

insights from  
the experts

# 2024 NFP US Leave Management and HR Trend Report





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# Introduction

***NFP is honored to present our second annual US Leave Management and HR Trends Report. In this year's report, we will provide you with insight into the latest HR trends and real-time data on what other organizations are offering as part of their total reward strategy.***

Conducting competitive benchmarking of total rewards components yields important insights that inform strategic investments aimed at engaging, acquiring and retaining premier talent.

With the ever-growing need to customize solutions to fit worker demands, employers are interested in benchmarking other companies' benefits packages and policies to better inform their strategic decisions for the coming year.



## Key Takeaways

**25%** of employers see a need to change their bereavement policy because of state laws.

**22%** of those surveyed are somewhat or very likely to leverage AI to manage/monitor employee leave.

**26%** of employers have already changed or plan to change their drug-testing policies within the next 3 years due to **cannabis laws**.

**29%** of employers surveyed offer caregiver leave.

**32%** of employers still keep **maternity leave** separate from short-term disability.



# HR Trends





## Navigating AI's Transformative Impact on HR and Leave Management

The rapid emergence of AI demands the attention of organizational leaders in all sectors. To stay at the forefront of their respective industries, companies must adapt and harness these technological advances.

Within HR, AI can enable unprecedented workforce insights and efficiencies through automation and analytics. For key HR functions like leave management, AI can unlock a new world of data-driven strategy designed to streamline processes and elevate the employee experience. However, realizing AI's full potential requires a strategic commitment to innovation and a comprehensive understanding of how it can be seamlessly integrated into existing HR systems and processes.

The reward for such an effort is a modernized HR operation that can rapidly tailor programs to the ever-evolving needs of today's workforce. Organizations that effectively embrace AI's HR transformation will gain a sustained competitive edge in the form and function of HR as well as in employee retention and attraction efforts.

### PTO

HR teams increasingly leverage AI to gain valuable insights from PTO data. Given the power of advanced analytics to examine PTO behaviors and trends, organizations with the right tools can identify usage patterns across different departments, roles and demographics to make better-informed decisions. This not only frees up resources to advance strategic work instead of tediously compiling utilization data, but it can also guide revisions to existing policies and uncover a more personalized and tailored approach to time off.

These AI-generated insights allow organizations to optimize PTO policies and scheduling with greater efficiency. This is important when considering that HR professionals are typically overworked and often understaffed. Coupled with the rate of change in HR's role over the last several years, HR professionals are finding it increasingly challenging to manage the complex task of PTO administration manually.

With AI gathering usage insights across demographics, HR can focus on more pressing and relevant tasks like personalization. Once PTO trends and behaviors are identified, employers can use this information to craft policies and communication targeted to different groups' needs. The implementation of these enhanced policies has the further potential to nurture a workplace culture that appreciates and caters to workers' varied preferences and time off requirements.

With the right amount of tooling, this data can also be used to better understand trends of diverse work groups and inform programs customized for employees' evolving work-life priorities. It can even assess and identify the ideal length and breadth of communications related to PTO to increase engagement and facilitate more effective interactions between employees and HR teams.

From a workflow perspective, predictive algorithms can help model the impact of changes like additional vacation days or flexible work arrangements and give teams insights to minimize disruption. In understanding these PTO trends, HR can work to

***With AI gathering usage insights across demographics, HR can focus on more pressing and relevant tasks like personalization to craft policies and communication targeted to different groups' needs.***



***Ultimately, generative AI and automation can transform leave management from an administrative burden to a strategic advantage.***

improve work-life balance, reduce burnout and boost employee satisfaction. They can also pinpoint engagement issues and target communications to specific groups.

Overall, AI delivers previously inaccessible PTO insights that facilitate better benefits design. Busy HR staff can rely on algorithms to evaluate programs and guide improvements for happier, more productive employees, ultimately improving retention and attracting new talent.

## **Advantages of Leave Management Automation**

Leveraging AI to automate leave management processes and elevate the employee and manager experience is gaining traction amongst HR teams. Much like AI-powered analytics, automating routine administrative tasks like status updates, compliance checks and report generation enables HR staff to focus on more strategic initiatives that drive innovation.

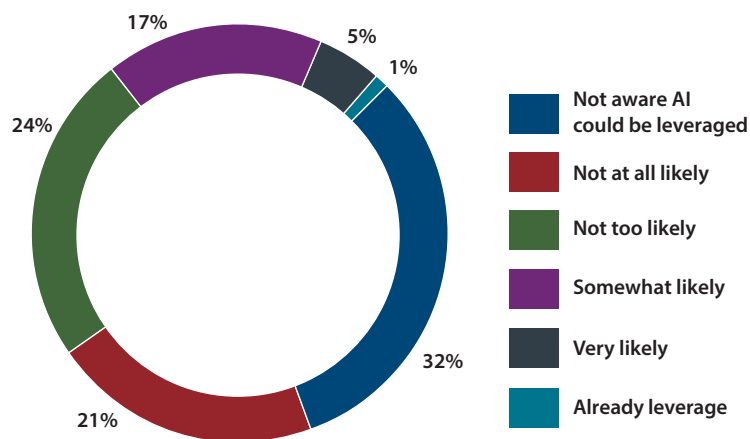
One key benefit of the shift towards automation is the enhancement of transparency. Through a holistic lens, AI-driven leave management systems can provide comprehensive reports on various aspects, including special condition leave policies, the status of leave requests, the schedule of employees on leave and trends in leave usage. By automating the intake and updating of leave-related data, companies can vastly improve coordination between managers, employees and the HR department, helping to address misunderstandings and confusion regarding leave policies. Furthermore, this automated approach prevents project delays due to absenteeism, allowing for a more efficient allocation of time and resources.

In addition, automation in leave management significantly enhances the employee experience. With automation, leave requests can be processed more promptly, eliminating delays that could lead to employee frustration. This enhanced experience is particularly vital in today's remote and hybrid work models, where technology is indispensable for maintaining productivity and performance, and personalization reigns supreme.

As organizations continue to evolve, leveraging automation and AI in leave management not only ensures streamlined processes but also contributes to employee retention through a more robust and efficient total rewards system, one that allows employees to make the most of their bandwidth and offers a seamless experience.

Ultimately, generative AI and automation can transform leave management from an administrative burden to a strategic advantage. As algorithms handle tedious-but-essential coordination and compliance processes, HR staff can expend resources in ways that uniquely support organizational objectives and employee well-being. Given that generative AI and automation don't strictly rely on an employee's capacity, they can also help strained HR teams do more with less and significantly boost efficiency across various HR functions.

**Figure 1:**  
Likelihood to Use AI to Manage/Monitor Employee Leave







## PTO Policies in the World of Remote Work

The popularity of hybrid and remote jobs continues to proliferate across all industries as employee demand for flexible work arrangements stays strong. By some estimates, as many as three quarters of employees would seek a new job if their current employer got rid of their flexible work options.<sup>1</sup>

This number varies depending on the data source, but one thing is clear. Whether it's to care for a child or an elderly parent or simply because the flexibility of remote work allows more freedom over schedules, employees have adapted to working remotely, and they are reluctant to give it up.

***Remote workers often face challenges due to the absence of well-defined boundaries and the continuous balancing act between their professional and personal lives.***



***PTO policies should remain consistent for all, without any reduction in benefits for remote workers.***

According to FinMasters, nearly a third of working hours in the US are spent working from home, confirming remote employees remain a workforce fixture.<sup>2</sup> Some employers have actually created a fully remote workforce organization which has its own advantages and disadvantages. Setting aside the ongoing debate on whether remote and hybrid work hinders or enhances productivity, it's proven a viable model with many competitive advantages.

For employers, this means expanded talent acquisition reach, improved retention, cost savings from reduced real estate needs, greater loyalty and reduced absenteeism, to name a few. It further positions organizations to cultivate a diverse team with differing personalities and backgrounds that can be more capable of novel and innovative solutions. According to a 2022 study by McKinsey, 87% of workers offered at least some remote work embraced the opportunity and spent an average of three days a week working from home.<sup>3</sup> Given this level of sustained interest, savvy employers can harness all of these advantages to advance their strategic goals.

For many employees, the primary advantage of remote work is the ability to work flexibly, for example, to adjust working hours based on personal needs, obligations and preferences.<sup>4</sup> Having this level of flexibility can positively impact an employee's mental health, improve their focus and ultimately contribute to greater job satisfaction. It empowers employees to tailor their work environment and schedule to better align with their lifestyles, fostering a sense of autonomy and work-life balance that can lead to overall well-being and enhanced job performance.

However, remote workers often face challenges due to the absence of well-defined boundaries and the continuous balancing act between their professional and personal lives. For some employees, working beyond established hours can result in burnout and significant disruptions to one's work-life balance. For others, round-the-clock connectivity can erode the separation between professional and personal time, making it challenging to recharge and enjoy quality time. For Maria Trapenasso, National Practice Leader for NFP's Human Capital Solutions, this presents an opportunity for greater workplace communication. "The challenges workers are facing make it imperative that employers create compassionate channels of communication," says Trapenasso, "This is especially true for remote workers. No matter the situation, employees need to feel safe to bring up their concerns and struggles."





## Establishing PTO Allotment and Approval Processes

Establishing effective strategies and clear boundaries to manage work schedules has become paramount for maintaining both productivity and overall well-being in a remote work environment. To support this, HR teams should continue collaborating with managers and employees to establish comprehensive guidelines and policies that address the unique challenges of remote work, like working hours, communication norms and the importance of regular breaks. Furthermore, these guidelines should involve PTO policies and reconcile flexible remote work routines with structured PTO allotment and approval processes.

Throughout this, it is crucial for HR teams responsible for managing PTO policies to uphold a sense of equality and fairness among all employees, regardless of whether they work remotely or in-office. This means that PTO policies should remain consistent for all, without any reduction in benefits for remote workers. Once the policy is established, it's essential to encourage remote employees to utilize their PTO. Remember that they often find distinguishing between work and personal time challenging, given that they operate from the same physical space for most of the day. The convenience of remote work can sometimes lead to work extending into the evening hours and across the weekends. This means that managers need to remind and encourage them to take time off, not only for vacations but also for rest and relaxation, to ensure they can recharge effectively.

Consider establishing "hours of operation" that clearly define when employees must be available to engage with clients or carry out critical operational tasks. This ensures a structure that aligns with the organization's needs while providing clarity for remote workers who are unsure when they're off the clock.

As managers play a crucial role in overseeing the well-being of their remote teams, regular communication with remote employees should be the norm so they can help gauge their workload. In addition, managers should be well-trained to identify signs of burnout and ensure their team members are not overworked. This proactive approach to management can help maintain a healthy work-life balance for remote employees and keep projects on track.

## Humans at Work

From the C-suite, through leadership and down to the rank-and-file employee, we're all just humans at work. Recognizing our shared humanity is the foundation upon which empathy, understanding and collaboration can thrive in our workplace, leading to a more harmonious and productive environment for everyone.

Part and parcel of a productive working environment is time away from work and the recognition that rest and relaxation are essential. Above all, HR teams should actively remind all employees, especially remote workers, to take advantage of their PTO benefits to refresh and recharge so that when they return to their tasks, they do so ready and at their best.

Strong PTO policies ultimately benefit the entire organization by emphasizing the importance of self-care and prioritizing employees' well-being, resulting in higher morale, increased job satisfaction and a more resilient, engaged and productive workforce.

***87% of workers offered at least some remote work embraced the opportunity and spent an average of three days a week working from home.***

McKINSEY, 2022

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## Workplace Drug Testing and the Age of Legal Cannabis

Employers face growing complications in establishing clear drug testing policies that adhere to differing state-by-state cannabis laws.

Although still illegal at the federal level, medical and recreational marijuana access continues to exist across the nation. According to the National Conference of State Legislators, as of June 2023, recreational use of the drug has been approved in twenty-three states and the District of Columbia, while medical marijuana is legal in thirty-eight states.<sup>1</sup>

***Employers will have to continue adapting drug screening programs to balance talent acquisition goals with legal risks.***

For multistate employers, this is a conundrum. Reconciling this patchwork of cannabis regulations across the country is creating a compliance headache for HR policymakers involved in employee drug screening. Coupled with the challenge of finding talented, dependable employees who can test negative on a marijuana screen, a significant number of companies are electing to forgo pre-employment testing for cannabis altogether rather than attempting to navigate a complex web of statutes.

Until there is some degree of clarity at the federal level, employers will have to continue adapting drug screening programs to balance talent acquisition goals with legal risks and uncertainties unique to each jurisdiction.

### Balancing Workplace Safety & Recruitment

Workplace safety concerns are forcing employers to make difficult decisions. While expanding legalization creates pressure to remove cannabis from screening altogether, employers must uphold dutiful safety standards. In many cases, opting out of drug testing could be considered negligent if an impaired employee causes an incident and injuries. However, testing for cannabis can also lead to losing qualified talent in a challenging hiring market.

To balance safety with recruitment goals, employers are turning to approaches like impairment testing for reasonable suspicion rather than blanket drug testing. However, a major challenge is the lack of scientifically objective methods to measure marijuana impairment.<sup>2</sup> While current tests can detect cannabis metabolites and prove previous use, they cannot accurately identify intoxication or cognitive impairment in real-time. Unlike alcohol, valid standardized measures of active marijuana impairment do not exist. This gap in testing capabilities effectively hinders employers' ability to judiciously discern and address cannabis-related occupational risks.<sup>3</sup>

Though impairment testing limitations persist, well-defined policies can help mitigate workplace cannabis risks. Companies should institute clear prohibitions on marijuana use during working hours, enforced through policy language similar to alcohol restrictions. In states with legal recreational cannabis, explicitly banning use while on duty or during work hours remains vital.

To further deter violations, drug-free workplace policies should still authorize post-incident testing. Coupling unambiguous behavioral expectations with appropriate testing procedures enables employers to maintain safe, drug-free workplaces in the evolving legal landscape.



***Twenty-two of the thirty-eight states with legal medical marijuana also have anti-discrimination laws shielding patients from adverse employment actions.***

## Employment Discrimination

As medical marijuana access spreads across the US, a growing number of states have enacted additional worker protections around cannabis use. Currently, twenty-two of the thirty-eight states with legal medical marijuana also have anti-discrimination laws shielding patients from adverse employment actions related to their usage. However, recreational marijuana protection is less pronounced, with only 7 out of 22 recreational-use states offering similar employee safeguards.<sup>4</sup>

These laws create compliance challenges for multi-state employers aiming to balance drug screening policies with local statutes granting cannabis usage rights. Moreover, the trend indicates further expansion of employment protections for both medical and recreational users in states either existing in or moving toward legalization. To limit the risk of legal exposure, employers must track emerging legislation in jurisdictions where they operate and adapt protocols that uphold drug-free workplace safety while avoiding discrimination against users protected by evolving state laws.

Given that about 1/5 of US adults employed either part- or full-time report using cannabis, employers should have clear policies around usage but avoid approaches that could be discriminatory in certain states. For many employers, modernizing their approach to focus more on impairment at work rather than testing for usage outside of work hours may be the most pragmatic option amid evolving cannabis laws.

## Remain Vigilant as More Challenges Emerge

As societal attitudes and laws around cannabis evolve, employers must remain vigilant about emerging challenges. Open dialogue with staff and clear policies are key starting points, but beyond that, HR teams should continue to monitor relevant court rulings. Often, these will set important precedents that should inform workplace policymaking.

Prudent employers should track local and national legal developments to craft thoughtful programs balancing workplace safety and compliance. With careful preparation, employers can adapt to rapidly changing cannabis regulations while maintaining constructive employee relationships and ethical obligations. Ultimately, through teamwork and awareness, managers and employees can build an understanding together, and protect all parties as guidance around marijuana use and the workplace continues to evolve.

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## State Bereavement Laws and Policy Change

Losing a loved one is emotionally devastating for all of us. Many employers offer paid bereavement leave so workers can take time to grieve and address the responsibilities that arise after a loss without financial burden.

***Paid bereavement leave provides employees with a safe space to grieve without guilt.***

Although most organizations approach bereavement leave without much thought, historically offering a standard three to five days off for an immediate family member, recent state bereavement leave mandates are beginning to inform proactive HR policymakers, even in states where it's not yet required by law.

Compassionate support from the workplace is something that employees have been increasingly vocal about needing in recent years. Understanding these needs and providing paid bereavement leave provides employees with a safe space to grieve without guilt or fear of repercussions. This is important for not only the death of immediate family members but also for those losses that have typically, tragically, flown under the radar. "For many years, women who experienced a miscarriage would suffer in silence," says Trapenasso. "Now 28% of employers have expanded their bereavement leave policy to include time off to grieve after a miscarriage or failed IVF attempts." This demonstrates a shift in the right direction for employers.

With bereavement leave policies, employers need to make certain that they are clear, equitable and compliant. Having a well-defined policy highlighting available benefits makes a meaningful difference for grieving staff.

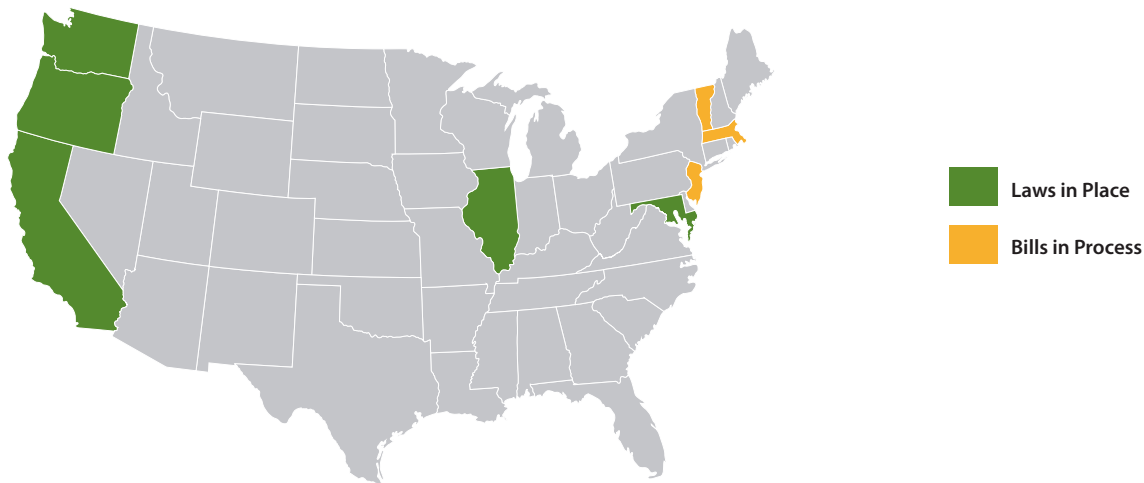
### States Mandating Bereavement Leave

As with most HR policies, employers need to pay attention to changing legislation. Despite just a handful of states mandating bereavement leave, employers should review relevant laws in the jurisdictions where they operate. Currently, California, Illinois, Maryland, Oregon and Washington have enacted regulations requiring companies to provide employees with paid time off to grieve after losing a family member.

**California:** Eligible employees can take up to five days of bereavement leave for the death of a family member, including a spouse, child, parent, sibling, grandparent, grandchild or parent-in-law. This applies to employers with five or more employees, and employees are eligible after 30 days of employment. This new benefit is separate from CFRA leave entitlements.<sup>1</sup>

**Illinois:** Through the Family Bereavement Leave Act, eligible employees can take up to two weeks (10 working days) of unpaid bereavement leave for the death of a covered family member, including a child, stepchild, parent-in-law, grandchild, grandparent, parent, stepparent, domestic partner, spouse or sibling. This includes losses related to fertility, pregnancy, surrogacy and adoption. This is applicable for employers with 50 or more employees; to be eligible, employees must have worked at least 1,250 hours in the past 12 months.<sup>2</sup>

## Growth of State-mandated Bereavement Leave Laws



**Maryland:** By amending its existing Flexible Leave Act, Maryland permits employees to use paid leave for bereavement purposes following the death of an immediate family member. Eligible employees may use “leave with pay” for bereavement leave upon the death of an immediate family member, which is an employee’s child, spouse or parent. Leave with pay is considered time away from work for which an employee is paid and includes sick leave, vacation time and compensatory time. Employers with 15 or more employees must comply.<sup>3</sup>

**Employers should pay close attention to how new bereavement regulations work with existing state leave entitlements.**

**Oregon:** Under the Oregon Family Leave Act, eligible employees can take up to two weeks of bereavement leave for the death of a family member, including a child of a covered individual or the child’s spouse or domestic partner; a parent of a covered individual or the parent’s spouse or domestic partner; a sibling or stepsibling of a covered individual or the sibling’s or stepsibling’s spouse or domestic partner; a grandparent of a covered individual or the grandparent’s spouse or domestic partner; a grandchild of a covered individual or the grandchild’s spouse or domestic partner; or any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship. This regulation is applicable for employers with 25 or more employees, and employees must have worked at least an average of 25 hours per week for 180 days to be eligible.<sup>4</sup>

**Washington:** Washington amended its Paid Family and Medical Leave Act (PFML) to make paid leave available for bereavement under certain circumstances. These amendments are meant to give bereavement leave to employees who are new parents and suffer the loss of a newborn or newly placed child. Employees are now permitted to take paid leave during the seven days after the death of the employee’s child if they would have qualified for medical leave under the existing PFML law due to their own pregnancy or to bond with the employee’s child in the first 12 months after birth or placement.<sup>5</sup>

Worth noting is that in 2023, three additional states have active legislation related to providing bereavement leave for employees: Vermont, Massachusetts and New Jersey.

***Many states are now recalibrating the scope of covered relationships and expanding the very definition of family.***

Employers with the requisite number of covered employees in these states should review their handbooks, leave policies, procedures and practices to ensure compliance with applicable bereavement laws. For those operating outside these states, comparing existing bereavement leave policies in light of these emerging trends may still be beneficial. This is especially true for organizations that limit bereavement leave to only three days. Employers should pay close attention to how these new bereavement regulations work with existing state leave entitlements.

## **Broadening Legal Definitions**

In tandem with state mandates, legal definitions around bereavement leave are broadening in significant ways. Many states are now recalibrating the scope of covered relationships beyond immediate relatives and expanding the very definition of family. The best policies are flexible, allowing for immediate and extended family bereavement. The state of Oregon, however, takes this a step further to include any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship.

Qualifying loss events are also being redefined to encompass reproductive losses. For instance, Illinois recently amended its Family Bereavement Leave Act (previously known as the Child Bereavement Act), effective January 2023, to include failed fertility treatments, adoption matches and surrogacy agreements. It also includes pregnancy losses (miscarriage and stillbirth) as valid reasons for bereavement leave. Updating existing policies to include coverage for these devastating events demonstrates a more compassionate understanding of the depth of grief employees experience with reproductive loss.

## **Moving Forward**

As part of the process of staying compliant, employers should closely track updates to state and local bereavement laws. Proactively modifying policies to expand the definition of covered relationships and qualifying loss events shows empathy and care for personnel during life's most challenging moments.

Aligning access with both legal obligations and the spirit of evolving rules demonstrates a genuine commitment to workforce well-being. This protects the organization too, as outdated policies risk serious legal issues if bereavement requests that meet current standards are denied inappropriately. By regularly re-evaluating and enhancing bereavement leave, companies can uphold ethical obligations, avoid risks and provide support when employees need it most.

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## **Sustaining a Culture of Inclusion and Belonging in the Face of Waning DEIB Initiatives**

The murder of George Floyd by a Minneapolis police officer in May 2020 catalyzed a nationwide movement for racial justice and equity. His death while under arrest sparked widespread protests demanding individuals and institutions confront systemic societal injustices that marginalize Black Americans and other communities of color. In the wake of the protests, we saw many CEOs speak out against injustice, partner with organizational leaders to develop diversity statements and establish formal inclusion programs.

*The goal of building a workplace culture where every individual feels accepted, valued and empowered to thrive as their true selves must remain.*

In recruiting, there was clear evidence of employers making the intentional decision to introduce diversity leadership roles to spearhead diversity, equity, inclusion and belonging (DEIB) initiatives. This move wasn't reserved for Fortune 500 companies. In fact, businesses of all sizes were creating these positions for the first time.

With the inclusion of these leadership roles, organizations were committing to incorporating diversity and inclusion into business strategy and implementing initiatives to advance a culture of equity and inclusion. Leaders established diversity targets, seeking and implementing training around DEIB and creating ways for employees to connect and share experiences in an effort to enhance the employee experience and ensure the workplace was welcoming to all.

But now, three years later with an uncertain economy, we are seeing DEIB initiatives take the first cut in the budget process.

***DEIB provides broader perspective in decision-making, demonstrates organizational culture and puts what it values on display.***

## **The Benefits of DEIB**

While every decision is based on the needs of each unique organization, when canceling these initiatives, it is important to consider how company culture will be impacted as well as the message it sends to organizational stakeholders. Research shows that companies fostering an inclusive culture where all employees feel a strong sense of belonging reap benefits, including higher engagement, innovation, productivity and stronger business growth. When people from different backgrounds are brought together, they provide a variety of perspectives and propose novel solutions to business problems.

In taking an intentional, strategic approach, DEIB provides organizations broader perspective in decision-making, demonstrates organizational culture and puts what it values on display. DEIB is a strategic component to the business that impacts not only talent acquisition, employee retention and business growth, but also your suppliers, investors and overall brand reputation. A well-rounded DEIB strategy will not just impact the organization — it may even impact the greater community the organization serves too.

## **Sustaining the Initiative**

Although the impact of inflation and rising costs of business may continue to impact DEIB programs, the goal of building a workplace culture where every individual feels accepted, valued and empowered to thrive as their true selves must remain. To continue to influence meaningful change, decisions need to be thought out and executed with intentionality and consistency to keep the trust and DEIB initiatives alive. If the impact of inflation and rising business costs are impacting your organization, consider:

- **Empowering employees to take on DEIB initiatives**
- **Seeking free or inexpensive resources**
- **Ways to keep DEIB as a focus in business discussions**



***DEIB is a strategic component to the business that impacts talent acquisition, employee retention and business growth.***

Sustaining successful diversity and inclusion initiatives requires understanding employee perceptions that influence engagement. Asking thoughtful questions that prompt personal reflection is essential for gauging attitudes and identifying areas for growth. By creating opportunities for open and honest dialogue, organizations can better comprehend existing strengths and weaknesses from an employee viewpoint. This employee feedback provides vital insights to shape future diversity and inclusion programming for maximum, sustainable impact.

Stay interviews or employee surveys are valuable tools to perform culture pulse checks. Although analytical metrics are great key performance indicators, the importance and impact of creating a safe space for courageous conversations to take place and for all voices to be heard should not be underestimated. Sharing frequent communications about DEIB efforts and their progress with employees helps cultivate trust, acceptance and shared commitment to the initiatives.

Top talent is becoming more and more intentional about seeking out places of employment whose mission, vision and values foster corporate responsibility and cultural awareness as part of their business strategy. Although compensation and limits on career advancement are common drivers that force workers to seek employment elsewhere, feeling like you don't belong with a company is equally motivating. Employers should review their mission, vision and values regularly to ensure they continue to align with their commitment to DEIB.

Workplace diversity provides myriad benefits — different voices and viewpoints lead to greater innovation, creativity and outside-the-box thinking. Embracing a wealth of diverse perspectives can stimulate fresh approaches and well-rounded solutions that homogenous groups may overlook. The more an organization ensures all staff feel empowered to truly be themselves and freely contribute unique ideas, the more creativity flourishes. This drives higher engagement, morale, agility, and ultimately, revenue growth.





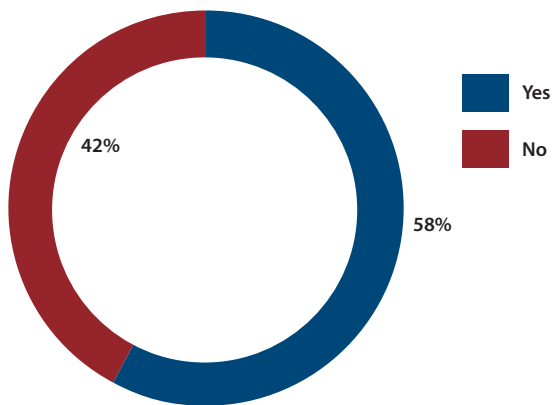
# Leave Management

## **Maternity Leave**

Providing paid maternity leave is an important consideration for employers seeking to support the needs of expectant mothers. Maternity leave policies must balance a number of factors, including compliance with federal and state regulations, coordination with disability and family leave programs, equitable treatment of all new parents and organizational budget impact.

The details of how maternity leave integrates with short-term disability, state-mandated plans and parental bonding programs require careful navigation in line with laws and organizational philosophy. By proactively designing a holistic paid leave policy, employers can empower new mothers with coverage for recuperation while upholding principles of fairness across the parenting workforce.

**Figure 1:**  
Offer Maternity Leave



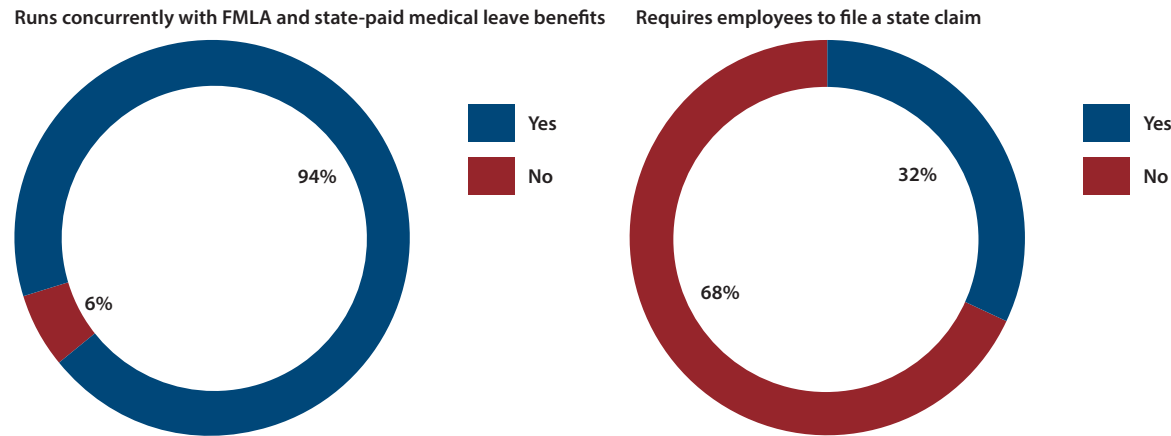
State statutory disability benefits are on the rise. In fact, we are seeing an increase in the number of employers (31%) leveraging state benefit plans. Given that the state disability benefit is often coupled with short-term disability where applicable, to provide maternity leave benefits, it's typical for the state-mandated disability benefit to act as the primary income source during maternity leave, with short-term disability payments offset by the amount provided through the state plan.

Employers will want to make sure that their policies outline how these benefits work together. Although the employee is responsible for filing the state benefit claim, only 32% of the survey respondents require them to do so as part of their leave process. It is also important to note that multi-state employers who only leverage the state disability plans and do not offer a short-term disability benefit to their employees will have a disparate practice. In this case, only employees in the states that offer the statutory disability will receive a monetary benefit during their maternity leave, other employees will not be entitled to any paid maternity leave benefit at all.



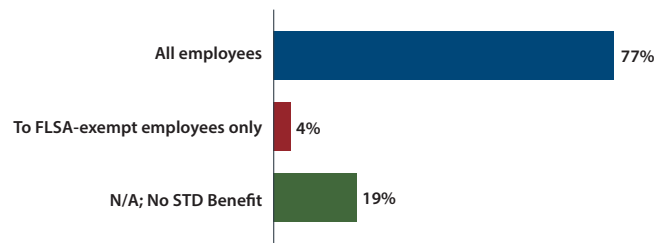
*Only one-third of employers require employees to file a state claim.*

**Figure 2:**  
Maternity Leave Policy



**Figure 3:**

Short-Term Disability Benefit Is Offered To...



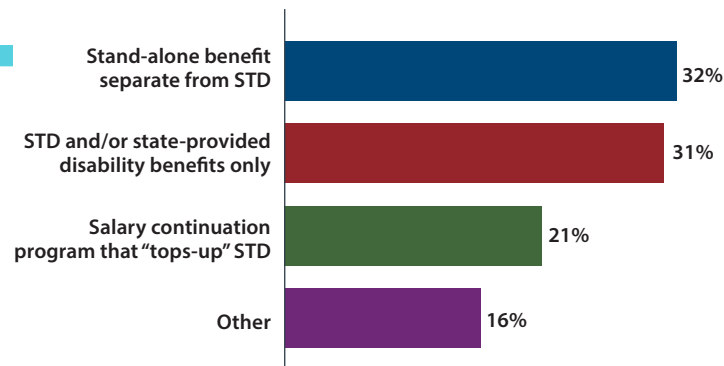
It is still surprising that 32% of employers have created their maternity leave policy separate and apart from short-term disability benefits. Although this is an improvement over last year's leave benchmark, which indicated that 42% of respondents administered their maternity leave separate from short-term disability, employers are still leaving money on the table if they are not leveraging these benefits.

In accordance with the Equal Employment Opportunity Commission (EEOC), the birth and recuperation period is considered a "pregnancy-related disability" and should be covered under short-term disability. The benefit to the employer is that they could offset their own contribution to a paid maternity leave program by the short-term disability if they coordinated the two in their policies.

Twenty-three percent of respondents provide more than eight weeks of paid maternity leave which creates a compliance concern. Best practice is for maternity

**Figure 4:**

Maternity Leave Is A...

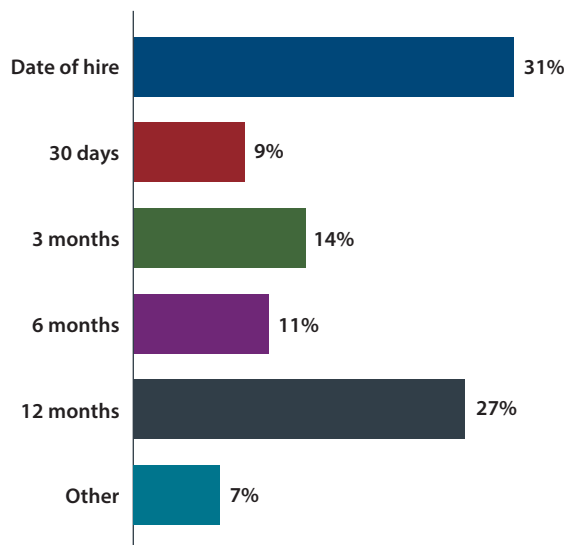


*About a third of employers have a maternity leave policy that is separate from short-term disability.*

leave to be administered under short-term disability, concurrently with any federal and state statutory leave plans, such as Paid Family Medical Leave or state disability when applicable, for the birth and recuperation period resulting from childbirth. Customarily, this period is six weeks for natural childbirth and eight weeks for cesarean section (barring any complications), with certification by a physician and approval by the short-term disability carrier.

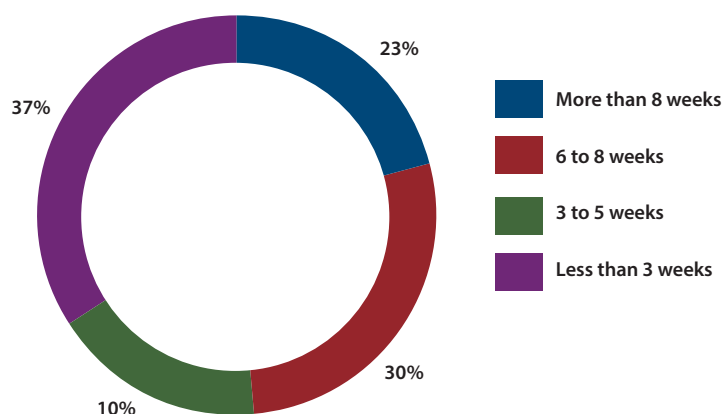
When an employer provides paid time off over and above what is considered the “birth and recuperation” period, they are giving the birth parent time off after the period of disability ends. It then becomes time that the employee can use to “bond” with the child. In accordance with the EEOC, if an employer provides paid time off for the birth parent to “bond” with the child, they must also provide the same amount of time for any parent to “bond” with their newborn child. Technically, the “bonding time” is what we usually refer to as parental leave, and it must be equitable for all employees.

**Figure 5:**  
Employees Are Eligible After...



**More than half of employees become eligible for maternity leave either upon date of hire or after 12 months of employment.**

**Figure 6:**  
Weeks of Full Pay Provided



**37% of employers offering less than 3 weeks of maternity leave is a compliance concern, because it indicates the leave is not running concurrently with short-term disability.**



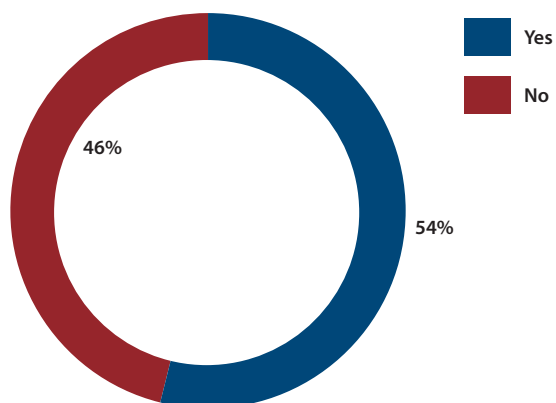


## Parental Leave

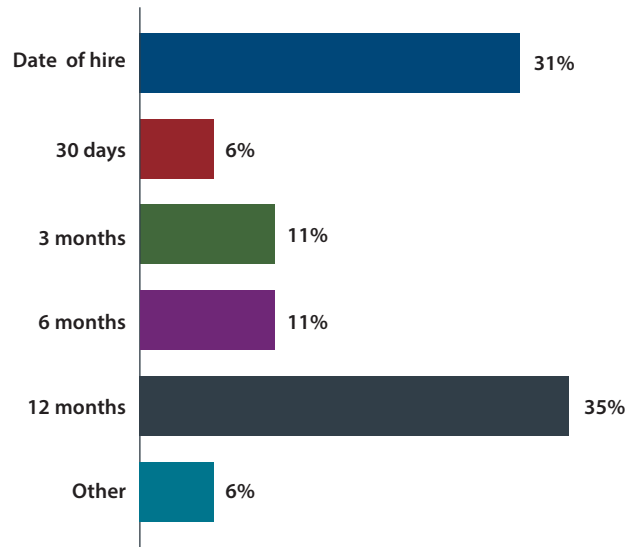
Offering paid parental leave is an impactful way for employers to support the family needs of their workforce. An effective parental leave policy provides equitable time off to all employees following childbirth, adoption or fostering and enables meaningful bonding during a vital period.

**Figure 1:**  
Offer Parental Leave

*More than half of employers offer parental leave.*



**Figure 2:**  
Employees Are Eligible After...



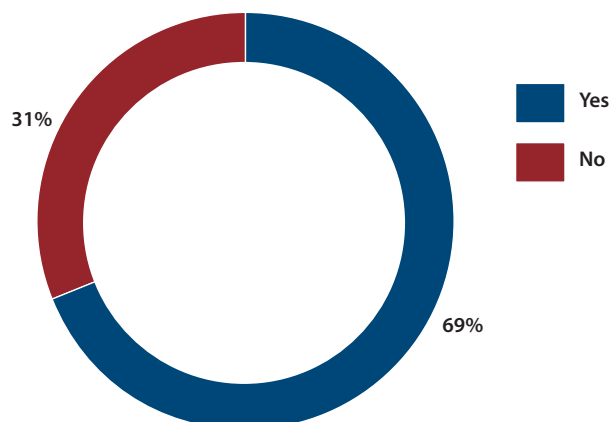
*Although a longer wait period can ensure employees are invested, there is a near-even eligibility split between date of hire and 12 months.*

While not universally mandated, paid parental leave demonstrates an employer's commitment to helping employees thrive both at work and at home. With thoughtful design grounded in organizational values and budget, these benefits can empower employees across their parenting journey.

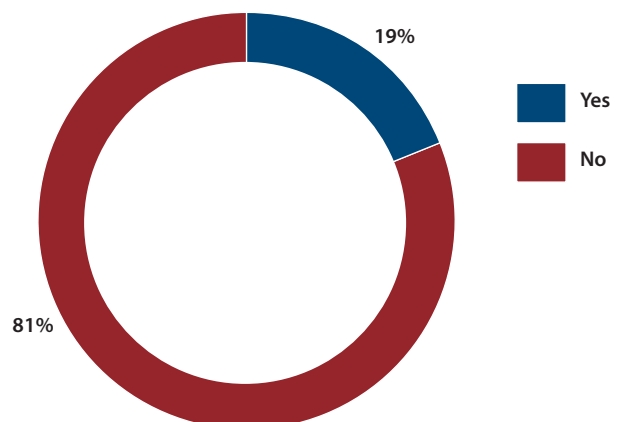
Parental leave continues to be a significant benefit, as 54% of employers offer it. This represents a slight but notable increase over last year's 51%. The majority of employers (35%) require a year of service to be eligible for the benefit, followed closely by date of hire eligibility (31%). These policy parameters are beneficial to both the employer and the employee. A longer eligibility period ensures that employees are invested in the company. This is particularly important for more transient industries that have a lot of employee turnover. On the other hand, date of hire eligibility could be a key benefit to attract top talent looking to join an organization that supports their family needs from day one of employment.

*Only 19% of companies surveyed have a primary/secondary caregiver leave policy in place.*

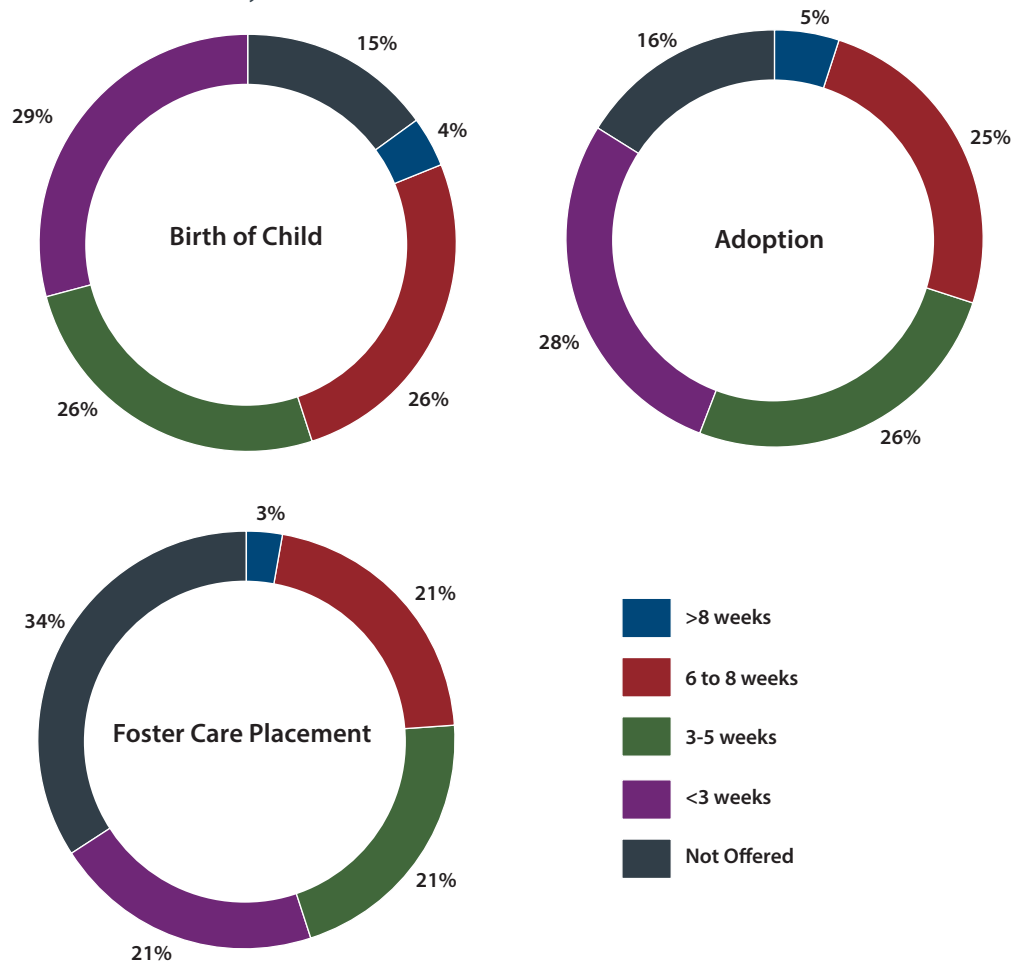
**Figure 3:**  
Intermittent Leave Is Allowed



Organization Differentiates Primary/Secondary Caregivers



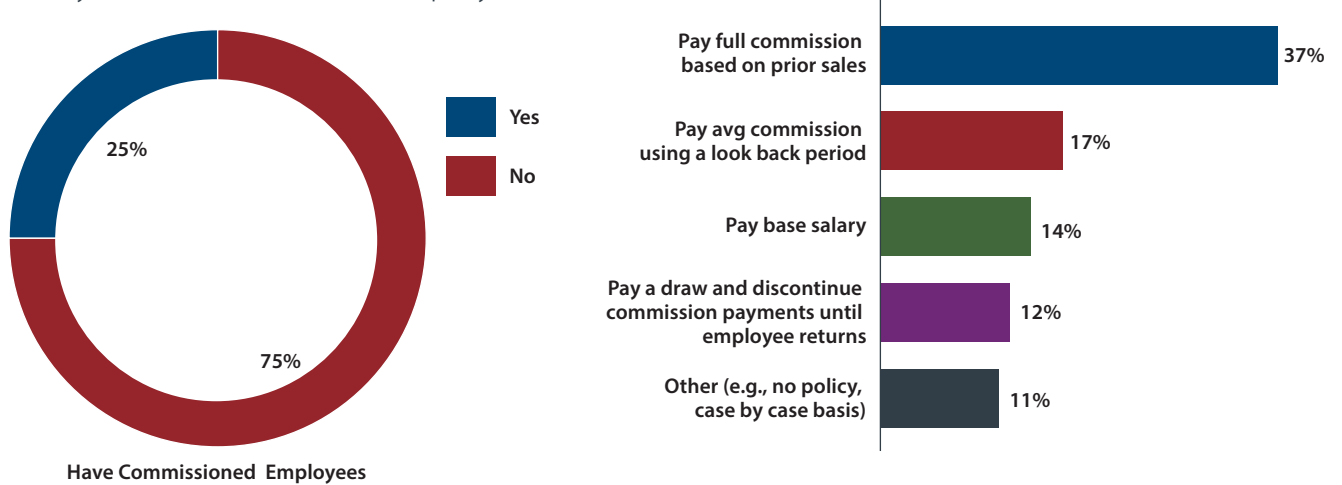
**Figure 4**  
Weeks of Full Pay Provided



For an equitable parental leave policy, best practice is to provide all employees with time off to bond with a newborn, adopted or newly fostered child. It remains unfortunate that 34% of the respondents surveyed do not offer parental leave for new foster parents. In fact, it is more than double the number of employers who do not offer parental leave for birth (15%) or adoption (16%). For employers intent on creating fair and inclusive policies, extending parental leave to foster parents demonstrates a commitment to supporting all families and parents within the workforce.



**Figure 5:**  
Policy for Commissioned Employees

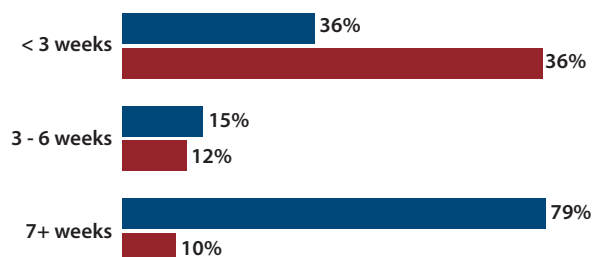


Because of their compensation structure, providing leave benefits to commissioned employees has always been a challenge. So this year, we asked our survey respondents to share their methodology. We found that 25% of respondents have commissioned employees and a number of policies in place to handle payment during paid leave periods. When establishing policy, it is recommended that employers thoroughly assess program financials in relation to the role and value of commissioned employees within their organization.

Not surprisingly, primary and secondary caregiver leave policies continue to fade. Only 19% of companies surveyed have this type of policy in place, which is a 6% reduction over last year (25%). Although 49% of primary caregivers receive seven or more weeks of leave, only 10% of secondary caregivers receive the same amount of time off to bond with their children. Best practice, especially for employers intent on designing equitable policies, is to revise any and all policies that create a line of differentiation for caregivers.

**Figure 7:**  
Weeks of Full Pay for Primary/Secondary  
(Among those who differentiate between the two)

#### Secondary caregivers



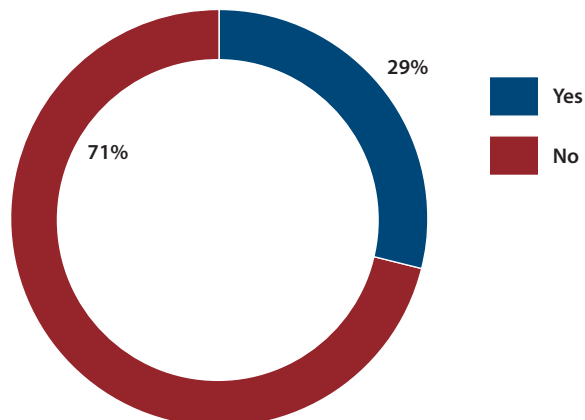


## Family Caregiver Leave

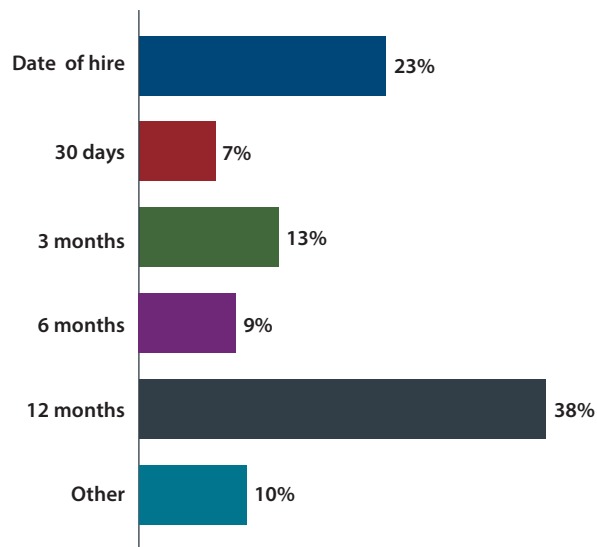
***As of 2019, 11 million Americans were raising children and caring for older parents simultaneously – a number that has undoubtedly risen since.<sup>1</sup>***

While employees continue to struggle to meet personal caregiving needs, it's disappointing that family caregiver leave still falls behind in paid leave offerings. With only 29% of employers offering this paid leave benefit, employees, especially members of the Sandwich Generation, are feeling the crunch.

**Figure 1:**  
Offer Caregiver Leave



**Figure 2:**  
Employees Are Eligible After...



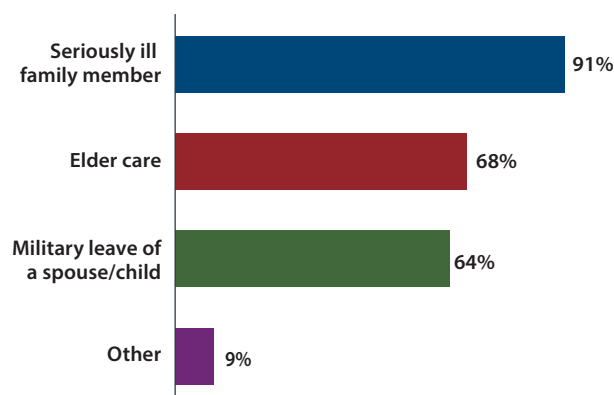
**38% of employees  
are made eligible for  
caregiver leave after  
12 months.**

As this group is quickly becoming one of the fastest-growing employee segments, with over 11 million people caring for aging parents and raising young children at the same time, employers are going to have to recognize and plan for some type of benefit to accommodate the unique challenges and responsibilities these workers face.

With millennials set to become the largest cohort in the workplace by 2025, they are also the fastest-growing members of the Sandwich Generation. Employers may want to implement this type of caregiver benefit to meet the demanding needs of this workforce that is in its prime. As baby boomers continue to grow older, demands on this generation will continue to accelerate.

While 91% of respondents offer time off to care for a seriously ill family member, only 68% of respondents offer paid time off for elder care. Especially as life expectancy in the US exceeds 77 years on average, employers may want to consider including elder care as an eligible reason for leave to meet the increasing demands of its workforce.

**Figure 3:**  
Eligible Reasons Covered

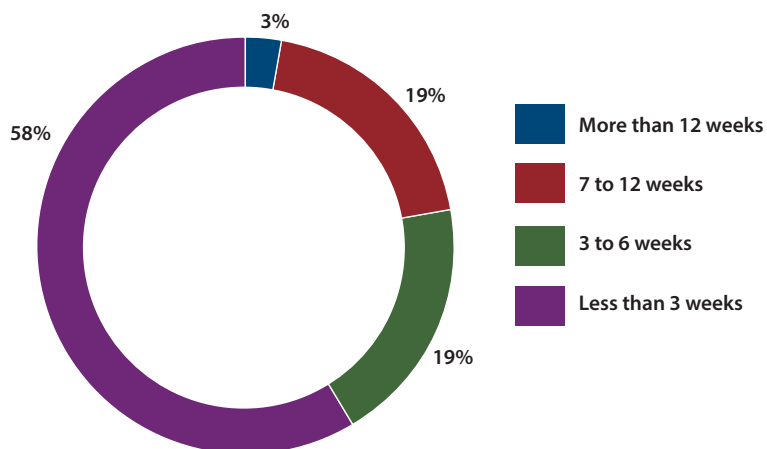


**Of companies that offer  
family caregiver leave,  
68% offer time off to care  
for an elder.**



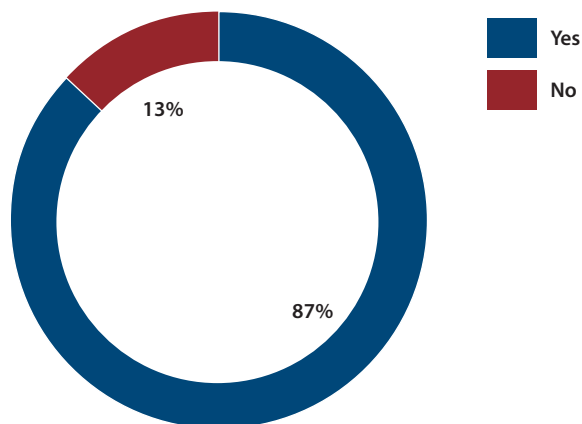
**38% of employers offer between 3 and 12 weeks of family caregiver leave.**

**Figure 4:**  
Weeks of Full Pay Provided



Of those organizations that do offer paid caregiver leave, 58% offer less than three weeks of paid time off. It is encouraging to see that 38% now offer between three and 12 weeks of paid leave under this benefit.

**Figure 5:**  
Allow Intermittent Leave



1. National Alliance for Caregiving. Burning the Candle at Both Ends: Sandwich Generation Caregiving in the U.S. (PDF), [caregiving.org](https://www.caregiving.org), 2019.



## On the Horizon: **Grandparental Leave**

On the other side of this coin, many older workers are staying in the workforce longer. For that demographic, employers should start thinking about creating benefit offerings that will help attract and retain them. According to the Bureau of Labor Statistics, the “number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030.<sup>1</sup>” This is a substantial number, and although it is not yet a common offering, some cutting-edge employers are offering grandparental leave, also called granternity leave.

These organizations offer paid time off when an employee becomes a grandparent to spend time with their new grandchild. Employers are currently offering anywhere between three days and two weeks of paid leave as a benefit. This is a real opportunity for older workers to bond with the new addition to their family and help their own children during this demanding time. Although only 8% of our survey respondents currently offer this benefit, 35% said that they had not considered it but are open to offering the benefit within the next five years.

**35% of employers surveyed are considering adding grandparental leave benefits within the next five years.**

**Figure 6:**

### Grandparental Leave



1. Bureau of Labor Statistics, Number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030, The Economics Daily, US Department of Labor, bls.gov, 2021.

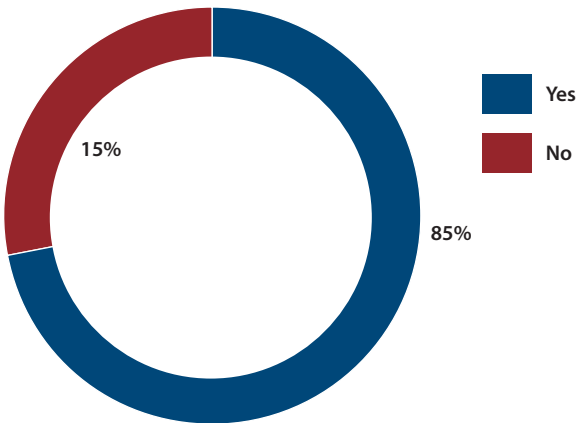
## **Bereavement Leave**

As expected, the vast majority of survey respondents (85%) offer bereavement leave to their employees. Organizations have long offered time off to grieve and process the loss of a loved one. However, we are seeing bereavement policies evolve with the changing needs of the modern workforce.





**Figure 1:**  
Offer Bereavement Leave

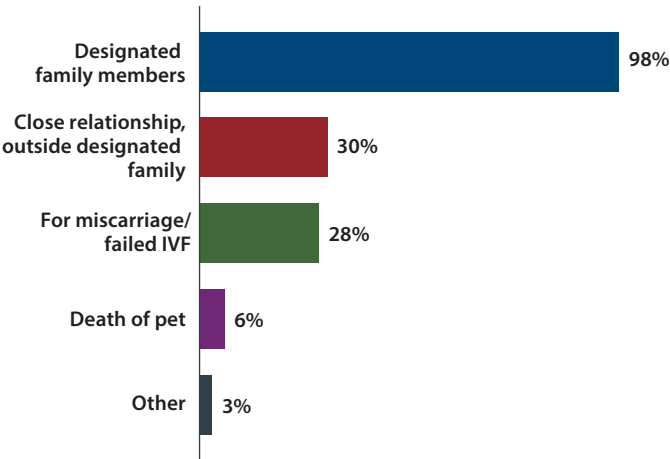


*The vast majority of employers offer bereavement leave.*

One of the more significant developments in bereavement leave policies is the recognition of an employee’s need for time off to mourn the loss of a pregnancy due to miscarriage or other complications, and of the emotional toll of unsuccessful in vitro fertilization (IVF) attempts. In fact, 18% of respondents offer between one and four weeks or more than four weeks of paid time off for an employee to grieve a pregnancy loss or IVF failure. This heightened awareness of the emotional challenges employees face during such difficult times has prompted organizations to explore various innovative bereavement leave policies beyond the traditional scope, ensuring comprehensive support for their staff during moments of personal loss.

For example, 15% of respondents are offering between one and three weeks of paid time off for the death of a beloved pet. As employees want to work for a company that shows compassion and cares about their personal lives, employers continue to expand the definition of who bereavement leave can be taken for. With 30% now including close relationships outside of designated family members, it is clear that employers are acknowledging the importance of supporting employees in times of personal crisis.

**Figure 2:**  
Eligible Reasons Covered

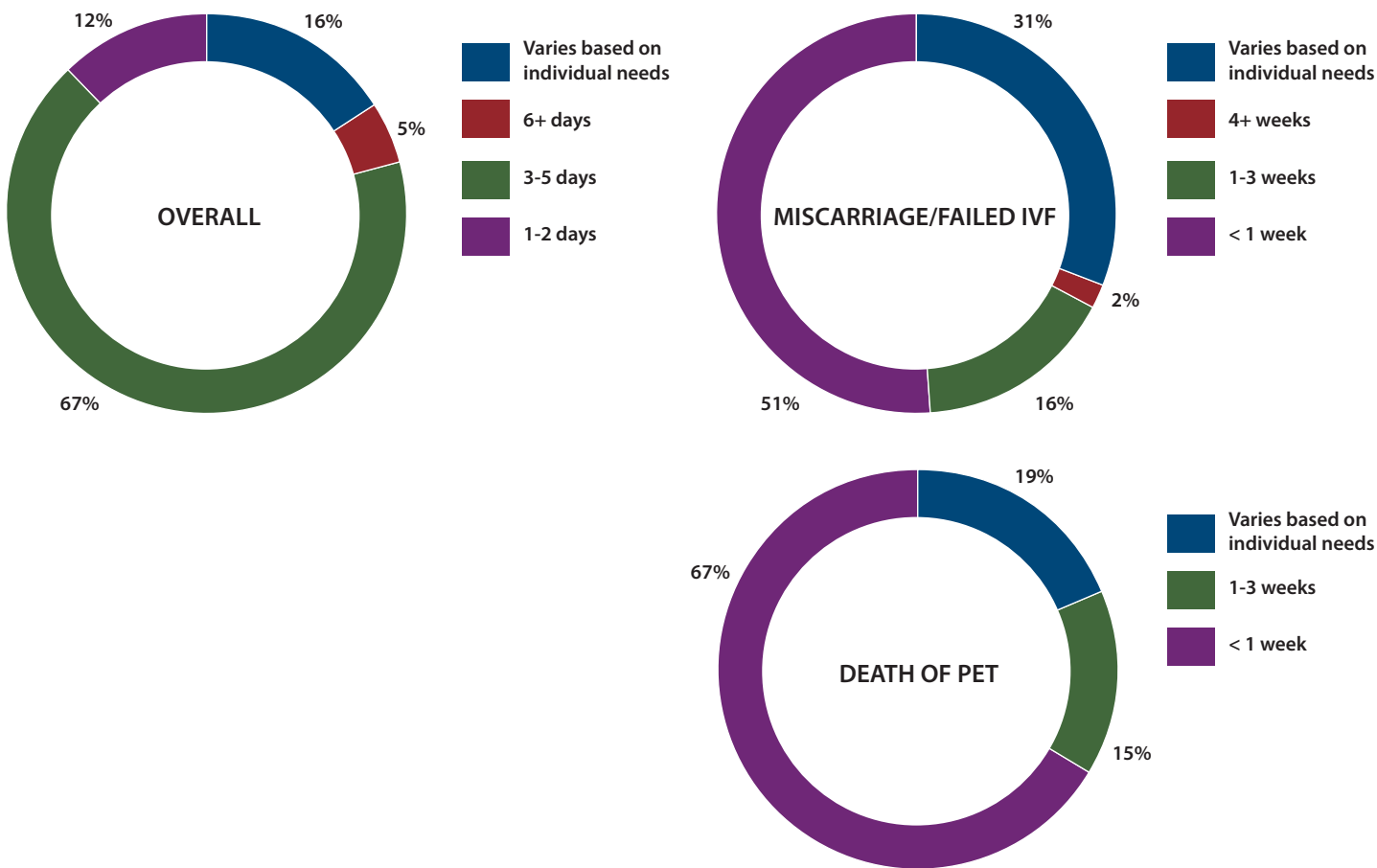


*There is near-universal leave for designated family members.*

*Heightened awareness of the emotional challenges employees face has prompted organizations to explore innovative bereavement leave policies.*

The number of days provided for bereavement based on need is trending upward indicating that employers are recognizing the value of more generous and flexible policies to support employees navigating loss. However, employers should be sure to avoid disparate treatment by following standard benefit parameters for all employees.

**Figure 3:**  
Time Provided





## On the Horizon: **Policy Changes**

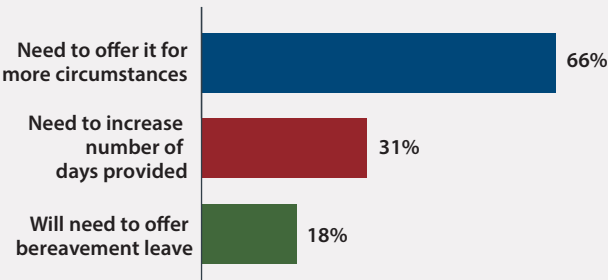
As mentioned in our HRTrends section, some states are enacting bereavement leave laws that make certain compliance demands on employers. As such, 25% of survey respondents foresee a need to change their policies. With 66% of these employers stating that they will expand bereavement leave to cover more circumstances and 31% responding that they will need to increase the number of days they provide in their bereavement leave policy, it's evident that businesses are actively adapting to the changing landscape of bereavement leave.

***A growing number of employers foresee the need to expand the scope bereavement leave due to state legislative actions.***

**Figure 4a:**  
Changes Stemming from New State Laws



**Figure 4b:**  
Anticipate a Need To...  
(Among those who foresee a need to change policies)







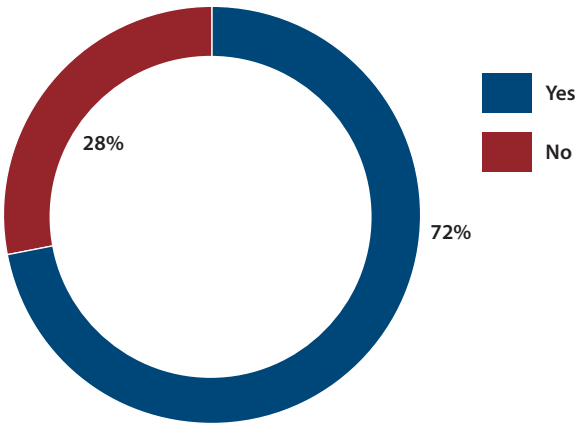
## PTO/Vacation Leave

Paid time off (PTO) is always a valuable tool for employers aiming to attract and retain talent within their organizations. However, the landscape of PTO policies continues to evolve.

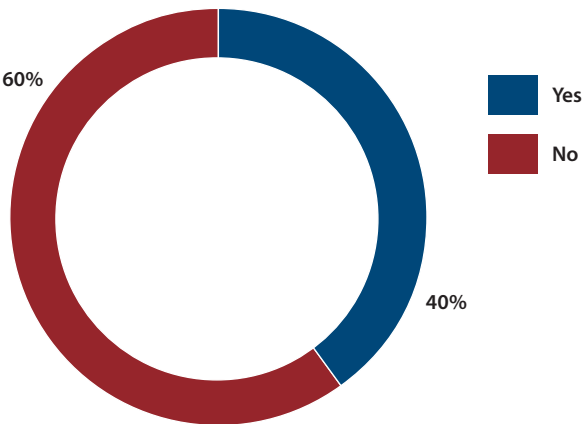
In contrast to traditional vacation policies, where time off is primarily designated for leisure, PTO policies consolidate various types of leave, including sick days, personal time, vacation and other occasions, all into a single allotment of time that employees can use as needed. This approach offers greater flexibility and simplicity in adminis-



**Figure 1:**  
Offer PTO Leave



**Figure 2:**  
Offer Vacation Leave

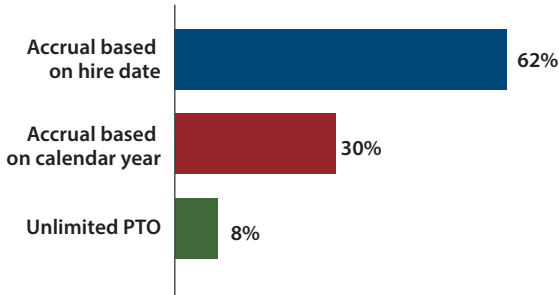


tration, as employees are not typically required to provide specific reasons for their time-off requests. Instead, they can request and use available PTO days whenever necessary, streamlining the process for employers and employees alike.

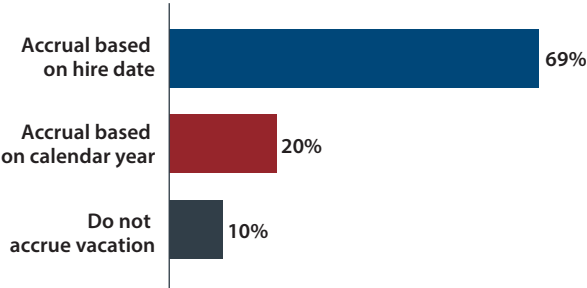
In line with our survey results from last year, most employers provide a PTO-only plan (60%) over a traditional vacation-only plan (28%). With the 12% of employers providing both PTO and a vacation plan included, we find that nearly three quarters of employers (72%) provide PTO, while less than half (40%) provide a vacation plan. For many employers, the “one-bucket” PTO approach is ideal. As long as the employee has available time, they can use it for any circumstance that requires time away from work, and it is easily documented. Although fewer employers prefer separate vacation and sick time allotments, it does give them more control over how employees take time off and may be necessary for multi-state employers that need to comply with sick pay laws and a predominantly hourly workforce.

**Nearly three-quarters of employers offer PTO.**

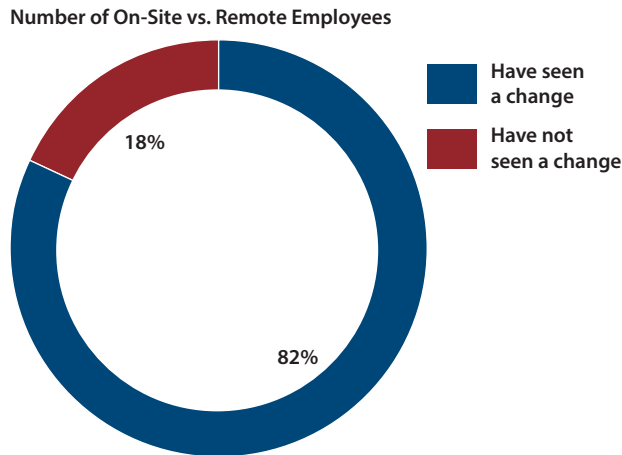
**Figure 3:**  
PTO Accrual Types



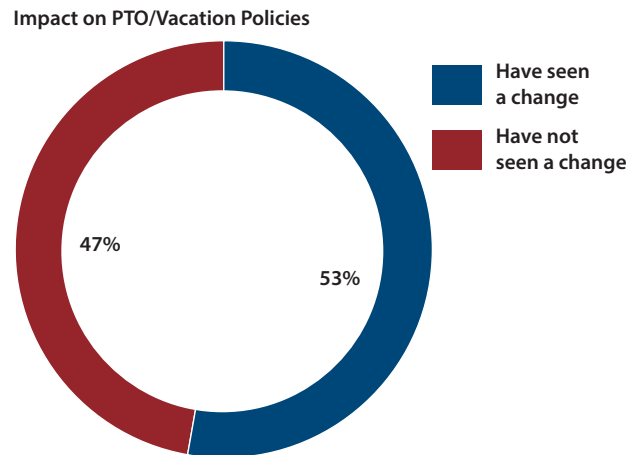
**Figure 4:**  
Vacation Accrual Types



**Figure 5:**  
Recent Changes Impacting Leave



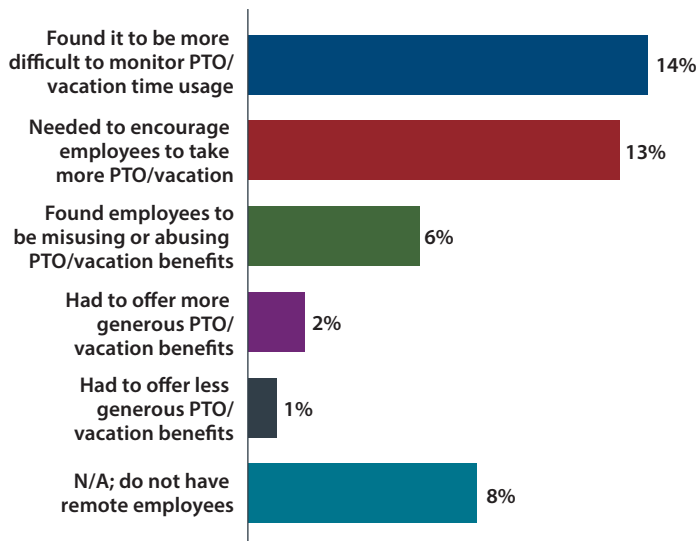
**Figure 6:**  
Recent Changes Impacting Leave



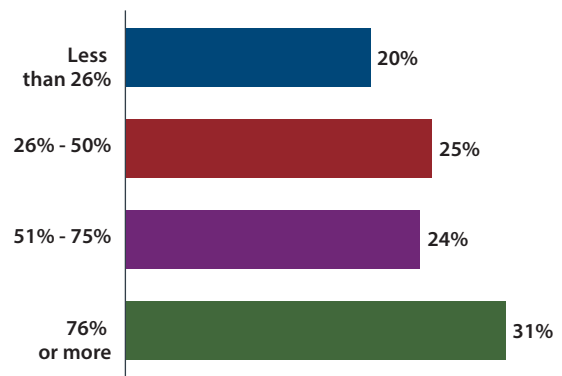
One wrinkle in the administration of PTO and vacation policies is the prevalence of remote workers. In this year's survey, 82% of respondents indicated they have seen a change in the number of employees working remotely, with 53% of those stating that it has had an impact on their PTO/vacation policies. This is especially challenging given that there is not necessarily a clear solution for this nuanced problem. Consider that by one measure, 14% of employers stated that they found it more difficult to monitor vacation usage for remote workers, while concurrently, another 13% responded that they needed to actually encourage employees to take more PTO/vacation time.

Additionally, the survey found that fewer than one-third of employees are using the majority of their PTO/vacation time. Despite much debate in HR-related publications centering on whether or not remote employees are abusing their time off, our NFP survey indicated that only 6% of employers reported concerns about employees misusing or abusing this benefit.

**Figure 7:**  
Changes in PTO/Vacation Benefits

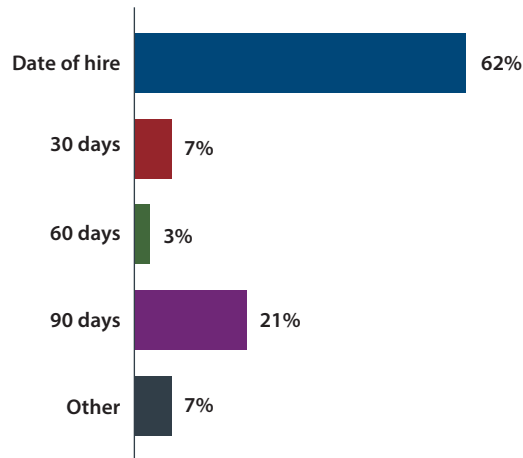


**Figure 8:**  
% of Available Time Off Used by Employees

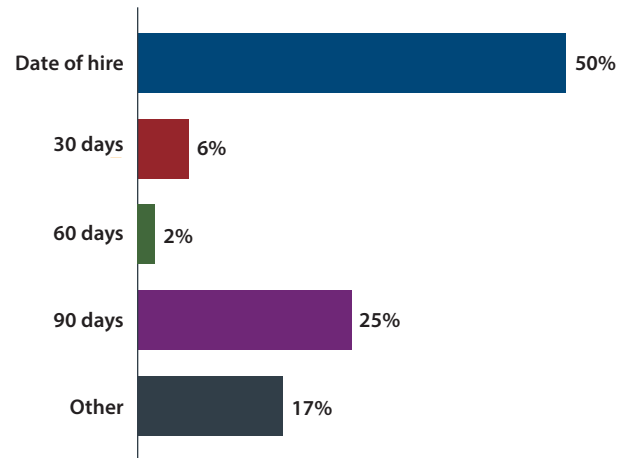




**Figure 9:**  
Employees Eligible for PTO After...



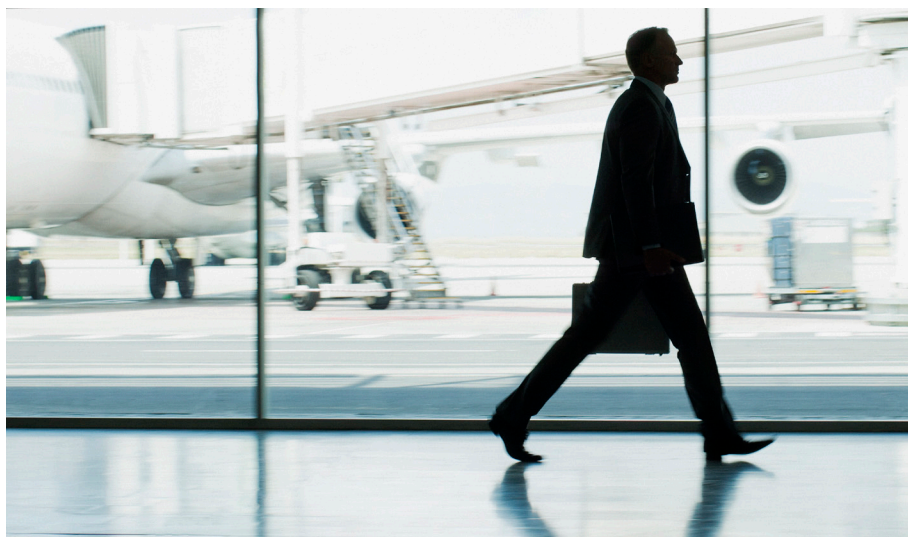
**Figure 10:**  
Employees Eligible for Vacation After...



Certainly, part of the reason for this discrepancy is remote workers having a harder time drawing the line between work and personal time. For those on the wrong end of the spectrum, this can present as working well into the evening and starting earlier than the usual workday. It goes without saying that this is a path that can lead to burnout, dissatisfaction and fatigue. Best practice is to consistently encourage all employees to take appropriate time off to refresh and recharge. Such a tactic ensures an ideal work-life balance for everyone while improving overall engagement and retention.

When it comes to policy parameters, PTO and vacation plans have the same foundational principles; employees most often become eligible on the date of hire (PTO 62%/vacation 50%) or after 90 days of employment (PTO 21%/vacation 25%). In most cases, length of employment determines how much time off an employee receives (PTO 55%/vacation 60%), followed by a combination of job title and tenure (PTO 25%/vacation 31%).

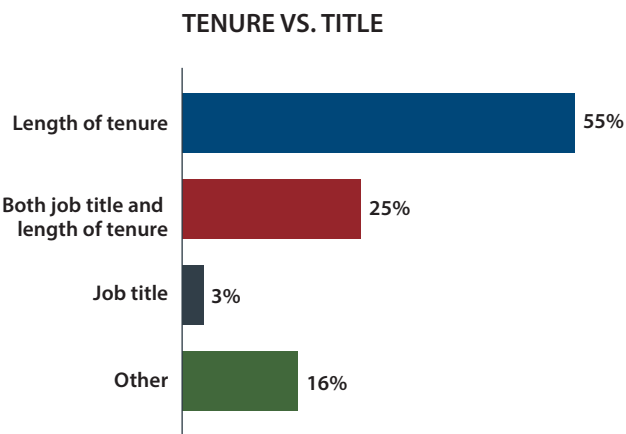
***21% of employers have a 90-day eligibility period for PTO, which may create compliance concerns for multi-state employers with state sick leave requirements.***



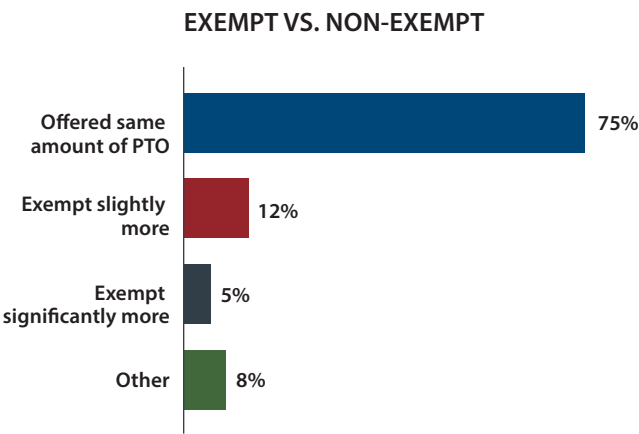
**Generally speaking, there is parity in PTO allotment between executives and core staff as well as exempt and non-exempt employees.**

Both title and tenure are most commonly used when an organization hires a substantial amount of talent that may be long-tenured in a specific industry even though they are new to the organization. For example, providing an incoming executive vice president with the amount of PTO/vacation equal to employees who have been with the company for 10+ years would be more in line with what they received from their prior employer and will help seal the hire. Furthermore, accounting for both title and tenure as a matter of policy can prevent an employer from making exceptions every time a new executive is hired.

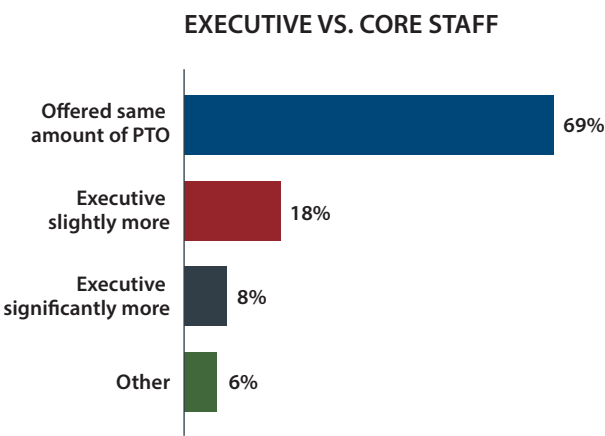
**Figure 11:**  
Impacts on PTO Leave



**Figure 12:**  
Impacts on PTO Leave

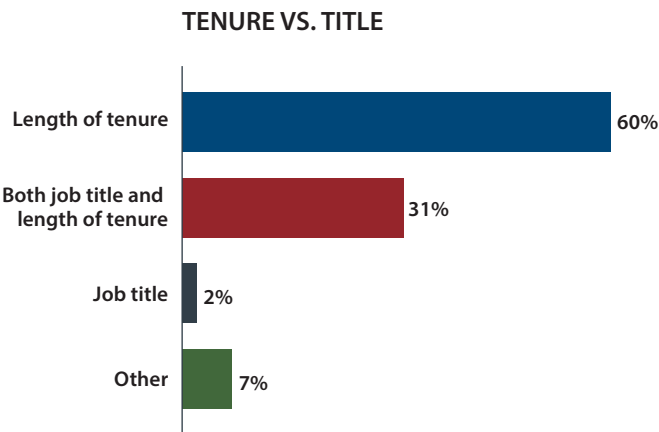


**Figure 13:**  
Impacts on PTO Leave

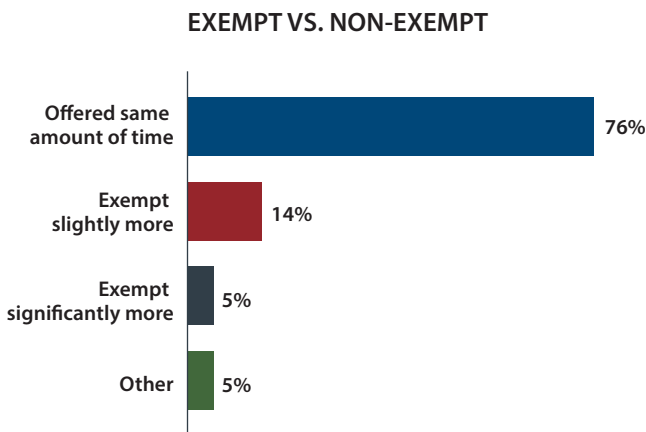


Competitive tactics like this have also benefitted first-year employees as initial offerings of PTO have risen. Although this time may be pro-rated based on the hire date, the survey indicates that 48% of employers offer 15 or more days of PTO in the first year of service. Those offering vacation time provided slightly less, with merely 18% providing 15+ days for first-year workers. It's worth noting that this discrepancy may be a result of offering separate and additional sick time.

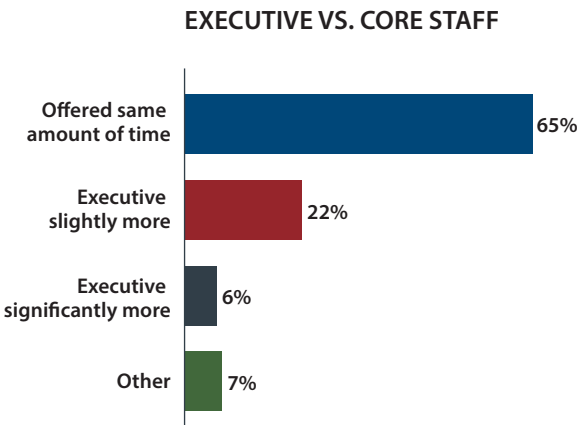
**Figure 14:**  
Impacts on Vacation Leave



**Figure 15:**  
Impacts on Vacation Leave

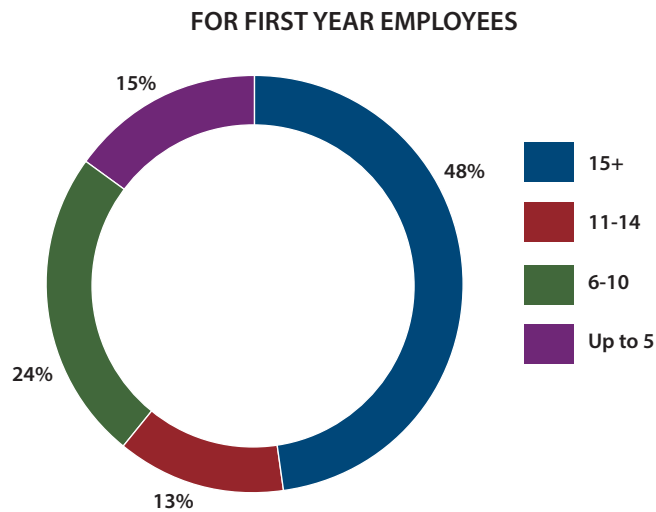


**Figure 16:**  
Impact on Vacation Leave

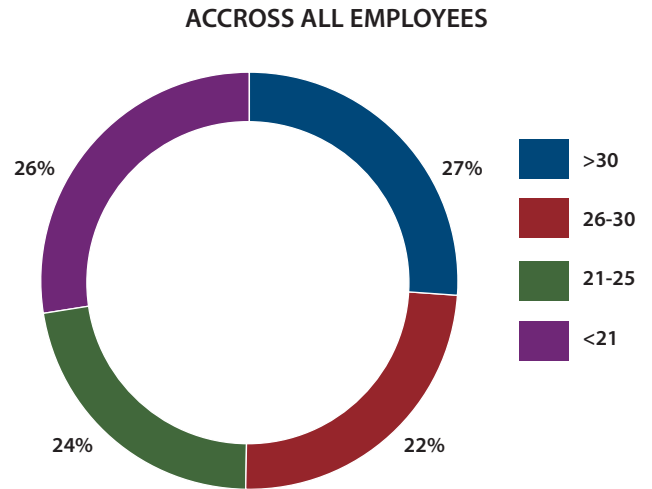




**Figure 17:**  
Days of Full Pay PTO Provided



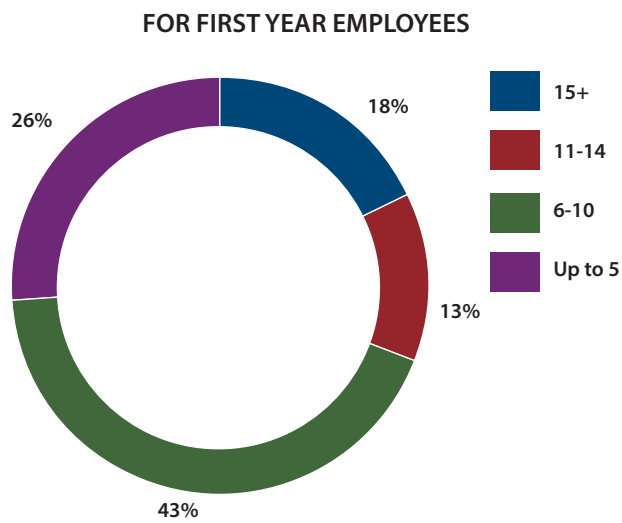
**Figure 18:**  
Max PTO Days Provided



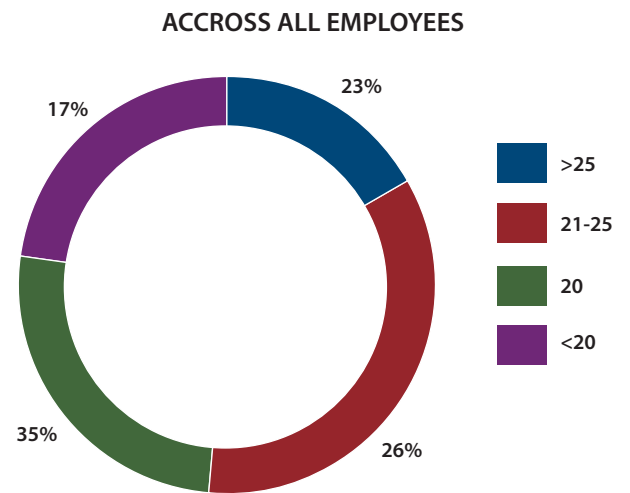
***Nearly half of first-year employees receive at least 15 days of PTO.***

Speaking of sick time, employers who offer an inclusive PTO policy will want to make sure that they are offering enough time to cover state accruals as their state requires. For example, if a state requires that employees have access to paid sick leave on their first day of employment, then an employer cannot impose a 90-day waiting period on their PTO plan. If the state requires a 40-hour rollover of sick leave into the next year, the employer needs to ensure that their PTO policy is either a front load policy, where the employee receives a new allotment of time at the beginning of each year or if they accrue time, they permit rollover of at least 40 hours of PTO time. Multi-state employers usually find some outlier states, like California, for example, that they would rather carve out and accrue on their own. Examples like this demonstrate that employers need to review state regulations for sick leave when formulating their PTO policies since they are so intertwined.

**Figure 19:**  
Days of Full Pay Vacation Provided



**Figure 20:**  
Max Vacation Days Provided



## Paid Sick Time

As much as anything else, employees periodically require time away from work duties to address personal health and family care needs. Paid sick leave policies provide income stability for employees who must miss work hours due to illness, injury, medical appointments or temporary caregiving responsibilities.

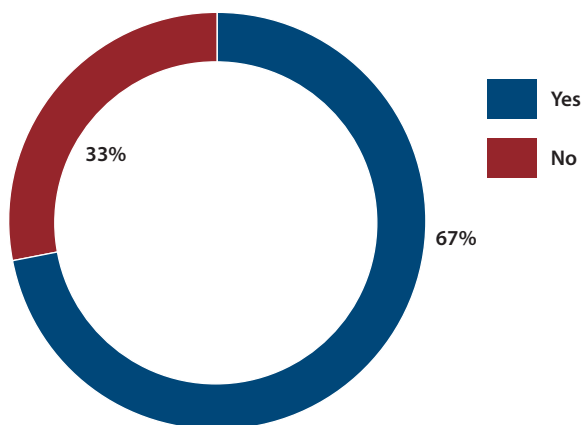




State sick leave regulations have made it necessary for employers to conduct meaningful analyses prior to creating policy parameters around sick leave. Multi-state employers must strive to create comprehensive policies that can cover most of the states where the organization has employees. Although there is usually an outlier state or two that provides more sick time than the employer wants to give to all employees, it remains important to thoroughly review statutory requirements across locations to determine the most appropriate corporate-wide policy.

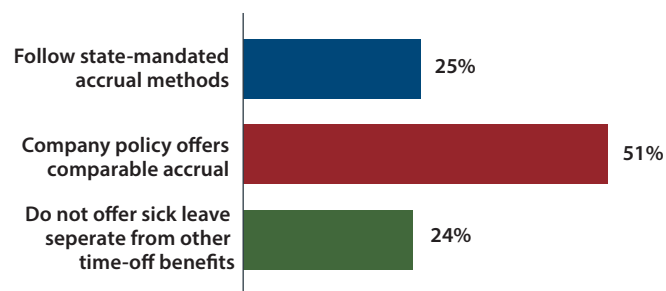
With the growing number of remote employees in the workforce, this has been no easy task. However, 51% of the companies we surveyed have created internal company policies that offer comparable accrual rates to the state offerings. This means that many employers lean toward the generous side when it comes to the amount of sick pay they provide. Our survey found that 34% of the respondents offer between 10 and 15 sick days per year, which covers most state requirements.

**Figure 1:**  
Offer Sick Leave



*Two thirds of all employers surveyed offer paid sick leave. However, only about half of all employers (76% of those who offer sick leave) distinguish it from other types of time off.*

**Figure 2:**  
Policy



*About half of organizations have a sick leave plan that offers comparable accrual to ensure compliance.*

Respondents also indicated that 46% offer sick pay based on hire date while 34% of employers front load their sick pay allotment. Front-loading sick leave at the beginning of each calendar year allows an employer to bypass having to accrue time and provide a rollover if required by the state provisions. As the employee receives a fresh allotment of paid sick leave each year, it satisfies state accrual requirements as long as the total amount meets state mandates. Many employers use this method since it is administratively easier, however, it may not be the best option for companies that have high turnover or concerns of abuse

About one-third of employers offer between 10 and 15 sick days per year.

Figure 3:  
Days of Sick Leave Provided

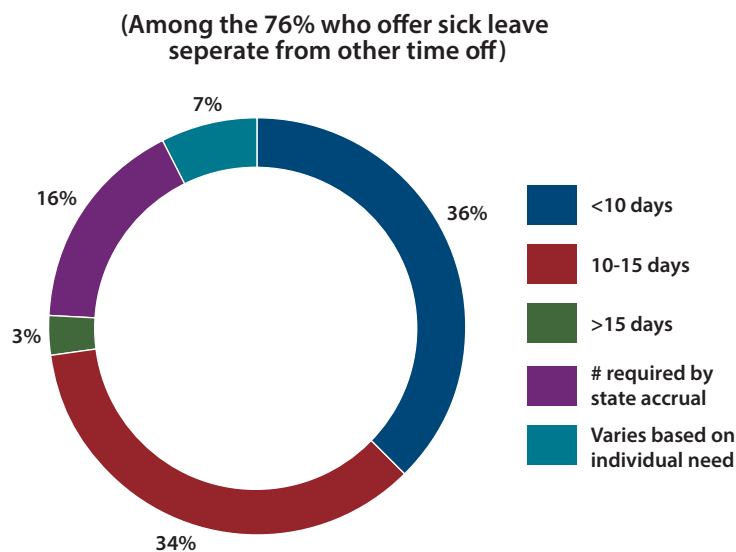
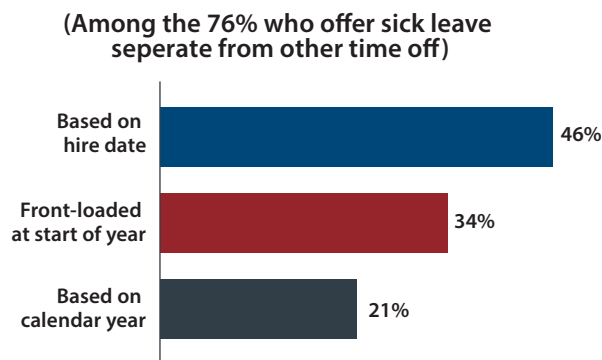


Figure 4:  
Management of Accrual





## On the Horizon: **Menopause**

Many employers are beginning to recognize the impact that menopause has on their workforce. Although every year, more than one million American women go through menopause, candid conversations about its effects and policy support remain limited in most corporate environments.

According to a 2022 study by D'Angelo et al., around one-third of women report moderate/severe difficulties at work because of menopausal symptoms.<sup>1</sup> Despite limited attention to this reality, there are many initiatives that employers can adopt to assist employees going through menopause.

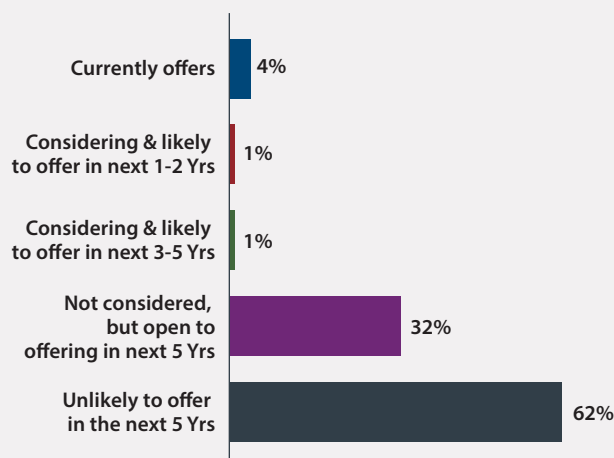
Chief among them is ensuring that proper benefits are available, such as hormone therapy and counseling. Although hormone therapy is most often used to treat common menopausal symptoms such as hot flashes and discomfort, it is also proven to prevent bone loss and reduce fractures in postmenopausal women. Employers can also drive awareness through corporate policies, dedicated health resources and open conversations with designated health champions, which can help destigmatize this natural transition.

From a business perspective, employees who are going through menopause are among your most valuable in terms of wisdom and years of experience; in fact they are the pillars of the workplace. Contrasting the cost of replacing them versus simply supporting them, it becomes clear that money spent on supportive initiatives is money in the bank. Although this is a new concept, 4% of our respondents currently offer some type of accommodation for menopause. Although 32% said that they had not considered it, they would be open to offering a benefit within the next five years.

**About one third of employers surveyed are open to offering menopause accommodations in the next five years, though only 4% already do.**

**Figure 5:**  
Accommodations for Menopause

(Among the 76% who offer sick leave separate from other time off)



1. D'Angelo S, Bevilacqua G, Hammond J, Zaballa E, Dennison EM, Walker-Bone K. Impact of Menopausal Symptoms on Work: Findings from Women in the Health and Employment after Fifty (HEAF) Study. *Int J Environ Res Public Health*. 2022 Dec 24;20(1):295. doi: 10.3390/ijerph20010295. PMID: 36612616; PMCID: PMC9819903.





## Holidays

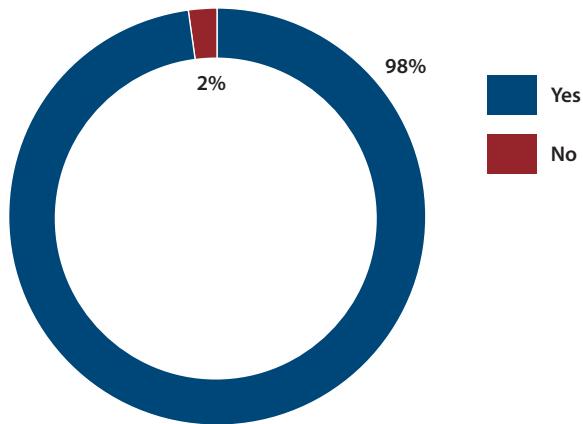
***Almost all companies offer time off for national holidays, including Thanksgiving, Christmas and New Year's Day.***

Overall, 98% of our survey respondents extend paid holidays to workers. Employers offering paid holidays often align with federal observances yet remain flexible year-to-year based on organizational and employee needs. Regularly evaluating and selecting meaningful dates enables employers to balance operational demands with providing time off on days of significance for their diverse workforce.

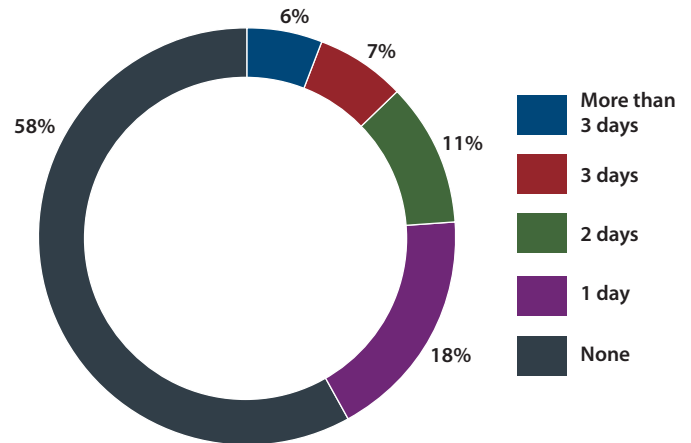
Employers of choice almost always offer paid time off for national holidays unless they are in an industry where they are required to work to meet operational needs e.g., in retail or healthcare. Year over year, the foundational holidays remain the same: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day are all offered by roughly 96% of the companies surveyed. The day after Thanksgiving (63%), Martin Luther King, Jr. (53%), Juneteenth (39%) and Washington's birthday (36%) follow as the holidays most offered by employers.

Most companies (92%) offer both exempt and non-exempt employees the same paid time off for holidays, with non-exempt employees who work on holidays in most cases (22%) being paid at their regular rate of pay. While more than half of employers are moving away from providing floating holidays (58%), this benefit offers personalization of meaningful holidays.

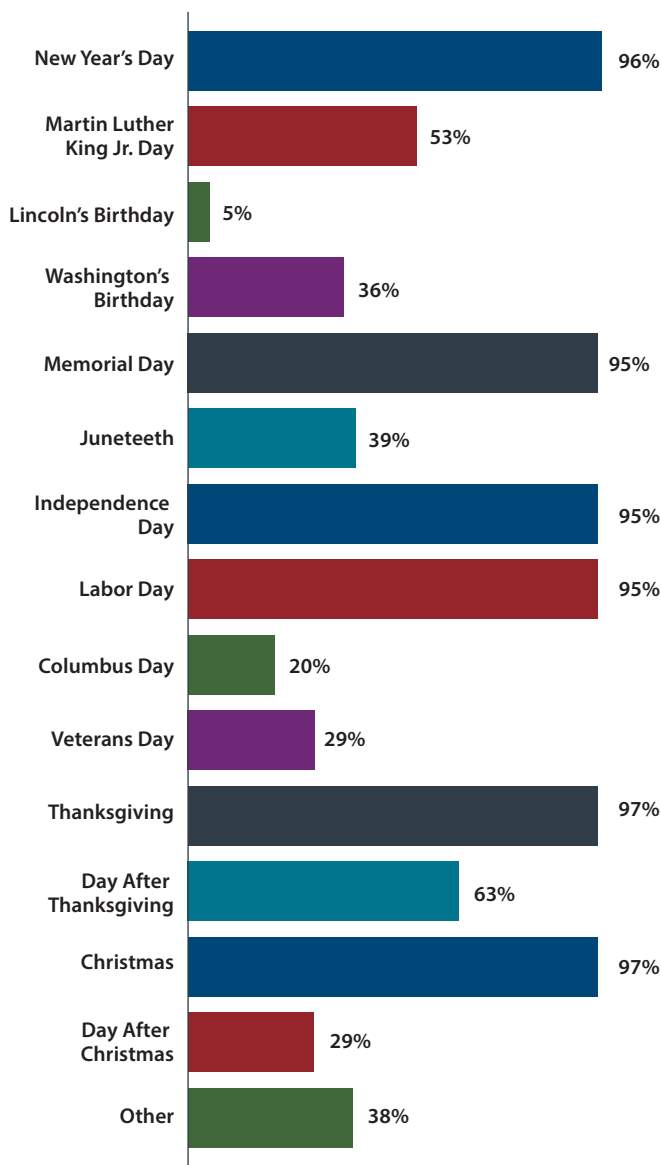
**Figure 1:**  
Offer Holiday Time Off



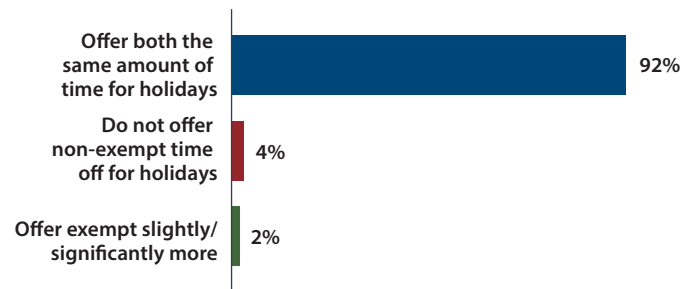
**Figure 3:**  
Floating Holidays Offered



**Figure 2:**  
Holidays Offered

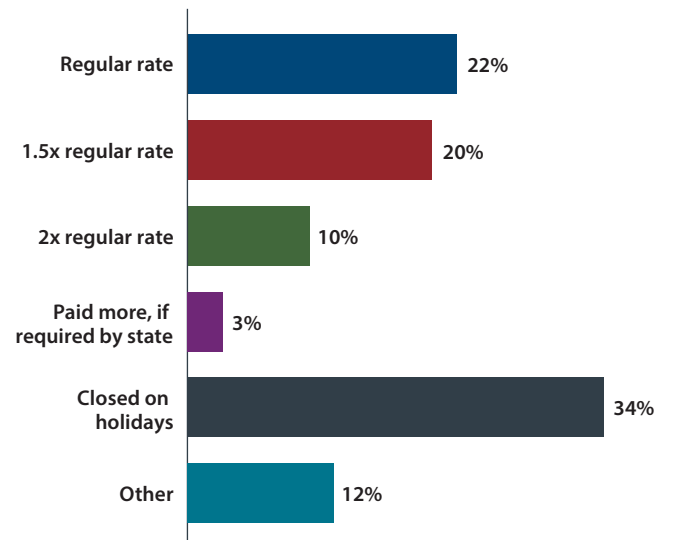


**Figure 4:**  
Exempt vs Non-Exempt



**Figure 5:**  
Holiday Pay Policy for Non-Exempt

Among the 94% who have non-exempt





## Employer Perceptions

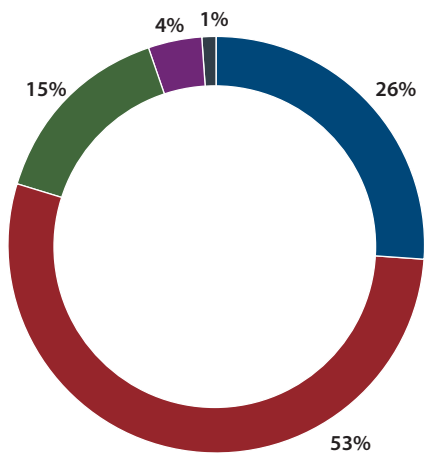
As HR leaders and decision-makers sit down to review their company policies, it is of utmost importance to take a candid look at whether the organization's leave offerings are truly working to attract and retain the best talent. If there is room for improvement, then now is the time to thoughtfully enhance programs to meet the diverse needs of today's workforce.

While our survey disclosed that 15% of respondents strongly agreed that their leave benefits are highly influential in attracting talent, 46% disagreed. Consequently, the results for retaining talent were not far off. This intimates that while employers are offering leave benefits, they are not perceived to be substantial enough to attract and retain top talent.

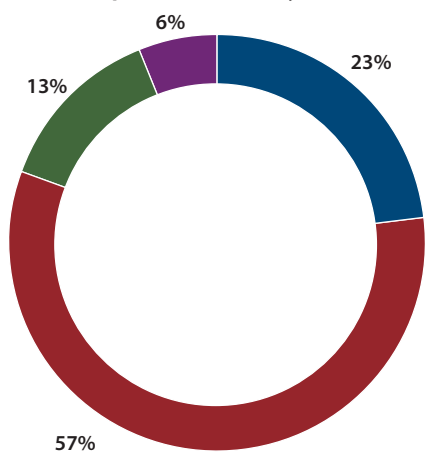
Employers of choice are extremely competitive and are willing to invest in their leave programs and total rewards offerings. Insight into competitive offerings can help employers leverage their policies to better position them to appeal to the best talent in a tight labor market. In fact, taking the time to benchmark peer organizations' paid leave and other benefits helps inform enhancements. This allows employers to remain agile and evolve their offerings over time to align with the competition, attracting premier talent.

**Figure 1:**  
Our Leave Benefits...

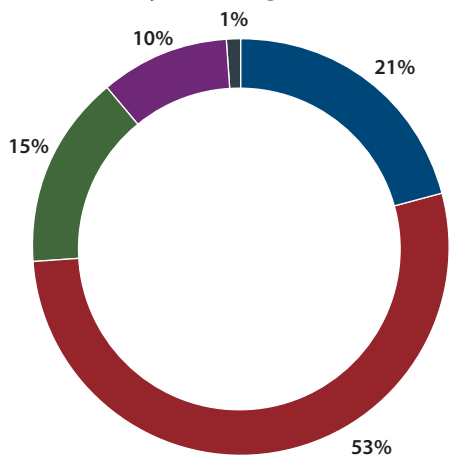
Contribute to overall **employee satisfaction**



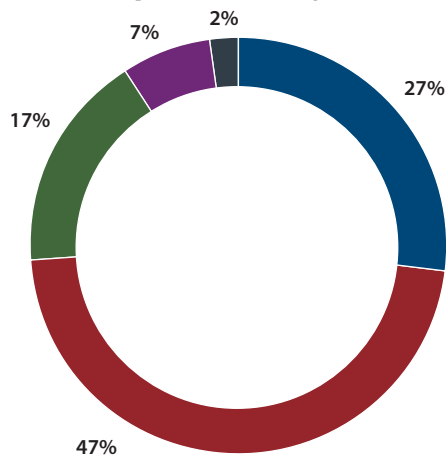
Communications to our employees about our leave policies are easy to understand



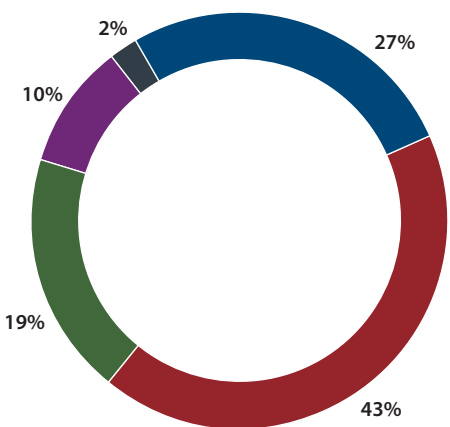
Are **easy** to manage



Are **competitive** vs our peers



Are **generous**

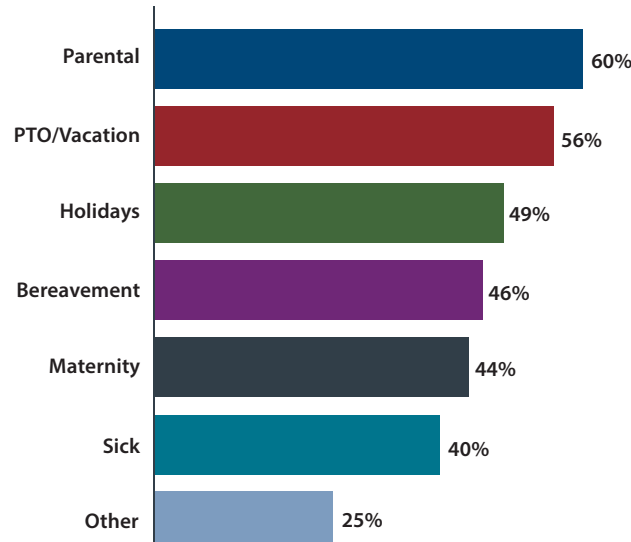


*Perhaps self-fulfilling for employers who believe their leave benefits are not influential in attracting and retaining talent: 31% of respondents did not believe that their leave offerings were generous, and 26% did not believe that they were competitive.*



**Figure 2:**

Perceived to Be Lacking by Business Decisionmakers  
(Among those who disagree with benefits being competitive/generous)

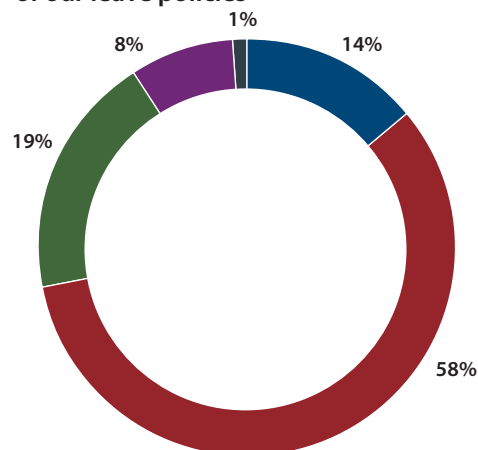


It is also extremely important for employers to understand what is meaningful to their workforce when it comes to benefit offerings. Many employers believe that their organization's leave benefits are satisfying their employees' needs when, in reality, they are not. Of the respondents, 52% believe that their employees perceive their leave offerings to be generous. However, the gap between what employers believe and what employees are saying is significant. For example, our survey disclosed that almost 20% more employees were unhappy with their employer's PTO/vacation offering than employers estimated. While employers believed that 56% of their employees were not happy with their PTO/vacation offering, 73% of employees felt that their PTO/vacation policy was lacking. The survey revealed a similar disconnect for maternity leave.

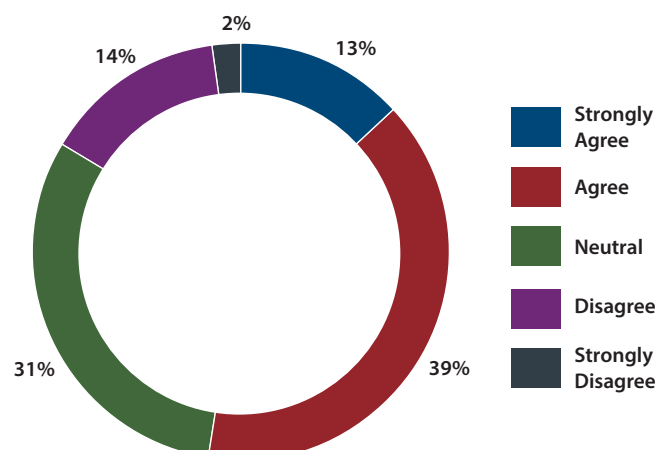
**Figure 3:**

Believe Employees...

**Have a good understanding of our leave policies**



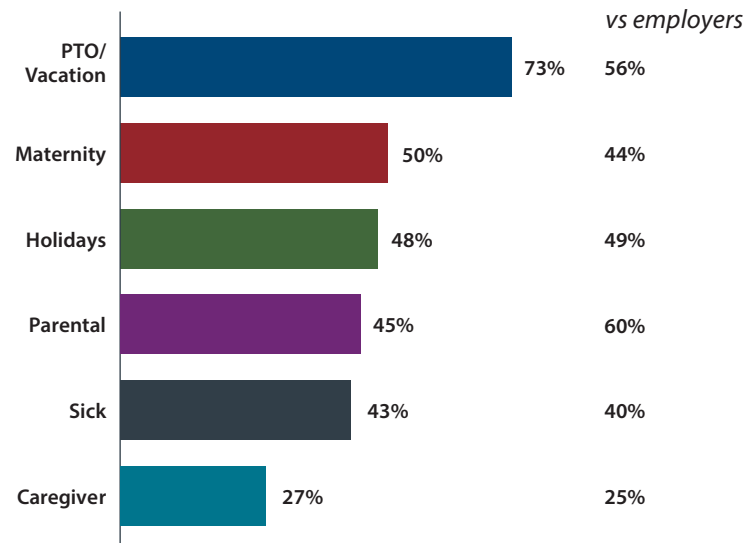
**View leave benefits as being generous**  
52% vs 70% among employers



Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**Figure 4:**

**Perceived to Be Lacking by Employees**  
(Among those who disagree with benefits being generous)



*Disconnects between employer and employee perception persist.*

Employers believed that only 44% were unhappy with their maternity leave benefits, but 50% of employees felt that the company should provide a more generous offering. This gap in perception is detrimental to an organization, especially when employers are not even aware of the gap! This can lead to stagnant, uninspired leave policies and can force employees to look elsewhere for the benefits they need.

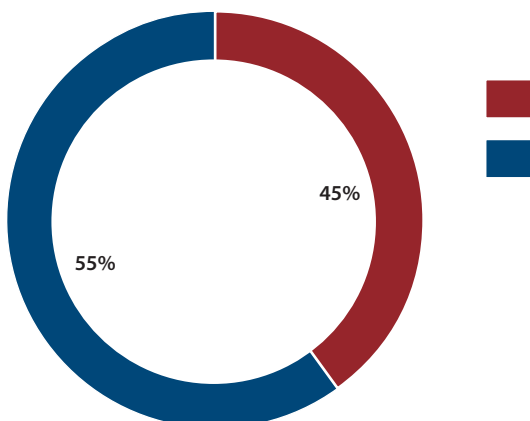
To avoid this perception gap, employers should regularly engage their employees and solicit their opinions to gain an understanding of their individual needs. This can be done through pulse surveys, focus groups and working groups that meet annually or on a regular basis. Employers that leverage their workforce to shape these policy and benefit decisions tend to invest wisely in their benefit dollars and in their employees.

**Figure 5:**

**Lack of Confidence in Attracting and Retaining**

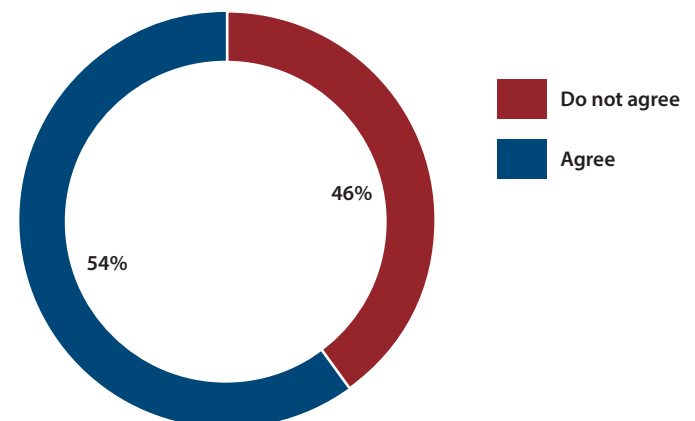
**RETAINING TALENT**

Over 40% of respondents do not agree their benefits are highly influential in their ability to retain talent\*



**ATTRACTING TALENT**

Over 40% of respondents do not agree their benefits are highly influential in their ability to attract talent\*



\*"Do not agree" includes respondents who answered Neutral, Disagree or Strongly Disagree.  
"Agree" includes respondents who answered Agree or Strongly Agree.

## Moving Forward

Whether it be parental leave, sick time or other leave programs, understanding where competitors set the bar for compensation, eligibility and duration enables strategic decision-making and positions employers favorably in the battle for talent. NFP is committed to sharing insights that help clients make informed decisions regarding their most significant leave challenges.

**By delivering ideas, expertise and perspective on opportunities in the marketplace, NFP is driving improvements in HR and leave management that help our clients meet their goals. With competitive intelligence and empathy for diverse employee needs, we're assisting employers to optimize their total rewards to be both competitive and, above all, human.**

## Methodology Overview

NFP conducted a benchmarking study to identify the leave management practices that drive policy across various US industries. To gather this information, NFP commissioned Empatix to conduct a nationwide quantitative benchmarking study to further understand organizational practices and offerings. The survey gathered data related to maternity/parental leave, holidays, paid time off, family caregiver leave and bereavement leave. NFP has compiled the results of this study and created this report to provide insight to HR practice leaders on leave policy trends, best practices and compliance.

## Survey Administration and Sample Characteristics

The survey was administered online, and respondents were made up of individuals who influence decisions as it pertains to creating and updating leave management policies for their organization.

## The analysis includes a total of 522 respondents.

### Respondent Qualifications

- Age 18+, employed in the United States
- Full-time employment in the Human Resources Department at their organization
- Must participate in creating and updating their company's leave management policies (e.g., paid time off, maternity leave parental leave, bereavement, etc.)



**RC-Fig. 01 and Fig. 02**  
Industry and Size



(n=552)	
Nonprofit	21.3%
Professional Services	14.0%
Manufacturing	2.3%
Healthcare	8.4%
Financial Services	6.5%
Construction	5.6%
Governmental/Public Utility	4.4%
Education	3.8%
Retail & Wholesale Trade	3.1%
Media & Communications	2.3%
Real Estate	2.3%
Hospitality	1.3%
Transportation, Trucking & Distribution	1.3%
Life Sciences & Pharma	1.0%
Agriculture, Food & Beverage	0.8%
Other	11.7%



(n=441)	
<500 Employees	360
500-999 Employees	39
1,000+ Employees	42

**RC-Fig. 03**  
US Region



(n=441)	
Atlantic	39.2%
Central	24.9%
Northeast	19.3%
West	15.9%
Other	0.7%

**RC-Fig. 04**  
Decision-Maker Status



(n=522)	
Primary Decision-Maker	18.4%
Share in the Decision-Making Authority	53.8%
Participate in Giving Input/Feedback	27.8%

**RC-Fig. 05**  
Multistate Status



(n=522)	
1 State	37.0%
2-5 States	29.5%
6-9 States	8.6%
10-29 States	17.6%
30-49 States	6.9%
All 50 States	0.4%

**RC-Fig. 06**  
Experience



(n=522)	
0-1 Years	2.1%
2-5 Years	13.2%
6-10 Years	17.2%
11-15 Years	13.8%
16-20 Years	15.1%
21 Years or More	38.5%

## About the Author

Maria M. Trapenasso is SVP, national practice leader of Human Capital Solutions for NFP.

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 over 28 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.

## About Human Capital Solutions

NFP's Human Capital Solutions offers comprehensive HR solutions and consultative expertise in career transition, HR operations, HR technology, compensation, international HR, people development, recruiting, strategic HR and total rewards. Knowing that people are the most critical determining factor to an organization's overall success, Human Capital Solutions leverages the strategic integration of talent, expertise and technology to streamline customized solutions that deliver enhanced value for employers and employees.

## About NFP

NFP is a leading property and casualty broker, benefits consultant, wealth manager, and retirement plan advisor that provides solutions enabling client success through the expertise of over 8,000 global employees, investments in innovative technologies, and enduring relationships with highly rated insurers, vendors, and financial institutions. NFP is the 9th best place to work for large employers in insurance, 7th largest privately-owned broker, 7th largest benefits broker by global revenue and 13th largest broker of US business (all rankings according to Business Insurance). Visit [NFP.com](https://www.nfp.com) to discover how NFP empowers clients to meet their goals.

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