

2026 NFP U.S.

Benefits Trend Report: **Supplemental Benefits**

Recalibrating strategy across key cost drivers and
understanding the priorities shaping organizations.



Table of Contents

3	A Letter From Kim and Beth	10	About the Report
4	Key Takeaway	11	About the Data
5	Supplemental Benefits Closing the Affordability Gap in a Changing Economy	13	About the Experts
		14	About NFP

A Letter from Kim and Beth

The benefits landscape is shifting in ways that are both familiar and fundamentally new. Costs are on the rise, as are expectations, and the pace of change shows no signs of slowing. As leaders are being asked to manage uncertainty with more precision and support their people with more intention, yesterday's solutions are no longer meeting the needs of today.

What we heard in this year's research is a story of dual pressures. Employers are contending with structural cost drivers across the workforce, the growing complexity of care and the expansion of new, high-cost treatments like GLP-1s. At the same time, employees are carrying greater financial strain and looking to their employers for help, stability and support. These pressures magnify each other. When the cost of care becomes harder to manage, it becomes harder for employees to thrive. And when employees struggle to thrive, employers feel it in every corner of the business.

This moment is also defined by opportunity. Organizations are rethinking outdated approaches, embracing new technologies and using data to make smarter, more confident decisions. They are sharpening their understanding of what people need, expanding the definition of what a benefits program can deliver and recognizing that employee experience and organizational resilience are inseparable.

Across industries, we're seeing leaders shift from a transactional view of benefits to a strategic one that balances financial stewardship with the responsibility to care for a workforce under growing strain. Leaders know that cost containment and employee wellbeing are not competing priorities. They are two sides of the same path forward.

NFP's teams have the privilege of walking that path with you. Our role has always been to help employers see around corners, interpret complexity and build strategies that reflect both the realities of today and the possibilities of tomorrow. This year's report captures those realities with clarity and looks ahead with optimism. We hope it helps you take your next step with confidence.



Kim Bell

EVP, Head of Health and Benefits



Beth Robertson

Co-Leader, Health and Benefits

Key Takeaway

Supplemental

Supplemental benefits are massively underused by employees.

~1 in 3

employees (28%) fully use supplemental benefits and 13% forget they have them at all. That's a lot of employees losing out on a strong financial tool.

Facts and figures are from NFP's 2025 employer and employee benefits trends surveys unless otherwise indicated.

The majority of employer respondents (76%) represented organizations with 1,000 employees or fewer. Employee respondents included a mix of ages, genders and income levels, and the majority (89%) were full time employees. See "About the Data" on page 11 for a full overview of the survey population.



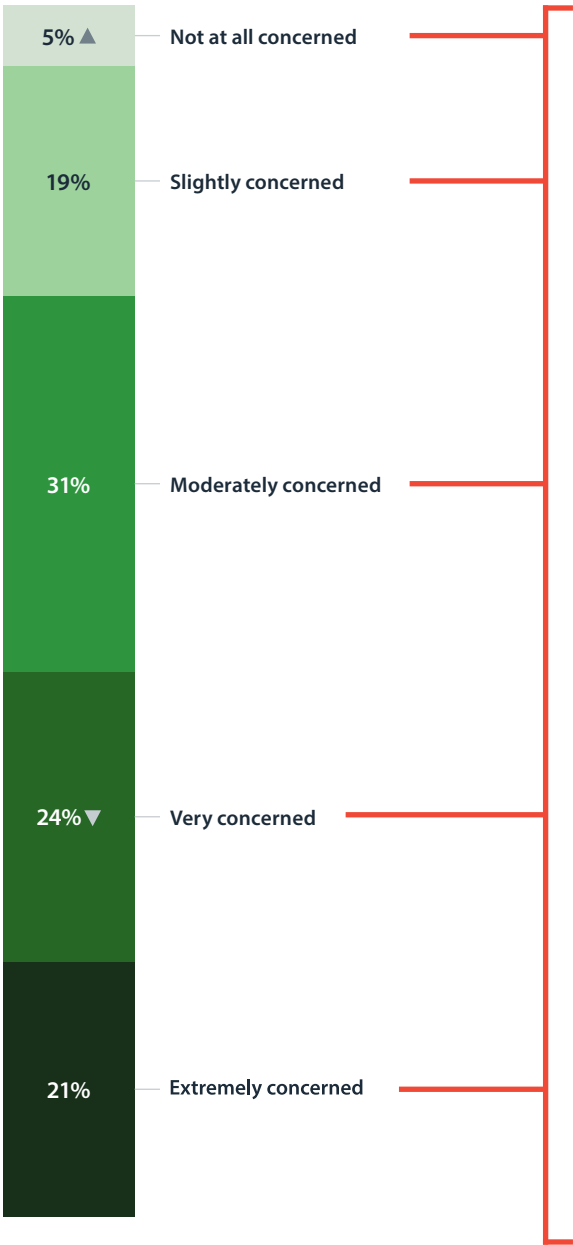
Supplemental Benefits

Closing the Affordability Gap in a Changing Economy

As employers work to contain rising healthcare costs, employees remain concerned about the economy, even if those concerns have softened somewhat year over year. At the same time, they are facing a growing burden of out-of-pocket expenses. The combination of higher prescription and mental health costs, reduced savings and increasing financial insecurity highlights a troubling trend.

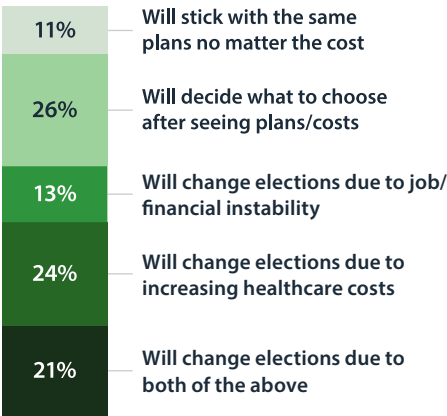
As discussed in NFP's breakdown of 2026 wellbeing trends, many employees report difficulty paying for needed care. Financial pressures suggest that some may delay or avoid treatment when costs rise. In this environment, supplemental health benefits have shifted from optional extras to essential tools for supporting financial stability.

Employee Concern About U.S. Economic Situation



Among Employees with Significant Concern, Impacts Are Expected for...

Open Enrollment Elections



Core Benefits Selection

Will likely choose lower cost plans	38%
Will likely need to enroll in fewer benefits	21%
Will likely choose the higher cost plans	16%
Will not impact my choices	25% ▼

Supplemental Benefits Selection

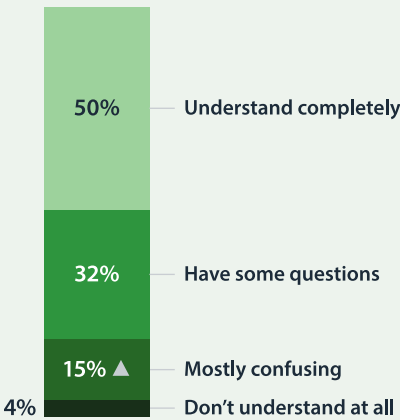
Will have to review their cost before I decide	55%
Will elect them no matter what	25%
Won't be able to enroll in the coming year, the budget is too tight	19%

Employers increasingly view supplemental offerings as an important part of the total rewards experience. External research from the Employee Benefits Research Institute supports this perspective,¹ showing measurable gains in satisfaction, retention and financial stability when these benefits are available.

Critical illness and hospital indemnity often have the greatest impact on recruitment, retention and absenteeism, underscoring the role these programs play in total rewards strategy.

Despite this, there remains a persistent gap in understanding, one that is widened by the difference between how well employers believe employees grasp their benefits and how confident employees actually feel.

Employee Understanding of Benefits



Many employees struggle to effectively use their supplemental benefits, with less than a third fully using these benefits as intended and 13% forgetting they have them at all. Atop that, nearly four in ten admit they don't use the benefits when claims arise.

1. Jake Spiegel and Bridget Bearden. Expanding the Benefits Horizon: How Employers View Voluntary Offerings, Employee Benefits Resource Institute, ebri.org, 2025.



It's essential for employers to provide even clearer guidance and real-world examples of when supplemental benefits apply. This will help employees recognize eligible situations and avoid leaving valuable coverage unused.

Employee Usage of Supplemental Benefits

Could do better at utilizing these benefits when claims arise	35%
Use these benefits to the max and am good about filling out claims when they arise	28%
Have not had a need to use these benefits	15%
Forget that I have these benefits	13%
Not enrolled in these types of benefits	8%

The data also highlights a communication perception gap: employees feel less satisfied with the clarity and usefulness of benefits communication than employers believe they are delivering. While employees say they struggle to find information or understand how to use their benefits, employers rate their own communication performance much higher.

The gap widens when looking at openness to resources: employees are open to additional tools and guidance, but their interests vary, and employers often struggle to identify which options will have meaningful adoption, provide visible value to employees and merit budget allocation.

The result is a mismatch between the help employees want and the support employers believe is necessary, creating conditions that ultimately drive higher claims costs.

On average, employee experience of communication effectiveness trails employer perception by 20%.

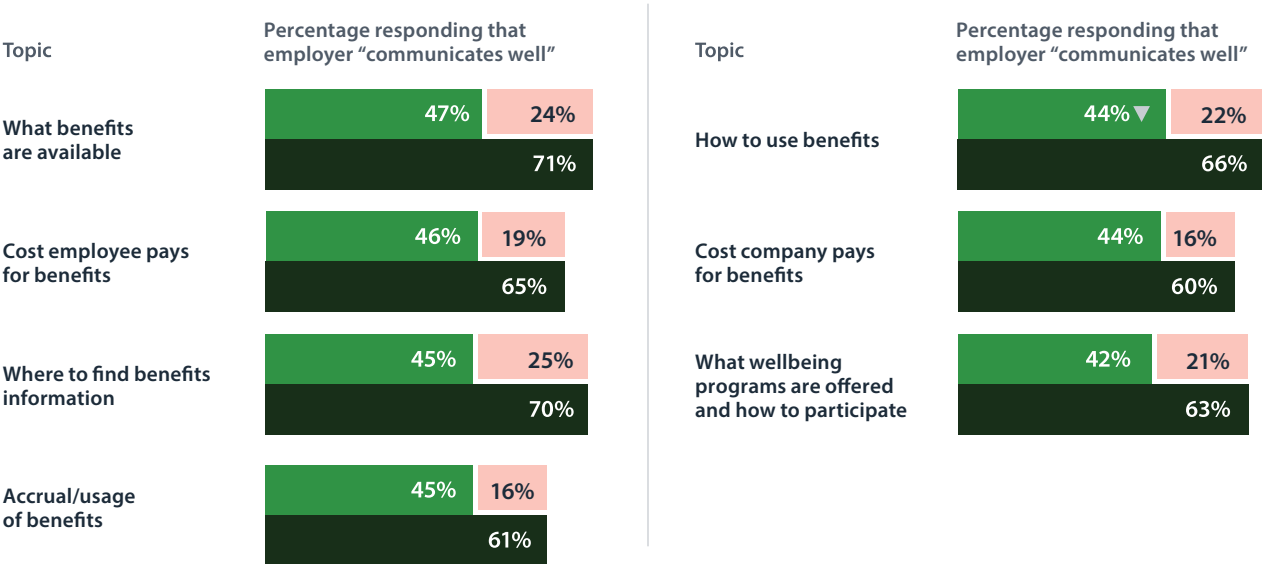
Is Benefits Communication Working? *(Employer-Employee Perception Gap)*

Key:

Employee

Employer

Difference



Employer Openness to Added Benefits Literacy Resources

Resource	Employer Openness	Employee Interest in Resource
Offer additional one-on-one counseling sessions or HR office hours	57%	31%
Improve our printed and digital communications materials	49%	17%
Turn on a benefits call center or care navigation service, if cost-neutral	33% ▼	20%
Turn on a benefits call center or care navigation service, even if we had to pay for it	37%	
Utilize on-site licensed benefit professionals, if cost-neutral	40%	25%
Utilize on-site licensed benefit professionals, even if we had to pay for it	29%	
Add clinical appropriateness of care AI-based decision support tools, if cost-neutral	38% ▲	25%
Add clinical appropriateness of care AI-based decision support tools, even if we had to pay for it	34%	

| **97%** of employers express interest in adding at least one resource.

As these gaps translate into higher costs across the system, **supplemental benefits provide a lever for employers to strengthen financial protection without significantly increasing core medical spending.**



There is also rising interest in expanding beyond the traditional trio of supplemental health offerings. Employers are exploring programs that support preventive care, chronic condition management, behavioral health and family wellbeing, reflecting a broader shift toward personalization and the diverse needs of a multigenerational workforce.

The question is no longer whether these benefits matter. They clearly do. The real challenge is how effectively employers can communicate, personalize and integrate them into a connected, strategic benefits experience.

For years, these programs have been an iron-clad way to help employees manage the unpredictable costs associated with accidents, hospitalizations, chronic conditions and caregiving needs, expenses that can quickly exacerbate an already fragile financial situation.

More employers are beginning to integrate supplemental benefits into a broader financial wellbeing strategy. Some are tailoring offerings to key demographics or job roles, ensuring that high-impact support reaches the employees who need it most. Others are pairing supplemental programs with navigation tools, personalized communication or financial-education resources to help employees understand how these benefits fit within their broader health and financial ecosystem.

About the Report

NFP's 2026 U.S. Benefits Trend Report captures a snapshot of rising expectations, expanding complexity, and an ongoing gap between what employees need and what employers are equipped to deliver. What we heard from both employers and employees alike is a story of dual pressures.

Leaders are balancing structural cost drivers, talent shortages, regulatory evolution and the introduction of high-cost treatments. At the same time, they're working to maintain trust, simplify experiences and reduce friction across systems. Employees, with their own competing responsibilities, are seeking clarity, confidence, and meaningful support in moments that matter, yet still struggle to understand or fully utilize the benefits available to them.

Whether the challenge is cost, complexity or clarity, every solution starts with the same absolute: connection. When data, communication and benefit strategies operate as a single ecosystem, employers

can align intent with experience, close gaps in understanding and strengthen the value proposition for every employee. This report highlights where those opportunities exist and how employers can take action.

As you look to the year ahead, we hope these insights serve as a guide to help you see around corners, anticipate disruption and design benefits that support your people and your long-term goals. The challenges are real, but so is the opportunity to create a benefits experience that is more connected and reflective of where work and benefits are headed.

And as always, we're here to help you navigate the path ahead.

About the Data

NFP 2026 U.S. Benefits Trend Report draws on data from NFP’s 2025 U.S. Benefits Trends Employer Survey and Benefits Trends Employee Survey, which were conducted in October 2025 in partnership with Empatix, a strategy, insights and activation firm.

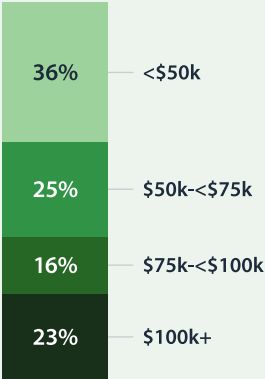
The employer survey of 500 benefits decision-makers was conducted online. Respondents represented a mix of organizations across the US, ranging in size from <100 employees to 5,000+, with an emphasis on companies with 500 or fewer employees. To qualify for the survey, respondents had to have decision-making responsibility for their organization’s benefits offerings.

The employee survey included a mix of 1,012 employees from various company sizes across the US. To qualify for the survey, respondents had to receive insurance through their employer and have primary or shared health insurance decision-making responsibility.

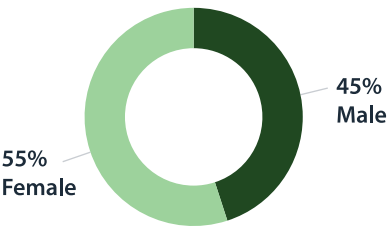
Any other sources are as referenced throughout. Due to rounding conventions, data may not add to 100%. 2025 data was compared to 2024 throughout. Statistically significant year-over-year differences are indicated by up or down arrows on 2025 data points. For full information on the methodology for each NFP survey, contact marketing@nfp.com.

Employee Survey Demographics

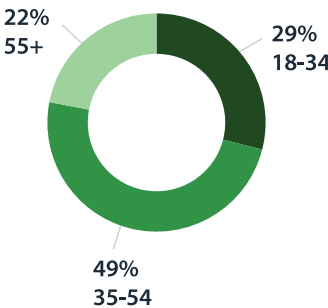
Household Income



Gender



Age



Employment Status

Employed full time	89%
Employed part time	10%
Contract employee	1%

Job Description

White collar – Office, cubicle, or other professional, desk-based environment, including remote	41%
Grey collar – Typically interact in-person with customers and/or the public in a non-office setting	35%
Blue collar – Requires physical labor/skilled trade	24%

Employer Survey Firmographics

Employer Size

2-50	13%
51-100	19%
101-500	25%
501-1,000	19%
1,000+	24%

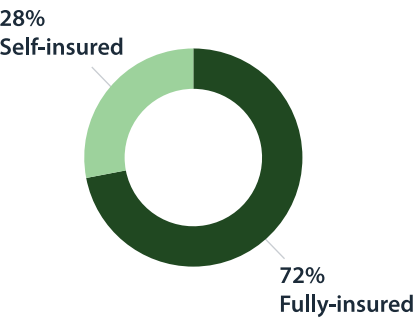
Industry

Healthcare	22%
Manufacturing	12%
Professional Services	11%
Retail and Wholesale Trade	10%
Construction	8%
Education	6%
Hospitality	6%
Financial Services	6%
Transportation/Trucking	5%
All Other (Government, Real Estate, Agriculture, Media, Life Science, etc.)	15%

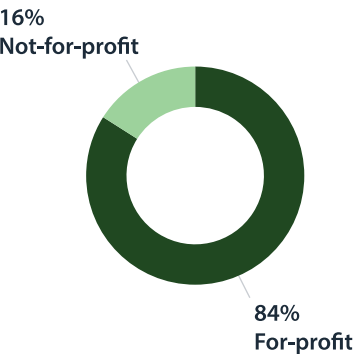
Company Headquarters' Region

South	39%
New England	22%
West	20%
Midwest	19%

Benefits Program Funding Model



Incorporation Status



About the Experts

Kim Bell

Kim is executive vice president, head of Health and Benefits at NFP, where she directs the overall strategy and operations for NFP's national employee benefits practice. With more than 30 years of experience in the employee benefits industry, Kim is an influential thought leader in the corporate benefits space. She graduated from Indiana University's Kelley School of Business with a Bachelor of Science in finance and has a Master of Science degree in management from Indiana Wesleyan University. Kim also holds the Certified Employee Benefits Specialist® (CEBS) designation from the International Foundation of Employee Benefit Plans.

Beth Robertson

Beth Robertson is the co-leader of the Health and Benefits business line at NFP. With over 25 years of experience in employee benefits, human resources and financial management, Beth brings a strategic and client-focused approach to leadership. Since joining NFP in 2005, she has held various roles, including managing director of the Atlantic region, vice president of Strategic Accounts and AVP, senior consultant. Beth's career is distinguished by her work across diverse industries, with a particular focus on government contractors, nonprofits, and private equity. Beth earned her Bachelor of Science degree from Penn State University.

Nick Conway

Nick is president of Rx Solutions, where he guides a team working across private equity, coalitions, small carved-in groups, consultants and pharmacists. Throughout his career, Nick has prioritized patient needs, community health and industry advancement to impact prescription medication accessibility and affordability nationwide.

Deb Smolensky

Deb Smolensky is senior vice president and practice leader for Vitality and Wellbeing Solutions and the #1 best-selling author of Brain On! She is an award-winning thought leader in health and human performance who advises executive teams on building healthier, higher-performing and more connected workforces. Deb also serves as an innovation leader across insurtech, fintech and digital health, helping organizations evaluate, shape and scale next-generation solutions that deliver workforce impact and business value. She holds a bachelor's degree in accounting from Illinois State University and multiple certifications in organizational health and productivity.

Maria Trapenasso

Maria M. Trapenasso serves as the senior vice president and national practice leader of Talent Solutions. She oversees NFP's HR consulting practice and guides clients to develop solutions unique to each organization. Maria specializes in leave management, compliance, HR audits and organizational development. Maria has 30 years of HR expertise. In previous roles, she focused on evaluating HR organizations for strategic alignment, implementing total rewards programs and designing impactful training initiatives. Maria is a Senior Certified Professional (SHRM SCP) and Leave Management Specialist (DMEC-CLMS), with membership in SHRM and the National Association of Female Executives since 1998. She also holds a NY State Insurance license for Health, Life and Accident Insurance.

About NFP

NFP, an Aon company, helps companies and individuals address today's most significant Risk Capital and Human Capital challenges.

With colleagues across the U.S., Canada, UK and Ireland, and global capabilities enhanced by the Aon advantage, NFP serves a diversity of clients, industries and communities. Our collaborative team provides specialized expertise and customized solutions, including property and casualty insurance, employee benefits, life insurance, executive benefits, wealth management and retirement plan advisory.

For more information, visit **nfp.com**.

