

# 2020 COVID-19 Benefits Survey

United States

Survey fielded between  
April 20, 2020 and April 24, 2020

**April 29, 2020**

# About the survey (United States)

**816**

employers responded between April 20 and April 24, 2020 about their US benefits

**57%**

organizations located in multiple countries

**12M**

US employees at responding organizations

**50%**

For profit, publicly traded

**30%**

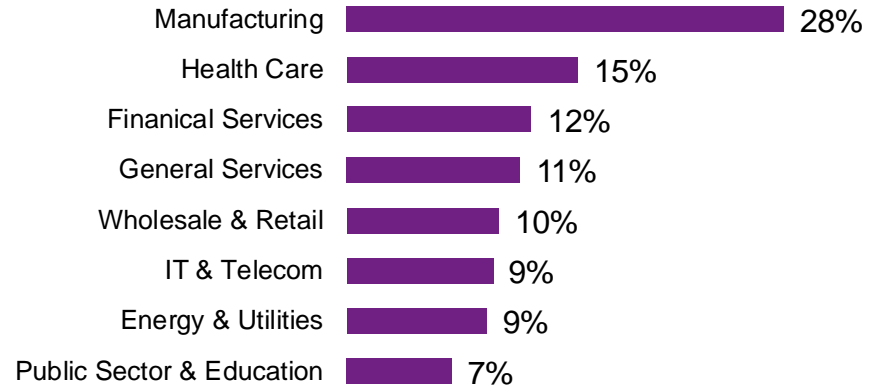
For profit, private

**16%**

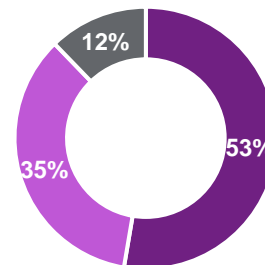
Nonprofit/ Government

Note: 4% Other

## Industry



Have some or all of your businesses been designated by the government as an essential business (i.e. one where employees are allowed to come to work during the crisis)?



- Yes, it applies to our entire organization
- Yes, but it only applies to some of our businesses or locations
- No

Note: "Not Sure" option excluded

Note: Responses are based on US benefits programs. Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States.

# Overview

<b>01</b> Business Impact		<b>02</b> Restoring Stability		<b>03</b> Broader Benefits Priorities		04	05	06	07
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## Business Impact

- Less than 10% expect no impact or a positive impact on their business performance over the next 6 months
- Less than 10% expect no impact on employee productivity and almost none expect no impact on employee wellbeing
- Employers take action to:
  - **Protect their businesses** through hiring freezes (57%), furloughs (41%) and layoffs (26%)
  - **Protect employees from outbreaks** through mandatory work from home (78%), alternative work teams (25%) and mandatory shutdown (23%)

## Restoring Stability

- Few companies have developed a strategy, protocols or a communication plan for reopening the workplace (*as of April 26, 2020*)
- Most anticipate a phased or gradual reopening of the workplace and most will start with critical employees.
  - Few plan for a quick return and most won't require medical certification

## Broader Benefits Priorities

- Employers prioritize supporting employees by enhancing their benefits, most notably, health, wellbeing and paid leave
  - But struggling businesses are looking to benefit cuts, starting with retirement benefits
- Top priorities over the next 6 months:
  - Communicate around existing benefits that help employees
  - Enhance mental health services (affordable access)
  - Address employee benefits for those on leave and furlough
  - Support financial wellbeing

# Overview

01	02	03	<b>04</b> <b>Wellbeing</b> <b>Benefits</b>		<b>05</b> <b>Health</b> <b>Care</b>		06	07
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## Wellbeing Benefits

Employers take a number of steps to support employees:

- **Support work from home**
  - Expand access to virtual solutions for exercise or social gatherings
  - Promote physical activity and healthy eating
  - Target cohorts most in need
- **Promote financial wellbeing**
  - Promote financial counseling services and consider new solutions
  - Measure financial stress across the workforce
  - Raise awareness about accessing emergency funds and offer new solutions
- **Address anxiety and loneliness**
  - Offer greater flexibility for employees to manage work and home challenges
  - Increase video conferencing for work and non-work purposes
- **Train managers**
  - Equip managers with tools to engage remote workers
  - Recognize growing workforce issues – anxiety, burnout and loneliness

## Health Care Benefits

- **Employers expect health care, sick leave and disability costs to rise over the next year due to COVID-19**
  - Many employers will closely monitor their plan costs over the next year
- **Employers focus on promoting virtual medical care by raising awareness and reducing point of care costs**
  - Many employers look to add or enhance virtual mental health solutions and ensure pharmacy scripts are filled by reducing cost sharing and other restrictions
- **About 2 in 5 employers are planning to revise their 2021 health care strategy. Top priorities include:**
  - Provide access to high quality mental health solutions and affordable health care
  - Address work from home challenges such as employee loneliness and caregiving needs

# Overview

01

02

03

04

05

06

Retirement  
Plans



07

Paid  
Leave



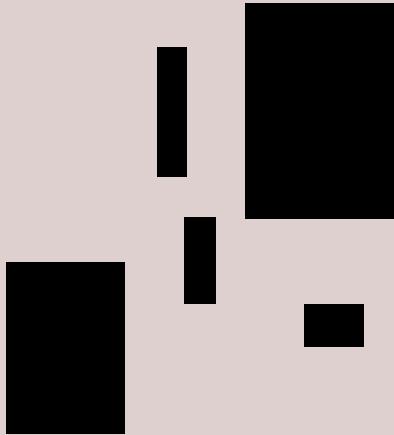
## Retirement Plans

- **12% of employers have taken actions to suspend or reduce matching or non-elective contributions with another 24% planning or considering**
- **Struggling businesses are much more likely to take cost cutting actions**
  - More than half of distressed companies have or plan to cut their match and nearly as many will suspend non-elective contributions
- **Most employers have taken actions to support employees by increasing cash availability through the CARES Act**
  - Two-thirds of employers have taken steps to permit deferral of loan repayments, increase access to in-service distributions and waive required distributions in DC plans

## Paid Leave

- **More than 2 in 5 employers have or plan to make changes to their PTO or vacation/sick leave programs**
  - 27% of employers have made changes – 15% are planning changes
  - Health care organizations have been the most likely to make changes with financial services and utilities companies planning changes in the near future
- **More than half of employers take actions to address the anticipated surplus of banked hours at years end**
  - Conversely, only one-third of employers are making changes focused on cost reductions
  - Other priorities include enhancing flexibility in their design by allowing negative balances and increasing accruals

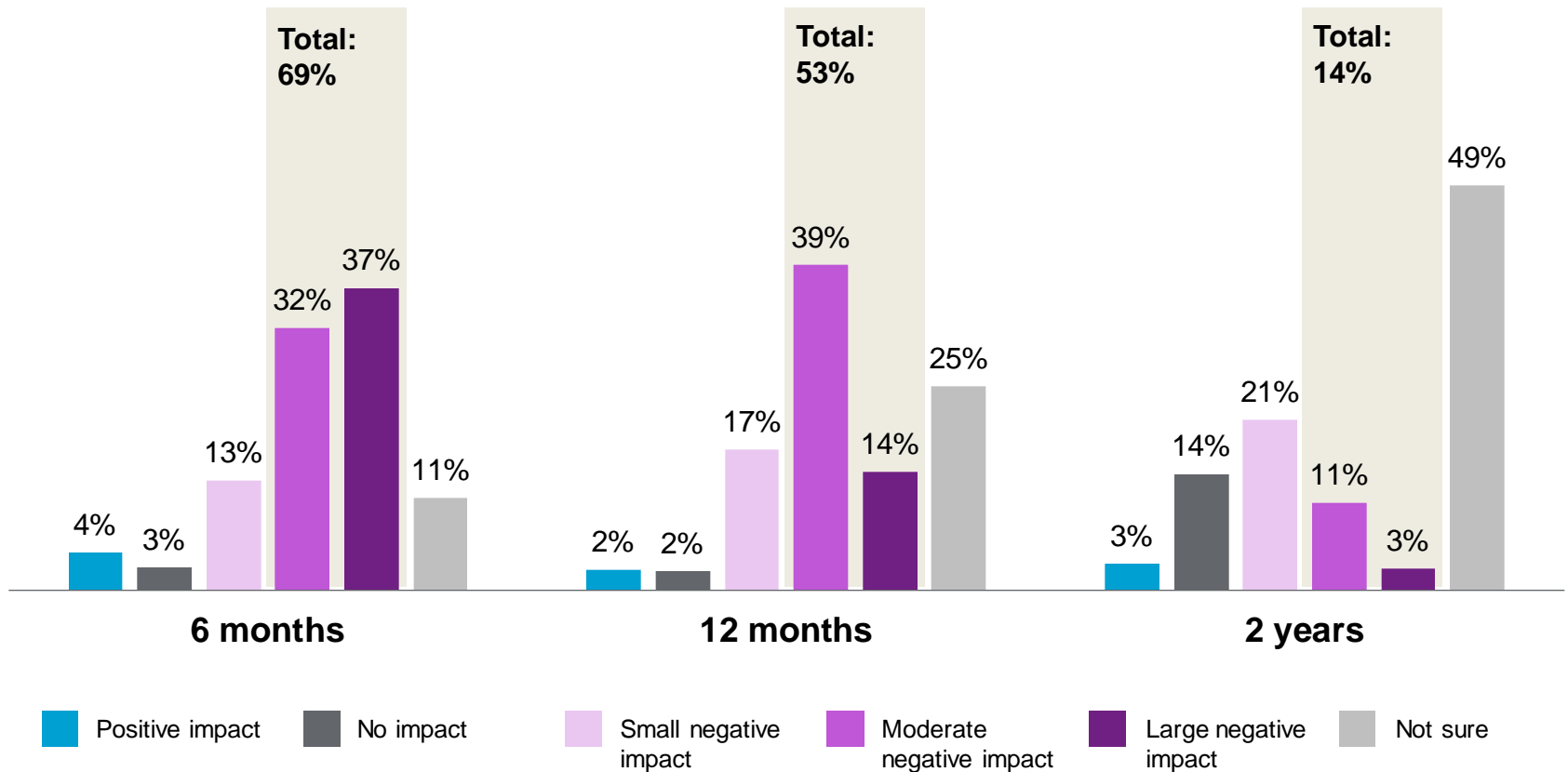
# Section 01: Business Impact



# Around half of employers think COVID-19 will have a moderate to large negative impact on their business in the next year

Nearly half of employers are uncertain about what to expect in two years

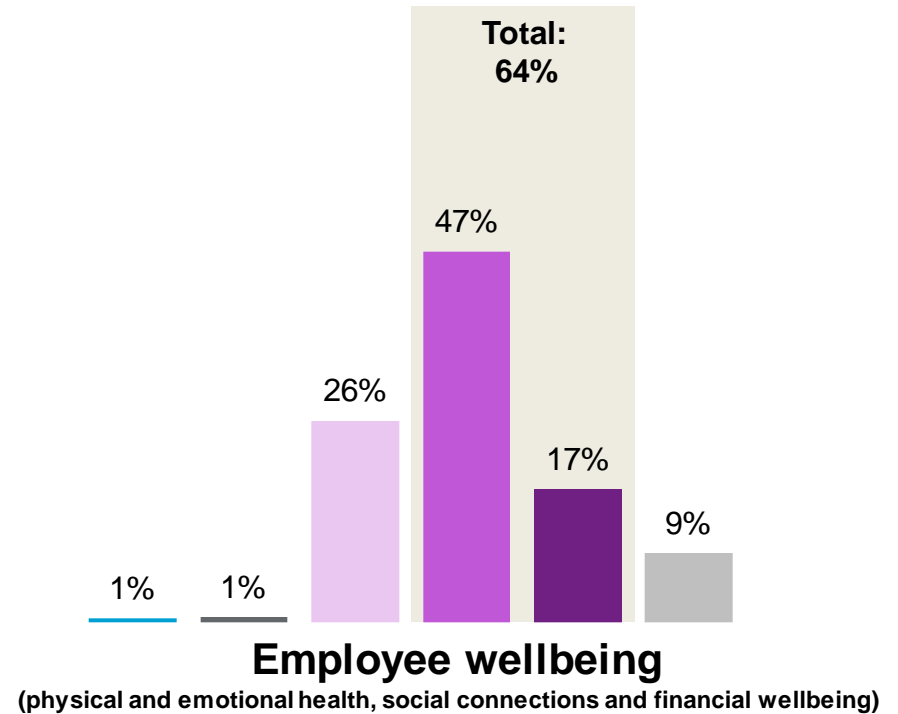
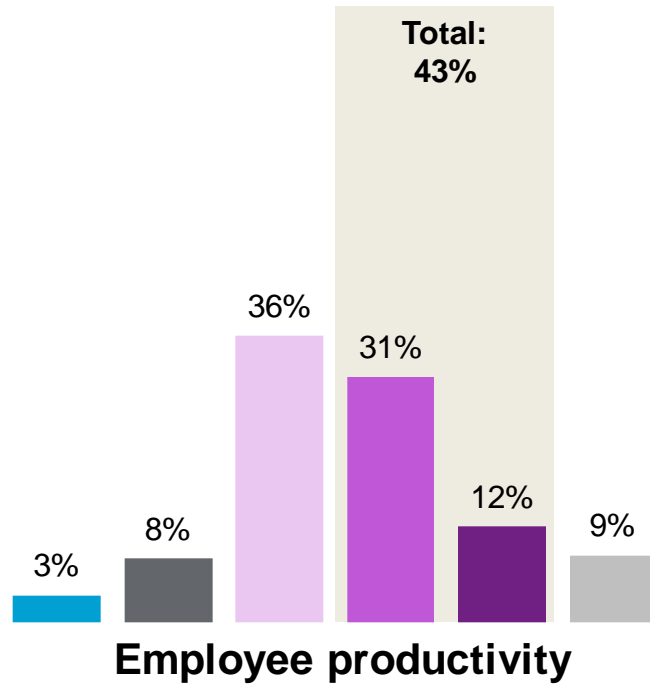
What impact will COVID-19 have on your business results over the next six months? 12 months? Two years?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States.

# Nearly two thirds of employers believe COVID-19 will have a moderate to large negative impact on employee wellbeing

What level of impact will COVID-19 have on the following aspects of your employees over the next six months?



■ Positive impact   
 ■ No impact   
 ■ Small negative impact   
 ■ Moderate negative impact   
 ■ Large negative impact   
 ■ Not sure

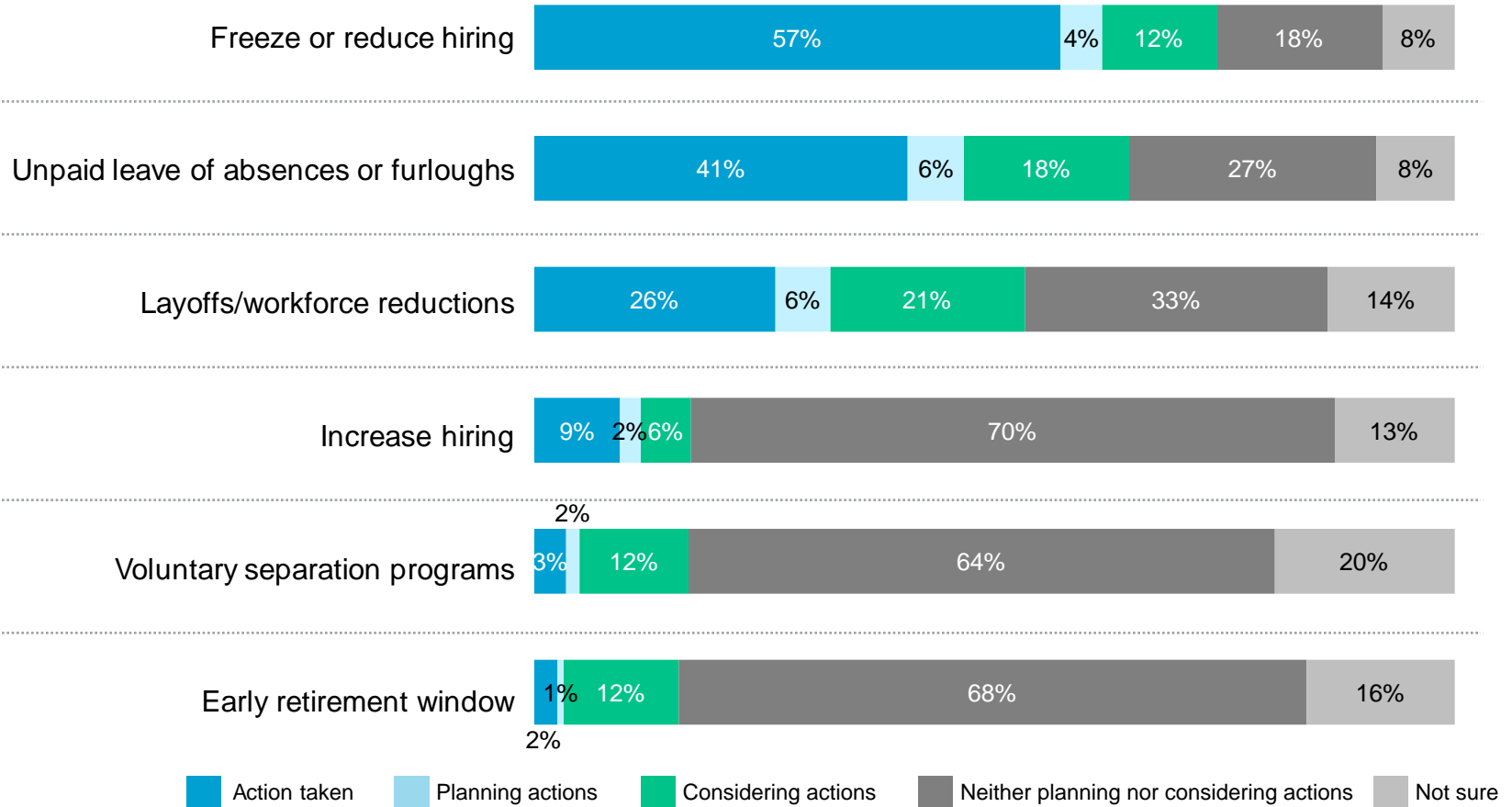
Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.



## Nearly 3 in 5 organizations have taken actions to freeze or reduce hiring

Companies consider more actions due to prolonged economic challenges

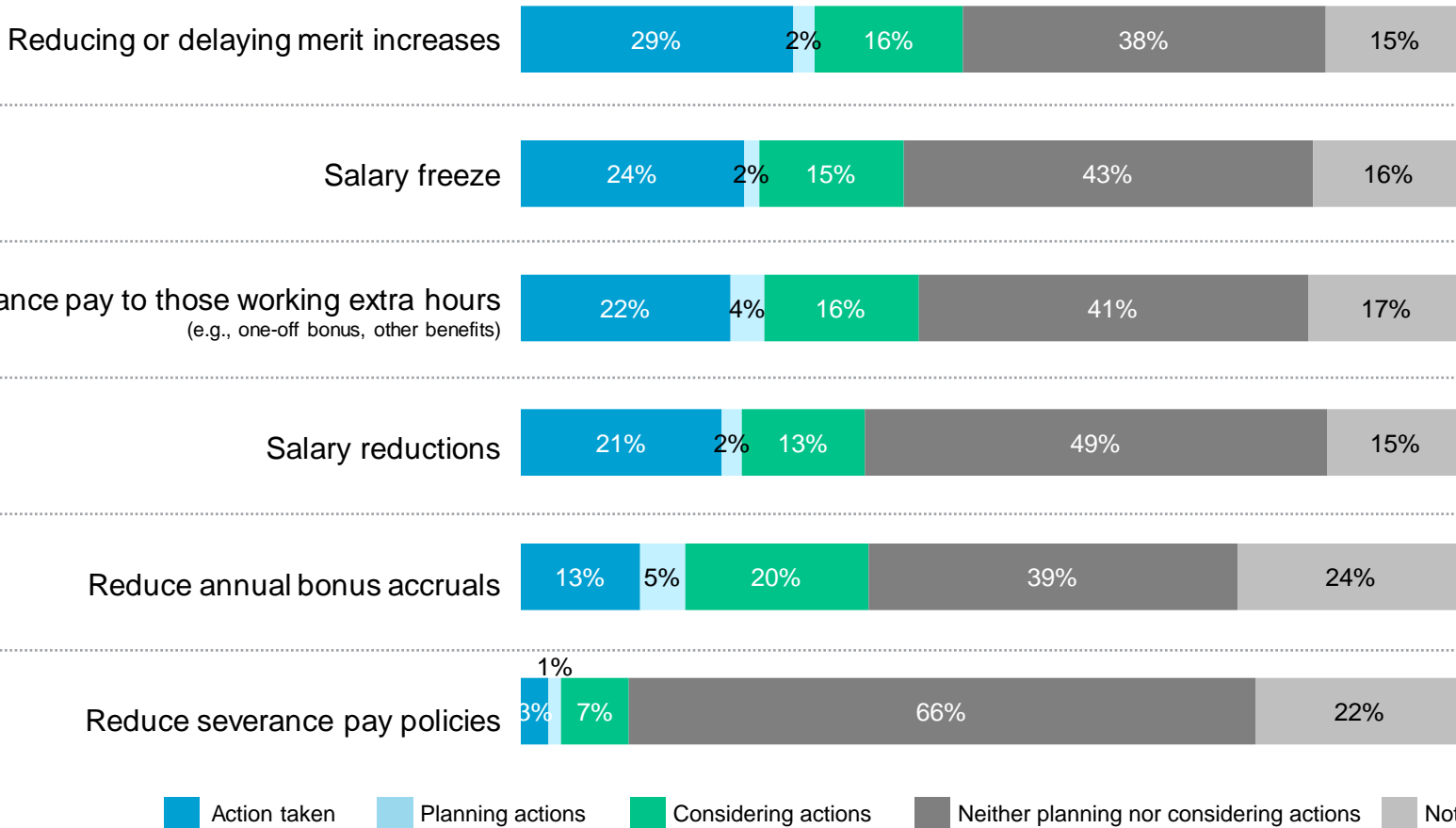
Please indicate what actions your company has already taken in response to COVID-19, and what your company may be planning or considering going forward for the remainder of 2020.



Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Organizations are controlling costs by freezing pay increases, while those with a surge in business activity are enhancing pay for extra hours worked

Please indicate what actions your company has already taken in response to COVID-19, and what your company may be planning or considering going forward for the remainder of 2020.

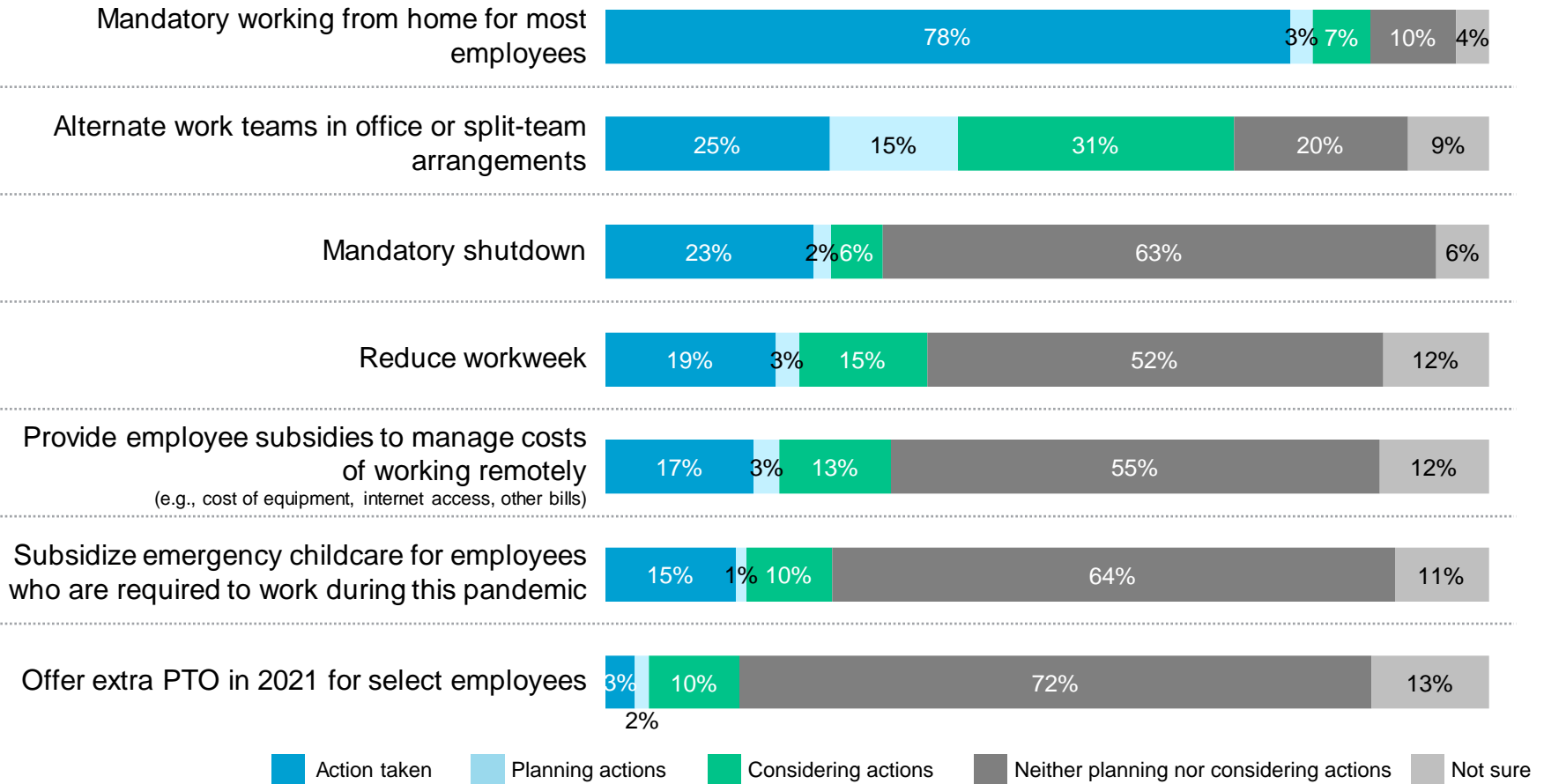


Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Mandatory work from home policies are widely used

1 in 4 companies are using split-team arrangements with many more are considering

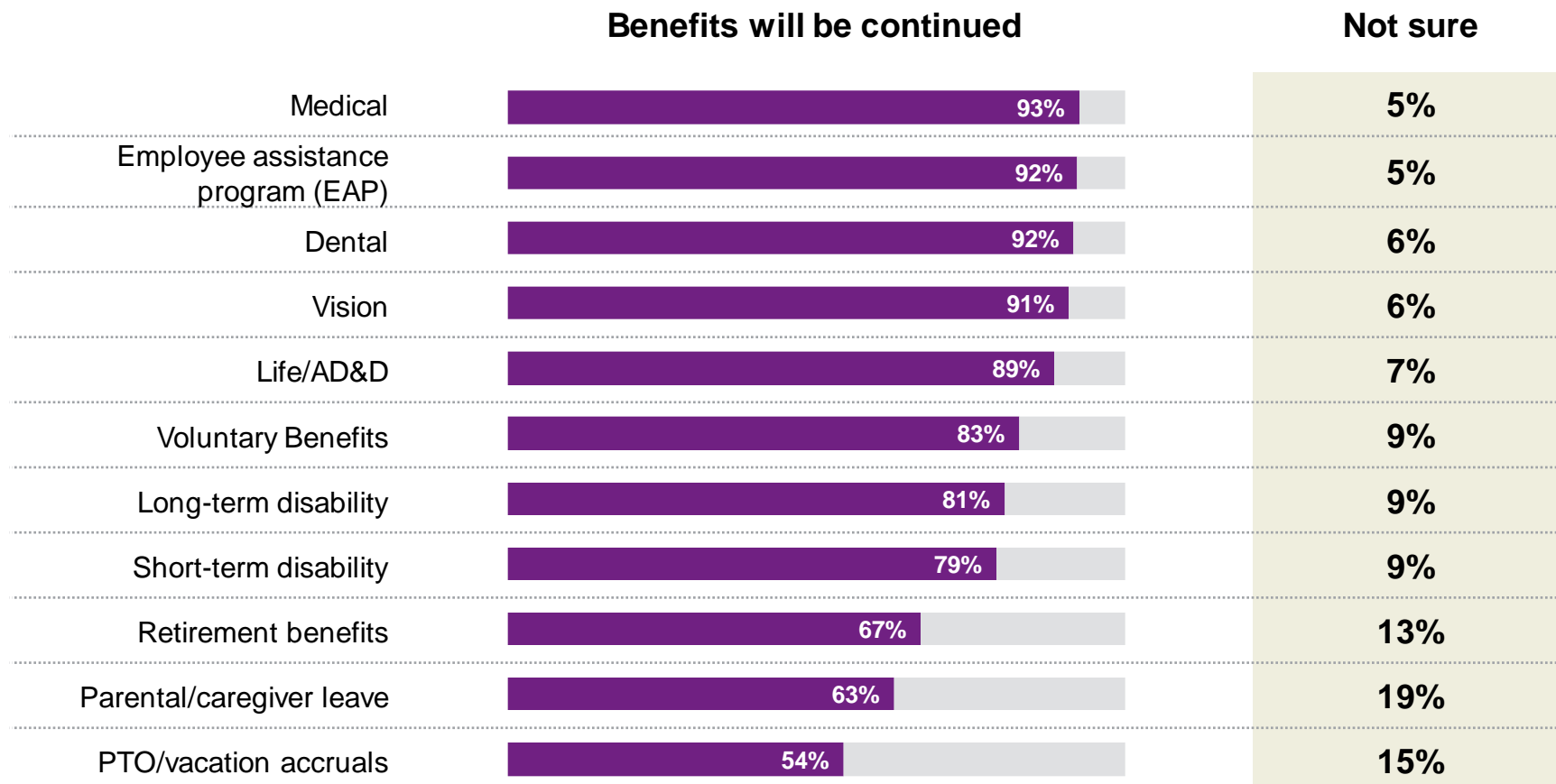
Please indicate what actions your company has already taken in response to COVID-19, and what your company may be planning or considering going forward for the remainder of 2020.



Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

## Paid leave, parental leave and retirement benefits are most likely to be discontinued for furloughed employees

Please indicate your approach to benefits continuation if you have or plan to furlough employees.



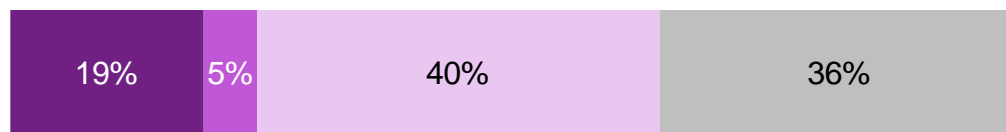
Note: Based on actions taken or planned or considering unpaid leave of absences or furloughs. "Not applicable" option excluded.

Source: 2020 COVID-19 Benefits Survey, United States.

# Over two fifths of employers plan to collect employee contributions for benefits in arrears when employees return from furlough

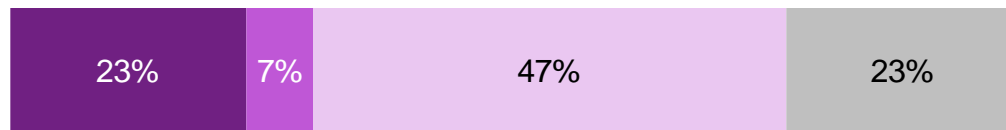
How will your organization collect employee contributions for benefits while employees are on furlough?

## Medical benefits



## Other benefits

(dental, vision, life insurance, voluntary benefits, disability, etc.)

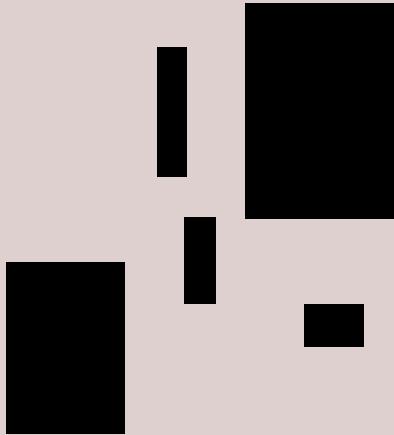


Direct bill through current process
  Direct bill through new process
  Collect in arrears when employees return
  Waive employee contributions

Note: Based on actions taken or planned or considering unpaid leave of absences or furloughs and medical/dental/vision/life/AD&D will continue. "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Benefits Survey, United States.

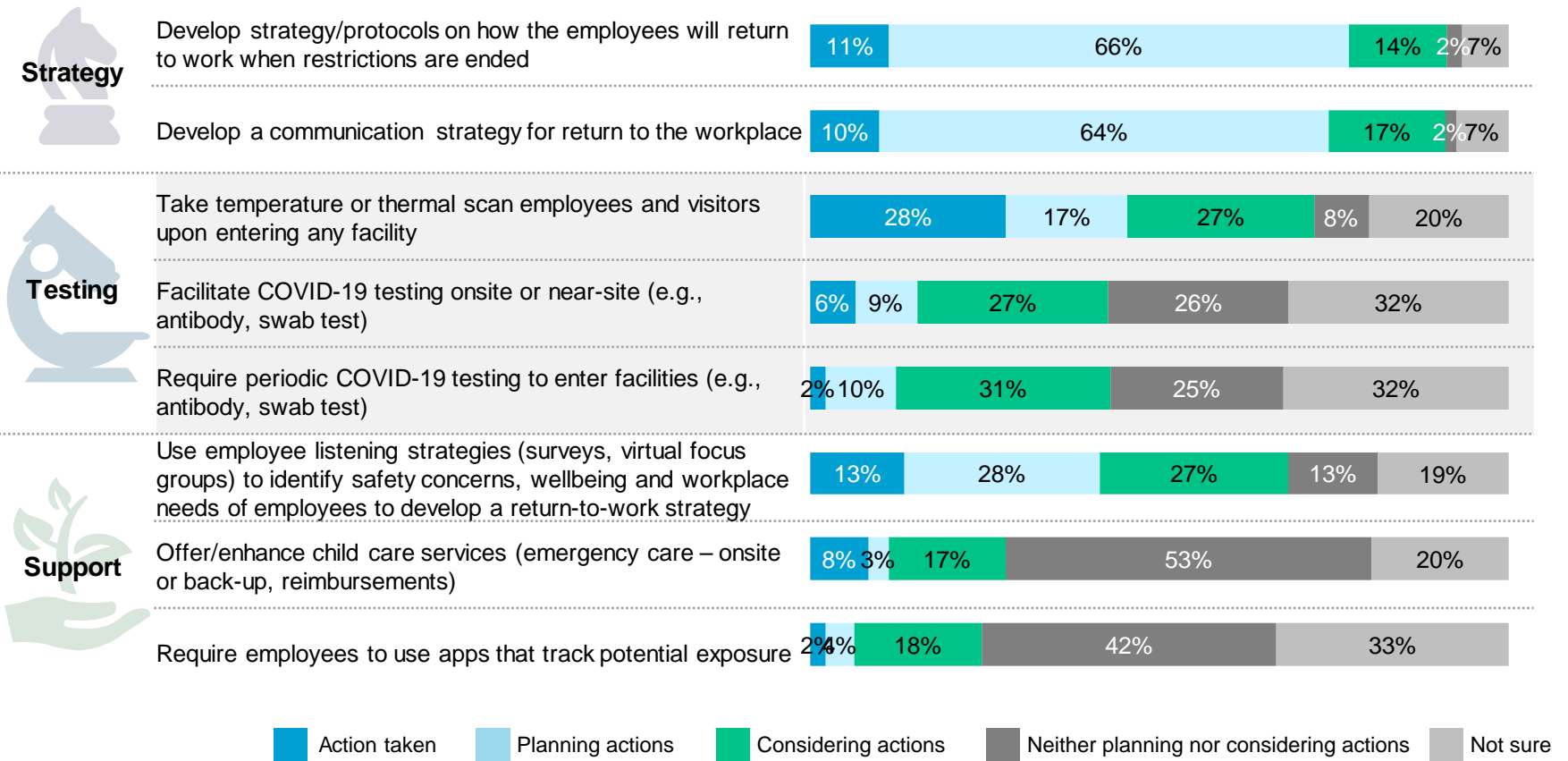
## Section 02: Restoring Stability



# Employers are currently in the strategy planning phase for when social distancing restrictions are lifted

As a result, many companies are planning their listening and testing strategies

Has your organization taken or does it plan to take any of the following actions in preparation for when the COVID-19 travel and social distancing restrictions are lifted?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States

# Most employers plan to adopt a phased approach and bring critical employees back first

How likely is your organization to adopt any of the following approaches to return to work after the COVID-19 restrictions are lifted?



**Phased**  
(employees gradually return over a period of time)



**Critical employees first**  
(ask critical employees and managers to be the first to return)



**Low risk employees first**  
(ask employees with low risk of severe complications to be the first to return)



**Voluntarily**  
(find volunteers who would like to be the first to return)



**Medical certification**  
(employees receive medical clearance to return to work)



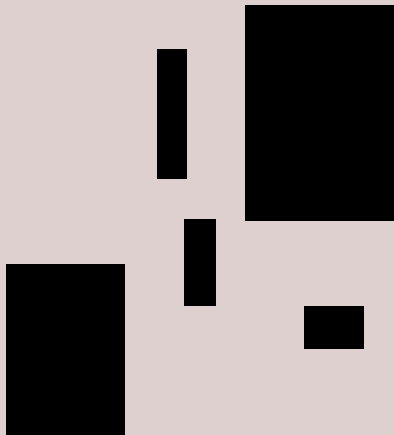
**Quickly**  
(all/most employees reporting at once)



Note: "Not sure" option excluded. Percentages indicate 4 and 5-very likely in 5-point Likert scale.  
Source: 2020 COVID-19 Benefits Survey, United States



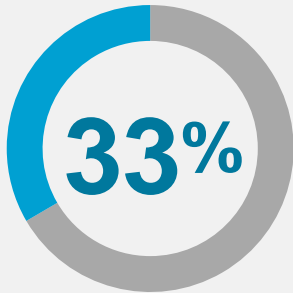
## Section 03: Broader Benefits Priorities



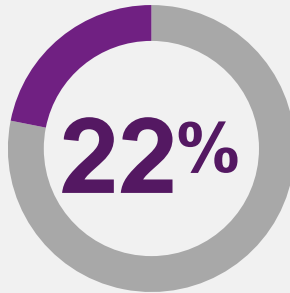
# Three fifths of companies have already or plan to make changes to their benefits program as a result of COVID-19

To what extent has your company already made benefits program changes as a result of the COVID-19 pandemic and economic crisis? To what extent are you planning to make changes over the next 6 months?

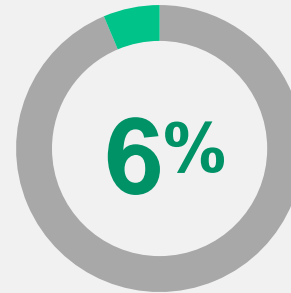
## Changes to benefit programs



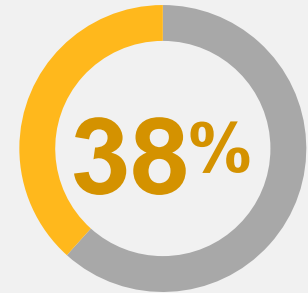
**Made changes**  
and plan more  
changes



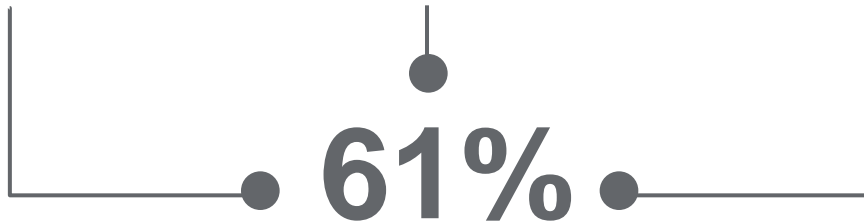
**Made changes**  
but don't plan more  
changes



**No changes** but  
plan to make  
changes



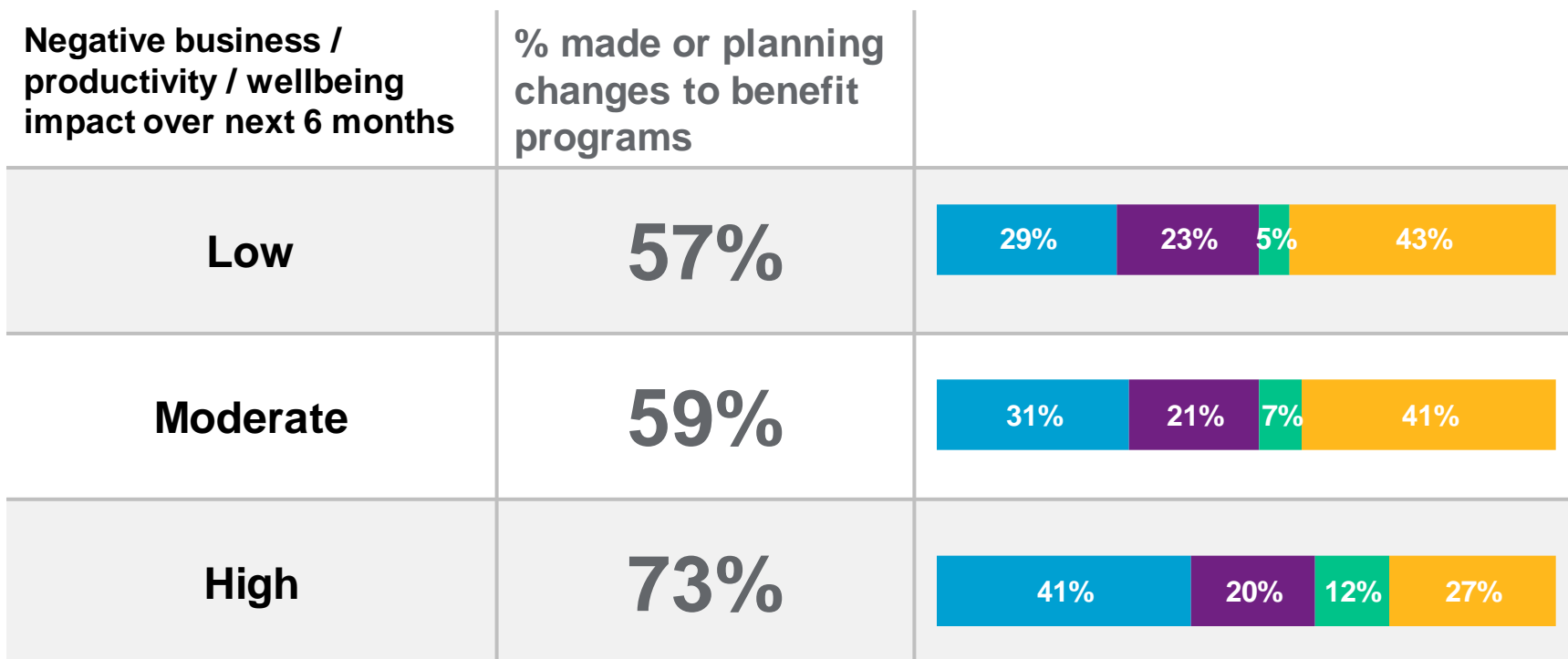
**No changes** and  
don't plan changes



Note: Percentages may not add up to 100% due to rounding.  
Source: 2019 Benefits Trends Survey, United States

## Distressed companies have made and plan to make additional benefits program changes over the next six months

To what extent has your company already made benefits program changes as a result of the COVID-19 pandemic and economic crisis? To what extent are you planning to make changes over the next six months?

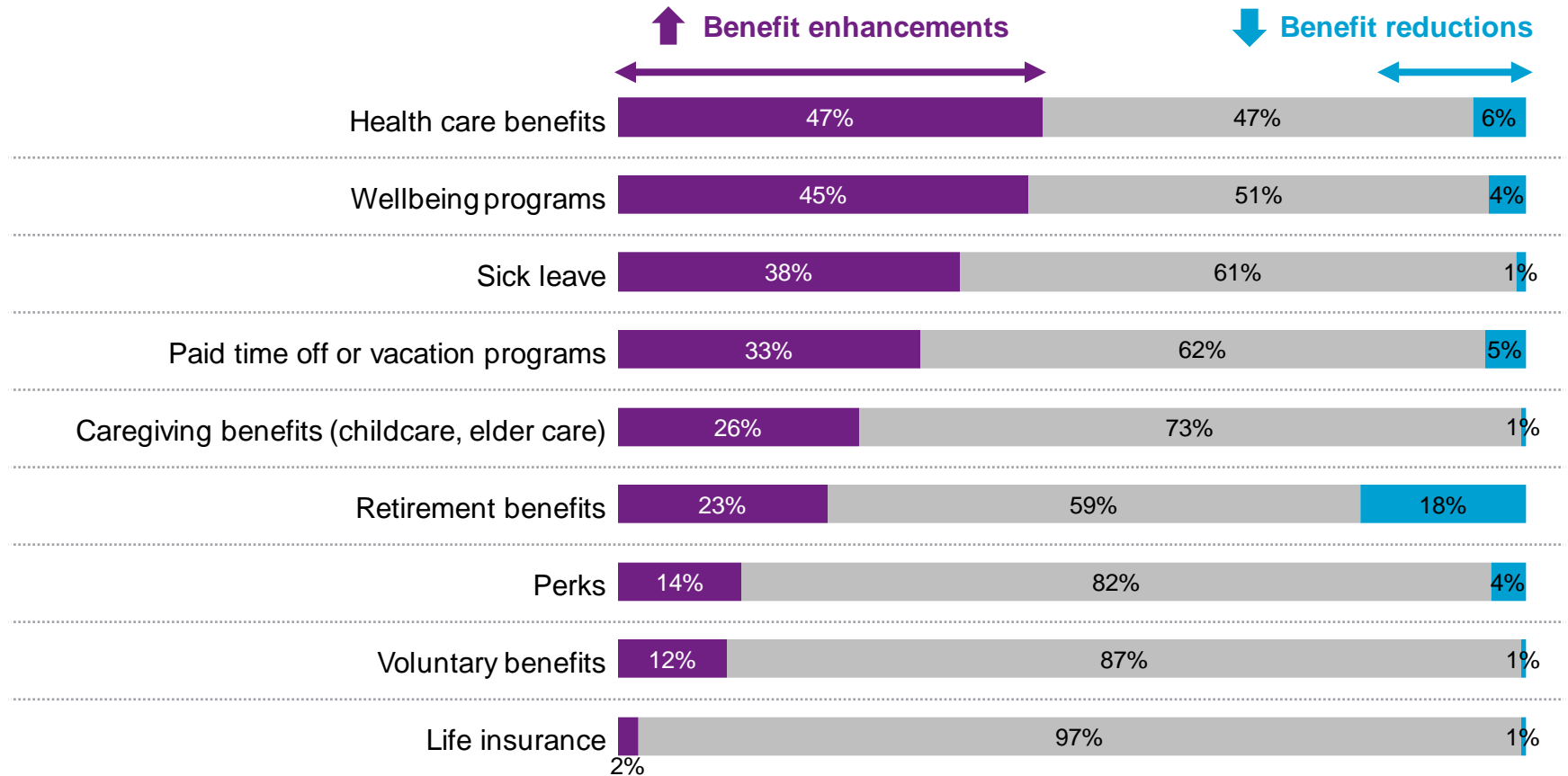


- Made changes and plan more changes
- Made changes but don't plan more changes
- No changes but plan to make changes
- No changes and don't plan changes

Note: Percentages may not add up to 100% due to rounding.  
 Source: 2019 Benefits Trends Survey, United States

# Many employers look to enhance health care and wellbeing programs – but nearly 1 in 5 employers plan cuts to retirement benefits



Considering the changes your company has already made and is expected to make over 2020, is your company planning to make any benefit enhancements or reductions?



Note: “Not applicable” option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Benefit enhancements and reductions by industry

	Energy and Utilities		Financial Services		General Services		Health Care		IT and Telecom		Manufacturing		Public sector and education		Wholesale and Retail	
Health care benefits	51%	11%	59%	3%	34%	7%	39%	9%	59%	3%	46%	3%	51%	6%	45%	10%
Wellbeing programs	41%	6%	57%	3%	33%	3%	54%	4%	52%	3%	41%	3%	43%	2%	43%	9%
Sick leave	35%	1%	47%	0%	30%	2%	36%	1%	38%	0%	37%	0%	44%	2%	36%	3%
Paid time off or vacation programs	35%	4%	51%	0%	23%	10%	35%	8%	41%	1%	30%	3%	29%	6%	24%	5%
Caregiving benefits (childcare, elder care)	30%	0%	38%	1%	22%	1%	43%	0%	26%	1%	18%	0%	23%	2%	14%	0%
Retirement benefits	21%	11%	36%	3%	20%	24%	19%	24%	30%	8%	20%	24%	28%	14%	17%	25%
Perks	3%	11%	14%	1%	11%	4%	17%	1%	12%	1%	16%	5%	17%	4%	14%	4%
Voluntary benefits	7%	1%	19%	0%	8%	1%	14%	0%	13%	0%	11%	1%	15%	0%	11%	0%
Life insurance	1%	1%	5%	0%	2%	0%	2%	1%	0%	0%	2%	0%	2%	0%	3%	3%

 Benefit enhancements  
 Benefit reductions

Source: 2020 COVID-19 Benefits Survey, United States.

# Companies focus on communicating to employees about benefits and wellbeing programs that can support them



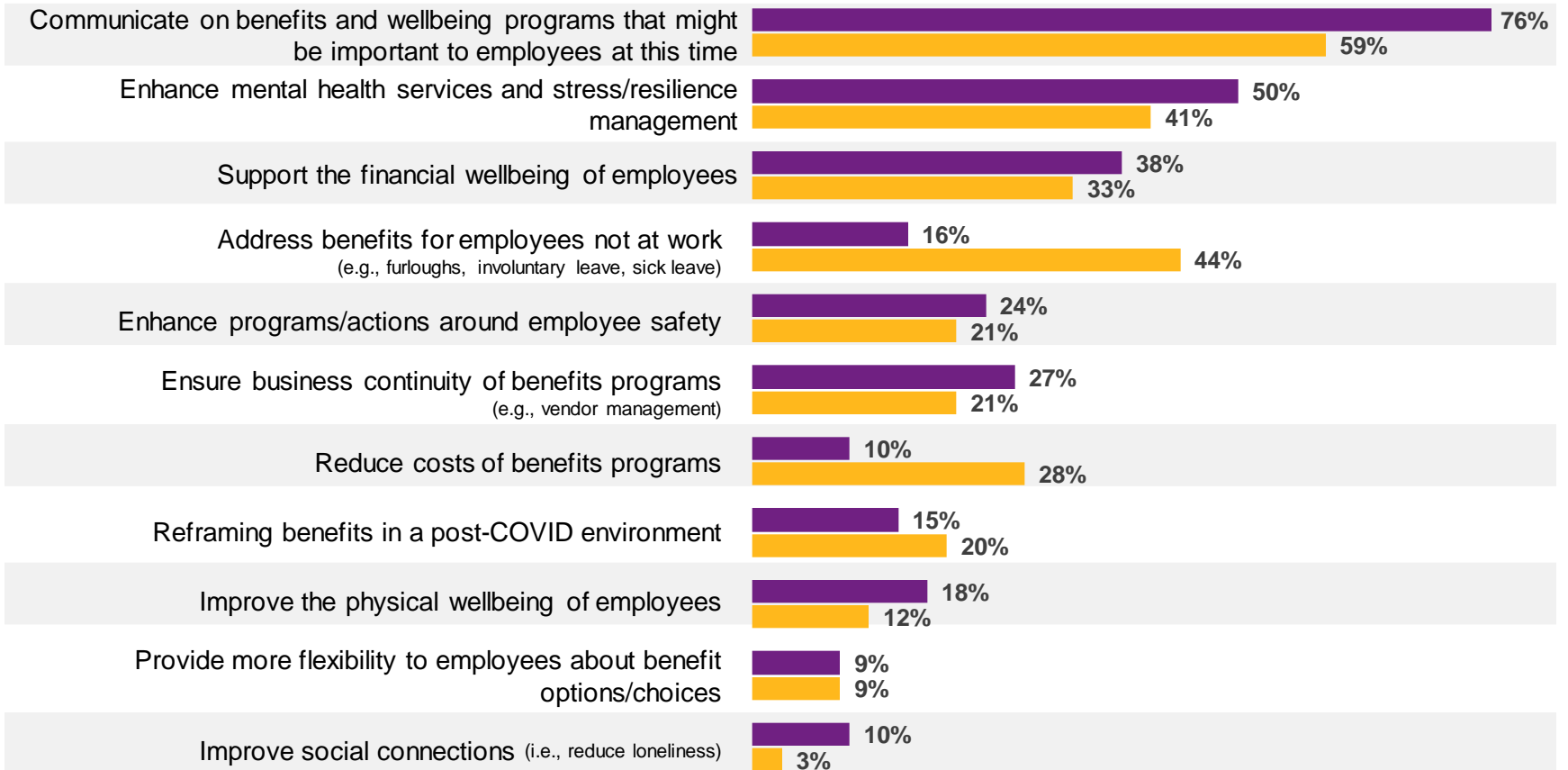
Which of the following do you expect to be your organization's most important benefits priorities over the next six months?

<b>#1</b>	<b>Communicate on benefits and wellbeing programs that might be important to employees at this time</b>	<b>67%</b>
<b>#2</b>	<b>Enhance mental health services and stress/resilience management</b>	<b>43%</b>
<b>#3</b>	<b>Support the financial wellbeing of employees</b>	<b>33%</b>
	Address benefits for employees not at work (e.g., furloughs, involuntary leave, sick leave)	31%
	Enhance programs/actions around employee safety	27%
	Ensure business continuity of benefits programs (e.g., vendor management)	25%
	Reduce costs of benefits Programs	20%
	Reframing benefits in a post-COVID environment	18%
	Improve the physical wellbeing of employees	12%
	Provide more flexibility to employees about benefit options/choices	8%
	Improve social connections (i.e., reduce loneliness)	7%

Note: Percentages indicate "being selected in top 3".  
Source: 2020 COVID-19 Benefits Survey, United States.

# Distressed companies are focused on addressing benefits of employees on furlough or leave

Which of the following do you expect to be your organization's most important benefits priorities over the next six months?



Low negative business impact over the next 6 months
  High negative business impact over the next 6 months

Note: Percentages indicate “being selected in top 3”.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Benefits priorities by industry

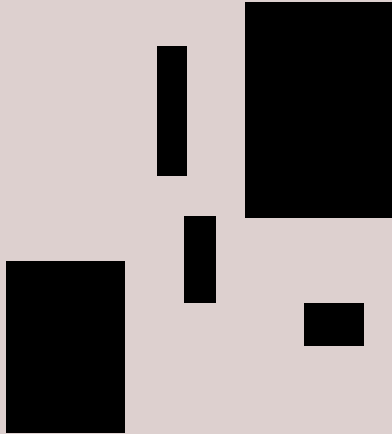
Overall	Energy and Utilities	Financial Services	General Services	Health Care	IT and Telecom	Manufacturing	Public sector and education	Wholesale and Retail
Communicate 67%	Communicate 66%	Communicate 73%	Communicate 71%	Communicate 64%	Communicate 61%	Communicate 67%	Communicate 69%	Communicate 63%
Mental Health 43%	Business continuity 38%	Mental Health 60%	Mental Health 37%	Mental Health 52%	Mental Health 53%	Benefits for non-workers 39%	Mental Health 42%	Benefits for non-workers 37%
Financial wellbeing 33%	Mental Health 37%	Financial wellbeing 45%	Benefits for non-workers 34%	Benefits for non-workers 37%	Financial wellbeing 37%	Safety 38%	Financial wellbeing 31%	Reduce costs 30%
Benefits for non-workers 31%	Financial wellbeing 34%	Safety 22%	Financial wellbeing 28%	Financial wellbeing 31%	Business continuity 29%	Mental Health 37%	Business continuity 29%	Mental Health 29%
Safety 27%	Safety 25%	Reframing benefits 18%	Business continuity 28%	Reduce costs 23%	Safety 25%	Financial wellbeing 32%	Safety 27%	Financial wellbeing 28%

Note: Percentages indicate the frequency of being selected in the top 3 priorities

Source: 2020 COVID-19 Benefits Survey, United States.

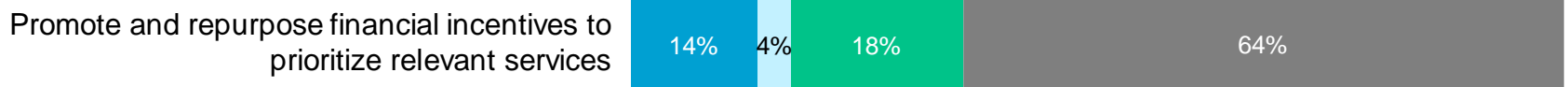


# Section 04: Wellbeing Benefits



# New virtual solutions that support work from home are a priority for employers

What actions has your organization taken or plan to take to support employee wellbeing as a result of the COVID-19 pandemic?



■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

## Employers focus on educating employees about the resources available to support financial wellbeing

Many more employers are looking to measure signs of financial stress

What actions has your organization taken or plan to take to support the financial wellbeing of employees as a result of the COVID-19 pandemic?

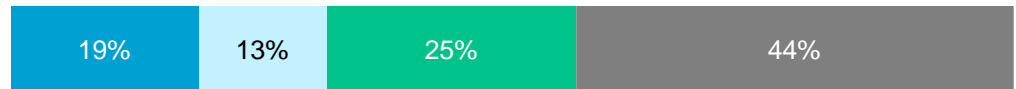
Promote existing counseling resources  
(DC vendor, investment advisor, independent counselor)



Raise awareness of emergency cash sources  
such as loan products, DC hardship and loan,  
HSA, charity



Measure signs of financial stress  
(garnishment, hardship, loans, opt-out or reduce DC plan savings,  
etc.)



Measure impact on projected retirement  
outcomes (retirement age)

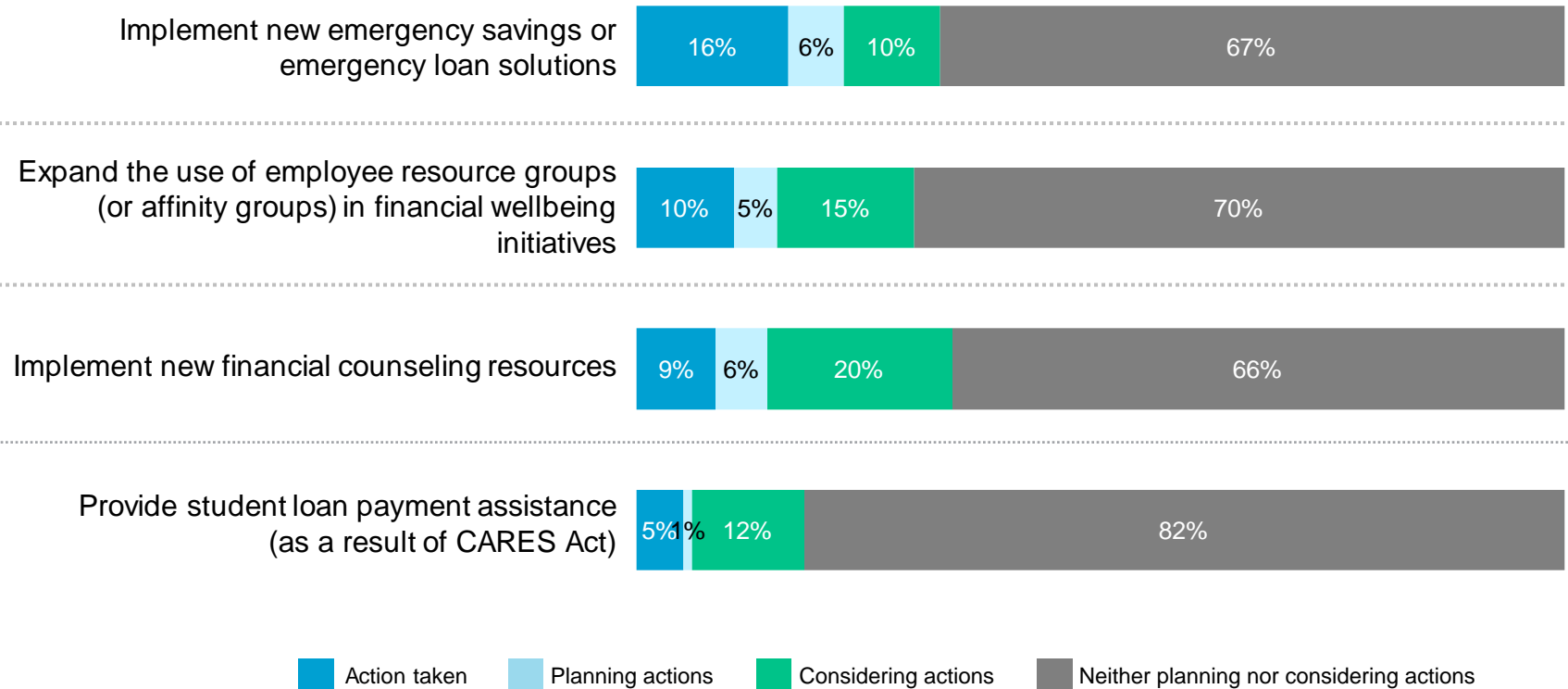


■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States.

## Employers look to offer new emergency savings solutions and counseling resources to support employees' financial wellbeing

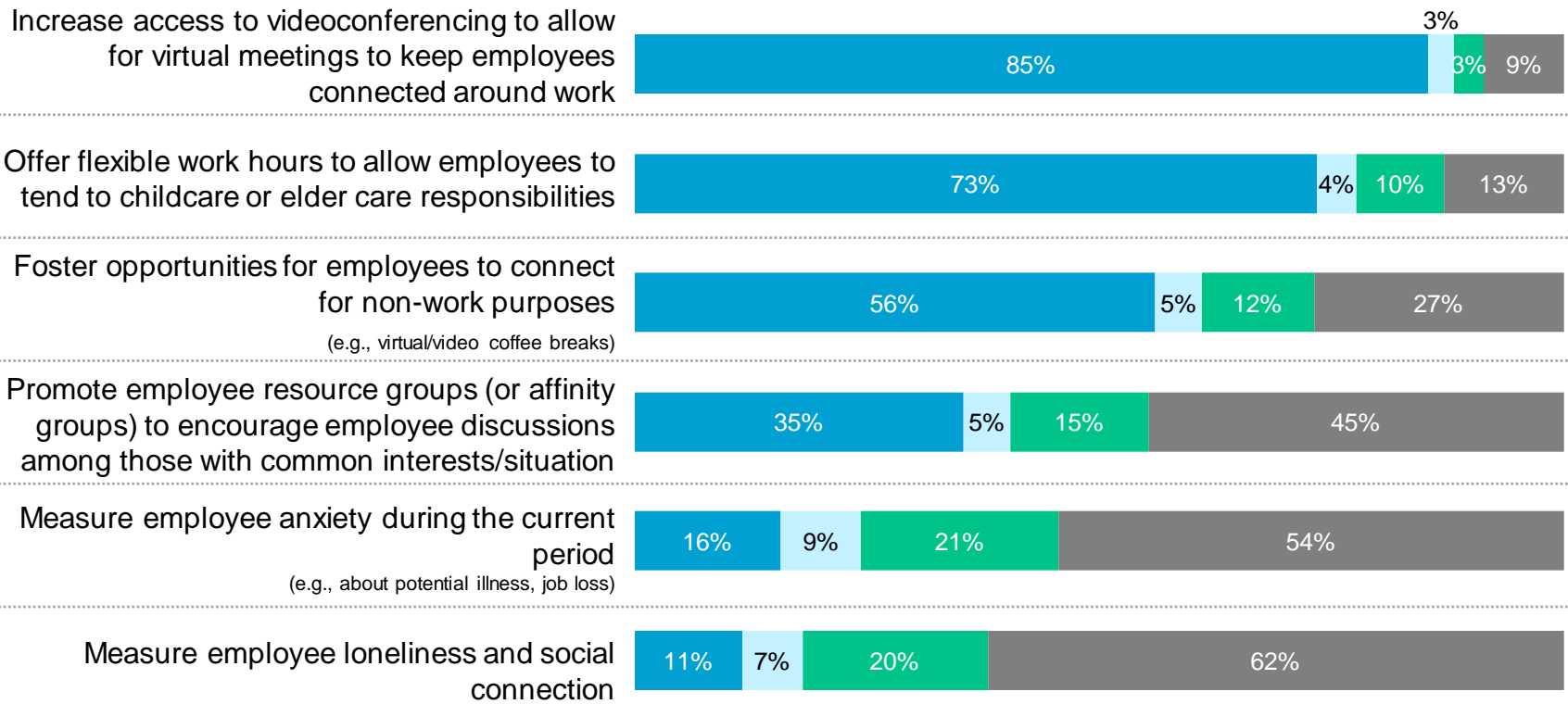
What actions has your organization taken or plan to take to support the financial wellbeing of employees as a result of the COVID-19 pandemic?



Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Employers take a variety of steps to address employee anxiety with a focus on supporting virtual interactions

What actions has your organization taken or plan to take to address employee anxiety as a result of the COVID-19 pandemic and financial crisis?

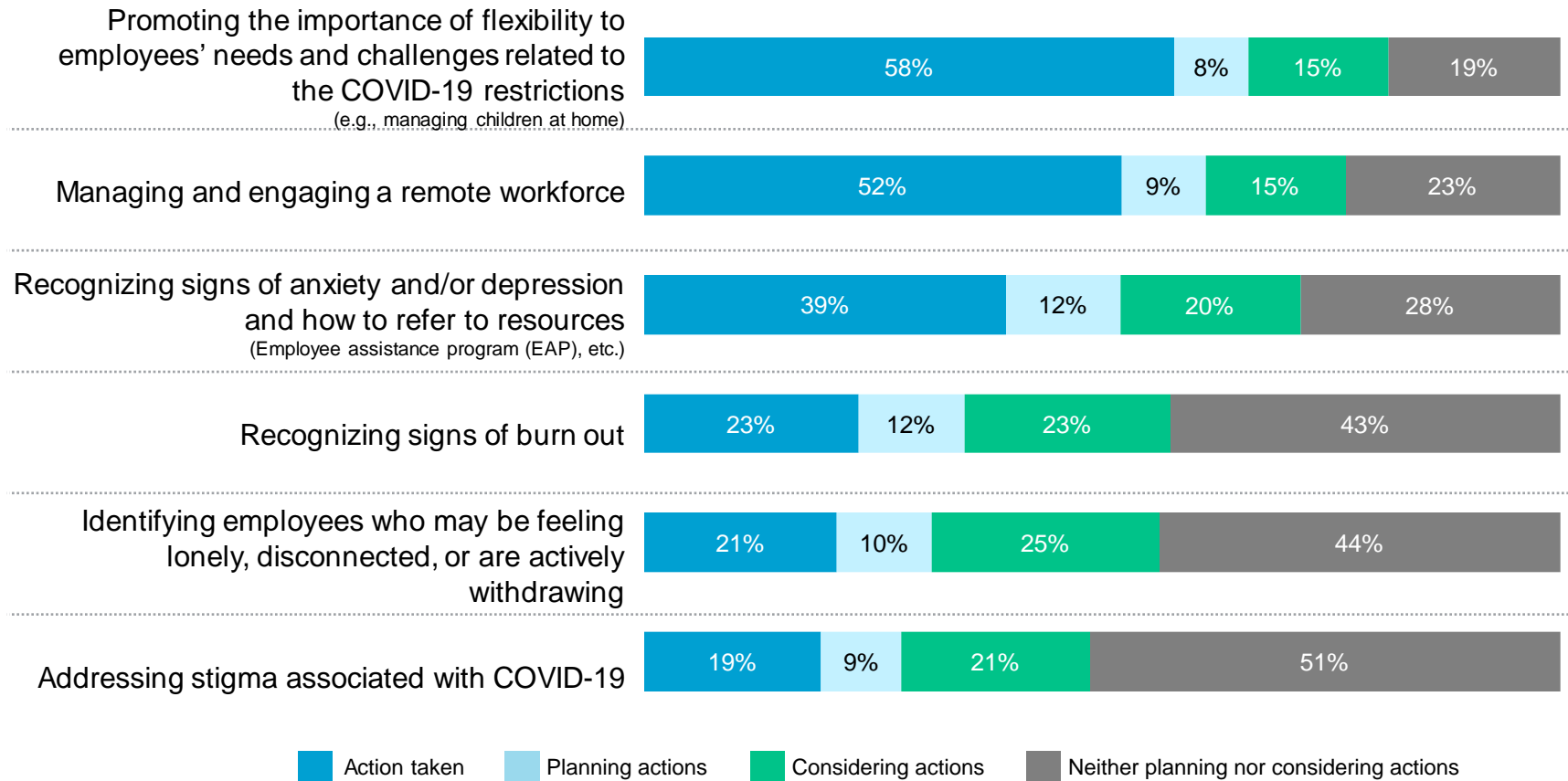


■ Action taken
 ■ Planning actions
 ■ Considering actions
 ■ Neither planning nor considering actions

Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Manager training is an important tool for employers to remain connected to employees and to support their wellbeing

Has your company offered or plan to offer manager training on any of the following?



Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Manager training is an important tool for employers to remain connected to employees and to support their wellbeing

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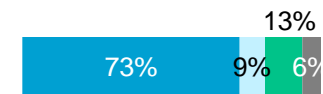
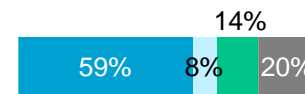
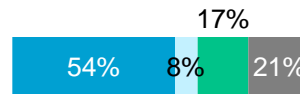
## By company size:

<5,000

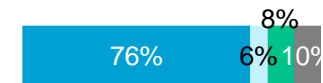
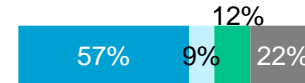
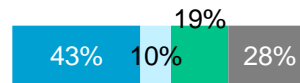
5,000-24,999

25,000+

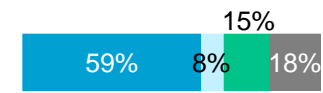
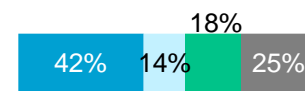
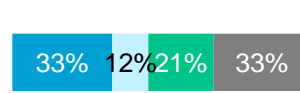
Promoting the importance of flexibility to employees' needs and challenges related to the COVID-19 restrictions



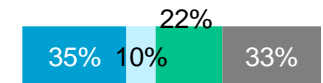
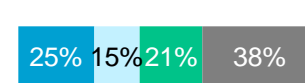
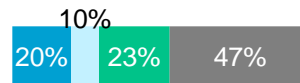
Managing and engaging a remote workforce



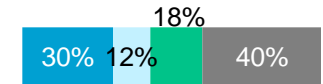
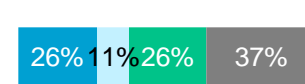
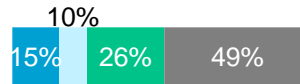
Recognizing signs of anxiety and/or depression and how to refer to resources (Employee assistance program (EAP), etc.)



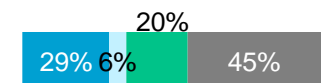
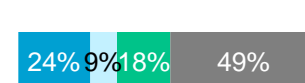
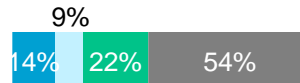
Recognizing signs of burn out



Identifying employees who may be feeling lonely, disconnected, or are actively withdrawing



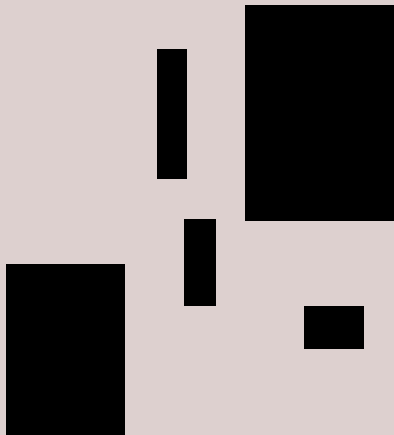
Addressing stigma associated with COVID-19



■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

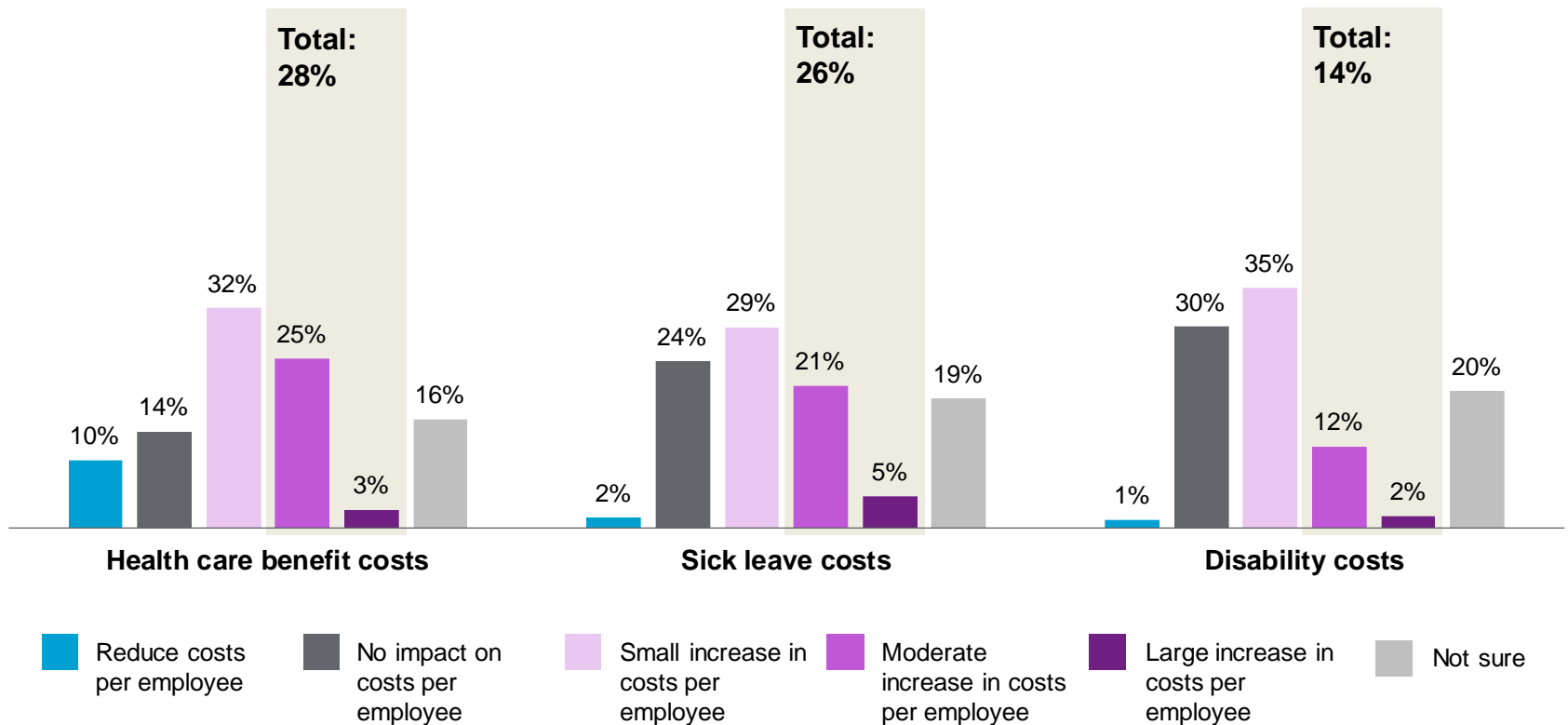
## Section 05: Health Care Benefits





# Most employers expect small to moderate increases in program costs due to COVID-19

What impact do you expect COVID-19 to have on annual benefits and related costs per employee in the following areas over the next year?

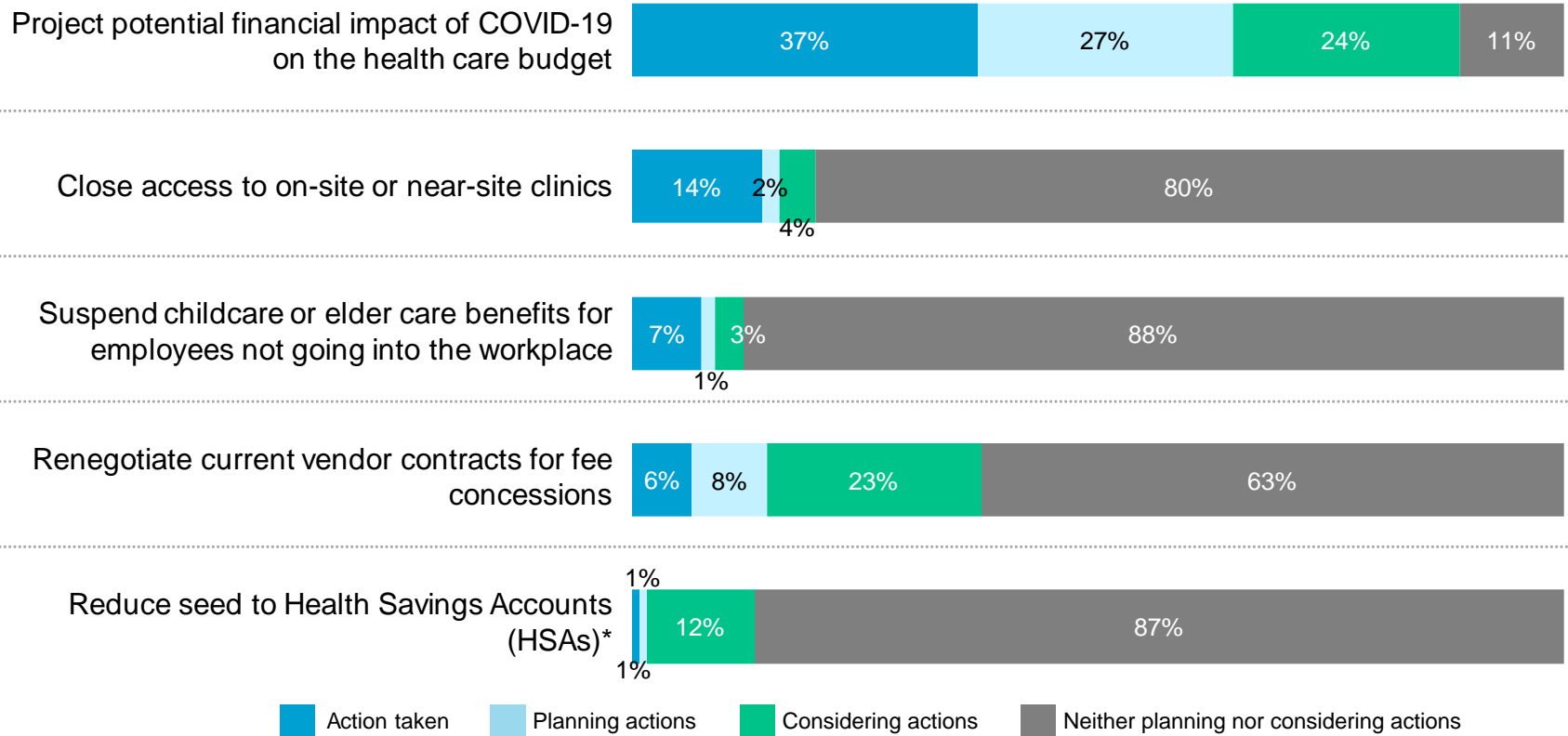


Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Employers take steps to assess the impact of COVID-19 on their health care budgets

## Increasingly companies will look for concessions by renegotiating contracts

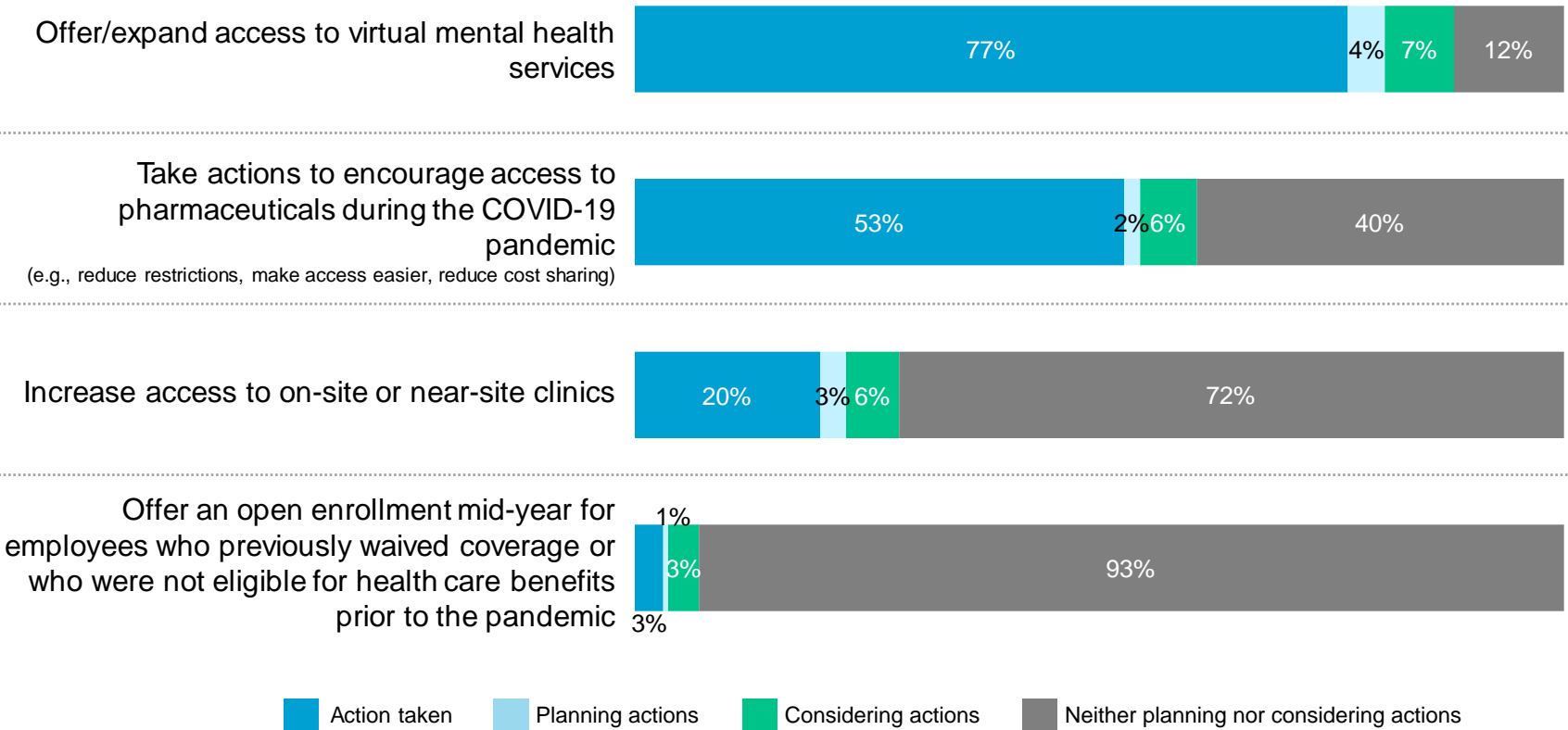
What actions has your organization taken or plan to take to manage the financial impact of COVID-19 on the company's health plan?



Note: "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding. \*: for respondents with health plan  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Providing access to virtual mental health services is a top priority and few employers are offering mid-year open enrollment

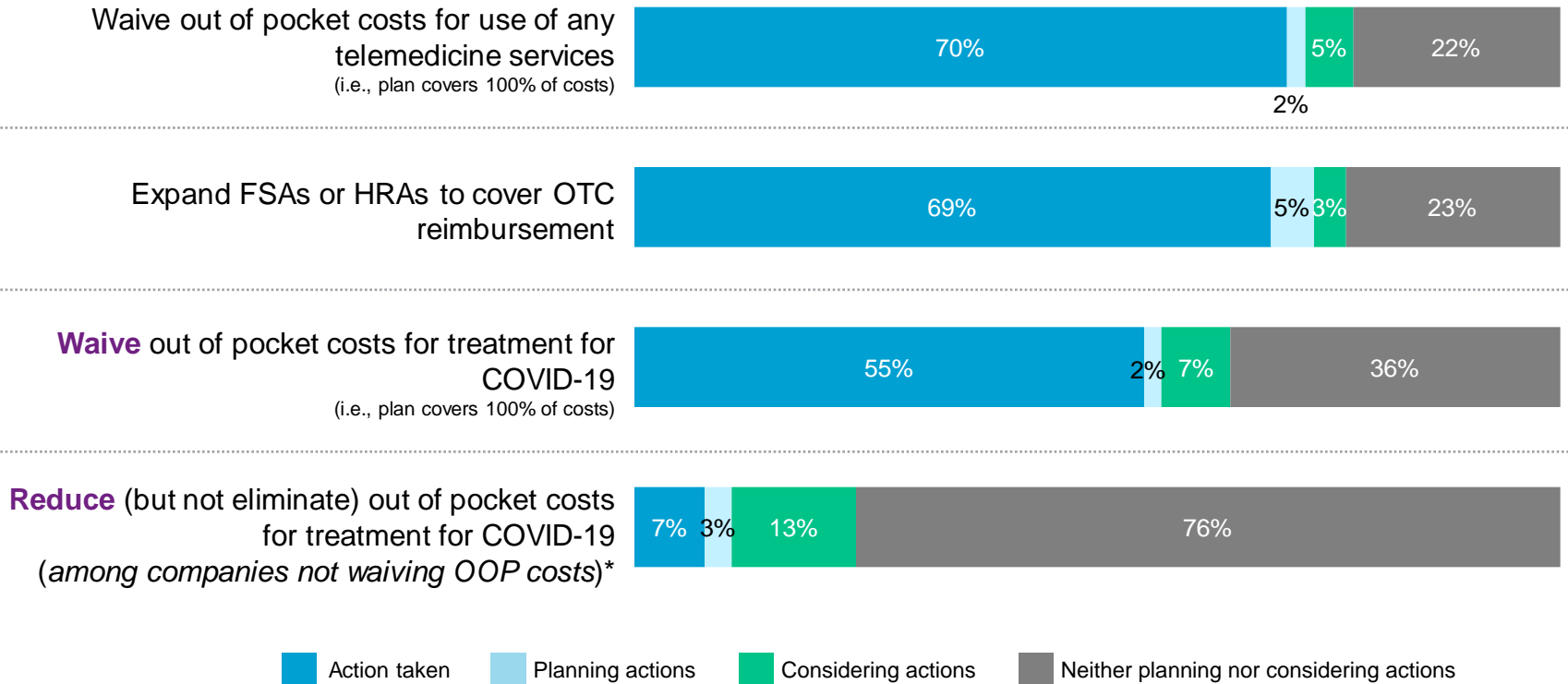
What actions has your organization taken to encourage access to health care during the COVID-19 pandemic?



Note: "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Nearly 60% of employers have waived or reduced OOP costs for treatment of COVID-19

As a result of the CARES Act, has your company taken or does it plan to take any of the following actions in 2020?

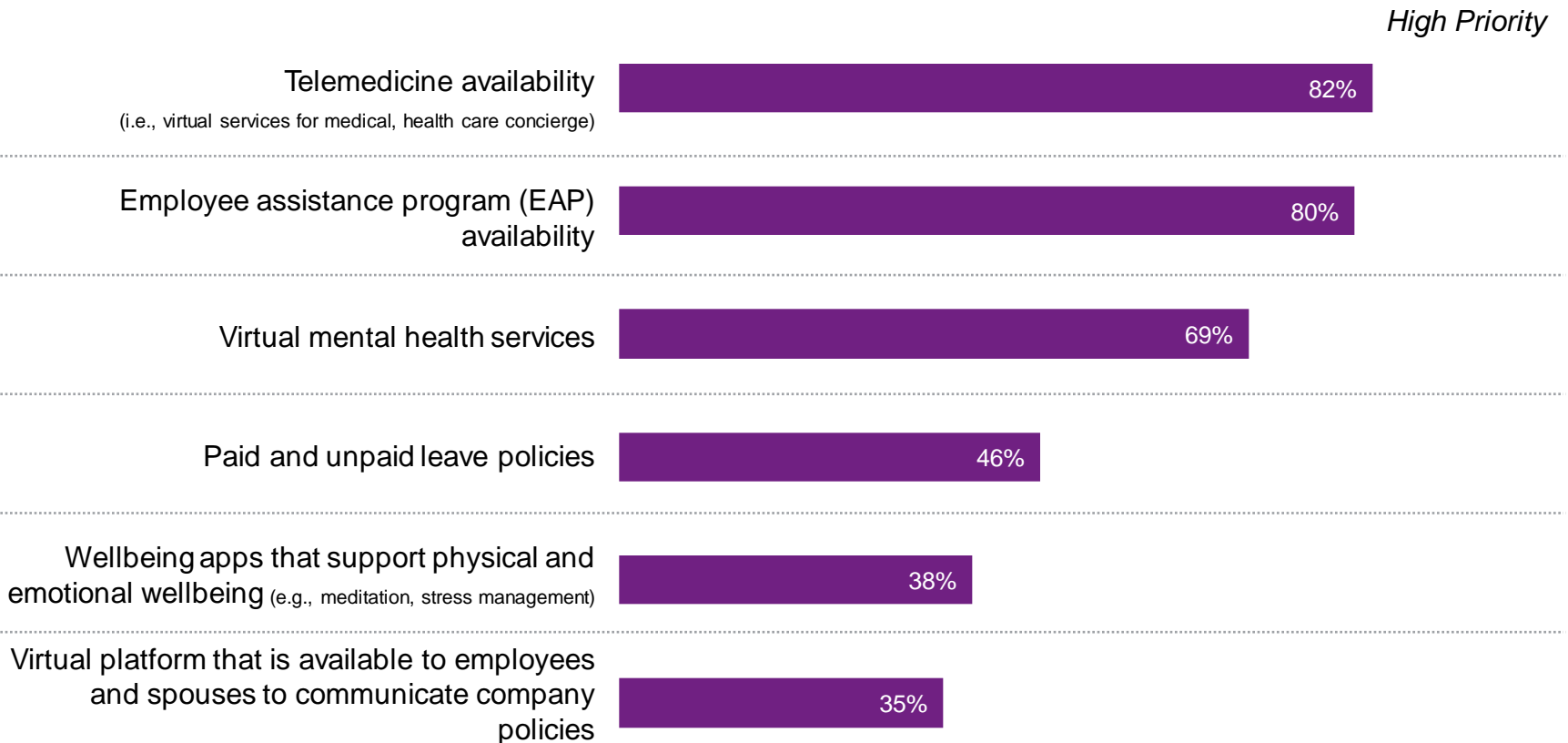


Note: "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding. \* Based on companies who have not waived OOP costs for treatment of COVID-19.

Source: 2020 COVID-19 Benefits Survey, United States.

# Employers take significant actions to promote access to health care providers to support physical and mental health

Which of the following benefits has your organization made a priority to promote and communicate about as a result of the COVID-19 pandemic?



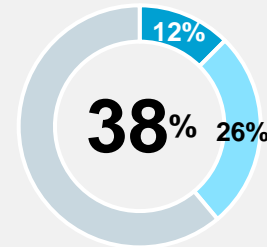
Note: "Not applicable" and "Not sure" option excluded. Percentages indicate high priority.  
Source: 2020 COVID-19 Benefits Survey, United States.

# COVID-19 has caused more than a third of employers to revise their health care strategy for 2021

To what extent do the following apply to your company as a result of COVID-19?

## Likely to revise our health care strategy for 2021

- To a great extent (4 or 5)
- To a moderate extent (3)



Negative business / productivity / wellbeing impact over next 6 months	Total	To a moderate extent (3)	To a great extent (4 or 5)
Low	25%	17%	8%
Moderate	43%	31%	12%
High	55%	33%	22%

Source: 2020 COVID-19 Benefits Survey, United States.

# Affordability for employees with financial challenges is a top priority for 2021

As you think about the impact of COVID-19, to what extent are the following important to your 2021 health care strategy?

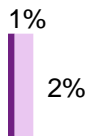
Take actions to address the affordability of health benefits for employees with financial challenges  
(e.g., low wage employees)



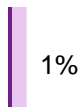
Offer of low point of care cost-sharing plan designs



Adopt an Individual Coverage Health Reimbursement Arrangement (ICHRA) for a segment of your workforce



Adopt an ICHRA for the majority of your workforce

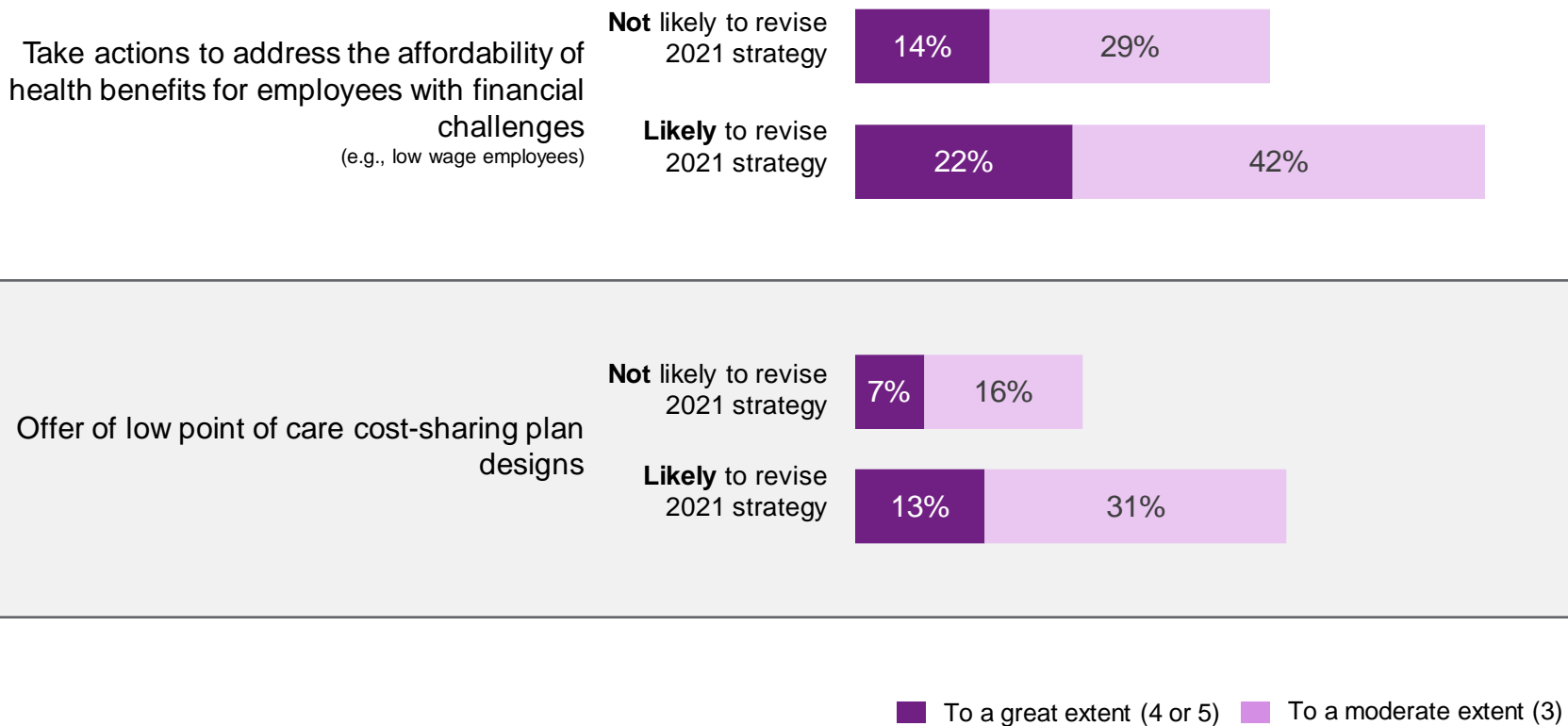


■ To a great extent (4 or 5)  
■ To a moderate extent (3)

Source: 2020 COVID-19 Benefits Survey, United States.

## Companies looking to revise their 2021 health care strategies are focused on affordable and low point of care cost benefits

As you think about the impact of COVID-19, to what extent are the following important to your 2021 health care strategy?



Source: 2020 COVID-19 Benefits Survey, United States.



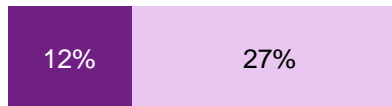
# Nearly two-thirds of companies will prioritize access to high quality mental health solutions in their 2021 health care program

As you think about the impact of COVID-19, to what extent are the following important to your 2021 health care strategy?

Provide access to affordable and high quality mental health solutions



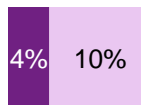
Take actions to address employee loneliness  
(e.g., manager training, video conferencing, encourage more social connections)



Offer/enhance caregiving assistance  
(childcare or elder care)



Reduce/eliminate out-of-network benefits

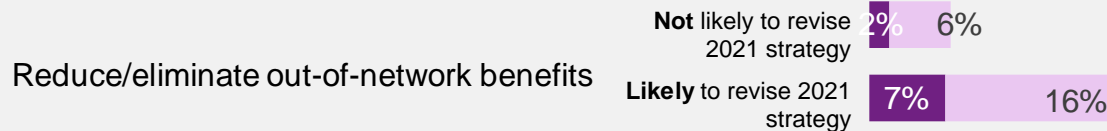
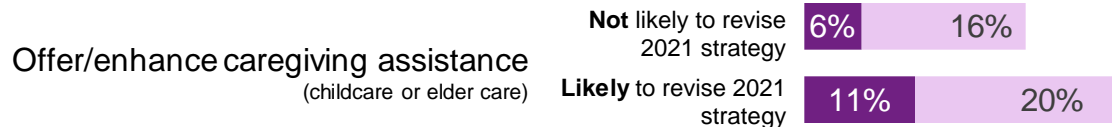
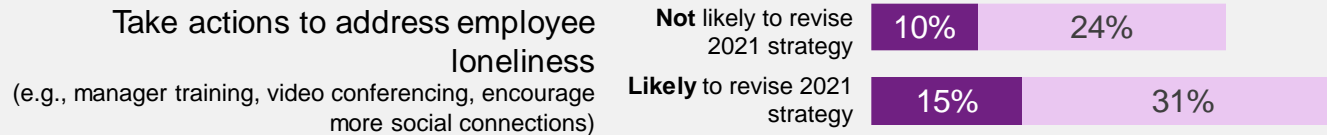


■ To a great extent (4 or 5)  
■ To a moderate extent (3)

Source: 2020 COVID-19 Benefits Survey, United States.

# Mental health and employee loneliness are especially important for companies looking to revise their 2021 health care strategy

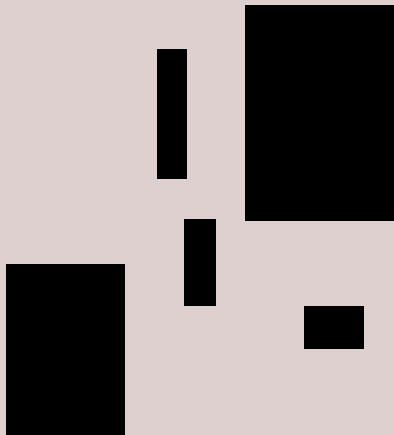
As you think about the impact of COVID-19, to what extent are the following important to your 2021 health care strategy?



Source: 2020 COVID-19 Benefits Survey, United States.

■ To a great extent (4 or 5) ■ To a moderate extent (3)

## Section 06: Retirement Plans



# Retirement plan sponsorship and current status

As of January 1, 2020, what retirement benefit plans did your organization sponsor (including frozen or closed pension plans and account based retiree medical plans)?

Defined benefit (DB) plan (hybrid or traditional DB)

52%

Defined contribution (DC) plan

94%

Non-tax-qualified retirement plan

36%

Retiree health care plan for pre-Medicare retirees

39%

Retiree health care plan for Medicare-eligible retirees

30%

Other

3%

As of January 1, 2020, what was the status of your largest non-bargaining DB retirement pension plan?\*

Open to all workers	22%
Closed to newly hired workers	24%
Closed to newly hired workers, benefits are frozen for some	10%
Closed to newly hired workers, benefits are frozen for all	35%
Frozen, in the process of plan termination	9%

22%

Closed to newly hired workers

24%

Closed to newly hired workers, benefits are frozen for some

10%

Closed to newly hired workers, benefits are frozen for all

35%

Frozen, in the process of plan termination

9%

Note: \* "We do not sponsor a non-bargaining pension plan" option excluded.  
Source: 2020 COVID-19 Benefits Survey, United States.

# Most of employers provided matching contributions at the beginning of the calendar year

As of January 1, 2020, what retirement benefit plans did your organization sponsor (including frozen or closed pension plans and account based retiree medical plans)?

Defined benefit (DB) plan (hybrid or traditional DB)

52%

Defined contribution (DC) plan

94%

Non-tax-qualified retirement plan

36%

Retiree health care plan for pre-Medicare retirees

39%

Retiree health care plan for Medicare-eligible retirees

30%

Other

3%

As of January 1, 2020, what type of contributions did your company provide to the defined contribution plan?

Matching contributions **ONLY**

68%

Non-matching or non-elective contributions **ONLY**

4%

**BOTH** matching and non-elective contributions

24%

Profit sharing contributions

13%

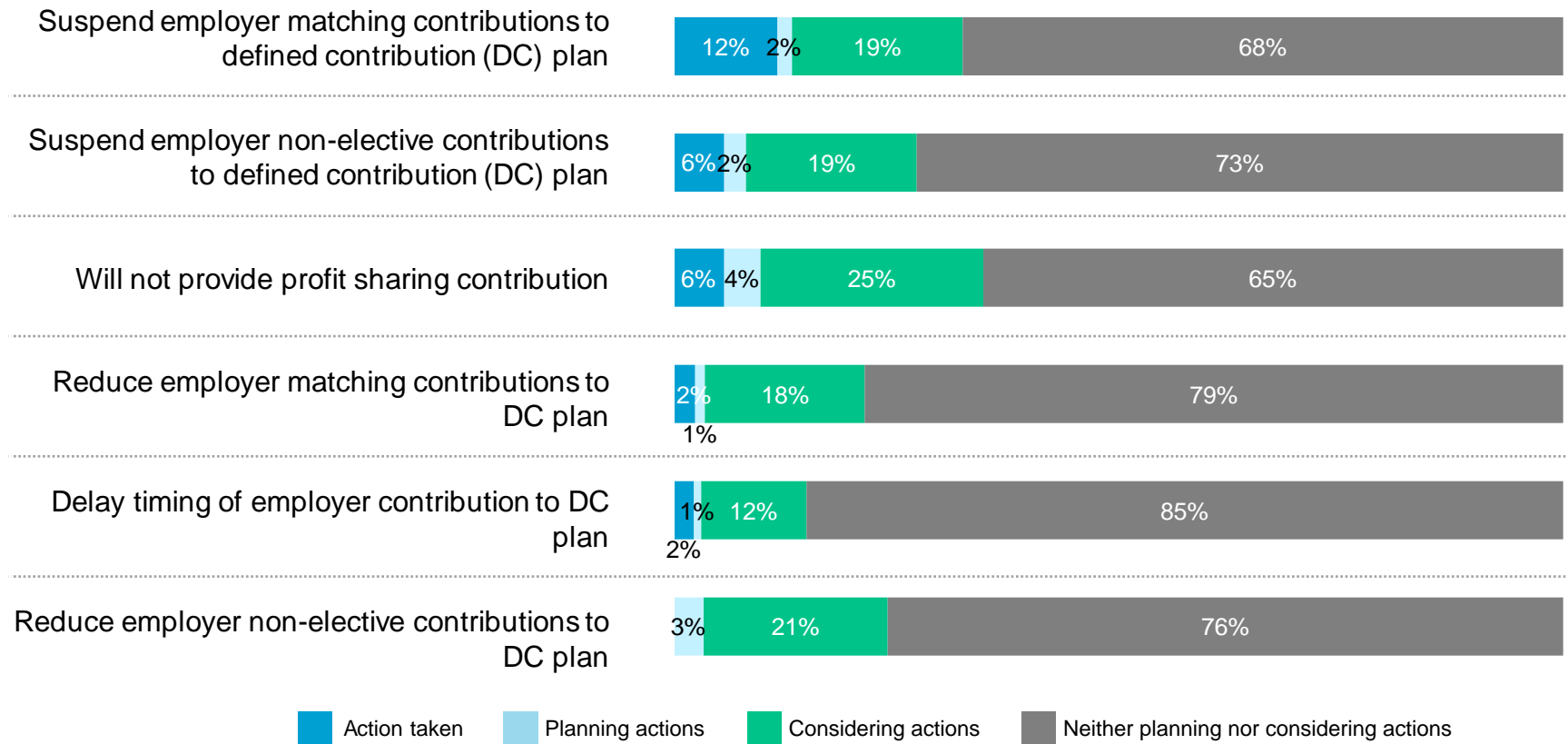
Other

3%

Source: 2020 COVID-19 Benefits Survey, United States.

## Employers have taken actions to suspend matching and non-elective contributions with many more considering

Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.



Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

## Employers have taken actions to suspend or reduce matching and non-elective contributions with many more considering

Suspending or reducing employer matching or non-elective contributions:

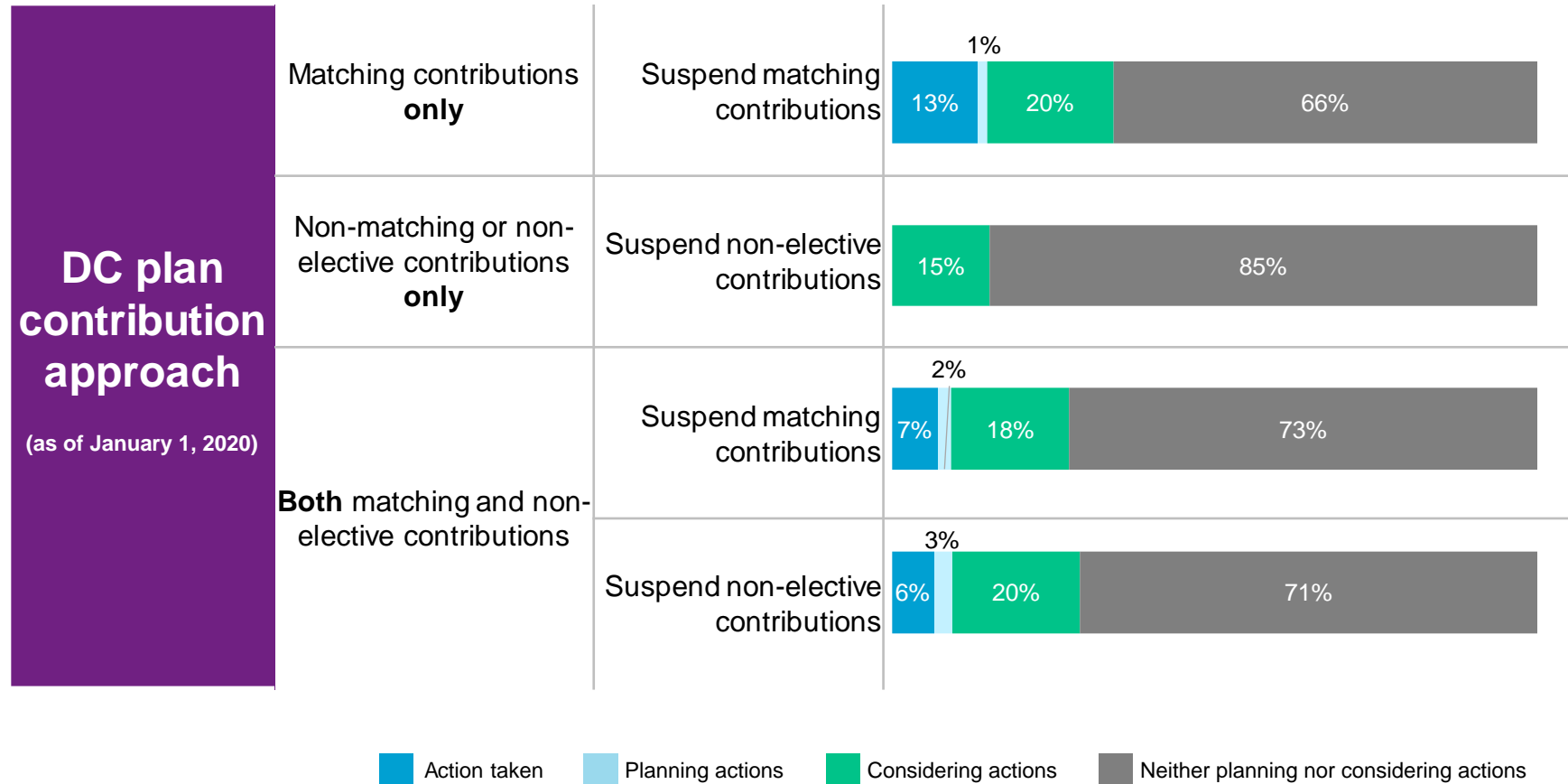


### Negative business / productivity / wellbeing impact over next 6 months

	Action taken for any	No action taken, but planning	No action taken or planning for any, but considering
Low	6%	1%	14%
Moderate	5%	3%	28%
High	27%	5%	30%

Source: 2020 COVID-19 Benefits Survey, United States.

# Employers that only offer matching contributions are most likely to have suspended contributions



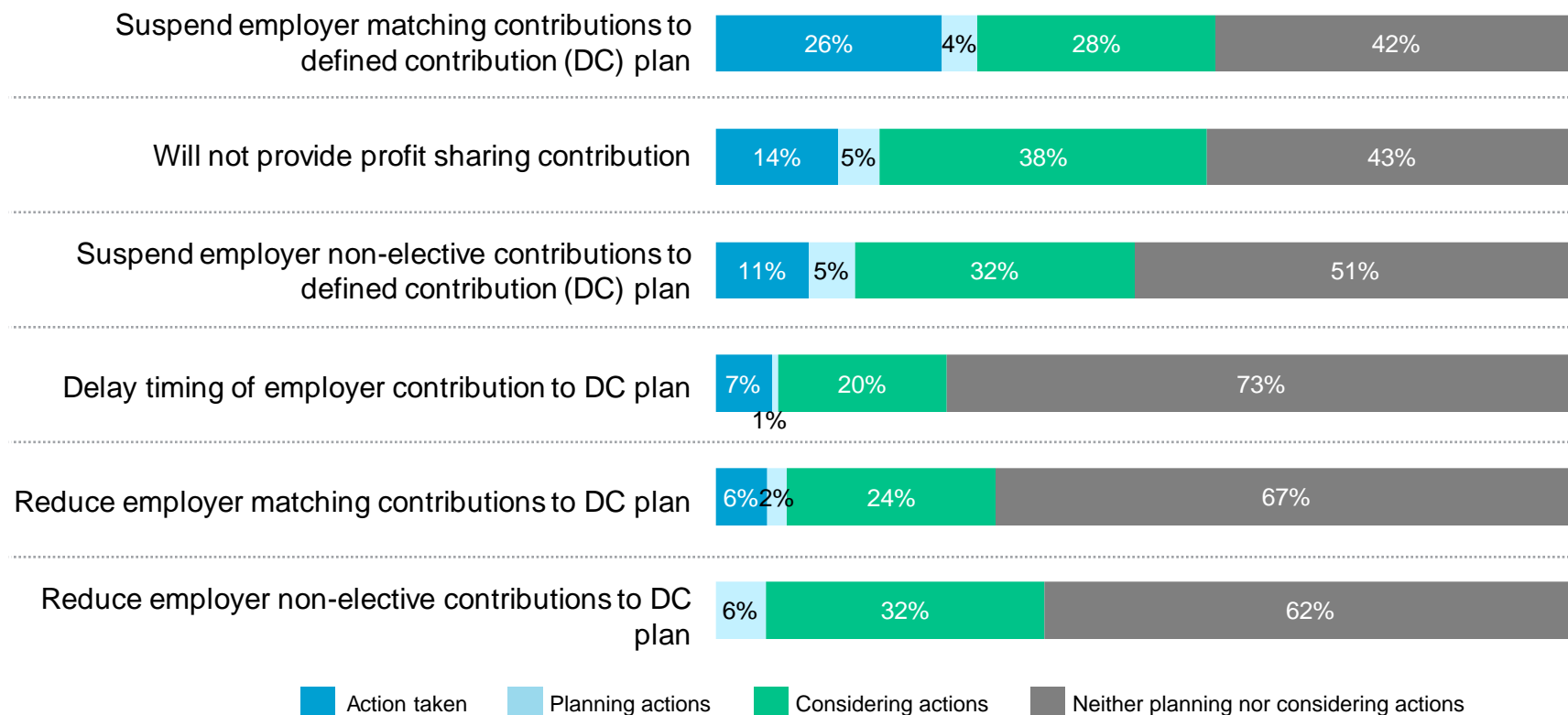
Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded. Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States.



## Struggling employers are more likely to suspend matching and non-elective contributions with many more considering

Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.

### Distressed companies



Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded. Percentages may not add up to 100% due to rounding.

Sample: Employers who expect that COVID-19 will have a high impact on business/productivity/wellbeing over the next 6 months.

Source: 2020 COVID-19 Benefits Survey, United States.

## Retail and general services sectors are much more likely to suspend matching contributions

Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.

	Suspend employer matching contributions to DC plan			Reduce employer matching contributions to DC plan		
	Action taken	Planning	Considering	Action taken	Planning	Considering
<b>All Respondents</b>	<b>12%</b>	<b>2%</b>	<b>19%</b>	<b>2%</b>	<b>1%</b>	<b>18%</b>
Energy and Utilities	4%	0%	26%	0%	0%	24%
Financial Services	1%	0%	5%	0%	0%	7%
General Services	21%	0%	23%	6%	0%	24%
Health Care	14%	6%	16%	2%	6%	17%
IT and Telecom	4%	2%	14%	0%	0%	13%
Manufacturing	13%	1%	24%	3%	0%	19%
Public Sector and Education (N=20)	0%	5%	20%	0%	5%	30%
Retail Group	25%	0%	25%	4%	0%	21%

Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded.  
Source: 2020 COVID-19 Benefits Survey, United States.

## Most companies have not suspended non-elective contributions but the manufacturing and retail sectors are considering actions

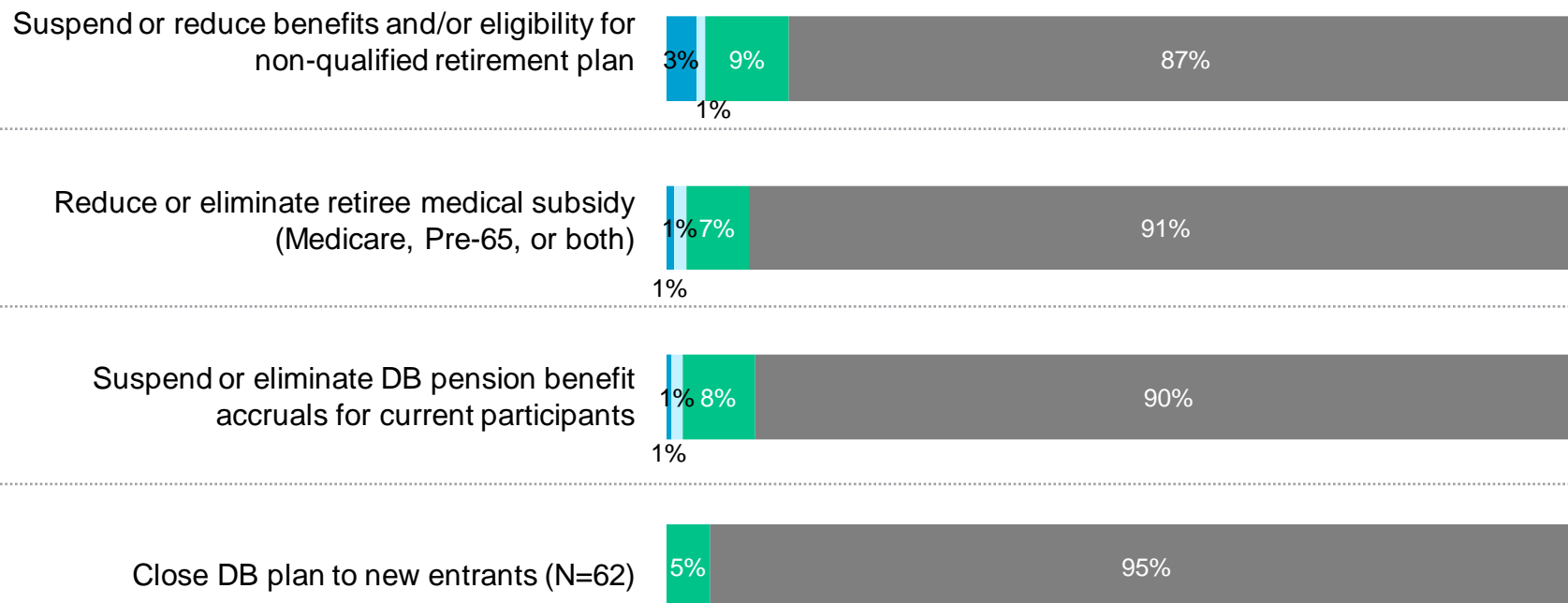
Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.

	Suspend employer non-elective contributions to DC plan			Reduce employer non-elective contributions to DC plan		
	Action taken	Planning	Considering	Action taken	Planning	Considering
<b>All Respondents</b>	<b>6%</b>	<b>2%</b>	<b>19%</b>	<b>0%</b>	<b>3%</b>	<b>21%</b>
Energy and Utilities (N=17)	0%	0%	12%	0%	0%	12%
Financial Services (N=22)	0%	0%	5%	0%	0%	5%
General Services (N=9)	11%	0%	11%	0%	0%	44%
Health Care (N=26)	0%	4%	15%	0%	12%	19%
IT and Telecom (N=8)	11%	11%	11%	0%	0%	25%
Manufacturing	11%	2%	31%	0%	0%	24%
Public Sector and Education (N=12)	0%	10%	10%	0%	9%	27%
Retail Group (N=6)	0%	0%	33%	0%	17%	33%

Note: Based on benefits provision. "Not applicable" and "Not sure" option excluded.  
Source: 2020 COVID-19 Benefits Survey, United States.

## Fewer than 1 in 8 companies have made changes to their DB plans or retiree medical programs but more are considering

Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.



■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: Based on benefits provision. "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

## Few have made changes to their DB plans and retiree medical programs but more are considering

Please indicate what action items your company has already taken to your retirement plan in response to COVID-19 and the economic crisis, and what your company may be planning or considering going forward for the balance of 2020.

### Distressed companies

Suspend or reduce benefits and/or eligibility for non-qualified retirement plan



Reduce or eliminate retiree medical subsidy (Medicare, Pre-65, or both)



Suspend or eliminate DB pension benefit accruals for current participants



Close DB plan to new entrants (N=15)



■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

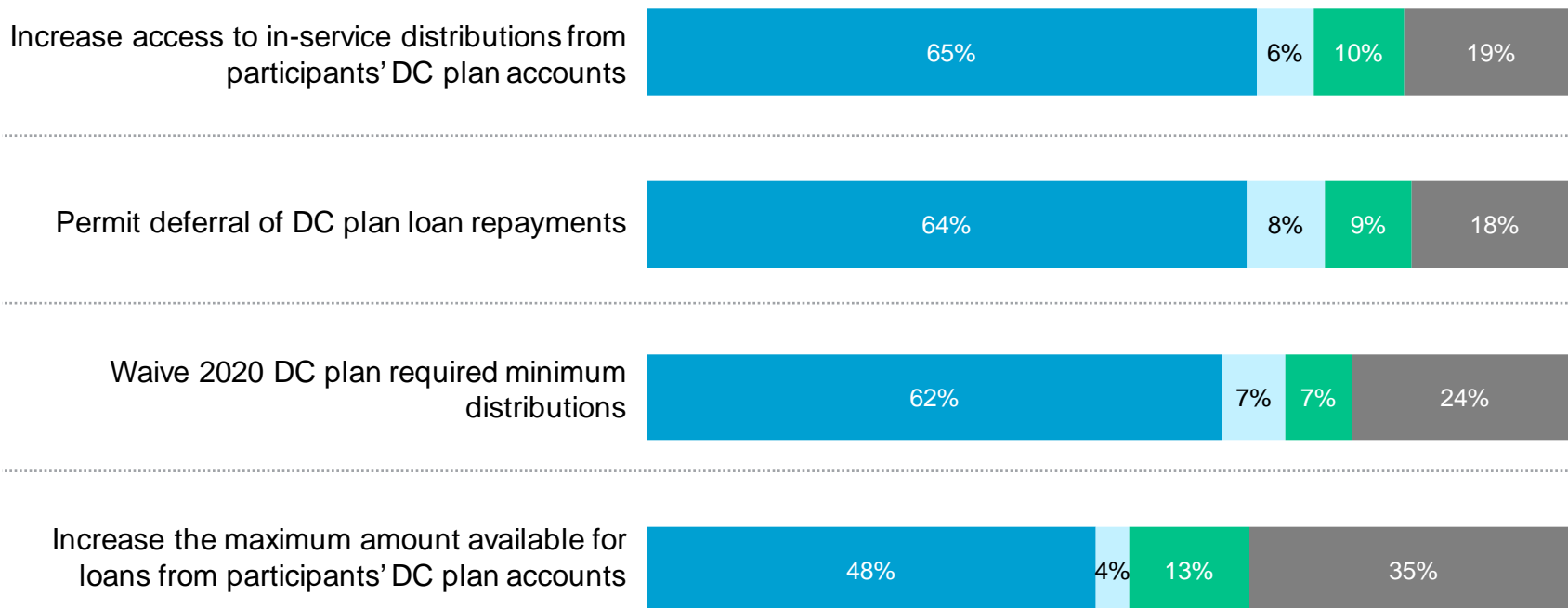
Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded. Percentages may not add up to 100% due to rounding.

Sample: Employers who expect that COVID-19 will have a high impact on business/productivity/wellbeing over the next 6 months.

Source: 2020 COVID-19 Benefits Survey, United States.

# Many employers make adjustments to the DC plans as a result of the CARES Act

As a result of the CARES Act, has your company taken or does it plan to take any of the following actions in 2020?



■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: Based on benefits provision. "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Benefits Survey, United States.

# Employers are considering cost savings options within their DB plans as a result of the CARES Act

As a result of the CARES Act, has your company taken or does it plan to take any of the following actions in 2020?

Defer 2020 calendar year DB plan pension contributions



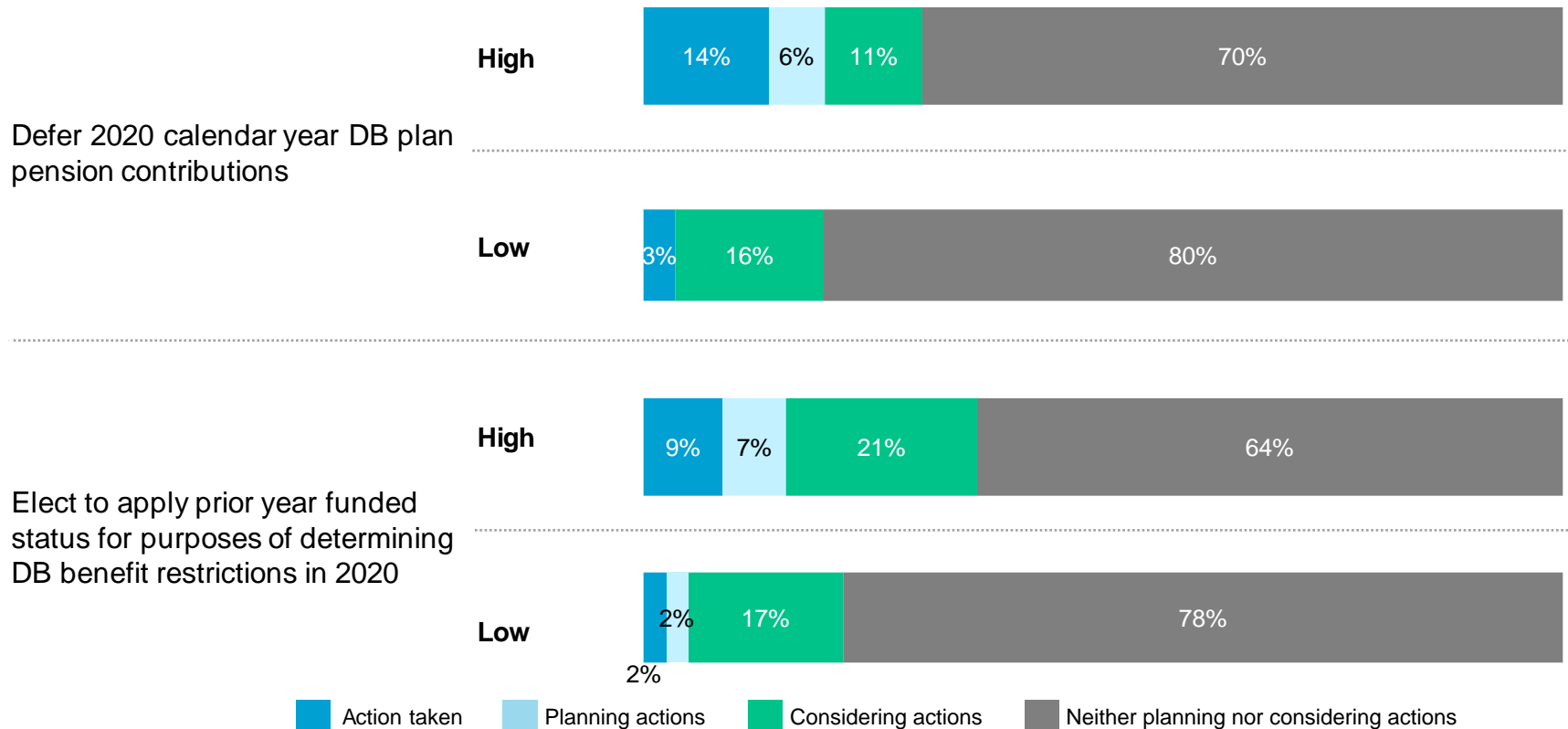
Elect to apply prior year funded status for purposes of determining DB benefit restrictions in 2020



Note: Based on benefits provision. "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

# Struggling employers are more likely to take cost savings options within their DB plans as a result of the CARES Act

## Negative impact over next six months



Note: Based on benefits provision. "Not applicable" and "Not sure" options excluded. Percentages may not add up to 100% due to rounding.

High negative impact: Employers who expect that COVID-19 will have a high impact on business/productivity/wellbeing over the next 6 months.

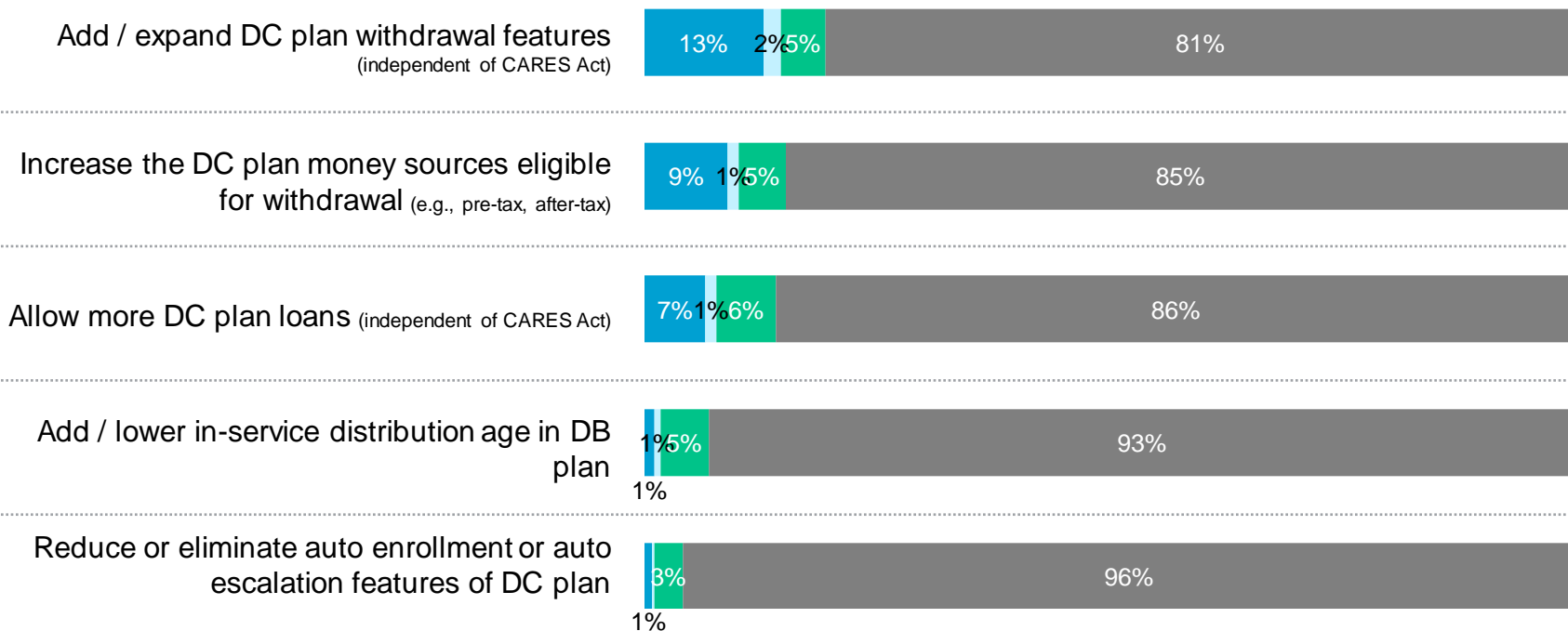
Low negative impact: Employers who expect that COVID-19 will have a low impact on business/productivity/wellbeing over the next 6 months.

Source: 2020 COVID-19 Benefits Survey, United States.



# Few employers adopt plan changes to enhance cash flow beyond the CARES Act

Has your company taken or does it plan to take any of the following actions to support financial needs of employees?

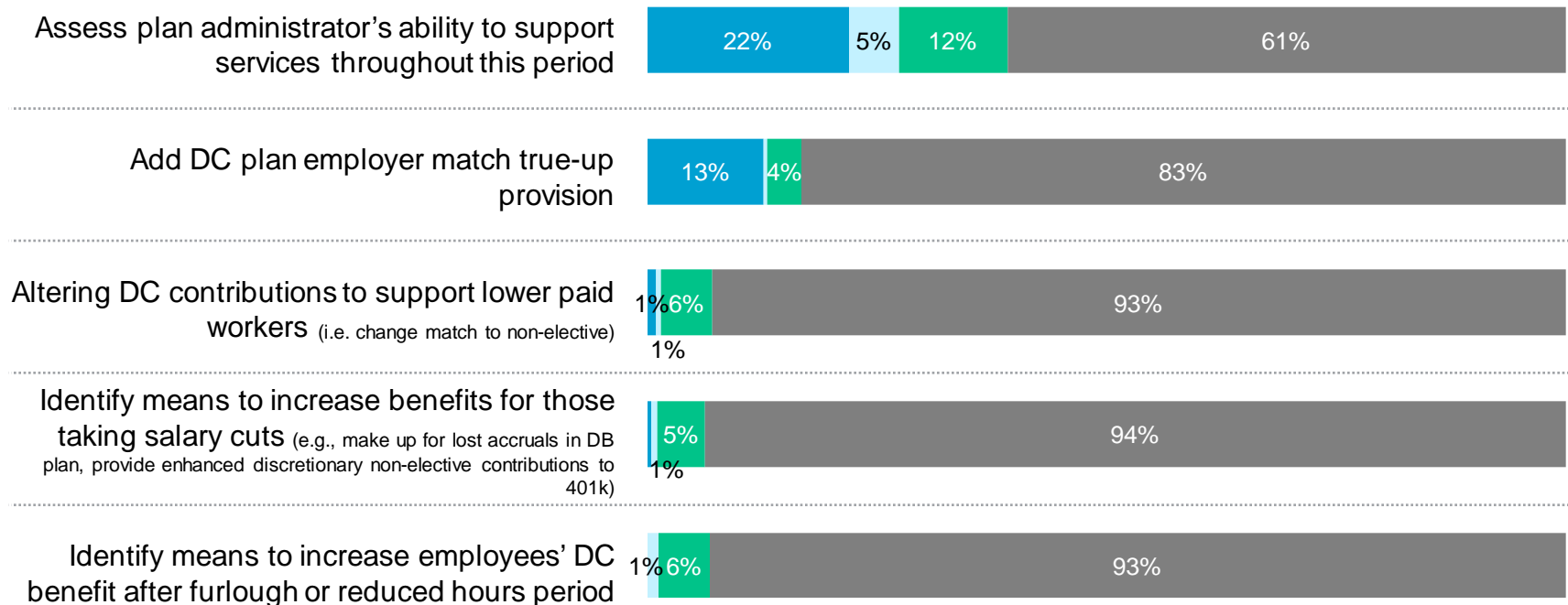


■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions

Note: Based on benefits provision. “Not applicable” and “Not sure” option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.

## About 1 in 5 employers are checking on the continuity of services of their plan administrator

Has your company taken or does it plan to take any of the following actions to support financial needs of employees?

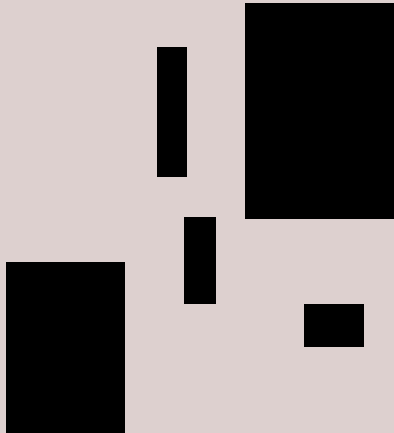


■ Action taken
 ■ Planning actions
 ■ Considering actions
 ■ Neither planning nor considering actions

Note: Based on benefits provision. "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Benefits Survey, United States.

## Section 07: Paid Leave



# Most companies have either separate vacation, sick , personal days or PTO programs

Unlimited PTO programs are rare with some interest among employers

Which best describes your company's leave programs?

- Separate vacation, sick, personal days
- Paid Time Off (PTO) program
- Unlimited PTO program
- Other



**Total: 92%**

	Is your company considering adopting the unlimited PTO program to replace your current design?	Is your company considering replacing the unlimited PTO program for another design?
Yes, planning to replace it in the next two years	2%	0%
Yes, considering it but no set plans	9%	14%
No	89%	86%

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Benefits Survey, United States.

# Annual carryover or maximum accrual limits are common but few employers offer cash-out of accrued balances (when not required)

As of January 1, 2020, did your organization's paid time off (PTO) or vacation/sick day benefits include any of the following features?

Payout of accrued and unused time at termination of employment 88%

Maximum accrual limits 85%

Annual carryover limits 70%

Allow negative balances 48%

Annual cash-out of accrued balances 19%

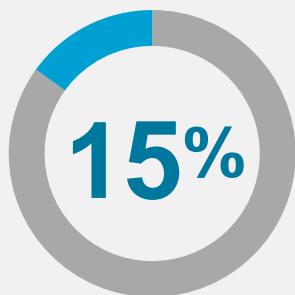
Note: "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United States.

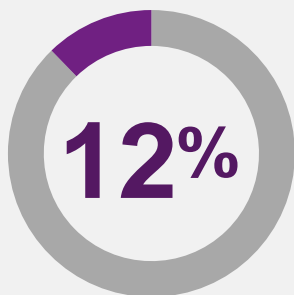
# More than 2 in 5 employers have made or plan to make changes to their PTO/vacation/sick plan designs

Did your organization add/enhance or eliminate/reduce the various plan features of your paid time off (PTO) or vacation/sick day benefits due to COVID-19 pandemic?

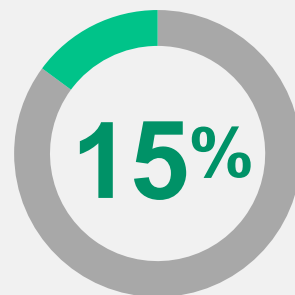
## Changes to PTO or Vacation/Sick plan designs



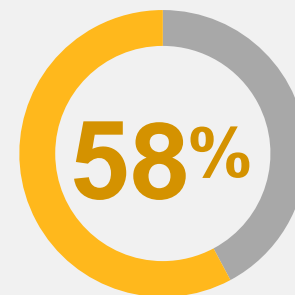
**Made changes**  
and plan more  
changes



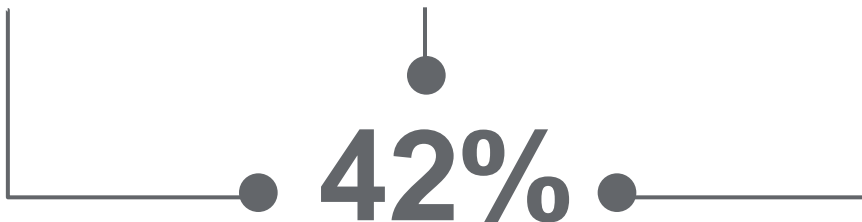
**Made changes**  
but don't plan more  
changes



**No changes** but  
plan to make  
changes



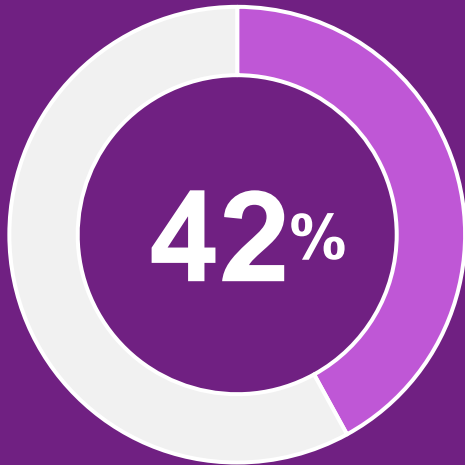
**No changes** and  
don't plan changes



Note: Percentages may not add up to 100% due to rounding.  
Source: 2019 Benefits Trends Survey, United States

# Most employers who have made or plan to make changes are focused on enhancing flexibility and minimizing the build-up of accrued days by year end

## Making or planning any plan changes

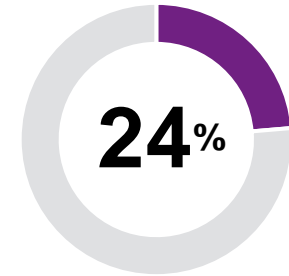


### Types of plan changes (Enhance or Reduce)

- Changes to limits (carry over or accrual)
- Cash-out of accrued balances
- Accrual rates
- Designated holidays, floating/personal days
- Negative balances

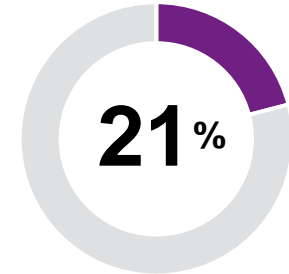
## Minimize Lost Days

- Increase limits (carry over or accrual)
- Add/increase cash-out of accrued balances



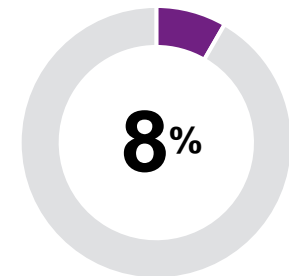
## Enhance Flexibility

- Increase accrual rates
- Add designated days or holidays
- Allow/increase use of negative balances



## Cost Reducers

- Eliminate/reduce any plan design features

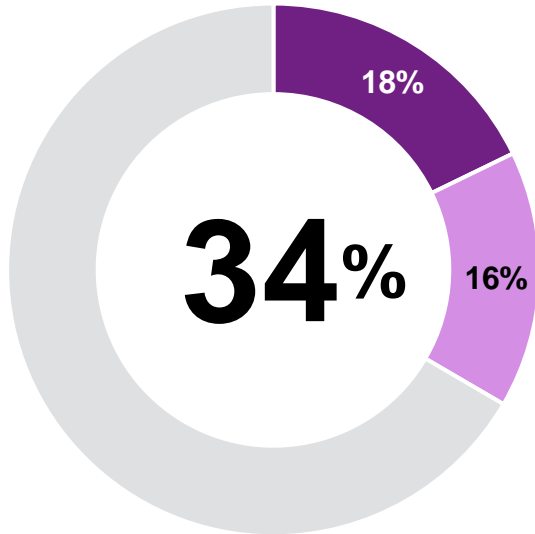


Source: 2020 COVID-19 Benefits Survey, United States.

# Nearly twice as many employers are looking to address the anticipated accumulation of time at year end than to reduce costs

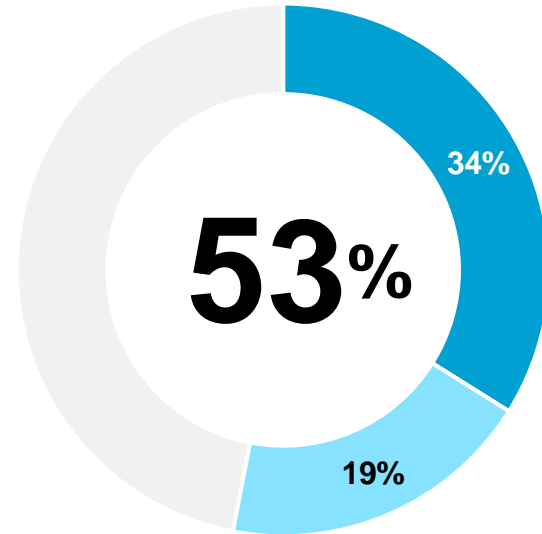
To what extent are the following important reasons your organization has or plans to modify your PTO/vacation benefit?

To reduce costs



- To a great extent (4 or 5)
- To a moderate extent (3)

To address an anticipated surplus of time at year end

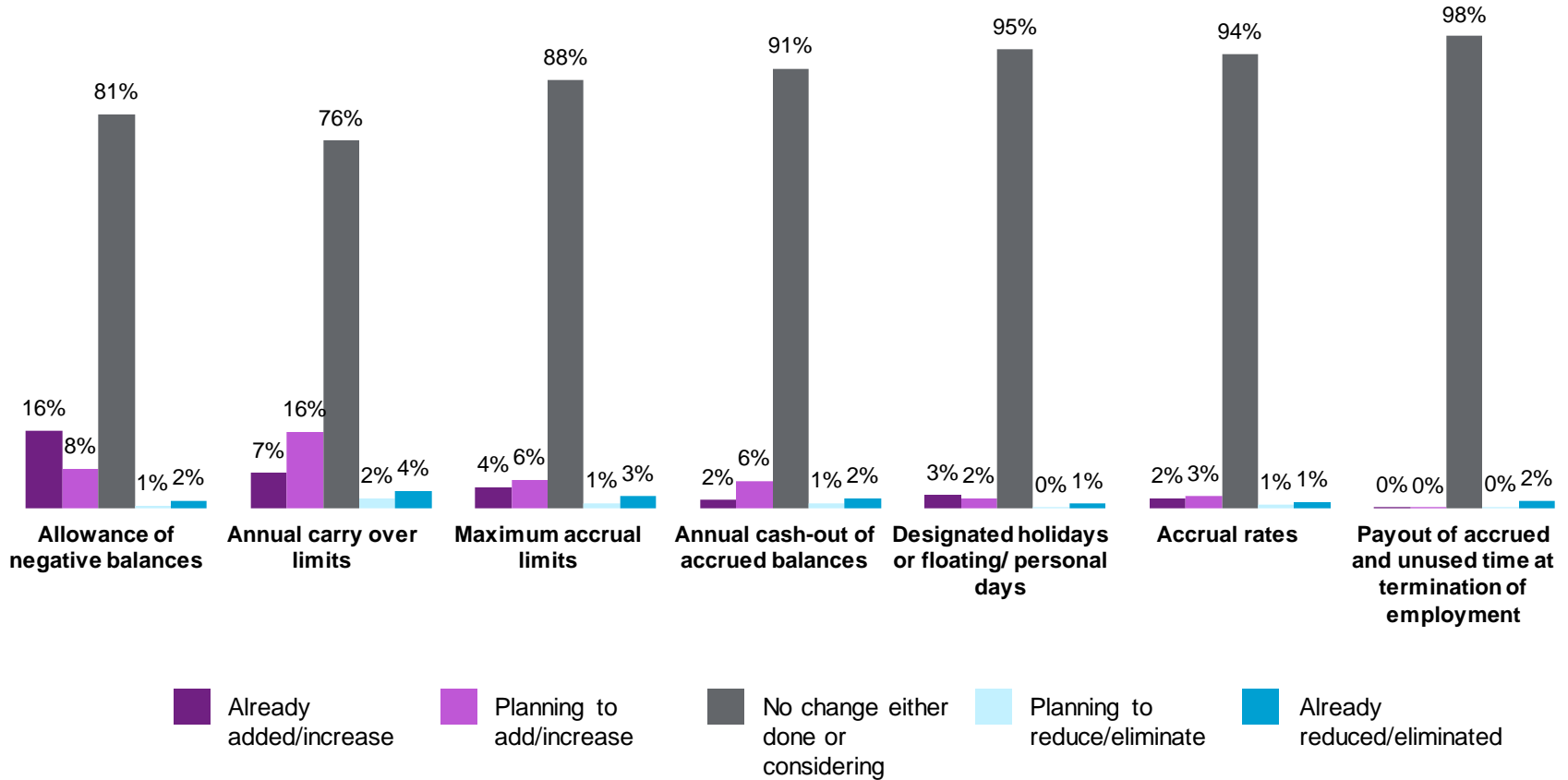


- To a great extent (4 or 5)
- To a moderate extent (3)

Sample: Respondents who have already or plan to enhance/reduce any plan design features of PTO or vacation/sick programs due to COVID-19 pandemic.  
Source: 2020 COVID-19 Benefits Survey, United States.



# Changes to carry over limits and allowing negative balances are the most common changes to leave programs



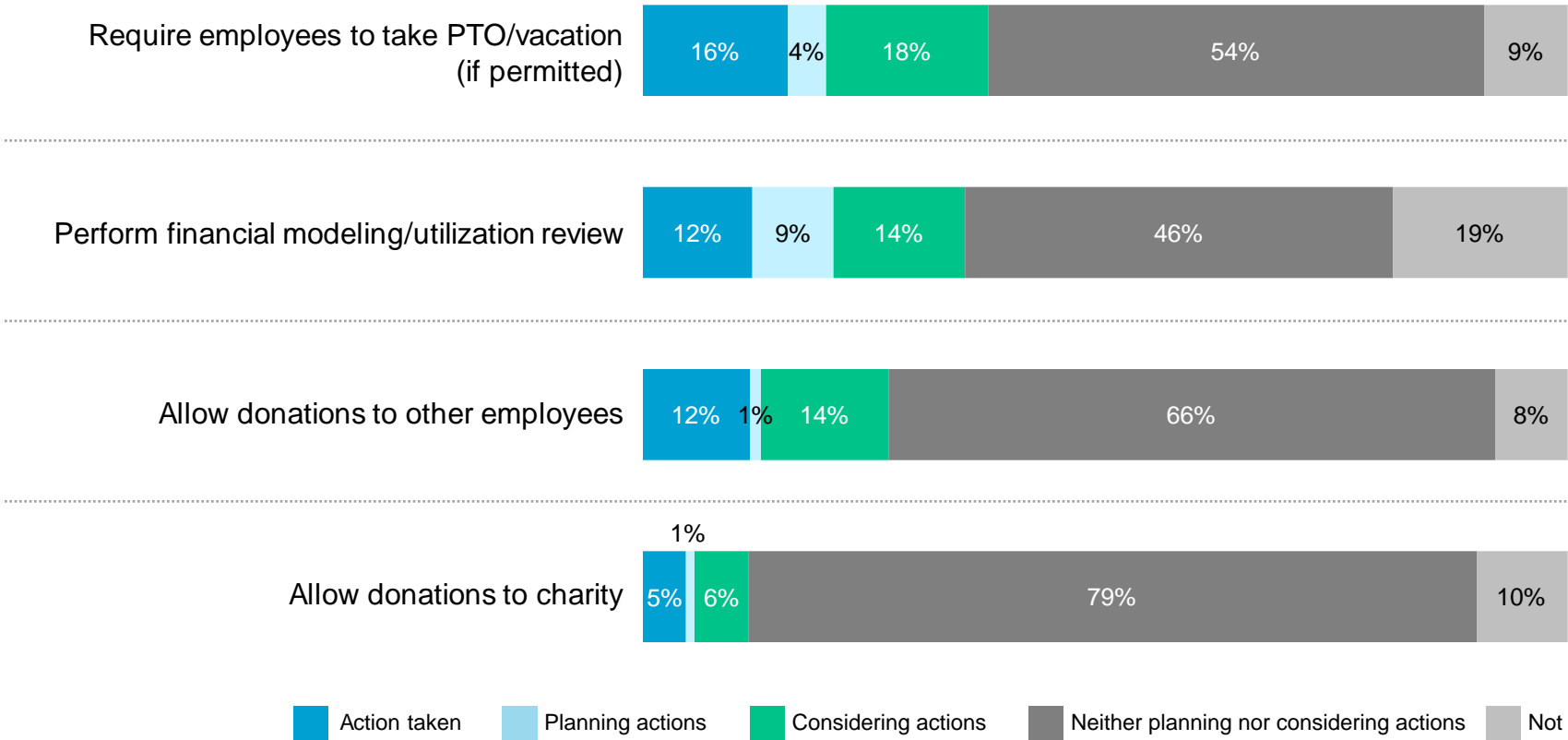
Note: Chart compares prevalence of both actions already taken and planning so percentages will not add to 100%.

“Not applicable” and “Not sure” option excluded.

Source: 2020 COVID-19 Benefits Survey, United States.

# Employers increasingly look at requiring employees to take PTO or vacation to reduce the year-end build up

Has your organization taken or does it plan to take any of the following actions towards your PTO/vacation benefit due to the COVID-19 pandemic?



Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Benefits Survey, United States.