



Emerging trends in benefits design for 2024-25

How do you effectively tackle mounting cost pressures and shifting organisational needs?

The *REBA Benefits Design Research 2024*, published in partnership with Howden Employee Benefits & Wellbeing, unveils crucial insights to guide evidence-driven strategies. Compiled from independent research with 234 top companies including: BT Group, HSBC, Marks and Spencer, Unilever and Wolseley UK, this year's findings show that while there is a focus on streamlining benefits and efficiency gains, plans are afoot for large scale projects that tackle communication, financial and mental wellbeing, as well as for strategic transformations of technology. All eyes will be on measuring effectiveness to secure future funding into 2025.

This Briefing gives you a snapshot of the findings.

The full report will give you benchmarking data, strategic responses to cost pressures, transformative spend areas, and practical solutions to overcome implementation barriers to best support your workforce.



132

Respondents have more than 1,000 employees

1.5m

Employees represented in the research

234

Employer respondents

About the research

Using REBA's extensive membership, the research team conducted an online survey in January and February 2024 to produce the full 22-page *Benefits Design Research 2024*. REBA's robust methodology uncovered clear future trends and decision-making patterns among the 234 respondents, representing 1.5 million employees.

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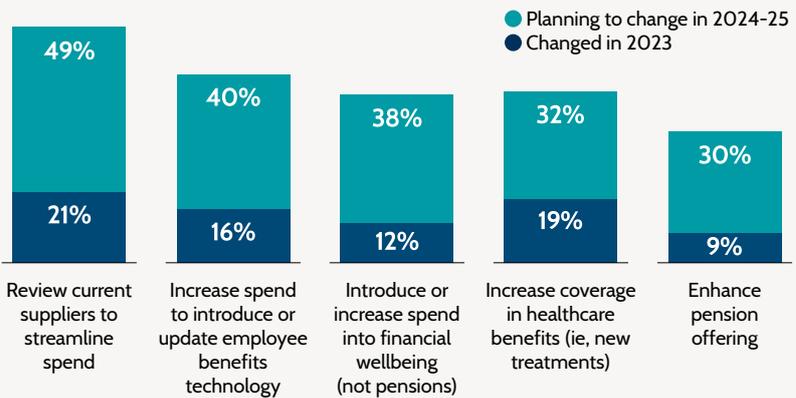


Key findings

Employers adjust spend to create more effective return on investment

Caught between cost pressures and a tight labour market, employers are investing in supplier reviews and technology to improve efficiencies, as well as targeting more spend on core benefits.

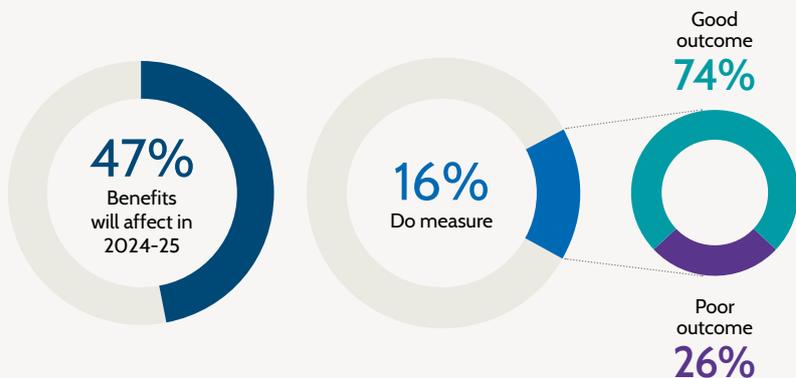
Top five ways employers plan to adapt benefits spend



Benefits do affect HR strategies, but more measurement is needed

Almost nine in 10 of those measuring the impact of benefits on business and HR objectives report positive outcomes. But to meet stated ambitions – for example, desired impact of benefits on HR transformation – more measurement is needed.

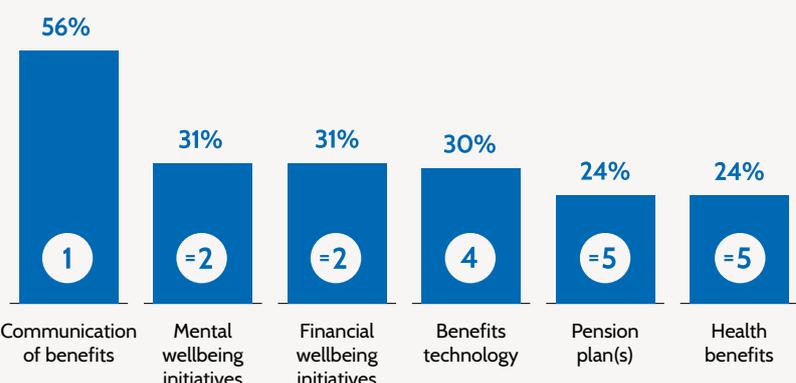
Desired impact of benefits on HR transformation versus outcome if measured



Employers commit to mental wellbeing, financial wellbeing and technology projects

While more than half (56%) of respondents have signed off on a strategic transformation project to focus on benefits communication, it is even more noteworthy that more complex, often more expensive core areas have also been allocated resources. These include mental wellbeing, financial wellbeing, technology, pensions and health benefits.

Top six planned large-scale project areas for 2024-25

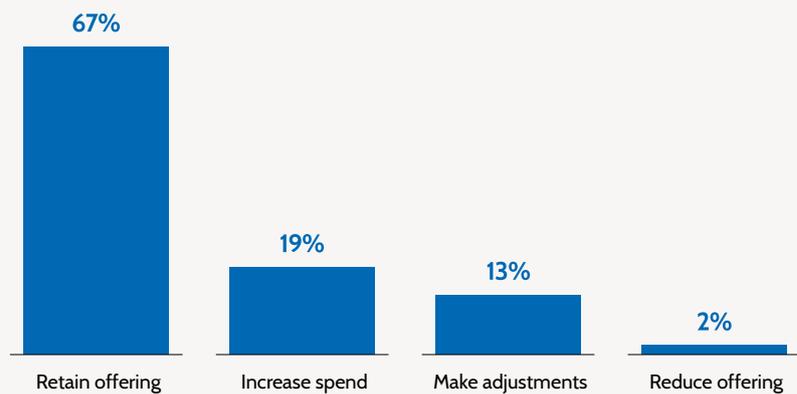


Key findings

Half fear cost increases, but benefits offerings hold strong

Despite significant insurance price inflation, a national minimum wage rate increase in April and the planned expansion of auto-enrolment criteria to cover more workers – all of which are putting pressure on reward and benefits budgets – a mere 2% of all respondents plan to reduce benefits spend. Almost a fifth will spend more.

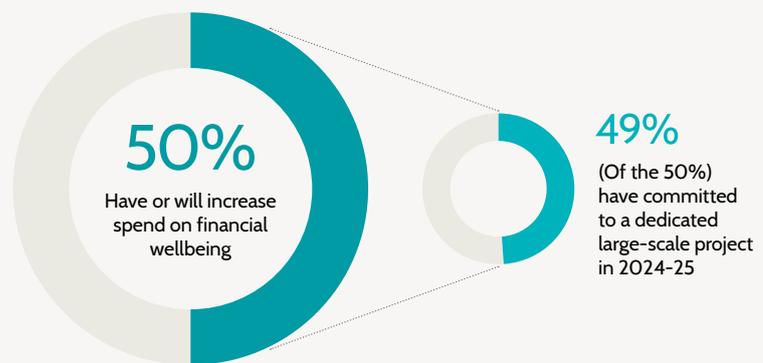
Actions employers will take in the face of cost challenges



Spend on financial wellbeing initiatives will increase significantly

With employees facing financial pressures from housing costs and student loans through to debt and inadequate retirement savings, employers are investing in benefits to help employees improve financial literacy and get better value for their money. This will help retain, recruit and engage as well as improve wellbeing.

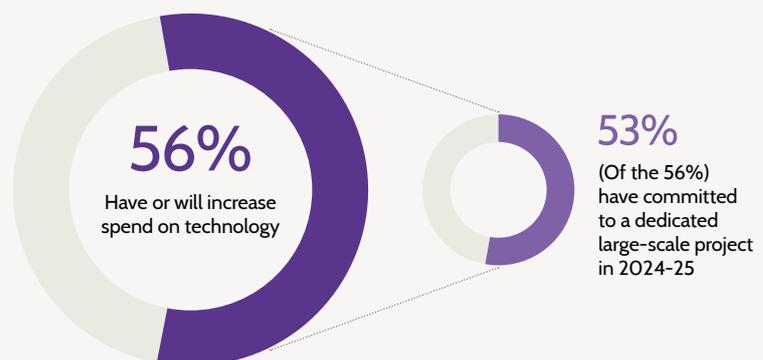
Half of increased financial wellbeing spend will be on major projects



Employers plan greater transformation in benefits technology

Today's reward and benefits professionals need more sophisticated technology to help them deliver the data analytics required to create more efficient processes and engage employees. This will cause greater investments in tech projects.

Areas of strategic transformation for 2024-25



Recommended actions

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1

Baseline your current benefits programme performance

It is evident from the research that employers find themselves on all parts of the spectrum, in terms of the current status and performance of their programmes. As we continue through this period of cost pressures, it is especially important to understand where your programme sits, to take the first steps to determining what action you need to take in 2024-25.

2

Understand what to measure and start measuring it

In addition to your own assessment of the status of your programme, improved measurement of your programme's impact on your people strategy will be key to engaging stakeholders in the need to change. Whether it is engagement, wellbeing or recruitment, having hard evidence of the impact (good or bad) that your programme is having will be the best way to gain support for the changes you want.

3

Get a better handle on your spend and forecasting of costs

There is no doubt that the cost pressures seen in the past 12-18 months came as a surprise for many reward professionals and their businesses. As much as there has been a relatively unique set of circumstances causing these cost pressures, they have only gone to highlight the need to have more robust processes for tracking spend, as well as the factors and trends that are affecting those costs.

4

Keep pace with the scale of transformation happening in reward

Once you've baselined your programme and have a handle on costs, use this to your advantage to implement strategic priorities. While many are looking to streamline costs, a significant portion are looking to make transformational change to communications, use of technology and wellbeing programmes – don't be left behind. Remember, those who feel in control of spend are looking to invest.

5

Don't forget about your workplace pension

One of the most interesting trends in this year's survey is the lack of activity around pension plans. Fewer than 10% of employers enhanced their offering in 2023. Although nearly 75% of respondents feel their pension plan is in good shape, only 10% believe they've had a positive impact on retirement adequacy. And more than 80% of employers admit to not measuring the impact of their pension plans on delivering good member outcomes.

About Howden

Howden Employee Benefits & Wellbeing is a leading employee benefits consultancy, advising across small to multinational employers, helping them to maximise their investment in benefits and wellbeing. We do this through consultancy, broking, technology and communications services, for which we have won many industry awards, and we are known for our innovative and creative approach to benefits design and our people first culture. We bring together a wide range of solutions designed to meet the bespoke needs of each client's business, and pride ourselves on our independent, expert advice to drive better outcomes.



Find out how Howden can enhance your employee benefits strategy

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About REBA

The Reward & Employee Benefits Association (REBA) is a thriving community of HR professionals dedicated to pursuing best practice in reward and benefits. Synonymous with excellence, REBA informs and empowers its members to grow their networks, advance their knowledge, source and connect with market-leading vendors, and be prepared for what's coming over the horizon.

REBA's research taps into its diverse network of 4,400+ members and 20,000+ HR contacts to provide objective insights into the reward, benefits and people risk strategies that a broad range of organisations are implementing throughout the UK and internationally.

Download the full report



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