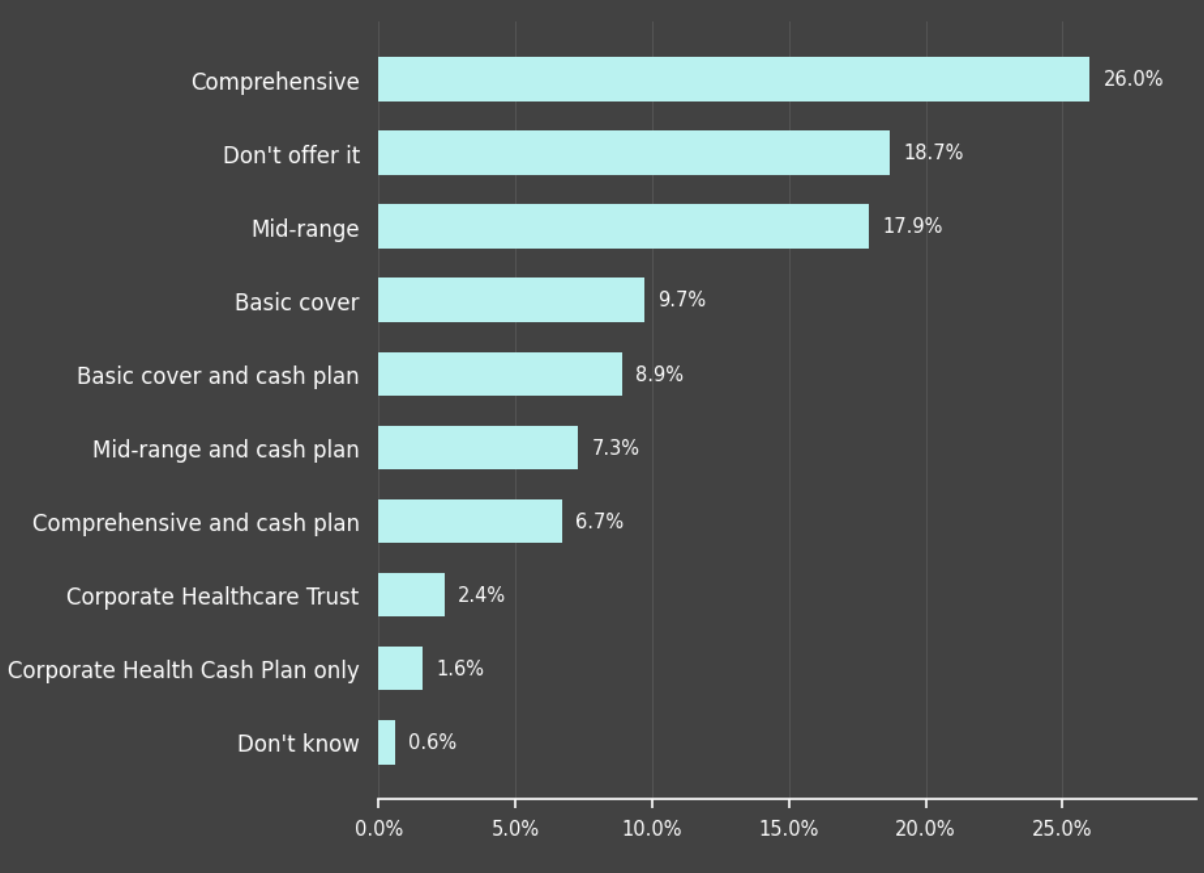
Group Life is often the first protection benefit employers put in place because the relative cost is low. Our Employee Benefits Survey 2025 found **41% of employees cite money worries as a leading cause of stress**. For the **15.8%** not currently offering Group Life, even a basic level of cover gives employees the reassurance that their family has some financial protection if the worst happens.



What, if Any, Level of Private Health Insurance Do You Provide?

80.5% offer some form of Health Insurance or Cash Plan. Comprehensive cover is the most popular single option (**26%**), followed by mid-range at 17.9% and basic at 9.7%. A further 22.9% combine their Health Insurance with a Cash Plan.

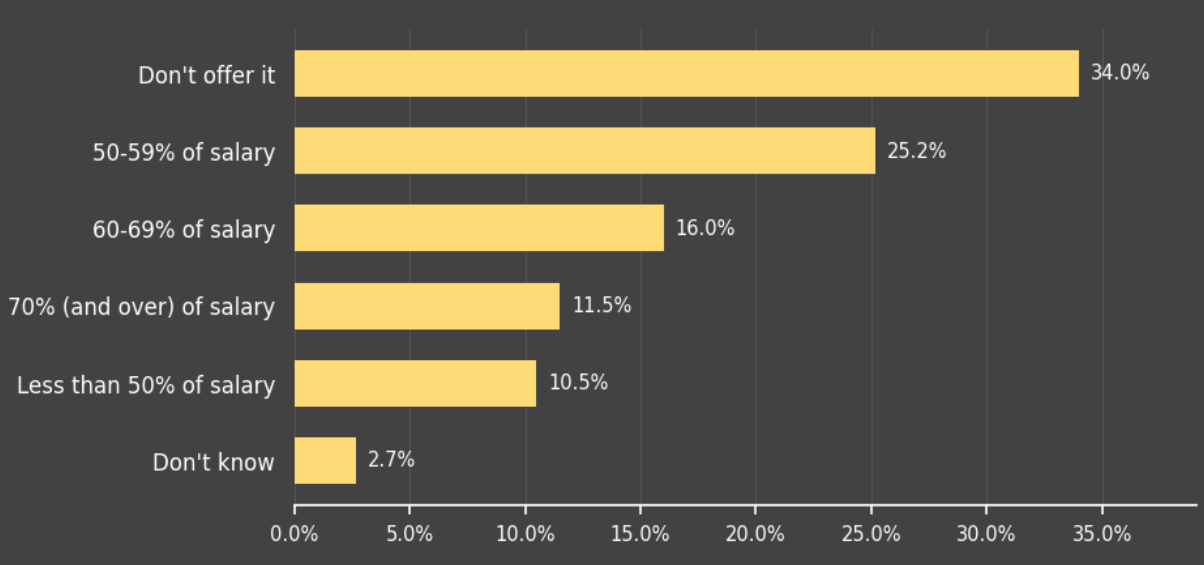
Our Employee Benefits Survey 2025 found **32% of employees actively want Private Health Insurance** from their employer, making it one of the most requested benefits after flexible working and enhanced pensions. For the 18.7% of employers not currently offering any health cover, that is a gap employees are likely to notice when comparing roles.



What Level of Group Income Protection Do You Provide?

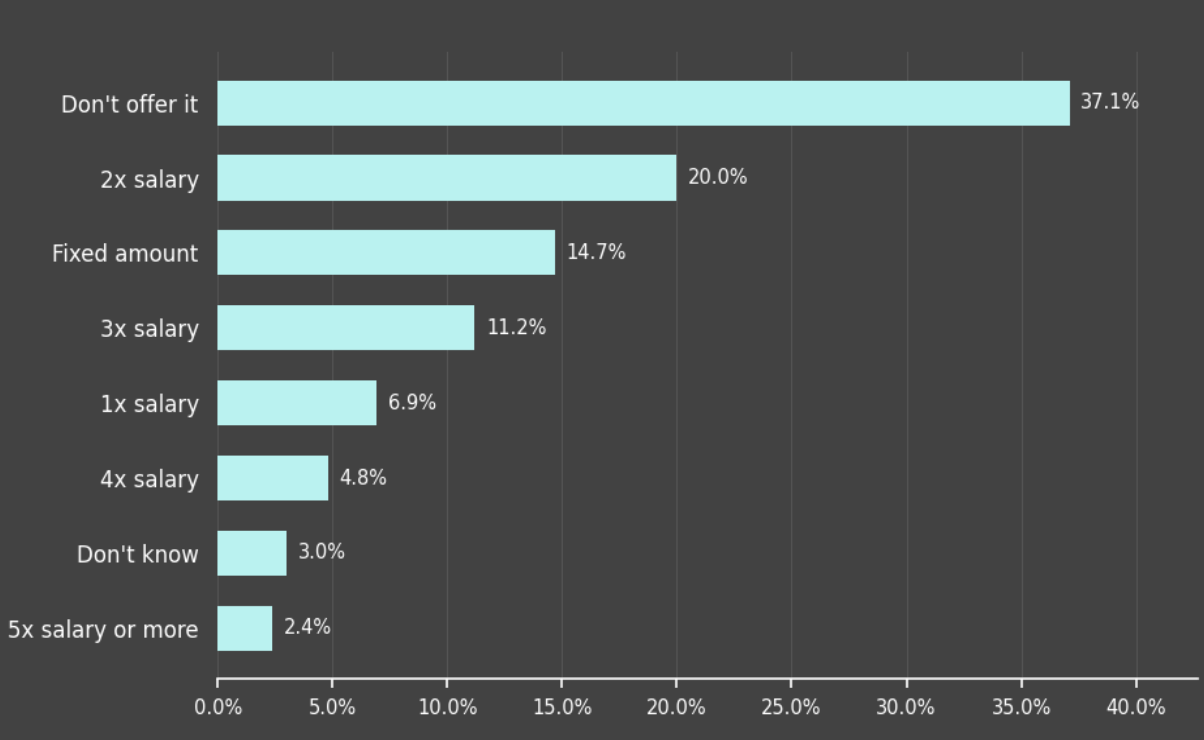
34% don’t offer Income Protection. For those that do, 50–59% of salary is the most common level (**25.2%**).

With sickness absence at record levels and SSP covering less than a fifth of typical household spending, Income Protection fills a critical gap for the 34% without it. Beyond the financial safety net, most Group Income Protection policies include early intervention and rehabilitation support, which can help reduce the duration and cost of long-term absence for the employer as well as the employee.



What Level of Group Critical Illness Do You Provide?

37.1% don’t offer Group Critical Illness. Among those that do, 2x salary is the most common level (**20%**). Critical Illness Cover pays a tax-free lump sum on diagnosis of a specified condition, giving employees financial breathing room at a difficult time. For employers already offering Group Life and Income Protection, adding Critical Illness can round out the protection package at a relatively modest cost.



In Summary

Group Life is well-established at 80.7%. The gaps are in Income Protection (34% don’t offer it) and Critical Illness (37% don’t offer it). Given the themes running through this report, that’s significant: sickness absence is at a 15-year high, SSP covers a fraction of real living costs, and 41% of employees say money worries are a leading cause of stress. These are the benefits designed to address exactly those problems.

80.5% offer some form of Health Insurance or Cash Plan, making it the most widely provided benefit in this section. For the 18.7% without it, even a basic Cash Plan can give employees faster access to treatment and reduce the length of absence.

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Putting Insights into Action

Many organisations are already investing in employee benefits, but not always getting the full value from that investment. What you choose to offer is the first step, but the challenge comes from how those benefits are designed, communicated, and managed day to day.

The organisations seeing the greatest impact tend to take a more deliberate, strategic approach. They:

- Regularly benchmark their offering against the market
- Align benefits with what their employees actually value
- Make benefits easy to understand and engage with
- Simplify how they are managed behind the scenes
- Use data to guide decisions and improvements

When these elements come together, benefits start to work harder, shifting from a business cost to something that genuinely supports performance, retention, and long-term growth.

Need Help?

If you want to discuss any of the findings in this report, or review how your benefits package compares, speak to our team. Call us on **020 7442 5880** or email **help@drewberry.co.uk**. Alternatively, you can visit us at **drewberryinsurance.co.uk**.





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