

2024 Benefits Benchmarking Report

SMB Edition

Detailed benefits benchmarking data covering Healthcare, Wellbeing, People Policies, and Retirement Programs

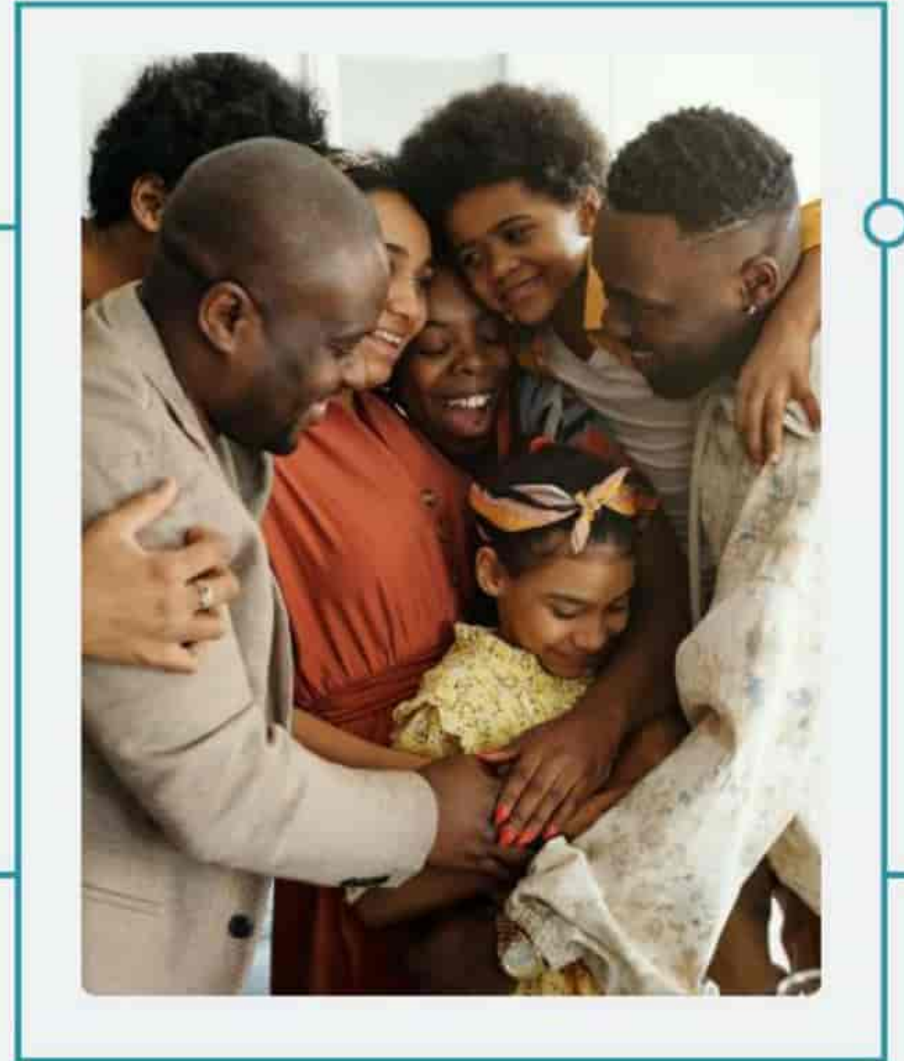


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About This Report

Understanding the latest benefits trends can help tech companies make informed decisions about their strategies, ensuring they stay competitive in today's talent market. And because people spend is a company's largest expense, a comprehensive view of how their programs stack up in the market can help them better allocate resources and optimize their offerings.

To help people leaders understand how other organizations with fewer than 100 employees are designing their benefits programs in 2024, we collected data from 1,383 companies from February through March.

Respondents shared details on their healthcare, wellbeing, and retirement plans, as well as their people policies.

Participants were US-based and multinational organizations from a variety of industries, primarily in the technology sector. The majority are headquartered in California (62%) and New York (17%). For details on our methodology, see page 90.



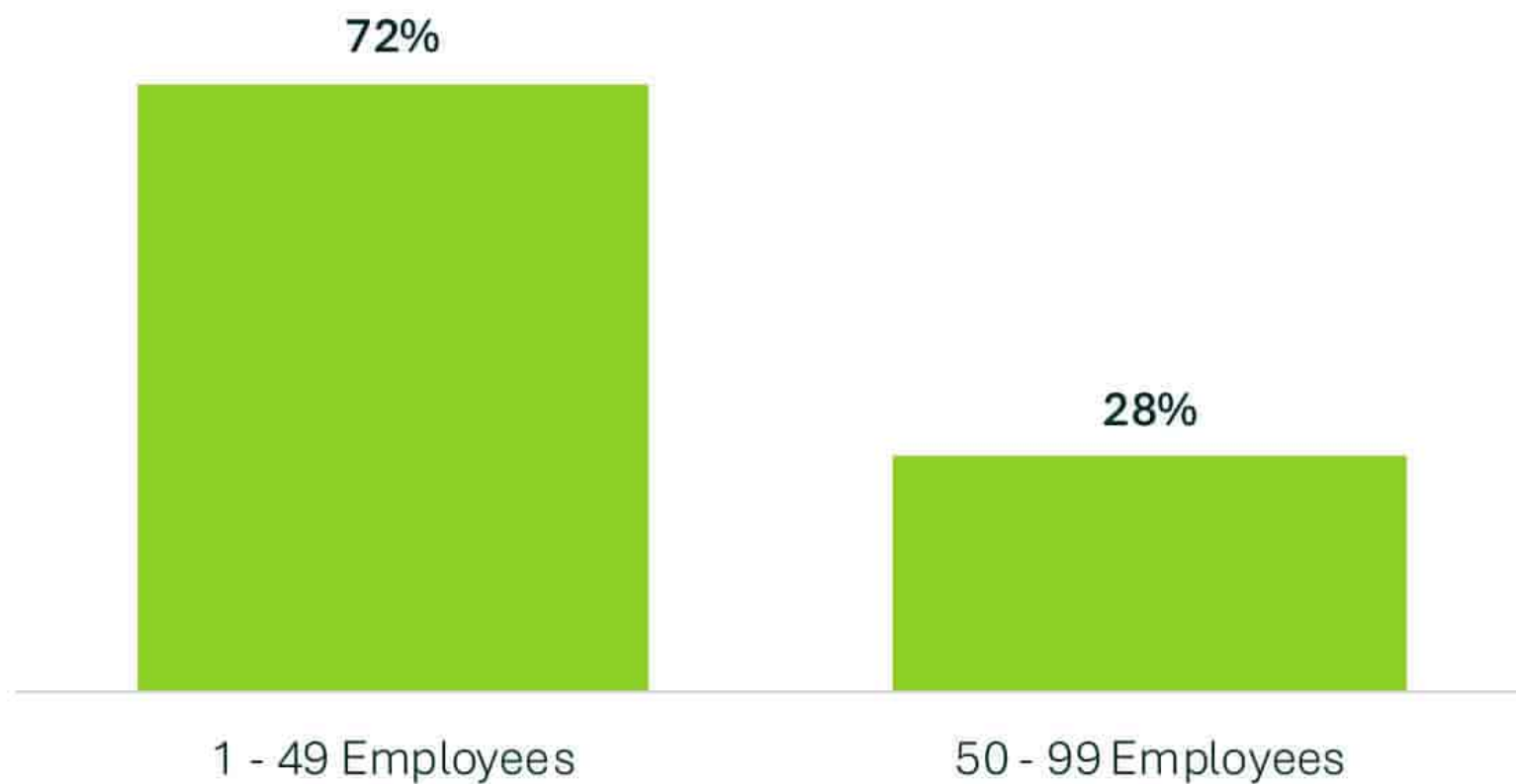
Participant Demographics: SMB Edition



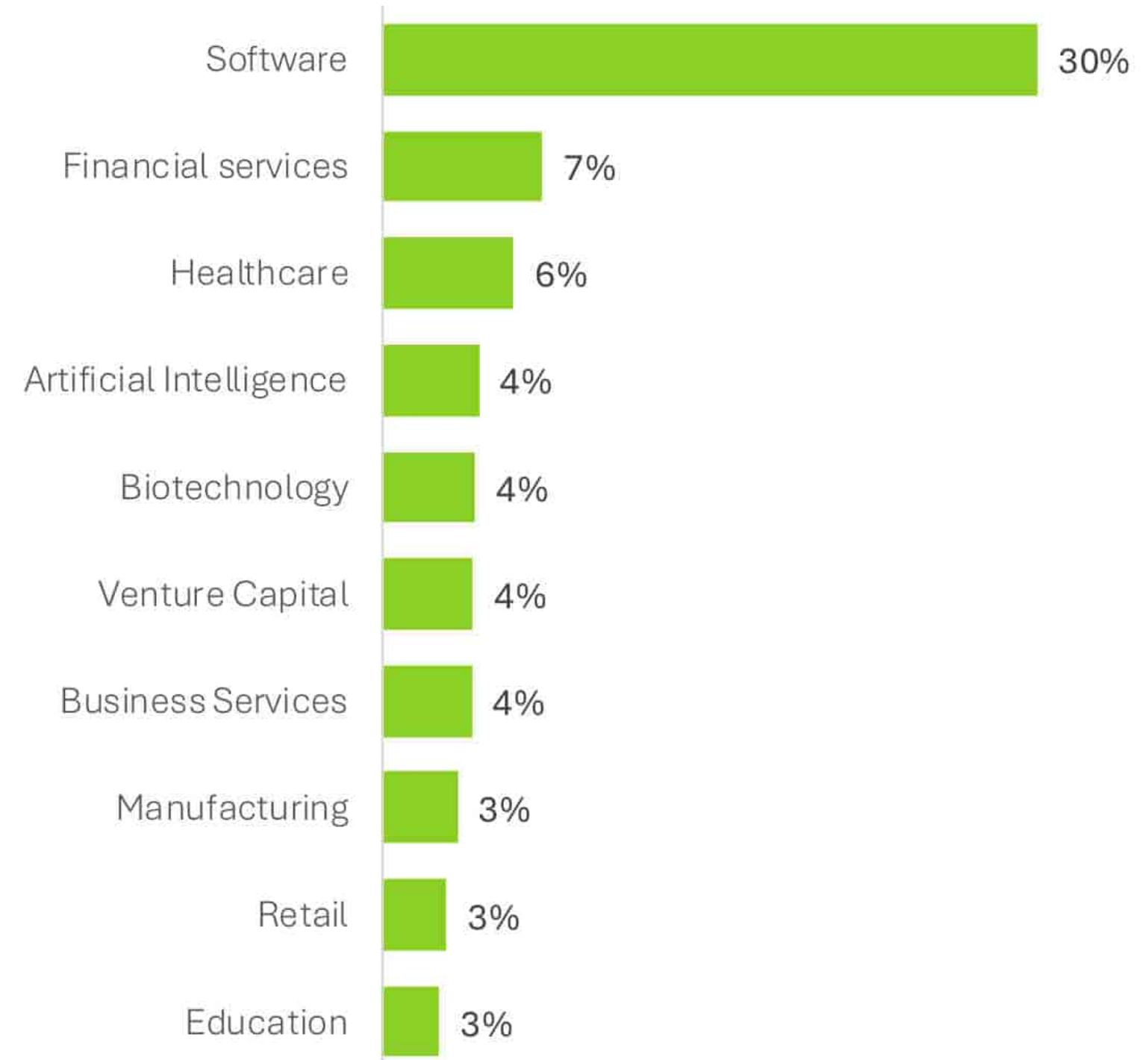
1,383

participating companies

Size



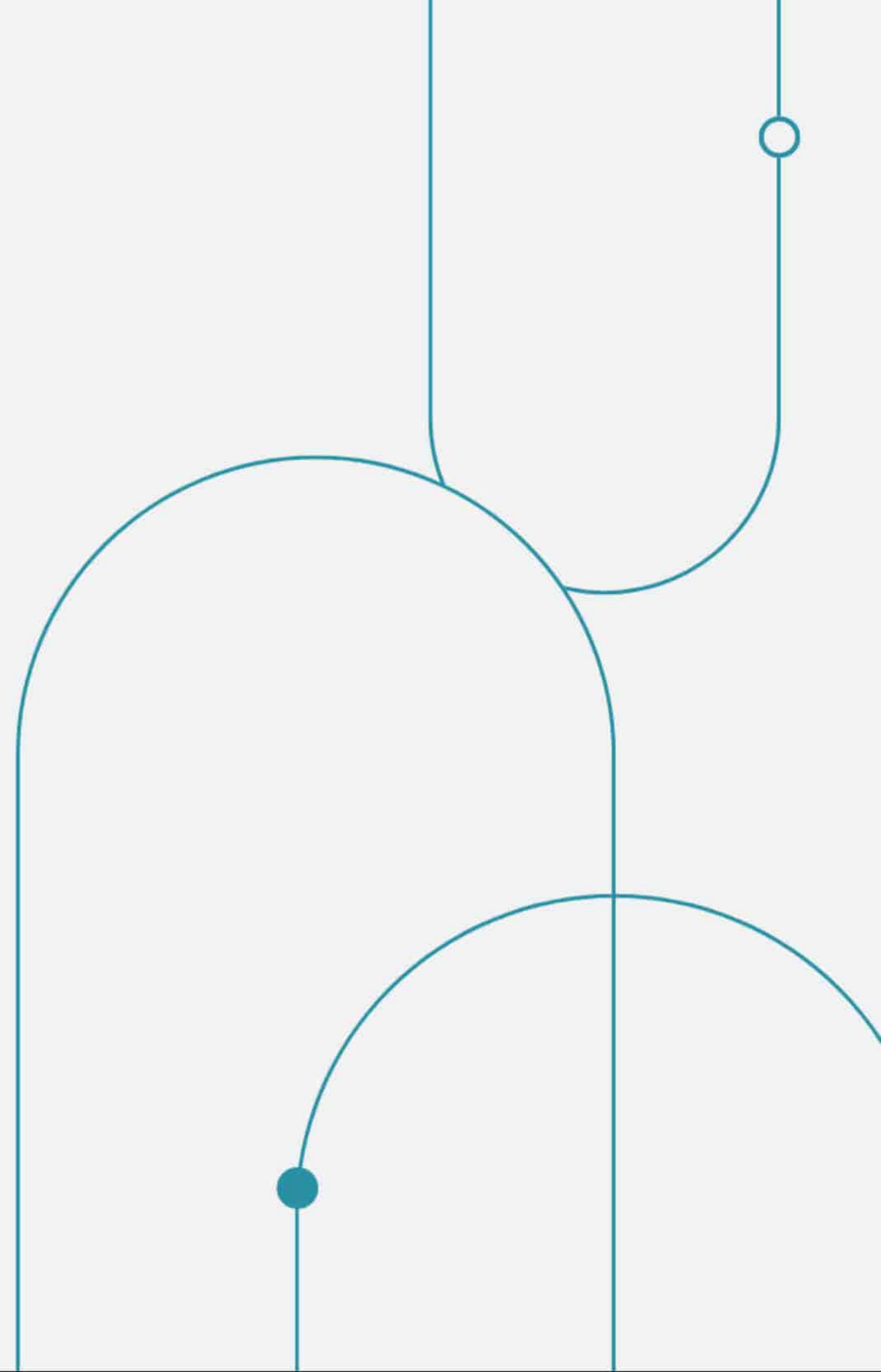
Industries



Note: Only the top ten industries reported.

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Executive Summary



Summary of Key Findings

From February through March, 1,383 tech companies, both US-based and multinational, participated in Sequoia's 2024 Benefits Benchmarking Survey. Here are the key insights from our findings about companies with fewer than 100 employees.

Healthcare

- **7.3%** is the average increase per capita after companies implemented 2024 health plan changes.
- **62%** of employers are focused on strategies to lower or mitigate rising healthcare costs in 2024.
- Companies are placing a stronger emphasis on mental health services with **52%** planning to expand access in the next 12 to 24 months.
- **25%** of employers plan to increase employee contributions to medical plans in the next 12 to 24 months.

Wellbeing

- **61%** of employers offer a family wellbeing benefit, **up 28%** since 2022.
- **91%** of employers offer an emotional wellbeing benefit, **up 22%** since 2022.
- **30%** of employers are expanding their wellbeing benefits in 2024.

People Policies

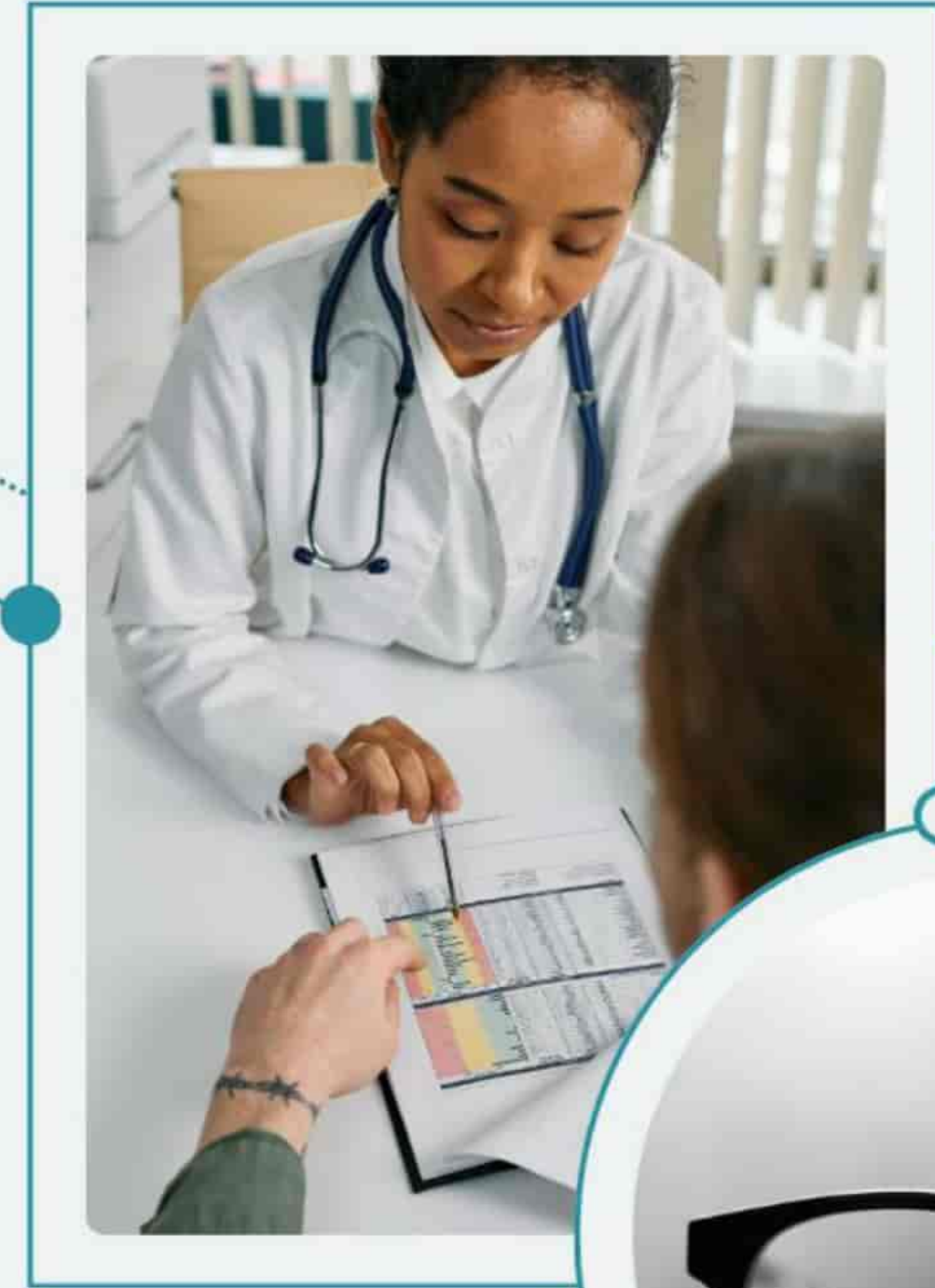
- **19%** of employers are considering expanding their leave benefits in the next 12 months to attract and retain talent.
- Parental leave continues to grow in popularity among employers with **94%** of them offering paid parental leave, **up 5%** from 2023.
- **82%** of employers who have a parental leave policy offer a package beyond statutory requirements.

Retirement

- **5%** of companies increased their match contribution in the past 12 months.
- **5%** of companies are adding a match contribution in the next 12 months.
- **Over 50%** of employers allow part-time employees to participate in their retirement plans.

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Healthcare



Total Plan Healthcare Costs

Total costs across each line of coverage are broken out by employer + employee costs, employer-only costs, and employee spend.

Annual Total Spend

	25th	Average	Median	75th
Medical & Prescription Drugs	\$11,463	\$16,542	\$15,726	\$20,932
Dental	\$510	\$1,044	\$952	\$1,386
Vision	\$33	\$175	\$149	\$263
Life	\$154	\$266	\$236	\$346
Disability	\$323	\$446	\$421	\$531
Total	\$11,463	\$18,322	\$17,248	\$20,932

Annual Employer Spend

	25th	Average	Median	75th
Medical & Prescription Drugs	\$8,885	\$12,771	\$11,919	\$15,716
Dental	\$228	\$628	\$659	\$900
Vision	\$6	\$95	\$93	\$148
Life	\$154	\$266	\$236	\$346
Disability	\$323	\$446	\$421	\$531
Total	\$9,442	\$14,056	\$13,093	\$17,504

Annual Employee Spend

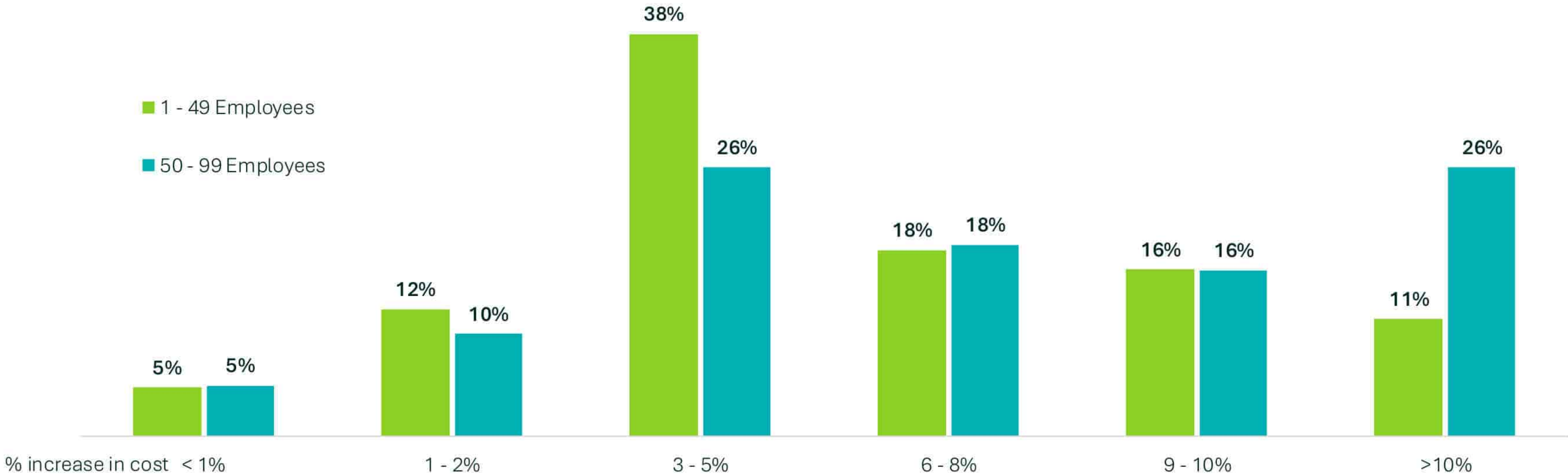
	25th	Average	Median	75th
Medical & Prescription Drugs	\$2,578	\$3,771	\$3,807	\$5,216
Dental	\$282	\$416	\$293	\$486
Vision	\$27	\$79	\$55	\$115
Life	\$0	\$0	\$0	\$0
Disability	\$0	\$0	\$0	\$0
Total	\$2,887	\$4,266	\$4,155	\$5,816

Note: Calculations are based on enrolled population, includes HSA contributions and includes zeros.

Total Plan Healthcare Cost Increases for 2024

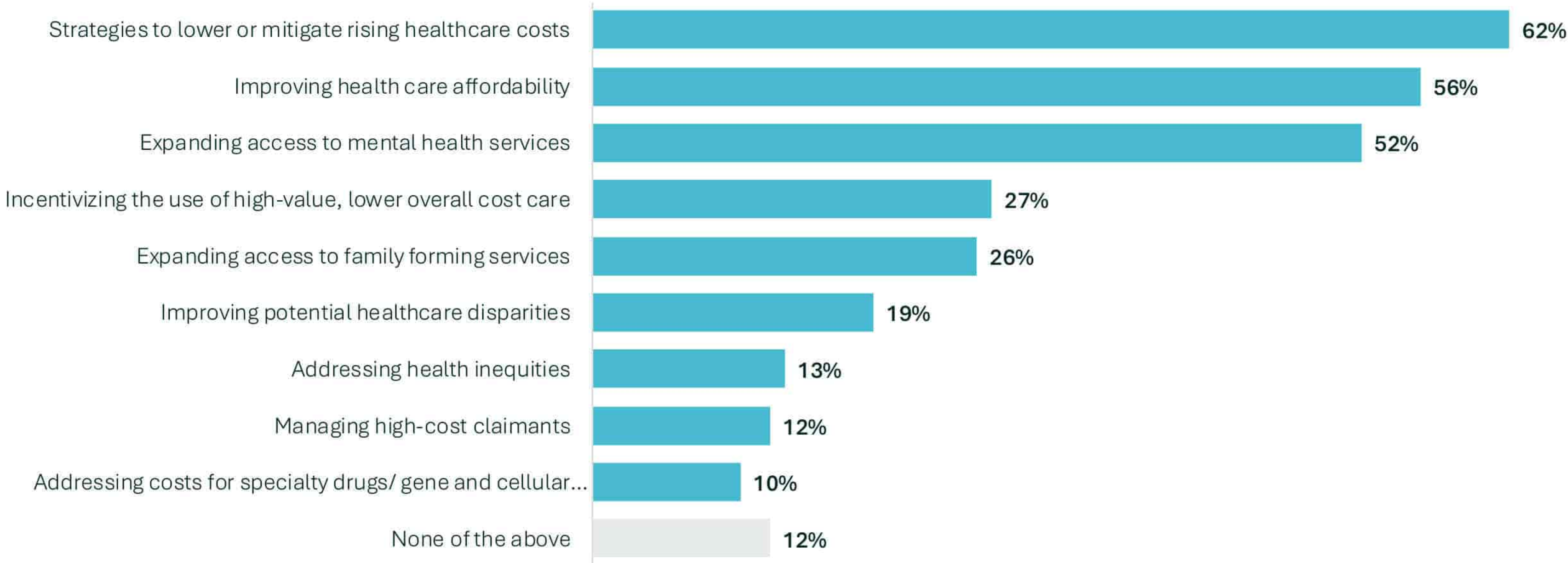
Among companies with less than 100 employees, **33%** saw an increase of **3–5%** in per capita costs for medical, prescription, dental, and vision plans after 2024 plan changes. **17%** saw an increase greater than 10%.

Note: the values referenced above are based on all companies with less than 100 employees, which is the reason they are different from the breakouts in the chart.



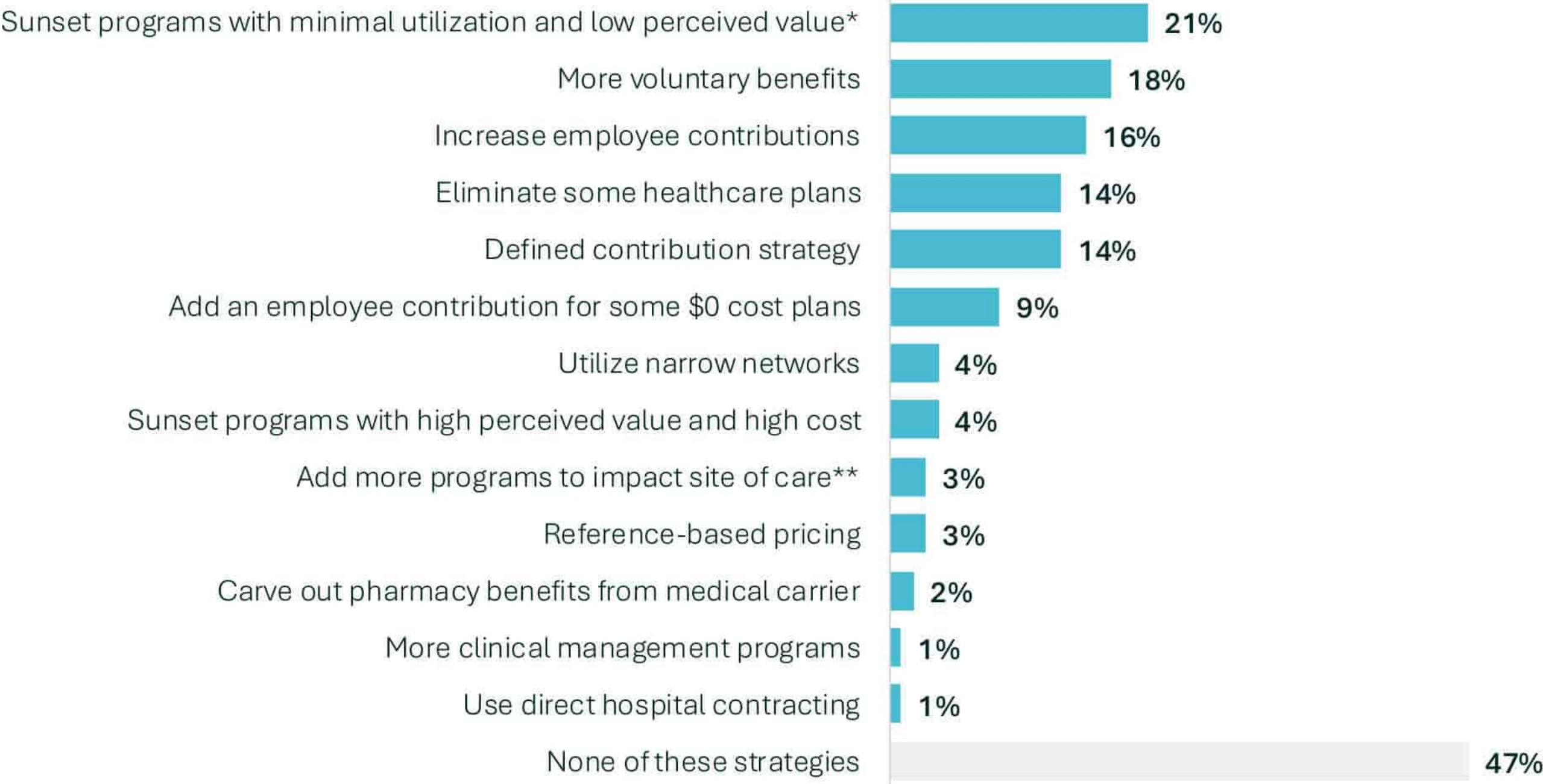
Health Plan Strategies

Over the next 12 to 24 months, companies will strive to balance mitigating rising healthcare costs, offering competitive benefits packages, and delivering benefits that align with employee needs, such as expanding access to mental health services.



Cost-Cutting Strategies

Companies are focusing on cutting programs with low perceived value and low utilization. **25%** of companies plan to increase employee contributions toward plans or add an employee contribution for at least one \$0 plan.

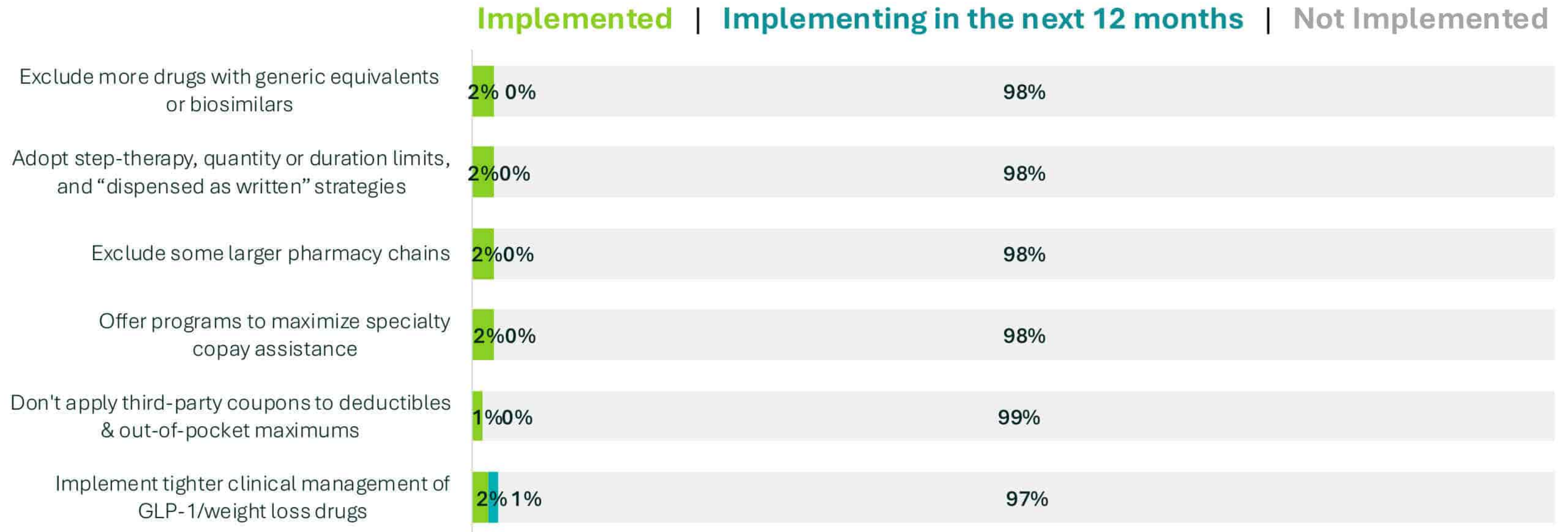


*Examples include wellbeing program, perks, family-forming benefits.

** Programs that steer care to lower cost places of service.

Pharmacy Clinical Management Practices

Very few companies with less than 100 employees have implemented, or plan to implement, pharmacy clinical management practices to control costs.

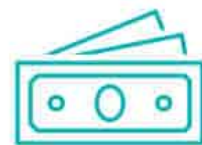


Health Plan Eligibility

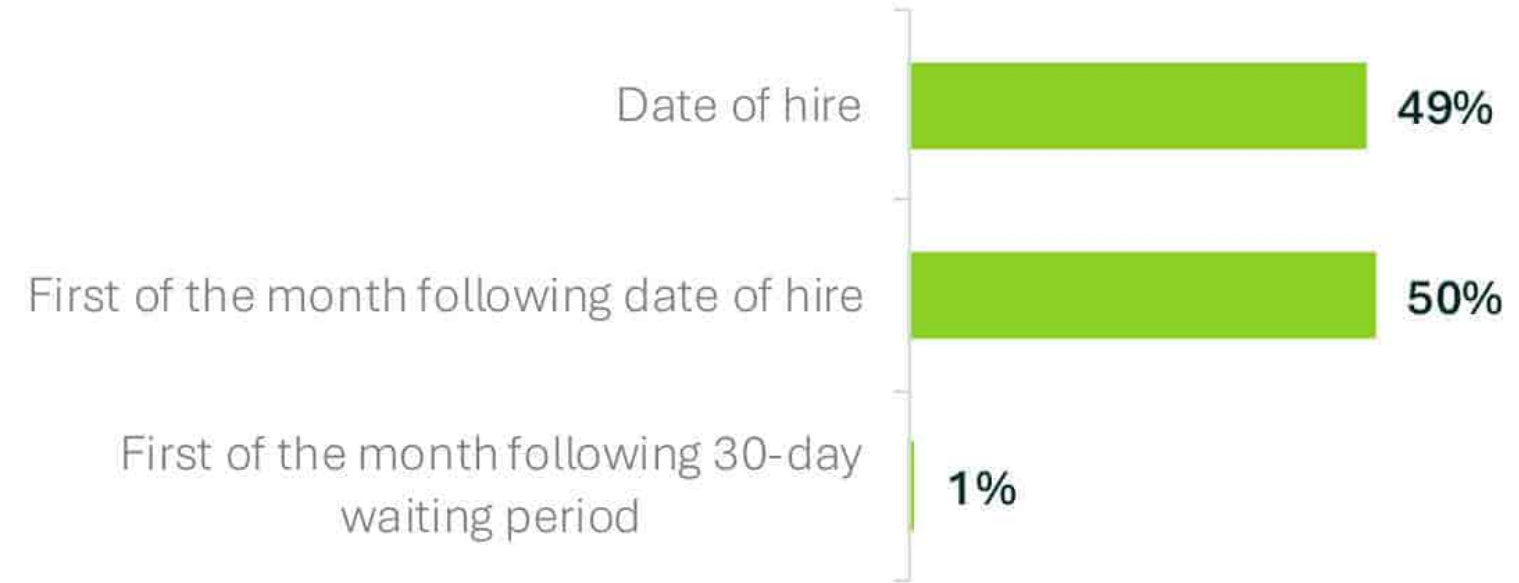
99% of employees are eligible to enroll in healthcare benefits within the first month of hire. Majority of companies (89%) require employees to work a minimum of 30 hours to be eligible for healthcare benefits.

37% of companies have a process to ensure dependents meet eligibility requirements

8% offer waiver credit for employees who don't elect healthcare coverage, which is \$250 per month, on average

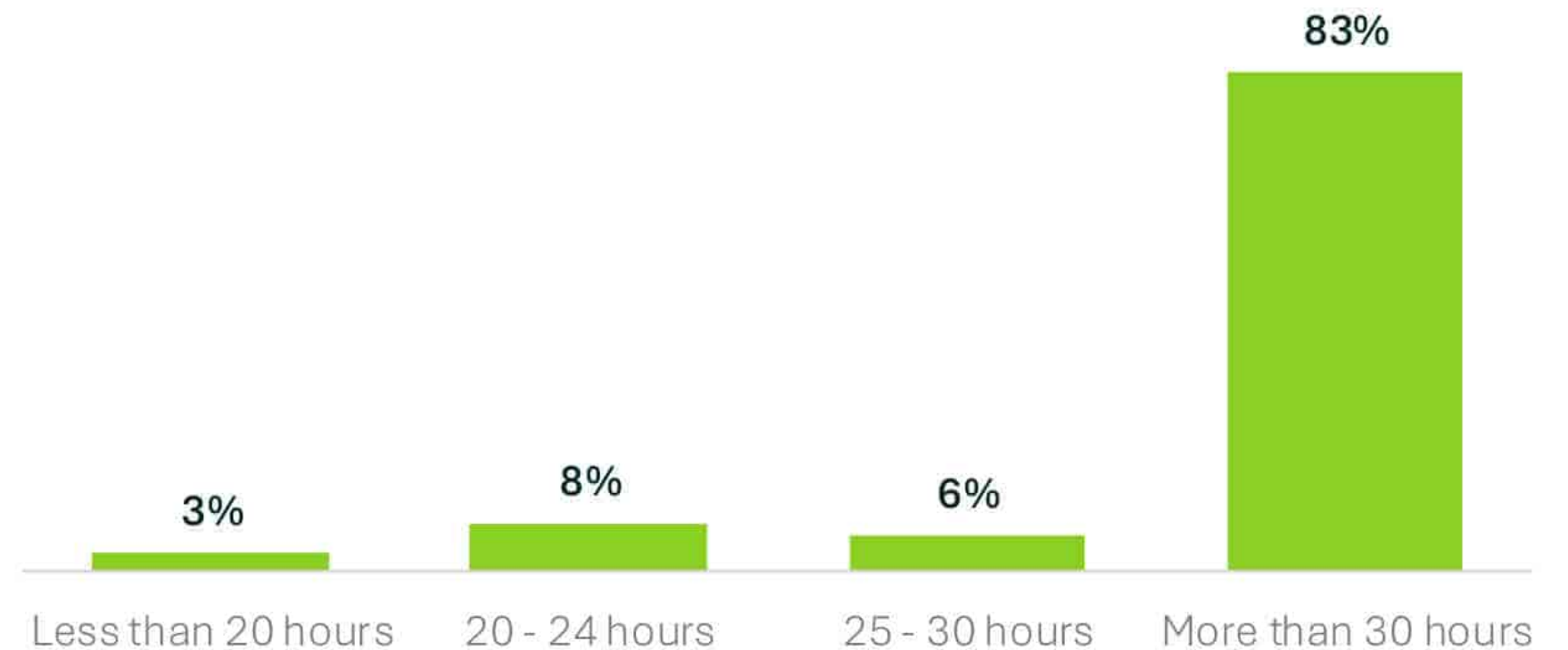


Health plan eligibility requirements



Note: Options with 0% not shown.

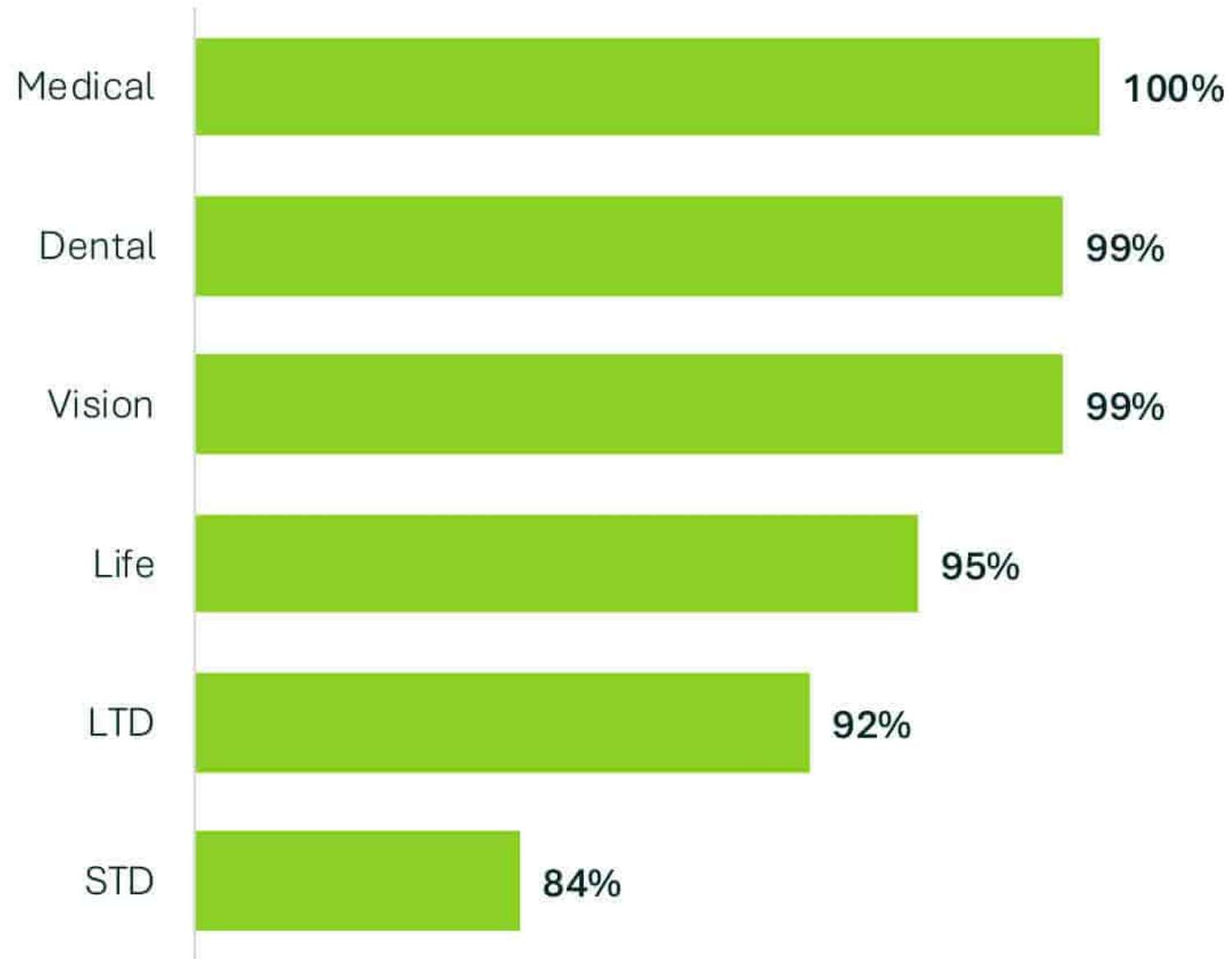
Minimum weekly hours to be eligible for health plan



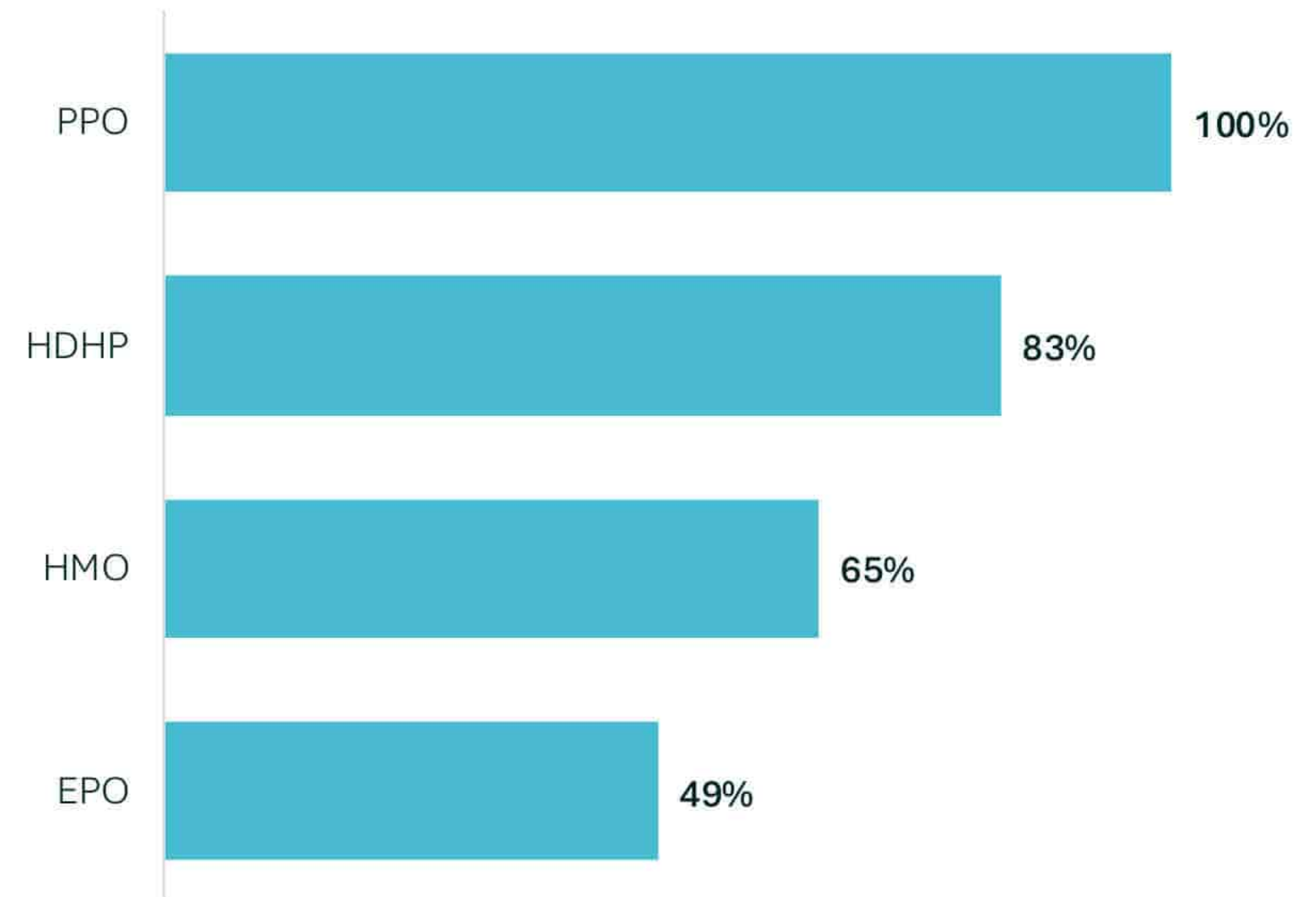
Health Plan Program Design

Most employers offer plan options across all lines of coverage. PPO and HDHP continue to be the most common types of medical plans. Companies offering a HDHP increased **7%**

Benefits offered



Medical plans offered



PPO Contribution Strategy

Employer contribution to premium	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family	
Headcount	Average	Median	Average	Median	Average	Median	Average	Median
1-49	84%	90%	69%	75%	70%	75%	65%	67%
50-99	84%	90%	71%	75%	72%	75%	68%	72%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$190	\$88	\$238	\$303	\$738	\$412	\$799	\$246	\$603	\$347	\$689	\$480	\$1,160	\$695	\$1,218
50-99	\$0	\$171	\$91	\$213	\$285	\$642	\$396	\$636	\$230	\$523	\$347	\$547	\$452	\$1,003	\$695	\$986
All	\$0	\$181	\$90	\$225	\$294	\$690	\$404	\$718	\$238	\$563	\$347	\$618	\$466	\$1,082	\$695	\$1,102
Employer Cost																
1-49	\$705	\$783	\$727	\$869	\$1,052	\$1,347	\$1,302	\$1,656	\$966	\$1,225	\$1,159	\$1,477	\$1,399	\$1,811	\$1,769	\$2,306
50-99	\$676	\$760	\$727	\$851	\$1,052	\$1,358	\$1,333	\$1,669	\$986	\$1,228	\$1,185	\$1,465	\$1,399	\$1,842	\$1,844	\$2,309
All	\$691	\$772	\$727	\$860	\$1,052	\$1,352	\$1,317	\$1,663	\$976	\$1,227	\$1,172	\$1,471	\$1,399	\$1,826	\$1,807	\$2,308

PPO Plan Design

100% offer a PPO plan:

1 plan **16%**

2 plans **23%**

3+ plans **61%**

		Most Common	Median	Average
Deductible	Individual annual deductible (in-network)	\$250	\$250	\$412
	Individual annual deductible (out-of-network)	\$500	\$500	\$1,026
	Family annual deductible (in-network)	\$750	\$750	\$1,156
	Family annual deductible (out-of-network)	\$1,500	\$1,500	\$2,531
Maximums	Individual out-of-pocket maximum (in-network)	\$2,250	\$2,500	\$3,114
	Individual out-of-pocket maximum (out-of-network)	\$6,000	\$6,500	\$6,658
	Family out-of-pocket maximum (in-network)	\$4,500	\$6,000	\$6,585
	Family out-of-pocket maximum (out-of-network)	\$12,000	\$13,000	\$13,701
Coinsurance	Coinsurance (in-network)	10%	10%	13%
	Coinsurance (out-of-network)	40%	40%	35%
Copays	Primary care copay	\$20	\$20	\$19
	Specialist visit copay	\$30	\$30	\$30
	Emergency room copay	\$150	\$150	\$190
	Inpatient hospital copay (per admit)	\$250	\$250	\$298
Pharmacy	Generic pharmacy copay for 30 days (Tier 1)	\$10	\$10	\$10
	Preferred pharmacy copay for 30 days (Tier 2)	\$30	\$30	\$30
	Non-preferred pharmacy copay for 30 days (Tier 3)	\$40	\$40	\$42

Note: All calculations include zeros, except out-of-pocket maximums.

HDHP Contribution Strategy

Employer contribution to premium	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family		
	Headcount	Average	Median	Average	Median	Average	Median	Average	Median
1-49		95%	100%	85%	87%	86%	88%	83%	84%
50-99		94%	100%	83%	84%	84%	87%	81%	82%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$37	\$0	\$60	\$1	\$223	\$194	\$331	\$1	\$184	\$147	\$274	\$1	\$361	\$323	\$546
50-99	\$0	\$42	\$1	\$74	\$91	\$236	\$216	\$339	\$83	\$195	\$163	\$284	\$148	\$377	\$362	\$546
All	\$0	\$39	\$1	\$67	\$46	\$230	\$205	\$335	\$42	\$189	\$155	\$279	\$75	\$369	\$342	\$546
Employer Cost																
1-49	\$555	\$624	\$666	\$740	\$996	\$1,203	\$1,259	\$1,502	\$869	\$1,067	\$1,117	\$1,328	\$1,344	\$1,666	\$1,741	\$2,089
50-99	\$500	\$586	\$601	\$739	\$920	\$1,122	\$1,170	\$1,393	\$833	\$998	\$1,033	\$1,250	\$1,261	\$1,551	\$1,627	\$1,972
All	\$527	\$605	\$634	\$739	\$958	\$1,162	\$1,214	\$1,447	\$851	\$1,033	\$1,075	\$1,289	\$1,303	\$1,609	\$1,684	\$2,030

HDHP Plan Design

83% offer an HDHP:

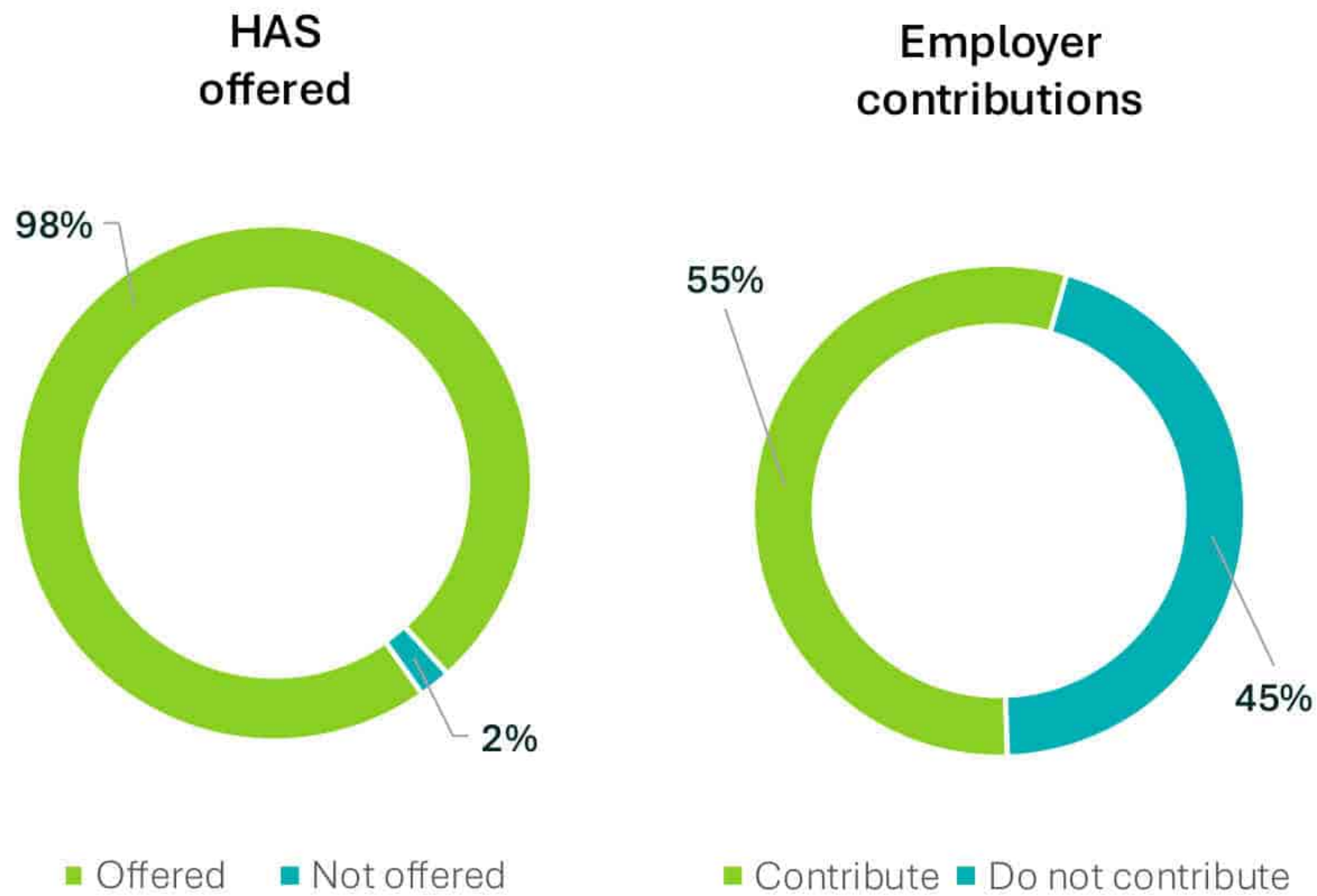
- 1 plan** **48%**
- 2 plans** **45%**
- 3+ plans** **7%**

		Most Common	Median	Average
Deductible	Individual annual deductible (in-network)	\$3,000	\$3,000	\$2,975
	Individual annual deductible (out-of-network)	\$3,000	\$3,000	\$3,578
	Family annual deductible (in-network)	\$6,000	\$6,000	\$5,937
	Family annual deductible (out-of-network)	\$6,000	\$6,000	\$7,115
Maximums	Individual out-of-pocket maximum (in-network)	\$3,425	\$3,425	\$3,819
	Individual out-of-pocket maximum (out-of-network)	\$7,000	\$7,000	\$8,010
	Family out-of-pocket maximum (in-network)	\$6,850	\$6,850	\$7,631
	Family out-of-pocket maximum (out-of-network)	\$14,000	\$14,000	\$16,033
Coinsurance	Coinsurance (in-network)	0%	0%	4%
	Coinsurance (out-of-network)	30%	30%	32%
Copays	Primary care copay	\$30	\$30	\$26
	Specialist visit copay	\$60	\$50	\$49
	Emergency room copay	\$150	\$150	\$210
Pharmacy	Generic pharmacy copay for 30 days (Tier 1)	\$10	\$10	\$10
	Preferred pharmacy copay for 30 days (Tier 2)	\$30	\$30	\$30
	Non-preferred pharmacy copay for 30 days (Tier 3)	\$50	\$50	\$46

Note: All calculations include zeros, except out-of-pocket maximums. After the deductible has been met for non-preventive services.

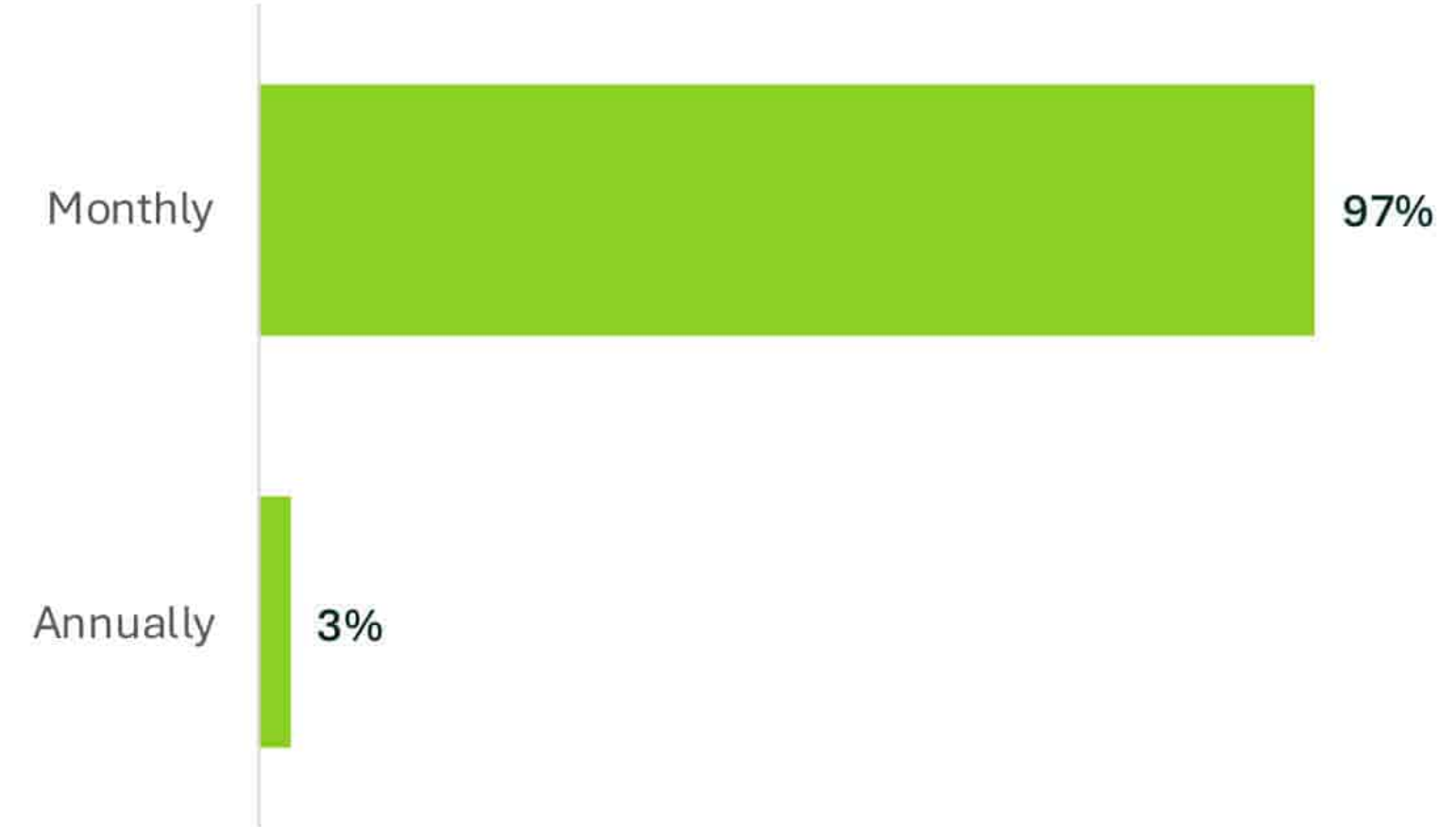
HSA Contributions

Offering and contributing to an employee's health savings account (HSA) continues to be a common element of medical plan provisions. Companies contributing to HSAs increased **17%**.



Note: Based on companies offering an HDHP with an HSA.

HSA contribution frequency



Average annual HSA contribution

Employee only



\$1,555

Employee + Dependent(s)



\$3,024

EPO Contribution Strategy

Employer contribution to premium	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family		
	Headcount	Average	Median	Average	Median	Average	Median	Average	Median
1-49		89%	92%	78%	81%	79%	82%	76%	79%
50-99		89%	92%	79%	81%	79%	82%	77%	80%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$104	\$72	\$162	\$203	\$431	\$381	\$577	\$161	\$380	\$315	\$530	\$314	\$665	\$579	\$922
50-99	\$0	\$100	\$70	\$158	\$203	\$423	\$373	\$571	\$160	\$372	\$314	\$522	\$309	\$656	\$579	\$916
All	\$0	\$102	\$71	\$160	\$203	\$427	\$377	\$574	\$160	\$376	\$314	\$526	\$311	\$660	\$579	\$919
Employer Cost																
1-49	\$725	\$829	\$868	\$965	\$1,318	\$1,555	\$1,613	\$1,814	\$1,190	\$1,412	\$1,479	\$1,659	\$1,797	\$2,162	\$2,238	\$2,533
50-99	\$728	\$833	\$868	\$965	\$1,326	\$1,562	\$1,620	\$1,815	\$1,197	\$1,419	\$1,481	\$1,659	\$1,816	\$2,170	\$2,245	\$2,534
All	\$726	\$831	\$868	\$965	\$1,322	\$1,559	\$1,616	\$1,815	\$1,194	\$1,416	\$1,480	\$1,659	\$1,806	\$2,166	\$2,241	\$2,533

EPO Plan Design

49% offer an EPO plan:

- 1 plan** **69%**
- 2 plans** **25%**
- 3+ plans** **6%**

		Most Common	Median	Average
Deductible	Individual annual deductible	\$0	\$0	\$197
	Family annual deductible	\$0	\$0	\$468
Maximums	Individual out-of-pocket maximum	\$2,000	\$2,000	\$2,480
	Family out-of-pocket maximum	\$4,000	\$4,000	\$4,958
Copays	Primary care copay	\$15	\$15	\$20
	Specialist visit copay	\$30	\$30	\$37
	Inpatient hospital copay (per admission)	\$250	\$250	\$290
Pharmacy	Generic pharmacy copay for 30 days (Tier 1)	\$10	\$10	\$10
	Preferred pharmacy copay for 30 days (Tier 2)	\$20	\$20	\$24
	Non-preferred pharmacy copay for 30 days (Tier 3)	\$40	\$40	\$42

Note: All calculations include zeros, except out-of-pocket maximums.

HMO Contribution Strategy

Employer contribution to premium	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family		
	Headcount	Average	Median	Average	Median	Average	Median	Average	Median
1-49		95%	100%	84%	85%	86%	87%	82%	82%
50-99		95%	100%	86%	86%	87%	88%	83%	84%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$36	\$0	\$59	\$62	\$236	\$221	\$337	\$36	\$169	\$155	\$241	\$118	\$384	\$362	\$547
50-99	\$0	\$34	\$0	\$61	\$65	\$212	\$198	\$319	\$48	\$159	\$145	\$231	\$93	\$343	\$319	\$523
All	\$0	\$35	\$0	\$60	\$63	\$224	\$210	\$328	\$42	\$164	\$150	\$236	\$105	\$363	\$341	\$535
Employer Cost																
1-49	\$505	\$626	\$605	\$721	\$927	\$1,219	\$1,163	\$1,433	\$787	\$1,024	\$981	\$1,198	\$1,246	\$1,666	\$1,600	\$1,988
50-99	\$546	\$641	\$618	\$721	\$1,013	\$1,272	\$1,232	\$1,459	\$864	\$1,071	\$1,039	\$1,234	\$1,361	\$1,740	\$1,684	\$2,024
All	\$525	\$633	\$612	\$721	\$970	\$1,246	\$1,197	\$1,446	\$826	\$1,048	\$1,010	\$1,216	\$1,304	\$1,703	\$1,642	\$2,006

HMO Plan Design

65% offer an HMO plan:

1 plan **23%**
 2 plans **24%**
 3+ plans **53%**

		Most Common	Median	Average
Deductible	Individual annual deductible	\$0	\$0	\$63
	Family annual deductible	\$0	\$0	\$126
Maximums	Individual out-of-pocket maximum	\$1,500	\$2,000	\$2,398
	Family out-of-pocket maximum	\$3,000	\$4,000	\$4,812
Copays	Primary care copay	\$15	\$15	\$20
	Specialist visit copay	\$30	\$30	\$26
	Inpatient hospital copay (per admission)	\$250	\$250	\$295
Pharmacy	Generic pharmacy copay for 30 days (Tier 1)	\$10	\$10	\$8
	Preferred pharmacy copay for 30 days (Tier 2)	\$25	\$25	\$26
	Non-preferred pharmacy copay for 30 days (Tier 3)	\$20	\$20	\$24

Note: All calculations include zeros, except out-of-pocket maximums.

Dental Contribution Strategy

Employer contribution to premium	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family		
	Headcount	Average	Median	Average	Median	Average	Median	Average	Median
1-49		83%	86%	73%	75%	72%	72%	70%	70%
50-99		83%	85%	72%	75%	70%	74%	68%	71%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$9	\$6	\$18	\$13	\$31	\$28	\$49	\$20	\$45	\$40	\$70	\$31	\$68	\$63	\$102
50-99	\$0	\$11	\$7	\$18	\$14	\$33	\$28	\$51	\$19	\$42	\$36	\$63	\$31	\$65	\$57	\$97
All	\$0	\$10	\$7	\$18	\$14	\$32	\$28	\$50	\$20	\$43	\$38	\$67	\$31	\$66	\$60	\$100
Employer Cost																
1-49	\$46	\$53	\$55	\$61	\$76	\$94	\$96	\$111	\$87	\$109	\$110	\$129	\$123	\$153	\$155	\$182
50-99	\$40	\$47	\$48	\$57	\$66	\$82	\$84	\$99	\$77	\$96	\$98	\$117	\$109	\$135	\$139	\$164
All	\$43	\$50	\$51	\$59	\$71	\$88	\$90	\$105	\$82	\$103	\$104	\$123	\$116	\$144	\$147	\$173

Dental Plan Design

99% offer a dental plan:

- 1 plan 28%
- 2 plans 67%
- 3+ plans 5%

82% offer orthodontia:

- Adult & child 61%
- Child only 39%

		Most Common	Median	Average
Deductible	Annual deductible (in-network)	\$50	\$50	\$49
	Annual deductible (out-of-network)	\$50	\$50	\$51
Maximums	Annual maximum (in-network)	\$1,500	\$1,750	\$3,537
	Annual maximum (out-of-network)	\$1,500	\$1,750	\$1,980
Orthodontia	Maximum	\$2,000	\$1,500	\$1,441
Coinsurance	% for diagnostic/preventive	100%	100%	100%
	% for basic	90%	90%	90%
	% for major	60%	60%	50%
	% for orthodontia	50%	50%	50%

*All of the values for orthodontia coinsurance were 0% or 50%. As a result, the average is equally between those two numbers.

Vision Contribution Strategy

Employer contribution to premium

Headcount	Employee Only		Employee + Spouse		Employee + Child(ren)		Employee + Family	
	Average	Median	Average	Median	Average	Median	Average	Median
1-49	91%	100%	81%	83%	80%	83%	77%	80%
50-99	90%	100%	79%	83%	79%	83%	75%	80%

Note: Contribution percentage uses standard calculation.

	Employee Only				Employee + Spouse				Employee + Child(ren)				Employee + Family			
	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th	25th	Average	Median	75th
Employee Cost																
1-49	\$0	\$1	\$0	\$1	\$1	\$3	\$3	\$5	\$1	\$3	\$3	\$5	\$2	\$6	\$6	\$10
50-99	\$0	\$1	\$0	\$1	\$1	\$3	\$3	\$4	\$1	\$3	\$3	\$5	\$2	\$7	\$6	\$9
All	\$0	\$1	\$0	\$1	\$1	\$3	\$3	\$5	\$1	\$3	\$3	\$5	\$2	\$7	\$6	\$10
Employer Cost																
1-49	\$7	\$9	\$10	\$11	\$11	\$15	\$15	\$18	\$11	\$15	\$15	\$18	\$17	\$23	\$23	\$28
50-99	\$7	\$9	\$9	\$11	\$10	\$14	\$14	\$17	\$10	\$14	\$14	\$17	\$16	\$21	\$21	\$27
All	\$7	\$9	\$9	\$11	\$11	\$14	\$15	\$17	\$11	\$14	\$15	\$18	\$17	\$22	\$22	\$27

Vision Plan Design

99% offer a vision plan:

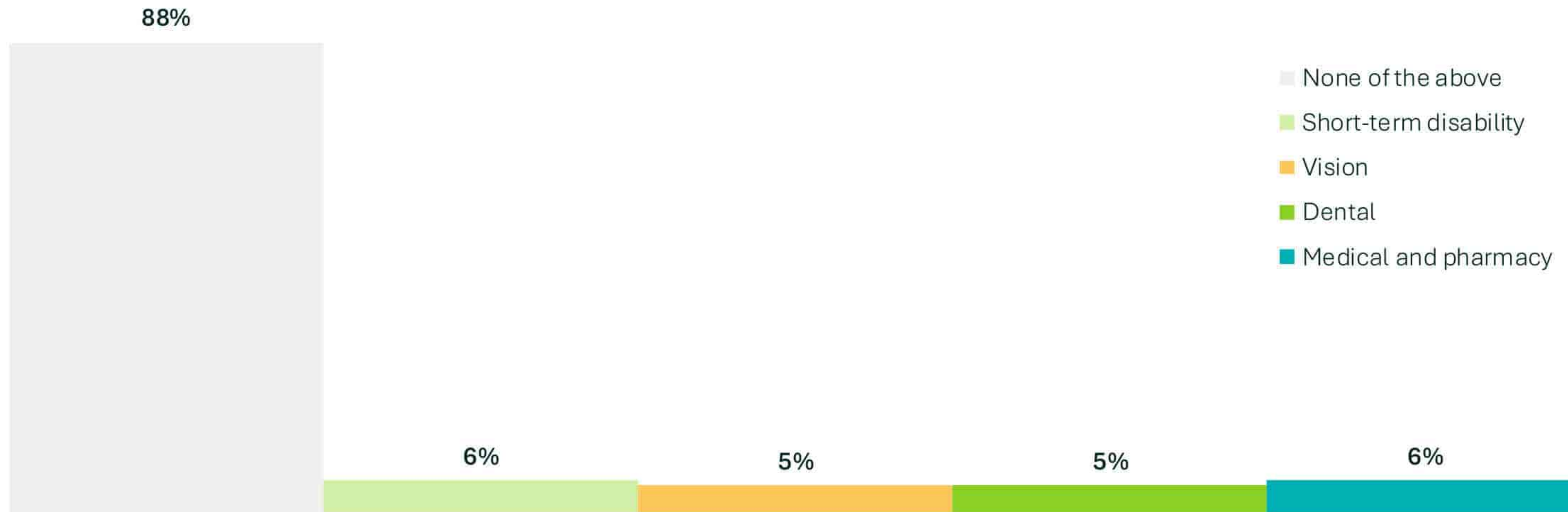
1 plan **97%**
 2 plans **3%**

		Most Common	Median	Average
Copays	Exam copay	\$10	\$10	\$10
	Material copay	\$25	\$25	\$23
Maximums	Frame maximum	\$130	\$130	\$141
	Lens maximum	\$130	\$130	\$140
		12 months	24 months	
Coverage Frequency	Exams	100%	0%	
	Frames	37%	63%	
	Lenses	100%	0%	
	Contact lenses	100%	0%	

Self-Funded Programs

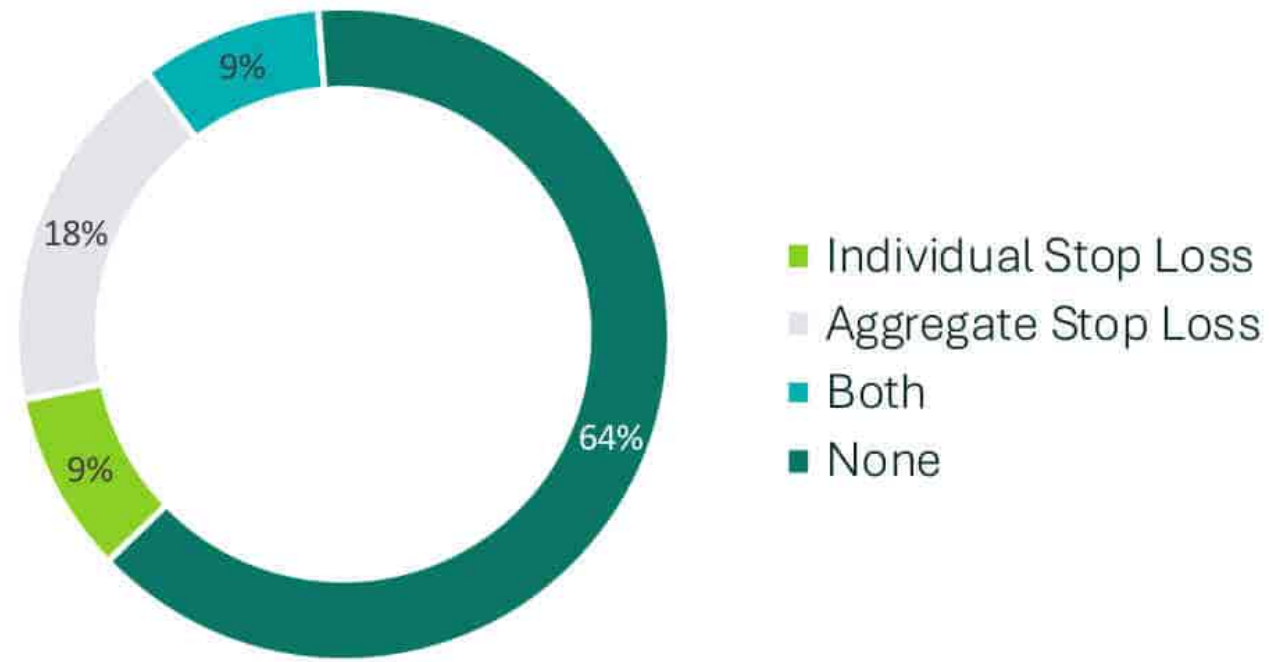
Few companies that are under 100 employees self-fund benefits, but some companies close to the 100 employee-mark beginning exploring self-funding, typically starting with 1-2 benefits.

Self-funded Benefits



Self-Funded Programs: Medical Stop-Loss Coverage

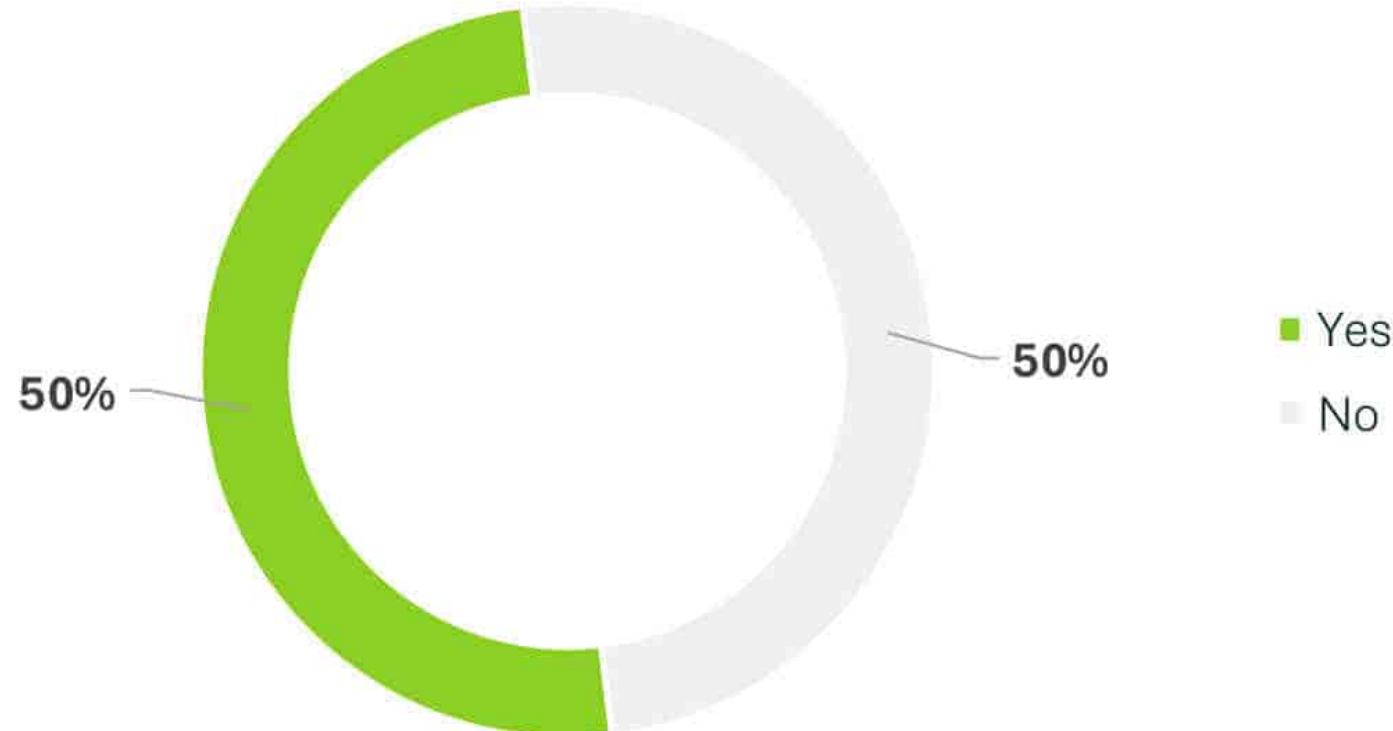
Stop-Loss Coverage for Self-funding Medical



Individual Stop-Loss Deductible Amount



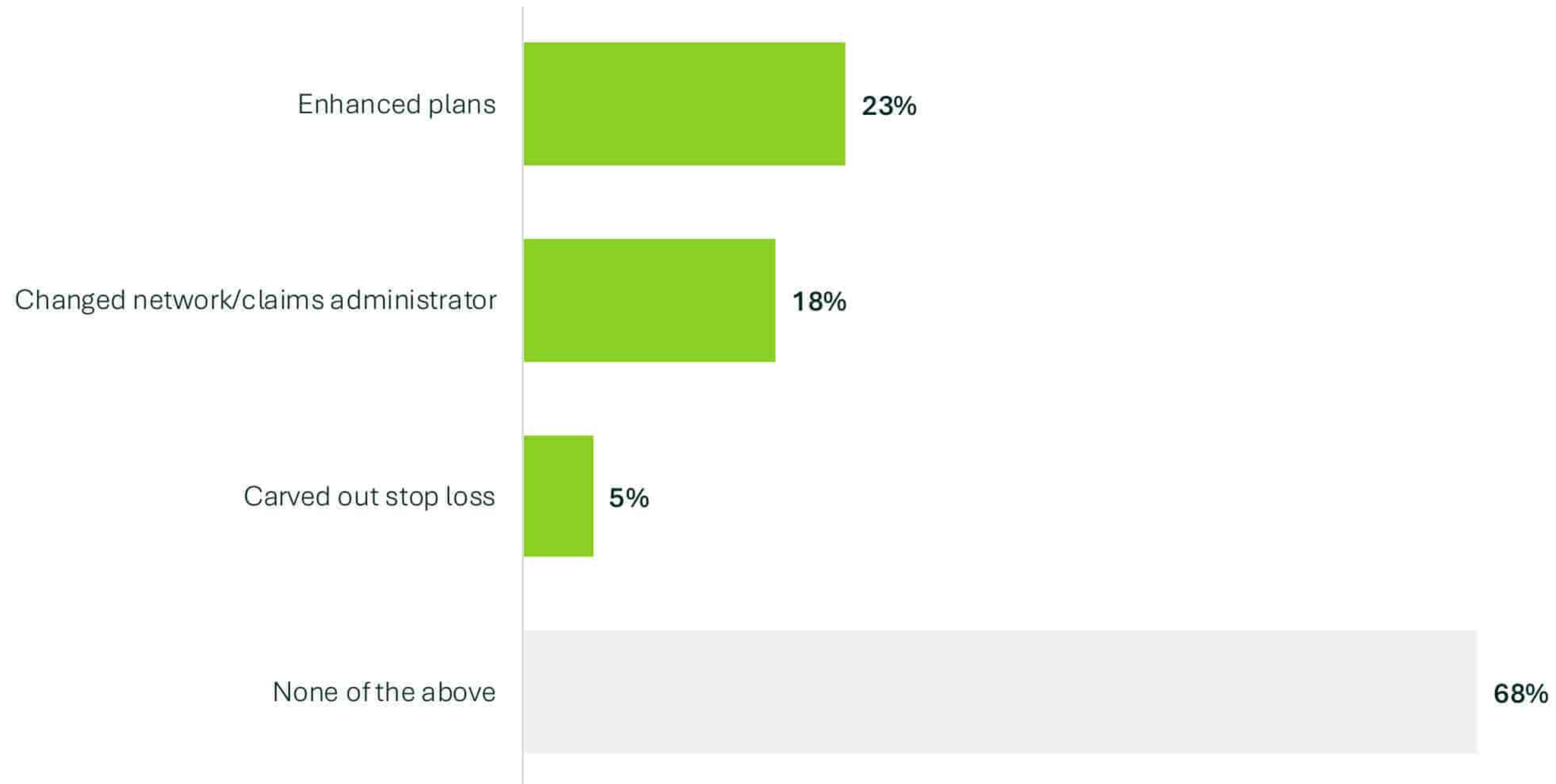
Stop-Loss Carved Out



Note: options with 0% not shown.

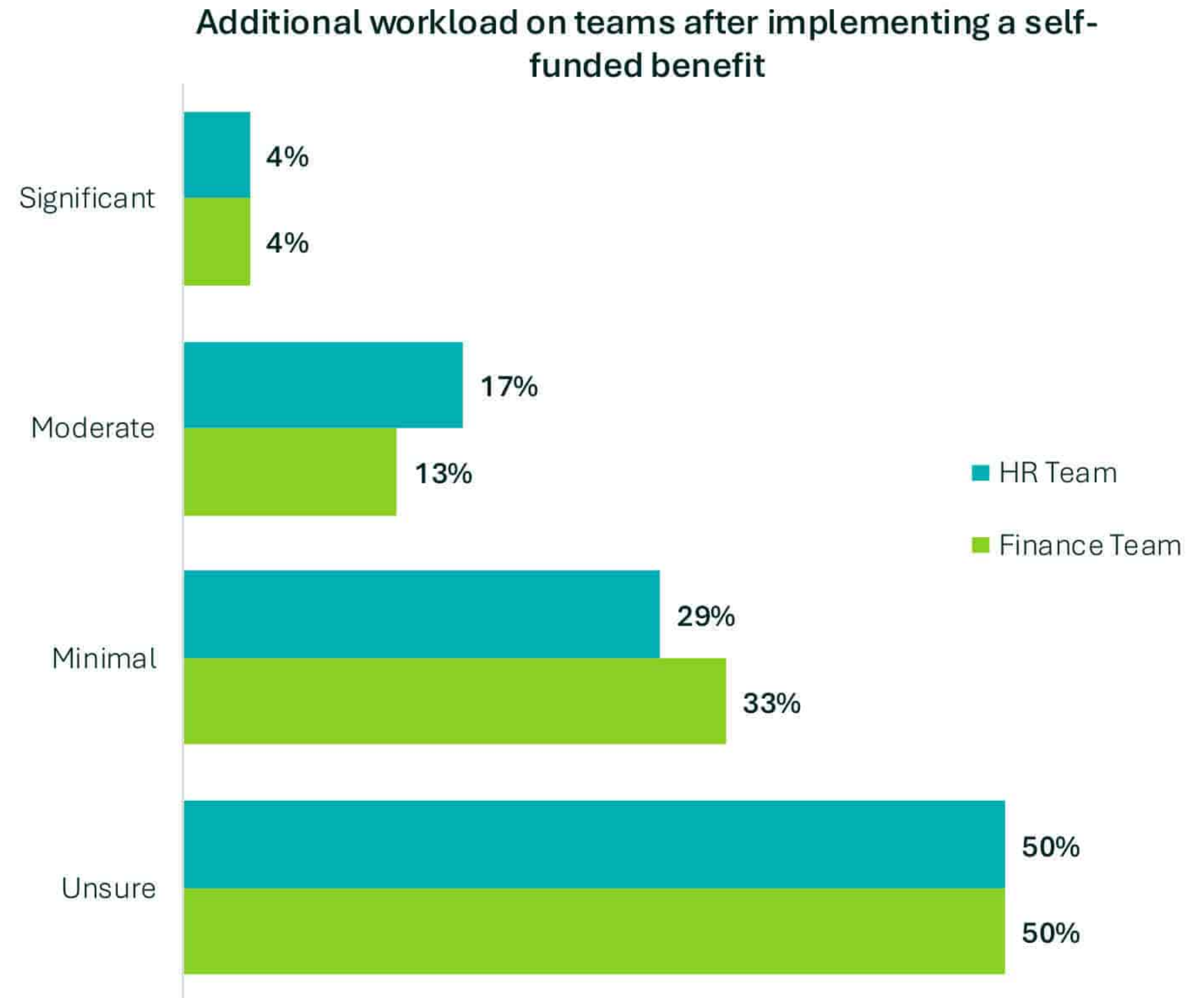
Self-Funded Programs: The First Year

Over **one-third** of companies made a change to their plan during the first year of self-funding at least one benefit.



Self-Funded Programs: Workload

Of the **50%** of companies that assessed the effort involved in implementing a self-funding program, roughly **one-third** stated the increase in workload was minimal.



Self-Funded Programs: Motivations and Concerns

Although financial risk and reward are always top of mind when self-funding, flexibility and financial savings are the biggest motivations for startups. The biggest obstacles to self-funding is knowing where to start.

Motivations



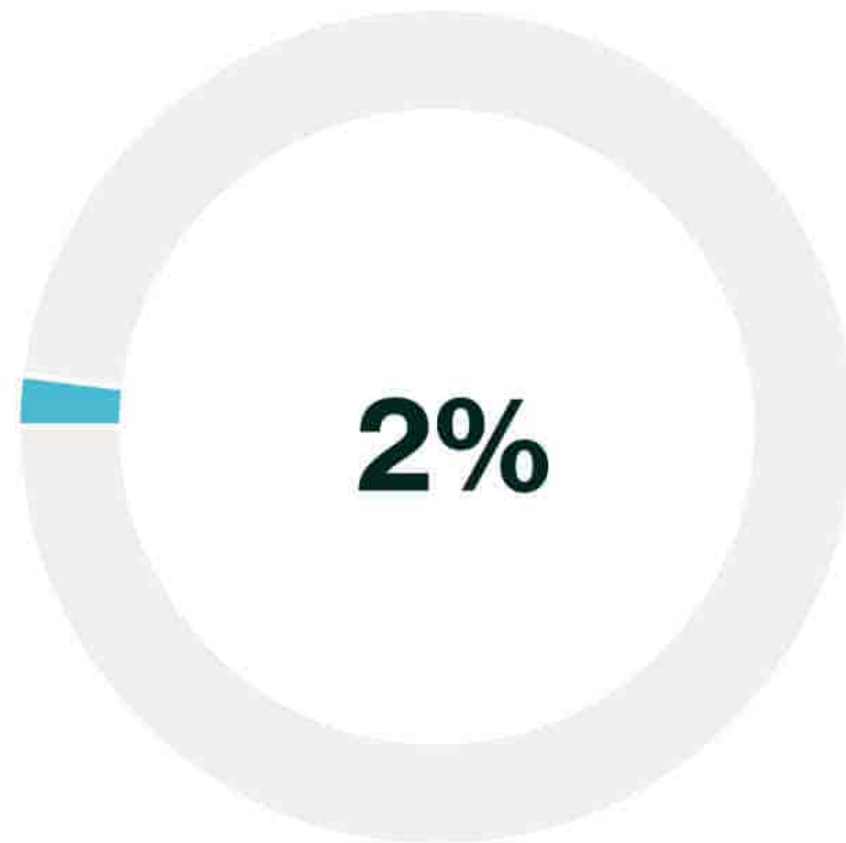
Concerns



Self-Funding: First Programs

Most companies are being conservative with healthcare-related changes, as indicated by only **2%** of participants considering self-funding a benefit in the next 24 months.

Companies considering self-funding at least one benefit in the next 12-24 months



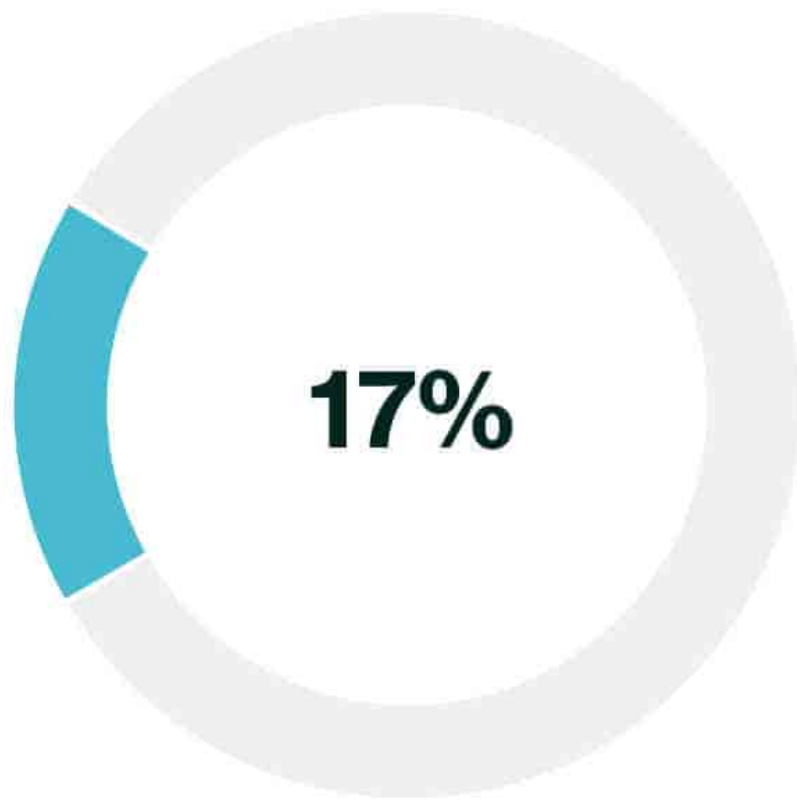
Benefits that companies are considering for self-funding.



Family-Forming Benefits: Covered Services

At this size, companies are just beginning to consider additional employee benefits, such as family-forming benefits. Typically, these benefits become more prevalent once a company reaches the 100-employee mark.

Companies offering a family-forming benefit



	2 – 49 Employees	50 – 99 Employees
Diagnostic fertility services	11%	16%
Advanced fertility*	6%	18%
Fertility preservation/egg freezing**	5%	8%
Surrogacy	0%	6%
Adoption	0%	6%
No coverage offered	87%	80%

Note: Companies offering at least one benefit.

% of companies offering a family-forming benefit includes companies with 2 – 99 employees.

* (e.g., IVF, GIFT, ZIFT, ART)

**Not medically necessary

Fertility Benefits

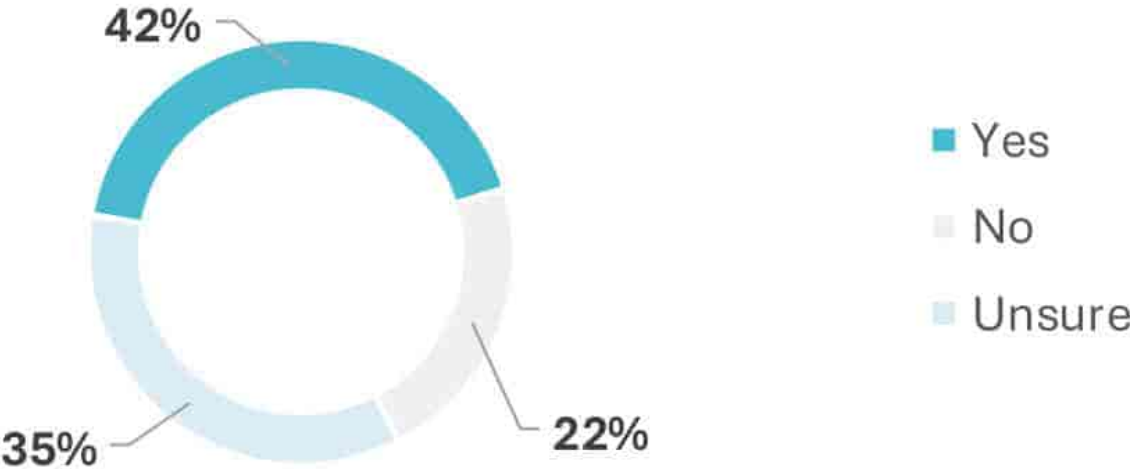
Nearly half of the companies surveyed require a medical diagnosis for coverage, a common requirement for family-forming benefits offered through medical providers.

At this stage in growth, companies use the resources already available to them, such as their medical and prescription providers.

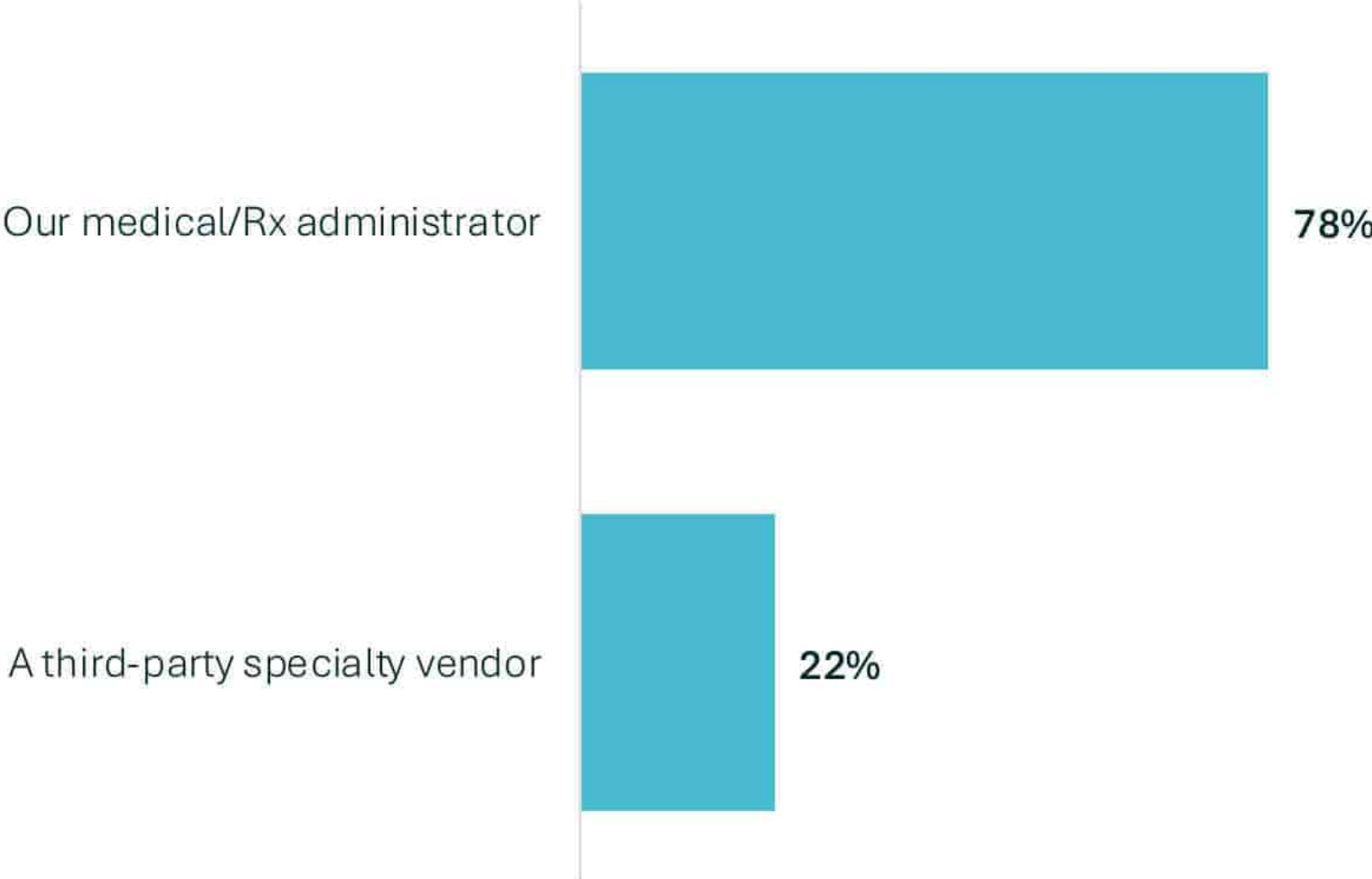
Who is eligible for fertility benefits



Requires diagnosis or medical necessity

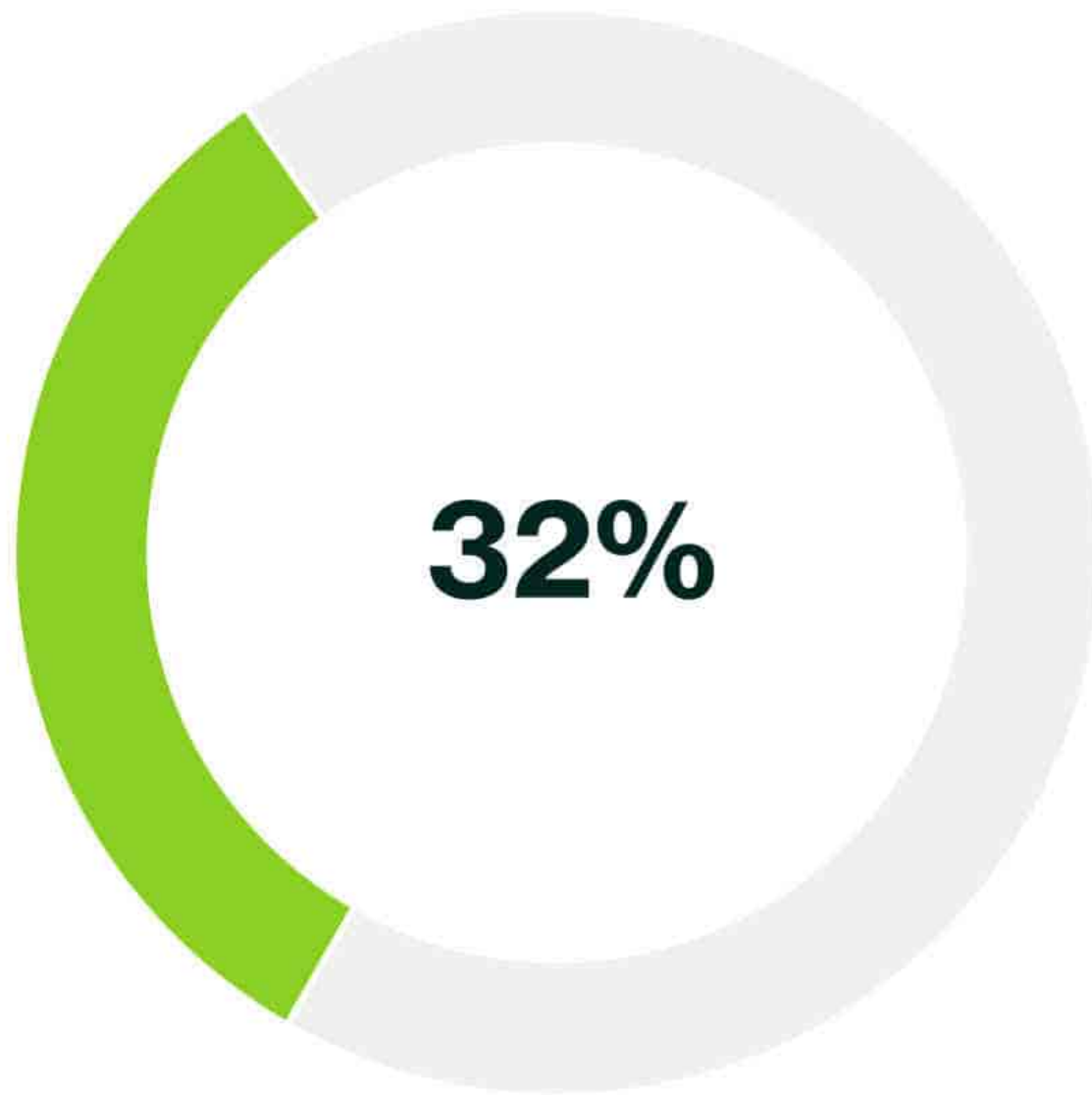


How the benefit is managed

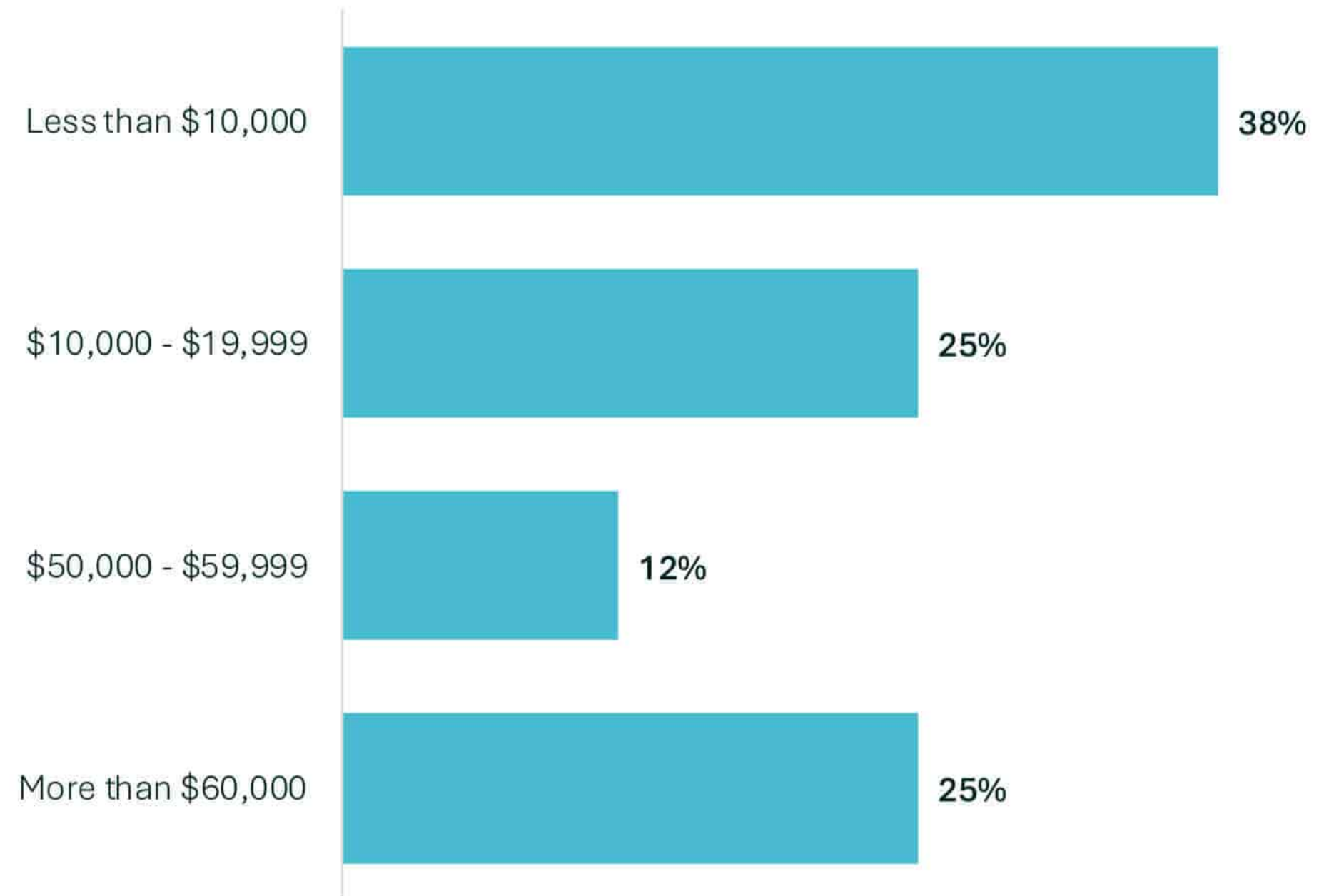


Fertility Benefits: Annual Maximum

Companies with an annual maximum



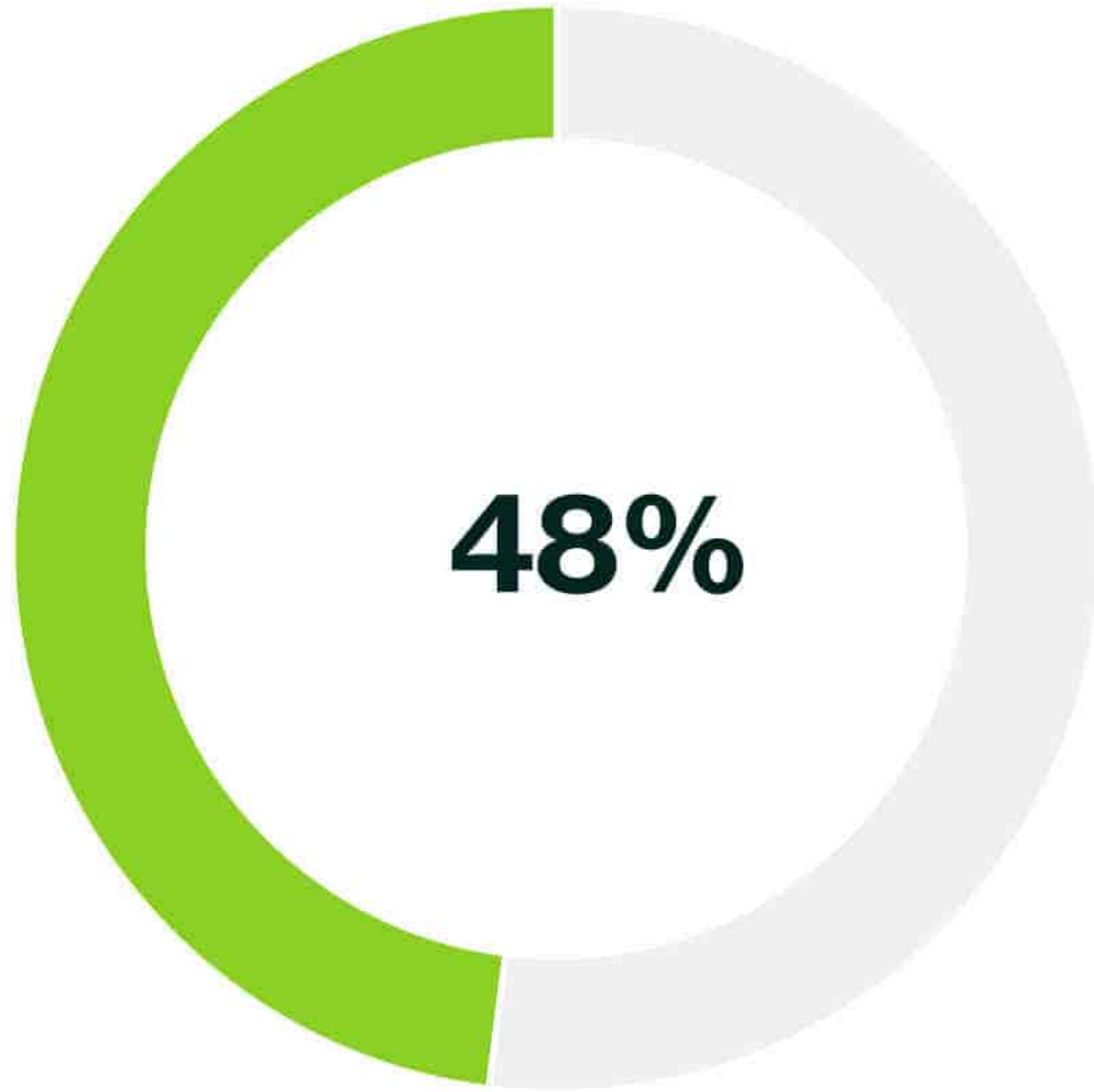
Annual maximum



Note: \$30,000 - \$39,999 and \$40,000 - \$49,999 due to 0% responses.

Fertility Benefits: Lifetime Maximum

Companies with a lifetime maximum

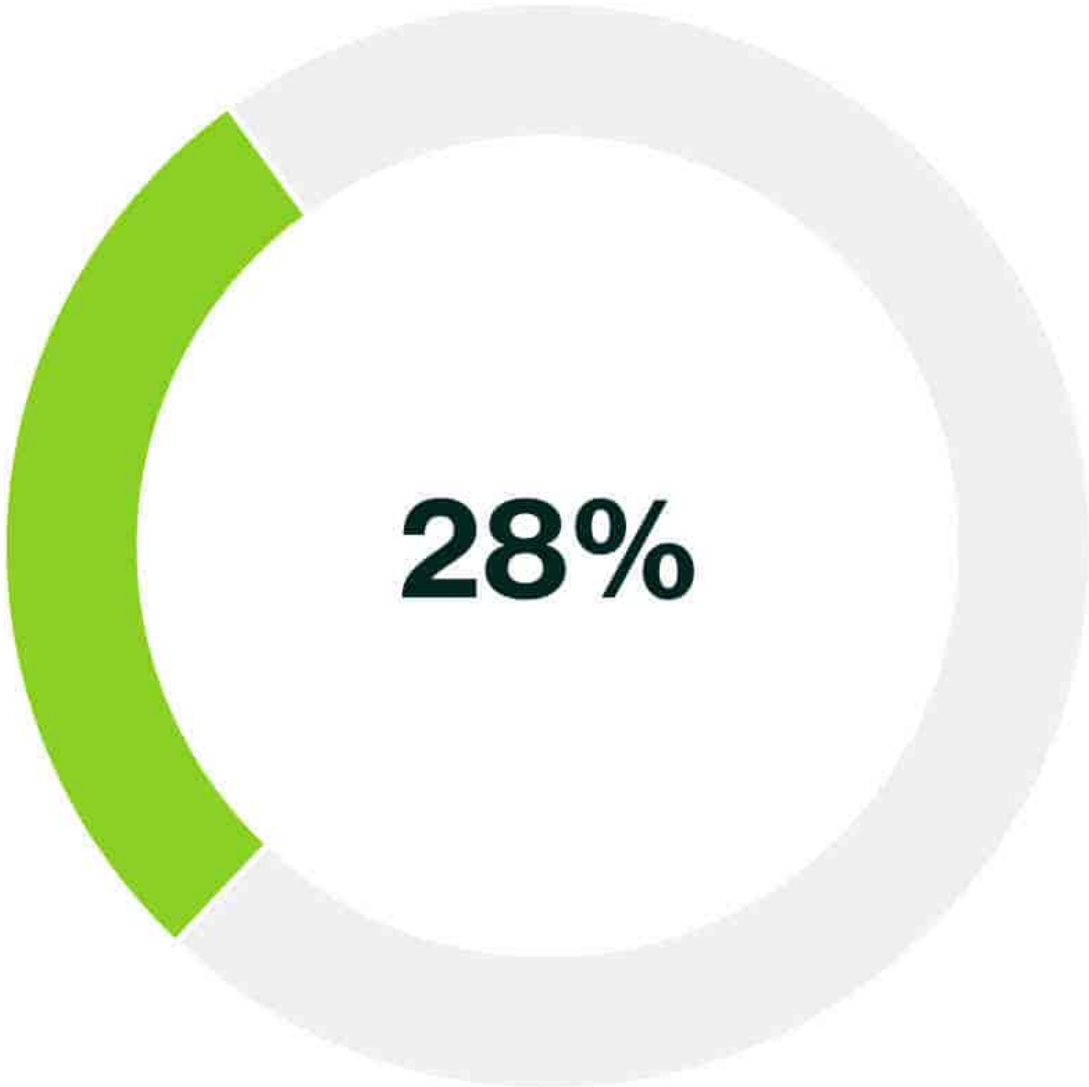


Lifetime maximum

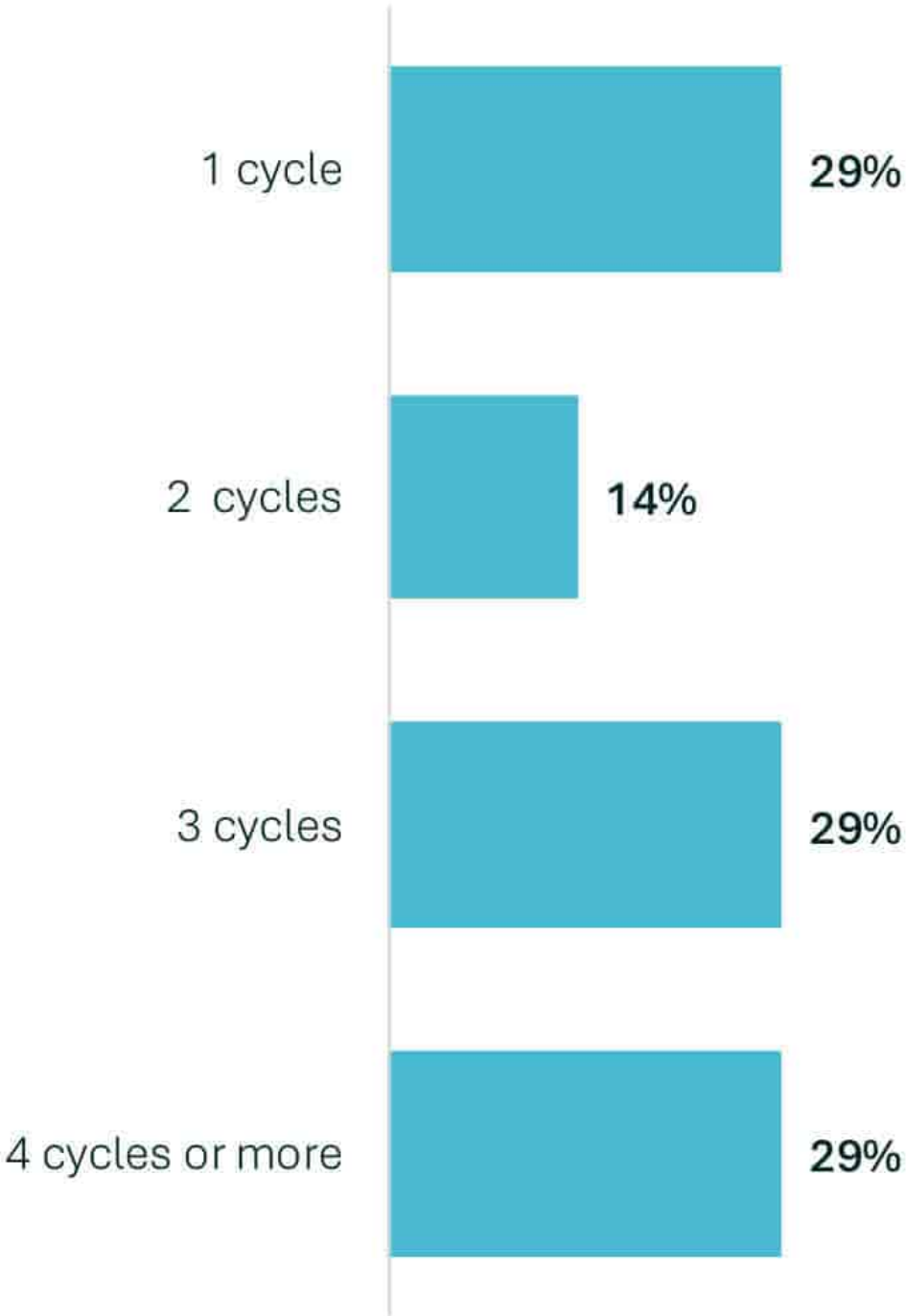


Fertility Benefits: Cycle Limit

Companies with a cycle limit



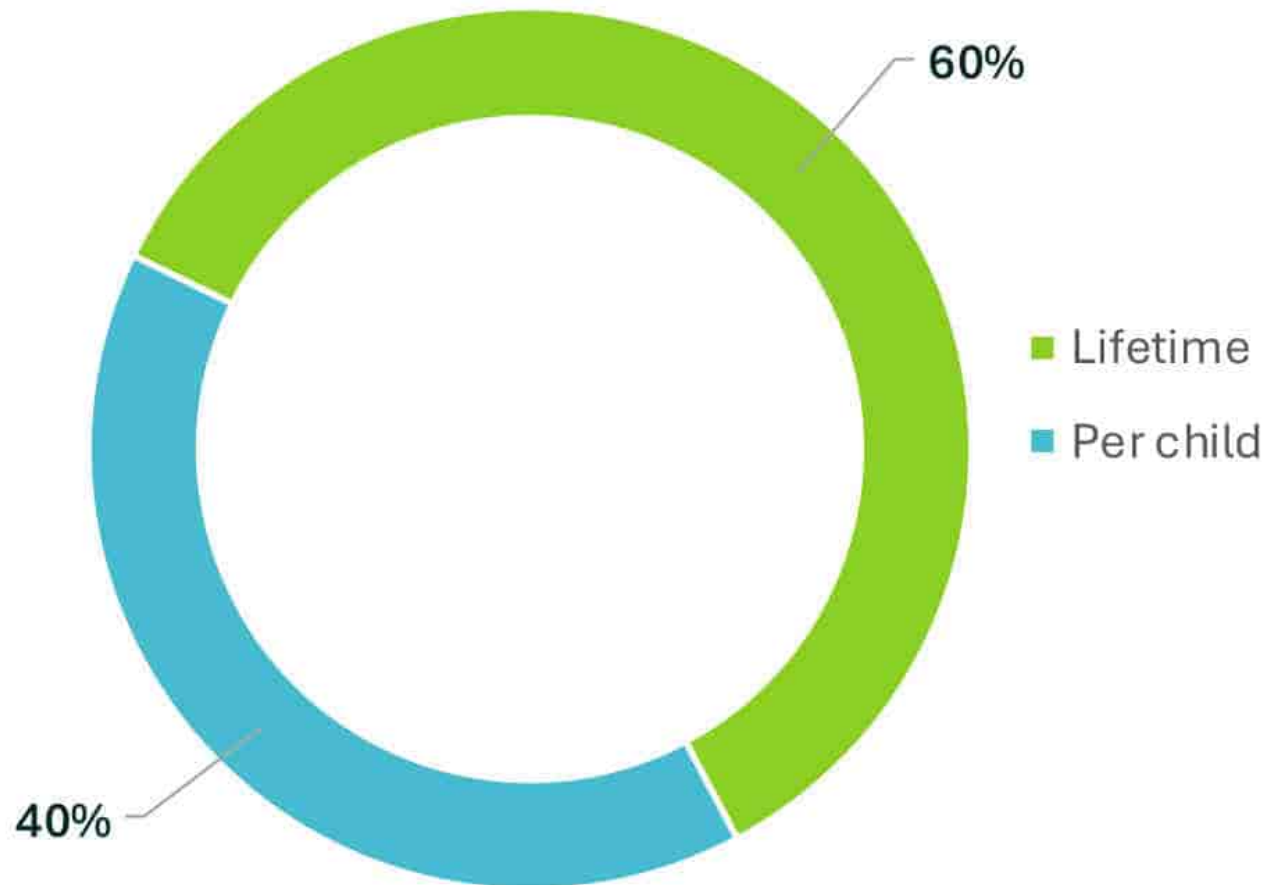
Cycle limit



Fertility Benefits: Surrogacy

Most companies who offer surrogacy benefits impose a lifetime maximum (60%), rather than a per-child maximum (40%). Roughly half offer a maximum benefit of \$5,000 to \$9,999.

Type of max

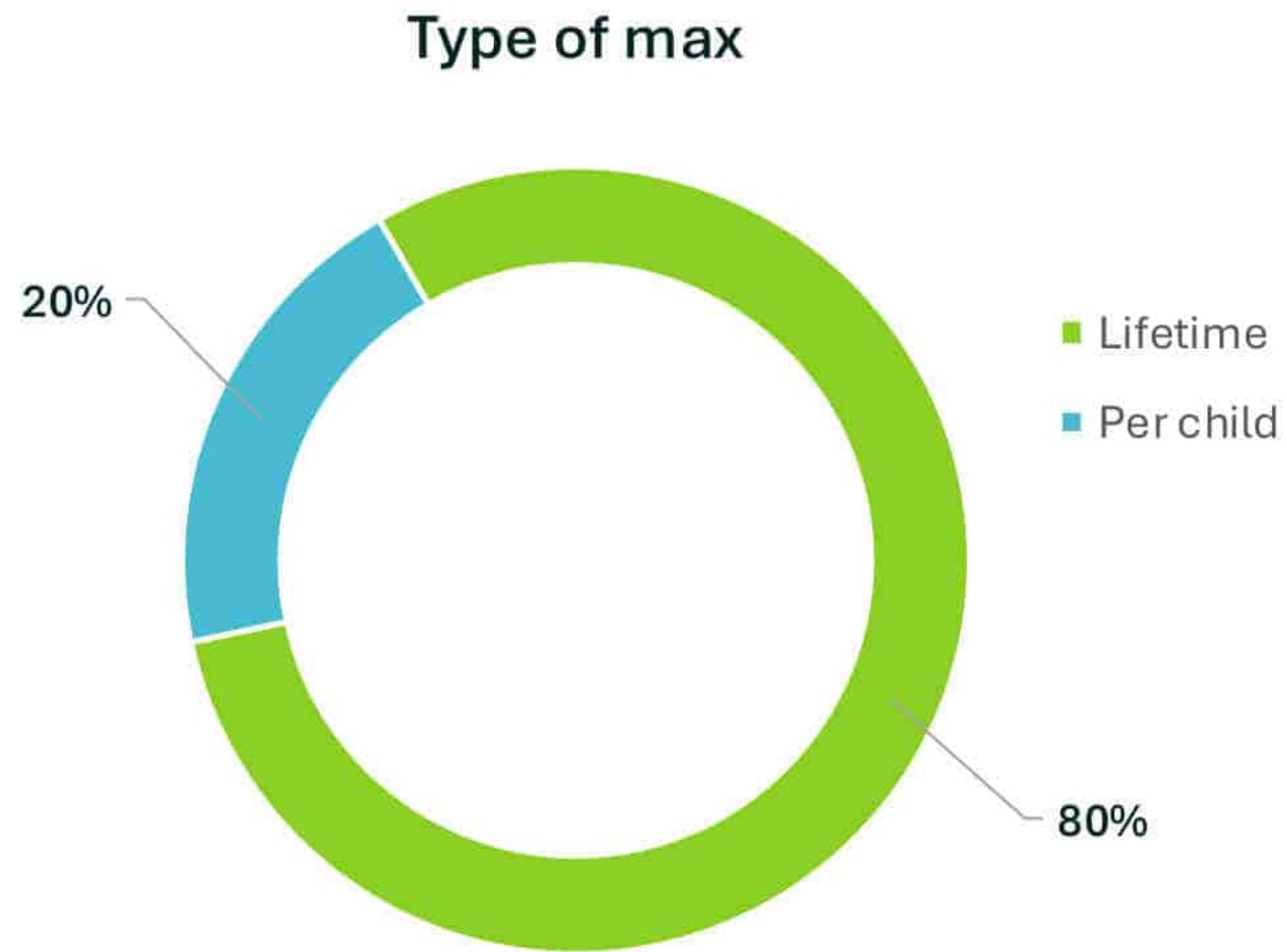


Maximum benefit



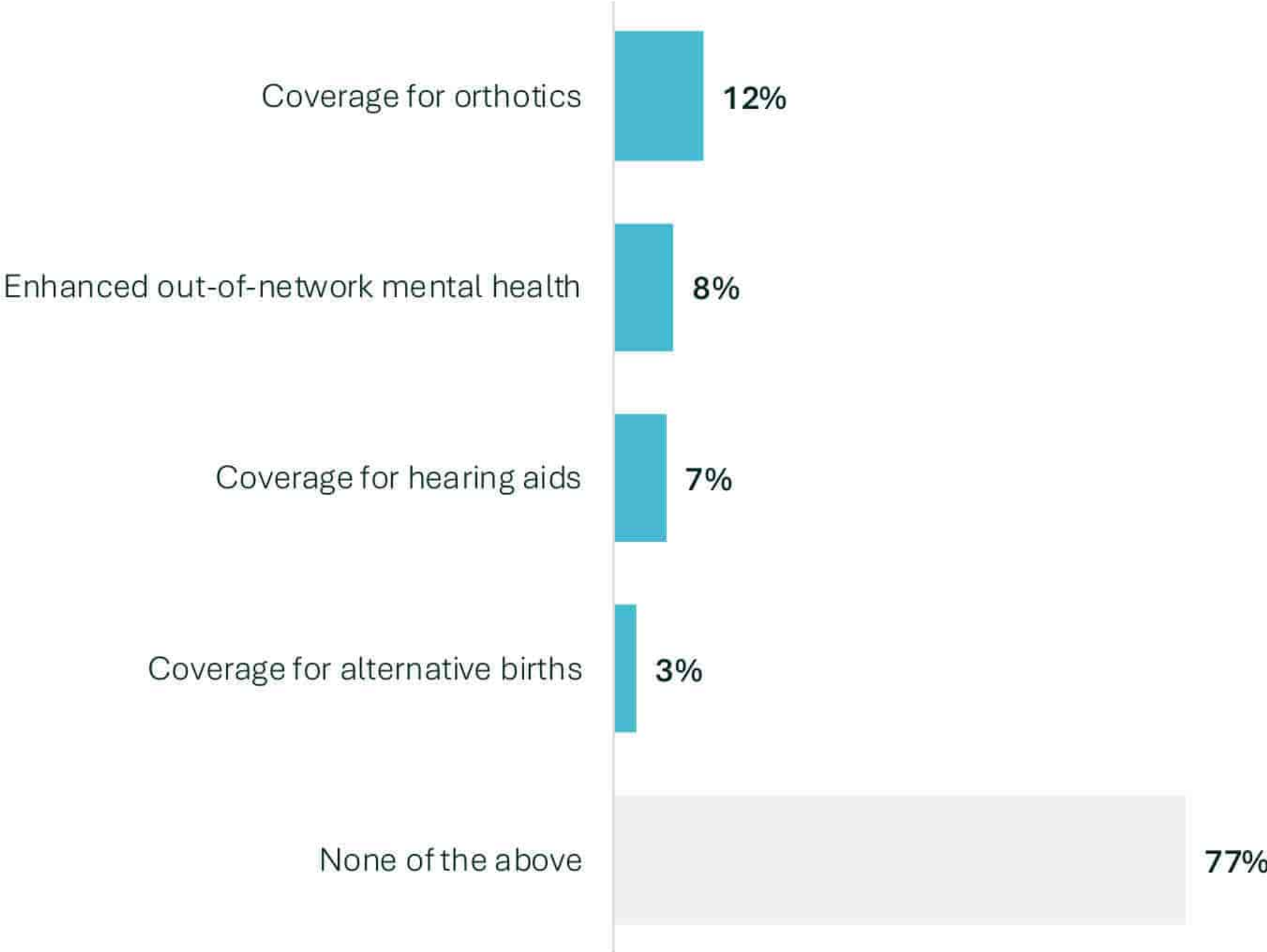
Note: Value reflect benefits with lifetime or per child max.

Fertility Benefits: Adoption



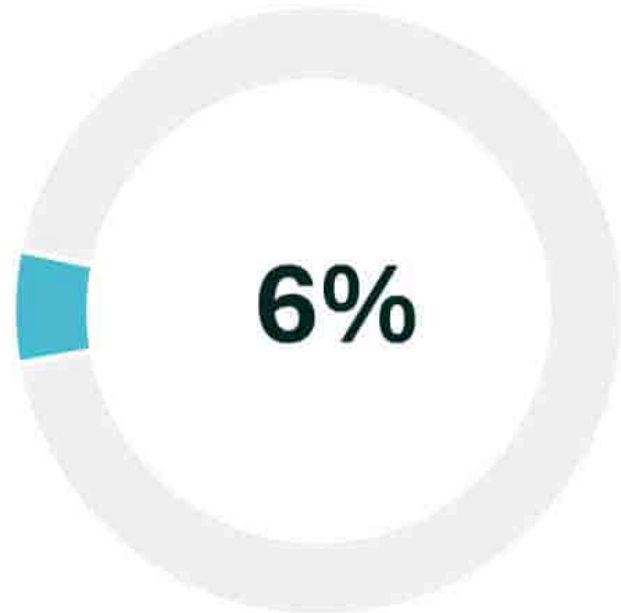
Medical Plan Enhancements

Only **23%** of companies have medical plans with at least one enhancement in 2024. The most common enhancement was coverage for orthotics (**12%**).

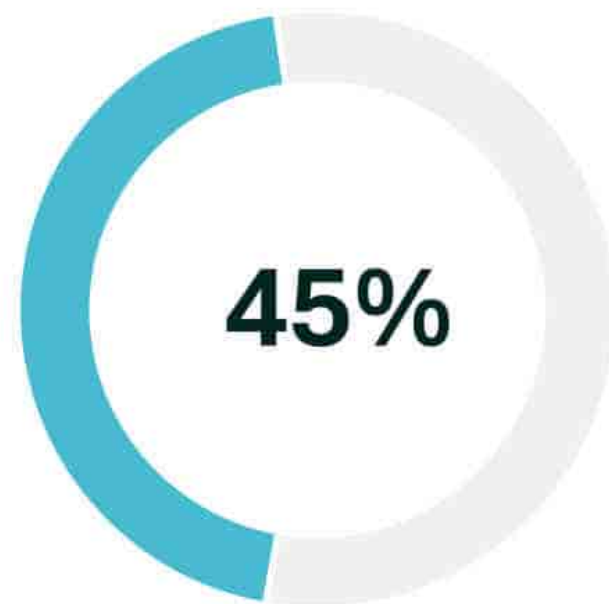


Gender Affirmation Benefits

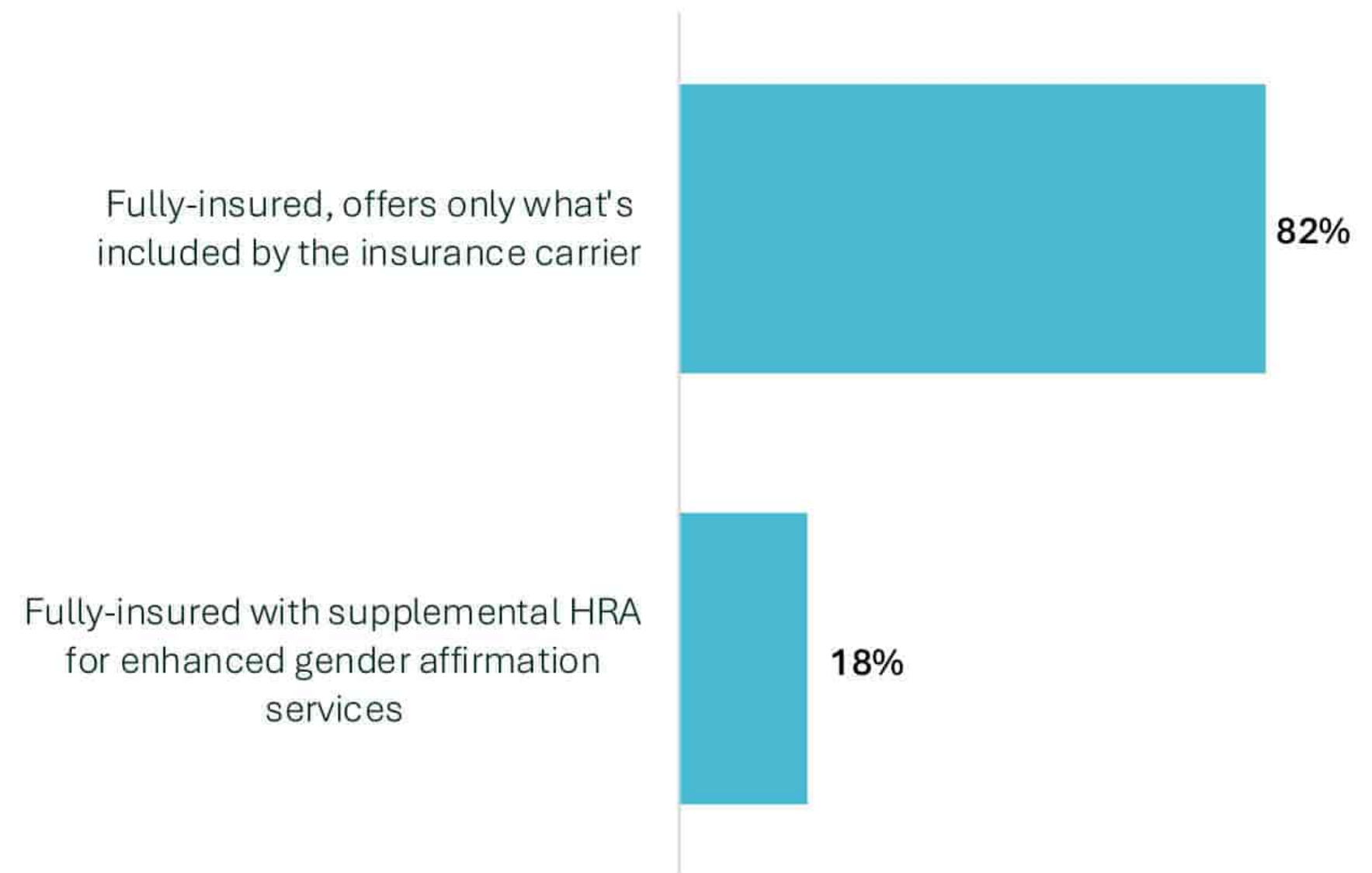
Gender affirmation benefits offered



Require mental health certifications or letter for care

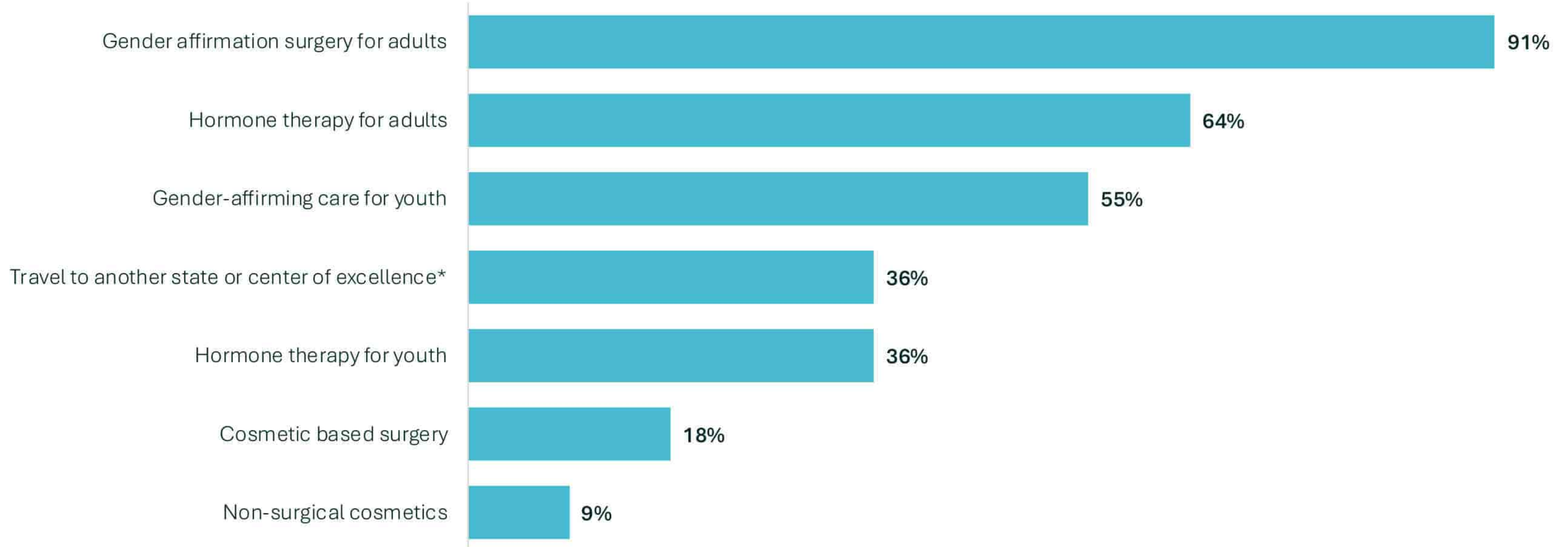


The prevalence of gender affirmation benefits didn't change from 2023. Of those who offer the benefits, **71%** cover only what's offered by their carrier or standard coverage.



Gender Affirmation Benefits: Plan Coverage

Of those who do offer the benefits, most cover gender affirmation services and care for adults rather than youth. But when they're offered, even primarily through carrier services, coverage can rival that of larger companies with enhanced plans.



*If care is not available in state of residence.

Life Plan Design

		% of Companies
Coverage	Multiple of Salary	27%
	Flat Amount	40%
	Both	33%
Multiple of Salary	1x Salary	67%
	2x Salary	24%
	3x Salary	7%
	4x Salary	1%
Flat Amount	\$50,000	86%
	\$25,000	10%
Maximum Amount	\$250,000	34%
	\$500,000	11%

Note: minimum of two most reported values shown for flat amount and maximum amount.

Short-Term Disability Plan Design

		% of Companies
Elimination Days (Accident)	7 days	95%
	8 days	2%
	14 days	2%
Elimination Days (Illness)	7 days	94%
	8 days	2%
	14 days	1%
Maximum Weeks Covered	12 weeks	78%
	26 weeks	17%
	13 weeks	3%
Salary Covered	60%	98%
	67%*	1%
Maximum Weekly Amount	\$2,500	77%
	\$1,250	10%
	\$1,500	5%

*66.67 included

Note: only reporting top three of each category

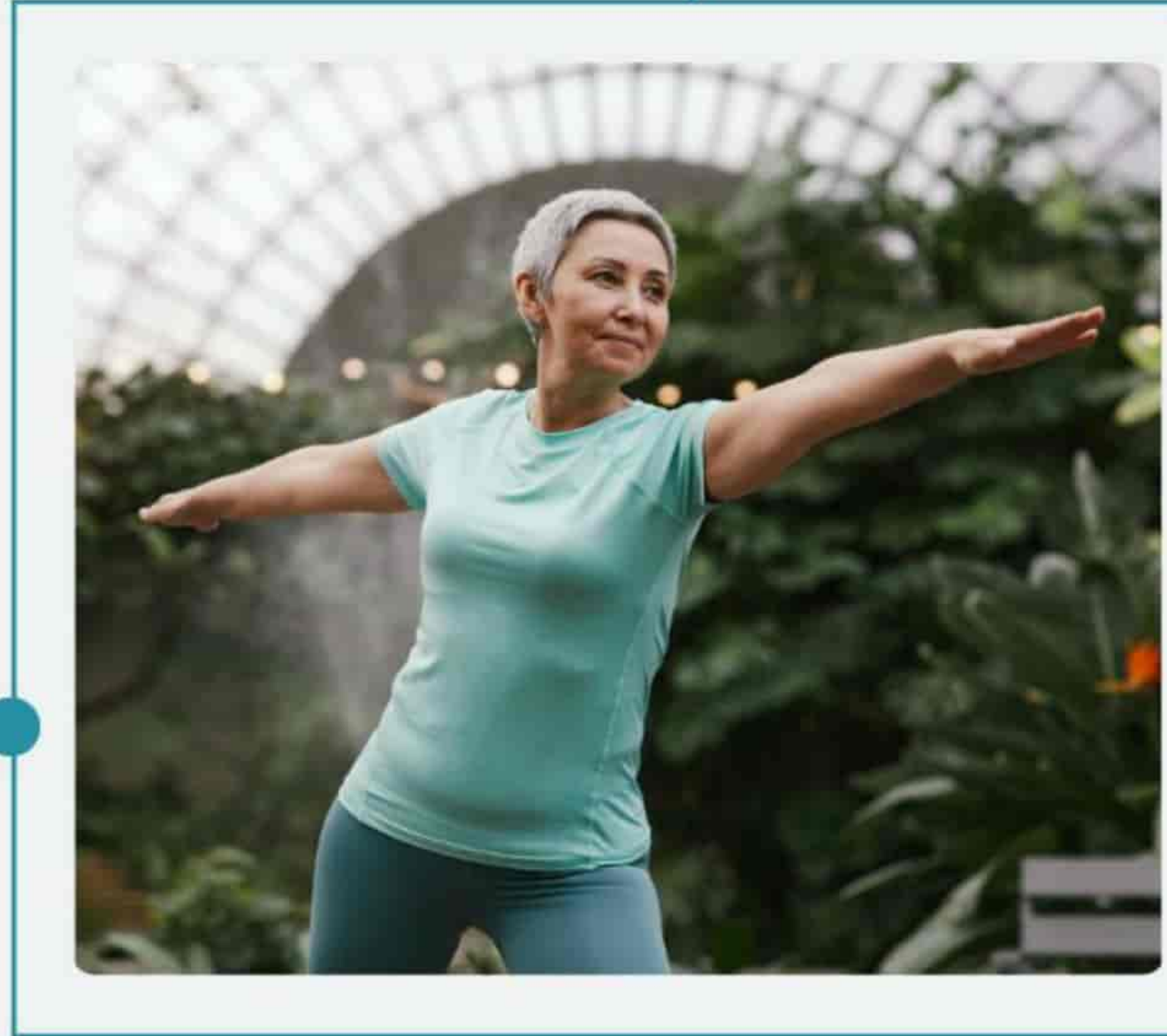
Long-Term Disability Plan Design

		% of Companies
Elimination Days	90 days	79%
	180 days	21%
Salary Covered	60%	98%
	67%*	2%
Maximum Monthly Amount	\$12,000	82%
	\$10,000	8%
	\$6,000	5%

*66.67 included.

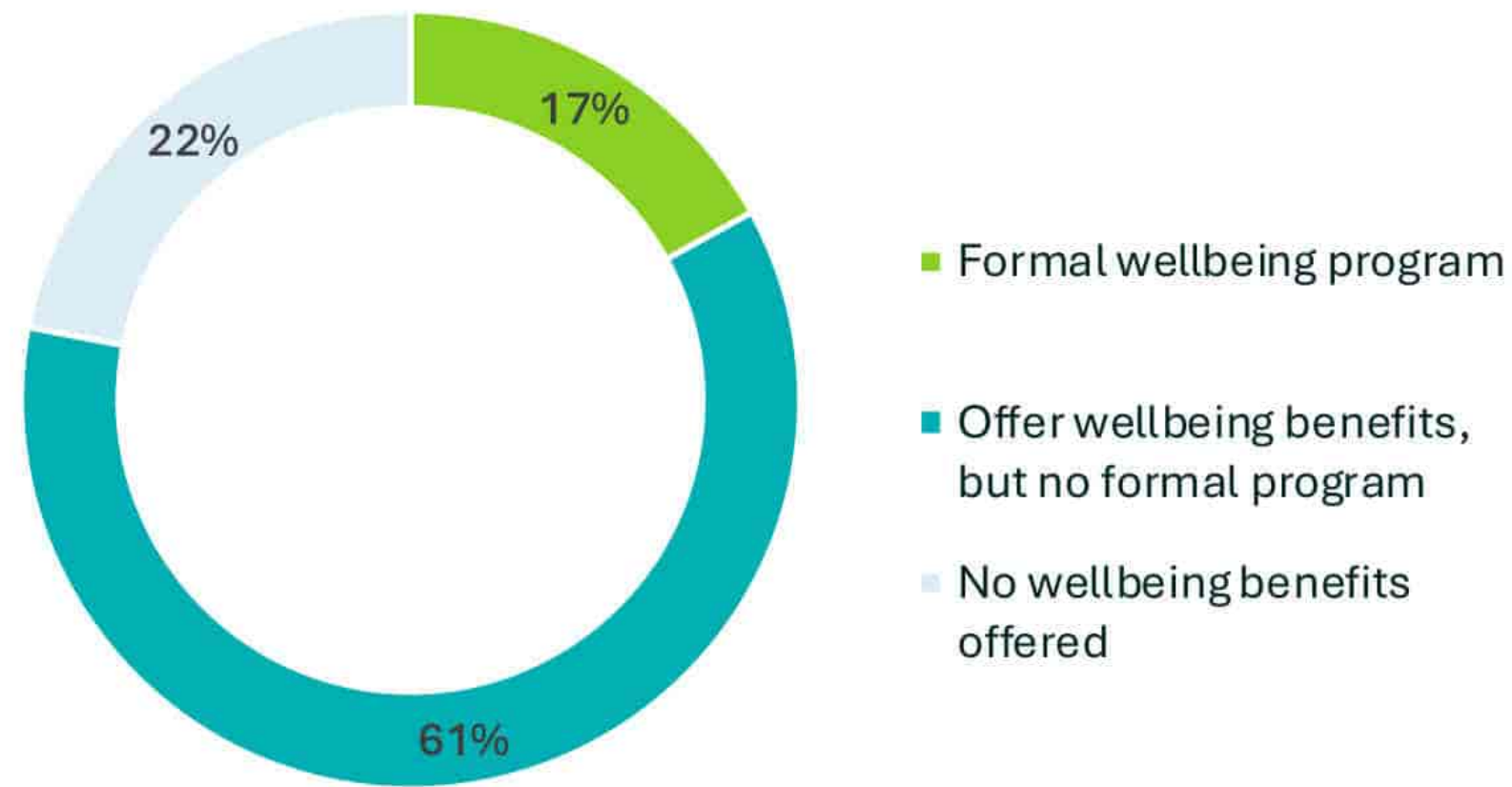
2024 Benefits Benchmarking | Mid-Size Edition

Wellbeing



Wellbeing Benefits: Plan Offerings

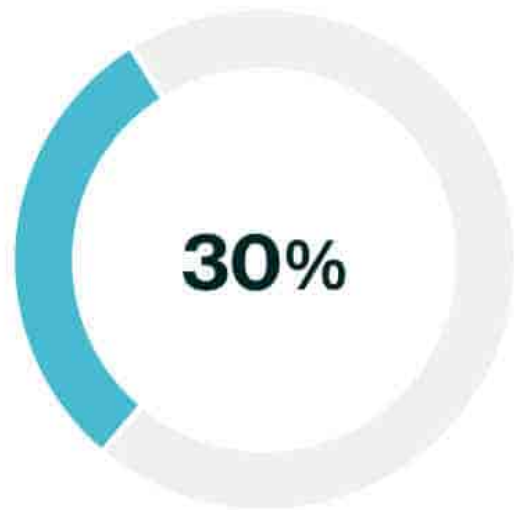
Wellbeing benefits continue to increase year-over-year and are becoming a core offering. The benefits with the biggest increases since 2022 are emotional wellbeing (+22%) and family wellbeing (+28%).



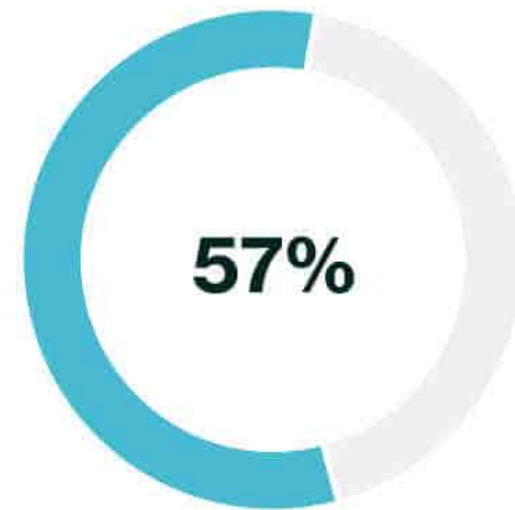
Wellbeing Benefits Strategies in 2024

Approximately **one-third** of companies expanded their wellbeing benefits in 2024. Only **12%** of companies are reduced or eliminated the wellbeing benefits they offered.

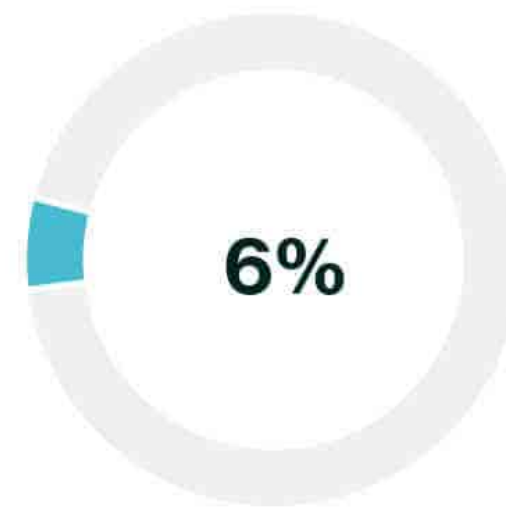
Wellbeing Benefits Strategy in 2024



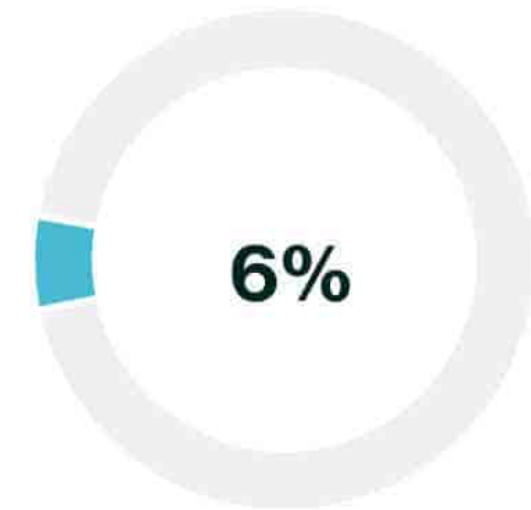
Will expand wellbeing benefits



Will maintain current wellbeing benefits



Will reduce wellbeing benefits

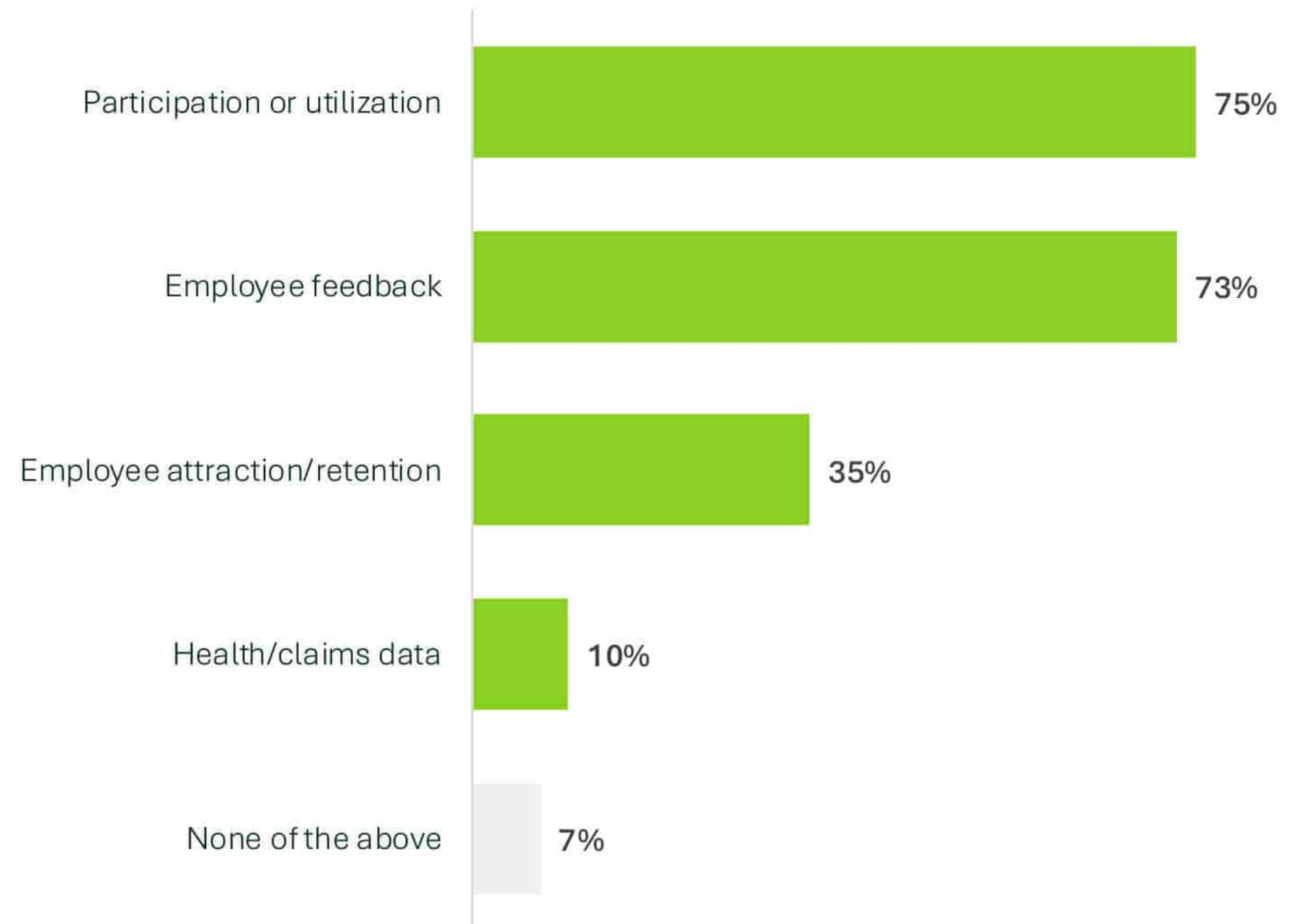


Will eliminate wellbeing benefits

Evaluating Wellbeing Benefits

Most companies base the success of their wellbeing programs on participation or utilization (**75%**) and employee feedback (**73%**), rather than on health or claims data (**10%**).

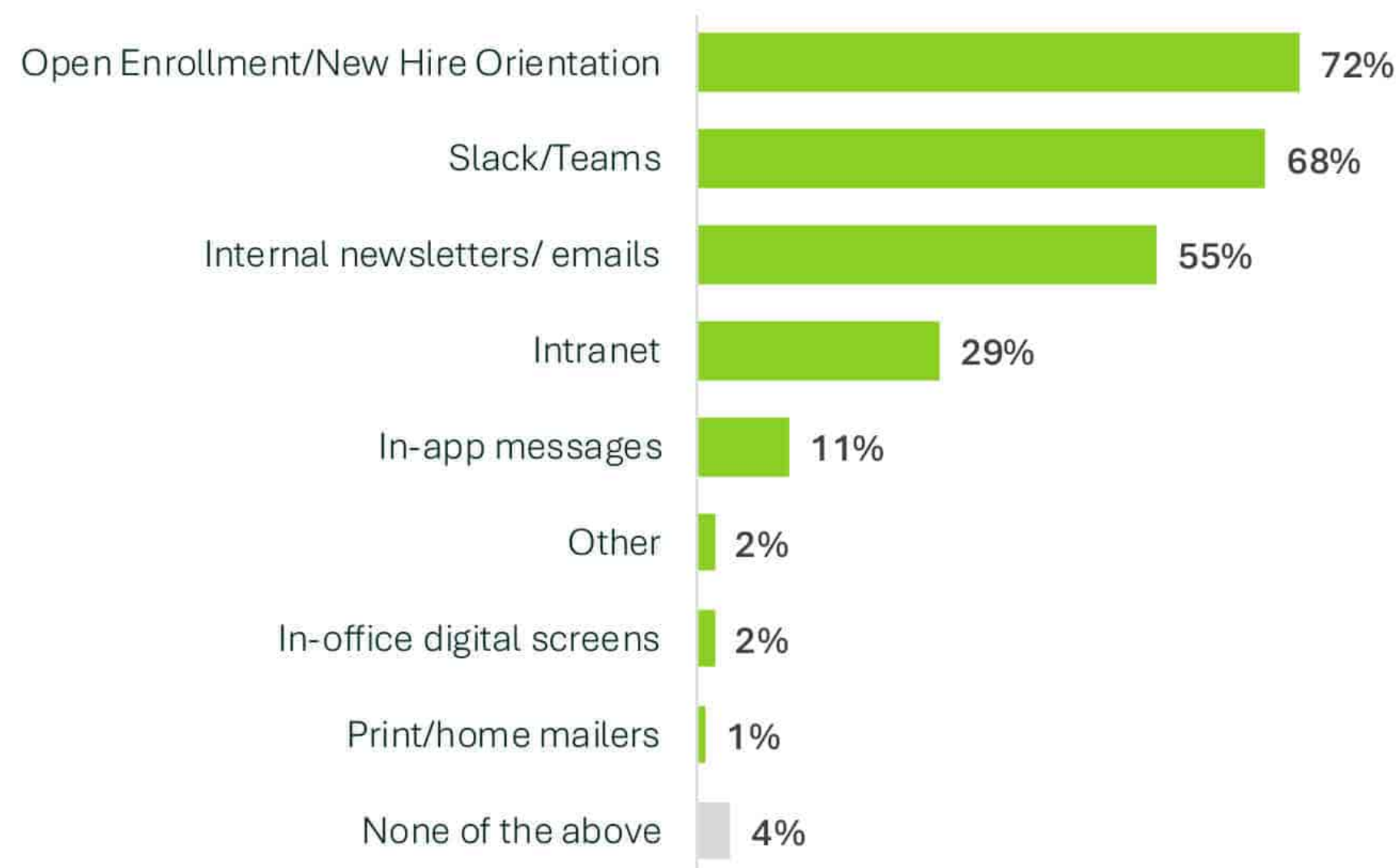
How do you measure the success of your wellbeing program?



Wellbeing Programs: Communication and Engagement

Most employers share information about wellbeing programs during open enrollment and new-hire orientation (**72%**), on Slack or Teams (**68%**), and via internal newsletters or emails (**55%**). New-hire education about wellbeing benefits is the most popular program feature (**56%**).

How wellbeing programs are promoted to employees



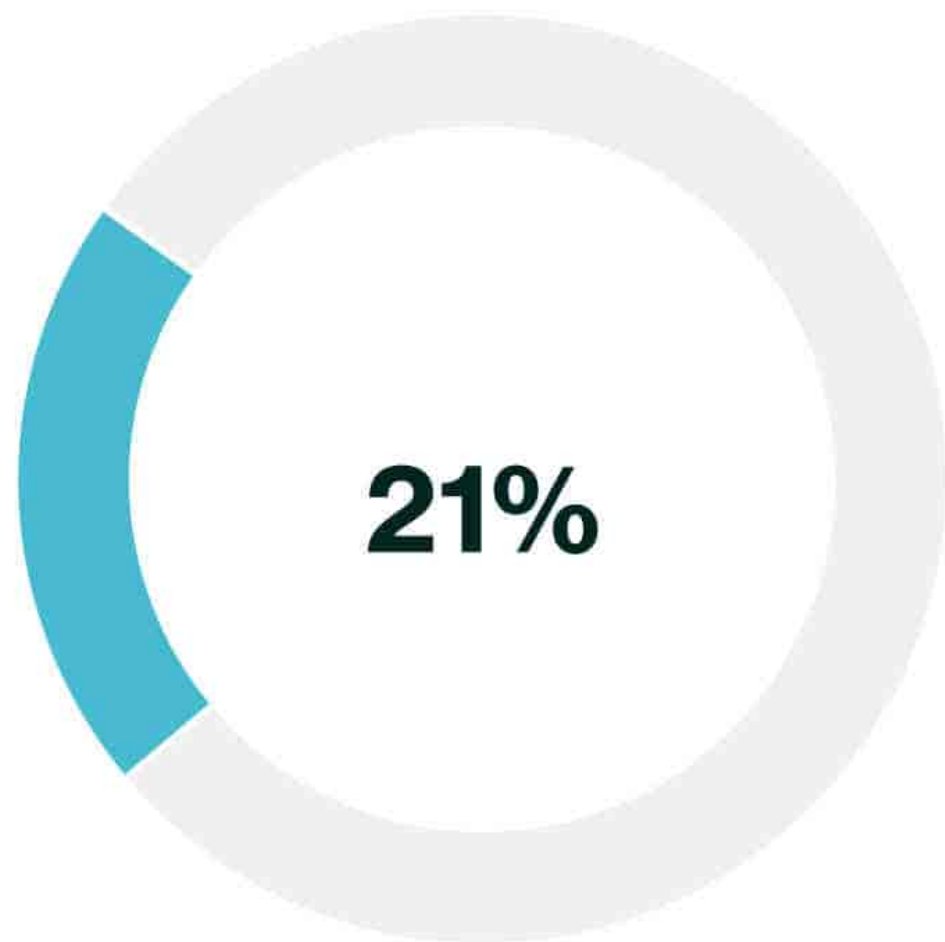
Wellbeing program features



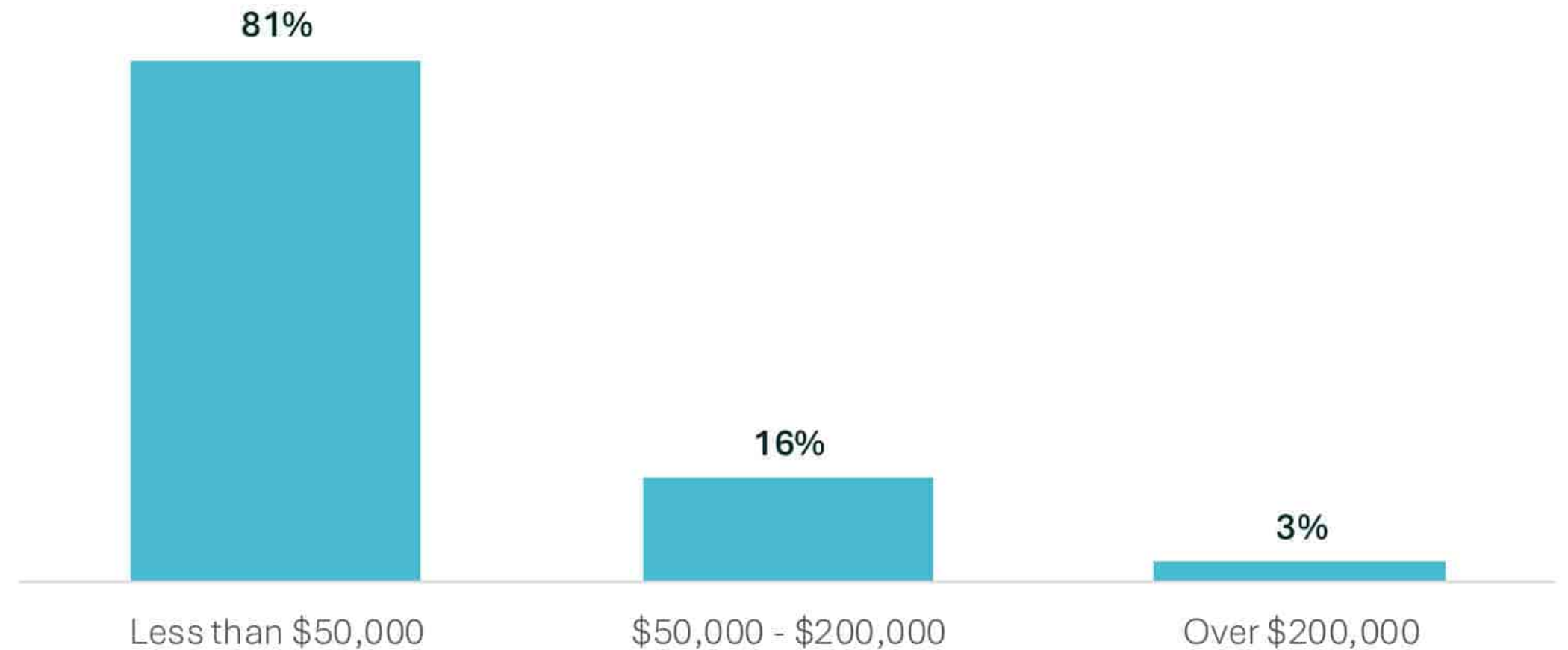
Wellbeing Benefits Budgets

The number of companies with a wellbeing budget decreased **8%** from 2023 (**29%**). Companies with less than 100 employees start with smaller budgets that increase as the companies grow.

Have a dedicated wellbeing budget



Projected 2024 wellbeing spend



Lifestyle Spending Accounts

Currently, it doesn't appear that companies with fewer than 100 employees are interested in adding an LSA to their benefits package. But the **4%** of companies that offer a lifestyle spending account (LSA) provide an annual amount above average compared to larger companies.

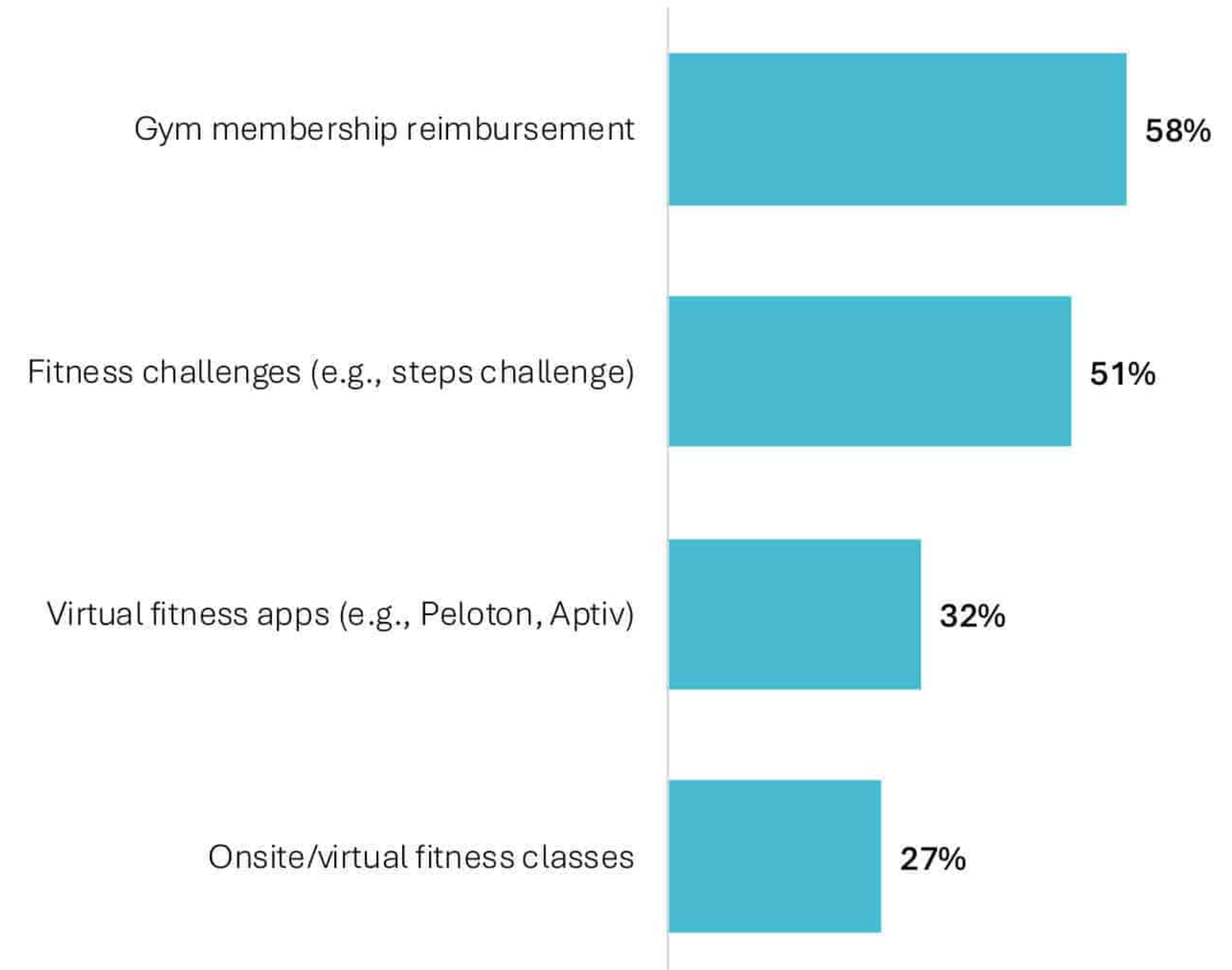
Employees receive a median of **\$1,600** annually for their LSAs.



Physical Wellbeing

Physical wellbeing programs can help improve employee health and reduce healthcare costs. Most companies are focused on gym membership reimbursements (**58%**) and things people can complete on their own time, such as fitness challenges (**51%**) and virtual programs (**32%**). Gym membership reimbursements have declined **26%** since last year.

Physical Wellbeing Benefits Offered

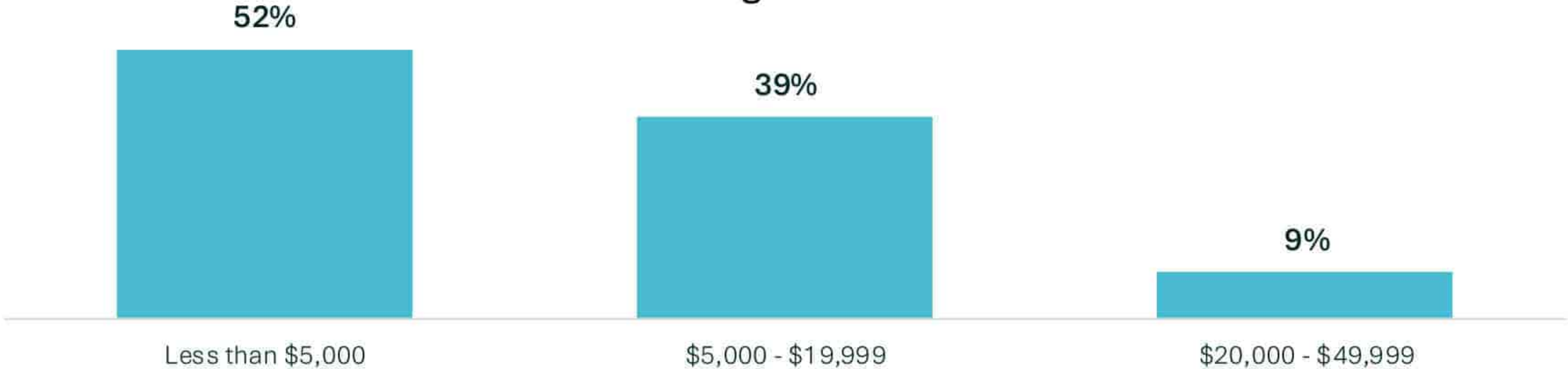


Wellness Stipends

Wellness fund through a carrier



Through carrier

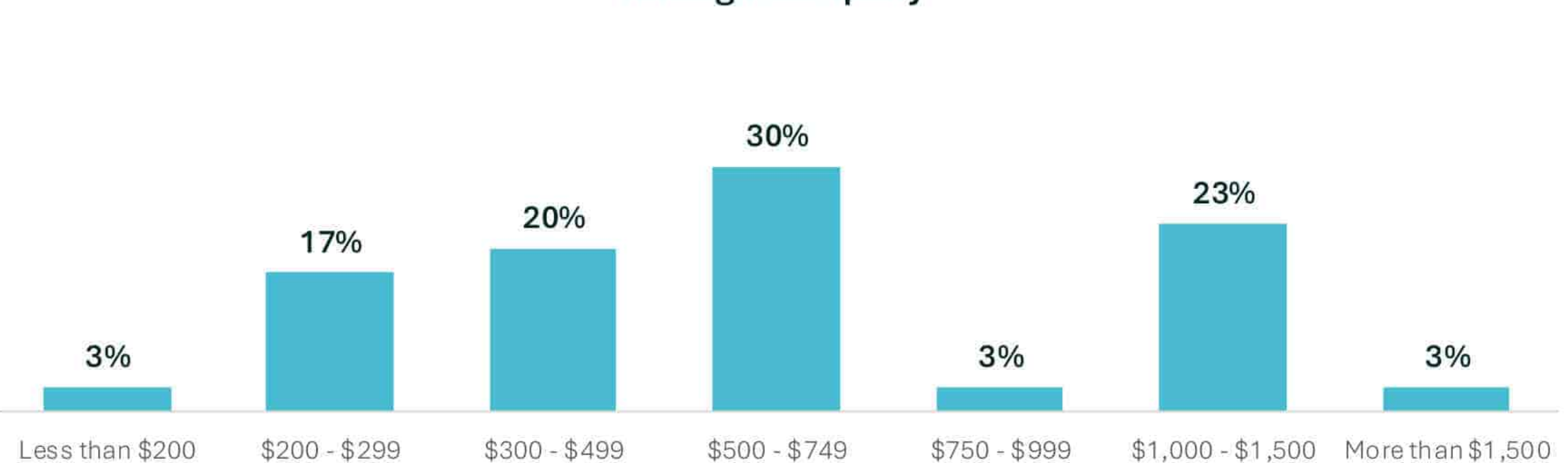


Note: Stipend offered through company is either managed internally or through a vendor.

Wellness stipend through company



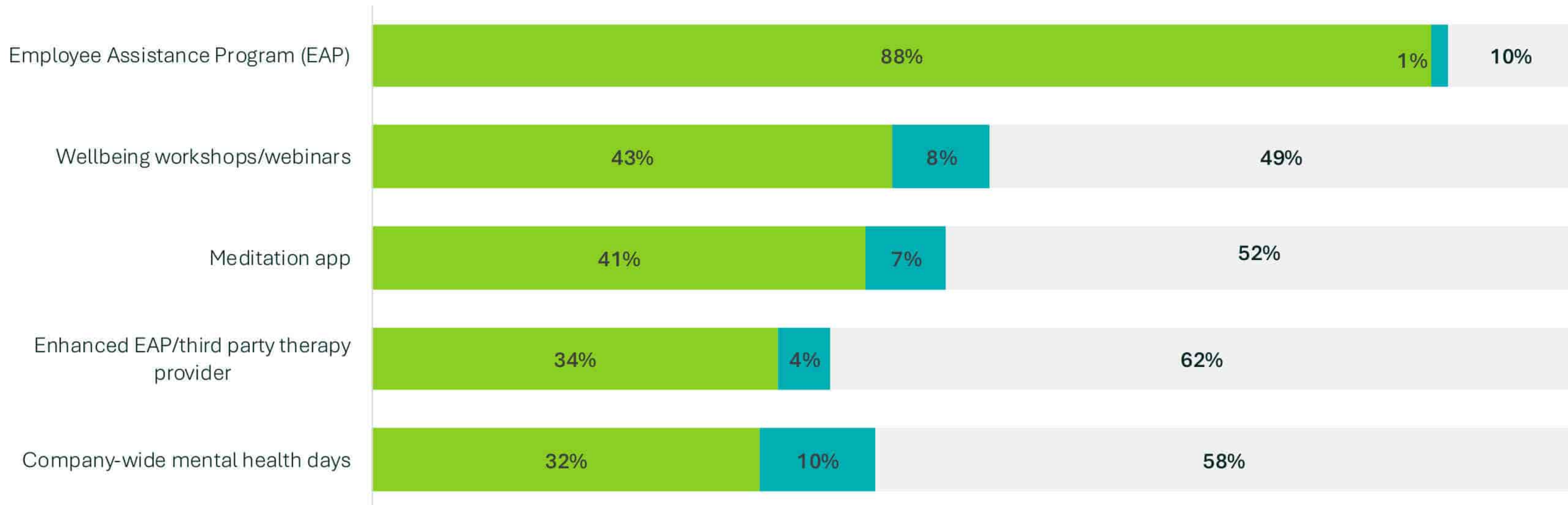
Through company



Emotional Wellbeing Benefits

To support mental health, companies are exploring low-cost solutions, such as wellbeing workshops and companywide mental health days.

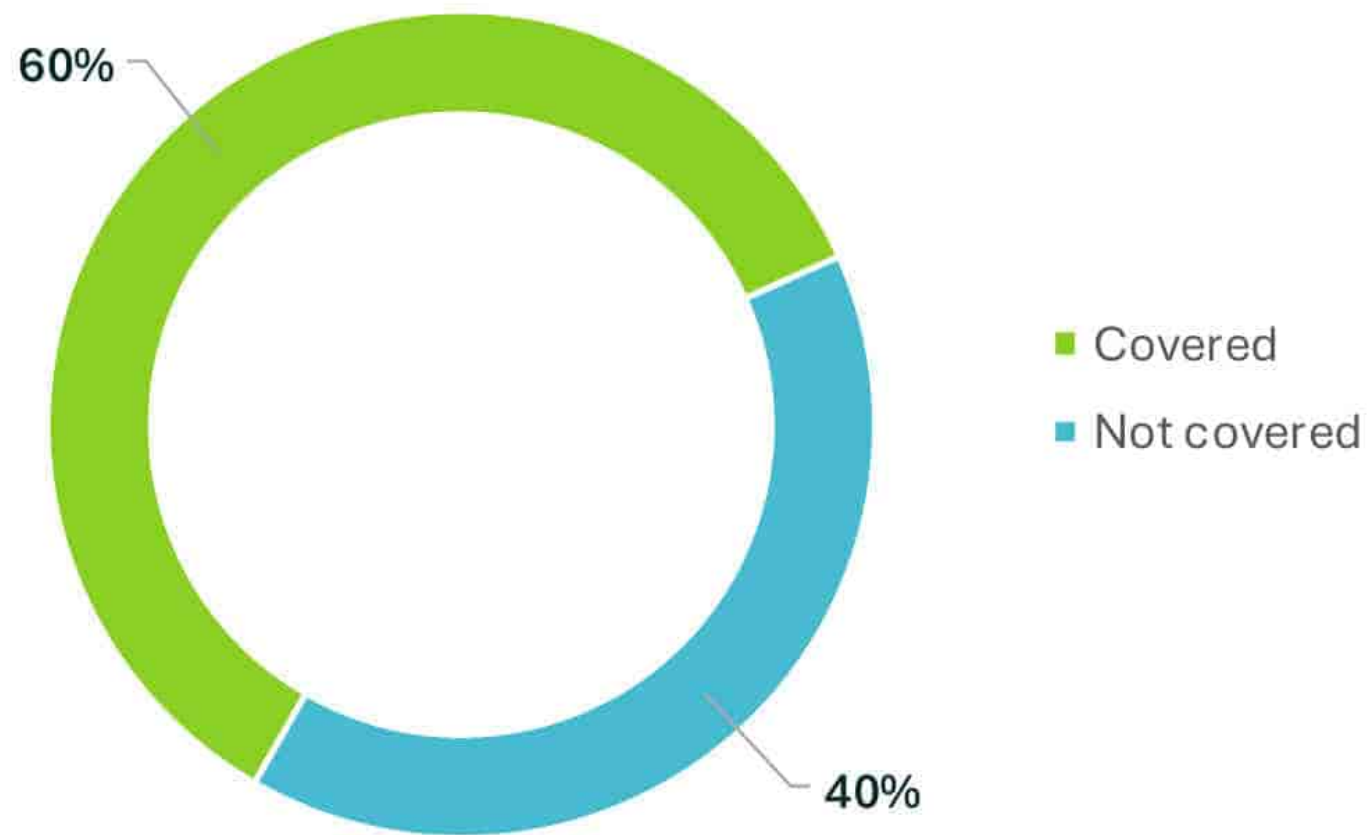
Offer | Offering in the next 12 months | Not Offered



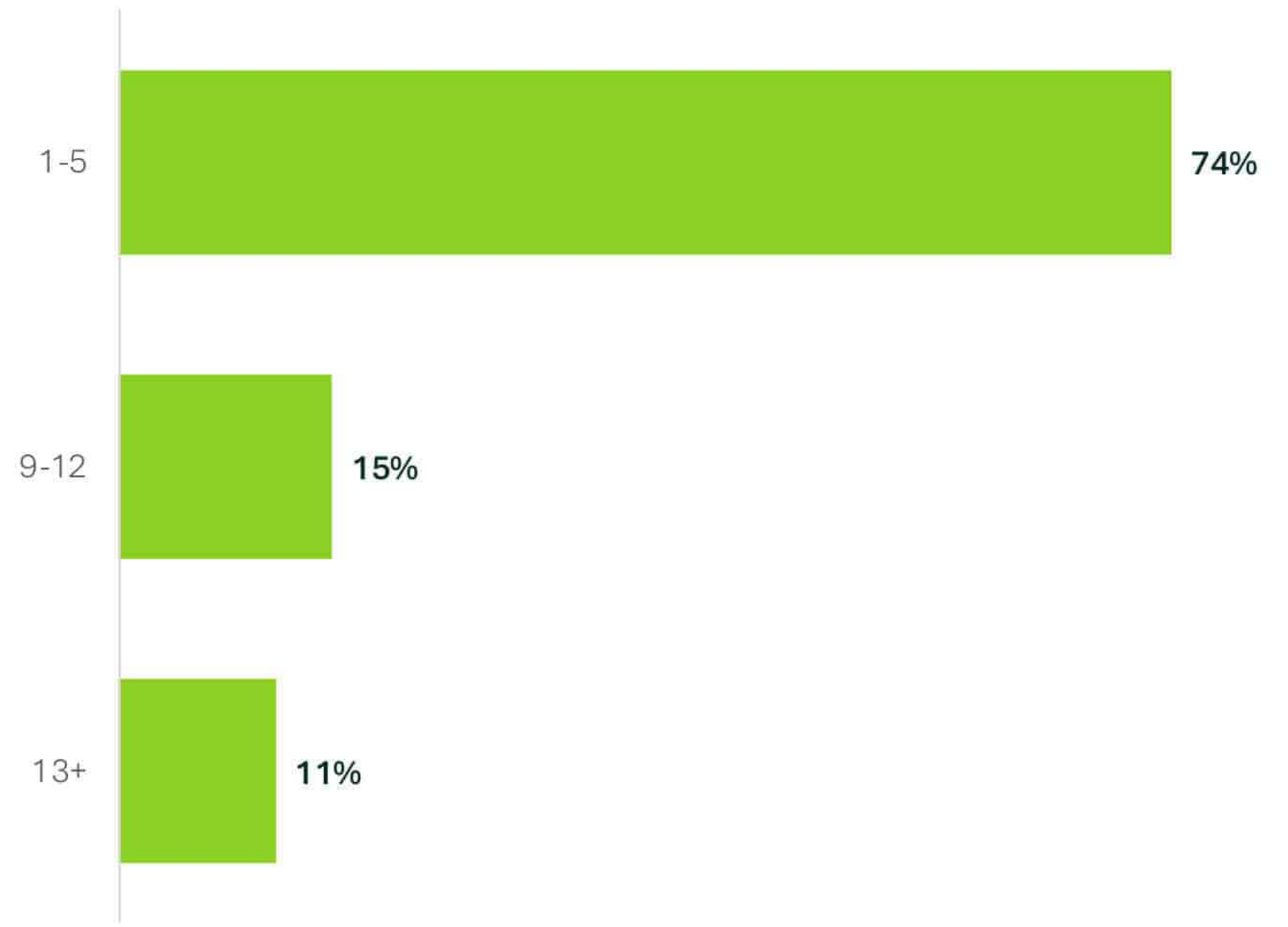
Clinical Therapy Sessions with Enhanced EAP

60% of employers with an enhanced EAP offer clinical therapy sessions, with **two-thirds** covering 1 to 5 sessions per year.

Enhanced EAPs covering clinical therapy sessions



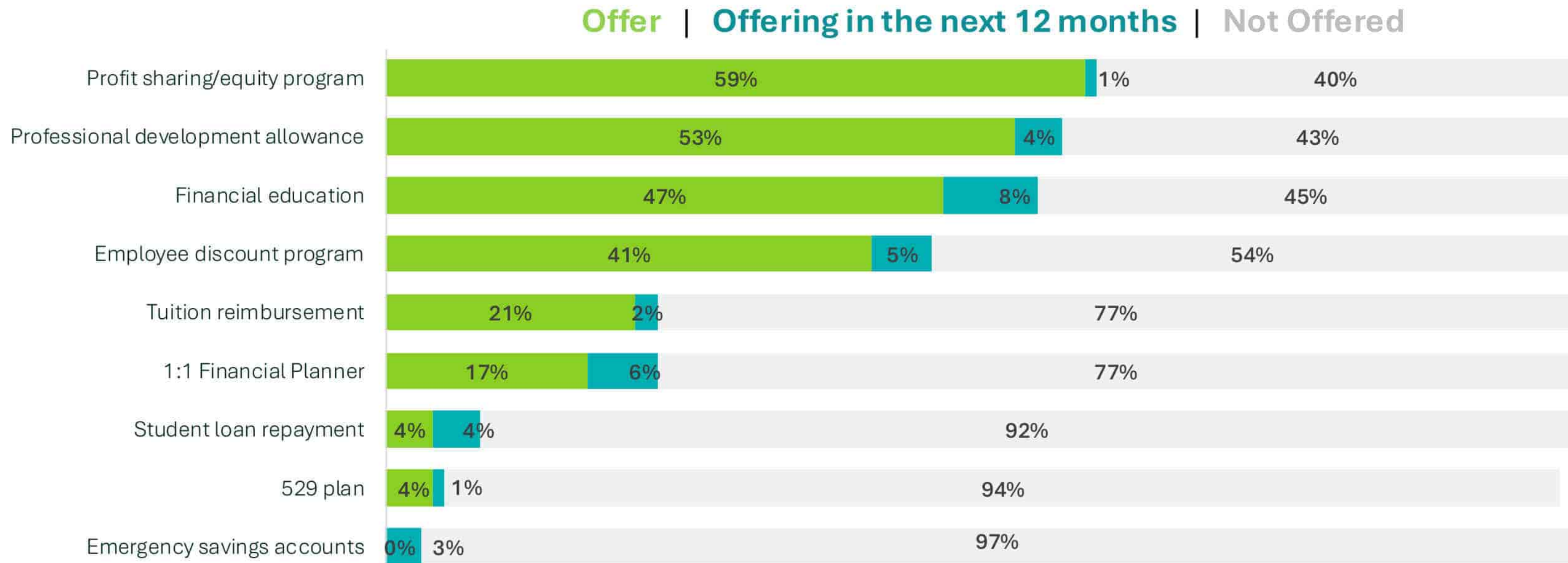
Annual sessions covered



Note: 0% of respondents offer 6 – 8 annual sessions.

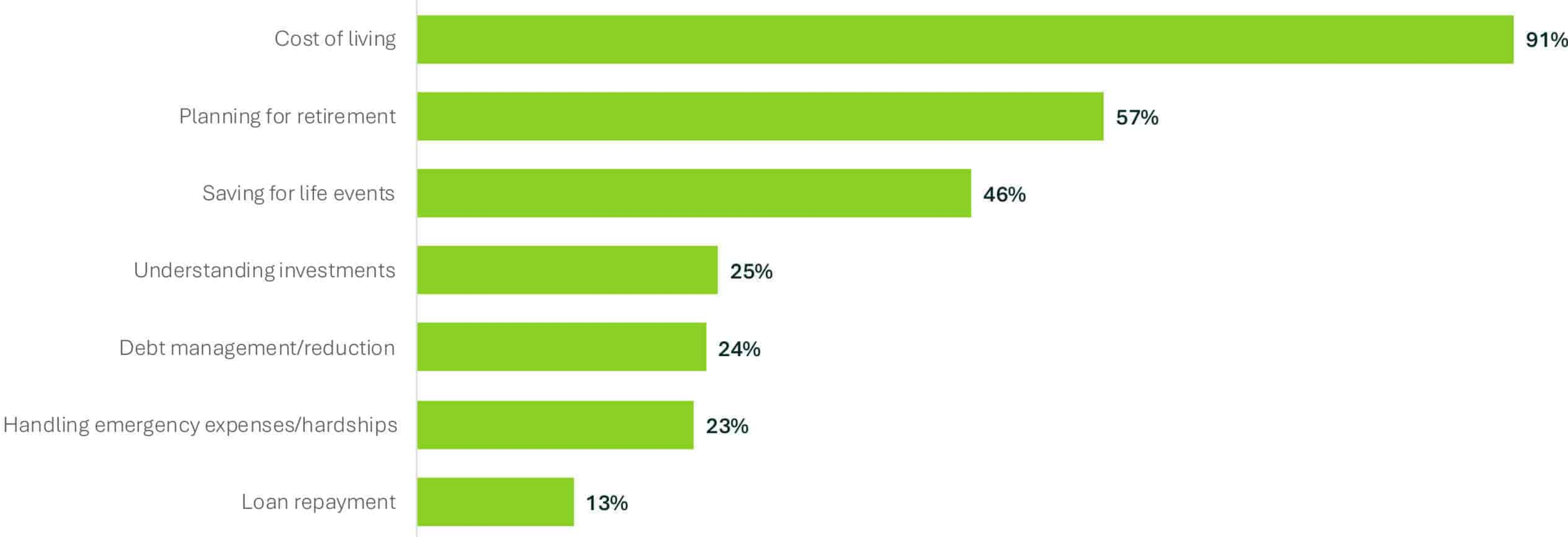
Financial Wellbeing Benefits

Startups are focused on incentivizing employees through profit-sharing and equity programs (**59%**), as well as providing opportunities to expand their skills through a professional development allowance (**53%**).



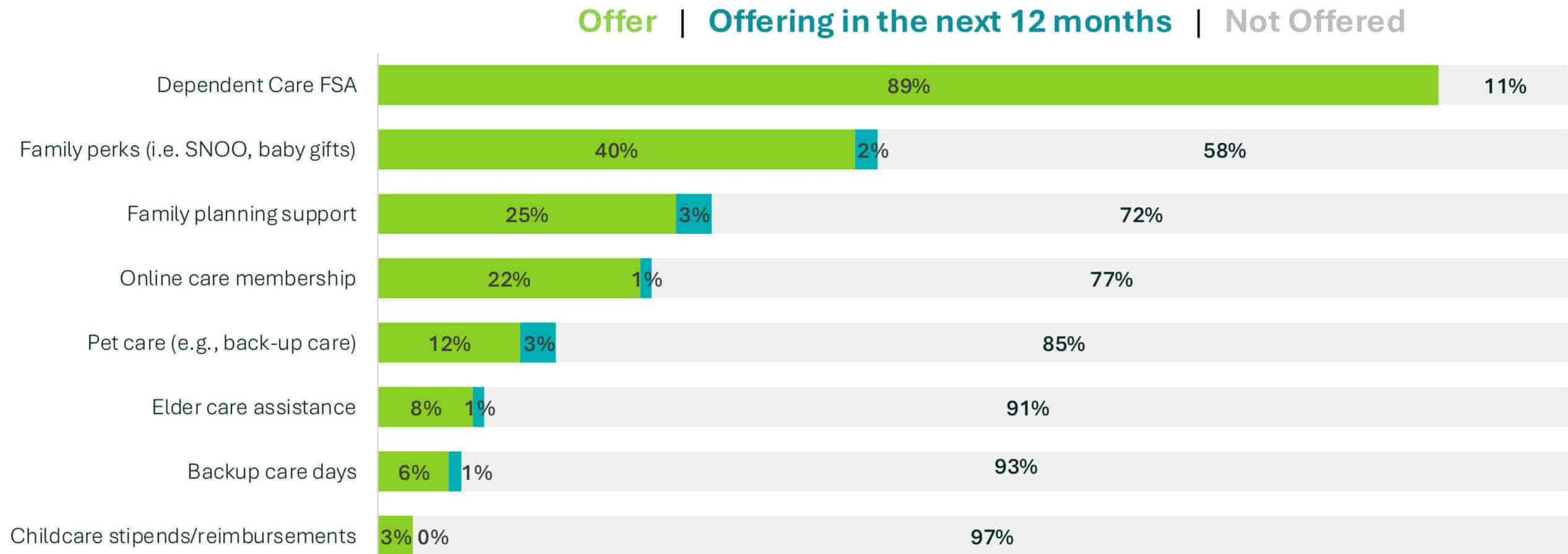
Employees' Top Financial Concerns in 2024

Employees are thinking about how they'll pay for the present and the future, with concerns about the cost of living (**91%**), retirement planning (**57%**), and saving for life events (**46%**), such as starting a family, topping their list.



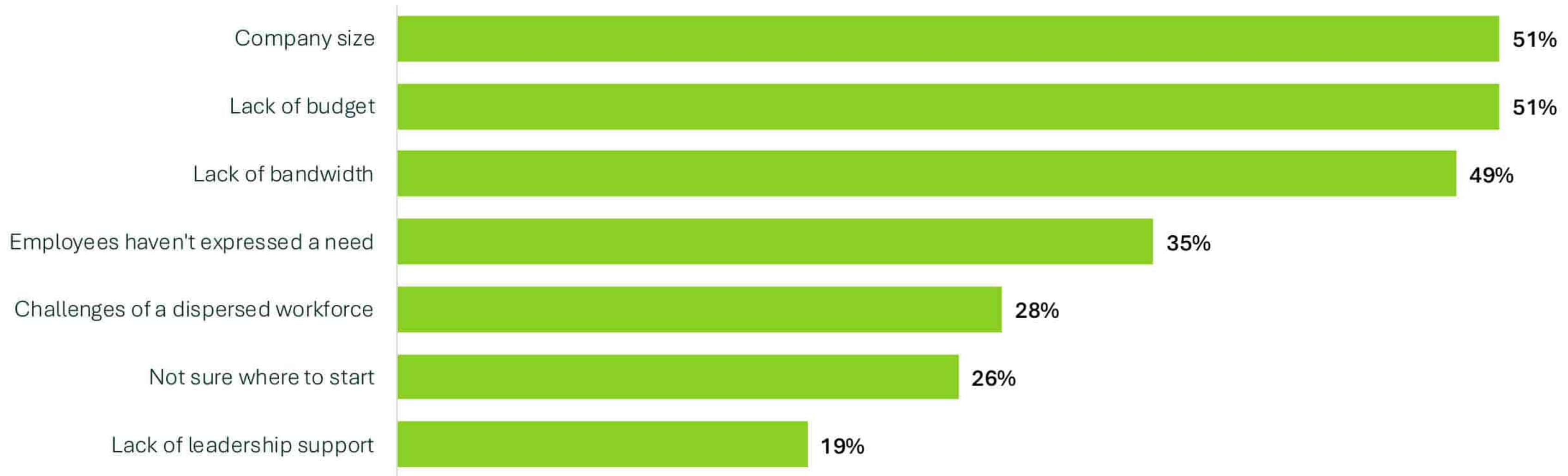
Family Wellbeing Benefits

Family wellbeing benefits focus on planning for starting a family and paying for dependent care costs through an FSA.



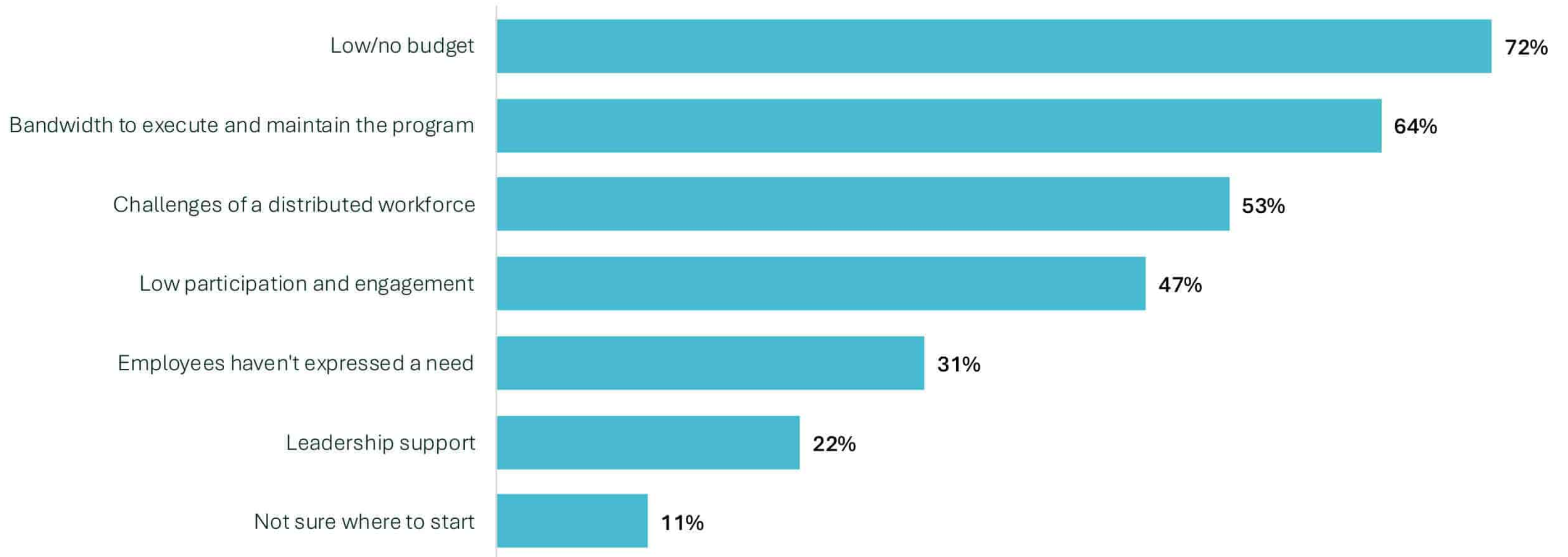
What's Stopping Employers from Implementing Wellbeing Programs

Although **less than a quarter** of companies have issues gaining leadership support for wellbeing benefits, startups struggle with limited budgets and bandwidth for implementation. Also, over **50%** of companies cited their size as a factor, believing there's less value in wellbeing benefits for companies with fewer than 100 employees.



Challenges in Developing and Maintaining Wellbeing Programs

Startups looking to attract top talent by expanding beyond core benefits usually start with wellbeing benefits. Many start with the most basic wellbeing benefits and expand over time. However, as we've seen, budget and bandwidth are obstacles to expanding wellbeing benefits.



2024 Benefits Benchmarking | SMB Edition

People Policies

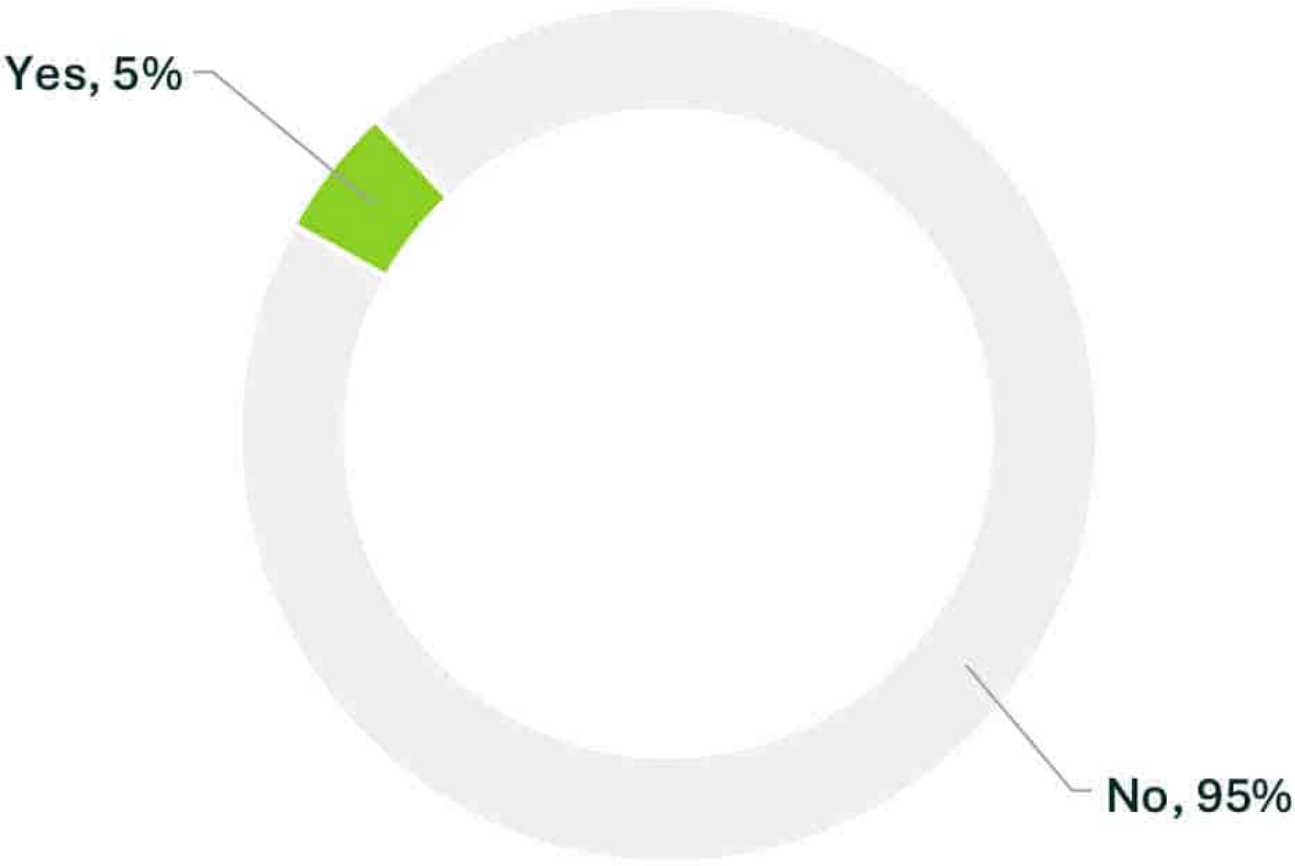


Leave Strategy

Despite rising costs, most companies (**95%**) aren't considering reducing leave benefits in the next 12 months.

Leave policies have become a staple for attracting employees. Nearly a quarter (**19%**) are considering increasing their leave benefits in the next 12 months.

Companies considering cutting leave benefits to reduce costs

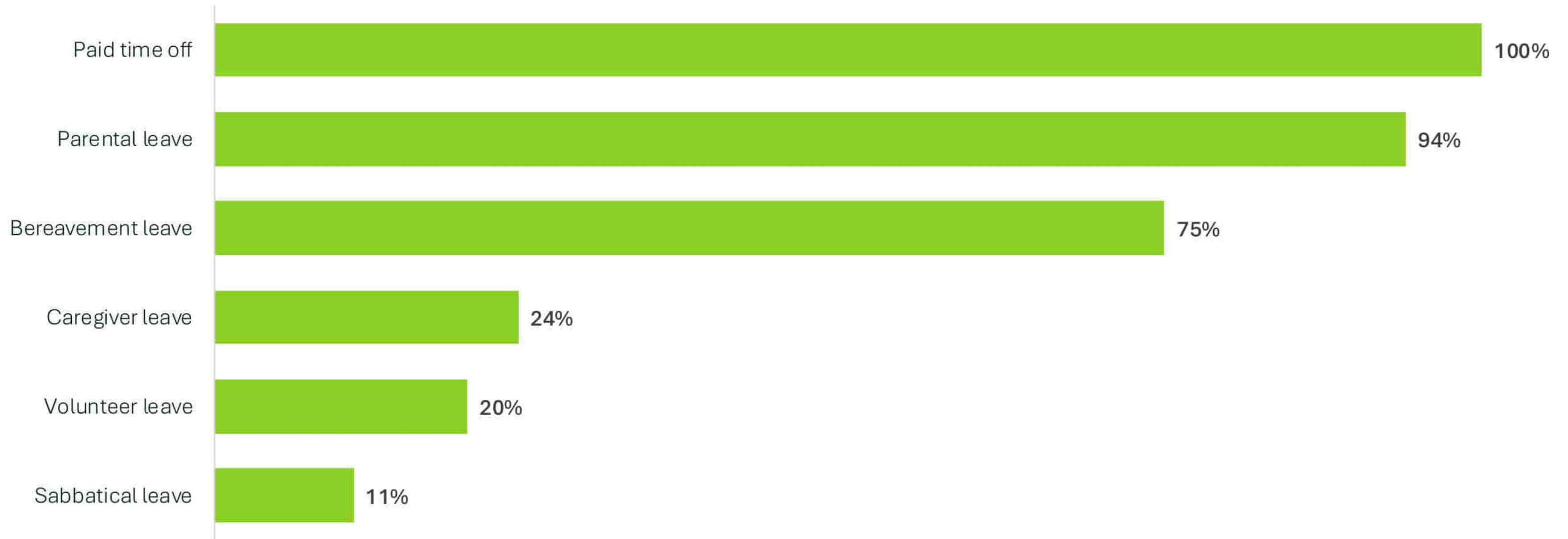


Companies considering increasing leave benefits to attract and retain employees



Leave Policies

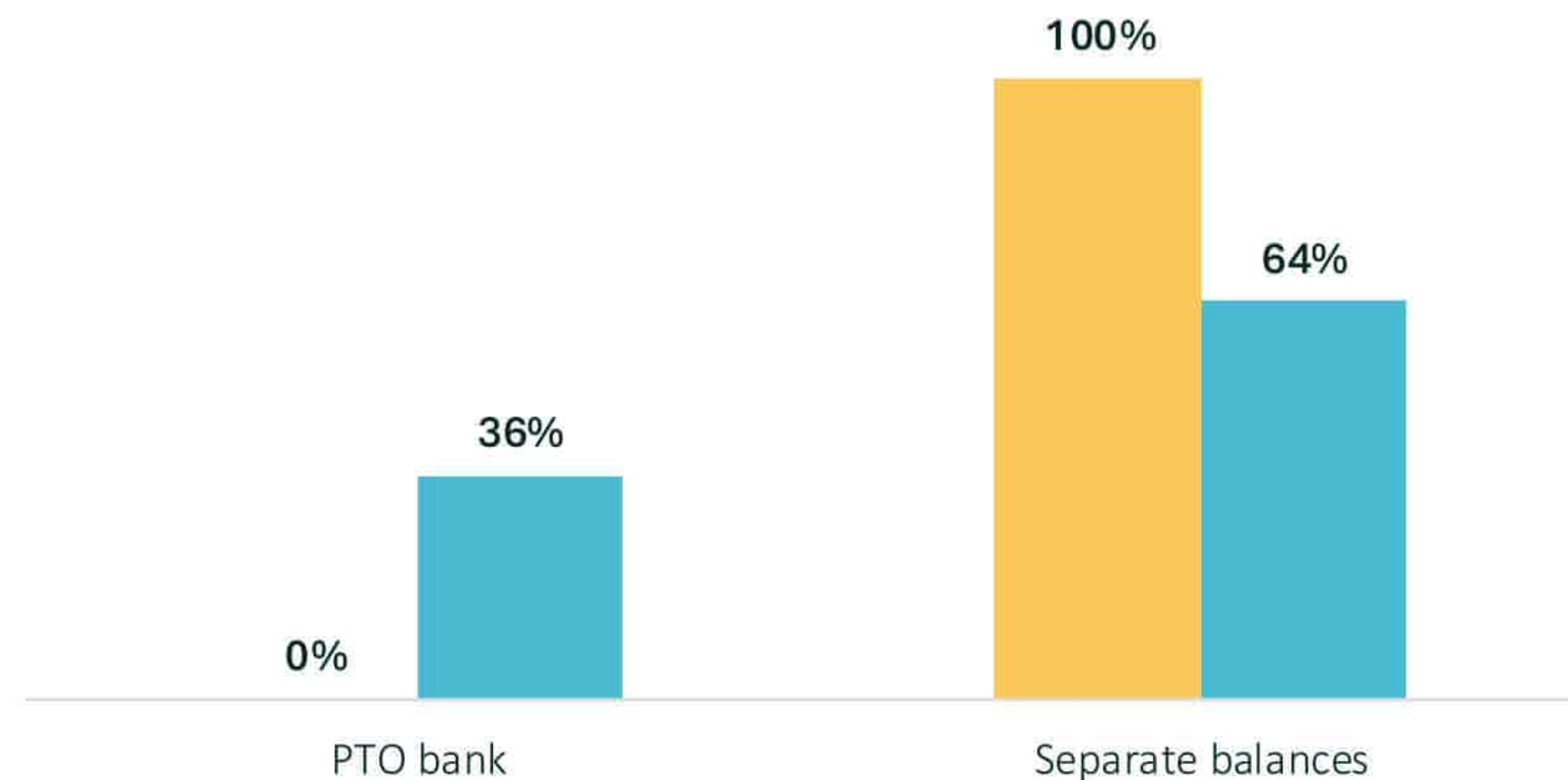
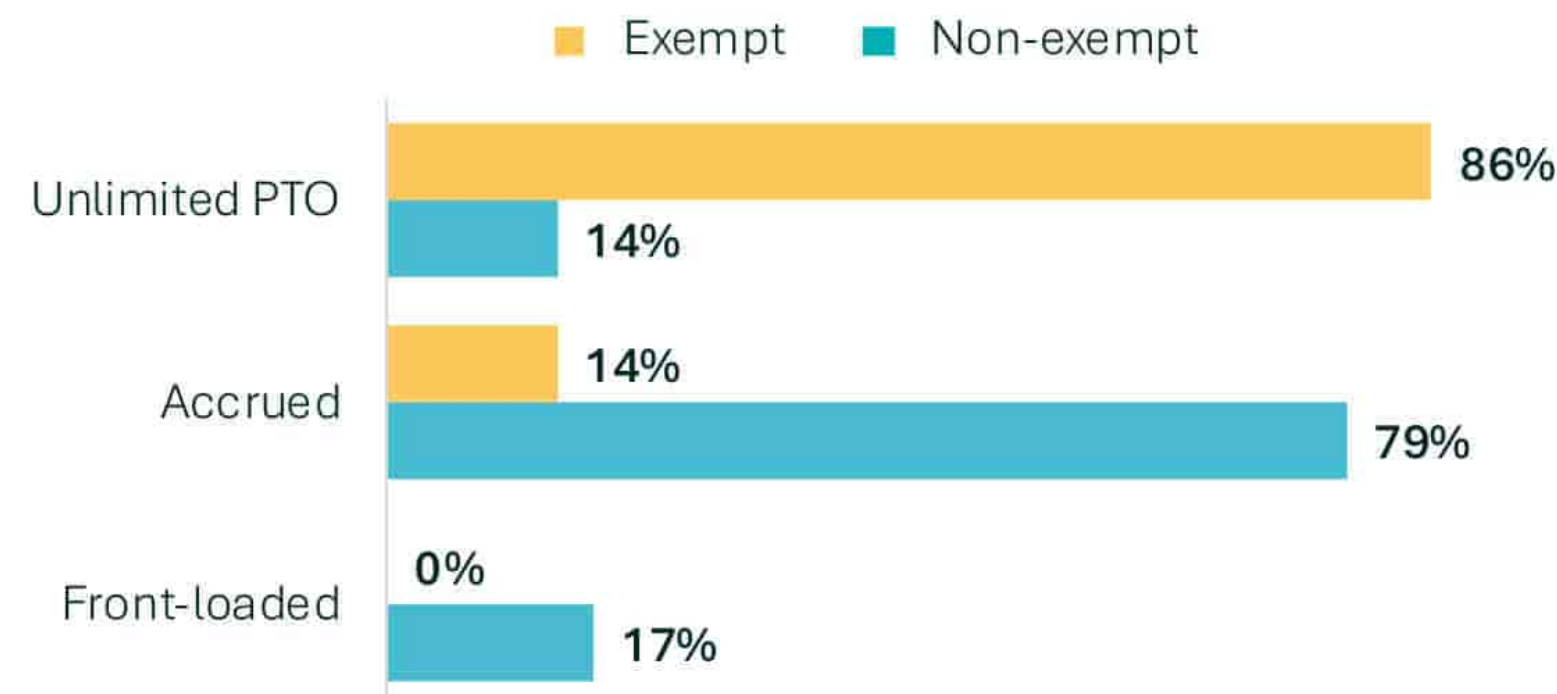
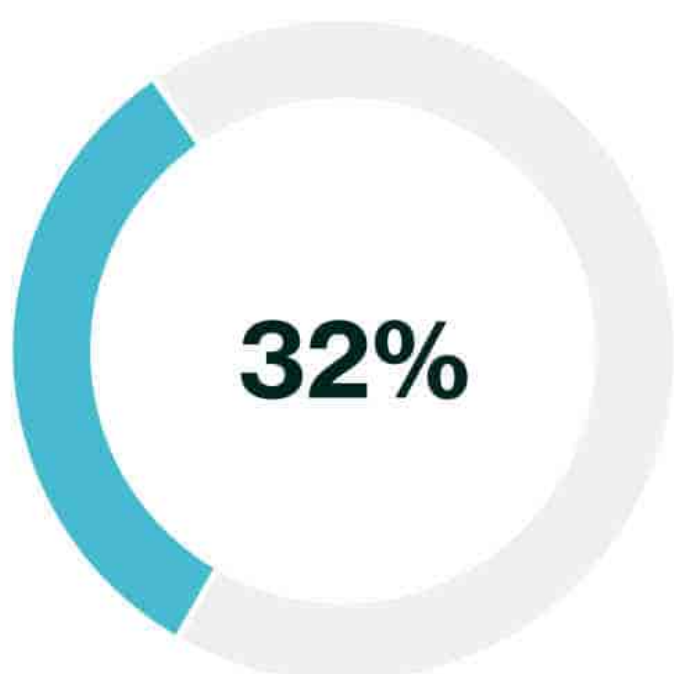
Companies with less than 100 employees are focusing on three types of leave: paid time off (**100%**), parental leave (**94%**), and bereavement leave (**75%**). However, some companies are building out segmented leave beyond the core policies.



Paid Time Off (PTO) Policies

Among companies that differentiate PTO policies for exempt and non-exempt employees, those offering unlimited PTO offer it primarily to exempt employees. **100%** of exempt employees without unlimited PTO have separate PTO balances.

Companies that differentiate PTO policies for exempt and non-exempt employees



PTO: Bank Days

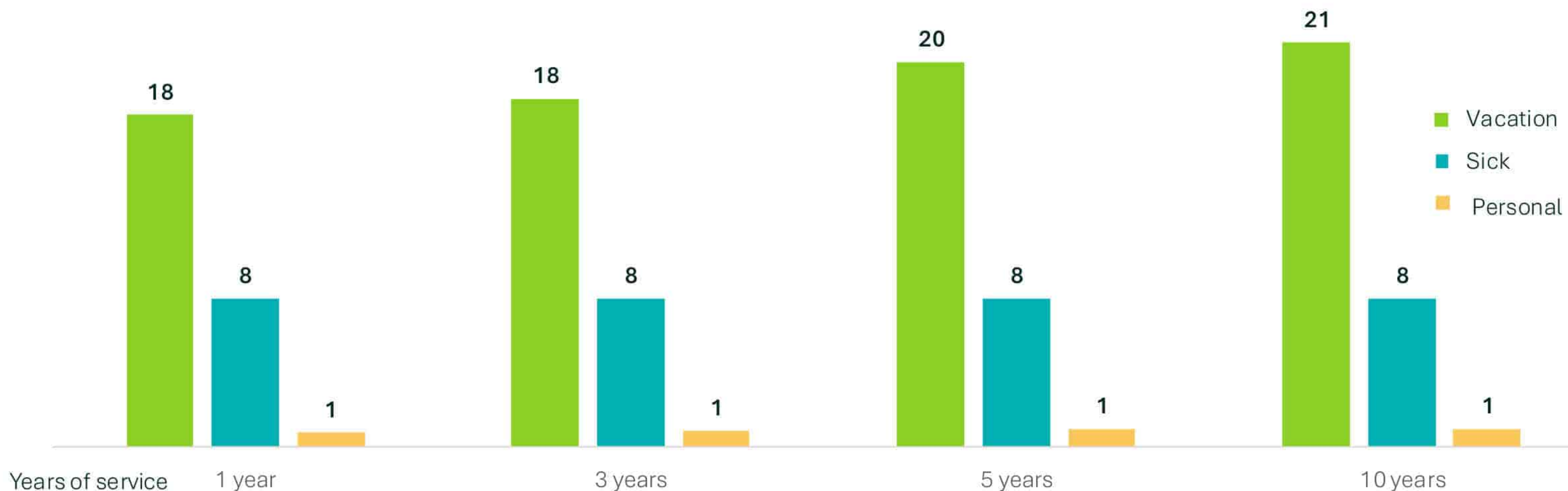
Employees with a PTO bank are seeing minimal increases over time. When their time off does increase the change is minimal, approximately **1 – 2 days**.



PTO: Separate Balances and Days

When employees accrue separate balances for various types of PTO, vacation days increase over time, while sick and personal days stay the same. There is minimal difference between the amount of time offered for a PTO bank and separate PTO balances.

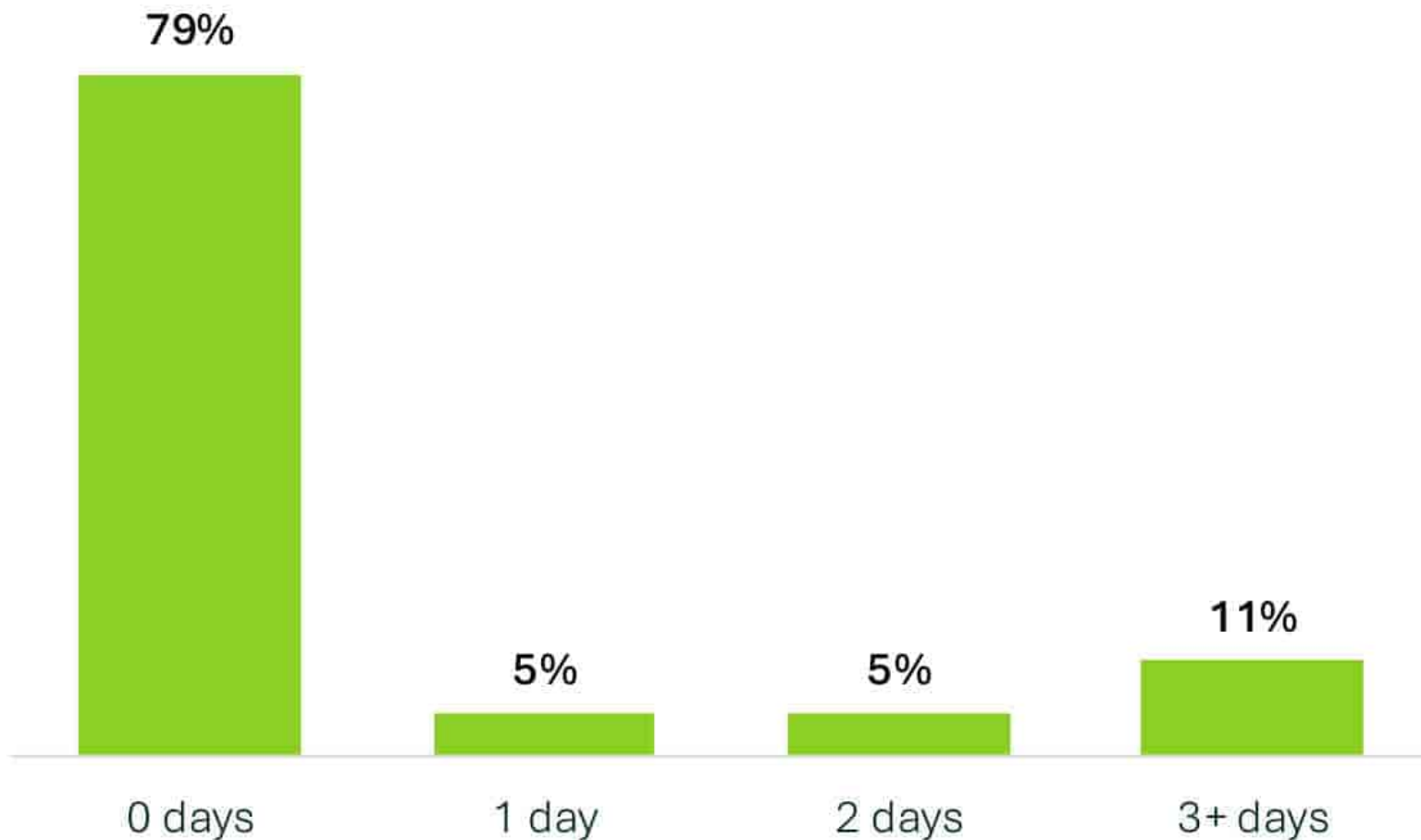
Average fully paid days



PTO Days & Paid Holidays

Companies offer an average of **12 paid holidays** annually, in addition to paid time off. Very few companies offer paid floating holidays.

Paid floating holidays



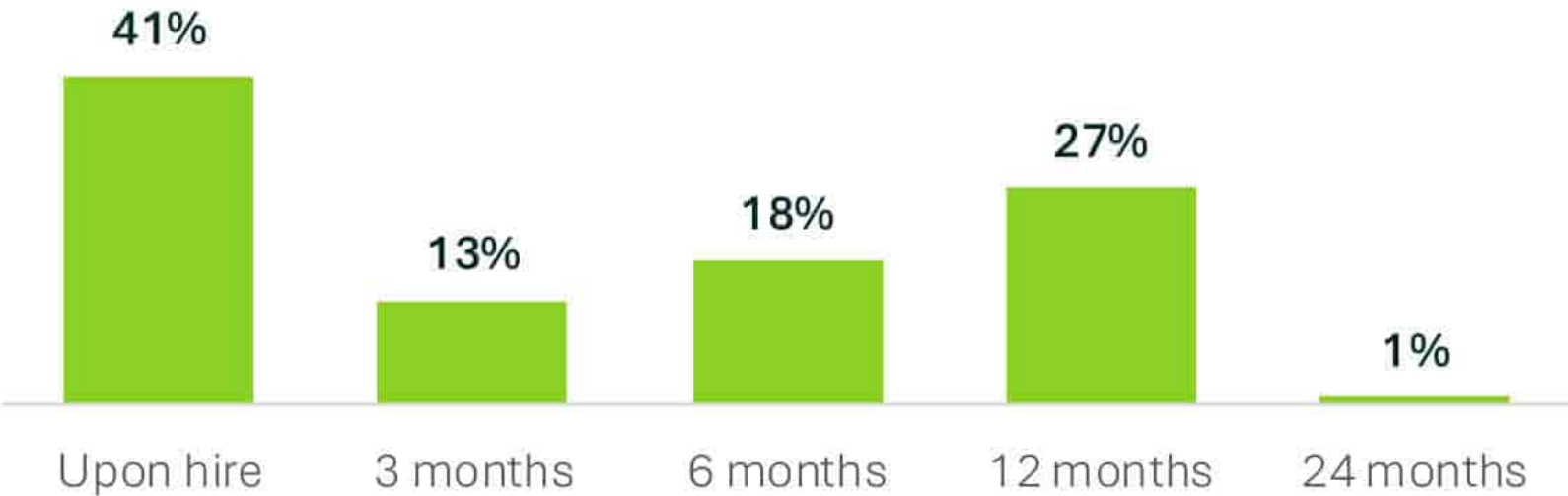
Paid Holidays	% of companies
New Year's Eve	56%
New Year's Day	99%
Martin Luther King Jr. Day	89%
President's Day	81%
Good Friday	10%
Memorial Day	98%
Juneteenth	81%
Week of Independence Day (July 4th)	4%
Independence Day (July 4th)	98%
Labor Day	98%
Indigenous People's Day	36%
Columbus Day	8%
Election Day	8%
Veterans Day	42%
Thanksgiving	100%
Day after Thanksgiving	92%
Christmas Eve	63%
Christmas	100%
Week between Christmas and New Year's	34%
Employee's birthday	7%

Parental Leave Program Design

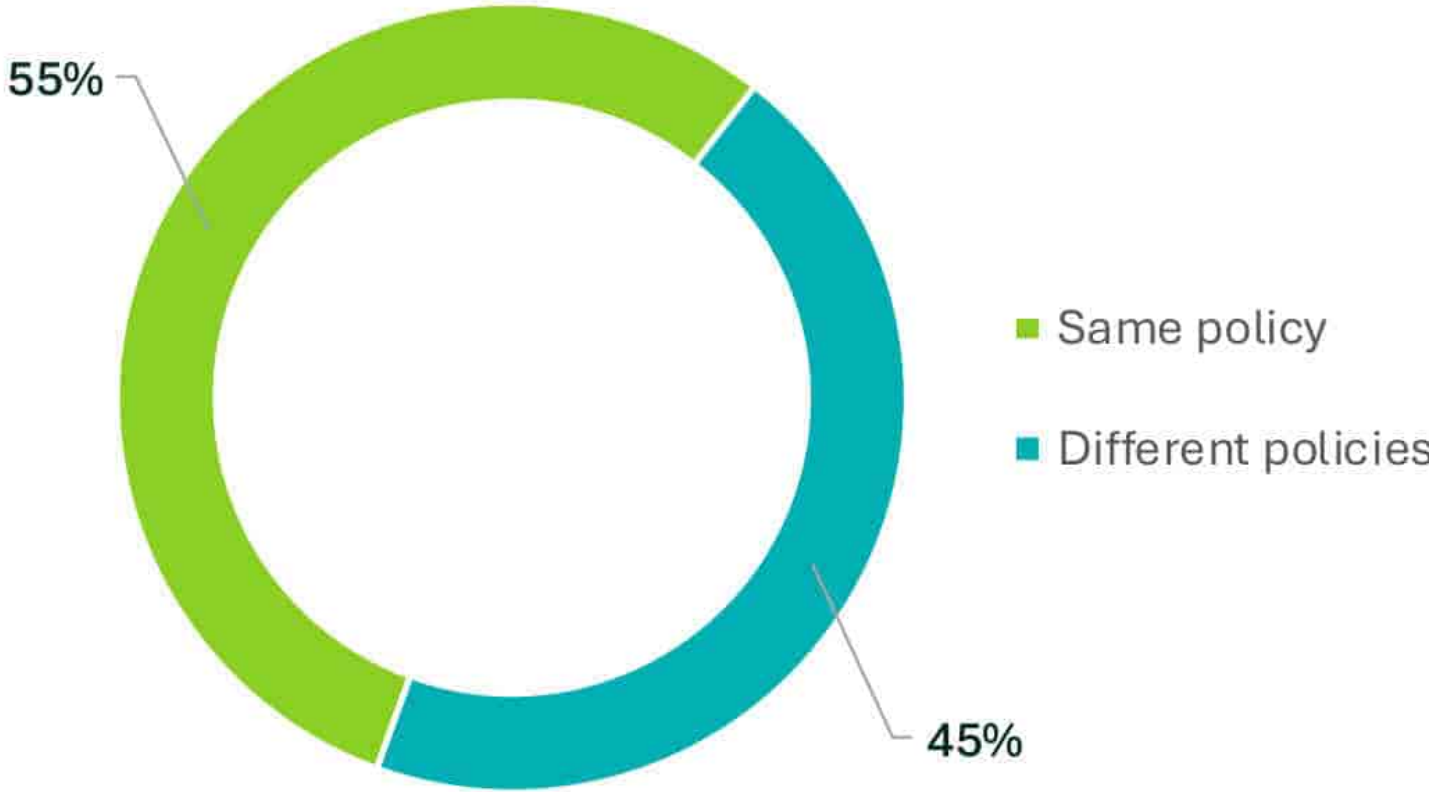
82% of companies offer leave plans beyond the minimum requirements. And a quarter of companies require 12 months of service for eligibility for parental leave.

82% offer a parental leave plan beyond the minimum statutory requirements

Parental leave eligibility



Companies offering the same policy to birthing and non-birthing parents



Paid Parental Leave

Birthing parents receive more weeks of fully paid leave than non-birthing parents in companies with separate policies — **averaging 12 weeks vs. 8 weeks**, respectively. Most companies who offer the same policy to birthing and non-birthing parents offer 11 to 15 weeks of fully paid leave.

Median fully paid weeks

12 weeks

Birthing and non-birthing

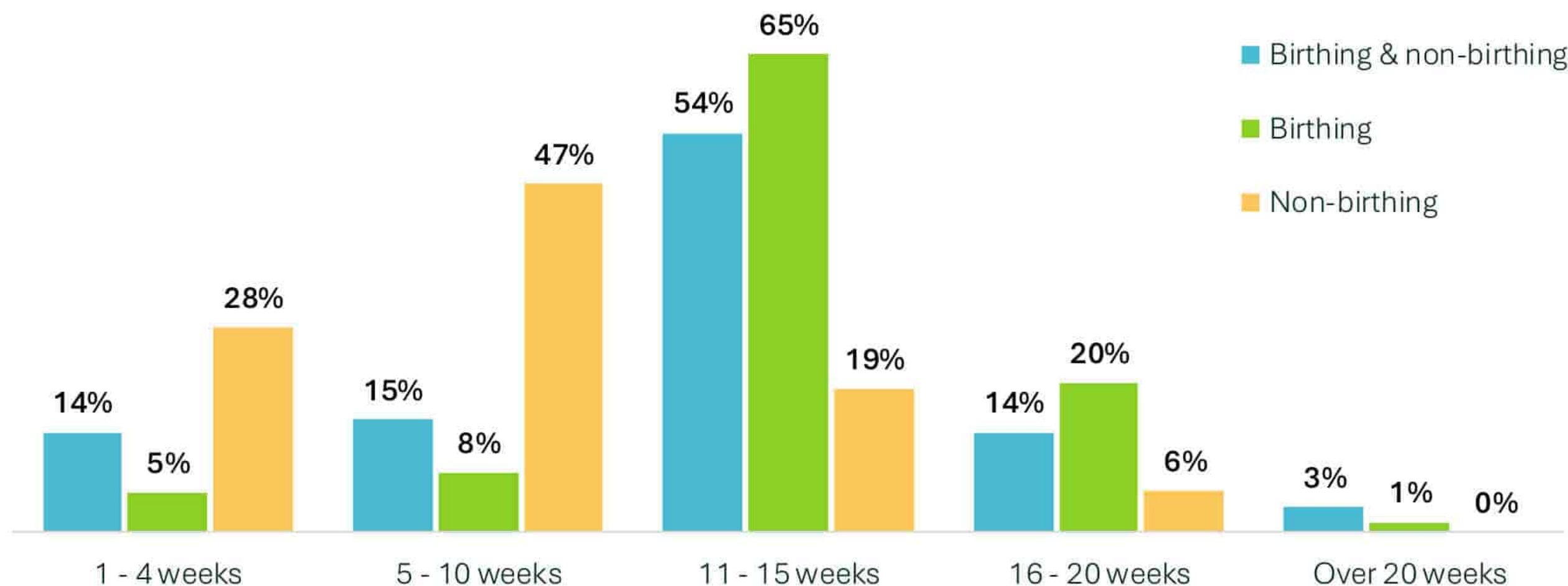
12 weeks

Birthing only

8 weeks

Non-birthing only

Fully paid weeks



Note: fully paid = 100% of salary. Beyond statutory requirements

Parental Leave: Additional Design

Outside of parental leave, **38%** of companies also have a return-to-work program for new mothers, which often includes a transition period with flexible or reduced work hours.

Outside of offering a gift, **38%** of companies are offering flexible/reduced hours to new mothers transitioning back to work after parental leave.

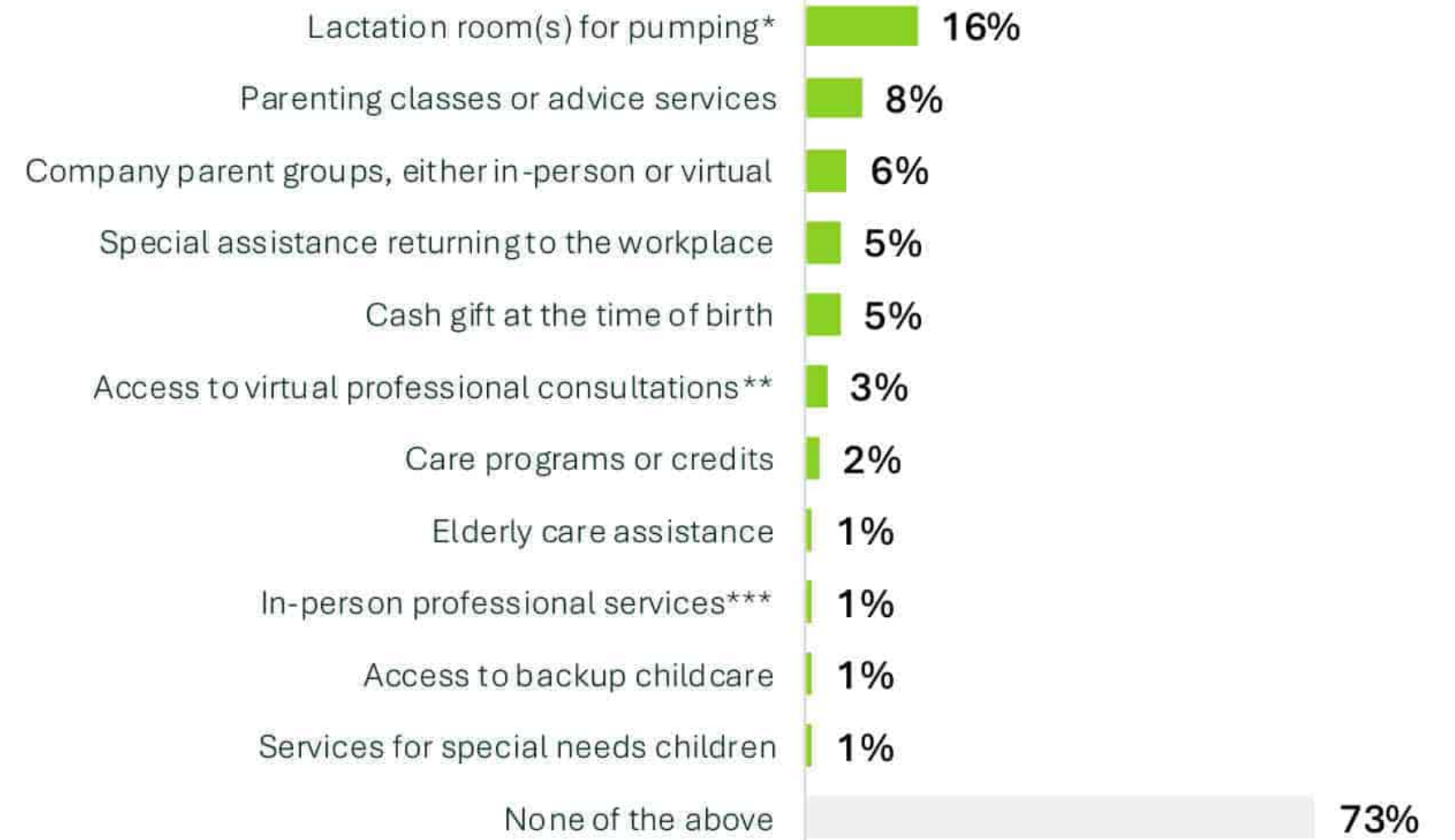


38% offer a return-to-work program for new mothers

Return-to-work program benefits	% of companies
Baby shower gift	47%
Flexible/reduced hours*	38%
Support programs (e.g., Cleo)	7%
Meal assistance	5%

*For a limited time.

New-parent benefits



*Where not already required by law.

** Lactation consultants, nurses, and doulas.

***Nurses and doulas.

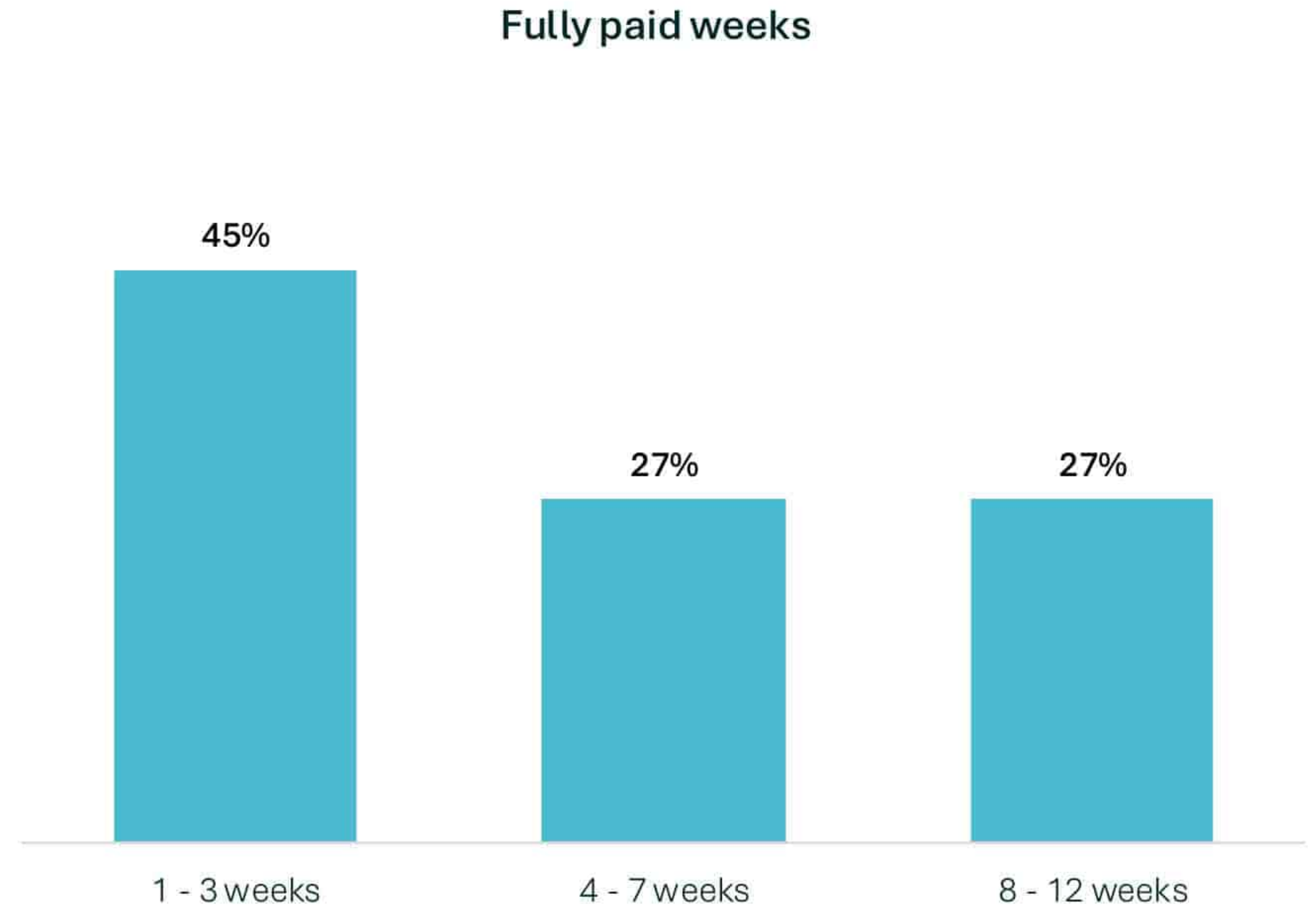


82% manage leave internally

18% use a leave-management system

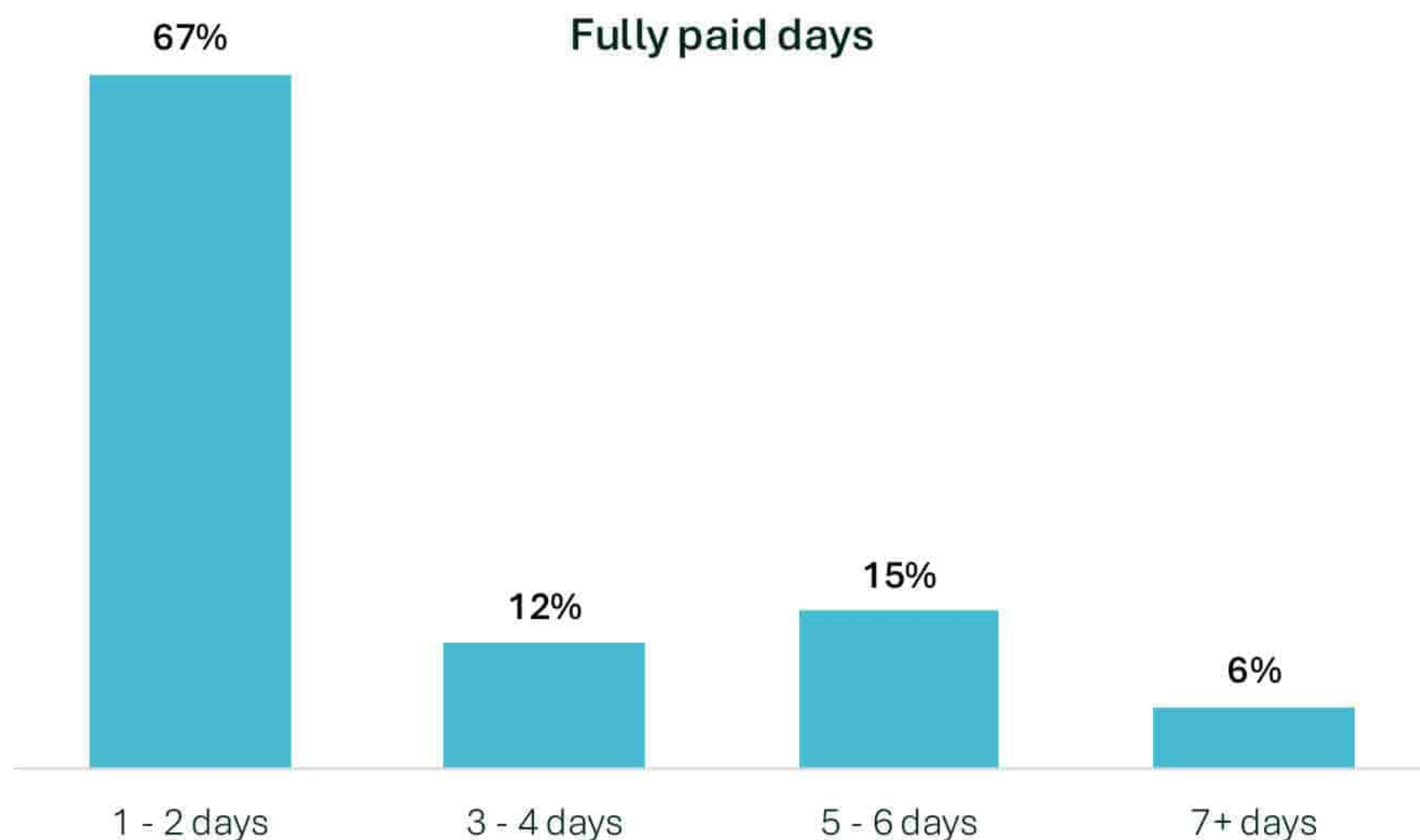
Caregiver Leave

Of the 24% of companies with a caregiver leave policy, approximately half (**45%**) offer up to three weeks off at 100% salary. **50%** of the caregiver leave policies offer eligibility to employees upon hire.



Volunteer Leave

Companies are getting employees involved with charities primarily through community events (**41%**), rather than through donations.



Company charity involvement

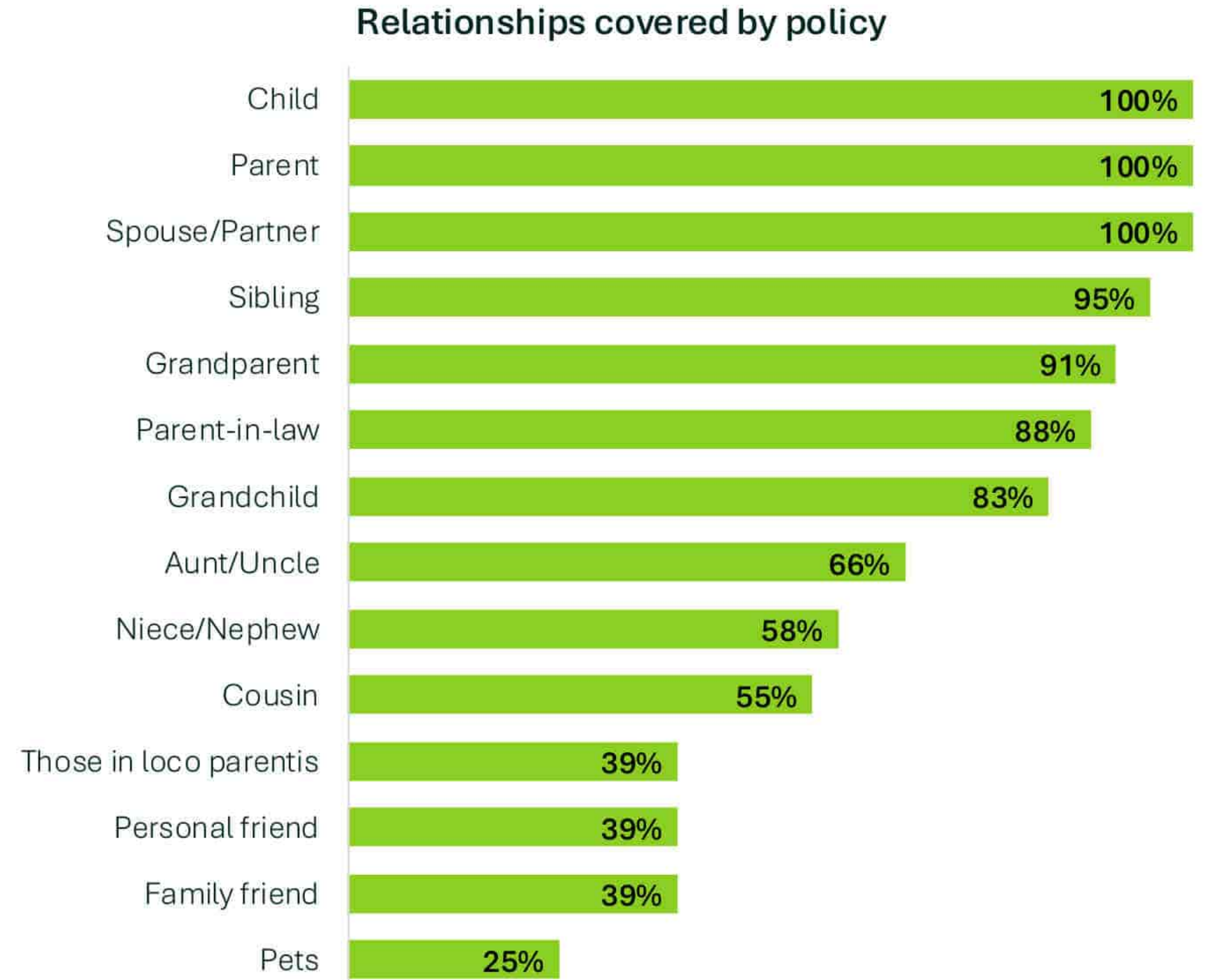
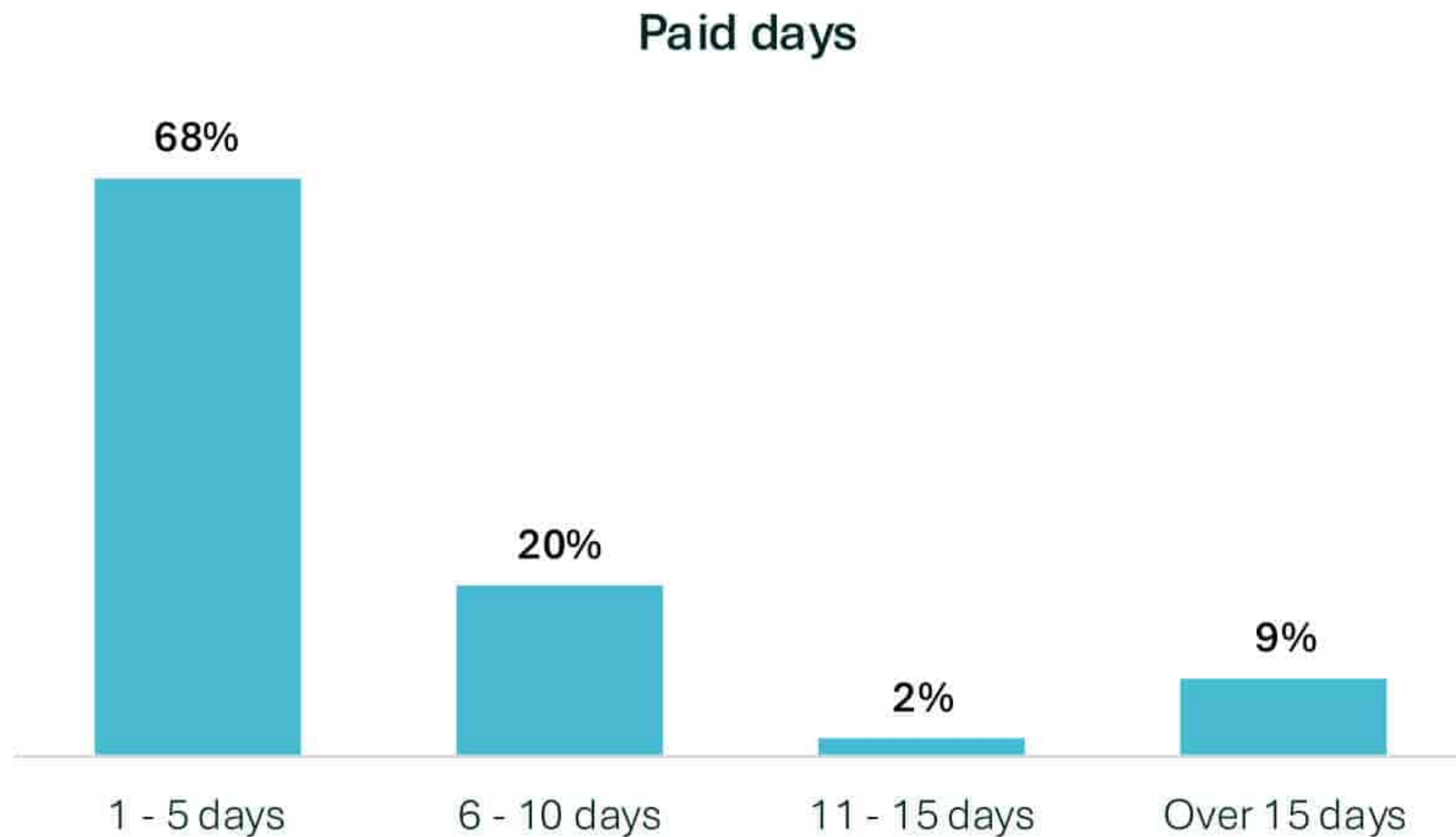


41% of companies sponsor or partner with charitable organizations

Companies with a matching gift program will match up to an average of **\$1,100** per year

Bereavement Leave

32% of companies differentiate bereavement leave based on type of relationship. **Two-thirds** of those companies cover up to 5 days.



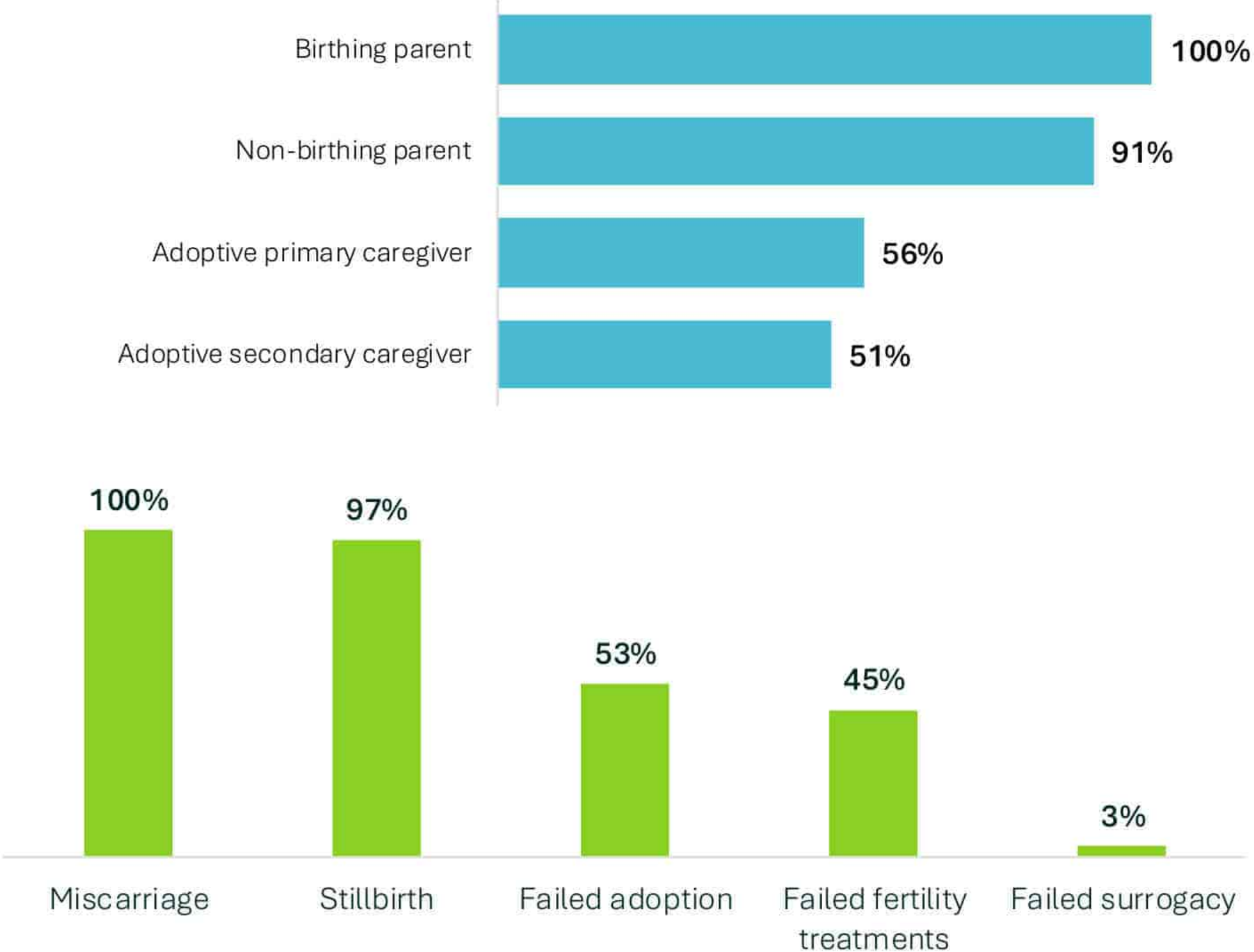
Bereavement Leave for Reproductive Loss

66% of bereavement policies cover reproductive loss. Many of those companies (**91%**) make the policy available to non-birthing parents and roughly half extend the policy to adoptive parents.



of bereavement policies apply to reproductive loss

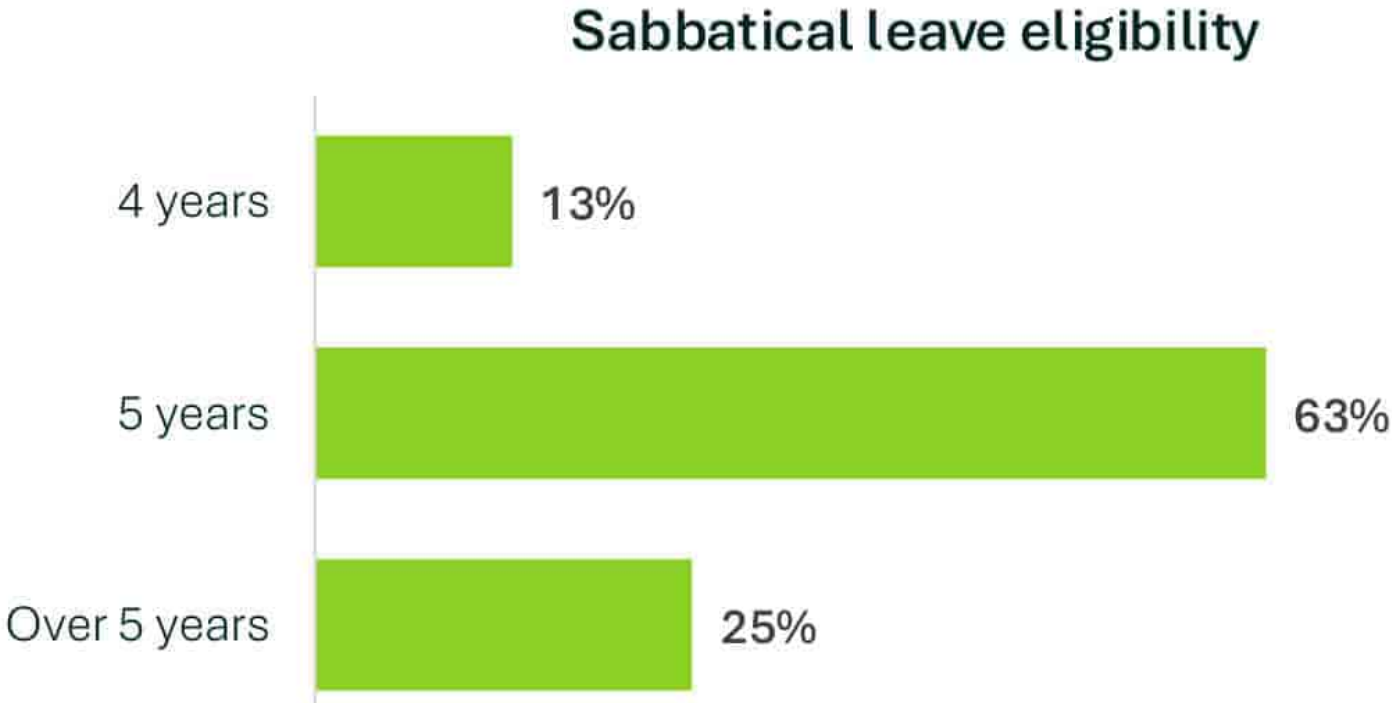
Eligibility by relationship



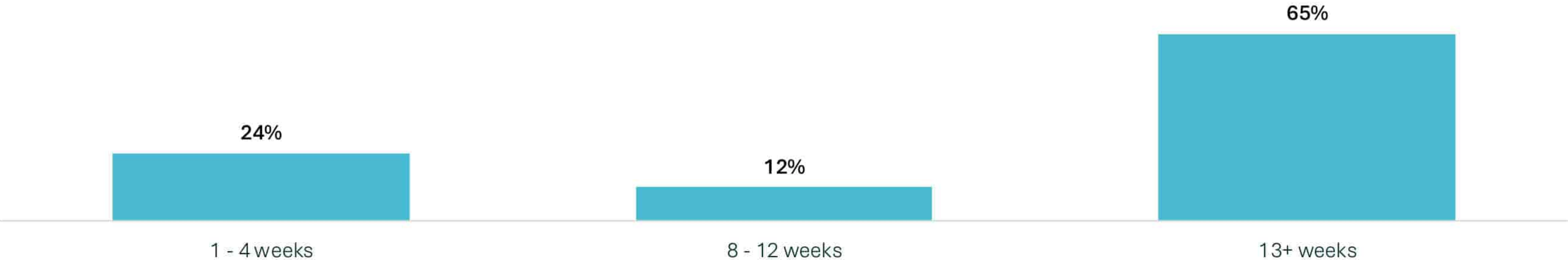
Sabbatical Leave

Of the small percentage (**11%**) of companies that offer sabbatical leave, the majority (**65%**) provide 13+ weeks fully paid. Companies are requiring a minimum of 4 years before employees are eligible for sabbatical leave.

90% of companies allow employees to stay on group health insurance while on sabbatical leave



Fully paid weeks



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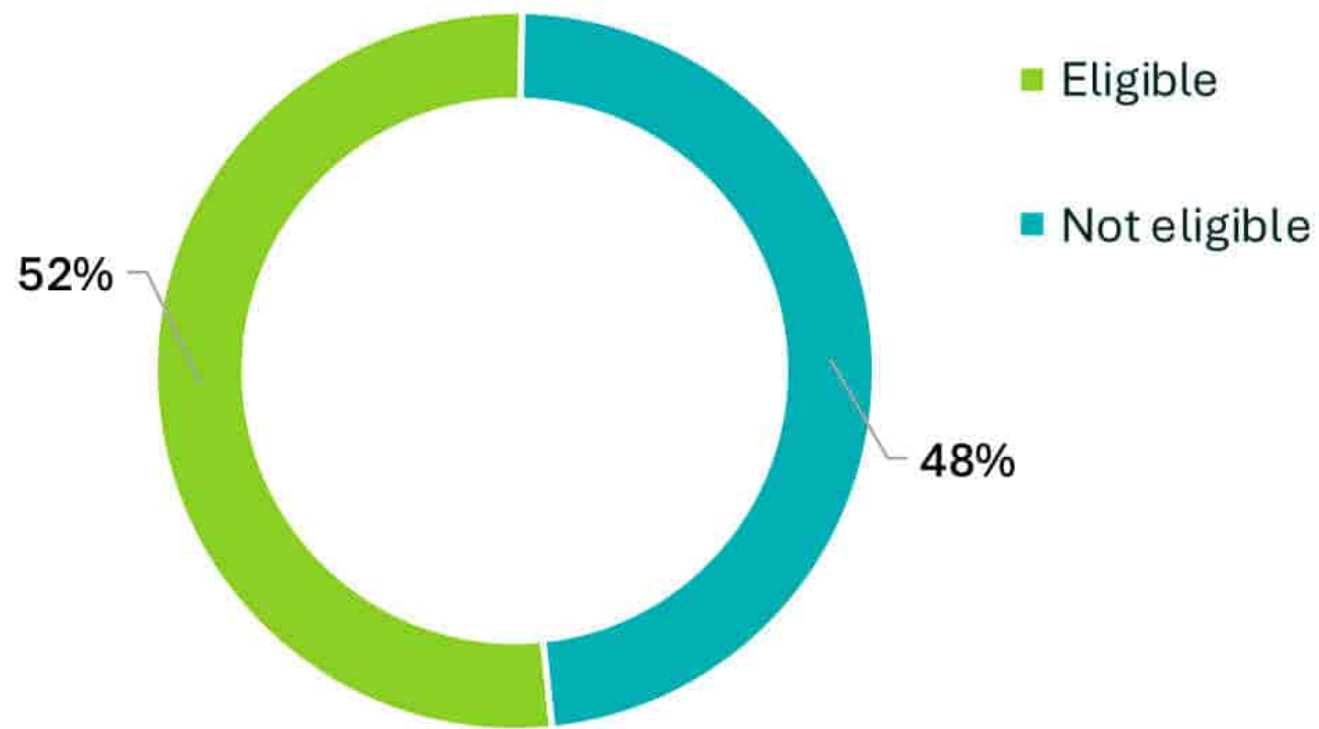
Retirement



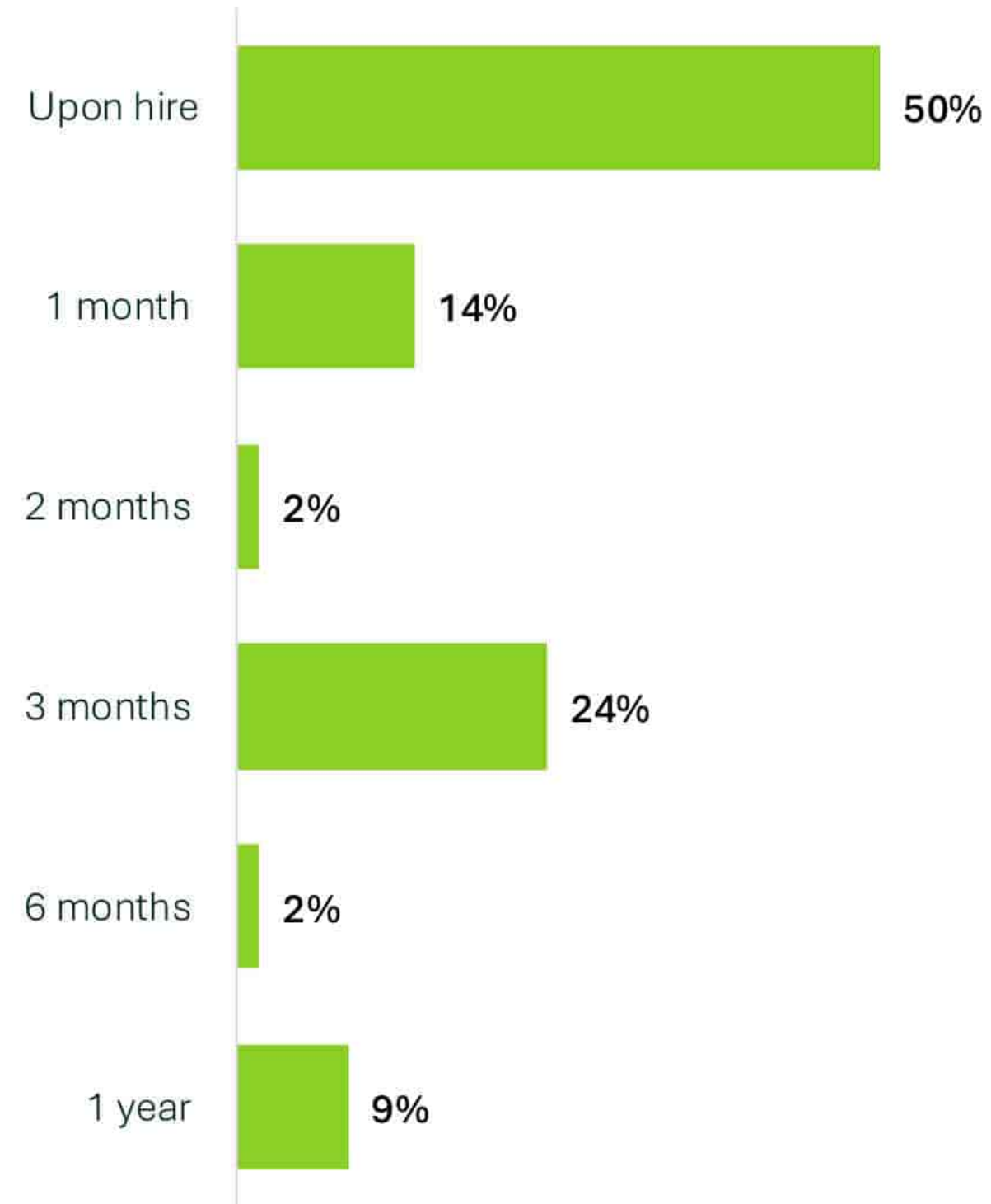
Retirement Plans and Eligibility

52% of companies allow part-time employees. Over half of companies allow employees to participate upon hire.

Companies allowing part-time employees to participate in their retirement plan.



Service requirements for participation



Plan Design and Participation

Plan types offered

84% Roth (post-tax)

28% additional after-tax (non-Roth)

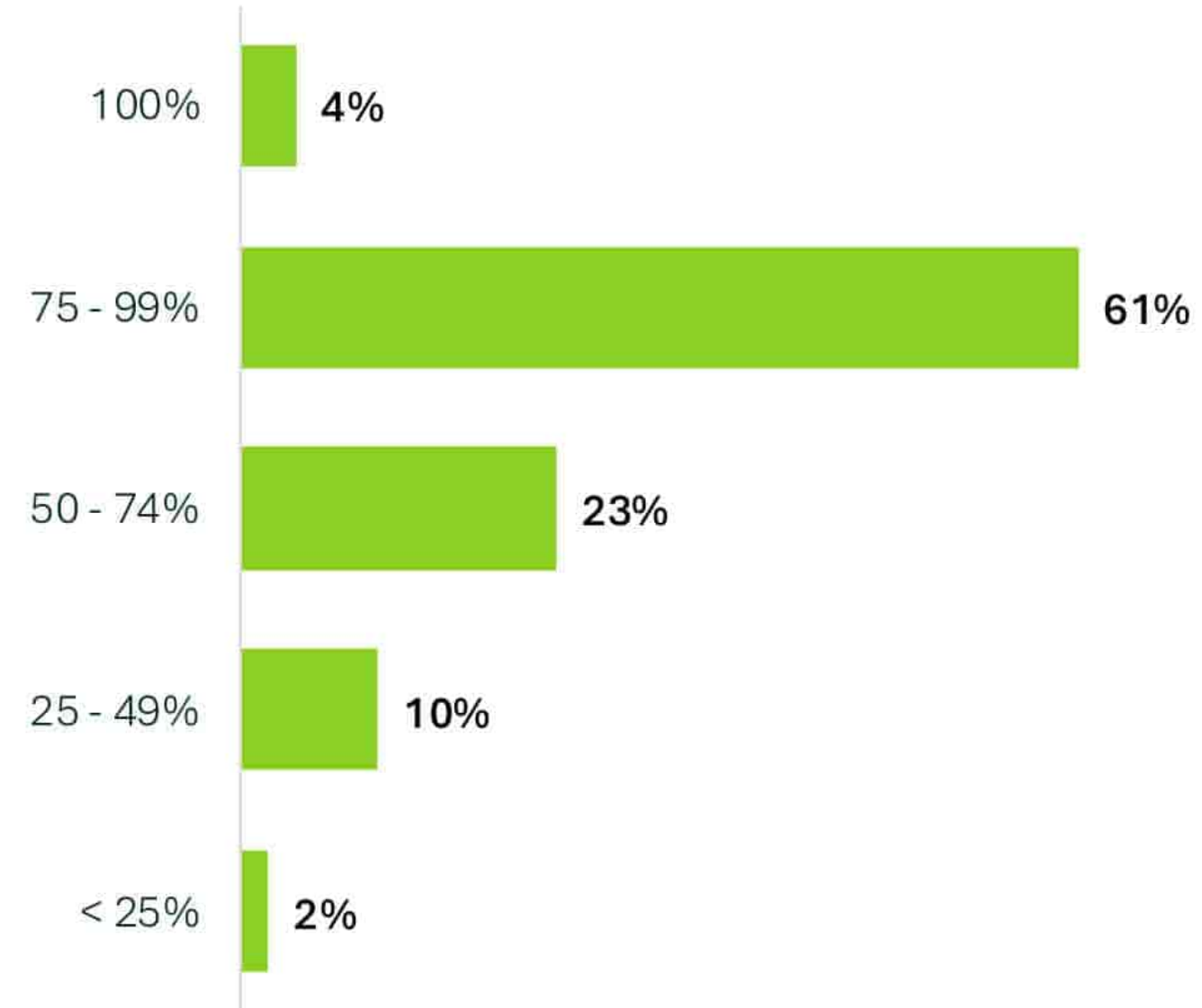
30% self-directed brokerage

20% ESG funds

6% nonqualified deferred compensation plan

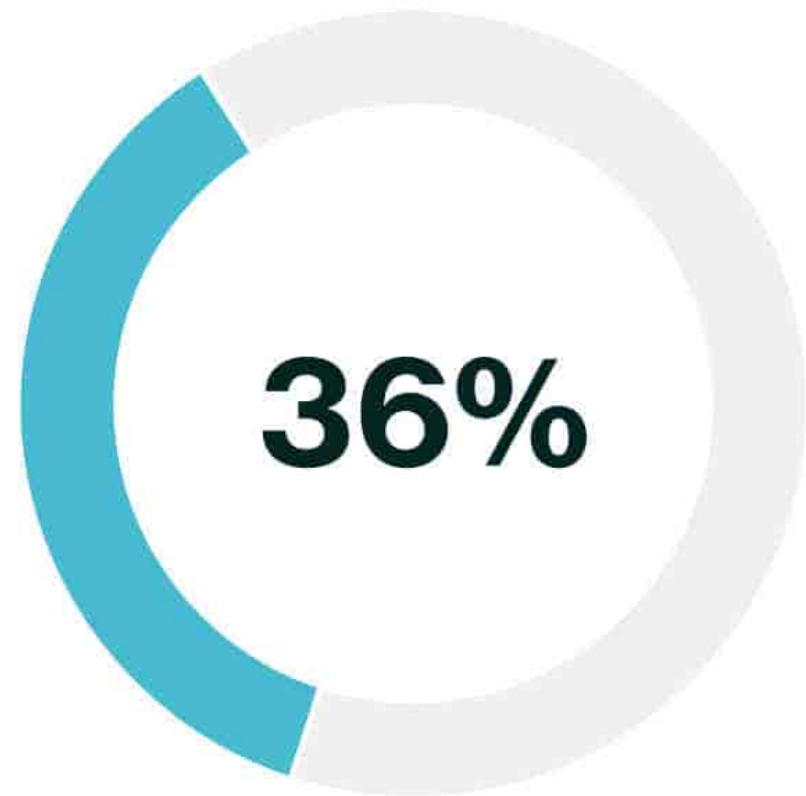
Retirement plan participation continues to increase as companies prioritize employee financial wellbeing. Companies with 75 – 99% plan participation increased **11%** from 2023.

Plan participation rates

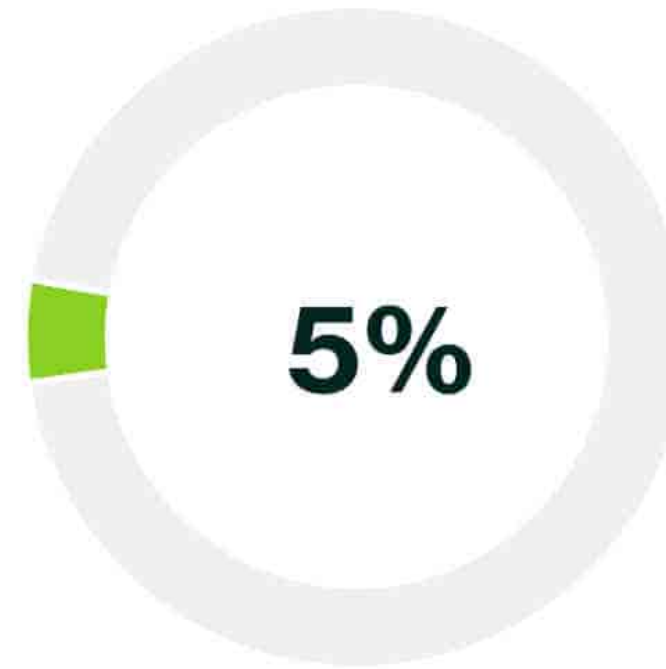


Deferred Bonuses

Of the 36% of companies that allow employees to defer bonus compensation, **95%** don't limit the types of bonuses that can be deferred.



allow employees to defer bonus compensation



limit the types of bonuses that can be deferred



allow employees to defer all bonus types

Matching Contributions

46% offer a contribution match

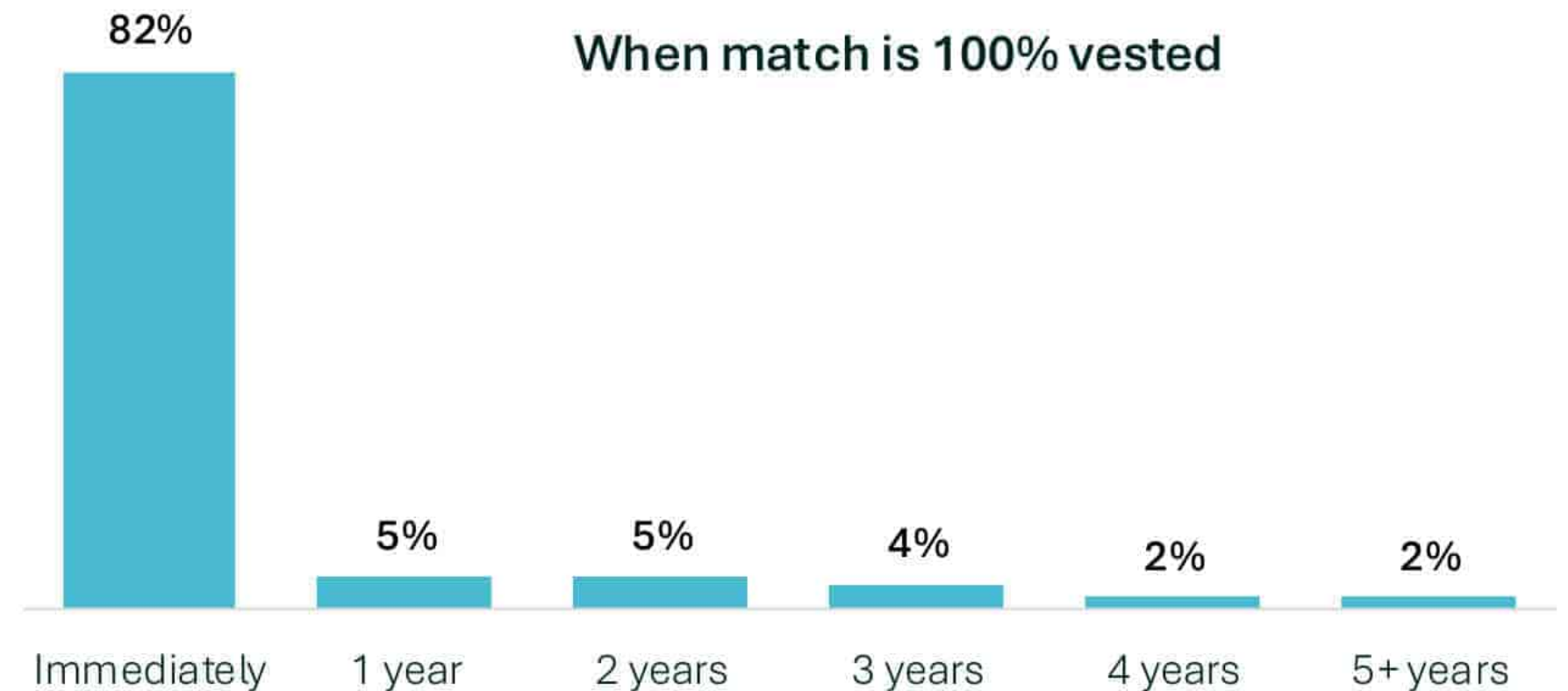
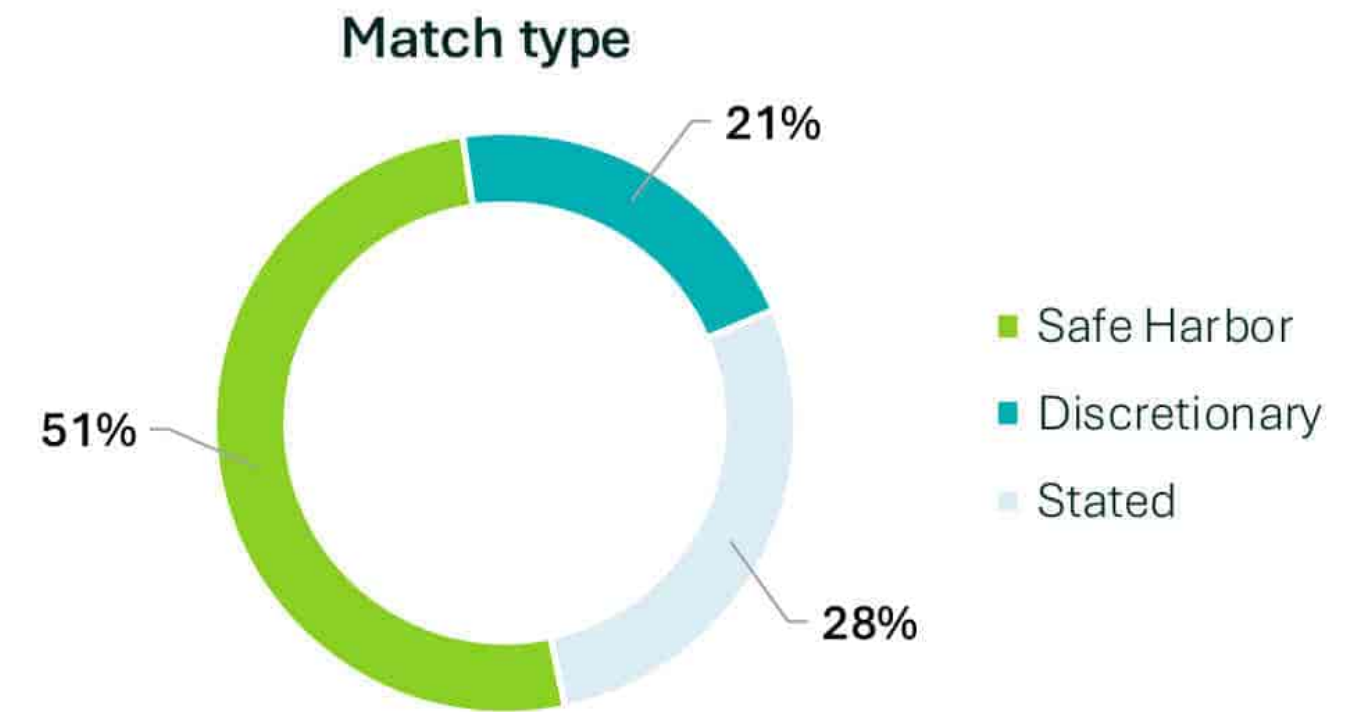
→ **5%** increased their match in the past 12 months

1% decreased their match in the past 12 months

5% are adding a match in the next 12 months

3% stopped offering a match in the past 12 months

35% of plans have a “true up” provision

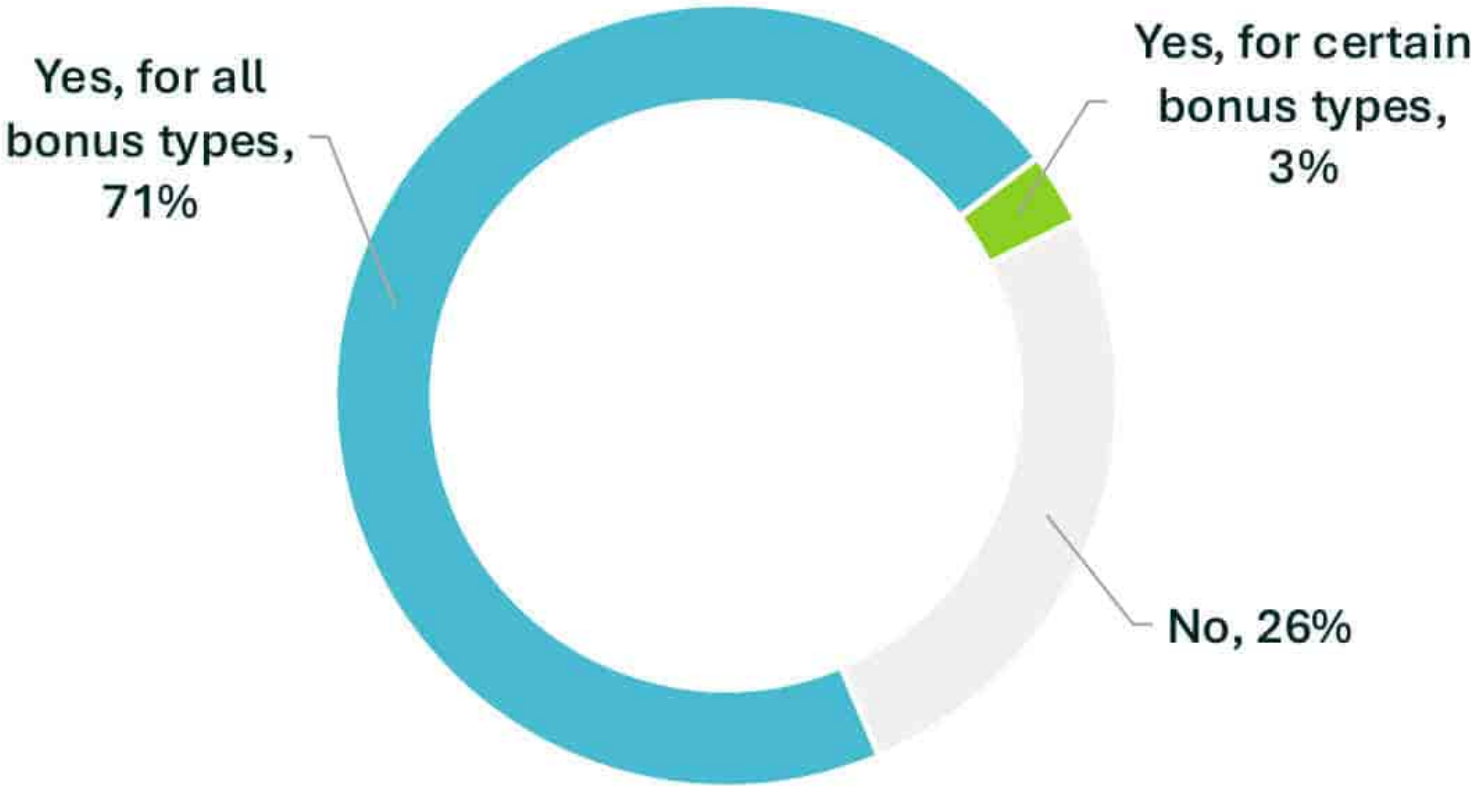


Matching Contributions for Bonuses and Commissions

74% of companies consider at least one bonus type eligible for a matching contribution.

69% of companies consider commissions eligible for a matching contribution.

Companies that consider bonuses as eligible compensation for matching contributions



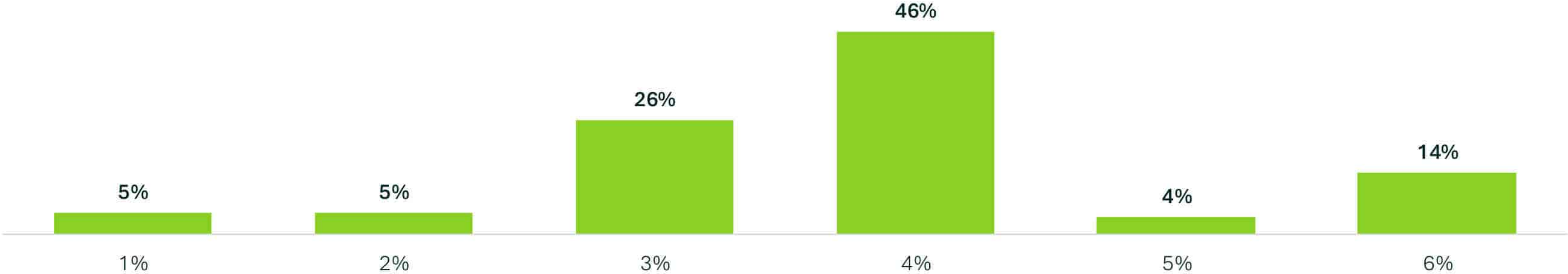
Companies that consider commissions as eligible compensation for matching contributions



Match Rate

Companies strongly favor using a percentage for the match effective rate instead of a flat dollar amount. **72%** of companies have a match effective rate of **3–4%**.

Match rate



Average match effective rate = **3.8%**
Median match effective rate = **4.0%**

Maximum Dollar Match Contribution

21% of employers have a match ceiling

18% have a flat dollar match

Maximum dollar amount



Note: Ranges with 0% response not shown.

Automatic Enrollment

The number of employers who automatically enroll employees in their retirement plan has remained consistent. Compared to last year, employers with a default election rate of 6% or more increased **12%**.

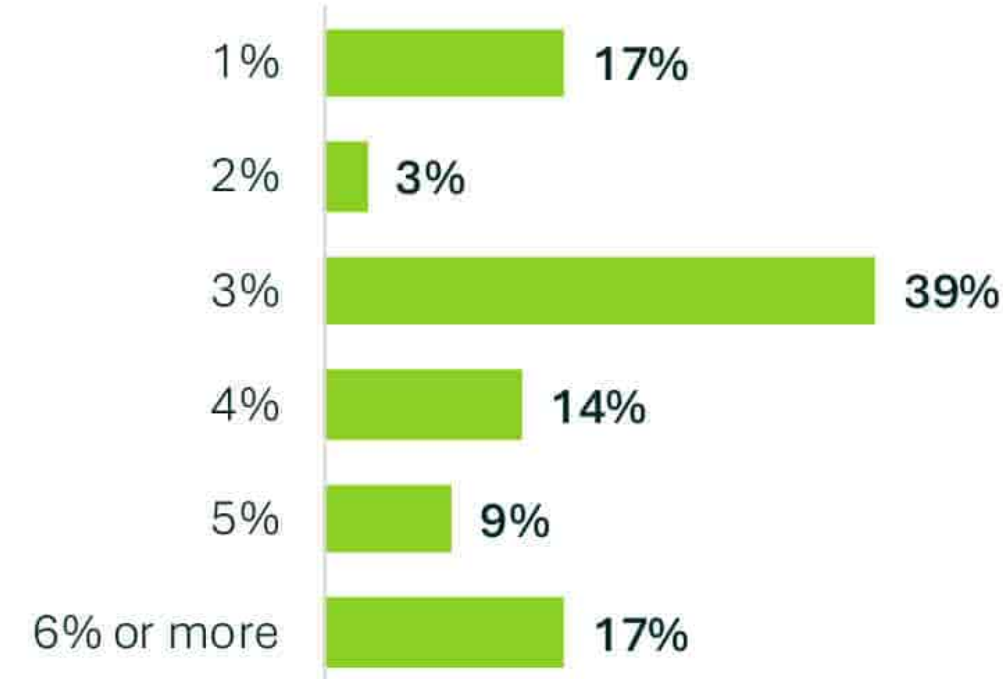


Automatically enroll employees in their retirement plan

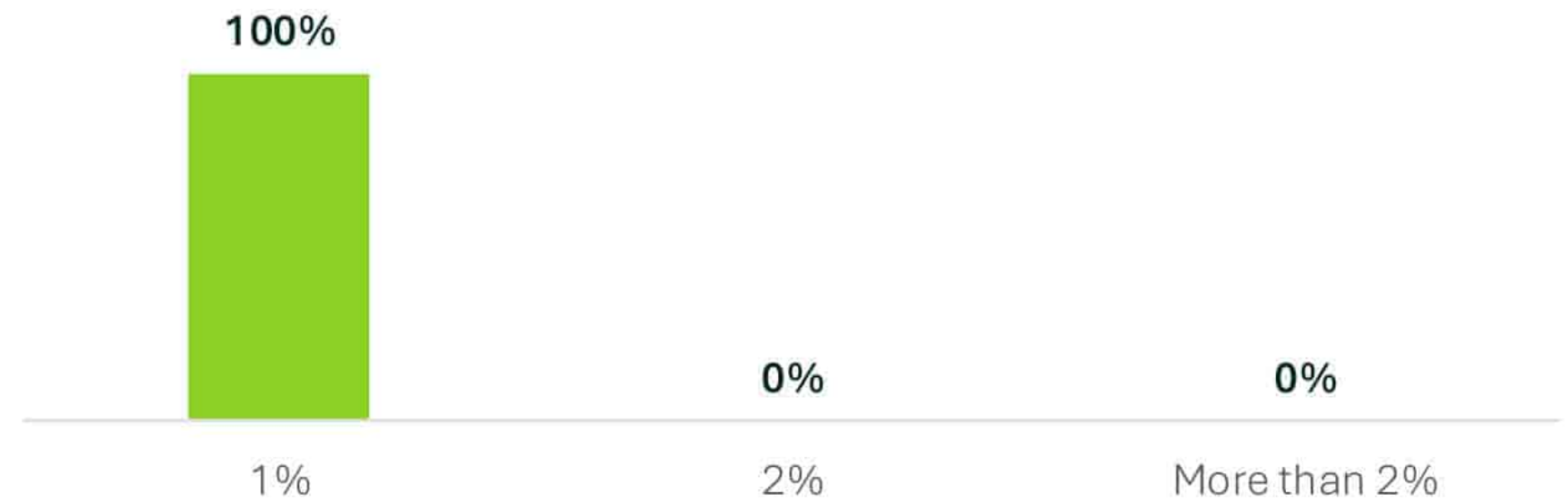


Automatically increase the election rate

Default election rate



Automatic election increase amount



Loans

58% of companies allow employees to borrow from their retirement accounts. Although there are usually limits to how much and how often employees can borrow, the ability to access retirement funds without penalty can be beneficial for those who are struggling financially.



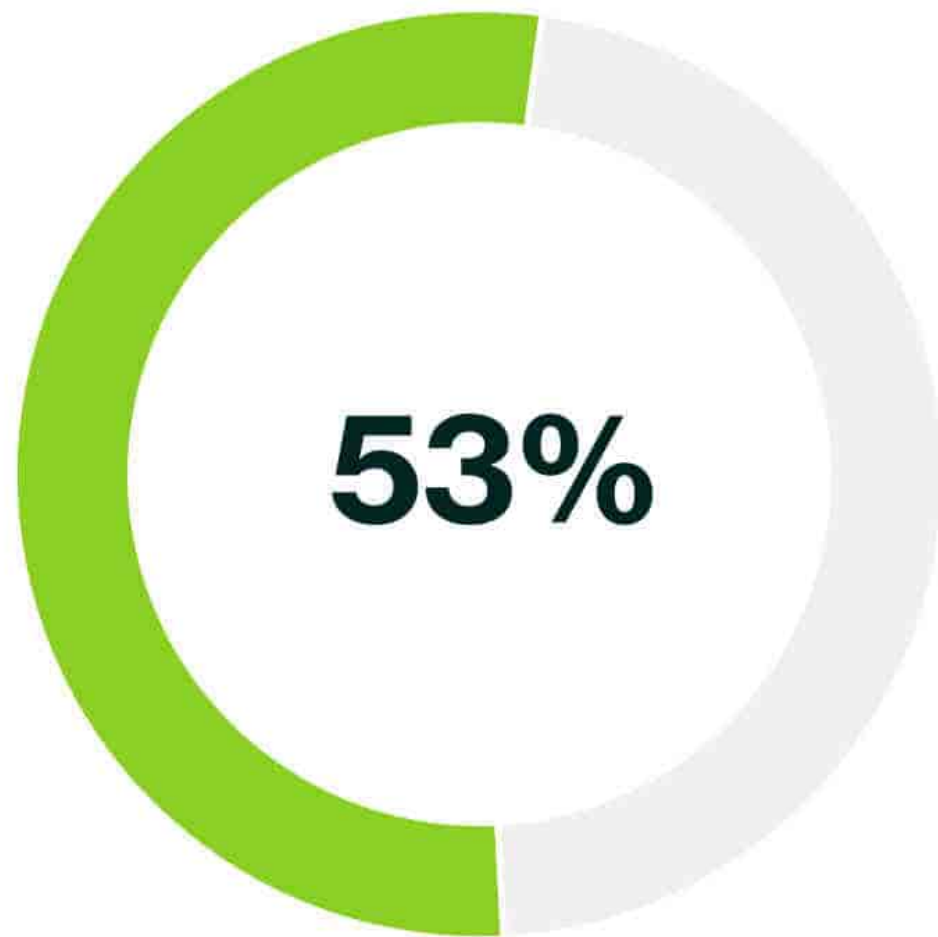
allow employees to borrow from their retirement accounts



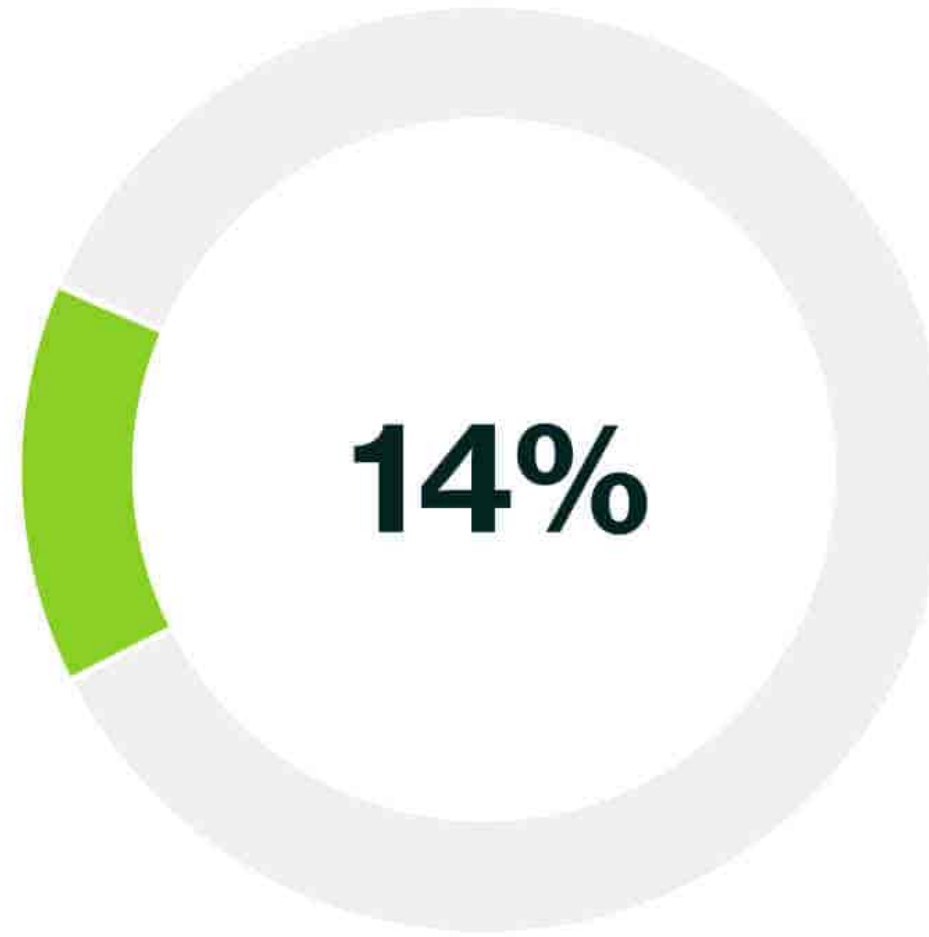
allow former employees to continue loan repayments directly to the recordkeeper

Recordkeeping Fees

86% of companies cover at least some of the recordkeeping fees associated with their retirement plans.



Paid by employer



Paid by participant



Paid by employer & participant

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Appendix



Methodology

Data collection

Data in this report was collected in Sequoia's 2024 Benefits Benchmarking Survey from February through March 2024.

Data analysis

Data in this report has been reviewed and analyzed by Sequoia.

Data masking

To ensure the confidentiality of companies that participate in Sequoia surveys, prevalence percentages, averages, and percentiles will not be reported unless there are a minimum of five unique data points reported.

The following statistics were calculated:

Most Common: The value that is most common for a data point.

25th Percentile: The value that is higher than 25% of all other values in the sample when ranked from low to high.

Average: Sum of all data points provided for a question divided by the total number of responses to the question.

Median: The value that is higher than 50% of all other values in the sample when ranked from low to high.

75th Percentile: The value that is higher than 75% of all other values in the sample when ranked from low to high.

All calculations include zeros unless otherwise noted.

Due to rounding, some calculations may add to over 100%. Questions that allowed respondents to select more than one of the defined answer choices, such as "select all that apply," may total over 100%.

Contributors

Thank You

We would like to thank all the people and companies who participated in our survey this year — and every year. A special thanks to our Sequoia team members who contributed to this program, and to those who helped refer companies to the survey.

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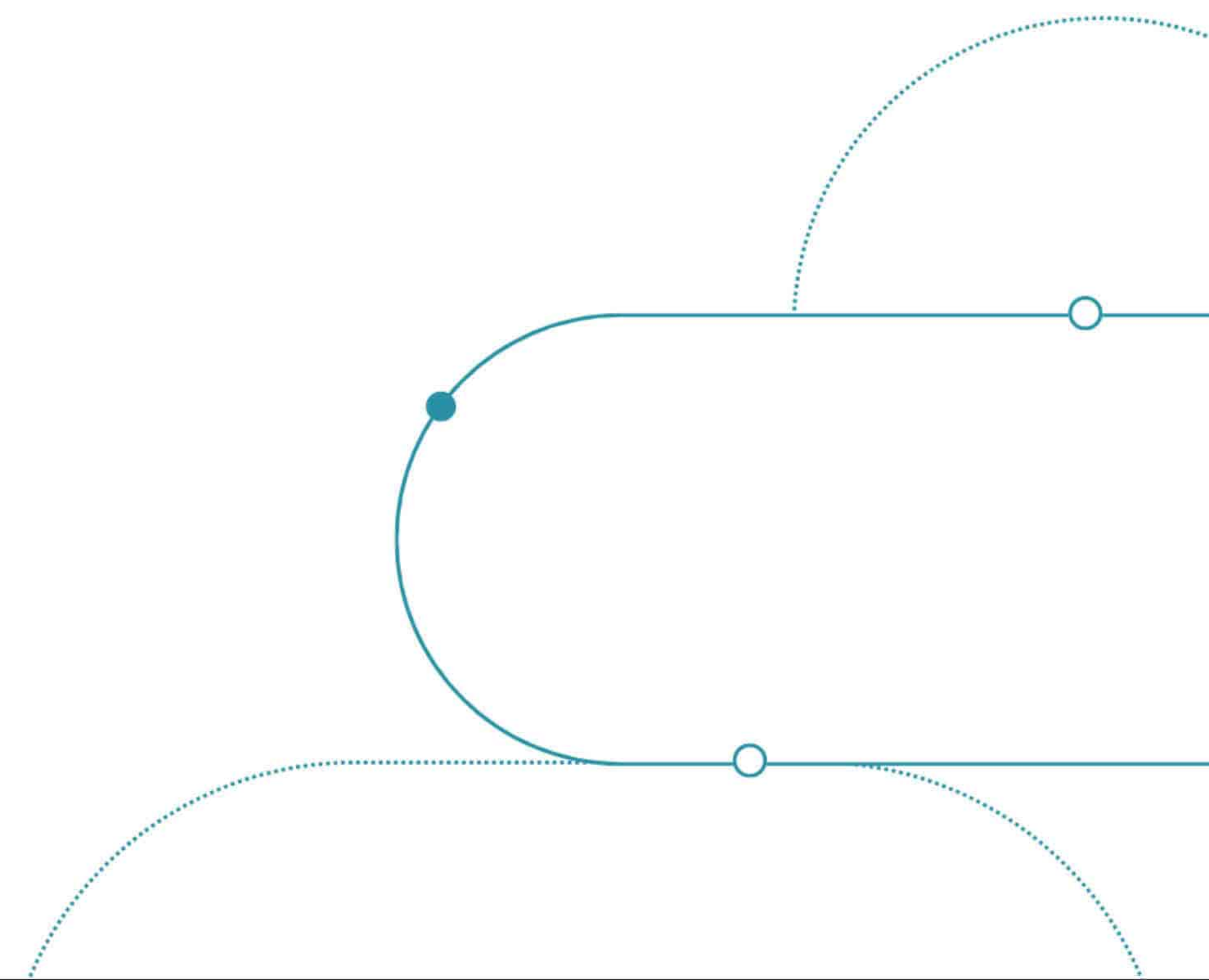
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Interested in benchmarking your current plans against your peers?

Email Sequoia at: benchmarking@sequoia.com



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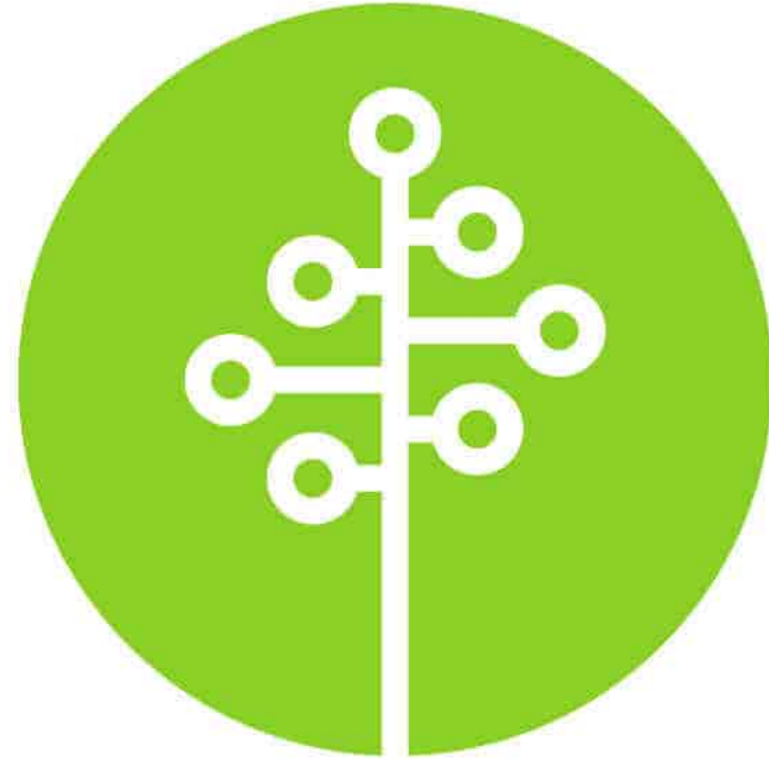
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