Employee Benefits Report

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Benefits Administration

Employers Expand Family Benefits Amid Reproductive Health Concerns

Recent surveys indicate heightened anxiety among many U.S. employees planning to conceive or adopt children.

This follows the 2024 election results and ongoing legal developments regarding reproductive rights. Over half of respondents want their employers to publicly support continued access to comprehensive family planning services.

In response, companies are strategically expanding certain benefits like fertility coverage, adoption assistance, and menopause support. By providing inclusive options for major life transitions, they aim to promote workforce stability and reassurance.

Experts clarify that these "equity-focused" offerings differ fundamentally from broader diversity, equity and inclusion (DEI) initiatives also drawing recent scrutiny. However, they see employers leaning into family benefits specifically as an important signal of enduring inclusive values.

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This Just In ...

Employers Walk Fine Line with Diversity Statements

As the legal battle over recent executive orders on diversity and inclusion continues, employers are advised to audit the language used in their career sites and recruitment materials. While promoting diversity aims to expand applicant pools and improve employer branding, certain wording could now face scrutiny.

What's the Problem?

Experts warn that messaging perceived as showing hiring preferences or quotas based on race, color, religion, sex, or national origin may draw attention. Phrases like "diverse candidates are encouraged to apply" and "diversity is a plus" are vague on what diversity means and could make some applicants feel excluded. Stating workforce targets for representation or that diversity is "part of the company's DNA" also risks implying improper preferences.

Legally, equal employment opportunity statements remain essential, but removing them could wrongly signal discrimination. Affinity group references must specify openness to all. Photos should reflect workforce diversity without appearing to favor particular demographics.

As reverse discrimination complaints rise, plaintiffs' attorneys are monitoring careers pages. Employers would be wise to audit site language and

Surveys Find Employers Already Prioritize Inclusive Family Benefits

Data reveals employers have invested heavily in family health benefits long before the current spotlight on reproductive rights. Key reasons include boosting retention, engagement, and cost savings—as well as equipping diverse workforces with equal care access regardless of gender, relationship status, or jurisdiction.

With family equality issues increasingly prominent nationwide, offerings like fertility, adoption, and midlife health support are projected to keep expanding rather than face sudden reversals.

Fertility Benefits Growth Accelerates

Of all family-building offerings, fertility coverage has grown the most in recent years. Over 4 in 10 major employers now provide it, up from 3 in 10 before the pandemic. Surveys attribute this uptick to talent competition during the tight labor market of 2022-2023, when companies raced to expand benefits.

Strikingly, the prevalence of fertility coverage today would have seemed unlikely just a few years ago. In 2024 alone, employers, when asked in an annual survey, reported covering every type of fertility treatment and service. Sixteen percent of employers now cover egg freezing—an eightfold increase since 2016. In vitro fertilization (IVF), genetic embryo testing, and fertility medications also saw double-digit expansion over the same period.

Multiple factors explain the fertility benefit boom, including two landmark court decisions on reproductive legal rights in 2022 and 2024. To provide equal access, especially post-2022, companies extended existing fertility coverage to personnel in states that were newly restricting related services. With benefits now widely established, experts expect further expansion rather than sudden reversal.

Adoption Offerings Also Rising

While less rapid than fertility growth, adoption assistance has followed a steady upward trajectory in recent years. Paid leave for adoptive parents is up from just over 1 in 4 companies pre-pandemic to over 1 in 3 today. One-fifth of employers now offer financial help for adoptions—a figure predicted to keep rising, given employee interest.

New Menopause Benefits Emerge

Support for menopause transition marked a new addition to employer family benefit catalogues in 2024. Over 1 in 6 firms now provide counseling, education, or symptom relief offerings specifically geared to midlife women. A small but growing number also grant flexible menopause leave beyond ordinary sick days when needed.

As cultural taboos fade and women's health gains mainstream interest, managers recognize menopause benefits as an important strategy for attracting female employees. Women represent nearly half the current U.S. labor force and are projected to drive most workplace growth over the next decade.

In a tight labor market, pioneering companies are debuting menopause assistance and other reproductive health benefits for diverse groups. This includes expanded offerings for male employees and non-binary individuals as well—an area most employers admit needs major improvement.

Employers Increasingly Value Holistic Family Benefits

Ongoing expansion of fertility, adoption, menopause, and similar offerings indicates employers now prize family-inclusive benefits as a key business investment. With national care costs rising quickly, such benefits promise rare and substantial returns across metrics like retention, engagement, expenses, and equal access:

- **Retention:** Barriers around family building risk pushing valued talent to competitors. Challenging experiences like infertility generate major stress and financial hardship for employees. Company support provides valued stability during difficult times.
- **Engagement:** Major personal health events can preoccupy employees. Flexibility and financial assistance let staff stay focused at work through major life transitions.
- **Cost Management:** Employer-sponsored plans yield significantly lower prices for fertility and adoption compared to retail rates. Fertility coverage specifically cuts IVF, genetic testing, and medication costs by 50% or more—savings benefiting employers and employees.
- **Equal Access:** Consistent family benefit coverage across locations enables equitable care options for all personnel, regardless of gender, relationships, or home state laws. Inclusive assistance conveys commitment to diversity and inclusion during a time of significant change in national reproductive health policy.

overall diversity, equity, and inclusion policies to mitigate legal risks under attorney-client privilege.

Walking the Fine Line

Rather than eliminate diversity sections, experts recommend clarifying the simultaneous commitments to inclusion and nondiscrimination. Employers can share their interest in attracting wide, qualified talent pools while following nondiscriminatory hiring practices.

Word choice matters greatly. What companies intend to convey may differ drastically from what applicants infer. Terms requiring careful use include "diverse," "diversity," "minorities," "encouraged," and "seeks."

For instance, stating the company "seeks to have a workforce reflecting community demographics" could imply quotas. Alternatives like "building a workforce with wide-ranging perspectives" avoid references to specific groups. Describing concrete inclusion programs also demonstrates commitment without alluding to improper preferences.

Companies Could Face Fines Over Retirement Plan Mismanagement

A recent analysis of government retirement plan filings suggests companies across the country could be falling short in properly managing their employees' 401(k) and 403(b) plans, exposing them to the possibility of regulatory fines and penalties.

The data reveals what some experts argue are widespread and systemic problems in how employers administer these tax-advantaged plans meant to help workers save for retirement. It also calls into question whether employees are getting the most value for their money in terms of fees and services.

Major Issues Uncovered

An analysis by consultancy firm Abernathy Daley 401k Consultants found a potential breach of fiduciary duty under the Employee Retirement Income Security Act (ERISA) in approximately 84% of U.S. retirement plans.

Looking at the most recent Form 5500 filings for 764,729 defined contribution plans, the analysis identified more than 615,000 employers at risk for regulatory infractions, fiduciary failures, or other plan issues that the company deemed as possible malpractice.

These employers could face financial consequences like fines—or in the worst cases, lawsuits—if found liable of mismanagement. Employees whose plans underperformed due to excessive fees or inferior investment options could also suffer in the form of lower account balances.

Two broad categories encompassed most of the red flags:

- **Regulatory Infractions:** Highly severe violations that can lead to civil legal penalties or even a trial, including loss from fraud or dishonesty and not being 404(c) compliant. Approximately 43% of companies were found to have at least one such infraction.
- **Egregious Plan Mismanagement Red Flags:** Situations that suggest imprudent or egregious management by plan fiduciaries, such as not including automatic enrollment and failure to transmit payments on time. Around 76% of companies were found to have at least one such red flag.

Fee Benchmarking Lacking

So, what's driving this apparent widespread mismanagement?

In the view of some experts, the root cause is likely that the majority of employers have not had their plans independently benchmarked and audited within the last three years.

Benchmarking by a third party lets companies compare their plan's fees and services against peers. This process helps fiduciaries fulfill their legal duty to ensure fees paid by the plan are reasonable.

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Without regular benchmarking and reviews by experts, plans could unnecessarily overpay for administrative fees and investment options that underperform.

The scope of this issue implies employees may be losing large sums in their accounts. One executive cited the billions of dollars restored to retirement plans in recent litigation as evidence that workers and retirees are bearing the brunt through overpayments.

More Vigilant Oversight Needed

For employers offering retirement benefits, what steps can help avoid heightened risks and potential penalties?

Experts believe that ensuring prudent oversight and management of the plan should be the priority. Employers should also leverage qualified experts to audit their plans and provide benchmarks.

Some of the best practices fiduciaries should follow include:

- Conducting regular fee analysis and benchmarking every 2-3 years to identify fee discrepancies or excessive charges
- Reviewing investment performance and comparing to benchmarks to weed out consistently lagging funds
- Ensuring all required participant disclosures and filings are completed accurately to avoid technical violations
- Working with service providers that specialize in risk and compliance to avoid violations.

Are Employers Making a Big Mistake by Axing Remote Work?

The debate over remote and hybrid work continues as major employers pull in opposite directions.

Recent full-time return-to-office (RTO) mandates from organizations like the federal government, Amazon, and AT&T signal a shift away from remote work. However, many experts argue that these decisions overlook compelling data that highlight productivity gains and improved work-life balance associated with flexible work arrangements.

Yet, while remote work has proven benefits, some business leaders remain skeptical about its long-term viability. They cite concerns over collaboration, culture, and oversight, raising questions about whether abandoning remote options is a mistake—or a necessary correction.

The Case for Remote Work: Productivity and Retention Gains

Many companies have successfully operated with a primarily or fully remote workforce, contradicting the notion that in-office work is inherently more productive.

PR firm Bospar, fully remote since its inception in 2015, recently surveyed employees on their experiences. Over 60% reported increased productivity at home, with just 5% noting a decline. Additionally, 80% cited an improved work-life balance, reinforcing the argument that flexibility enhances employee well-being and effectiveness.

From a talent acquisition standpoint, remote-friendly policies can provide a competitive edge. A University of Pittsburgh study found that S&P 500 companies with strict RTO mandates had 14% higher quit rates, particularly among top performers, and required 23% longer to fill those vacancies.

Beyond individual companies, broader research suggests remote work can be as effective as in-office setups. A Federal Reserve Bank of San Francisco analysis found no definitive productivity differences between remote and in-office employees. Many experts argue that with proper management structures, remote work can deliver comparable, if not superior, outcomes.

The Case for In-Office Work: Collaboration and Culture

Despite these benefits, many executives maintain that in-person work fosters better collaboration and workplace culture. High-profile leaders like Elon Musk and JP Morgan CEO Jamie Dimon have dismissed remote work as unsustainable or detrimental to team cohesion.

One major concern is that remote setups can weaken company culture and spontaneous idea-sharing. While virtual meetings facilitate structured discussions, they may lack the organic interactions that fuel innovation. Casual office conversations, mentorship opportunities, and team bonding activities are more challenging to replicate remotely.

Additionally, oversight and accountability remain critical concerns. Some executives worry about reduced visibility into employee workloads

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and potential disengagement. The "Smithers effect," as dubbed by Bospar Principal Curtis Sparrer, refers to traditional managers who prefer direct supervision and may struggle to trust employees they cannot physically observe.

Finding the Right Balance

Rather than a binary choice, experts suggest that successful remote work requires strong management practices. Clear expectations, measurable deliverables, and robust communication channels can bridge the gap between flexibility and accountability.

A trust-based culture is key—employees who feel empowered often respond with increased discretionary effort. However, not all roles or industries are equally suited for remote work, and striking the right balance may depend on the specific needs of a business.

The Future of Workplace Flexibility

Beyond employee satisfaction, remote work has broader lifestyle and environmental implications. Studies show that employees working remotely four or more days per week can cut their carbon footprint by over 50%, a significant factor as businesses consider sustainability initiatives.

For many knowledge-based roles, hybrid or fully remote work remains a viable, and perhaps necessary, option. While some employers see RTO as a correction to pre-pandemic norms, others view remote flexibility as an evolution in how work gets done.

The real question isn't whether remote work is good or bad—it's whether businesses can adapt and implement the right policies to make it work effectively. Inflexible RTO mandates may risk alienating top talent, but fully remote setups may also have trade-offs that companies need to navigate carefully. The most successful organizations may be those that strike a balance between the two.

How Workplace Accessibility Drives Profits

With over 61 million adults with disabilities nationwide, crafting accommodating work environments pays dividends for enterprises. Recent statistics indicate that implementing accessibility measures delivers measurable financial upsides.

Welcoming Overlooked Talent Pools

Employment for persons with disabilities currently hovers around 19.1%, drastically lower than the 63.7% rate among Americans without disabilities. Removing access barriers within the workplace provides opportunities to integrate these frequently overlooked talent reservoirs boasting specialized capabilities. Individuals with disabilities often showcase superior prowess in areas including creative problem-solving, goal-oriented resilience, and innovative ideation.

Investing in Flexible Opportunities

Experts emphasize that escalating flexible work offerings these past two years parallel expanded workforce integration of disabilities populations. Participation among this demographic leapt from 29% in 2018 to 37% in 2023, with remote or adaptable arrangements central for capitalizing on capabilities. The capacity to adjust roles around schedules or needs makes including more disability types possible.

Calculating the Asset of Inclusion

Many organizations regard disability accommodations solely as expenditures, while factual data reveals sizable overall returns for investing in inclusivity. Statistics confirm that over 50% of all accommodations generate zero costs, while position or workspace modifications requiring expenses incur a median $500 one-time outlay.

However, there are many advantages for enterprises actively working to heighten accessibility:

- Retention rates improved to 85%
- Productivity elevated by 53%
- High performance attendance at 48%
- Replacement and onboarding expenses declined by 47%
- Diversity scores rose by 33%.

Strengthening these indicators directly bolsters profitability, as streamlined workflows, cutting-edge innovations, and expanded market scope boost financial bottom lines.

Fostering Sustainable Futures

With young talent and conscientious consumers increasingly assessing corporate responsibility, failure to address accessibility issues threatens an enterprise's long-term viability. Conversely, organizations pioneering accommodating and inclusive workplaces stand at the forefront of reputation, recruitment, and revenue.

What Employers Can Do

Constructing more navigable workspaces begins with simple targeted efforts. Regular reviews of current disability inclusion policies, coupled with position and workplace tool upgrades, ensure enterprises adapt to arising needs.

Dedicated internal training spotlights disability challenges while optimizing specialized assets. Promoting awareness days and profiling accomplished employees with disabilities works to dismantle lingering biases.

However, above all, insights from disability communities remain the cornerstone for determining gaps and refining best practices moving forward.