



Goldman Sachs Ayco

Navigating the New Frontier of Total Rewards

A Comprehensive Benefits Analysis of GLP-1s,
Family-Building and Reproductive Health Benefits,
and Modern Leave Strategies

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We examine the current landscape of employee benefits across three key areas: GLP-1 coverage for weight loss, family-building and reproductive health benefits, and parental leave and PTO programs. The findings reveal a market that is becoming increasingly specialized, with employers striving to balance employee needs with operational efficiencies.

Overall, the data suggests that the next three years will focus on enhancing and refining existing benefit structures rather than wholesale transformations. Employers are expected to build upon core offerings by adding specialized benefits tailored to evolving workforce needs.

KEY BENEFIT TRENDS

Taking a “GLP-1 plus” approach to eligibility for weight loss coverage

Employers are carefully considering GLP-1 coverage for weight loss, with cost a major factor in their decision-making (64%). Within the 54% currently offering this coverage, a majority of employers (75%) set BMI thresholds for qualification. We are seeing a growing number (51%) mandate that employees seeking GLP-1 coverage for weight loss meet both the BMI eligibility requirement and complete clinical or behavioral programs, encouraging healthier lifestyles overall.

Engaging suite providers to help employees navigate specialized benefits

For logistically and emotionally complex benefits like family-building and reproductive health services, many employers (48%) have turned to concierge-style suite providers. This shift has plan sponsors decoupling these benefits from general healthcare providers in favor of more tailored solutions.

Relying on standardized monetary limits in approach to benefits with highly volatile expenses

A majority of employers that offer specific family-building benefits have implemented monetary caps on the financial support they provide, including for in vitro fertilization (IVF) / intrauterine insemination (IUI) (63%), adoption (100%), egg freezing (53%), and surrogacy (100%).

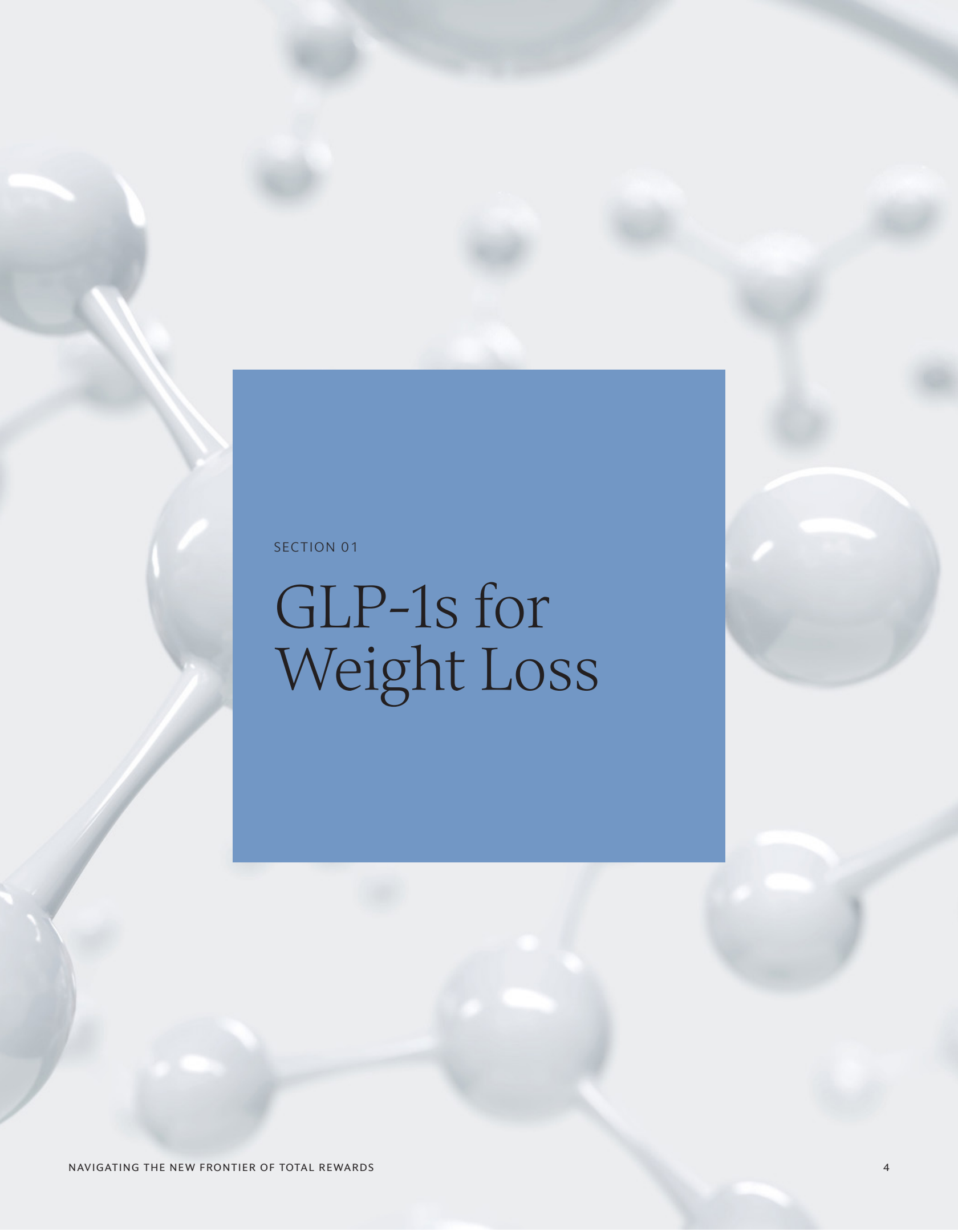
Expanding parental leave offerings, though duration continues to be varied

Parental leave for birthing, non-birthing, and adoptive parents has become all but standard (95%) and the inclusion of foster parents is becoming normalized (56%). However, the amount of leave provided varies vastly between the different parenting classifications, with ranges for birthing parents significantly higher than for other parents.

Hesitancy in adding to specialty PTO benefits

While some specialty PTO offerings have broken into the narrow majority—like floating holidays (56%) and volunteer time off (50%)—others have remained more niche and tied to employers’ unique benefits strategies—like unlimited PTO (26%) and sabbaticals (7%). Despite ongoing discussions, employers appear cautious about implementing significant changes to these programs.

Data based on survey results from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.



SECTION 01

GLP-1s for Weight Loss

Current Employee Benefit Coverage of GLP-1s for Weight Loss

Responding to Increased Demand

As the demand for GLP-1 medications increases, employers are carefully considering if and how coverage of these drugs for weight loss fits into their overall benefits strategy.

While GLP-1s are typically approved to treat diabetes, cardiovascular conditions, and other medical conditions, their coverage for weight loss assistance has received a mixed response from employers so far. **Our findings revealed that a slight majority (54%) now offer coverage for weight loss specifically.**

We asked employers to rank the top three most discussed priorities and the majority ranked cost as most important, followed by long-term health outcomes, and finally turnover considerations.

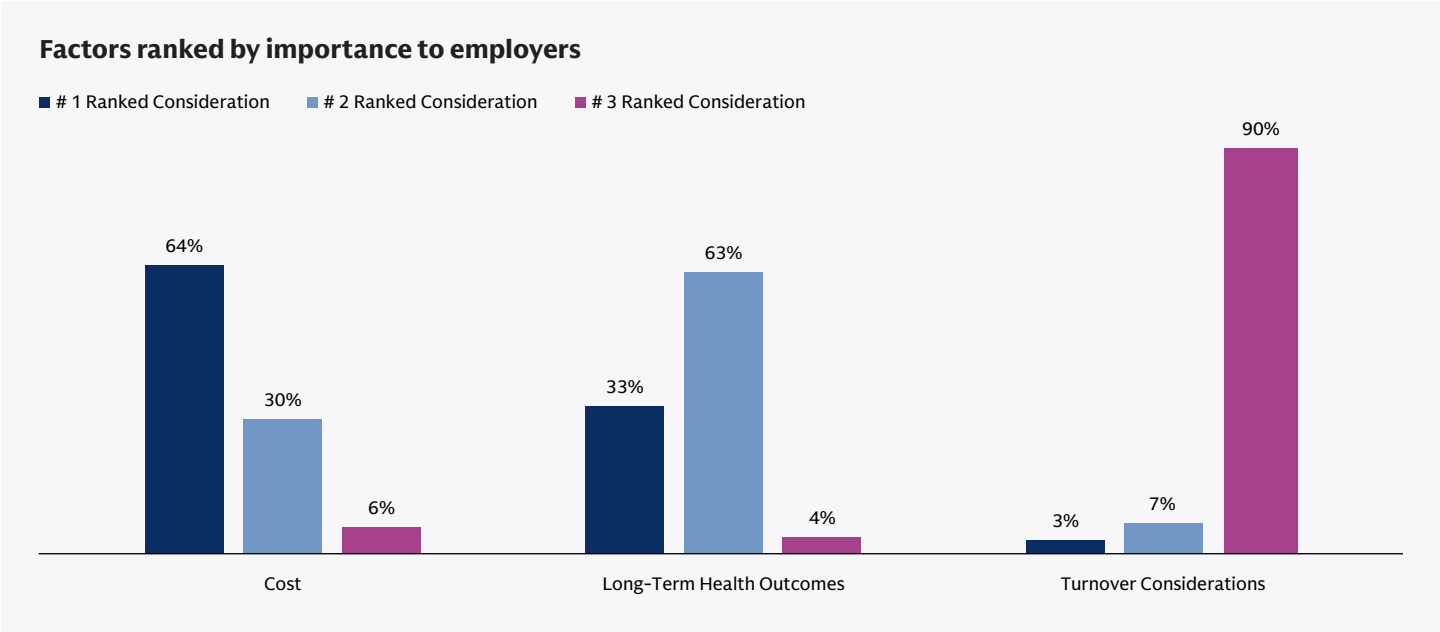
The significant budgetary impact of these high-cost medications—which can often exceed several thousand dollars per patient annually—was cited as the top concern by 64% of employers.

54%
of companies cover GLP-1s for weight loss

Employers also consider the potential long-term health benefits (e.g., GLP-1s as a catalyst toward healthier living, reduction in comorbidities) against the long-term impact of using such drugs.

Turnover considerations were the lowest priority, with 90% of employers ranking them after cost and long-term health outcomes. This indicates that talent attraction and retention currently takes a backseat to the immediate economic and clinical realities of metabolic health management, despite the fact that turnover ratios can lead to unrealized returns on the drugs' results for the employers.

As more outcomes-based research and increased accessibility to these medications becomes available, employers will need to evaluate methods for balancing costs against maximizing the value of the benefit for employees.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

“GLP-1 Plus” Approach

While BMI thresholds remain the primary gatekeeper for coverage (as evidenced by 75% of employers including them as a core criterion), we are seeing an increasingly popular trend (51%) of multi-factor qualification (i.e., pairing this threshold with additional clinical or behavioral requirements).

This shift toward a “GLP-1 plus” approach, where medication is viewed as one component of a broader health strategy, allows employers to promote healthier behaviors that could lead to a healthier overall lifestyle for employees and long-term healthcare savings for employers. With a similar focus on long-term behavior change, 15% of employers defer to medical necessity and physician discretion, and 10% mandate only participation in lifestyle modification or nutrition programs to qualify for GLP-1 coverage. This underscores the growing focus on holistic patient engagement to ensure clinical efficacy and return on investment in the benefit.



How employers are determining eligibility for coverage

MULTI-FACTOR QUALIFICATION



51%

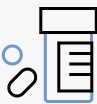
Based on BMI Threshold + Additional Requirements

SINGLE-FACTOR QUALIFICATION



24%

BMI Threshold



15%

Medical Necessity / Physician-Prescribed



10%

Enrollment in Weight Loss or Nutrition Program

Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Future State of GLP-1 Coverage Under Employer-Sponsored Plans

Employers Proceeding with Caution

The data surrounding the likelihood of expanding GLP-1 coverage reveals a landscape of caution and hesitation among HR leaders.

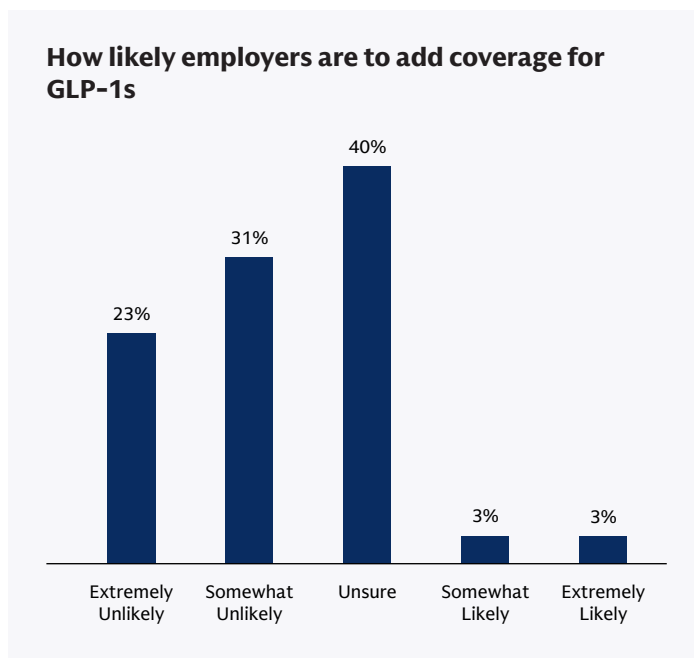
A majority of employers that do not currently cover GLP-1s for weight loss (54%) report being unlikely to add coverage in the near term. This resistance likely stems from the previously identified concerns regarding high annual costs and the lack of immediate ROI.

Perhaps most telling is the 40% that remain "unsure," indicating a significant segment of the market currently in a "wait-and-see" posture. These employers are likely monitoring evolving clinical data, potential price fluctuations, and the long-term health outcomes of early adopters.

With only a combined 6% of surveyed employers expressing any degree of likelihood to add coverage, the prevalence of GLP-1 coverage for weight loss will likely remain relatively stable.

54%

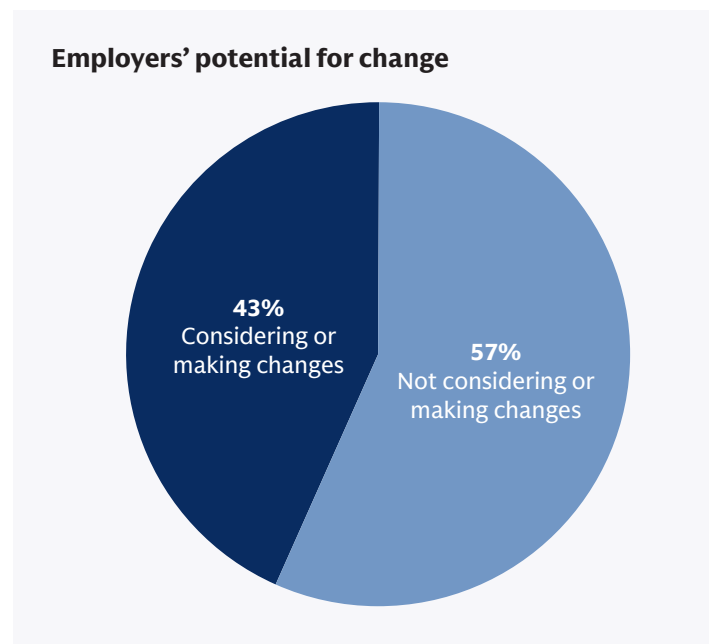
of employers not currently offering are unlikely to add GLP-1 coverage in the near-term



What Changes May Be on the Horizon?

A significant portion of employers (57%) are not currently considering or making changes to their GLP-1 coverage policies. This suggests this subset of HR leadership is either satisfied with their current restrictive posture or is intentionally delaying adjustments until more definitive data on long-term cost-effectiveness and clinical durability becomes available.

The employers that are actively considering or implementing changes (43%) indicates the potential for a substantial shift in the market. This segment likely represents "early movers" who are attempting to refine their utilization management strategies. Of those potential change-makers, 54% are looking to enhance their coverage for weight loss while the other 46% are considering eliminating coverage for weight loss entirely.



Some employers have expressed an interest in setting up direct-to-consumer channels, enabling employees' access to the medication through an added benefit with employer funding. This can be a cost-effective way of helping employees access the drug without medical plan coverage, while also ensuring employer guardrails apply.

Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

A high-angle photograph of three healthcare professionals in white lab coats standing on a modern staircase with glass railings. They are gathered around a tablet, with one person pointing at the screen. The background shows the architectural details of the staircase and the floor.

SECTION 02

Family-Building & Reproductive Health Benefits

An Evolving Approach to Specialized Benefits

A Shift Toward “Suite Providers”?

Employees have come to expect coverage of certain highly specialized and nuanced benefits (e.g., family-building and reproductive health programs) from their employers. While coverage may be available under primary medical plans, administrative and logistical complexities can make navigating these generalized offerings difficult.

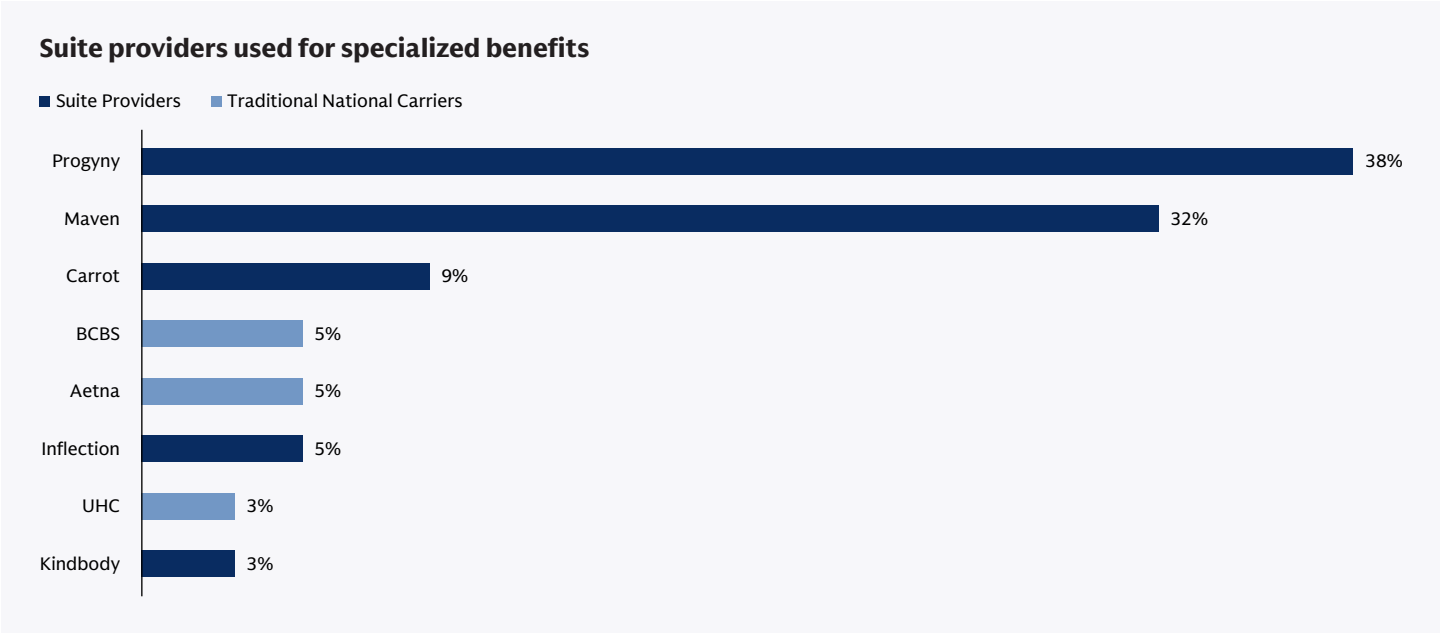
We have seen employers shift toward “suite providers”—specialized providers that offer in-depth, comprehensive services in a specific area (e.g., fertility treatments)—reflecting a desire to streamline employee access to specialized clinical advocacy. The market is currently split almost evenly (48% currently work with suite providers), suggesting that the suite model is gaining traction. By consolidating coverage under one specialized vendor, employers can potentially improve engagement and health outcomes while also reducing the administrative burden on internal teams.

48%
of companies currently work with a suite provider to administer specialized benefits

HR leadership is increasingly decoupling complex benefits from their primary medical plans in favor of tailored solutions.

Analysis of the provider data reveals that two suite providers, Progyny (38%) and Maven (32%), collectively control 70% of the surveyed market. This high concentration showcases that these platforms have successfully positioned themselves as the market leaders for comprehensive family-building and reproductive health support.

In contrast, traditional national carriers—Blue Cross Blue Shield (5%), Aetna (5%), and UnitedHealthcare (3%)—represent a combined market share of only 13%. This disparity highlights a significant trend: when it comes to complex benefits like IVF/IUI and egg freezing, HR leadership is increasingly decoupling these services from their primary medical plans in favor of tailored solutions.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Family-Building Benefits

Employer coverage in this area reveals a prioritization of clinical fertility treatments—in vitro fertilization (IVF) and intrauterine insemination (IUI)—over other forms of family-building support.

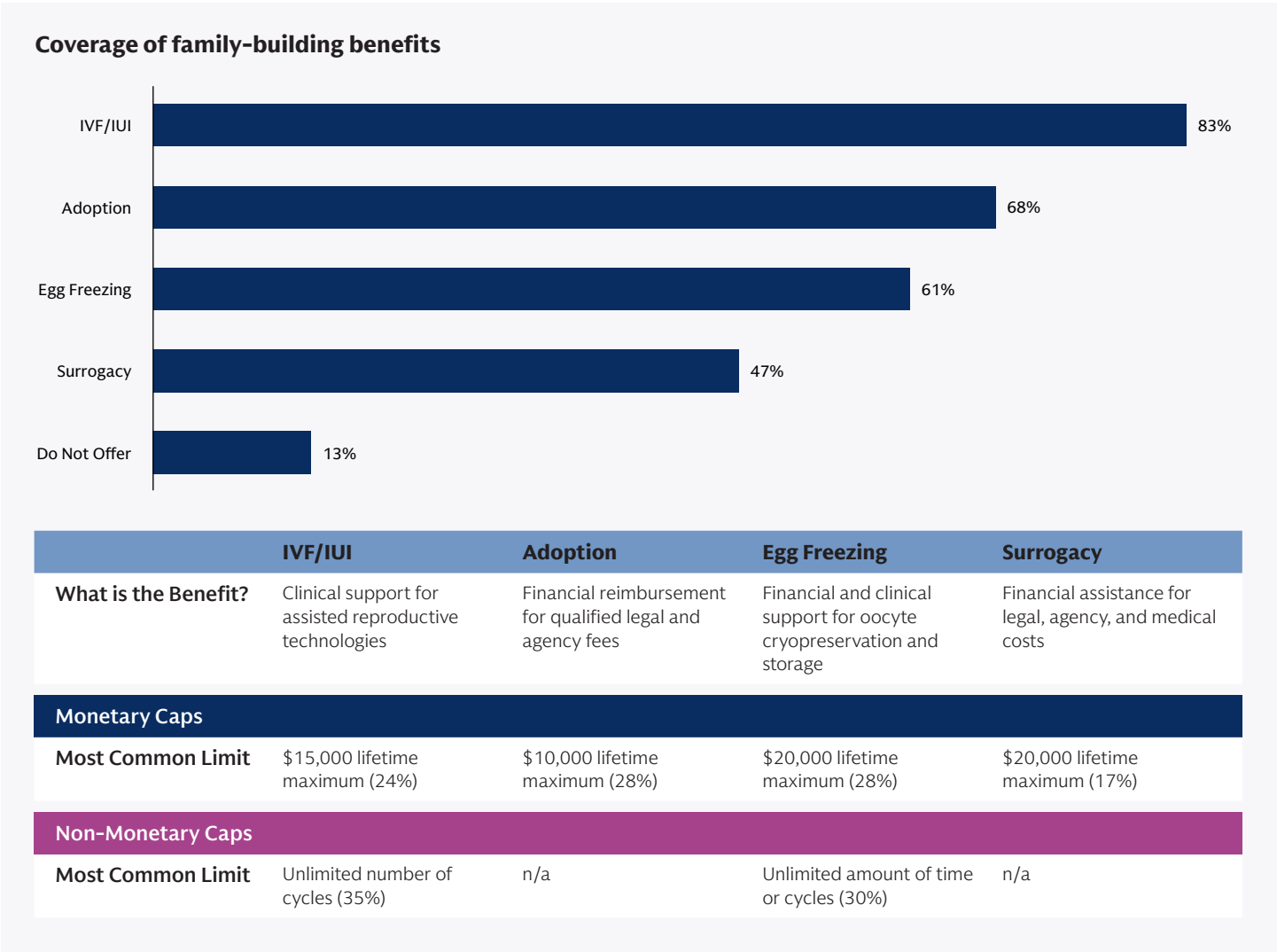
The high inclusion rate for IVF/IUI (83%) signals that a significant majority of HR leaders view assisted reproductive technology as a foundational component of a competitive benefits package, essential for talent attraction and meeting the expectations of a modern workforce. Adoption assistance also remains a staple (68%), reflecting a long-standing commitment to diverse paths to parenthood.

A few key areas where coverage is still maturing emerge, showing potential for growth. While egg freezing is offered by a majority

of employers (61%), lower coverage rates compared to IVF/IUI indicate that it has not fully integrated into the standard benefit suite as of yet. Conversely, surrogacy (47%) remains just outside the majority.

Only 13% of employers do not offer specialized family-building benefits at all. It is clear the vast majority of employers now recognize these offerings as critical pillars of health services and employee retention.

83%
of employers cover IVF/IUI benefits



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Family-Building Benefit Spotlight: IVF/IUI

Employers that offer an IVF/IUI benefit (83%), show a clear preference for monetary structuring (63%) over non-monetary structuring (37%). This distribution suggests that the primary objective is to provide a financial commitment that allows for precise budget forecasting and cost containment.

By offering a specific dollar amount, employers can mitigate the financial risks associated with the high and often unpredictable costs of fertility medications and laboratory procedures.

The analysis of monetary IVF/IUI benefits reveals a concentrated lower middle-market benchmark, with the most common levels of support between \$15,000 and \$20,000. For HR leaders, these figures represent a strategic middle ground. While a single cycle (including specialty medications and genetic testing) can often exceed \$15,000 to \$20,000, these amounts provide a significant subsidy that makes treatment accessible for a broader range of employees without creating an open-ended financial liability for the plan.

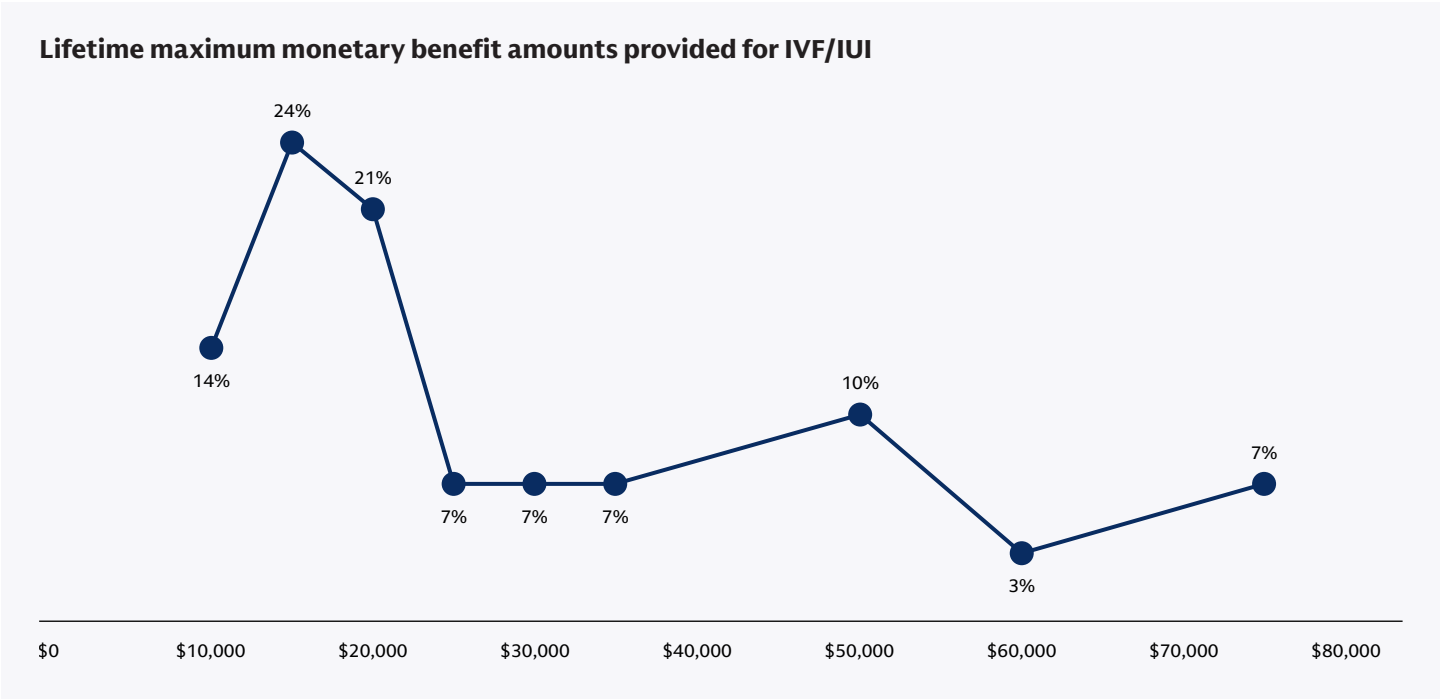
A notable high-tier segment also exists, with 27% of employers offering \$35,000 or more, including 7% at the \$75,000 level. These higher caps are often designed as comprehensive family-building funds intended to cover multiple rounds of treatment or a

combination of IVF/IUI, and subsequent embryo transfers. In highly competitive sectors, these robust monetary benefits are used as a key pillar of a total rewards strategy to attract and retain talent.

With the rising costs of reproductive healthcare services and inflation in pharmaceutical pricing, benefits at the lower end of the spectrum may be viewed as insufficient by employees.

Majority of employers implement a monetary cap on IVF / IUI benefits

Monetary Cap on Benefit (63%)	
What is the Benefit?	Clinical support for assisted reproductive technologies
Most Common Limit	\$15,000 lifetime maximum (24%)
Benefits to Employers	Cost containment and reliable budget forecasting
Considerations for Employers	Rising costs for treatments and medications could make IVF/IUI inaccessible without a significant level of support



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

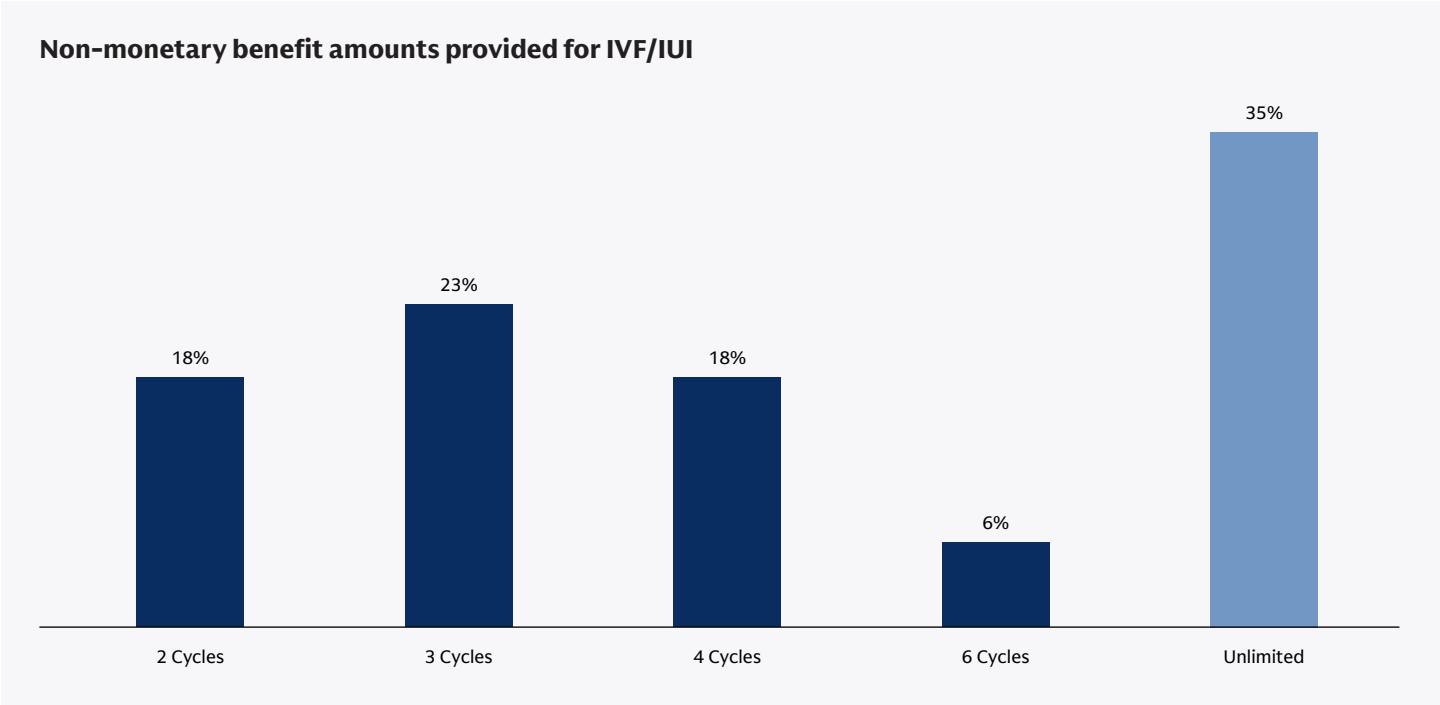
Non-monetary, cycle-based IVF/IUI benefits most commonly designed to align with clinical best practices

	Non-Monetary Benefit (37%)
Typical Structure	Cycle-based coverage often facilitated through suite providers
Most Common Limit	Unlimited number of cycles (35%)
Benefits to Employers	Consistency in coverage, regardless of geographic or economic status, provides employees with a level of certainty in an otherwise uncertain process
Considerations for Employers	Associated costs (e.g., specialty medications, laboratory fees, procedure costs) can be high and variable, leading to volatility in benefit spending

The employers providing non-monetary benefits typically structure coverage based on a number of cycles, shifting the strategy toward clinical outcomes and health equity. This model ensures that the value of the benefit remains consistent regardless of geographic price variations or inflation in medical services. For HR leadership, this approach is often viewed as more holistic, as it removes the "financial guesswork" for employees and focuses on the ultimate goal of a successful pregnancy.

While the highest concentration of employers (35%) now offer unlimited cycles for IVF/IUI, on the whole, this is not yet the standard. A combined 65% of employers set some level of cycle limit, with the majority of this subset covering up to three cycles (23%). This is strategically significant, as clinical research often indicates that the cumulative success rate stabilizes after three cycles.* **By aligning the benefit with this clinical benchmark, employers can balance between highest level of employee benefit and the total cost of care.** While unlimited cycles offer the highest perceived value, cycle-based caps—particularly those at three or four cycles—provide a structured framework that mirrors clinical best practices.

As fertility benefits transition from a perk to a core expectation, the prevalence of unlimited and high-cycle offerings suggests that employers are increasingly prioritizing clinical efficacy over cost-containment.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

* National Library of Medicine, 2025.

Family-Building Benefit Spotlight: Adoption

Adoption benefits are well on their way to becoming a standard benefit offering (68%), though are covered at lower thresholds than clinical fertility treatments. Adoption benefits are typically structured as monetary reimbursements.

Providing financial assistance rather than full-coverage benefit

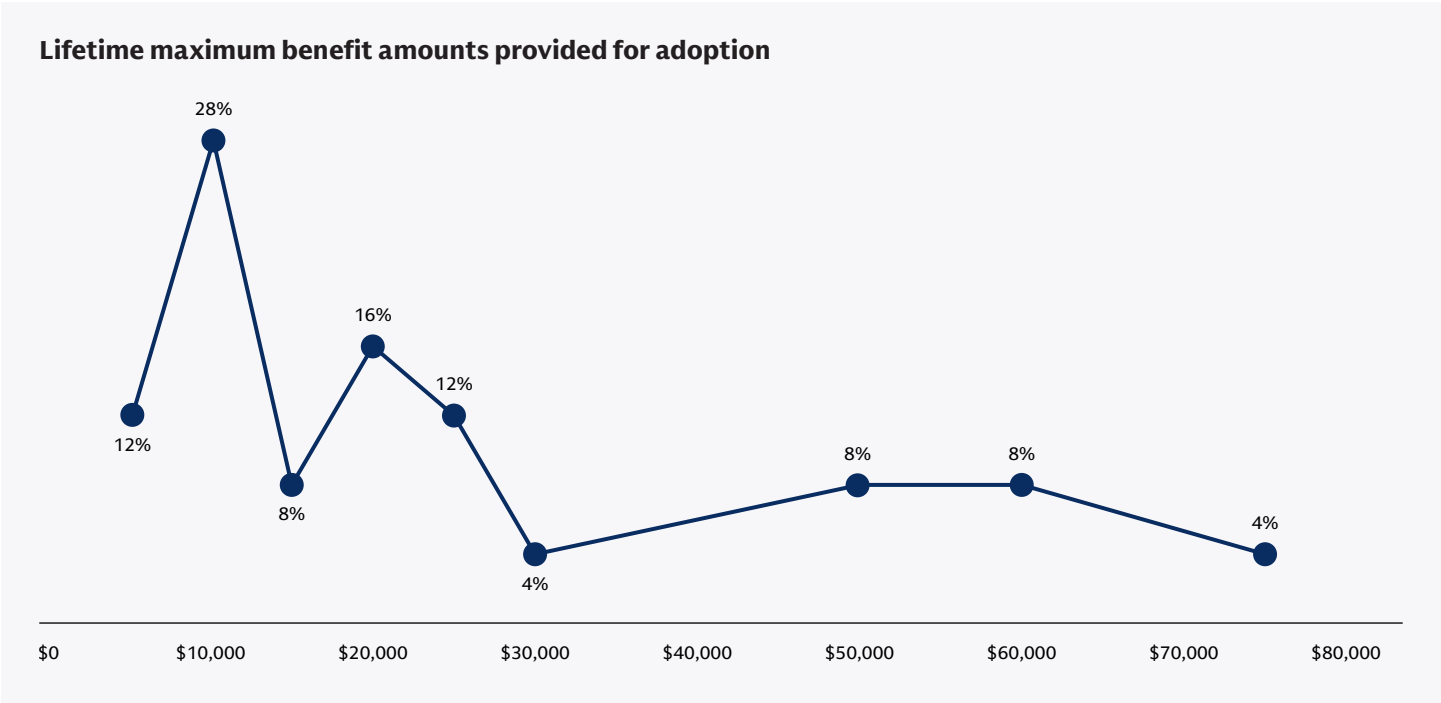
Monetary Cap on Benefit (100%)	
What is the Benefit	Financial reimbursement for qualified legal and agency fees
Most Common Limit	\$10,000 lifetime maximum (28%)
Benefits to Employers	Predictable administrative costs
Considerations for Employers	Costs of private and international adoptions can be much higher and exceed lower monetary caps

The most common benefit amount is \$10,000, offered by 28% of employers. This concentration suggests a market standard for adoption assistance that aligns with the federal adoption tax credit—benefits greater than the IRS limit (\$17,670) will be taxable. This allows employers to provide a meaningful contribution while maintaining predictable administrative costs and helping employees avoid additional tax considerations.

From a corporate strategy perspective, adoption benefits are typically structured as reimbursement programs for specific qualified expenses, such as legal fees, court costs, and agency fees. Unlike IVF/IUI or surrogacy, which involve high medical volatility, adoption costs are often more administrative in nature.

However, with 24% of employers offering \$30,000 or more (including 4% at the \$75,000 level), there is a clear segment of the market using high-cap adoption benefits as a competitive tool for executive recruitment and retention. These higher tiers acknowledge higher costs for private or international adoptions that can frequently exceed the lower cap benchmarks. Providing a higher cap allows employees in those scenarios to secure necessary support.

Employers may consider aligning adoption maximums with surrogacy maximums to ensure employees are given equal financial support regardless of the path they take to parenthood.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Family-Building Benefit Spotlight: Egg Freezing

For employers that offer an egg freezing benefit (61%), the approach to structuring these benefits is nearly evenly split between monetary (53%) and non-monetary (47%) structuring. As egg freezing becomes a more prominent tool for talent retention, particularly among younger demographics, the choice between these two models will remain a critical decision point for total rewards strategy.

HR leaders are increasingly gravitating toward a mid-tier benchmark to balance cost-effectiveness with meaningful employee support. \$20,000 is often viewed as a strategic threshold, given it typically covers the cost of one full retrieval cycle, including medications and initial storage lifetime, in many US markets.

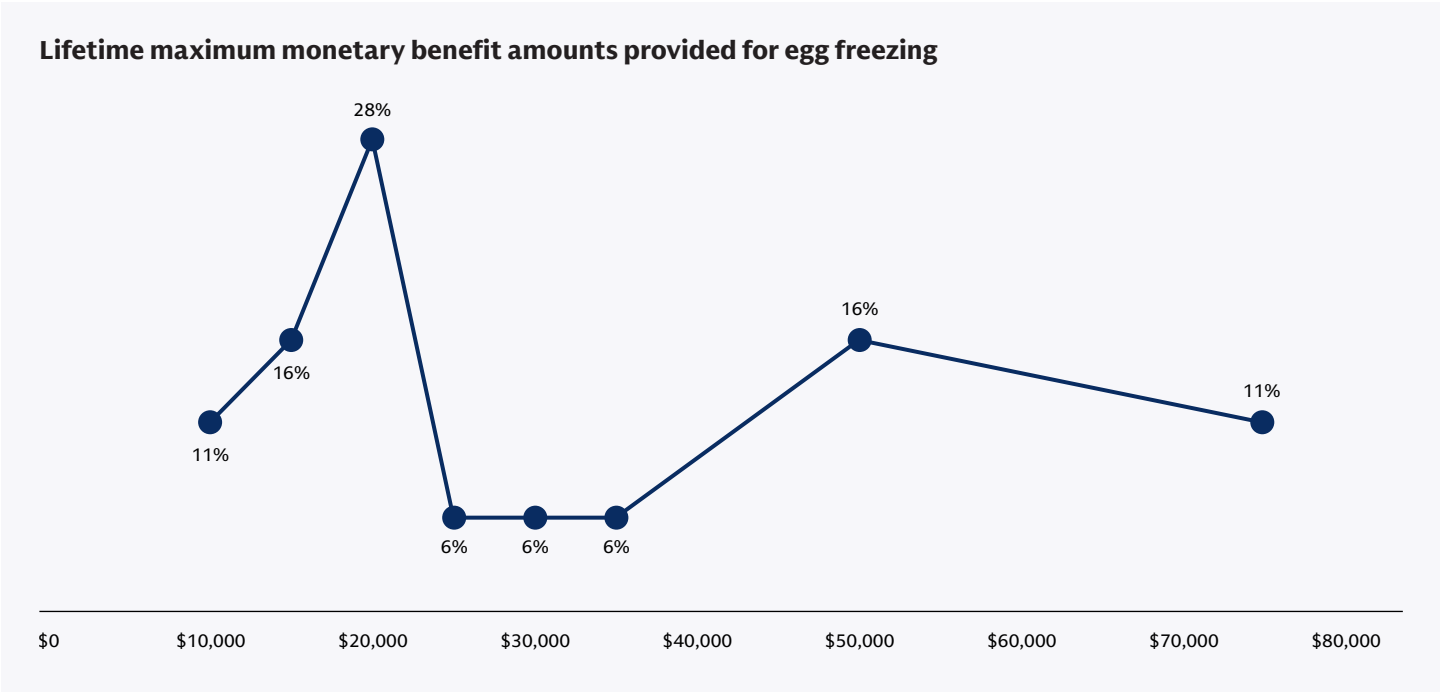
Caps of \$50,000 and above (27%) suggest a shift toward family-building funds, which can support multiple freezing cycles or be shared across other services like IVF/IUI or surrogacy. For HR leadership, these higher limits serve as a powerful differentiator—particularly within high-compensation industries where comprehensive reproductive support is increasingly viewed as a standard expectation for senior-level and high-potential employees.

Implementing a monetary cap on egg-freezing benefits holds slight majority

Monetary Cap on Benefit (53%)	
What is the Benefit	Financial and clinical support for oocyte cryopreservation and storage
Most Common Limit	\$20,000 lifetime maximum (28%)
Benefits to Employers	Cost containment and reliable budget forecasting
Considerations for Employers	Inflation or regional pricing could discount the value of the benefit, requiring consistent re-evaluation of the benefits provided

Caps below \$20,000 (27%) represent a more conservative "entry-level" approach. While these amounts provide valuable assistance, they may not fully cover the total out-of-pocket costs for a single cycle when accounting for high-cost specialty medications.

The diversity in these lifetime maximums—ranging from \$10,000 to \$75,000—underscores the lack of a single industry standard and reflects how individual employers are calibrating their benefits strategies against their recruitment needs and budgetary constraints.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Non-monetary egg-freezing benefits often considered more comprehensive, outcome-oriented support

Non-Monetary Benefit (47%)	
Typical Structure	Cycle-based coverage often facilitated through suite providers
Most Common Limit	Unlimited amount of time or cycles (30%)
Benefits to Employers	Often viewed as a more holistic and effective health equity strategy, focused on clinical success
Considerations for Employers	Associated costs (e.g., medication, laboratory fees, cryopreservation, storage) can be high and variable, leading to volatility in benefit spending

Offering unlimited time or cycles for egg freezing—the most common non-monetary approach (30%) we saw—removes the financial and clinical pressure from employees, positioning the employer as a leader in reproductive health. For HR leadership, offering unlimited cycles is a powerful tool for executive and high-potential talent retention, as it ensures the benefit remains useful regardless of an individual's unique biological response to treatment.

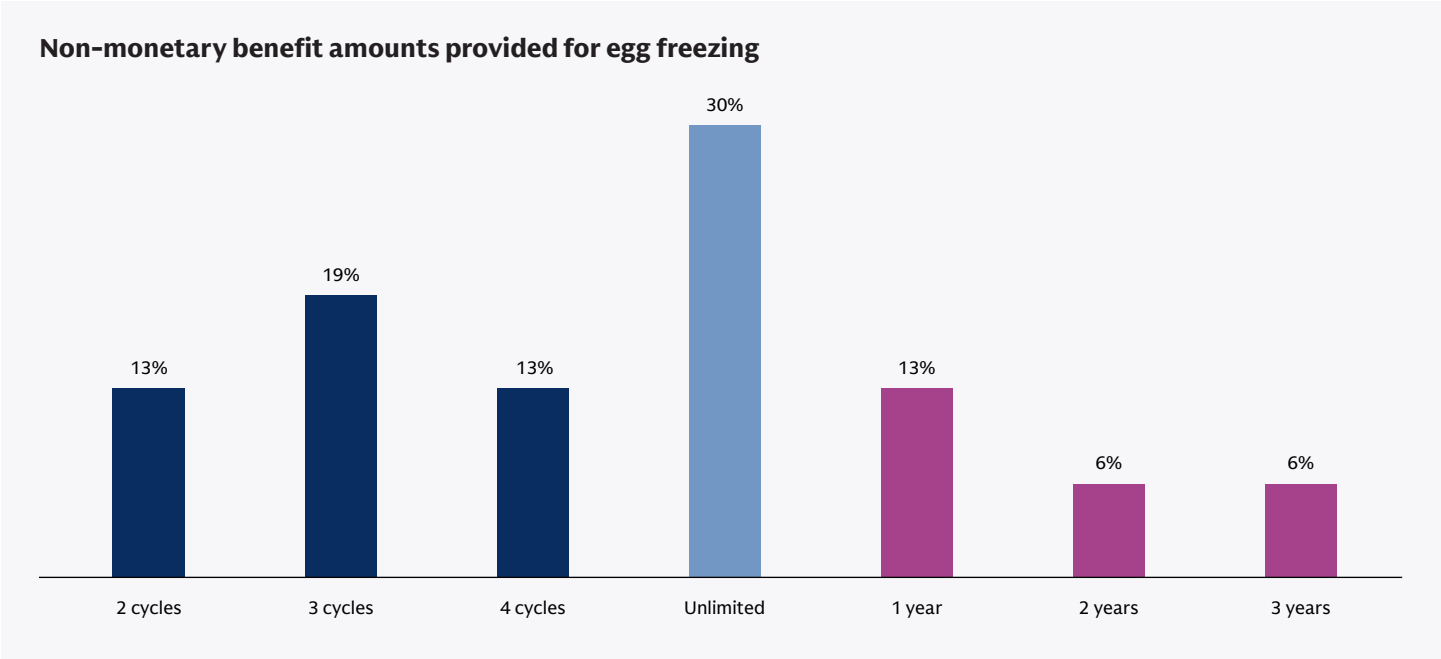
Among employers that do implement specific caps, cycle-based limits are more prevalent than time-based limits. About 45% of employers limit the benefit by the number of cycles, with three

cycles being the most common specific limit (19%). Clinical experts often suggest that multiple cycles may be necessary to achieve a viable number of frozen oocytes, so aligning the benefit with a three-cycle maximum suggests a strategy focused on clinical success rather than just a symbolic offering.*

Time-based limits are used by 25% of employers, with the most common limit being one-year (13%). This may be designed to cover the initial retrieval and a short period of storage, shifting long-term storage costs to the employee.

For HR leaders, the diversity in these limits—ranging from one-year windows to unlimited access—highlights the ongoing calibration between providing a meaningful clinical path to future parenthood and managing the long-term utilization risks associated with high-cost reproductive services.

For HR leadership, offering unlimited cycles is a powerful tool for executive and high-potential talent retention, as it ensures the benefit remains useful regardless of an individual's unique biological response to treatment.



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* National Library of Medicine, 2023.

Family-Building Benefit Spotlight: Surrogacy

The structure of surrogacy benefits sponsored by employers (47%) reflects a strategic emphasis on cost containment and market benchmarking within the broader landscape of employer family-building programs.

Unlike IVF/IUI or egg freezing, where benefit amounts often align more closely with the cost of a single cycle, surrogacy benefits are typically structured as supplemental financial assistance. These caps allow for predictable annual budgeting and limit the employer’s liability in high-cost medical and legal scenarios.

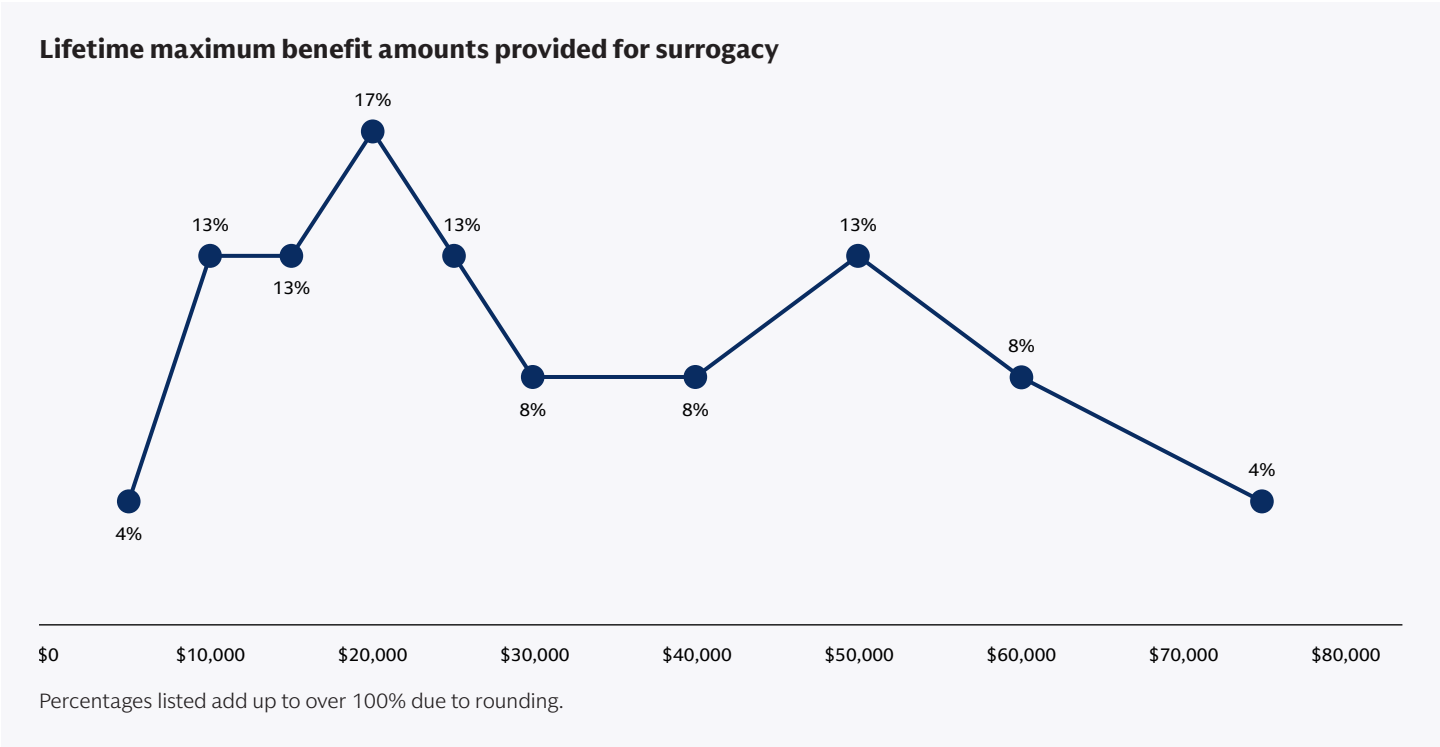
Surrogacy financial benefits reflect a strategic reimbursement model rather than a full-coverage model, given the total cost of surrogacy in the US can often exceed even the largest lifetime maximum amounts. The most common lifetime maximum reported by employers is \$20,000 (17%). This coverage model implies that many HR leaders view surrogacy benefits as a supplemental grant intended to offset specific legal or agency fees, rather than a benefit designed to cover the entire clinical and administrative journey.

The wide distribution of benefit amounts—ranging from \$5,000 to \$75,000—indicates that surrogacy is still an emerging benefit where a single industry standard has yet to be established.

However, **the presence of a premium tier, with 25% of employers offering \$50,000 or more**, suggests that employers in highly competitive sectors (such as technology and professional services) are using these higher limits as a tool for talent retention. For these employers, the benefit is less about covering the total cost and more about providing a significant financial bridge that reduces the barrier to entry for employees pursuing alternative paths to parenthood.

Financial assistance rather than full-coverage benefit

Monetary Cap on Benefit (100%)	
What is the Benefit	Financial assistance for legal, agency, and medical costs
Most Common Limit	\$20,000 lifetime maximum (17%)
Benefits to Employers	Cost containment, protection from extreme price volatility of surrogacy, and working with third-party administrators can help streamline process
Considerations for Employers	Total cost of surrogacy often exceeds even largest limits and the complex legal, agency, and medical fees vary significantly by jurisdiction and provider



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Reproductive Health Benefit Spotlight: Menopause Support

When it comes to menopause benefits—which are offered by 56% of employers—a significant majority (71%) focus on a multi-faceted approach to symptom management and employee well-being without covering pharmaceuticals.

Majority focus on non-pharmaceutical support structures

Non-clinical support structures are designed to provide holistic care that addresses the psychological, physical, and educational needs of employees.



Professional Guidance. Coaching and specialists trained in supporting individuals through this time of transition in their lives and careers can help employees navigate the process.



Digital Health Tools. Many employers leverage virtual sessions, therapy, and online tools to provide 24/7 support, which is particularly effective for managing the mental health aspects of menopause, such as anxiety or brain fog.



Condition Management & Physical Therapy.

A notable inclusion in the survey data is pelvic floor treatment and general condition management support. These services address specific physical health complications that arise during menopause but are often excluded from standard health plans.



The emphasis on non-pharmaceutical support suggests that employers are prioritizing accessibility and low-barrier interventions. However, a combination of lifestyle adjustments and medical treatment is often viewed as ideal for care. Employers that bridge the gap between these two categories may see higher engagement and retention rates.

For the 29% of employers providing pharmaceutical access, hormonal therapy—which is often considered the most effective treatment for relief of menopausal symptoms—is the cornerstone. By covering these prescriptions, employers are targeting the health factors that could adversely affect employees' experience in the workplace.*

29%

of employers provide pharmaceutical access like hormonal therapy

Menopause support, in particular, represents a significant opportunity for HR leadership to address the needs of a critical demographic—senior-level female talent—who historically have faced a lack of workplace support during this transition.

Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

* National Library of Medicine, 2025.

Future State of Family-Building and Reproductive Health Benefits

Forward-looking survey responses underscore a pivotal moment of hesitation in the evolution of corporate wellness strategies.

Uncertainty About Further Shift Toward Suite Providers

Of the 52% of employers surveyed who do not currently work with a dedicated suite provider, 60% remain "unsure" about transitioning to a consolidated model (e.g., for administering IVF/IUI benefits). This highlights that while the value proposition of integrated care is recognized, HR leaders are prioritizing stability and rigorous vetting over joining the trend.

Only a combined 14% of respondents expressed any likelihood to move toward a suite provider, indicating that the market is potentially stagnating at its current level of interest.

Conversely, 26% of employers signaled a level of resistance, potentially due to the perceived administrative hurdles of vendor displacement or satisfaction with existing solutions.

No Plans to Reduce Coverage

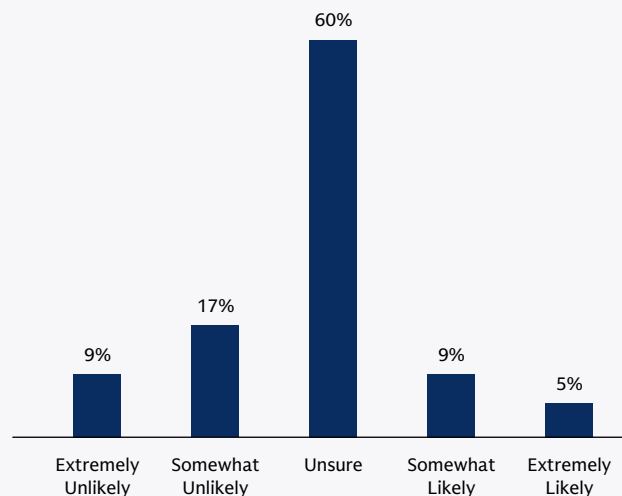
Survey responses signal a definitive "expansion-only" trend among employers. While 76% of employers are maintaining their current benefit structures, the 24% that are taking action are doing so with a focus on growth.

This suggests that HR leaders view these benefits as a non-negotiable component of the employee value proposition, where the risk of under-serving employees outweighs the immediate cost-saving potential of benefit reduction. The specific nature of these additions—such as increasing the monetary value of lifetime maximums and integrating specialized menopause support—reflects a shift toward addressing high-impact, long-term health needs.

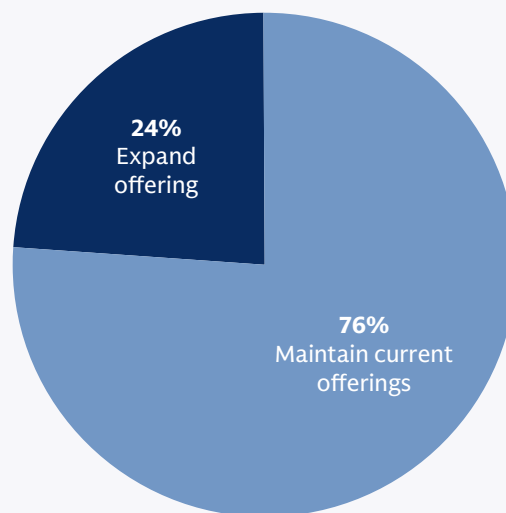
Increasing lifetime maximums is a strategic move often associated with fertility and family-building benefits, where costs can be prohibitive for employees.

The focus on menopause support addresses a critical gap in traditional healthcare, ensuring that experienced employees remain supported during a pivotal stage of their life and careers. The data confirms that the current market evolution is characterized by deepening existing commitments rather than broad-scale restructuring.

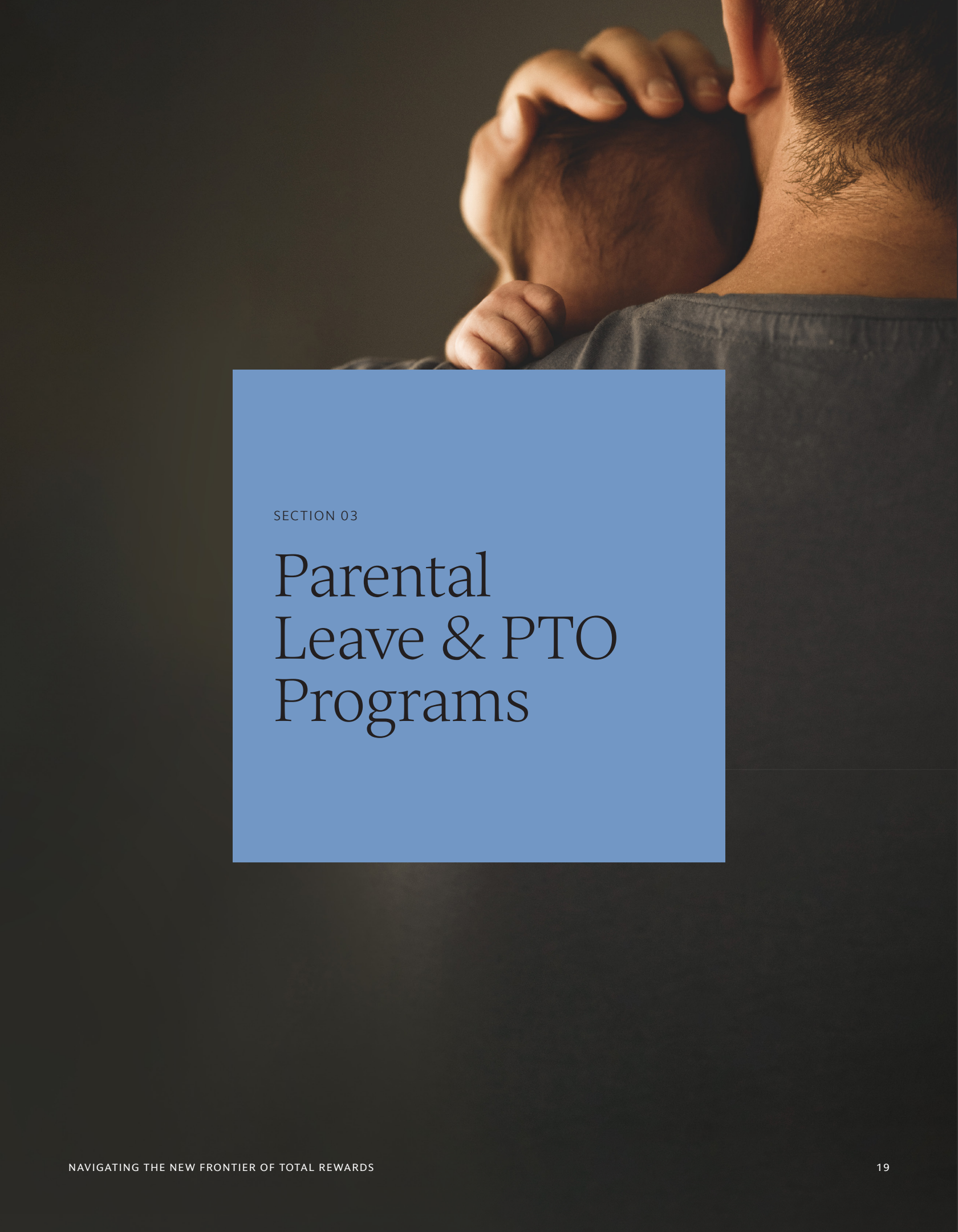
How likely are employers to move to 'suite coverage' if they don't already offer?



Actions employers are considering



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

A close-up, warm-toned photograph of a man's hands gently cradling a baby's head. The man's face is partially visible on the right, looking down at the child. The background is dark and out of focus.

SECTION 03

Parental Leave & PTO Programs

Offering Parental Leave Normalized Though Coverage Levels Vary

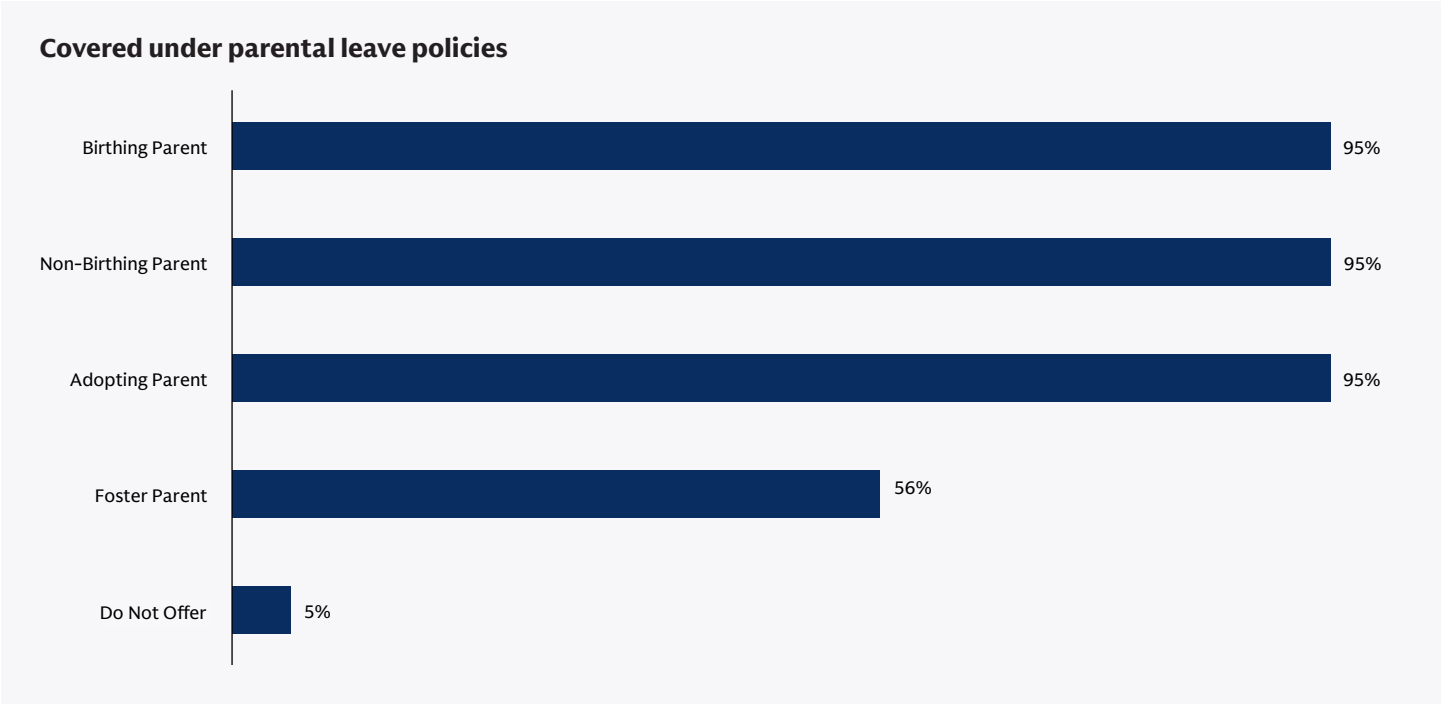
In recent years, parental leave benefits have come to encompass not only maternity/birthing-parent coverage, but also include non-birthing, adopting, and foster parents. While the majority of employers agree on providing such coverage, the amount of time offered relative to parental classification remains more nuanced. The data does suggest, however, that there may be a narrowing gap in discrepancies between these offerings as employers move toward a more inclusive leave framework.

The survey data establishes that a broad parental leave policy has become the standard operational benchmark, with 95% of employers extending benefits to birthing, non-birthing, and adopting parents. From a talent acquisition and retention standpoint, these figures suggest that offering a comprehensive leave package is no longer a perk but a core component of a competitive total rewards strategy. Employers failing to meet this standard may face challenges in maintaining market parity for professional talent.

The data also highlights a clear distinction in benefit administration regarding foster care, with only 56% of employers extending these benefits to foster parents. This discrepancy represents a potential area for policy optimization or cost management, depending on organizational goals.

The fact that only 5% of employers do not provide parental leave, relying solely on Short-Term Disability for birthing parents, highlights a significant shift away from treating childbirth purely as a medical event, and moving instead toward a holistic view of family bonding and recovery.

While employers are increasingly inclusive in *who* receives leave, they maintain a tiered structure regarding the *length* of that leave.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Parental Leave Ranges Vary Widely

A comparison of leave allowances shows a wide range of leave lengths and disparity among the amount of leave granted based on parental classification. While the 9 to 12-week range serves as a common middle ground across all types, it is most prevalent for birthing parents (26%) compared to adopting (20%) and non-birthing (21%) parents.

	Most Common Duration
Birthing Parent	9–12 weeks (26%)
Non-Birthing Parent	5–8 weeks (32%)
Adopting Parent	5–8 weeks (33%)
Foster Parent	4 weeks or less (35%)

Birthing parent

Birthing parents receive the longest leave durations, which could be influenced in part by federal job-protection minimums under the Family and Medical Leave Act (12 weeks). For employers looking to differentiate their total rewards package without reaching the top-tier 21+ week mark (15%), offering 13 to 16 weeks (17%) could provide a competitive edge over the majority of the market (63%) while maintaining better control over operational continuity and budgetary dollars.

Non-birthing parent

The data regarding non-birthing parent leave reveals a market standard that is notably more compressed than that of birthing parents. A combined 63% of employers provide eight weeks or less of leave, with the largest single cohort (32%) offering between five and eight weeks. This showcases that while the provision of leave for non-birthing parents is nearly universal (95%), the duration of that leave is often managed as a secondary tier of benefit expenditure.



Adopting parent

The data for leave for adopting parents (95%) indicates that the majority of employers (62%) provide eight weeks or less of parental leave. From a policy perspective, this highlights that adoption leave is frequently structured as a mid-range benefit, with only 18% of employers offering durations exceeding 12 weeks.

Foster parent

Unlike the other leave levels, parental leave for new foster parents is only offered by 56% of employers and leave durations are the most restricted among all categories surveyed. A significant majority of employers (61%) provide eight weeks or less of leave and the highest segment of the dataset (35%) offer only four weeks or less, compared to non-birthing (31%), adopting (29%), and birthing parents (19%).

Leave Duration	Birthing Parent	Non-Birthing Parent	Adopting Parent	Foster Parent
4 weeks or less	19%	31%	29%	35%
5–8 weeks	18%	32%	33%	26%
9–12 weeks	26%	21%	20%	21%
13–16 weeks	17%	11%	13%	15%
17–20 weeks	5%	5%	5%	3%
21+ weeks	15%	0%	0%	0%

Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Employers Tentative About Specialty Paid Time Off (PTO) Programs

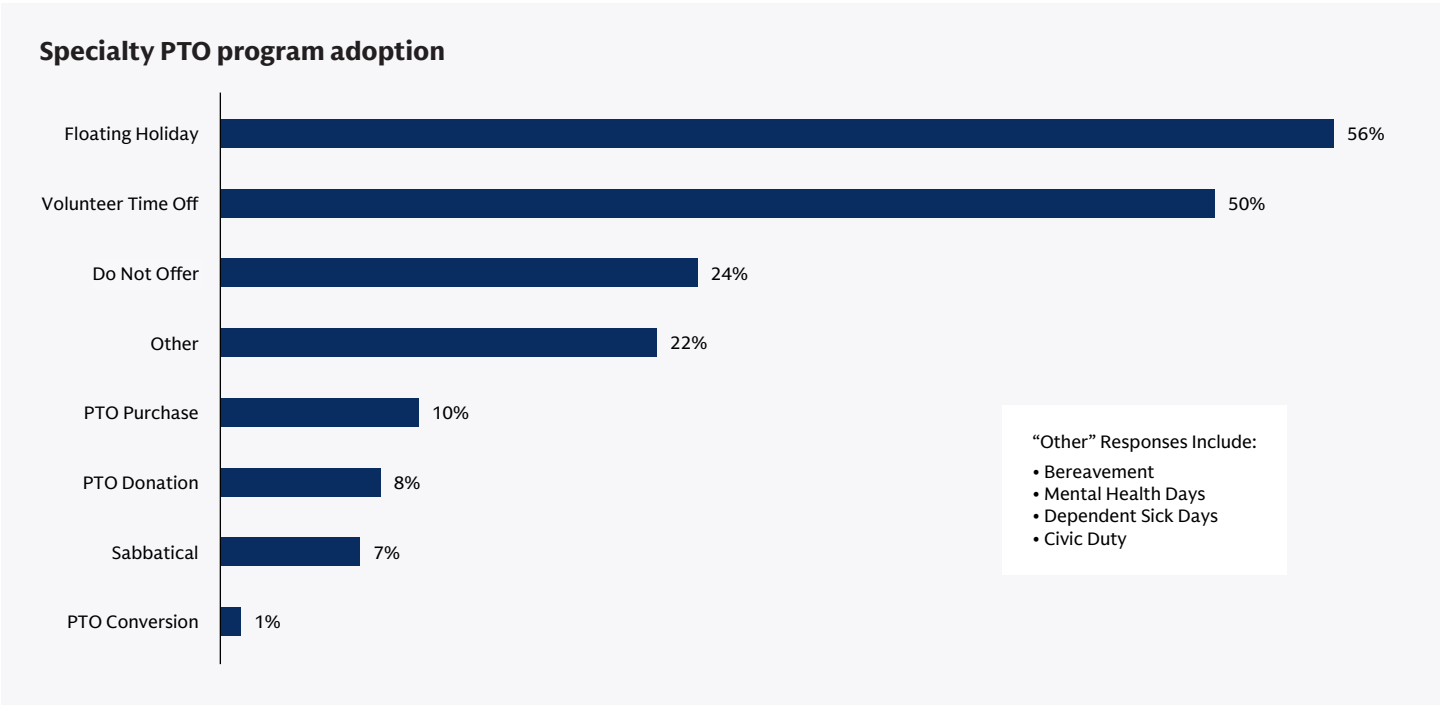
Implementing leave programs beyond the typical vacation time can offer employees increased flexibility while incurring minimal costs for employers. Some of these initiatives are still in the early stages of growth and will need additional time in the marketplace. This will help to determine whether early adopters achieve sufficient utilization and data-supported outcomes that can drive broader adoption throughout the market.

The survey responses reveal a clear hierarchy in how employers approach PTO beyond standard vacation days. There is a significant emphasis on flexibility and social responsibility, while financial-based PTO options—which could bring administrative complexity and tax implications—remain rare. Floating holidays (56%) and volunteer time off (50%) are the only supplemental benefits offered by at least half of the survey group. This suggests that employers prioritize "low-cost" flexibility that allows employees to align their time off with personal values or diverse cultural holidays.

Nearly a quarter of employers (24%) do not offer any supplemental PTO programs. For these employers, the focus remains strictly on traditional vacation and sick leave.

While 22% offer "other" types of leave (like bereavement or mental health days), this percentage is lower than expected given the rising employer focus on mental health. This may indicate that many employers still bundle these needs into a single "General PTO" bucket rather than offering specific, protected categories.

Overall, the dataset reveals a cautious approach among employers toward expanding PTO offerings. This reluctance can be attributed to the additional administrative burden and costs, which may not yield sufficient employee utilization to justify the investment. Moreover, a broad array of PTO options might lead to employee confusion and hesitancy in utilizing available leave, further complicating the rollout of these specialty programs.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

Floating holidays (56%) becoming a standard?

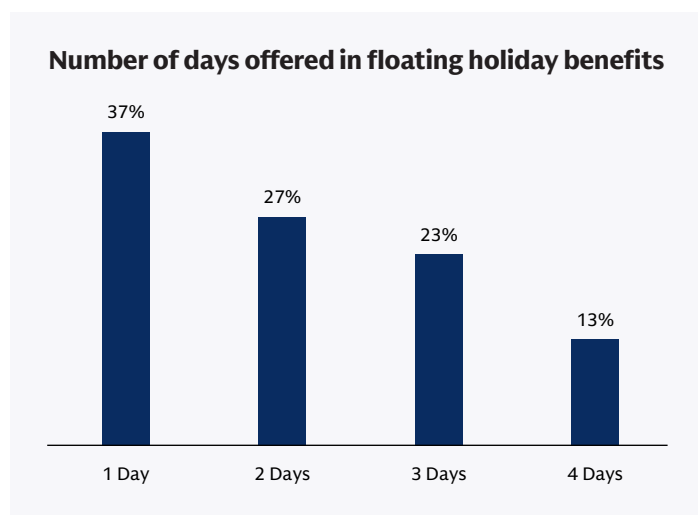
Floating holidays serve as a flexible bridge between fixed public holidays and personal vacation time, allowing employees to observe religious, cultural, or personal events that may not be included in the standard corporate calendar. Such days are often used to provide a "personal day" or to cover a specific cultural observance without significantly impacting the employer's annual PTO budget.

37%

of employers who offer floating holidays cap the benefit at one paid day off

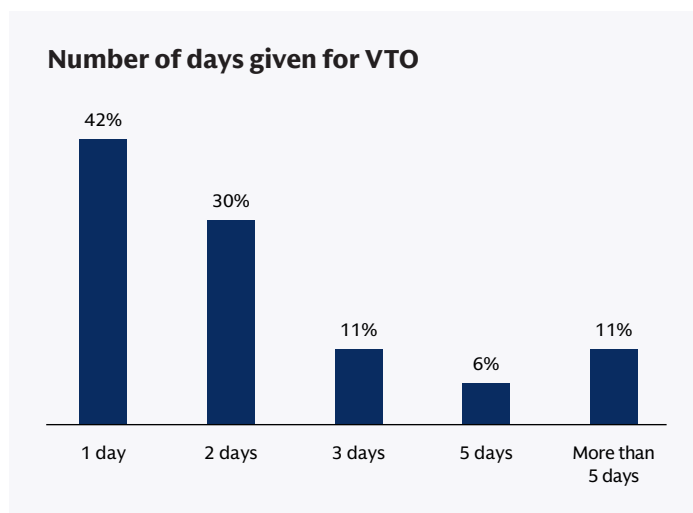
There is a steady decline in prevalence as the number of days increases. While 27% offer two days and 23% offer three days, only a small minority (13%) provide four days. This implies that while employers value flexibility, they are cautious about expanding non-vacation buckets beyond a few days. Combined, 64% of employers (the majority of those offering the benefit) provide two days or fewer.

This indicates that the market standard for floating holiday time is relatively conservative, typically intended for short-term needs rather than extended breaks.



Volunteer time off aligns with employers' corporate social responsibility strategies (50%)

Volunteer time off (VTO) is a significant component of modern corporate social responsibility strategies, with 50% of surveyed employers offering it. This benefit allows employees to give back to their communities without sacrificing their personal vacation time or income.



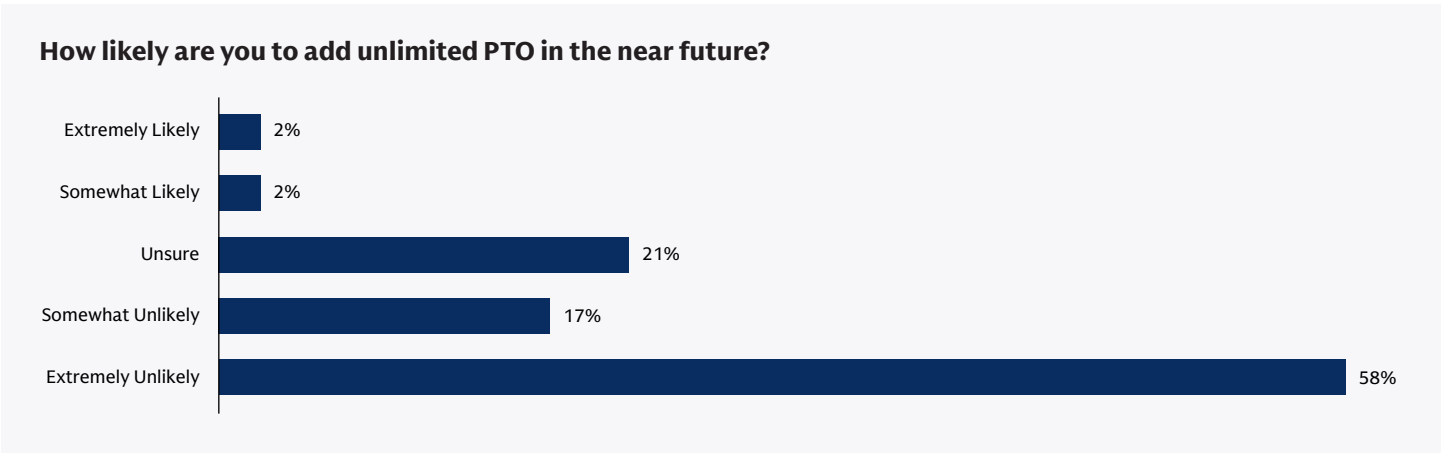
42%

of employers who offer VTO offer one paid day off

The majority of employers (72%) limit VTO to either one or two days per year. Offering a single day (42%) is often sufficient for a company-wide service day or a specific local event. There is a sharp drop-off in offerings of three to five days (11% and 6% respectively). This suggests that once an employer moves beyond a single day of service, they either stick to a minimal offering or jump to a more robust, open-ended policy.

A "high-impact" tier (11%) emerged, offering more than five days, and likely includes employers with deeply embedded philanthropic cultures or those that allow employees to participate in extended service trips.

Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.



Unlimited PTO remains a limited-use structure (26%)

The debate between traditional accrual-based time off and "unlimited" or "discretionary" PTO is a central theme in modern workplace culture. While unlimited PTO often dominates headlines and recruitment marketing, it has not yet become the market standard. A significant majority (74%) of employers continue to use traditional PTO models.

Employers offering unlimited PTO often do so to eliminate the administrative burden of tracking accruals and to remove the financial liability of carrying unused PTO balances on their books.

For employees, the shift toward unlimited PTO represents a double-edged sword. While it offers maximum flexibility, studies suggest that employees in "unlimited" environments use about the same or even less time off than those with a fixed bucket of days.*

Some employers articulated plans for making unlimited PTO available to leadership teams while keeping traditional PTO structures available for the rest of the employee population.

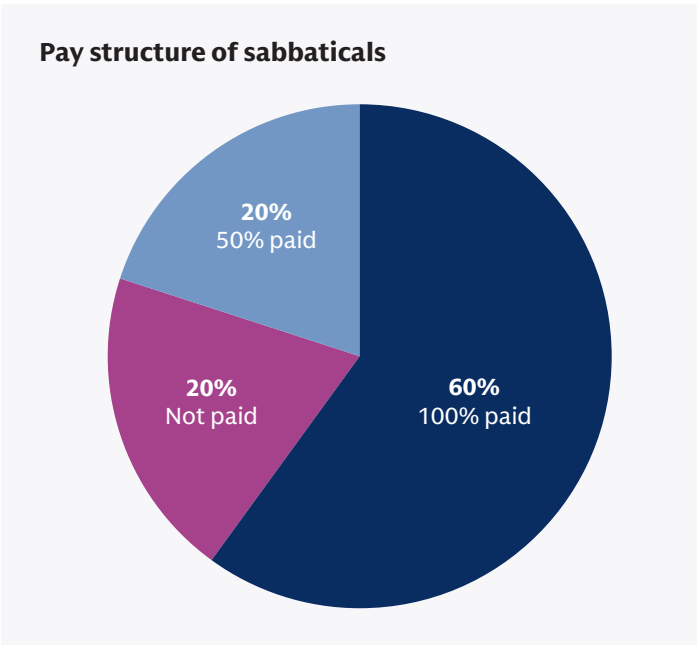
Sabbaticals are a niche but standardized offering (7%)

While only 7% of employers in the broader PTO survey offer a sabbatical program, those that do have established a very specific standard for duration. A vast majority of employers offering this benefit (80%) cap the duration at four weeks. This suggests that a one-month absence is the corporate benchmark for balancing employee rejuvenation with operational continuity.

The remaining 20% of employers provide a six-week sabbatical, likely used as a high-level retention tool for long-tenured employees or those in high-stress roles. This binary distribution (four vs. six weeks) indicates a lack of custom durations in the current market which is unsurprising given the lack of general uptake of this benefit.

The rarity of this benefit in the dataset suggests that most employers have not yet solved the "coverage gap" required to allow employees to be away for a month or more.

When examining the financial structure of sabbatical benefits among the 7% of employers that offer them, the data reveals a surprisingly generous trend toward fully funded leave. Despite being a rare benefit in the broader market, employers that commit to sabbaticals tend to do so with significant financial support for the employee. The majority (60%) of employers offering sabbaticals provide 100% pay. This indicates that for most employers, the sabbatical is viewed as a high-value reward or a "recharge" period rather than just a job-protected break.



Data based on survey responses from 89 companies as of December 2025 and reflects information regarding benefit plan year 2026.

* Namely, 2018 & SHRM/Empower. 2024

Survey responses were collected from September 23 to December 31, 2025, via an online quantitative survey distributed to compensation and benefits professionals at a variety of public, private, and not-for-profit organizations.

PARTICIPANT OVERVIEW

89

Goldman Sachs Ayco
institutional partners

FORTUNE RANKINGS OF PARTICIPANTS*

25%

Fortune 200

43%

Fortune 500

INDUSTRY BREAKDOWN

19% Financial Services

17% Healthcare

16% Industrial

12% Natural Resources

11% Consumer

9% Technology, Media, &
Telecommunications

16% Other

* Percentages represent the number of survey participants within the ranking group.

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goldmansachsayco@gs.com