

insights from
the experts

2025 NFP

US Leave Management and HR Trend Report



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An Aon Company

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Introduction



NFP is proud to present our third annual US Leave Management and HR Trends Report.

As we navigate the evolving landscape of work and employee expectations, this year's report offers valuable insights into the latest HR trends and provides up-to-date data on leave management strategies across organizations.

In an era where the workforce continues to redefine its relationship with work, understanding and adapting to these changes is crucial for organizations aiming to attract, engage and retain top talent. This report serves as a comprehensive snapshot, offering a high-level view into various aspects of leave management, from paid time off (PTO), sick time and holidays to maternity and parental leave.

By benchmarking these trends against industry standards, employers can make informed decisions about their total rewards strategies for the coming year. This report aims to provide the competitive intelligence needed to design leave policies that not only meet regulatory requirements but also resonate with the changing expectations of today's workforce. We hope that this report serves as a catalyst for meaningful discussions and strategic planning in your pursuit of creating a more supportive, inclusive and competitive workplace.

Key Takeaways



Technology IMPACT

71% of respondents agree that their leave benefits are easy to manage, suggesting that technological advancements are streamlining administrative processes.



FAMILY Caregiver Leave

28% of employers now offer this benefit, reflecting a growing recognition of diverse caregiving needs beyond parental responsibilities.

MATERNITY Leave

There's a gradual shift towards more generous policies, with a notable **increase** from last year in those providing 6 – 8 weeks (from 30% to 35%) and a decrease in employers offering less than three weeks of full pay (from 37% to 28%).



PARENTAL Leave

More employers are adopting **inclusive** policies that support all employees. 58% of employers offer parental leave in addition to maternity leave (offered by 61%), recognizing the importance of shared parenting responsibilities in the broader, blended family landscape.



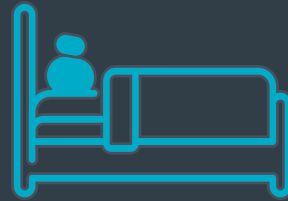


PTO and VACATION

PTO-only plans remain more prevalent than traditional vacation-only plans, with **64%** of employers using a hire-date-based accrual system for PTO.

SICK LEAVE

About one third of the respondents have aligned their internal policies with state regulations and another half offer comparable accrual, indicating the impact of evolving state regulations on sick leave policies.



COMMUNICATION GAP

While 77% of employers believe their communications about leave policies are easy to understand, only 68% think their employees have a good grasp of these policies, highlighting a need for more effective communication **strategies**.



HOLIDAYS

While traditional holiday offerings remain consistent, there's growth in newer observances like **Juneteenth**, now offered by 44% of employers.

TALENT Retention

Opinions about the impact of leave policies on talent retention are split, with **60%** of employers believing their leave benefits are influential in retaining talent.

AREAS FOR IMPROVEMENT



Parental leave and maternity leave remain top priorities for enhancement among both decision-makers and employees, indicating ongoing focus on supporting employees with family responsibilities.

HR TRENDS

Trend #1: HR Technology Implementation — The Promise and Pitfalls



Technology permeates every aspect of our professional lives. How we work, communicate and manage human capital is contingent on the digital solutions we implement and adopt. From traditional human resource information systems (HRIS) and payroll systems to constantly evolving AI solutions, HR professionals face both challenges and opportunities in leveraging these tools.

With the potential to streamline administrative tasks, provide data-driven insights for strategic decision-making and personalize the employee experience, technology is reshaping HR's role from a primarily administrative function to that of a bellwether for organizational success. By supporting, protecting and giving structure to the entire corporate entity, teams are at a crossroads where the promise of innovation meets the complexities of implementation.

Such conditions require HR professionals to evolve with the times, expanding their technological literacy while addressing critical concerns like data privacy and AI ethics. To be truly successful is to be keenly aware of the potential pitfalls inherent in harnessing these technologies, adopting them as a tool to enhance rather than a source of disruption. As such, HR professionals must lead the implementation process from start to finish, ensuring seamless and, more importantly, complete integration. This approach demands both technical proficiency and strategic vision, ultimately leveraging these tools to drive efficiency, innovation and competitive advantage in the modern workplace.

The State of HR Technology Implementation

The data paints a nuanced picture of technology adoption in HR. About three-quarters of companies currently employ HR technology such as HRIS, payroll, leave administration and benefits administration systems. The pace of adoption is rapid, with more than half of organizations implementing new technology within the past two years. However, the experience has been far from uniform. While most found the process to be as expected or easier, a significant minority – about one-third – encountered more difficulties than anticipated.

Figure 1.1:
HR Technology Usage

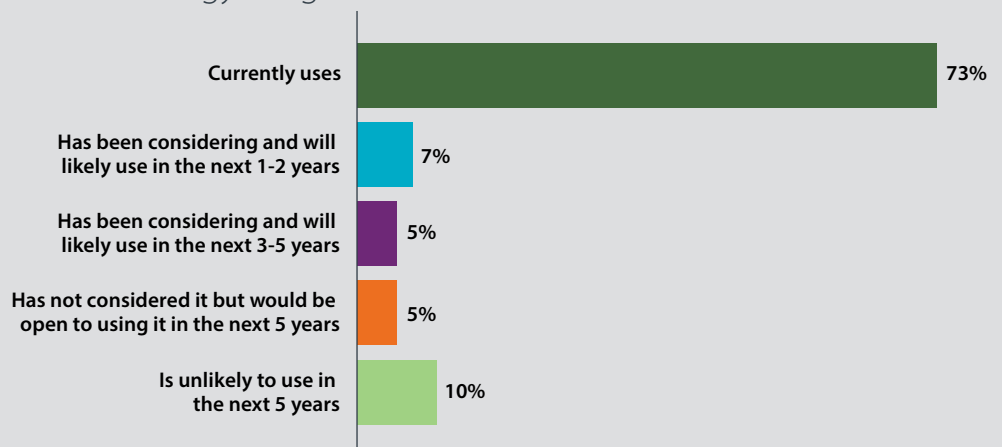


Figure 1.2:
Recent Implementation of New Technology

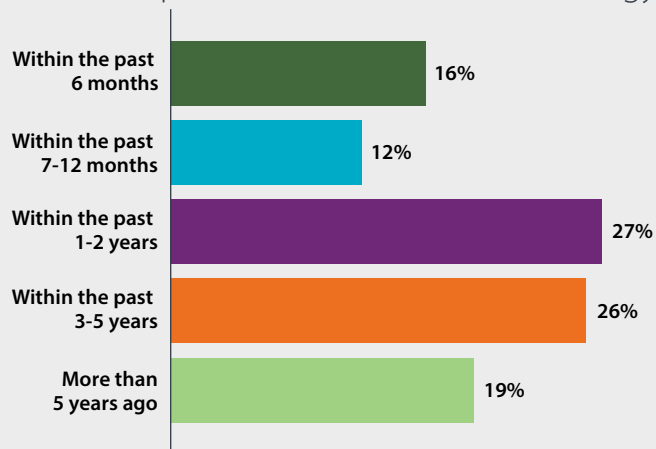


Figure 1.3:
Perception of Software Implementation Process

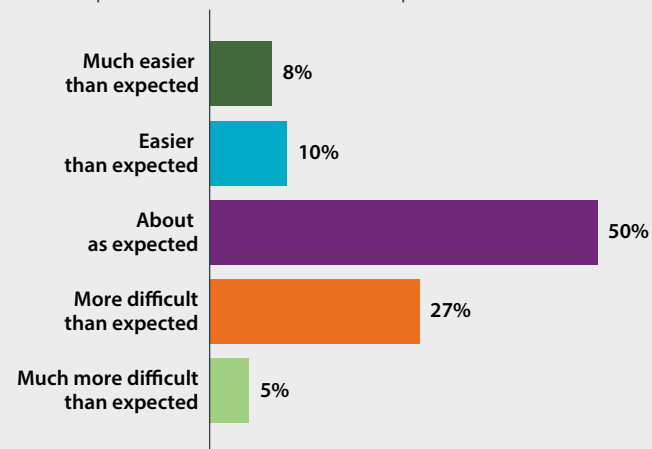
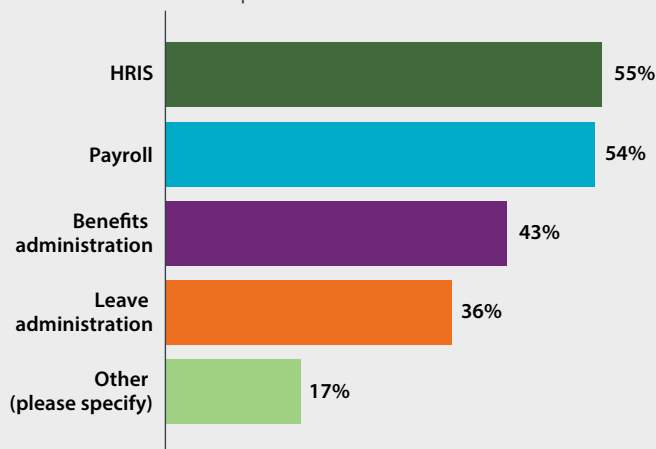


Figure 1.4:
HR Software Implemented Within the Last Two Years



This dichotomy sheds light on a crucial point. While technology promises efficiency and streamlined processes, its implementation is often more complex than organizations initially assume.

The True Timeline and Effort Involved in Implementation

One of the most critical factors in successful technology adoption is understanding the true timeline and resource commitment required. Organizations often underestimate or minimize the involvement needed from their HR team, resulting in implementation nightmares.

When implementing new HR systems, teams frequently underestimate the complexity and time required for setup. Beyond basic data entry, HR professionals must create intricate workflows, establish comprehensive PTO rules, configure complex benefit elections, set up tax deductions and define time and attendance parameters. Each of these tasks requires careful consideration and often involves navigating through technical intricacies they may be unfamiliar with.

To address these challenges, organizations should consider the following strategies:

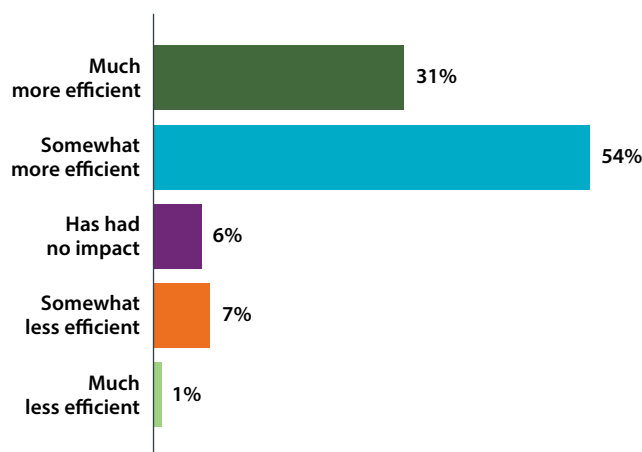
- **Establish a Core HRIS Project Team:** This team should include the project sponsor (senior leadership), HR department, IT department liaisons and the vendor's implementation team. Allow this team the recommended time needed for the project, which will vary based on the system's complexity.
- **Map Out Current HR Functional Processes/Workflows:** This step is crucial for understanding what functionality is needed from the new HR system. Including key stakeholders and having these process outlines prepared in advance can significantly smooth the implementation phase.
- **Identify Core Modules/Components:** Focus on implementing essential modules by the go-live date rather than attempting to implement all available features simultaneously. A phased approach is often more realistic and manageable. However, make a plan to ensure that the full implementation takes place. Many employers who take a phased approach never optimize their systems.
- **Set Realistic Timelines:** While some companies aim for rapid implementations (e.g., under 12 weeks), it's crucial to understand the time commitment required from the HR team and leadership. The timeline should be based on a thorough assessment of resources and complexity.

By taking these steps, organizations can better prepare for the time and effort required for successful HR technology implementation, avoiding the pitfalls of underestimation and ensuring a smoother transition to new systems.

The Ripple Effect of Rushed Implementation

As the old adage goes, "garbage in, garbage out." Rather than creating efficiencies, a poorly implemented system can exacerbate existing problems. Although 85% of organizations report efficiency improvements post-implementation, only 31% see significant gains. When the promise of new tech falls short, HR teams often find themselves burnt out and overworked, stressed by the need to find workarounds for a system that isn't functioning as intended.

Figure 1.5:
Efficiency Improvements from
Technology Implementation





It's crucial to understand that while technology vendors typically provide an implementation team, their role is primarily to guide and support, not to do the actual setup work. The bulk of the work falls squarely on HR's shoulders. This reality often comes as a surprise to organizations expecting a more hands-on approach from their vendors, leading to unexpected strain on internal resources.

Strategies for Successful Technology Adoption

To navigate these challenges successfully, organizations can take several proactive steps:

- **Do Your Research:** When conducting a request for proposal for new technology, inquire about the implementation time commitment required from your team. Seek referrals from the vendor's existing clients and learn from their experiences.
- **Be Realistic:** If a vendor indicates a significant time commitment, do the math. Can your team manage their current workload alongside the implementation project? Consider dedicating a team member to manage the implementation process.
- **Consider External Support:** If your HR team lacks the bandwidth or expertise to handle the implementation process, consider hiring a technology consultant or implementation specialist. They can guide you in asking the right questions, building out the system and managing the project effectively.
- **Focus on Core Modules First:** Instead of implementing all available modules at once, focus on core functionalities first (like HRIS and payroll) and plan for phased rollouts of additional features.
- **Prioritize Data Integrity:** Audit and clean your data before migration. Choose the most accurate data sources and consolidate information carefully.
- **Develop a Comprehensive Training Plan:** Create tailored training programs for different user groups, including the core project team, end-users, and stakeholders.
- **Consider Modular Solutions:** For organizations unable to invest in entirely new HR technology systems, consider add-on solutions that can enhance existing setups without requiring a complete overhaul.
- **Optimization:** Engage a technology consultant if you find your system hasn't been set up properly or still has modules to build. Many HR leaders discover they lack the time or personnel to tackle this on their own, making a consultant a valuable solution to help optimize your system and maximize your technology investment.

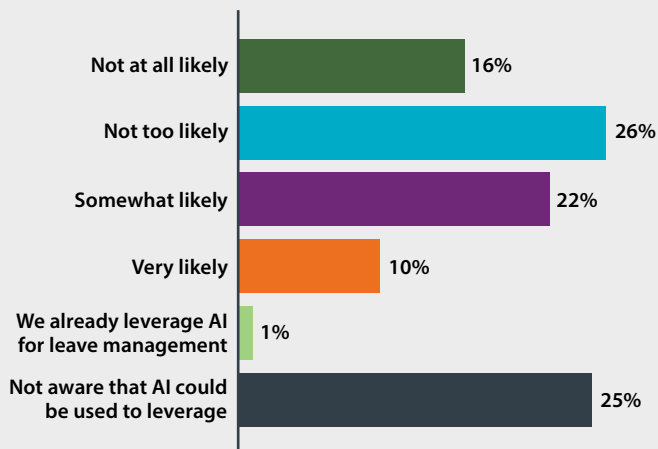
AI in HR: Promise vs. Reality

While implementation of core HR systems remains a primary focus, the rapid advancement of AI continues to shape the HR landscape. AI technologies are revolutionizing how we work, communicate and operate across various HR functions.

AI is enhancing various aspects of the recruitment process. This includes predictive analytics for future hiring needs and content creation for recruitment – such as generating job postings and personalizing candidate communications – resume screening and initial interviews via AI-powered chatbots. Beyond recruitment, AI is making inroads in areas such as employee engagement, workforce planning, learning and development, HR service delivery, and diversity and inclusion initiatives. Lastly, communication through AI-powered chatbots in employee engagement and support can revolutionize how employees interact with HR, providing instant, personalized assistance and streamlining routine inquiries.

Despite the potential of AI in HR, recent data suggests that widespread adoption, particularly in areas like leave management, is still in its early stages. This year's survey revealed a significant gap between AI's potential and its current implementation in HR processes.

Figure 1.6:
Likelihood of Using AI to Assist HR



Only 1% of companies surveyed are already leveraging AI for leave management. With such a low adoption rate, there is significant opportunity for organizations to gain a competitive advantage by implementing AI-driven leave management solutions. Meanwhile, only about a third are likely to adopt it in the near future. Surprisingly, the vast majority of companies are either unlikely to adopt AI for leave management or are unaware of its potential to even be leveraged in this area.

These findings indicate that while AI holds promise for revolutionizing HR processes, many organizations are still in the early stages of understanding and adopting this technology. The high percentage of companies unaware of AI's potential in leave management suggests a need for more education and awareness in the industry about AI's capabilities in HR. Illustrating the breadth of AI's potential impact, here are some key areas where AI is already transforming HR practices beyond recruitment.

AI Use Beyond Recruitment*

While AI has made significant strides in talent acquisition, its applications in HR extend far beyond recruitment. Here are key areas where AI is transforming HR practices.

People Analytics:

- Leveraging AI to analyze employee data for insights into workforce trends.
- Identifying patterns in pay, promotion and retention.

Health and Benefits:

- Predicting high-cost health plan claimants.
- Improving engagement with health programs.
- Analyzing usage patterns to optimize plan design.

Retirement Planning:

- Assisting with early retirement programs.
- Enhancing member experience and journey.
- Improving plan governance and compliance.

Talent Management:

- Predicting employee retention risks.
- Recommending personalized interventions for employee well-being.
- Analyzing jobs for automation potential and redesign needs.

Learning and Development:

- Personalizing learning experiences.
- Identifying skill gaps and recommending training.

HR Operations:

- Automating repetitive tasks (e.g., answering basic employee queries).
- Enhancing data security and compliance measures.

As we can see from these applications, AI has the potential to revolutionize nearly every aspect of HR. The challenges of implementation discussed earlier – setting realistic timelines to prioritizing data integrity – apply equally to these AI applications. However, by embracing AI, HR professionals can drive efficiency, improve decision-making and enhance the overall employee experience across the entire employee lifecycle.

* Adapted from our colleagues at Aon. For the full article, read "How Artificial Intelligence is Transforming Human Resources and the Workforce," on [Aon.com](https://www.aon.com).



Much like anything, the implementation of AI in HR isn't without its own unique challenges. Concerns have emerged regarding data privacy, the security of sensitive information, and the potential for an over-reliance on AI-driven decision-making. In today's workplace, there's a growing dialogue about maintaining the right balance between technological efficiency and human judgment, especially in HR, where decisions significantly impact employees' lives and careers.

The Human Element in Technological Advancement

HR technology tools are meant to enhance, not replace, human capabilities. The most successful organizations will be those that strike a balance between leveraging technology and maintaining the human touch that is at the core of HR.

In our quest to build more efficient, effective and humane workplaces, the future of HR lies not in technology alone, but in our ability to implement it wisely ethically, and in service of our most valuable asset — our people. The current gap between technological potential and actual implementation presents both a challenge and an opportunity for HR leaders to guide their organizations toward thoughtful, strategic adoption of new technologies.

HR TRENDS

Trend #2: Employee Relief Funds — A Strategic Imperative



In an era of escalating environmental risks, organizations face new challenges in protecting their workforce. The devastation caused by Hurricane Helene across multiple states serves as a stark reminder of the increasing frequency and intensity of natural disasters. As these events become more common, companies are not only fortifying their physical facilities but also reevaluating how their Human Resources policies and benefits can better support employees during challenging times.



Escalating Risk

Recent years have seen a marked increase in the frequency and intensity of various natural disasters:

- **Floods:** Impacting more people worldwide than any other disaster type, with costs projected to rise significantly by 2050.¹
- **Wildfires:** Growing in scale and frequency, exacerbated by longer heat waves and more intense dry seasons.
- **Hurricanes and Typhoons:** Becoming more frequent and intense due to rising temperatures and sea levels.
- **Tornadoes:** Increasing in frequency and strength, particularly in the US.
- **Earthquakes:** Continue to pose significant risks in many regions due to the earth's more recent subterranean shifts.

These disasters have far-reaching effects on employees and businesses, including displacement, property loss and financial strain, often disproportionately impacting certain communities and exacerbating existing inequalities.

Why Relief Funds Matter

Employee relief funds (ERFs) serve as an immediate financial lifeline during emergencies, setting them apart from more comprehensive, long-term financial wellness initiatives. By offering swift assistance when employees need it most, these funds not only address urgent needs but also tangibly demonstrate an organization's dedication to its workforce's welfare.

ERFs act as a financial safety net, providing assistance to employees facing unexpected hardships due to natural disasters and other emergencies. These funds represent a proactive approach to employee care and risk management, which can be funded by the employer or employees.

Types of Employee Relief Funds

Company-Sponsored Funds:

Fully financed by the employer, demonstrating strong commitment.

Employee-Funded Programs:

Fostering a sense of community through voluntary contributions.

Hybrid Models:

Combining company and employee contributions for a robust, scalable fund.

The Strategic Value of Employee Relief Funds

Implementing an employee relief fund is far more than an act of goodwill — it's a strategic decision that yields significant benefits for both employees and the organization. ERFs serve as a mechanism for employers to focus their corporate social responsibility efforts inward, addressing employee needs and wellness in tangible ways.²

A recent MetLife study underscores the impact of employer care: when employers demonstrate care, 87% of employees are engaged, 90% are productive and 89% are loyal.³ ERFs exemplify this care by providing financial assistance during emergencies and assisting with challenges arising from unexpected events. This support not only addresses immediate needs but also boosts productivity, as employees free from financial stress can better focus on their work.

Moreover, ERFs enhance an organization's employer brand, positioning the company as caring and forward-thinking. This can be a powerful differentiator in attracting top talent, especially among younger generations who prioritize socially responsible employers. Internally, ERFs promote a culture of mutual support, fostering a sense of community as coworkers can help their colleagues.

From a business continuity perspective, ERFs play a crucial role in ensuring faster recovery after disasters. By helping staff members get back on their feet quickly, organizations can minimize disruptions and maintain operations even in the face of significant challenges.

ERFs also offer flexibility in implementation and integration. They can be incorporated into existing giving programs or serve as the cornerstone for new corporate social responsibility initiatives. This flexibility extends to employee support as well — ERF programs can assist employees wherever they may be, whether in the office or at home, in-person or remote, located domestically or internationally.

Ultimately, employee relief funds represent a strategic investment in human capital, demonstrating an organization's commitment to its workforce while strengthening operational resilience and market position.

Implementing an Effective ERF Program: Best Practices

To establish a successful ERF, organizations should consider these key factors:

- **Comprehensive Eligibility Criteria and IRS Compliance:** Ensure coverage for a wide range of scenarios while developing specific written criteria for application, selection and disbursement of funds. Avoid general “catch-all” categories to prevent subjective decision-making. Ensure the fund meets IRS requirements for employment eligibility, designing conditions so that employment is merely an initial qualifier.
- **Scalable Funding Model:** Choose a model that can quickly mobilize resources during major events. Consider the various types of ERFs (outlined on page 14) to determine the best approach for your organization.
- **Streamlined Application Process:** Create a simple, dignified way for employees to request assistance, ensuring privacy and objectivity in reviewing applications.
- **Clear Communication Strategy:** Regularly inform employees about the fund and how to access it, meeting IRS mandates for transparency.
- **Partnerships and Data-Driven Approach:** Establish relationships with relief organizations for coordinated support during crises. Use geographical risk assessments to inform fund structure and resource allocation.
- **Independent Administration:** Consider using an independent third party or a diverse internal committee to administer the fund.
- **Legal Compliance:** Be aware of registration requirements in each state where you solicit donations. For global employers, understand and comply with international regulations.
- **Address Applicant Hesitancy:** Recognize potential privacy concerns and fears about impartiality. Implement measures to ensure confidentiality and fairness in the application process.

Seizing the Opportunity

With environmental activity becoming increasingly unpredictable, ERFs stand out as a crucial tool for organizations. They address immediate needs during disasters while fostering a culture of support and resilience that benefits both employees and the company’s bottom line.

By taking decisive action now, organizations can position themselves at the forefront of employee care and disaster preparedness. The question today isn’t whether companies can afford to implement an ERF — it’s whether they can afford not to.

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HR TRENDS

Trend #3: Menopause Accommodations Could Change the Workplace for Women



In an era where workplace inclusivity and employee well-being are at the forefront of HR concerns, one demographic is gaining long-overdue attention: women experiencing menopause. As menopause and its accompanying symptoms typically occur between ages 40 and 60, its impact on the entire US workforce is substantial.¹

Data from the Department of Labor states that women aged 45 to 64 constitute approximately 17.5% of the US workforce.² Many of these women face unique menopause-related challenges while maintaining their careers, such as dealing with hot flashes, fatigue or difficulty concentrating. Because each woman's experience is unique, these issues and others are prompting a growing number of employers to recognize the need for targeted support and accommodations.

Driven by a confluence of factors – an aging workforce, growing awareness of women's health issues and a broader push for more inclusive work environments that acknowledge the diverse needs of all employees – the trend towards menopause-friendly workplaces has the potential to revolutionize how companies support and retain experienced female talent, ultimately benefiting both employees and employers alike.

The Growing Awareness and Economic Impact

Last year's Leave Benchmarking and HR Trend Report noted the emergence of considerations for women experiencing menopause-related symptoms in the workplace. Since then, the response to support women has been nothing short of overwhelming. This surge in attention is not without reason — the economic impact of menopause-related symptoms in the workplace is staggering.

A recent Mayo Clinic study revealed that menopause-related side effects cost an estimated \$1.8 billion in missed work annually in the US, with a total economic burden associated with menopause symptoms conservatively set at \$26 billion annually.³ This figure, however, barely scratches the surface of the global impact. Bloomberg reports that worldwide menopause-related productivity losses can exceed \$150 billion a year.⁴

As our colleagues at Aon observe, “Menopause support was not openly discussed in the workplace, even among HR professionals, until the past five to 10 years” but employers have an opportunity to “lead the charge on this by creating nurturing and open workplace cultures.”⁵

Effects on Women's Careers

A Journal of Occupational Medicine study indicates that the personal impact on women's careers is equally significant. Nearly two out of every three women (65%) reported experiencing menopause symptoms that interfered with their work performance or productivity each week, contributing to burnout.⁶ Perhaps more alarmingly, almost one in three (35%) reported that their career development decisions were influenced by menopausal symptoms. These statistics, along with numerous others, detail the profound effect of menopausal symptoms on women's professional lives, influencing their work performance, attendance patterns and pivotal career choices.

The long-term implications of this are far-reaching and potentially detrimental to gender diversity in leadership roles. As women navigate the challenges of menopause during what are often peak career years, they may face obstacles in advancing to senior positions, contributing to the persistent gender gap in executive leadership. This trend could lead to a significant loss of experienced talent in senior roles, depriving organizations of valuable leadership potential and diverse perspectives at the highest levels of decision-making.

A Demographic Shift

The importance of addressing menopause in the workplace is further emphasized by demographic projections. By 2025, over one billion people worldwide will be experiencing menopause.⁶ In the United States alone, more than one million people experience menopause annually, creating conditions where this isn't just a health issue, it's a workforce retention challenge.⁷

In today's tight labor market, with a shrinking pool of younger workers and a deficit of much-needed skills, supporting employees through menopause is not just compassionate, it's a necessity. Companies that fail to address this issue risk losing some of their most experienced and valuable employees at the peak of their careers.

What's at Stake?

If 4% of working women 55 to 64 quit due to menopause symptoms, that's **half a million people** leaving the labor force due to menopause.

If 13% of working women 55 to 64 consider quitting due to menopause symptoms, that's another **1.7 million people** at risk of leaving the workforce.

If we add working women ages 45 to 54, up to **2.9 million more women** are at risk of leaving the workforce due to menopause symptoms.⁸

The Surge in Demand for Menopause Benefits

The call for menopause-specific workplace accommodations is growing louder, with employees increasingly vocal about their needs. A report by online job platform Lensa highlights this trend, revealing a striking 1,300% increase in interest for menopause leave between 2019 and 2023.⁹ Moreover, menopause-related benefits saw the highest surge in annual searches among job candidates last year, with a 336% increase compared to 2022. This sentiment is echoed in a Bank of America report, which revealed that 64% of working American women between ages 40 – 65 want menopause-specific benefits.¹⁰

Our latest data reveals a significant disparity between employee needs and employer offerings for menopause accommodations. While our 2024 survey showed that only about 4% of employers offered such benefits, our most recent 2025 data indicates a marginal increase to 5%. This minimal growth stands in stark contrast to the rising demand for menopause-specific workplace support, highlighting a considerable gap between employee expectations and current benefit offerings.

Figure 3.1:
Accommodations for Menopause (2024 Report)

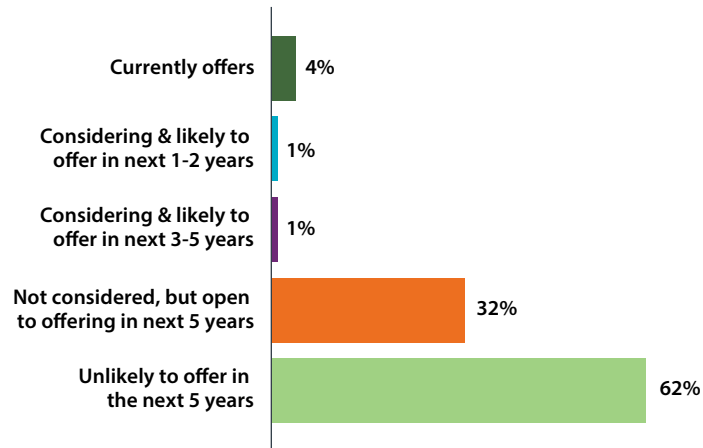
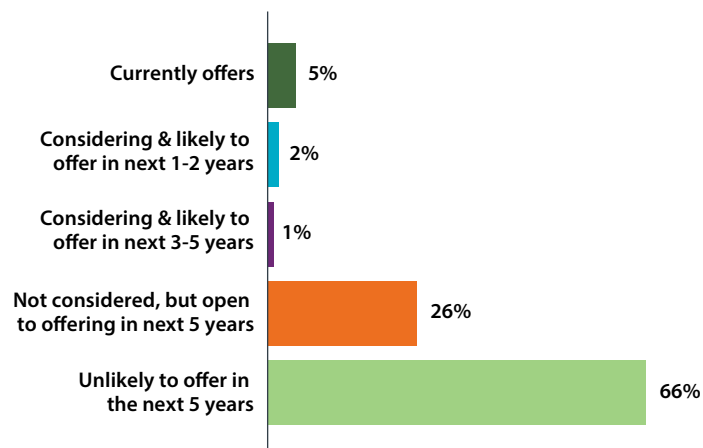


Figure 3.2:
Accommodations for Menopause (Current)



Despite the clear demand, many companies remain hesitant to implement menopause-specific benefits. This reluctance may stem from a lack of awareness about the impact of menopause on the workforce, concerns about implementation costs or uncertainty about how to effectively structure such programs. However, forward-thinking organizations are beginning to recognize the potential return on investment in terms of employee retention and productivity.

This growing trend reflects a broader shift in workplace culture — one that recognizes the diverse needs of its workforce and seeks to provide comprehensive support. As more women speak up about their experiences and needs, companies are beginning to realize that addressing menopause in the workplace is not just a matter of health and well-being but also a key factor in retaining top talent and maintaining productivity.

Global Leaders in Menopause Accommodation

While the US has traditionally lagged behind in acknowledging and supporting employees' health in the workplace, some global companies are setting the pace. UK-based companies like Vodafone, Diageo and Aviva are leading the charge, offering a range of supportive measures. These include access to counseling, flexible working hours and additional sick leave for employees experiencing menopause.¹¹

Channel 4, a British public-service television network, has taken an innovative approach by offering paid time off specifically for menopause symptoms.¹² On World Menopause Day 2019, Channel 4 launched the UK media industry's first dedicated menopause policy, aiming to support their employees experiencing menopausal symptoms and to provide guidance for line managers. The policy has shown significant impact, with a recent 4Women survey indicating that 78% of Channel 4 staff feel more positively about their workplace since the policy's introduction. Moreover, 10% of female employees have either used or plan to use the policy to manage their menopausal symptoms, noting that 13% of Channel 4's workforce consists of women over 45.¹³

In the pharmaceutical industry, Bristol Myers Squibb (BMS) UK and Ireland has emerged as a trailblazer, becoming the first biopharmaceutical company in the UK to be accredited as a Menopause Friendly Workplace. This prestigious recognition, awarded by an independent panel of judges, acknowledges BMS's commitment to fostering an inclusive culture where menopause-related discussions are normalized and supported.

Since March 2021, BMS UK and Ireland has implemented a comprehensive range of initiatives, including a detailed internal guidance document, a reasonable-adjustments form and a Rapid Access Female Treatment Service for employees to consult with a menopause specialist on severe symptoms.¹⁴ The company has also trained menopause advocates across its sites, developed a menopause portal for employees and mandated menopause awareness training for people managers and occupational health staff. These efforts have not only set a new standard within the pharmaceutical industry but also demonstrate how businesses can effectively integrate menopause support into their workplace policies and culture.



US Companies Making Strides

Despite the historical lag in addressing menopause in the workplace, some US companies are making significant headway in supporting their menopausal employees. Biotechnology giant Genentech has emerged as a leader in this area, setting a high bar by offering its 13,500+ employees a comprehensive menopause support package.¹⁵ This includes 24/7 access to menopause specialists, a drop-in menopause support group and on-demand messaging with doctors and coaches who specialize in menopause care.

Other large corporations are also recognizing the importance of menopause support. Companies like Abercrombie & Fitch Co., Adobe, Aon, Bank of America, Microsoft, NVIDIA, Pfizer and pharmaceutical firm Sanofi have partnered with third-party menopause care providers such as Carrot Fertility, Gennev, Maven Clinic and Peppy to offer specialized services. These partnerships allow companies to provide expert support without having to develop in-house expertise.¹⁶

Adobe's approach stands out for its focus on cultural change. Their Women at Adobe Employee Network hosts company-wide events to spark conversations about menopause and break down stigma in the workplace.¹⁷ This initiative demonstrates that support for menopausal employees goes beyond medical care — it's also about creating a culture of understanding and openness.

These initiatives not only help destigmatize menopause in the workplace but also demonstrate a commitment to supporting women's health throughout their careers. The growing recognition of the need for specialized support for women experiencing menopause indicates that companies are beginning to see menopause support not as a niche benefit but as an integral part of a comprehensive employee wellness program. This shift represents a significant step forward in creating more inclusive and supportive work environments for all employees.

Implementing Menopause Benefits: Best Practices

For HR leaders considering the addition of menopause benefits, several key strategies can ensure successful implementation.

- **Listen to Employees:** Conduct surveys and listening tours to understand the needs of employees experiencing menopause. This direct feedback can help shape policies that truly address employee concerns.
- **Build Comprehensive Benefits:** Consider covering a range of needs, from preventive screenings and visits with certified menopause specialists to medication costs, hormone therapy and other treatments. A holistic approach can address the varied symptoms of menopause more effectively.
- **Partner with Specialized Providers:** Work with providers that have expertise in menopause care. These partnerships can provide employees with access to specialized knowledge and care that may not be available in-house.
- **Raise Internal Awareness:** Tackle the stigma of menopause through education and open communication. This can include training sessions, informational materials and open discussions about menopause in the workplace.
- **Offer Flexible Working Arrangements:** Provide options for flexible hours, remote work and additional leave for managing symptoms. This flexibility can help employees manage their symptoms while maintaining productivity.
- **Adapt the Workplace Environment:** Allow control over climate, provide ergonomic furniture and be open to dress code adaptations. These physical accommodations can significantly improve comfort for employees experiencing menopause symptoms.
- **Create a Formal Menopause Policy:** Consolidate accommodations and benefits into a documented policy. This ensures consistency in application and communicates the company's commitment to supporting menopausal employees.
- **Train Company Leaders:** Provide training to managers and stakeholders about menopause and other age-related health experiences. This can help create a more supportive and understanding work environment.
- **Collaborate with Employee Groups:** Work with company women's groups or employee resource groups to address stigma and spread awareness. These groups can provide valuable insights and support in implementing menopause-friendly policies.
- **Participate in Advocacy:** Support research and legislation aimed at improving menopause care and understanding. This demonstrates a company's commitment to women's health beyond its own workforce.

- **Privacy Concerns:** Some employees may be hesitant to disclose their menopausal status or symptoms due to fears of stigma or discrimination. Companies need to ensure that any menopause-related policies and support systems maintain strict confidentiality.
- **Equity Issues:** There may be concerns about providing specific accommodations for one group of employees. Companies should frame menopause support as part of a broader commitment to supporting employees through various life stages and health conditions.
- **Cost Considerations:** Implementing comprehensive menopause support may require significant investment. Companies should consider the long-term benefits of retention and productivity when evaluating these costs.
- **Lack of Awareness or Understanding:** Some managers or colleagues may lack understanding about menopause and its impacts. This underscores the importance of company-wide education and training.
- **Resistance to Change:** As with any new policy, there may be resistance from some quarters. Clear communication about the reasons for and benefits of these policies can help overcome this resistance.

Potential Challenges in Implementation

While the benefits of implementing menopause accommodations are clear, companies may face several challenges in doing so.



The Path Forward

As we look to the future, it's clear that menopause accommodations could significantly change the workplace landscape for women. By addressing this long-overlooked aspect of women's health, companies have the opportunity to enhance productivity, improve employee satisfaction and retention, demonstrate a commitment to inclusivity and diversity, and set new standards for comprehensive employee support.

It's important to note that while this article has focused primarily on women, menopause can affect individuals across the gender spectrum, including transgender and nonbinary individuals. Inclusive menopause policies should be designed to support all employees who may experience menopausal symptoms.

The implementation of menopause accommodations is not just about addressing a health issue; it's about recognizing and valuing the contributions of a significant portion of the workforce throughout their entire careers. As HR professionals, we must lead the charge in developing and implementing these accommodations. This includes educating leadership on the importance and potential impact of menopause support, developing flexible policies that address the diverse needs of women experiencing menopause, creating a culture of openness and support around menopause and other health-related issues, and partnering with healthcare providers to offer comprehensive menopause support.

The rise of menopause accommodations in the workplace is more than a trend — it's a necessary evolution in how we approach employee well-being and support. As we move forward, let's embrace this change and work towards creating more inclusive, supportive and productive work environments for all. By doing so, we not only support our employees through an important life transition but also harness the full potential of a vital segment of our workforce.

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HR TRENDS

Trend #4: Remote Work Challenges Continue



Effectively managing the modern workplace requires HR teams to address the challenges of remote work. What began out of necessity during COVID-19 has now become a permanent fixture across many industries, underscoring the lasting impact of the shift the pandemic set in motion.



Although 2023 data from WFH Research indicates the majority of full-time US workers (59%) remain on-site, some experts predict that the numbers of fully remote and hybrid workers will only continue to climb in the years to come.¹ With some envisioning an American workforce comprised of 30% fully remote and 60% to 65% hybrid in the next 10 years, major challenges persist for HR professionals trying to maintain company culture while balancing the need for in-person collaboration with the benefits of flexibility.²

Recent NFP survey data provides additional insights into employers' perspectives on remote work. According to NFP's findings, 44% of employers consider in-person work very or extremely important, while 22% view it as not too important or not at all important. This further highlights the ongoing debate and diverse opinions surrounding the value of in-person work.

Figure 4.1:
Importance of In-Person vs. Remote

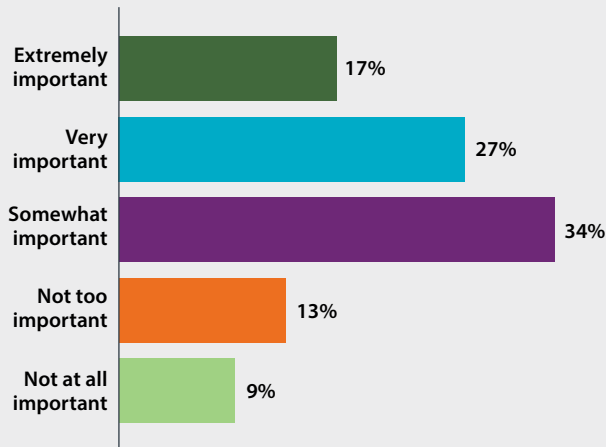
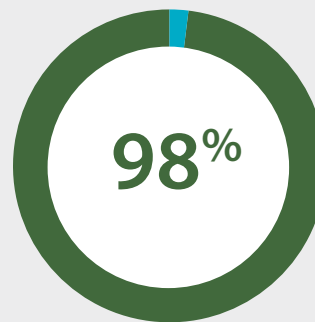


Figure 4.2:
% of People Who Would Like to Work Remotely at Least Some of the Time for the Rest of Their Career³



This challenge is felt by employees and employers alike. Considering how the shifting tides in what constitutes the workplace influence productivity, work-life balance and overall job satisfaction, HR teams should tread thoughtfully before implementing sweeping changes to work policies or reverting entirely to pre-pandemic norms. On the other hand, they cannot simply ignore deficits in productivity tracking, management training for a successful remote and hybrid work environment, nor the lack of adequate succession planning and career development that accompanies the structure of the modern workplace.

As HR professionals juggle these competing demands, they must address several distinct challenges that have emerged in the remote work landscape. The first of which involves redefining productivity and how adept managers are at measuring and evaluating employee output in a distributed environment.

Redefining Productivity in the Remote Era

One of the most pressing questions facing managers today is: what does it mean to be productive when traditional metrics no longer apply? With employees working from various locations and often on flexible schedules, the old paradigms of measuring productivity through physical presence or hours logged are rapidly becoming obsolete. As a result, HR leaders are grappling with the need to develop new, more nuanced approaches to assessing employee output and value.

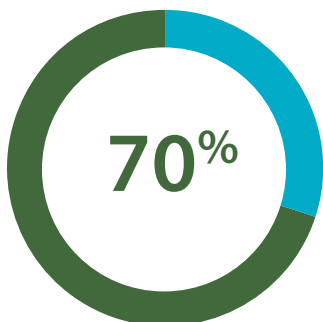
The data surrounding productivity in work-from-home arrangements is, quite frankly, all over the place and not entirely helpful.⁷ With some sources suggesting productivity declines and others linking remote work with significant increases in productivity, the reality seems to depend heavily on each employer's approach. Factors such as how well managers are trained to support remote employees and whether those employees have opportunities for occasional in-person collaboration appear to significantly influence productivity outcomes in remote work settings.

This variability in productivity outcomes highlights a critical aspect of any successful workplace strategy: the role of management. As organizations navigate this new landscape, it's becoming increasingly clear that the effectiveness of work hinges on the capabilities of those leading distributed teams. However, this revelation has exposed a significant challenge in and of itself.

Urgent Need for Manager Training

The shift towards the hybrid workplace has exposed a significant skills gap among many managers. Traditional management techniques often fall short in a distributed work environment, leading to communication breakdowns, team disengagement and decreased productivity. To bridge this gap, companies are increasingly prioritizing specialized training programs for managers.

Figure 4.3:
Managers Who Report Having No Formal Training in How to Lead a Hybrid Team⁸



Work-from-home rates vary widely across the country.⁴

Highest WFH Rate:
Colorado | **21.2%**

Lowest WFH Rate:
Mississippi | **5.5%**

Assessing remote work productivity:

is there a

13% Increase?

in Productivity for Fully Remote Workers⁵

or, is there a

10–20% Decrease?

in Productivity for Fully Remote Workers⁶

With conflicting data, focus on your organization's needs and support employees with training.

These initiatives have been focusing on crucial remote leadership skills such as:

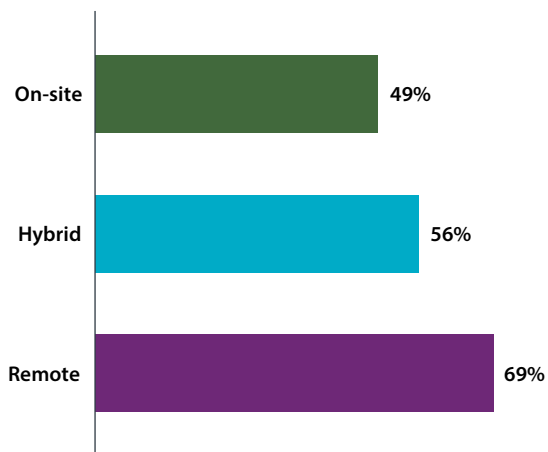
- Fostering regular face-to-face interactions through video conferencing.
- Creating opportunities for virtual team bonding and maintaining company culture.
- Developing effective digital communication strategies across various platforms.
- Implementing flexible work schedules while establishing and maintaining productivity standards.
- Providing clear context in all communications to avoid misunderstandings.
- Conducting meaningful individual check-ins with team members.
- Balancing oversight with trust to avoid micromanagement.
- Utilizing technology effectively for collaboration and project management.

Investing in these skills not only improves team performance but also contributes to higher employee satisfaction and retention rates. By adapting leadership styles to the unique challenges of remote work, managers can create a more connected, productive and engaged workforce, regardless of physical location. Furthermore, effective manager training is crucial in addressing some of the major concerns associated with a fully remote workforce, such as succession planning and career development.

The Right to Disconnect: Establishing Reasonable Boundaries

As a further consequence of hybrid and remote work, the lines between said work and personal life are often blurred. However, following countries like France and Australia who that have legislated right-to-disconnect laws, the concept is gaining traction in the United States at the organizational level.

Figure 4.4:
Workers Experiencing Burnout from Digital Communications⁹



As employees have increasingly voiced concerns about the reality of seeming always available, many companies are implementing policies to protect workers' personal time and mental health. These right-to-disconnect policies typically establish clear expectations around after-hours communication, define core working hours and encourage employees to disengage from work-related activities outside of those hours.

Some organizations are taking concrete steps such as:

- Limiting email servers during off-hours.
- Implementing no-meeting days or times.
- Encouraging the use of out-of-office messages during personal time.
- Training managers on respecting employees' boundaries.
- Promoting the importance of work-life balance as part of company culture.

While not yet enshrined in US law, these organizational policies aim to address the potential negative impacts of constant connectivity, including burnout, decreased productivity and poor mental health outcomes. By establishing reasonable boundaries between work and personal life, companies hope to foster a more sustainable and satisfying work environment for their employees in the long term.

These initiatives not only support employee well-being but also contribute to increased productivity and creativity during working hours. Creating sensible channels of communication is imperative, especially for remote workers. By setting clear expectations and boundaries, we can help employees maintain a healthy work-life balance while still fostering collaboration and team cohesion.

Implementing right-to-disconnect policies requires a thoughtful approach that balances business needs with employee welfare. Companies must consider factors such as:

- Industry-specific requirements and client expectations.
- Global teams operating across different time zones.
- Flexible work arrangements that may not adhere to traditional 9-to-5 schedules.
- Emergency situations that may require immediate attention.

As the conversation around the right to disconnect continues to evolve, it's clear that one-size-fits-all solutions may not be appropriate for every organization. Instead, companies are encouraged to engage in open dialogues with their employees to develop policies that respect individual needs while maintaining operational efficiency.

Ultimately, the goal of right-to-disconnect initiatives is to create a work culture that values and protects employees' personal time, recognizing that a well-rested and balanced workforce is more likely to be engaged, productive and loyal in the long run.

35%

Organizations with a Formal Succession Planning Process in Place¹⁰

Structural Concerns Within a Hybrid Workplace

While the capacity to work remotely offers numerous benefits, it also presents significant challenges, particularly when implemented full-time. As such, today's HR professionals and business leaders are grappling with emerging structural concerns that could have long-term implications for organizational health and employee development.

Succession Planning Challenges

One of the most pressing issues in a fully remote environment is the difficulty in effectively planning for succession. The traditional model of knowledge transfer, which often relies heavily on in-person interactions and observations, is not necessarily an option in a virtual setting. Given that the scope of this problem extends beyond simply passing on job-specific skills, institutional knowledge such as the subtle nuances of company culture, interpersonal dynamics and other facets typically absorbed through daily office interactions are at risk of being lost or diluted. This potential loss of tacit knowledge poses a significant challenge to organizations seeking to maintain continuity and preserve their unique corporate identity over time.

Key concerns in this area include:

- Limited transfer of vital knowledge due to lack of in-person interactions.
- Employees who may be under-trained or under-exposed to critical aspects of the business.
- Reduced opportunities for mentorship and shadowing experienced colleagues.

In a traditional office setting, employees learn through observation, informal conversations and impromptu mentoring moments. These organic interactions allow for the natural transfer of not just technical skills but also unwritten rules, best practices and the collective wisdom accumulated over years of operation. However, in a remote and hybrid work context, these opportunities for osmotic learning are dramatically reduced.

Consequently, companies need to develop more structured and intentional approaches to knowledge transfer and succession planning.

This may include:

- Implementing virtual mentorship programs that pair junior employees with seasoned professionals.
- Creating comprehensive digital knowledge bases that capture both explicit and implicit information.
- Organizing regular virtual and in-person shadowing sessions where potential successors can observe key roles in action.
- Developing simulation exercises that replicate complex decision-making scenarios.
- Encouraging more frequent and deliberate documentation of processes, decisions and rationales.

While these strategies can help mitigate the challenges of remote succession planning, they require significant time, resources and cultural shifts to implement effectively. Attempting to replicate the organic learning that occurs in an office environment can be a tall order. This underscores the importance of manager training discussed earlier, as well-trained remote managers are better equipped to facilitate knowledge transfer and mentorship in a remote setting.

Ultimately, the success of remote succession planning will depend on an organization's ability to recreate the depth and richness of in-person knowledge transfer in a virtual environment. This demands not only technological solutions but also a reimagining of how institutional knowledge is captured, shared and perpetuated in the digital age.

Lack of Career Development Opportunities

Unsurprisingly, career development in a remote setting presents an additional set of challenges. Just as the absence of physical proximity affects succession planning, it consequently hinders employees from showcasing their skills and ability to network to gain visibility for potential advancement opportunities. This issue is particularly acute for younger or newer employees who may struggle to find direction to build the relationships necessary for career growth.

Specific concerns include:

- Fewer chances for employees to showcase their skills and potential in person.
- Reduced visibility of available roles and career paths within the organization.
- Difficulty in providing hands-on training and skill development.

Some companies are implementing virtual career fairs, online skill-sharing workshops and digital mentorship programs to address these issues. However, these solutions again require more intentional effort from both employees and employers compared to the organic career development that often occurs in traditional office settings.

Diminished Collaboration and Creativity

Perhaps one of the most significant concerns with a fully remote workforce (albeit, one of the most difficult to quantify) is the potential decline in collaboration and creativity. Given that the spontaneous interactions that often spark innovative ideas are far less frequent in a virtual environment, the challenge of replicating the face-to-face energy in meetings can potentially stifle creativity and innovation. The reduced opportunities for casual conversations by the water cooler, impromptu discussions in hallways or quick catch-ups over coffee – all of which can lead to unexpected insights and creative solutions – are notably absent in remote settings. Additionally, the nuances of nonverbal communication and the immediate feedback loop present in physical meetings are harder to replicate virtually, potentially hampering the free flow of ideas.

While technology offers various tools for virtual collaboration, many organizations find that these solutions don't fully replicate the dynamic of in-person teamwork. Video conferencing, virtual whiteboards and collaborative software can facilitate off-site work, but they often lack the spontaneity and energy of face-to-face interactions. The physical separation can also lead to a decreased sense of camaraderie and team spirit, which are crucial elements in fostering a collaborative and creative work environment.

In 2023, remote workers were:

35%
more likely to
be laid off.

31%
less likely to
be promoted.¹¹



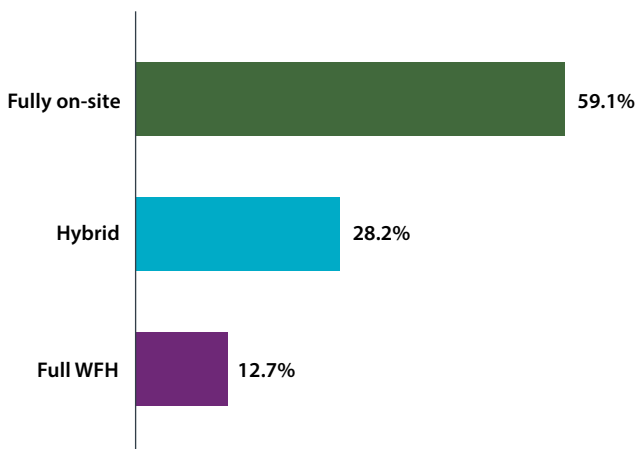
Some companies are experimenting with hybrid models or occasional in-person retreats to address these concerns, aiming to strike a balance between the flexibility of remote and hybrid work and the benefits of in-person collaboration. However, finding the right mix remains a challenge, and organizations continue to search for innovative ways to nurture creativity and maintain strong collaborative ties in a predominantly remote work setting.

Getting Employees Back to the Workplace

As many organizations navigate the challenges inherent in off-site work, most are seeking ways to encourage employees to return to the office, at least on a part-time basis. There's a growing recognition that in-person collaboration offers irreplaceable value and plays a crucial role in fostering creativity, building company culture and facilitating career development. Consequently, businesses are implementing various strategies to make the office an attractive destination for their workforce, balancing the flexibility of remote work with the benefits of face-to-face interaction.

Despite efforts to bring employees back to the office, the transition has been gradual. NFP's survey reveals that 64% of employers report their employees are coming into the office about the same amount of time compared to a year ago. Only 23% report an increase in office attendance, while 14% note a decrease. This suggests that many organizations are still in a state of flux regarding their return-to-office strategies.

Figure 4.5:
Working Arrangements



Incentivize, Incentivize, Incentivize

To make the office more appealing, many companies are implementing incentive programs designed to motivate employees to spend more time on-site. These incentives can take various forms, including:

- Flexible schedules that allow employees to choose their in-office days.
- Transportation subsidies or parking benefits.
- Wellness programs or gym memberships tied to office attendance.
- Performance bonuses linked to in-office productivity.
- Extra paid time off for regular office attendance.

By offering tangible benefits for coming into the office, companies can create a positive association with on-site work and make the commute feel more worthwhile.

Perks Work! (Food and Fellowship)

One of the most effective ways to draw employees back to the office is through perks that enhance the workplace experience. Food and opportunities for social interaction have proven particularly successful:

- Free or subsidized meals and snacks.
- Regularly catered lunches or breakfast meetings.
- On-site baristas or coffee bars.
- Food truck Fridays or other special meal events.
- After-work social hours or team-building activities.

These perks not only provide immediate gratification but also create opportunities for informal interactions and relationship-building among colleagues. The social aspect of shared meals and fellowship can be a powerful draw for employees who may be feeling isolated after prolonged periods of remote work.

Offer Great Perks and Space to Collaborate and Connect

Beyond food and social events, companies are reimagining their office spaces to create environments that facilitate collaboration and connection. By offering amenities and spaces that employees can't easily replicate at home, organizations can make the office a destination of choice rather than obligation:

- Redesigned open spaces for impromptu meetings and brainstorming sessions.
- State-of-the-art technology for seamless hybrid meetings.
- Quiet zones for focused work.
- Comfortable lounge areas for relaxation and casual conversations.
- On-site fitness centers or yoga rooms.
- Outdoor workspaces or rooftop gardens.
- Game rooms or recreational areas for breaks.

With access to inviting spaces designed for both work and relaxation, employees are more likely to choose coming into the office over working from home. The key is to create an appealing environment that enhances productivity while also promoting well-being and social connection.

Companies focused on getting people back to the workplace can certainly create an environment that employees want to return to, rather than feeling forced to do so. The goal, again, is balance. Somewhere between the flexibility of remote work and the benefits of in-person collaboration lies a more engaged, creative and cohesive workforce.

Challenges on the Horizon

Workplace strategies will continue to evolve, and several emerging trends are likely to shape the future of it. HR professionals and business leaders should be aware of these potential developments.

Compensation Disparities Between In-Office and Remote Workers

One significant trend on the horizon is the potential for compensation disparities between in-office and remote workers. Some companies are beginning to consider offering higher salaries or additional benefits to employees who choose to work on-site regularly. This approach is often justified by the perceived added value of in-person collaboration and the costs associated with maintaining physical office spaces. Additionally, there's a growing recognition that in-office presence tends to increase visibility, potentially leading to more frequent promotions and better compensation for on-site workers. The adage "out of sight, out of mind" may play a role in career advancement, inadvertently favoring those who are physically present.

However, it's important to note that this trend isn't universal. Some organizations have experienced pushback, with high-earning employees leaving due to inflexible return-to-office mandates, highlighting the complex nature of this issue. Such policies could have far-reaching implications for employee retention and recruitment strategies, potentially creating tensions within the workforce and influencing individuals' decisions about where and how they work. As this trend develops, companies will need to carefully balance the benefits of in-person work with the risk of alienating valuable remote talent.

Remote Work Bias and Legal Implications

With remote and hybrid work arrangements comes a new frontier of legal and ethical challenges. The complex interplay between workplace flexibility, discrimination concerns and various legal obligations creates a landscape that both employers and employees must navigate carefully.

One of the most pressing issues is the potential for remote work bias to intersect with existing antidiscrimination laws. Recent surveys have shown that remote workers are more likely to be women, people of color and individuals with disabilities¹² — all protected classes under federal law. This demographic distribution raises concerns about the unintended consequences of policies that may disadvantage remote workers, such as return-to-office mandates or promotion practices that favor on-site employees.

While remote work itself is not a protected classification, the reasons for choosing remote work often are. For instance, an employee working remotely due to a disability could potentially file a discrimination claim if overlooked for advancement opportunities. Similarly, policies that disproportionately impact women or minorities who prefer working off-site to avoid workplace microaggressions could face legal scrutiny under Title VII of the Civil Rights Act.

Beyond discrimination concerns, remote work introduces a host of other legal considerations. Privacy issues arise when employees use personal devices for work, necessitating clear policies on data protection and device usage. Wage and hour laws become more complex in a remote setting, with employers needing robust systems to track hours worked and ensure compliance with overtime regulations. Even workers' compensation takes on new dimensions, as the line between work and home blurs.

Moreover, the distributed nature of working remotely can complicate harassment prevention and reporting. The isolation of remote work may inadvertently create environments where discriminatory behavior goes unchecked or unreported. Employers must adapt their policies and training to address these unique challenges in virtual workspaces.

As organizations grapple with these issues, they must again strike a delicate balance between leveraging the benefits of remote work and mitigating its legal risks. This may involve reimagining traditional workplace structures, developing new approaches to performance management, and fostering a culture of inclusivity that spans both physical and virtual work environments.

To navigate this complex terrain, both employers and employees need to be well-informed about their rights and responsibilities in a remote work context. Employers should consider consulting with legal experts to develop comprehensive policies that address the unique challenges of remote work while ensuring compliance with all applicable laws. Employees, in turn, should be aware of their rights and the avenues available to them if they believe those rights have been violated in a remote work setting.

As things unfold, it's clear that the legal and ethical implications of remote work will continue to evolve. Staying informed and adaptable will be key for all parties as we collectively shape the future of work in this new digital landscape.

Well-Being Challenges for Fully Remote Employees

Another critical issue on the horizon is the potential long-term impact of full-time remote work on employee well-being. While remote work offers numerous benefits, there's growing evidence that fully remote employees may struggle more with feelings of loneliness, disconnectedness and overall poorer mental well-being. The lack of regular face-to-face interactions with colleagues can lead to social isolation, potentially affecting both personal happiness and professional effectiveness. As a result, organizations may need to invest more heavily in virtual community-building initiatives, mental health support programs and creative strategies to maintain employee engagement in a distributed work environment.



Again, Balance Is Key

It cannot be emphasized enough — the future of work will require balance between the flexibility of remote work and the irreplaceable value of in-person collaboration. As we look ahead, organizations must remain adaptable, prioritizing employee well-being, fostering inclusive practices and leveraging technology to create cohesive work environments that span both physical and virtual spaces. By thoughtfully addressing the challenges and opportunities presented by remote work, companies can build resilient, engaged and productive workforces ready to thrive in an ever-changing business landscape.

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Leave Management Benchmarking Report

Maternity Leave



Policies for maternity leave (that is, pregnancy-related disability) continue to be a critical component of employee benefits packages, reflecting employers' ongoing commitment to supporting new mothers in the workforce. While these policies have remained largely consistent with previous years, subtle shifts towards more generous offerings are emerging.



Employers must balance multiple factors in maternity leave administration: compliance with evolving regulations (including both state provisions and, importantly, pregnancy-related disability leave under the federal Family Medical Leave Act, or FMLA), integration with short-term disability and family leave programs, and the need to manage organizational budgets effectively. As HR best practices evolve, so too does the approach to maternity leave, with a growing emphasis on flexibility, comprehensive coverage and strategic benefit coordination.

Administration

Employers should be running maternity benefits concurrently with short-term disability and federal FMLA and state medical leave programs. However, most employers continue to provide maternity leave as a stand-alone benefit, with a slight increase in those coordinating these benefits with short-term disability coverage. Eligibility criteria

Figure 5.1:
Maternity Leave Benefit Administration

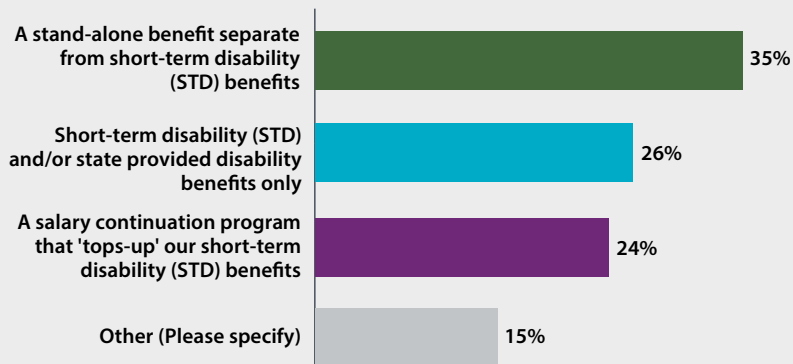


Figure 5.2:

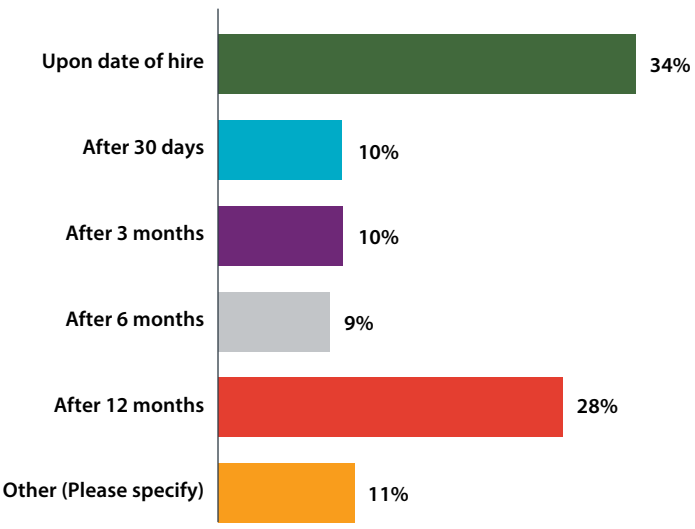


As HR best practices evolve, so too does the approach to maternity leave.

remain largely unchanged from 2024, indicating stable practices in this area and suggesting that employers are maintaining established timelines for benefit access.

It should be noted that although 34% of employers provide maternity leave upon the date of hire, 28% of employers structure it as a reward for employees with a longer tenure. Additionally, employers who have high turnover in the first year may opt for a longer eligibility period.

Figure 5.3:
Maternity Leave Benefit Eligibility



Duration

The duration of paid maternity leave shows a subtle but positive shift from 2024 to 2025. There’s a notable decrease in employers offering less than three weeks of full pay (from 37% to 28%), and an increase in those providing six to eight weeks (from 30% to 35%). This trend indicates a growing recognition among employers of the importance of supporting employees with more substantial paid leave as they recover physically from a birth.

Figure 5.4:
Weeks of Full Pay Maternity Leave 2024

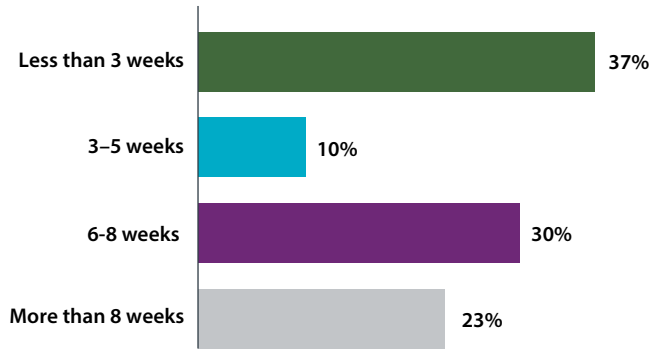
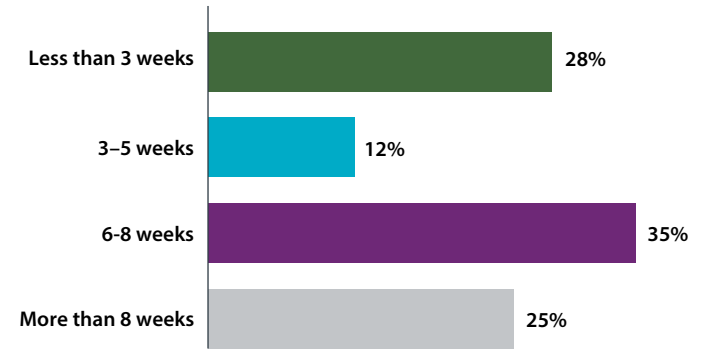


Figure 5.5:
Weeks of Full Pay Maternity Leave 2025



However, employers offering more than eight weeks of maternity leave is concerning. Maternity leave should work in accordance with short-term disability and the physician’s statement indicating the duration of the disability period. Typically, it is six weeks for vaginal delivery and eight weeks for caesarian section. If employers are providing the birth parent with more time than the disability period, it becomes bonding time. The EEOC Pregnancy Discrimination Act guidance identifies that time associated with bonding should be available equally to all parents for birth, adoption and fostering.

Employer Requirement for State Claim Filing

Maternity events (health issues before delivery, delivery and recovery after delivery) are all covered under state disability/PFML laws. However, alarmingly, while 92% of employers agree that maternity leave should run concurrently with state-paid leave, only 32% of employers require employees to file a state claim to receive maternity leave benefits (68% do not). This is trending worse than last year, when 63% of employers did not require employees to file a state claim to receive maternity benefits.

Put another way, while nine in 10 employers *want* state and employer leave to run simultaneously, almost seven in 10 haven’t taken policy measures to ensure that outcome.

Figure 5.6:

Run Maternity Leave Concurrent with FMLA/State Paid

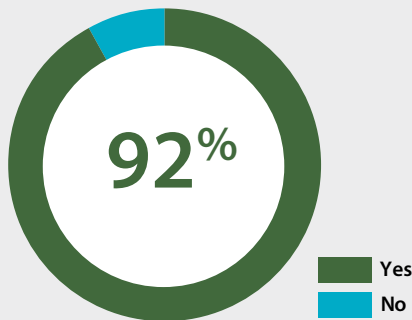
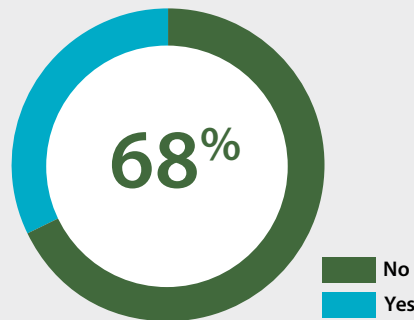


Figure 5.7:

Maternity Leave State Claim Requirement



It is imperative

for organizations to require employees to file for state disability to receive maternity leave benefits and coordinate these with company-provided leave.

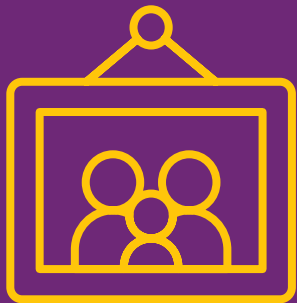
It remains a poor practice that leaves significant money on the table, and can have several negative consequences:

- **Financial Impact:** Employers are missing out on potential cost savings by not leveraging available state benefits.
- **Benefit Maximization:** Employees may not be receiving the full extent of benefits available to them, as they may be unaware of additional state-provided support and job protection.
- **Leave Duration Management:** By not initiating state-provided leaves concurrently with internal leaves (such as short-term disability or company-provided maternity leave), employers risk extending the total leave duration beyond what was intended.

This occurs because employees can potentially take employer-provided leave, return to work, and then request state leave — a scenario that leaves employers with little recourse. Instead, employers want to “start the clock” on any applicable state leave provisions an employee is entitled to simultaneously, to prevent employees from “stacking time.”

It is imperative for organizations to reassess their policies in this area. By requiring employees to file for state benefits and coordinating these with company-provided leave, employers can optimize their leave programs financially, ensure employees receive comprehensive support, maintain better control over leave durations and align their practices with evolving regulatory landscapes. This approach allows organizations to maximize available resources while providing robust support to their employees, creating a win-win situation for both parties involved. This is especially true for multi-state employers who are required to comply with numerous paid state leave provisions.

Parental Leave



A well-designed parental leave policy provides equitable time off for all employees following childbirth, adoption or fostering, ensuring that every parent can bond with their new child during this vital period. This support not only enhances family well-being but also contributes to a more inclusive and caring workplace environment.



Though not universally mandated, paid parental leave reflects an employer's commitment to helping employees thrive both professionally and personally. When thoughtfully designed in alignment with organizational values and budget, these benefits can significantly empower employees throughout their parenting journey, helping to create a people-first organizational culture.

Figure 6.1:



Figure 6.2:



Administration

Most employers require a year of service to be eligible for the benefit, followed by date of hire eligibility. As with maternity leave, many employers provide this benefit to employees once they have been invested in the organization for at least a year. When formulating policies, if an organization offers both a maternity and parental leave policy, it is best practice to have the same eligibility period for both. This not only eases the administrative burden but also allows the birth parent to enjoy parental leave for bonding once the period of disability is over.

Figure 6.3:
Parental Leave Eligibility

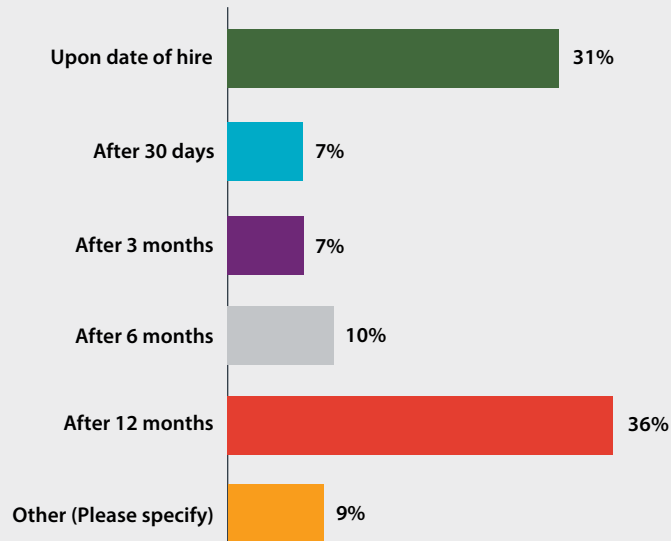
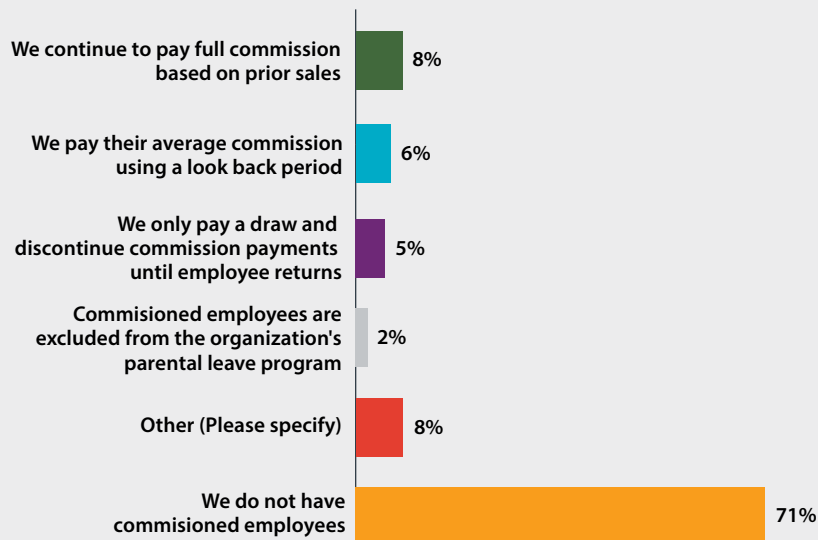


Figure 6.4:
Parental Leave for Commissioned Employees



Duration

The duration of paid leave for new parents is showing promising improvements. For birth, adoption and foster care, we see subtle shifts towards longer leave periods of three to six weeks, with corresponding decreases in leaves shorter than three weeks. This trend not only indicates more supportive parental leave policies but also reflects a positive shift in how employers view new parents — treating birth, adoptive and foster parents with similar consideration.

Figure 6.5:
Weeks of Full Pay—Birth of a Child (2024 Report)

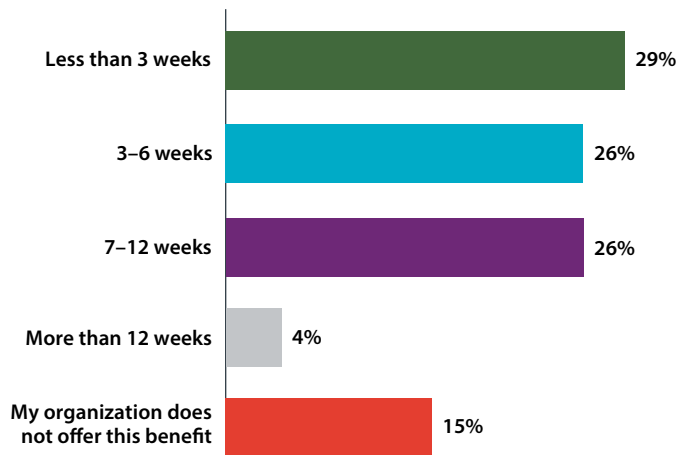


Figure 6.6:
Weeks of Full Pay—Birth of a Child (Current)

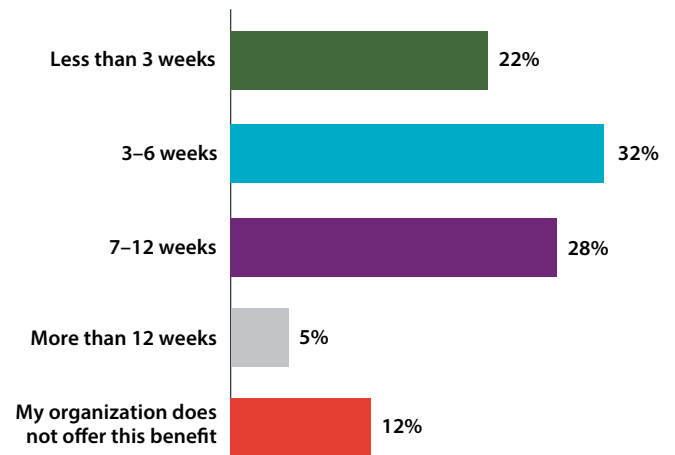


Figure 6.7:
Weeks of Full Pay—Adoption (2024 Report)

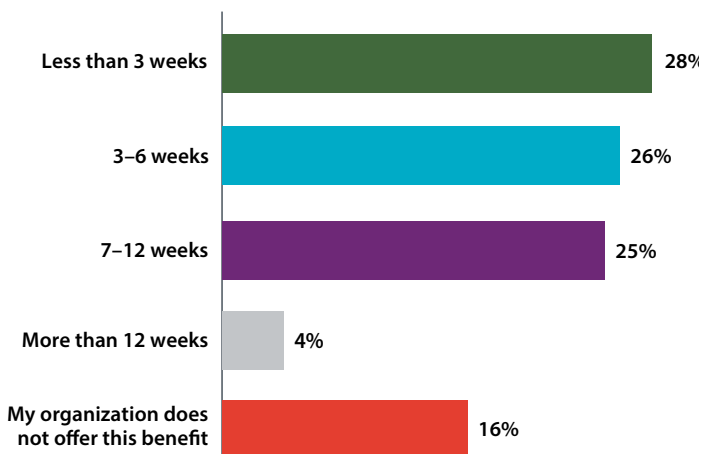
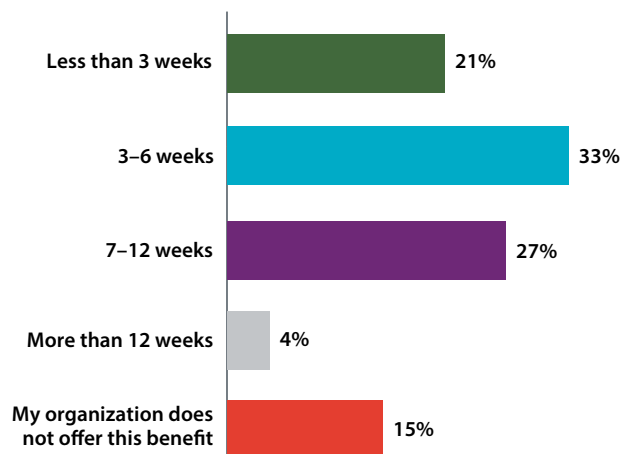


Figure 6.8:
Weeks of Full Pay Adoption (Current)



Such parity in leave policies acknowledges that the bonding and adjustment period is crucial for all new parent-child relationships, independent of how they come together. This inclusive approach recognizes the unique challenges and joys that come with welcoming a child into the family and provides essential support during this critical time of transition and attachment.

Figure 6.9:
Weeks of Full Pay–Foster Care (2024 Report)

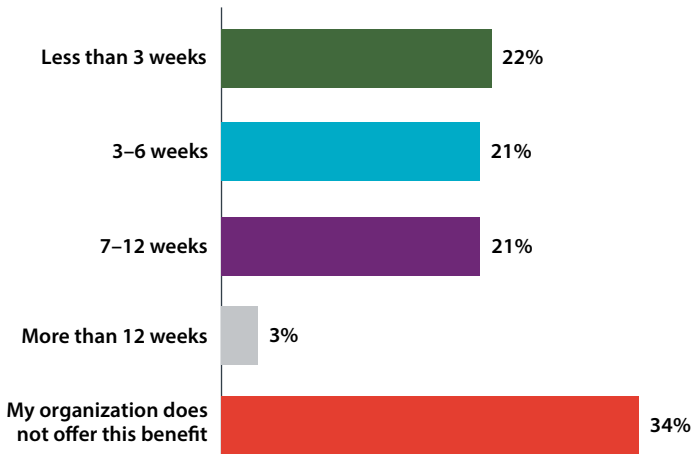
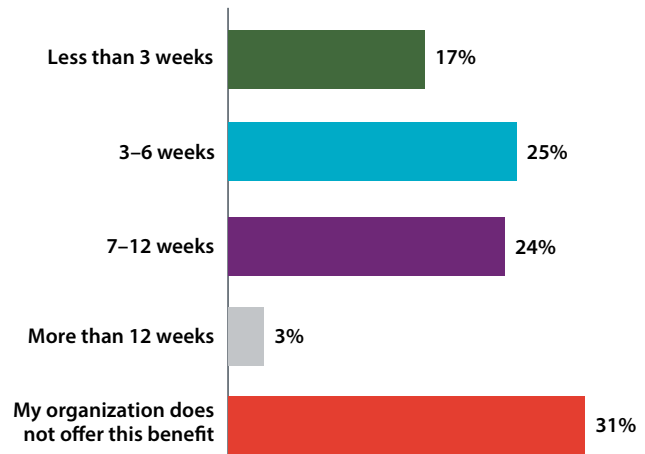


Figure 6.10:
Weeks of Full Pay–Foster Care (Current)



The Impact of Inclusive Parental Leave Policies

Inclusive parental leave policies that support both primary and secondary caregivers can have far-reaching effects on families, workplaces and society at large. By providing all parents with the opportunity to take time off to care for their children, regardless of their designated caregiver status, these policies can drive significant positive changes. By providing both parents with the opportunity to take time off to care for their children, these policies can:

Promote Shared Parenting:

When parental leave isn't limited to mothers, it encourages shared responsibility in child-rearing. This can help break down the stereotype that caregiving is primarily a woman's role and give men the time needed to bond with and care for new children, too.

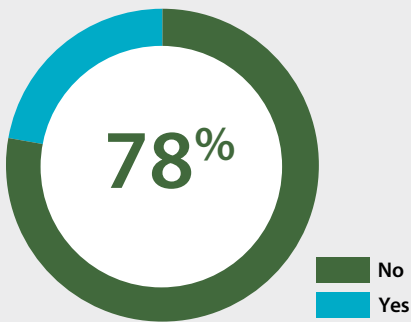
Reduce Gender Discrimination:

If all parents are equally likely to take leave, it can help combat the idea that women are less committed to their careers compared to men. This can lead to a more equitable workplace environment.

Improve Outcomes Across Genders:

For men, taking parental leave can enhance their involvement in their children's lives, which can lead to better family relationships and personal development. For women, it can alleviate the pressure of being the sole caregiver and support career continuity. For all parents, it offers a vital opportunity for family bonding.

Figure 6.11:
Primary vs. Secondary
Caregiver Differentiation



Primary and Secondary Caregivers: Evolving Roles and Policies

Consistent with the Pregnancy Discrimination Act, parental leave policies recognize the importance of both primary and secondary caregivers in child-rearing. This shift acknowledges that caregiving responsibilities often extend beyond traditional gender roles, with both parents playing crucial parts in a child’s early development.

By offering more equitable leave options for all employees, these policies can promote shared parenting responsibilities, reduce workplace discrimination, and improve outcomes for all parents, regardless of their caregiving designation. This year’s survey reveals both encouraging progress and persistent challenges in how organizations support both primary and secondary caregivers through their leave policies.

The complexity of developing compliant parental leave policies is evident in the fact that only 22% of employers differentiate between primary and secondary caregivers. While not explicitly against EEOC regulations, employers should establish a well-defined approval process and clear definitions for each caregiver status.

When evaluating requests for primary caregiver status, employers must consider each case on its merits, regardless of the employee’s gender. Typically, for employers that differentiate, primary caregivers receive substantially more bonding time than secondary caregivers. To avoid potential discrimination issues, employers should consult with legal counsel when developing parental leave policies and ensure policies don’t create intentional or unintentional disparate treatment based on gender, in compliance with Title VII. The importance of equitable policies cannot be overstated, as disparate treatment based on gender in parental leave policies can lead to significant legal and financial consequences for employers.

Figure 6.12:
Weeks of Full Pay–Caregivers (2024 Report)
For employers that do not differentiate primary/secondary

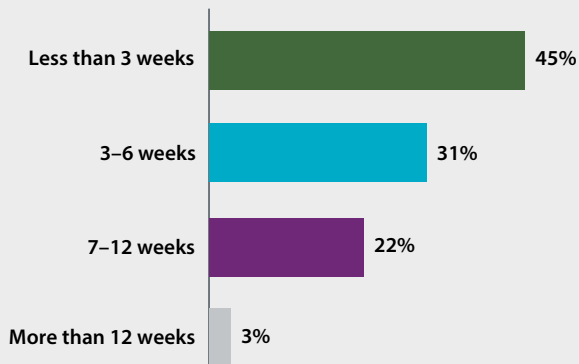
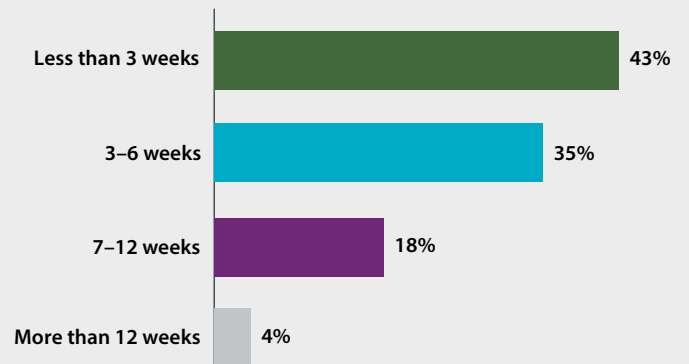


Figure 6.13:
Weeks of Full Pay–Caregivers (Current)
For employers that do not differentiate primary/secondary



In organizations that don't differentiate between primary and secondary caregivers, the landscape is still varied. Forty-three percent offer less than three weeks of full pay, 35% offer three to six weeks, 18% offer seven to 12 weeks, and only 4% offer more than 12 weeks.

There are ongoing challenges to achieving true equity in parental leave policies. By providing equal opportunities for leave to all parents, regardless of their designated caregiver status, organizations can take a significant step towards challenging limiting gender roles and fostering a more inclusive workplace culture. This shift not only benefits individual families but also contributes to broader societal change, promoting gender equality both at home and in the workplace.

Figure 6.14:
Weeks of Full Pay—Primary Caregivers (2024 Report)

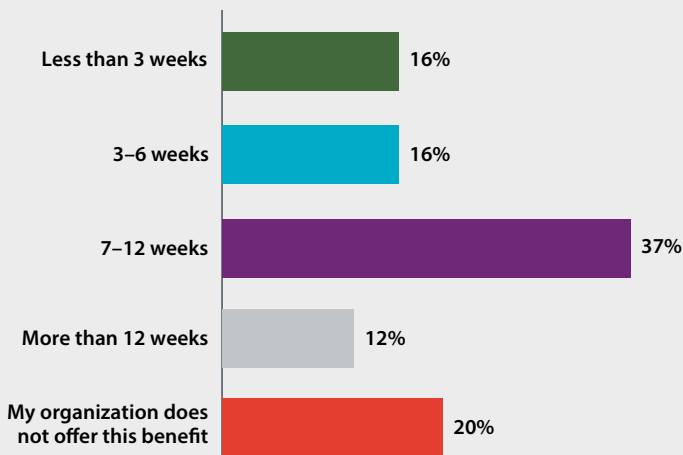


Figure 6.15:
Weeks of Full Pay—Primary Caregivers (Current)

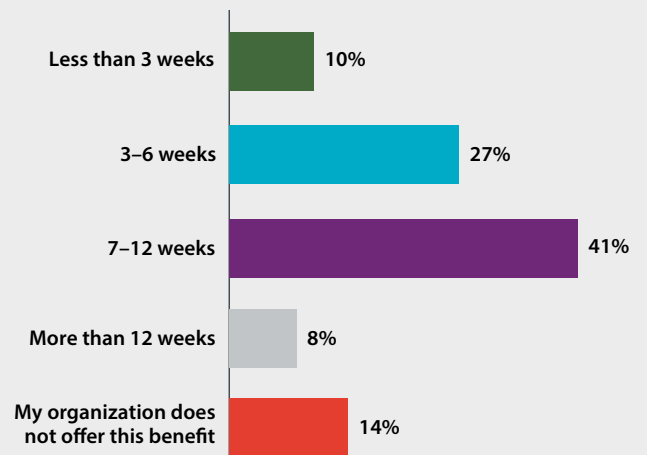


Figure 6.16:
Weeks of Full Pay—Secondary Caregivers (2024 Report)

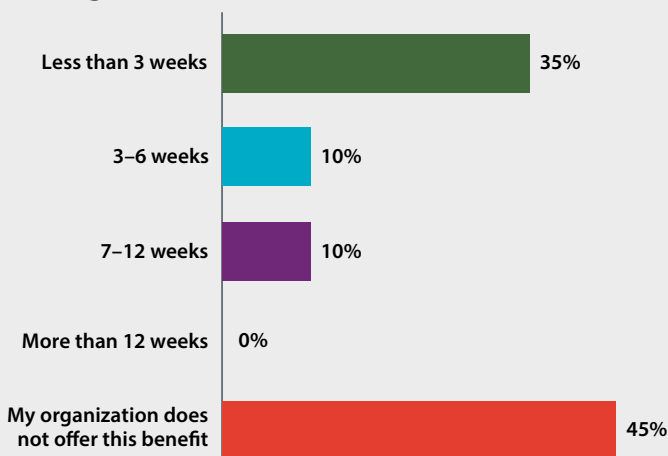
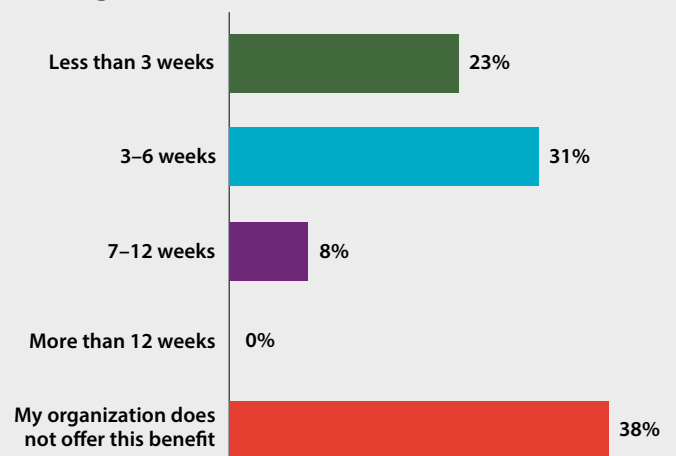


Figure 6.17:
Weeks of Full Pay—Secondary Caregivers (Current)





Strategies for Multistate Employers to Manage Paid Family and Medical Leave (PFML) Benefits

PFML State Procedures

- Require employees in PFML states to file claims with the state.

Salary Continuation Program

- Create a program to “top-up” the state PFML benefit where applicable.
 - » Goal: Make the employee “whole” (i.e., maintain full salary).

Non-PFML State Compensation

- Pay salary continuation to employees in non-PFML states.
 - » Goal: Make these employees “whole,” matching benefit levels in PFML states.
- Integration with employer-paid short-term disability plans (if offered).

PFML States

- State PFML is generally the first payer over short-term disability benefits.
- Employer salary continuation “tops up” to make the employee whole.

Non-PFML or Statutory Disability States

- Employee receives employer-paid benefit and/or short-term disability benefits (if applicable).
- Employer “tops up” to make the employee whole.

Overall Objective

- Ensure employees receive similar benefits across all states.
- Balance state-provided benefits with employer-funded supplements.

Family Caregiver Leave



Family caregiver leave continues to be a critical benefit for employees juggling work responsibilities with caring for family members. It not only enables employees to care for their loved ones but also ensures their continued participation in the workforce. In 2025, we see a growing recognition of this need, with 28% of employers now offering this benefit.

The eligibility criteria for employer-sponsored family caregiver leave varies among employers. The largest group, 31%, requires employees to work for 12 months before becoming eligible for this benefit. However, a significant portion, 29%, offers eligibility upon hire, demonstrating a commitment to supporting employees' caregiving needs from day one.

Many employers model federal and state guidelines to formulate their company-paid caregiver leave programs. The ability to take time off to care for seriously ill loved ones while still receiving income and benefits provides a sense of security to employees, particularly if they know they will still have a job waiting for them when they are ready to return. Employees who feel supported during challenging times are likely to be more grateful and loyal, benefiting the employer in turn.

Figure 7.2:
Family Caregiver Eligibility

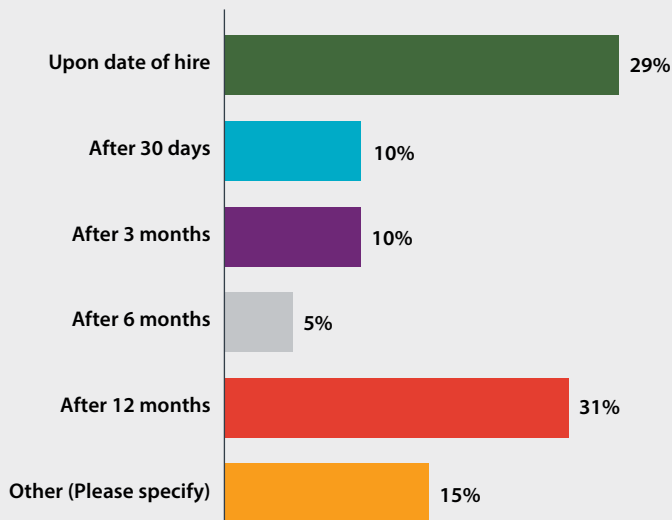
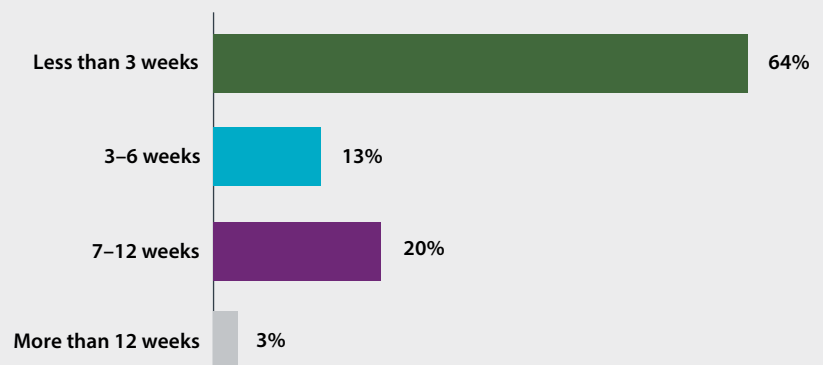
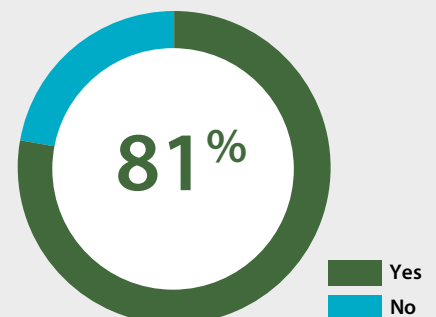


Figure 7.3:
Family Caregiver Duration



Of the 28% who offer family care leave, nearly two thirds of employers offer less than three weeks of full pay. However, one in five employers who provide this benefit offer between seven and 12 weeks, providing employees with a leave period more in line with federal and state offerings to fulfill family responsibilities without jeopardizing their career. Recognizing the often unpredictable nature of caregiving, 81% of employers offering this leave allow for intermittent leave. This flexibility can be crucial for employees managing ongoing care situations, allowing them to balance work and caregiving responsibilities more effectively.

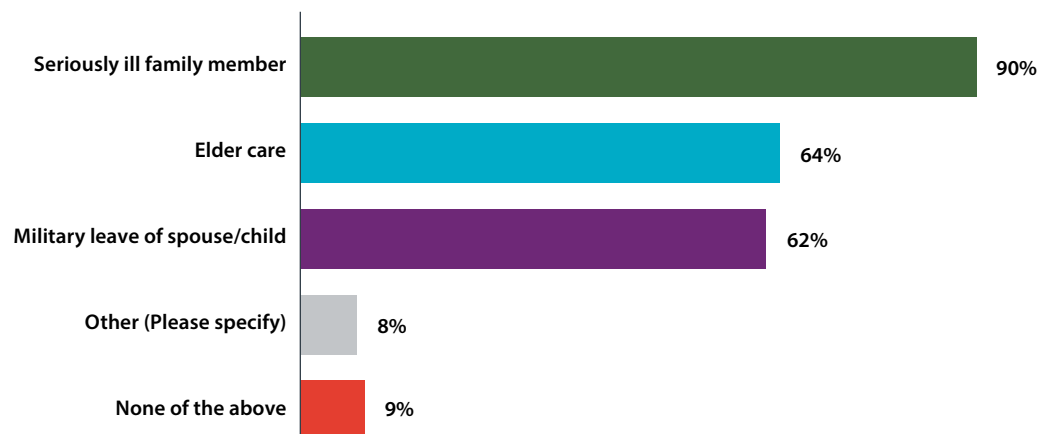
Figure 7.4:
Intermittent Family Caregiver Leave





Reasons covered under family caregiver leave policies are comprehensive, addressing various caregiving scenarios. A vast majority (90%) of policies cover care for a seriously ill family member, while 66% include elder care. Military leave for a spouse or child is covered by 63% of policies, reflecting an understanding of the unique challenges faced by military families. These numbers have held fairly steady year-over-year as employers recognize the importance of supporting their workforce through a wide range of personal responsibilities while aligning with federal and state leave offerings.

Figure 7.5:
Eligible Reasons for Family Caregiver Leave



Paid family and medical leave (PFML) laws are not yet widespread across the United States, but there is a growing trend towards their adoption. As illustrated by the map inset below, thirteen states and the District of Columbia enacted mandatory PFML laws, primarily concentrated on the West Coast and in the Northeast. This indicates a gradual but steady expansion of paid family leave policies across the country, with a mix of mandatory and voluntary approaches being implemented.

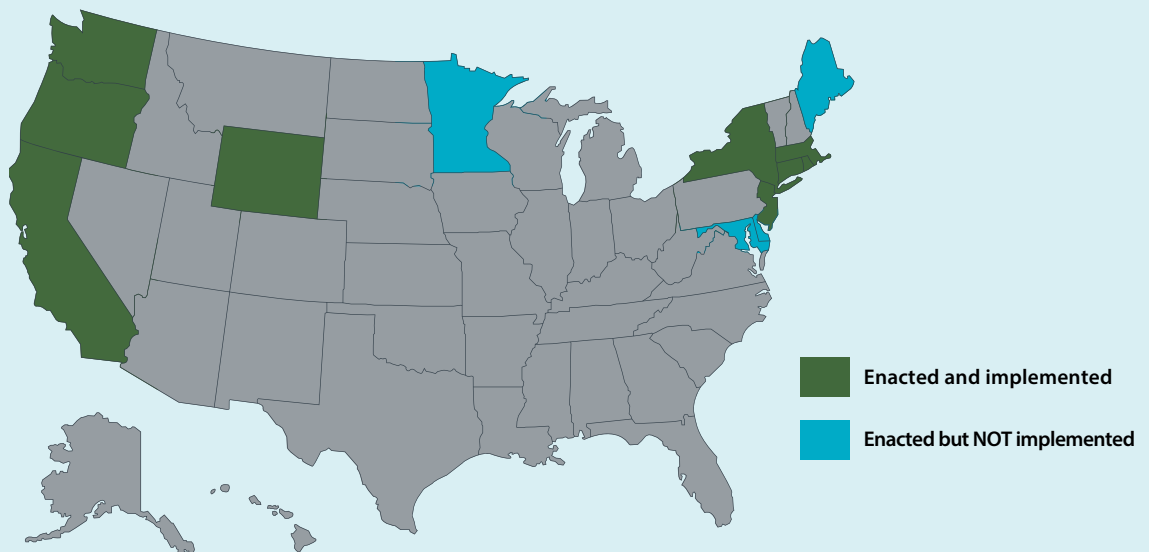
Employers must account for FMLA statutory disability and PFML programs when managing employee leaves.

As of April 2024, 13 states and the District of Columbia have enacted PFML laws. Most of these state programs provide wage replacement benefits and some state programs provide job protections during the leave period.

Nine states (California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Washington) and the District of Columbia have PFML laws in effect.

Four states (Delaware, Maryland, Minnesota, and Maine) have enacted PFML programs that will take effect in 2026.

Figure 7.1:
Paid Family and Medical Leave Laws as of August 2024¹



1. National Conference of State Legislatures Staff. "State Family and Medical Leave Laws," ncsli.org, 2024.

Grandparental Leave



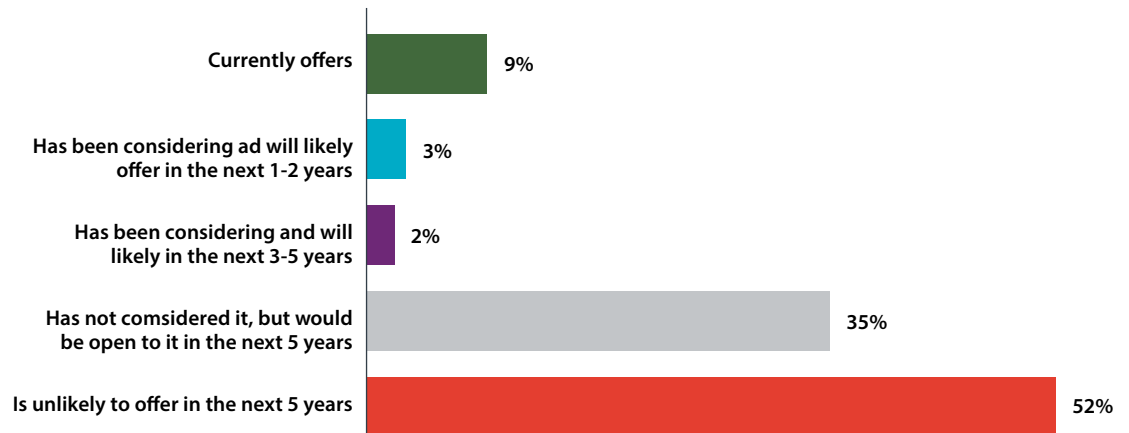
Some employers are considering expanding their family leave policies to include grandparental leave. While only a small percentage of companies currently offer this benefit, there's evidence of growing interest. This openness to considering grandparental leave among 49% of employers (including those currently offering it) indicates a forward-thinking approach to evolving family dynamics and caregiving responsibilities.



It's important to recognize that grandparental leave can benefit employees across various age groups. While the applicability may vary depending on a company's demographic makeup, this policy isn't exclusively for older workers. Employees in their 40s and 50s, as well as those in their 60s and beyond, may become grandparents. Grandparental leave provides crucial support for workers balancing professional responsibilities with new grandparental duties, regardless of their age.

This benefit enables employees to fulfill their rewarding family roles without sacrificing their careers, potentially encouraging valuable, experienced staff to remain in the workforce longer. Companies with diverse age demographics can find this policy particularly advantageous in supporting and retaining employees at different life stages.

Figure 8.1:
Grandparental Leave



As the only constant in caregiving is change, employers should consider expanding their family caregiver leave policies to attract and retain valuable employees across all age groups. The trend towards more comprehensive and flexible policies reflects a growing understanding of the complex needs of today's multigenerational workforce. By offering robust family caregiver leave options, companies can support their employees through various life stages and caregiving challenges, cementing a more inclusive and supportive work environment.

Bereavement Leave



The number of employers offering bereavement leave to their employees has increased to nearly 90%. Although organizations have long offered time off to grieve and process the loss of a loved one, bereavement policies have been subtly evolving with the changing needs of the modern workforce.

Most employers provide three to five days of bereavement leave, which is consistent with traditional practices. However, some employers are now offering a variable number of days based on individual needs. While this flexibility might seem compassionate at first glance, it raises important concerns about potential disparate treatment.

Figure 9.1:
Bereavement Leave

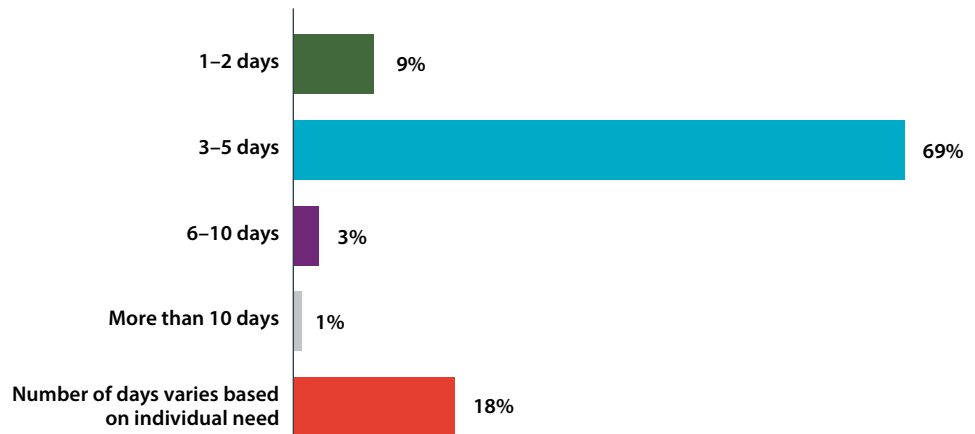


Figure 9.2:
Eligible Reason for Leave

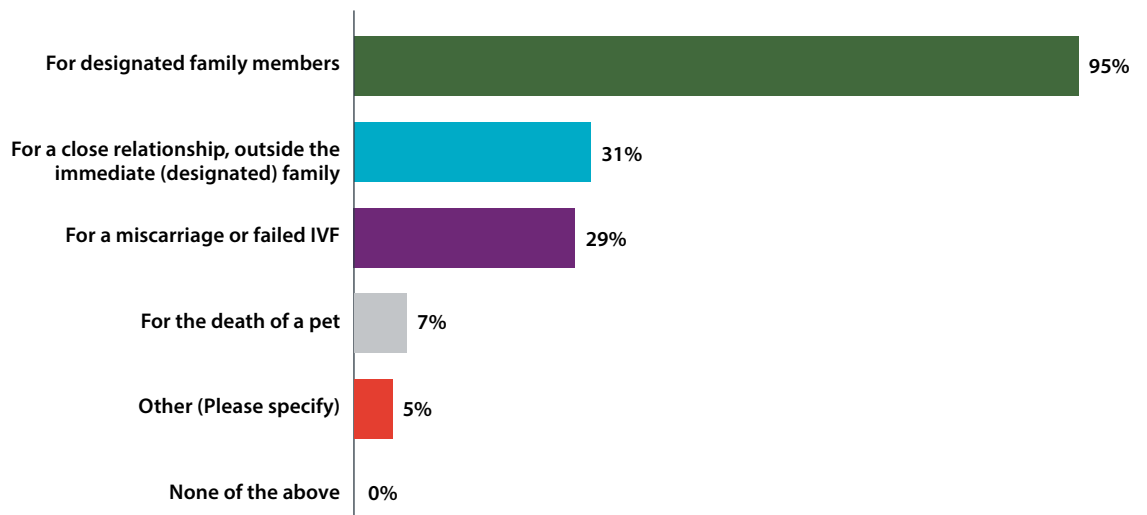
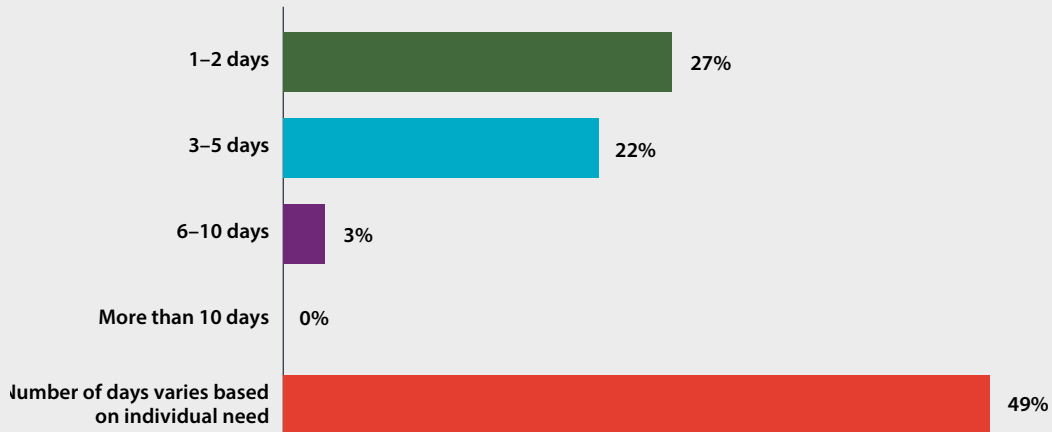


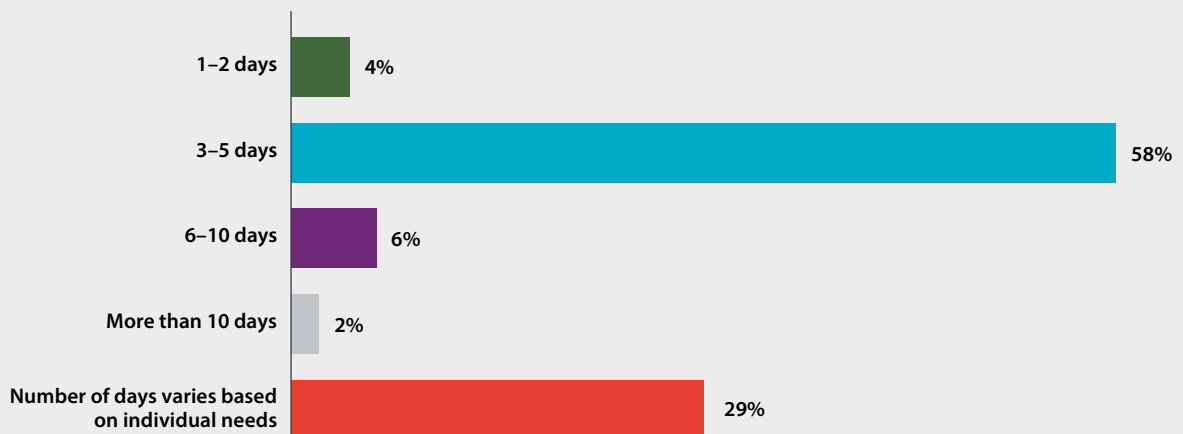
Figure 9.3:
Bereavement Days for Death of a Pet



The idea of case-by-case bereavement leave is concerning from both a compliance as well as an equity standpoint. In the death of a pet for example, nearly half of the surveyed employers are providing bereavement time off based on individual circumstances rather than following a standard policy. This approach, while well-intentioned, could lead to inconsistent application of benefits and potentially open the door to claims of favoritism or discrimination.

To a lesser degree, we also see this in bereavement time offered to mourn the loss of a pregnancy due to miscarriage or an unsuccessful in vitro fertilization attempt. Although recognizing an employee's need for time off in these heartbreaking situations is a step in the right direction, employers must again be cautious about implementing policies that could inadvertently lead to disparate treatment. A clear, standardized policy that acknowledges these deeply personal losses while ensuring consistent application across all employees is crucial to maintain both compassion and compliance in the workplace.

Figure 9.4:
Bereavement Days for Miscarriage/Failed IVF

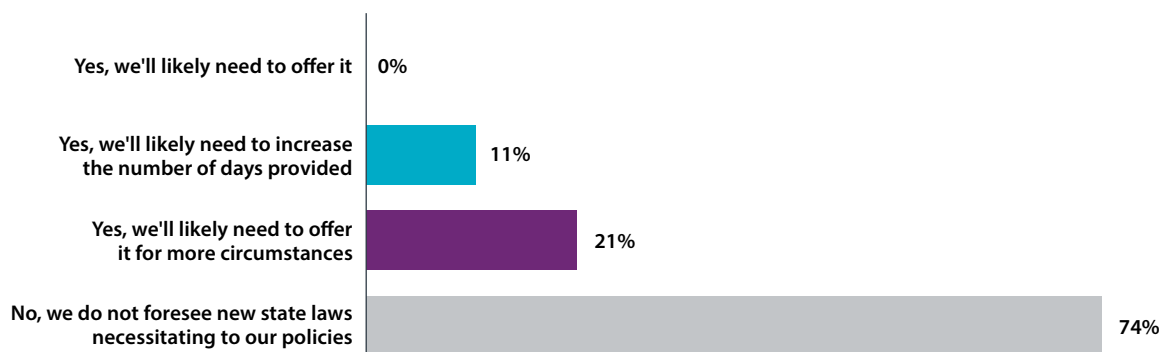




Looking to the future, some states are enacting bereavement leave laws designed to help avoid these pitfalls or expanding other paid leave laws. These changes make certain compliance demands on employers. As a result, about a quarter of survey respondents foresee a need to change their policies. These anticipated changes primarily involve expanding bereavement leave to cover more circumstances or increasing the number of days provided.

As businesses adapt to the changing landscape of bereavement leave, it's crucial that they strike a balance between compassion and compliance. While the intent to provide individualized support is admirable, employers must be cautious. Employers can encourage employees who need additional time to grieve to extend their leave through other time off provisions, allowing flexibility without creating policies that could lead to unintended disparities. Organizations should focus on developing comprehensive, clearly defined bereavement policies that can accommodate a wide range of circumstances.

Figure 9.5:
Anticipate Changes Due to State Law



Paid Time Off and Vacation Leave



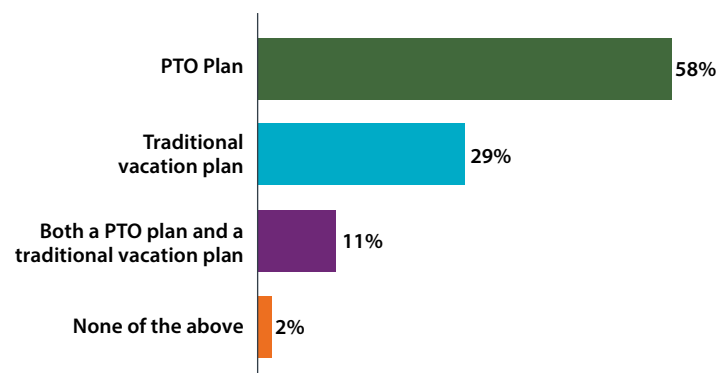
Paid time off (PTO) remains a valuable tool for employers aiming to attract and retain talent. Although the landscape of PTO policies continues to evolve, PTO-only plans remain more prevalent than traditional vacation-only plans.



Nearly two thirds of employers provide a PTO-only plan compared to a little less than one third offering a traditional vacation-only plan. Eleven percent offer both PTO and vacation plans. This underscores the continued prevalence of PTO plans in the workplace — although for multistate employers, traditional vacation and sick leave programs may be in place due to stringent state sick leave regulations.

For those employers using PTO, it's crucial to explore creating a holistic policy that incorporates vacation and sick leave regulations in accordance with the states in which they operate in, identifying outliers that may require special consideration. This approach ensures compliance with state mandated vacation and sick leave regulations while maintaining the flexibility that PTO offers.

Figure 10.1:
PTO/Vacation Benefit Structure



Among organizations with PTO plans, 64% use an anniversary date-based accrual, while 25% use a calendar year method. For vacation plans we see similar distributions with 72% using hire date-based accrual and 20% using the calendar year method. It's worth noting that the calendar year accrual method typically provides easier, more efficient administration of accruals. However, due to sick pay regulations, which typically accrue as of the date of hire, many employers opt for the anniversary date accrual method. When designing policies, both methods should be considered in accordance with an employer's compliance and administrative needs.

Figure 10.2:
PTO Accrual

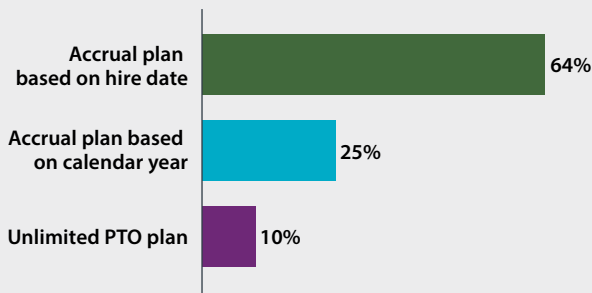


Figure 10.3:
Vacation Accrual

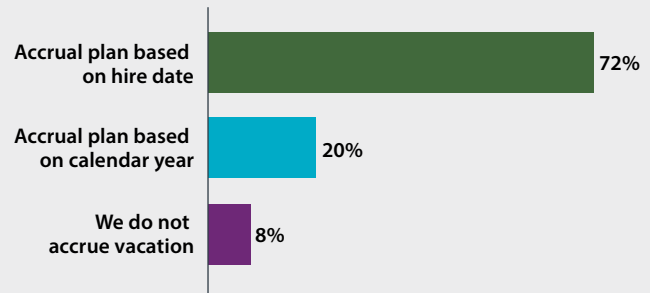


Figure 10.4:
PTO Eligibility

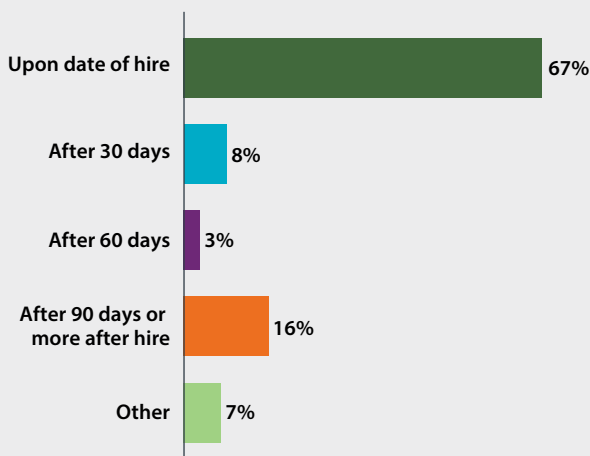
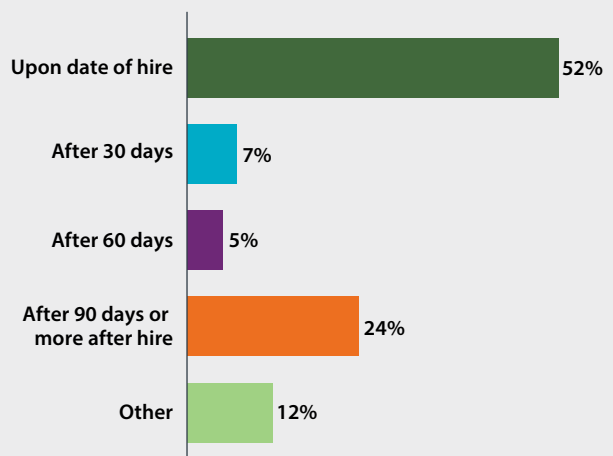


Figure 10.5:
Vacation Eligibility



Eligibility for PTO has become more generous year-over-year, with 67% of employers now offering PTO benefits effective on the date of hire, up from previous years. For vacation plans, 52% offer eligibility on the date of hire. This trend towards immediate eligibility could be partly due to the need to coordinate with state requirements on sick leave, particularly for multistate employers.

For first-year employees, just over half of employers offer 15 or more days of PTO, demonstrating a commitment to work-life balance from the start of employment. In contrast, for vacation plans, 42% offer six to 10 days, with only about a quarter offering 15 or more days to first-year employees. It's worth noting that some employers recognize the value of experienced new hires by offering them additional PTO or vacation time in their first year, with a small minority providing significantly more time off to experienced new hires than to average first-year employees.

Figure 10.6:
PTO for First Year Employees

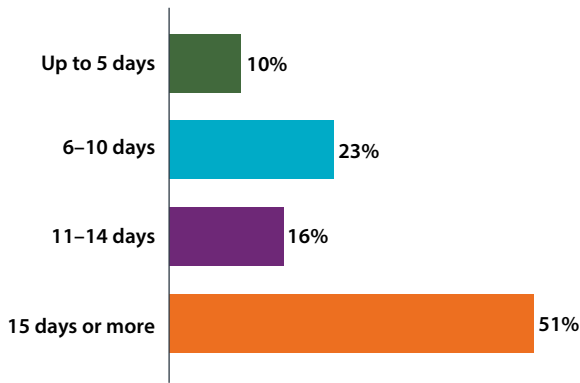


Figure 10.7:
Vacation for First Year Employees

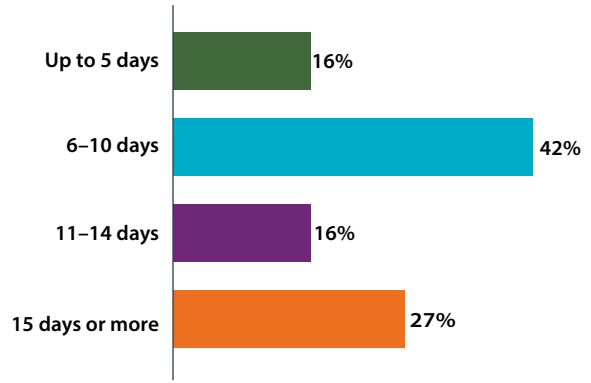


Figure 10.8:
More First Year PTO with Experience

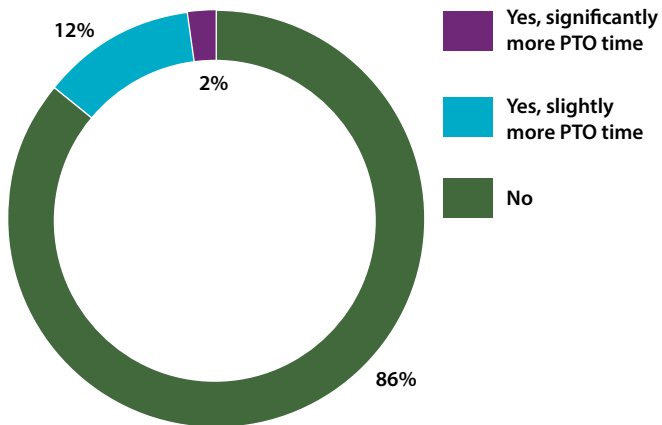
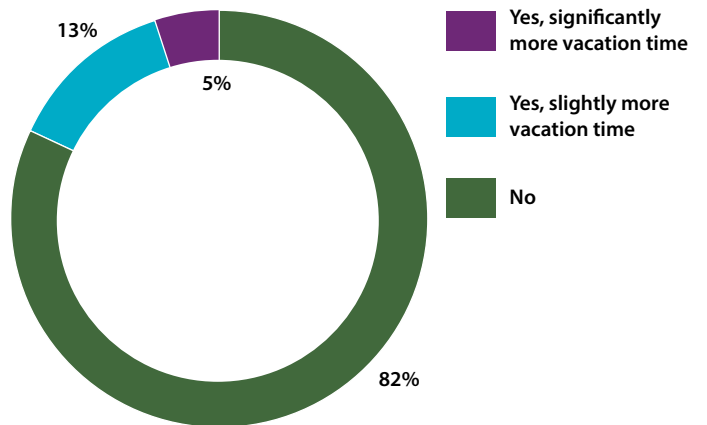


Figure 10.9:
More First Year Vacation with Experience



Regarding maximum allowances, PTO plans offer a mostly even distribution ranging from 21% to 27% across 10 to 20 days to as many as more than 30 days. For vacation plans, we see a more centralized approach with about 62% offering between 20 and 25 days.

Figure 10.10:
PTO Maximum Days

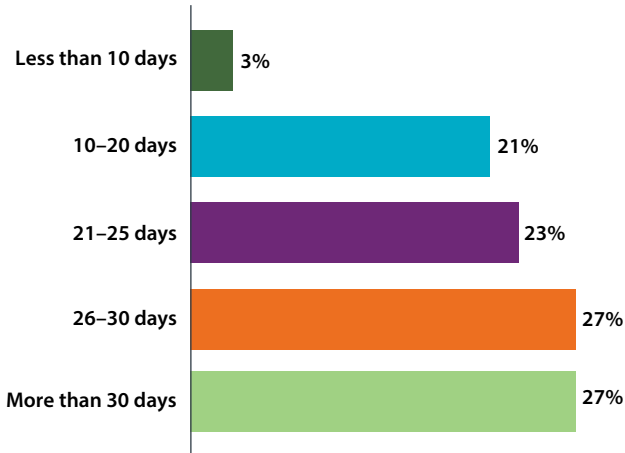
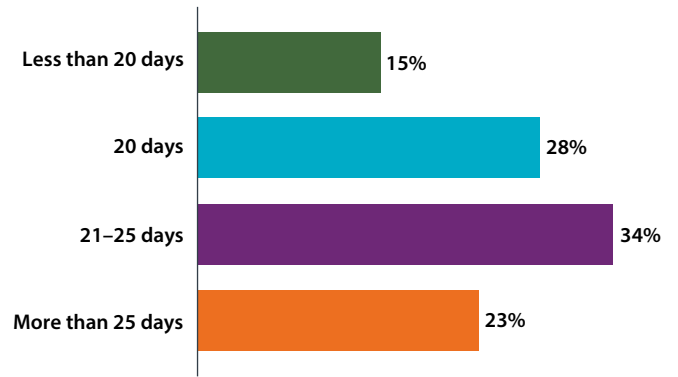


Figure 10.11:
Vacation Maximum Days



Best practice is to treat exempt and non-exempt employees the same in terms of PTO/vacation allowance, which is reflected in our survey results. For PTO plans, 75% of employers offer the same amount to exempt and non-exempt employees. Similarly, for vacation plans, 78% offer equal time to exempt and non-exempt employees. This approach promotes fairness and further simplifies administration.

Figure 10.12:
PTO Exempt vs. Non-Exempt

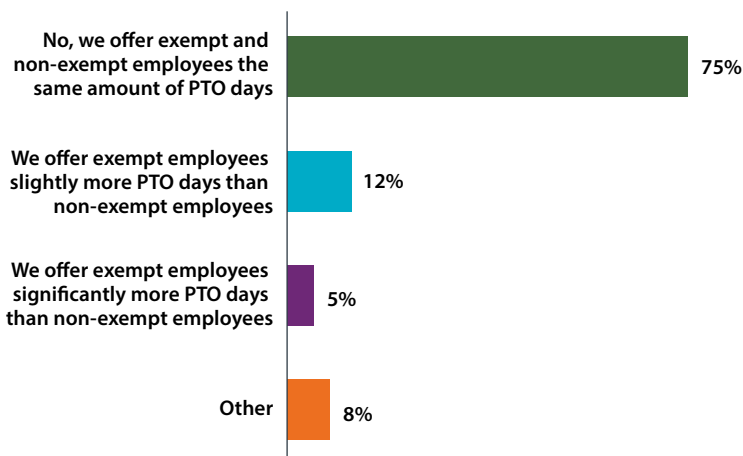
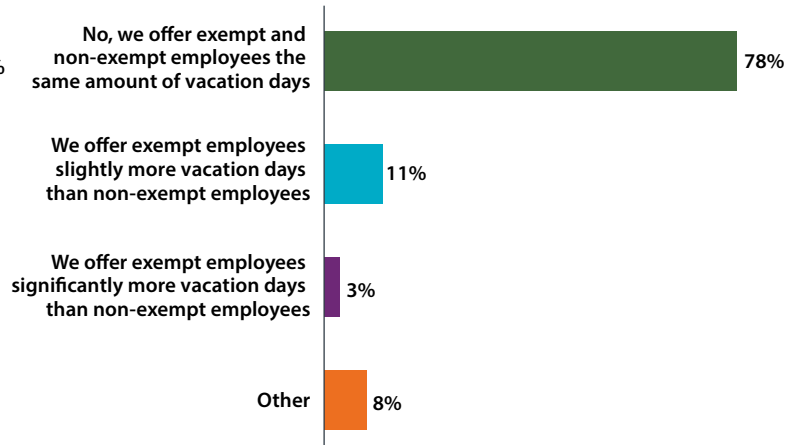


Figure 10.13:
Vacation Exempt vs. Non-Exempt



Most organizations maintain parity between executive and core staff PTO/vacation allowances. For PTO plans, 69% offer the same amount to executive and core staff. For vacation plans, 70% provide the same for executive and core staff.

Figure 10.14:
PTO Executive vs. Core Staff

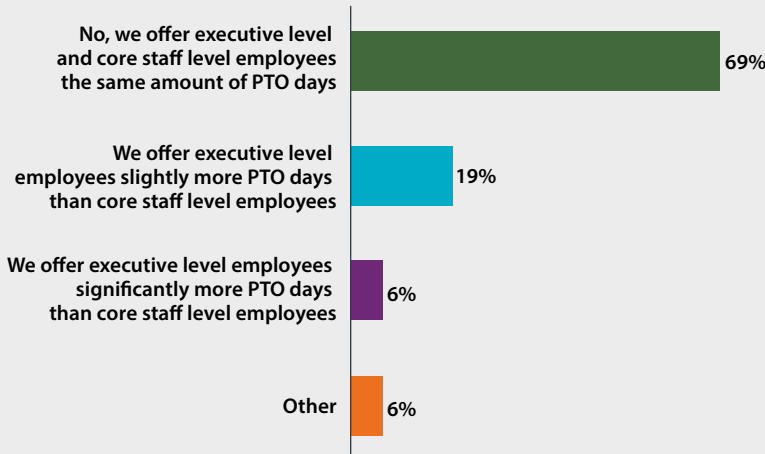
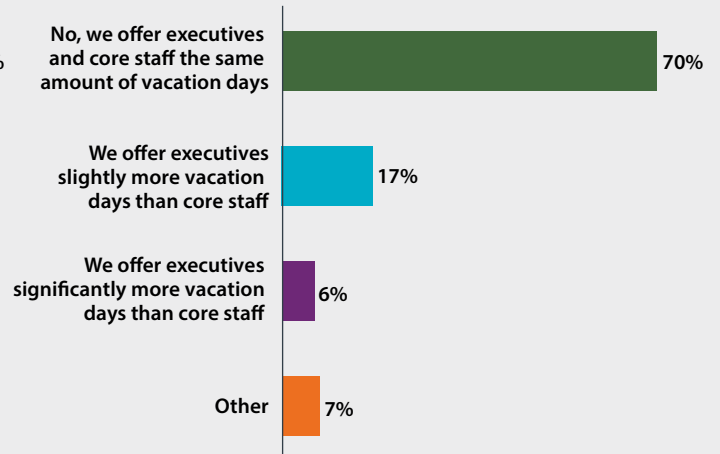


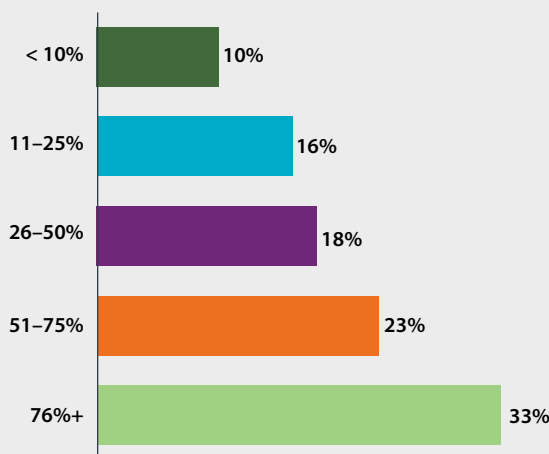
Figure 10.15:
Vacation Executive vs. Core Staff



Despite generous offerings, not all employees are using their full allotment of time off. For organizations with traditional vacation plans, only 32% reported that most of their employees (76% or more) use all their allotted vacation days. This underutilization is a concern for many employers, as it can lead to burnout and decreased productivity as well as increased carryover liabilities. Managers should encourage employees to use their time off programs to relax, refresh and recharge. Taking personal time off fosters employee well-being and results in more productive and engaged employees.

Ultimately, for employers offering PTO/vacation policies, it's crucial to ensure that their plans comply with state-specific requirements. This may involve adjusting waiting periods, ensuring adequate accrual rates, or allowing for the rollover of a certain number of hours each year. Multistate employers often find it beneficial to identify outlier states with more stringent requirements and consider separate policies for those jurisdictions.

Figure 10.16:
Percentage of Employees Who Exhaust Vacation Time

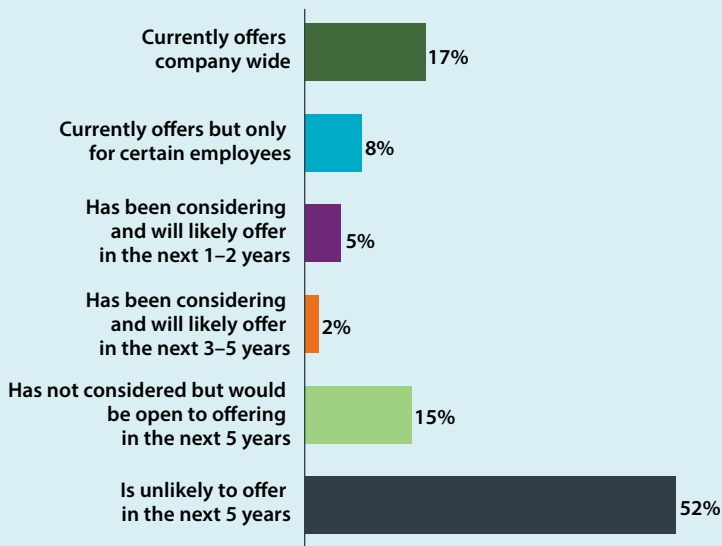


Four-Day Weeks and Summer Fridays:

Balancing Productivity and Employee Satisfaction

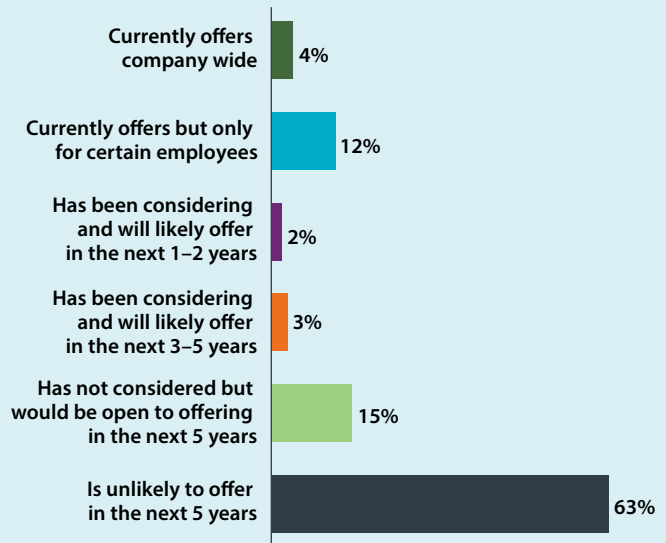
Four-day work weeks and summer Friday hours are gaining attention as innovative approaches to work-life balance. These arrangements offer several benefits, including increased employee satisfaction and morale, improved work-life balance, potential for increased productivity during work hours and reduced overhead costs for employers. They can also serve as attractive perks for recruitment and retention efforts. However, these schedules are not without challenges.

Figure 10.17:
Summer Friday Hours



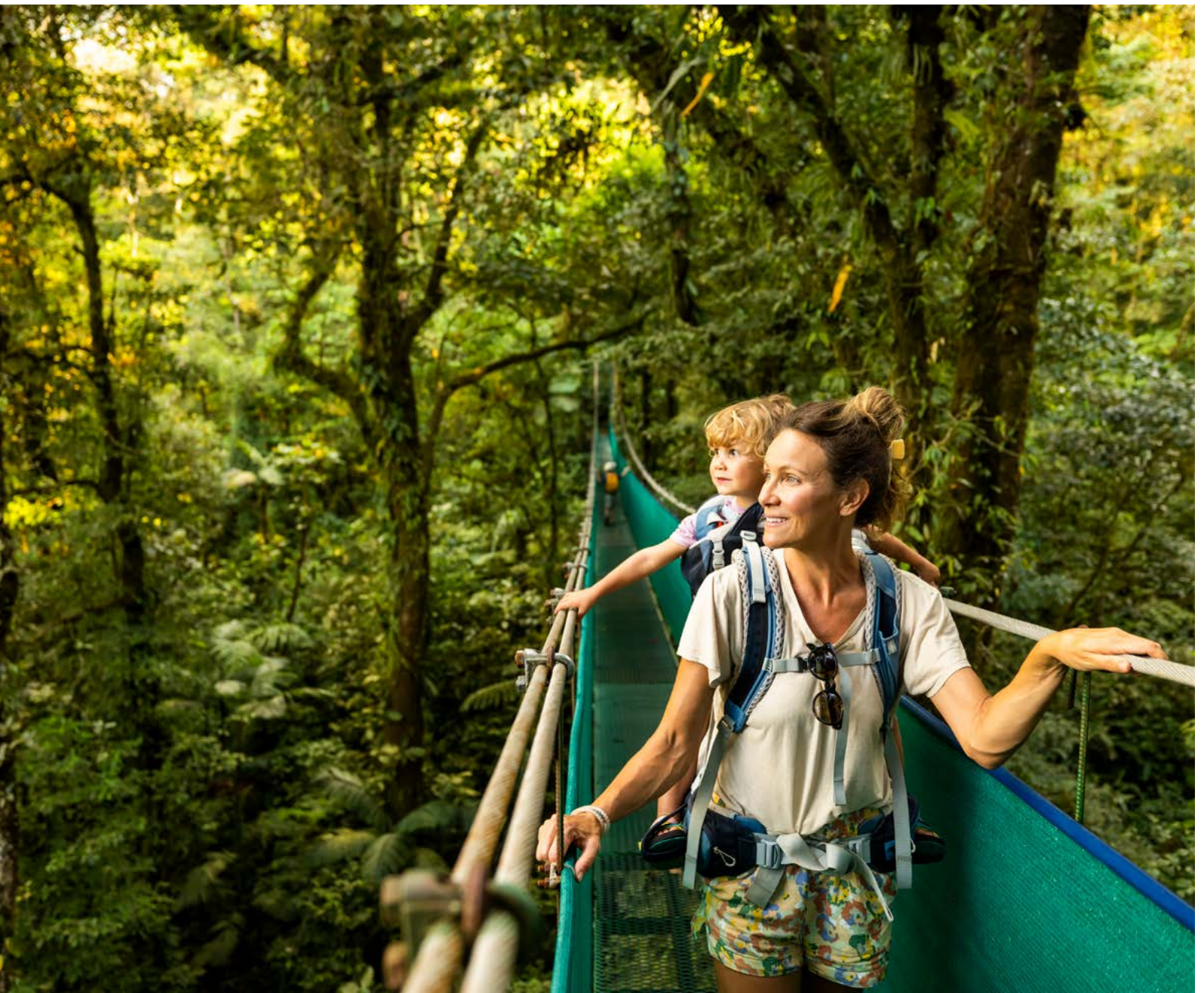
About an even split among employers regarding summer Friday hours, with approximately half of respondents either currently offering or open to offering this benefit, while the other half are unlikely to implement it.

Figure 10.18:
Four-Day Work Week



Nearly two-thirds (63%) of respondents are unlikely to implement a four-day work week.

Employers may face difficulties in customer service coverage, coordination of schedules across teams or with clients, and potential perceptions of reduced availability. If a four-day work week is implemented, there's also likely to be an initial adjustment period for workflow and processes. Despite these challenges, employers might consider these options to boost employee engagement and retention, differentiate themselves in a competitive job market, promote a culture of trust and flexibility, and address burnout while improving overall well-being.



While not suitable for all industries or roles, these arrangements can be powerful tools for enhancing employee experience when implemented thoughtfully, balancing the needs of the business with the interests of the workforce.

Holidays



The vast majority of employers continue to offer paid holidays to workers, recognizing the importance of providing time off for nationally observed dates.



The foundational holidays remain consistent, with New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day offered by approximately 96% to 98% of companies surveyed.

However, we're seeing growth in offerings for other significant days. For instance, there's been a 9% increase in providing the day after Thanksgiving as a paid holiday — now offered by 72% of employers.

Juneteenth recognition continues to grow, with 44% of employers now offering it as a paid holiday. This upward trend reflects an increasing awareness of its cultural and historical significance in the workplace.

Figure 11.1:
National Holidays Offered

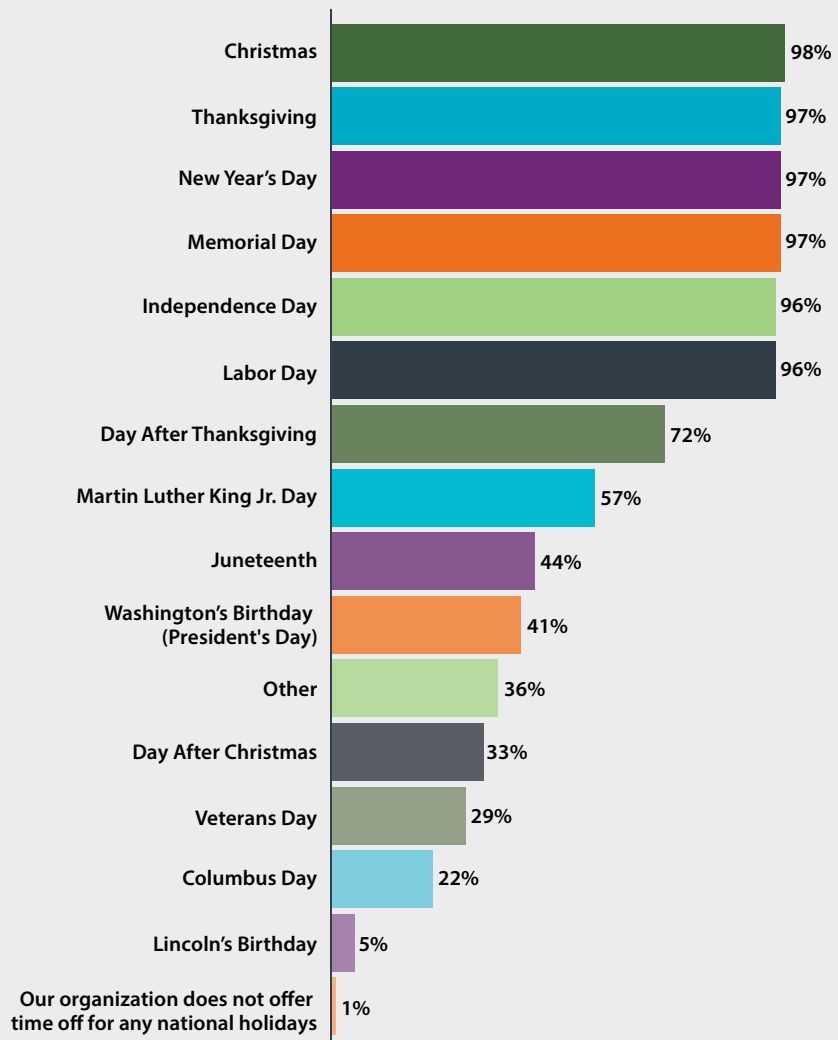
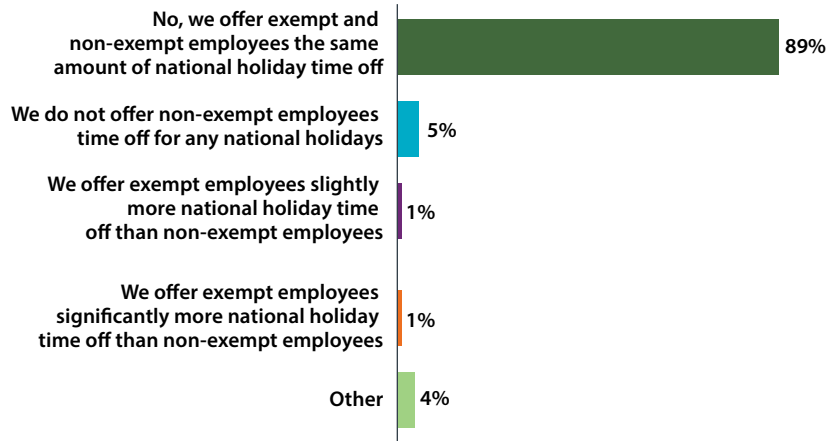


Figure 11.2:
Holiday Schedule Exempt vs. Non-Exempt



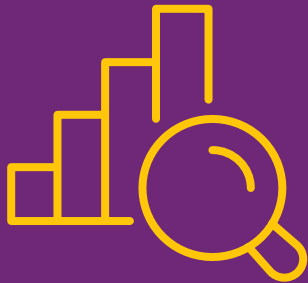
Equity in holiday benefits remains a priority, with 89% of companies offering the same paid time off for holidays to both exempt and non-exempt employees. For non-exempt employees working, practices vary. Of employers with non-exempt workers, 19% offer employees regular pay for work on holidays, while 28% offer premium pay (either 1.5 or 2 times their regular rate).

As workplace demographics evolve, employers are adapting their holiday policies to meet diverse needs. Regular review and adjustment of holiday offerings can help ensure that time off aligns with what’s most meaningful to employees while balancing business needs.

Figure 11.3:
Holiday Pay for Non-Exempt



Employer Perceptions



As HR leaders and decision-makers review their company policies, it's crucial to candidly assess whether the organization's leave offerings are truly effective in attracting and retaining top talent. Our recent survey reveals significant insights into employer perceptions and the evolving landscape of leave management.

One notable trend is the increasing ease of leave management due to technology and leave vendors. Seventy-one percent of respondents agree that their leave benefits are easy to manage, indicating that technological advancements are streamlining administrative processes.

The survey reveals a split in opinions regarding the impact of leave policies on talent retention. While about 60% of employers believe their leave benefits are influential in retaining talent, 40% do not share this confidence. Given the many benefits of time off policies, organizations have an opportunity to leverage these programs more effectively for talent retention.

Figure 12.1:
Leave Benefits/Policies Are Easy to Manage

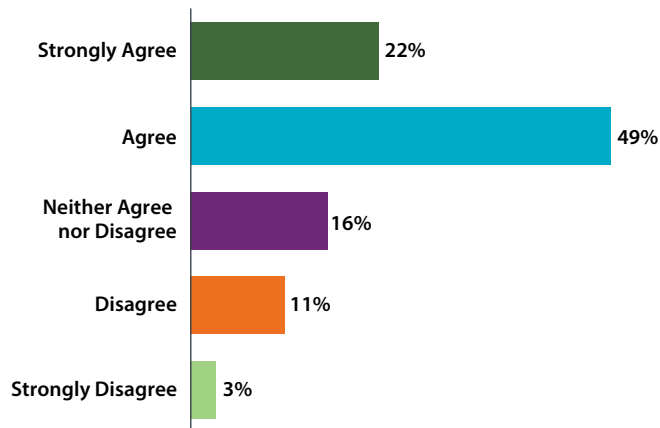
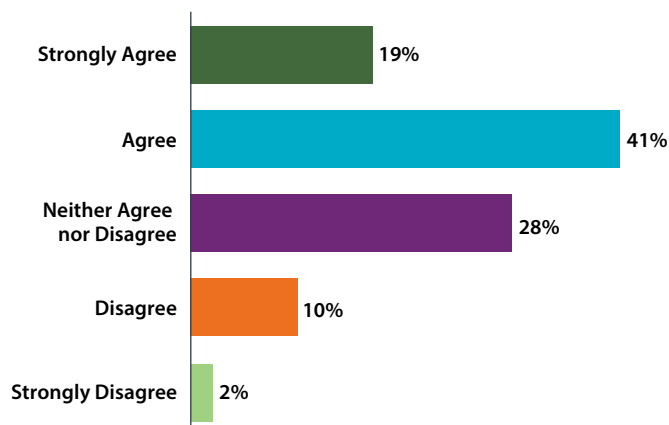


Figure 12.2:
Leave Benefits/Policies Retain Talent



Effective leave management policies can play a crucial role in retaining talent through several key mechanisms. A generous and comprehensive leave program promotes a healthy work-life balance. This not only demonstrates an organization's commitment to employees' well-being but also fosters loyalty and engagement, leading to higher morale and job satisfaction. Additionally, adequate time off allows employees to recharge, reducing stress and improving productivity upon their return. The change in workforce dynamics over the past few years has brought the personal needs of employees to the forefront. Employers of choice meet these needs with innovative and flexible leave offerings. These employers understand the connection between meeting an employee's personal needs and productivity and engagement in the workplace.

In maximizing these benefits, companies can create comprehensive and generous leave programs. These should include clear processes, supportive management and efficient administration, often leveraging automation. Implementing and effectively communicating such strategies can transform leave policies into powerful tools for employee satisfaction and retention.

Figure 12.3:
Leave Benefits/Policies Are Generous

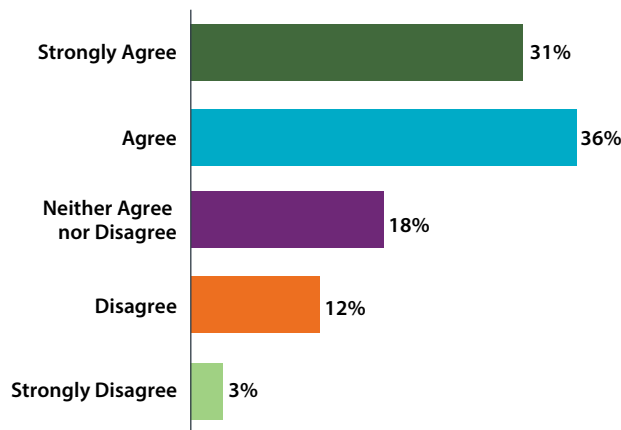
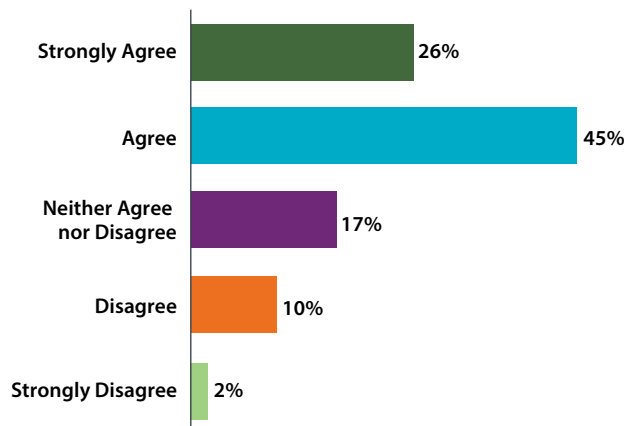


Figure 12.4:
Leave Benefits/Policies Are Competitive



Although 71% of employers report that their policies are competitive in the market-place, about a third of employers do not believe that their leave benefits are generous. This is a significant opportunity for organizations to differentiate themselves in the talent market by enhancing their leave policies and effectively communicating their value to current and prospective employees.

Central to realizing this opportunity is the effective communication of time away from work offerings. Organizations must ensure that employees not only understand their leave policies but also appreciate their value. While 77% of employers believe their communications about leave policies are easy to understand, only 68% think their employees have a good grasp of these offerings. This discrepancy highlights the need for more effective communication strategies that not only convey policy details but also emphasize the value and advantages these benefits provide to employees.

By bridging this communication gap, companies can enhance employee awareness and appreciation of their leave benefits, potentially improving both utilization and perceived value. This, in turn, can contribute to greater employee satisfaction and strengthen the role of leave offerings in attracting and retaining top talent.

Figure 12.5:
Ease of Understanding
Leave Communications

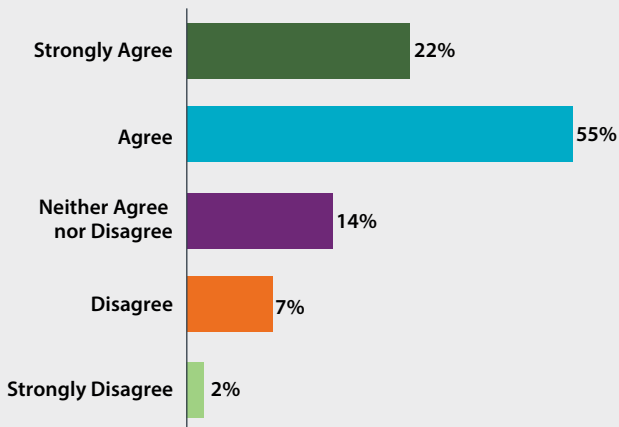
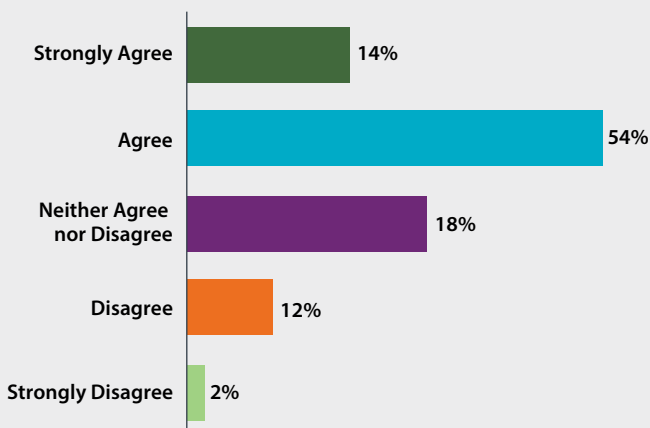


Figure 12.6:
Employee Understanding of Leave Benefits



Decision-makers have identified several key areas where leave offerings need enhancement.

Outside of PTO and vacation leave, parental leave remains the top priority for improvement among decision-makers, reflecting an ongoing focus on supporting employees with family responsibilities.

Maternity leave is another area gaining attention, with 50% of decision-makers seeing the need for richer maternity leave benefits. This represents a small but notable increase from 44% last year, supporting a trend towards more comprehensive support for new mothers in the workplace.

Figure 12.7:
Decision-Maker Beliefs
About Richer Benefits

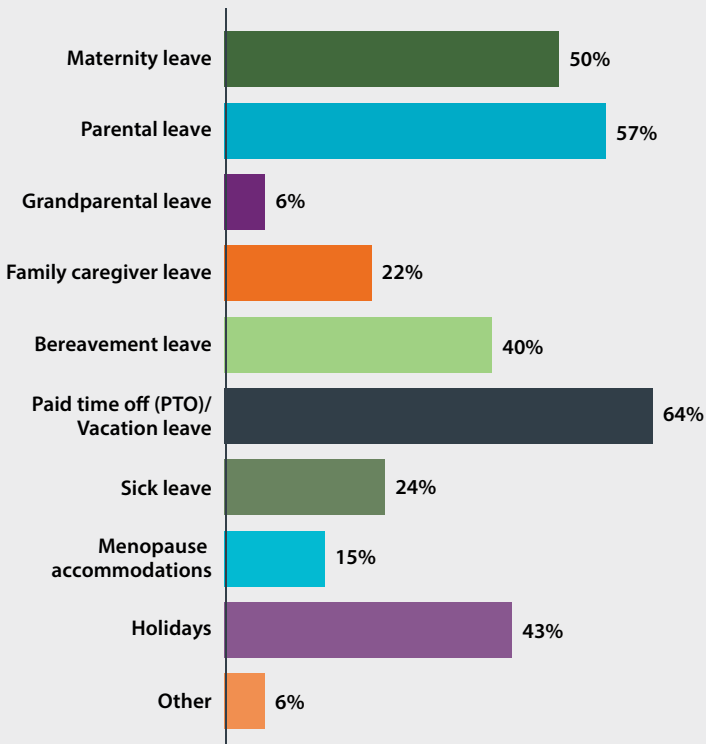
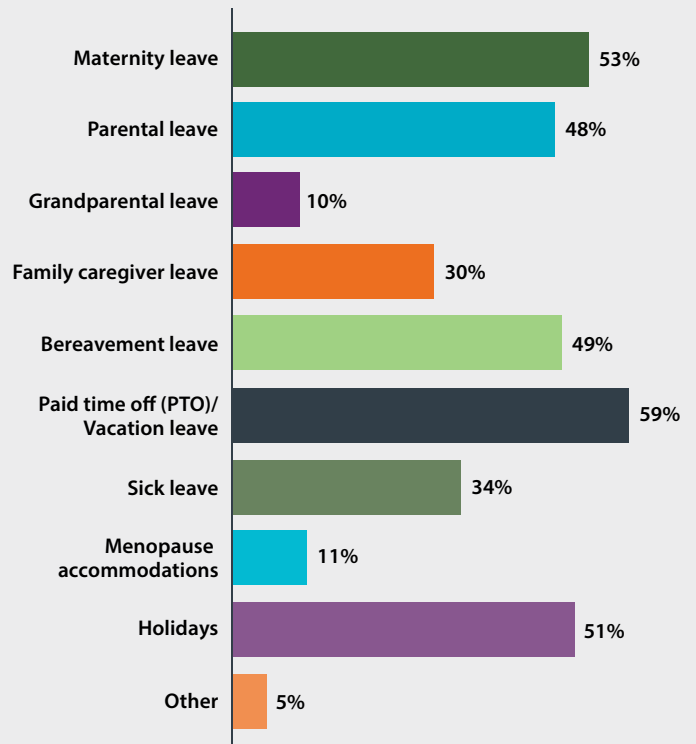


Figure 12.8:
Observed Employee Beliefs
About Richer Benefits



Interestingly, the perceived importance of increasing paid sick leave has dropped significantly, from 43% last year to 34% this year. This decrease likely reflects the implementation of more generous state sick pay regulations mandating richer sick pay benefits overall. As a result, many employers likely feel their sick leave policies are already meeting or exceeding requirements.

Understanding employee perspectives is just as crucial for effective leave management.

Maternity leave emerges as a priority for both employers and employees. Fifty-three percent of employees desire enhancements in maternity leave benefits, a slight increase from 50% last year. This aligns with the growing emphasis placed on maternity leave by decision-makers, suggesting a shared recognition of its importance.

Perhaps more notably, employers report that employee perception of PTO and vacation benefits has improved over the past year. In last year's survey, a substantial 73% of employers indicated that employees wanted more generous PTO/vacation time. However, this year's results reveal a significant positive shift, with only 59% of employers reporting the same sentiment. This 14 percentage point decrease suggests that employees are becoming more satisfied with their PTO and vacation offerings.

This change is encouraging, as it indicates that recent adjustments to time off policies or improved communication about existing benefits may be having a positive impact on employee satisfaction.

That said, employers also emphasize an employee desire for increases in other areas of leave offerings. Holidays rank high on the list, with 51% of employers reporting that employees desire more holiday time. Parental leave is another significant concern, with 48% of employers noting that their workforce would like improvements in this area. This aligns closely with the priority given to parental leave by decision-makers.

These figures underscore the importance of aligning leave policies with employee preferences to enhance satisfaction and retention. By addressing these priorities, organizations can create more comprehensive and appealing leave packages that better meet the diverse needs of their workforce.

Moving Forward

The data and trends presented in this report underscore the importance of adaptable, comprehensive time off policies in attracting and retaining top talent. As we look to the future, it remains evident that leave management will continue to play a crucial role in shaping employee experiences and organizational success.

Employers who view their leave policies as strategic assets – rather than mere compliance requirements – will be better positioned to create workplaces that truly support and engage their employees. NFP remains committed to providing the insights and expertise needed to navigate these evolving trends. By leveraging data-driven strategies and maintaining a human-centric approach, we aim to help organizations create leave management policies that not only meet regulatory standards but also reflect the values of empathy, inclusivity and respect for individual needs.

In the year ahead, we encourage employers to use this report as a springboard for meaningful discussions about their leave management strategies. By aligning these policies with both business objectives and employee expectations, organizations can create a more resilient, engaged and productive workforce. We look forward to partnering with you on this journey, helping you design and implement leave policies that are not just competitive, but truly transformative in their impact on employee well-being and organizational success.

About the Data

The 2025 NFP US Leave Management and HR Trend Report draws on data from NFP's 2024 leave management policies and practices benchmarking survey, conducted by Empatix. NFP surveyed 620 respondents with decision-making authority or input regarding organizational leave management policy. Respondents were located across the US, with 77% of employer respondents having fewer than 500 employees.

Any other sources are as referenced throughout.

For full information on the methodology for each NFP survey, contact marketing@nfp.com.

About the Author

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Maria leads NFP's national HR consulting practice and offers clients strategic HR guidance to create solutions that exemplify an organization's culture and values. Her expertise is in the areas of leave management, compliance, HR audits and strategic organizational development, and she has extensive expertise in assisting start-ups with creating a solid HR infrastructure to accommodate rapid growth and expansion.

With 30 years of human resources experience working in various industries, Maria holds a Senior Certified Professional designation from the Society of Human Resources Management (SHRM) and a Leave Management Specialist certification from Disability Management Employer Coalition (DMEC). Maria has been a professional member of SHRM and the National Association of Female Executives since 1998. Having extensive practice in the corporate benefits market, Maria also holds a New York state insurance license for Health, Life and Accident Insurance.

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