

Majority of Employers Plan to Enhance Leave Programs

A new survey by Willis Towers Watson (WTW) revealed that 84% of U.S. employers plan to change their leave programs in the next two years. More organizations are investing in their leave programs in an effort to remain competitive and improve attraction and retention.

WTW's 2023 Leave, Disability and Time-off Trends Survey found that attraction and retention strategies are the primary drivers (73%) for employers changing their leave programs. About the same percentage of respondents (72%) said the changes are meant to enhance the employee experience. Another top reason cited by employers was to support diversity, equity and inclusion initiatives (32%).

“By modernizing time-off programs, employers can create a supportive work environment that fosters engagement and improves the overall employee experience.”

- Alex Henry, Group Benefits leader, WTW

How and where people work has changed significantly over the past few years, so employers are considering updating their paid time off (PTO) and leave programs to meet employees' needs. According to the survey, these are the significant leave changes employers plan to make:

- One-fifth of companies offering **parental leave** (e.g., maternity, paternity and adoption leaves) plan to increase the value of their programs.
- One-quarter (25%) of employers who offer **bereavement leave** plan to increase their offerings with strategies such as expanding covered person(s) and extending the duration.
- One-fourth (22%) of employers plan to or are considering offering a paid **caregiver leave** policy in the next two years. As a result, paid caregiver leave will likely have the most substantial increase in employer adoption.
- One-sixth (16%) of employers anticipate offering **unlimited PTO** to exempt employees in the next two years. Unlimited PTO is currently more prevalent among directors and executives.
- A quarter (23%) of employers plan to change the number of days provided in their **time-off program** changes.

Employer Takeaway

Regulatory and social drivers continue to shape the leave landscape. As such, employers are realizing the need to adapt to employees' needs and desires to remain competitive for today's top talent. Generous leave programs are proving to impact employee attraction and retention positively.

Employers should continue to monitor employment trends to stay competitive in today's evolving market and modernize their practices as necessary. Contact us for more resources.