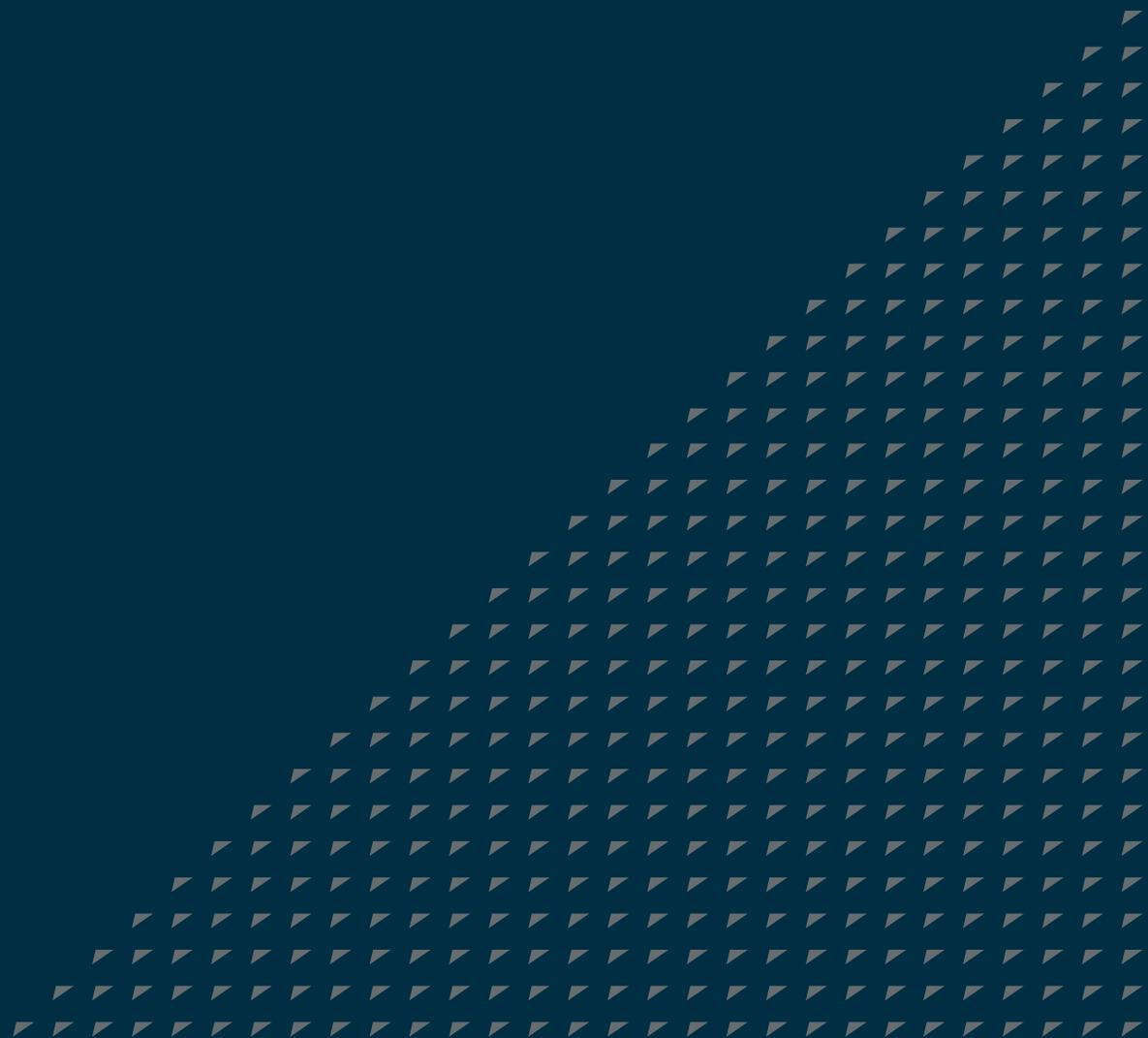




# 2025 Alliant Tech Survey Results

December 5, 2025

# Executive Summary





## Introduction

The technology sector is evolving at an unprecedented pace, with new pressures influencing companies' strategies for managing employee benefits. The industry faces a complex economic landscape: while AI-driven investments and a resurgence in IPO and M&A activity are driving growth, this momentum is tempered by skepticism about actual returns, economic pressures, and ongoing market volatility.

Despite these challenges and concerns regarding pressure on profit margins, many tech firms continue to demonstrate resilience. As overall growth slows, organizations are placing a stronger emphasis on disciplined revenue and expense management through tighter financial controls and, in some cases, workforce reductions. At the same time, they still aim to showcase measurable value derived from innovation. Revenue per employee remains robust, highlighting the industry's ability to navigate uncertainty.

In this context, the strategic design of employee benefits is a crucial factor for attracting, engaging, and retaining top talent. This effort is particularly important as companies navigate the financial pressures from rising healthcare costs and internal expense management goals.

**Tech companies continue to drive economic growth and innovation.**



## Current Benefits Environment in Tech

Companies are prioritizing cost management without compromising the quality of benefits offered to employees. This approach ensures they remain competitive in attracting talent, particularly in sectors like AI, where the demand for skilled engineers is high. Companies recognize that maintaining robust benefits is essential, even in an era of financial constraints.

## The Impact of Medical Inflation

Medical inflation is a formidable challenge for all companies, with costs increasing at the fastest rate in a decade. Unlike general inflation, medical cost trend is impacted by two key factors: the cost of each healthcare unit and the number of units consumed. As the population becomes older and requires more care, both factors contribute to a multiplier effect, driving up overall healthcare expenses. Medical inflation is also compounded by carriers compensating for cost-shifting from government-sponsored care to private plans. This economic backdrop is driving a renewed focus on cost management and efficiency in benefits strategies. Understanding the complex factors behind medical inflation is crucial for tech companies as they navigate this challenging landscape.

**This economic backdrop is driving a renewed focus on cost management and efficiency in benefits strategies.**



## Balancing Cost and Quality

- ▶ **Financial efficiency and back-to-basics strategies.** Companies previously offering extremely generous benefits are reevaluating their strategies to align more closely with market standards.
- ▶ **Cost-saving strategies.** There's a trend towards managing costs without reducing employee benefits. One avenue is reevaluating employee contributions. Employee contributions have risen at rates exceeding medical trend as companies look to historically low employee cost sharing as a primary avenue for balancing escalating benefits budgets.
- ▶ **Plan design and effective vendor consolidation.** Tech companies are examining the cost, utilization, and ROI of individual point solutions. Benefits managers are asking, "Are we still getting value?" "Is vendor consolidation a good move?" "Can certain offerings, such as mental health, be streamlined through our existing carrier relationships to minimize cost and administration?"

**There's a trend towards managing costs without reducing employee benefits.**



## Tackling Rising Cancer Rates

The rising incidence of cancer, especially among younger adults, is presenting new challenges. Companies are emphasizing the importance of routine screenings and preventive care to manage future healthcare expenses. However, the focus is not just on prevention; support for those diagnosed with cancer is equally critical, involving chronic condition management and caregiving support for family members.

This multi-faceted approach is crucial as organizations aim to support employees and manage long-term healthcare costs.

**The rising incidence of cancer is impacting company healthcare costs and has a real human impact on people-first companies.**



## GLP1s: How to Balance Cost and Access

GLP1s have emerged as a significant topic of discussion among tech employers. These medications are primarily known for their effectiveness in managing diabetes and promoting weight loss. However, they present a dual challenge for tech companies: managing escalating costs and meeting high employee demand.

In response to the challenges posed by GLP1s, some companies are implementing weight management programs as a condition for coverage, aiming to control spending while still providing access to these effective medications. Interestingly, survey data reveal that a significant portion of companies plan to maintain their current strategy, with more companies considering expanding rather than restricting coverage.

There is potentially positive news on the horizon as well, as direct to consumer offerings and industry cost pressure may drive lower prices for these highly effective drugs over the medium term.

**Most companies that cover GLP1s are not going to roll it back, even in the face of decade-high medical cost trends.**



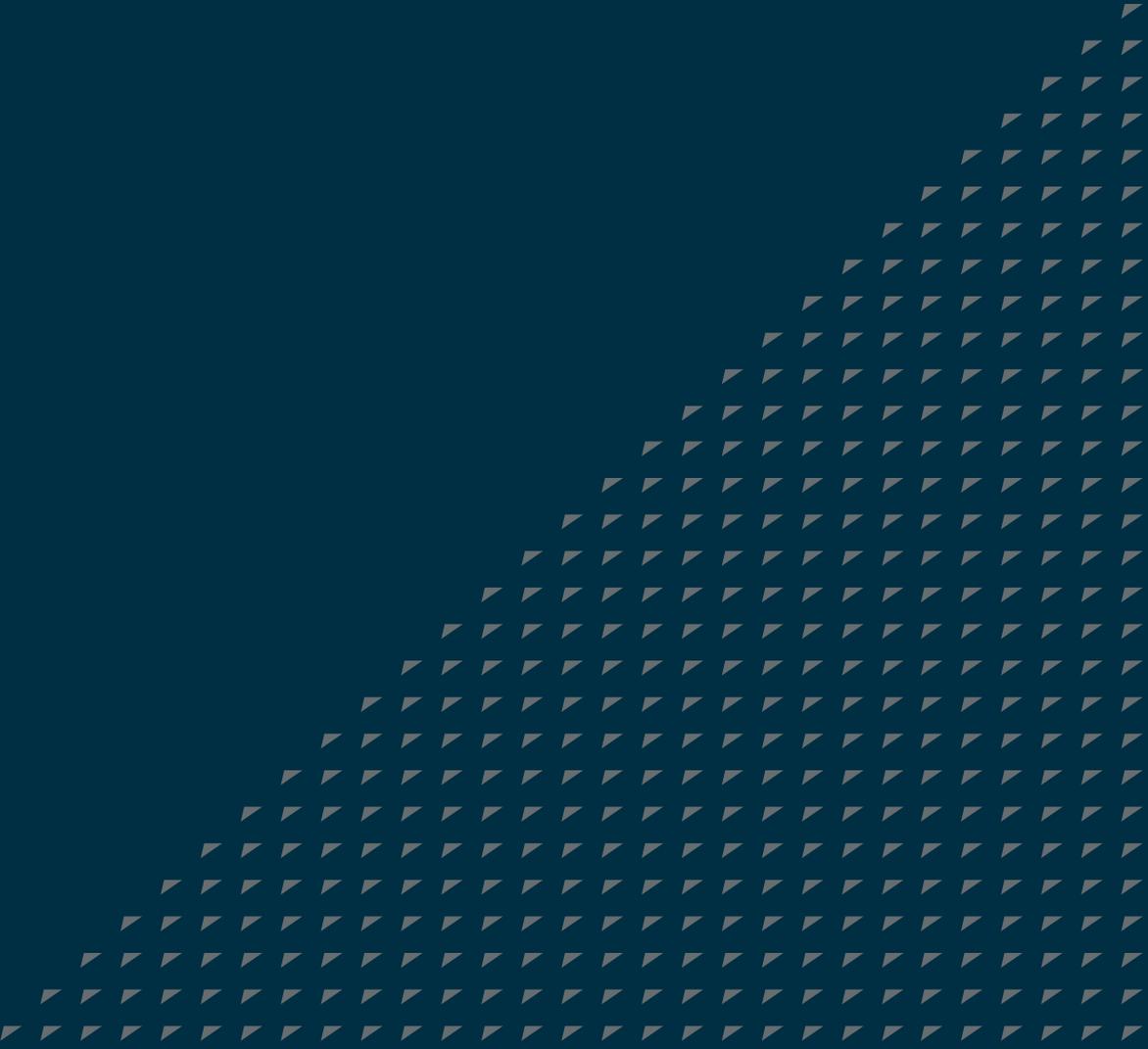
## Is the Future AI?

AI is increasingly becoming a focal point in benefits strategy, though its tangible impact is still evolving. Companies are exploring different strategies to incorporate AI, from leveraging expanding vendor capabilities to integrating internal enterprise-wide AI initiatives.

AI's potential to streamline benefits communication and enhance personalization is being explored. The integration of AI could offer new avenues for managing the complexity of benefit offerings. Still, more exploration and experience are needed to determine the AI systems and use cases that will have the most beneficial impact, and privacy and data security concerns will have to be addressed.

**AI has the potential to cut through the noise for employees seeking answers about their benefits.**

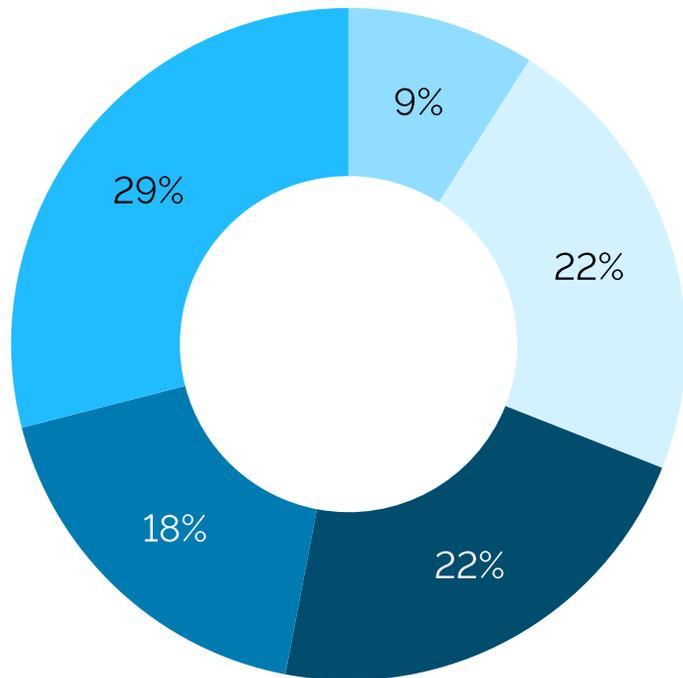
# Demographics





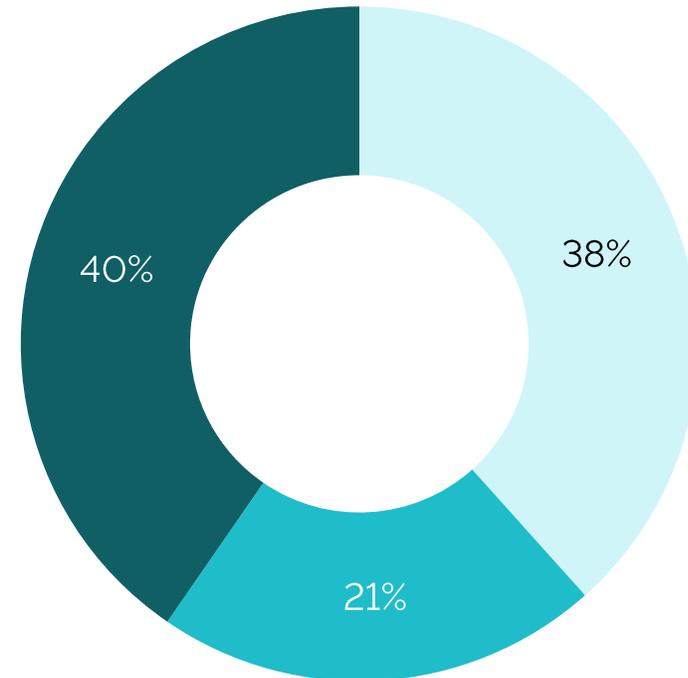
# Participants: Company Demographics

### Companies by Size



■ 1-100 ■ 101-250 ■ 251-500 ■ 501-1,000 ■ 1,000+

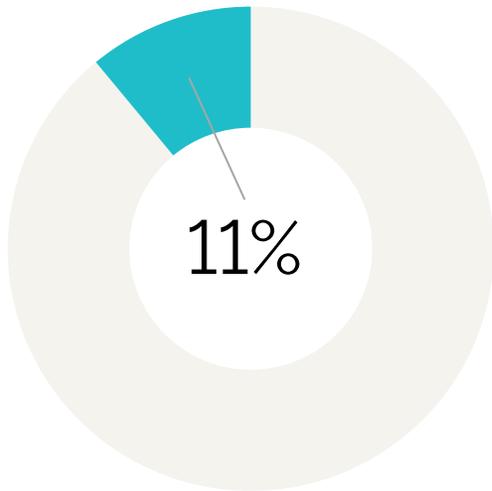
### Ownership Structure



■ Private - VC Backed ■ Private - Private Equity Backed ■ Public Company

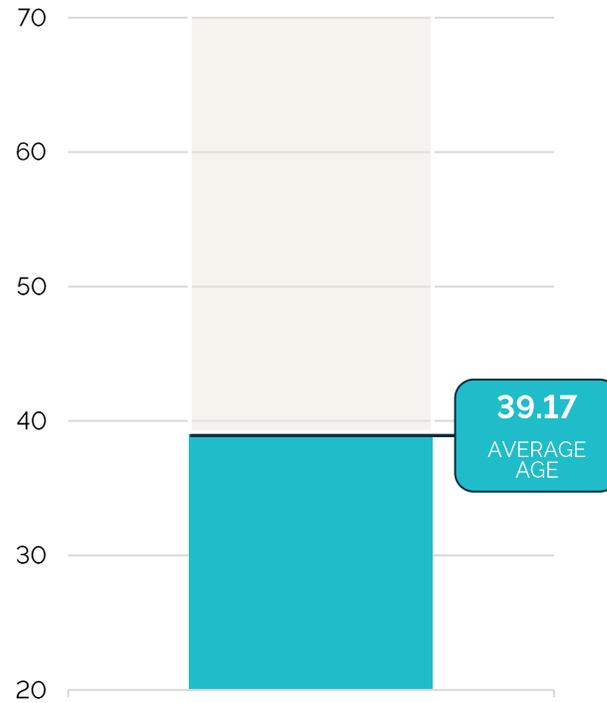


## Average Turnover



Voluntary turnover continues to decline (down 3% since 2024 among survey respondents). This may be despite (or because of) economic uncertainty due to widespread tech industry layoffs and restrictions on salary increases.

## Average Age



The average age in tech continues to be lower than the US median ([42.4](#) in 2025) but has increased moderately over the last five to 10 years. The proportion of workers [in their 20s](#) is decreasing.

## Average Salary



Our survey results show a 2.3% base salary increase since 2024, reflecting the modest [trend predictions](#) across all tech sectors.



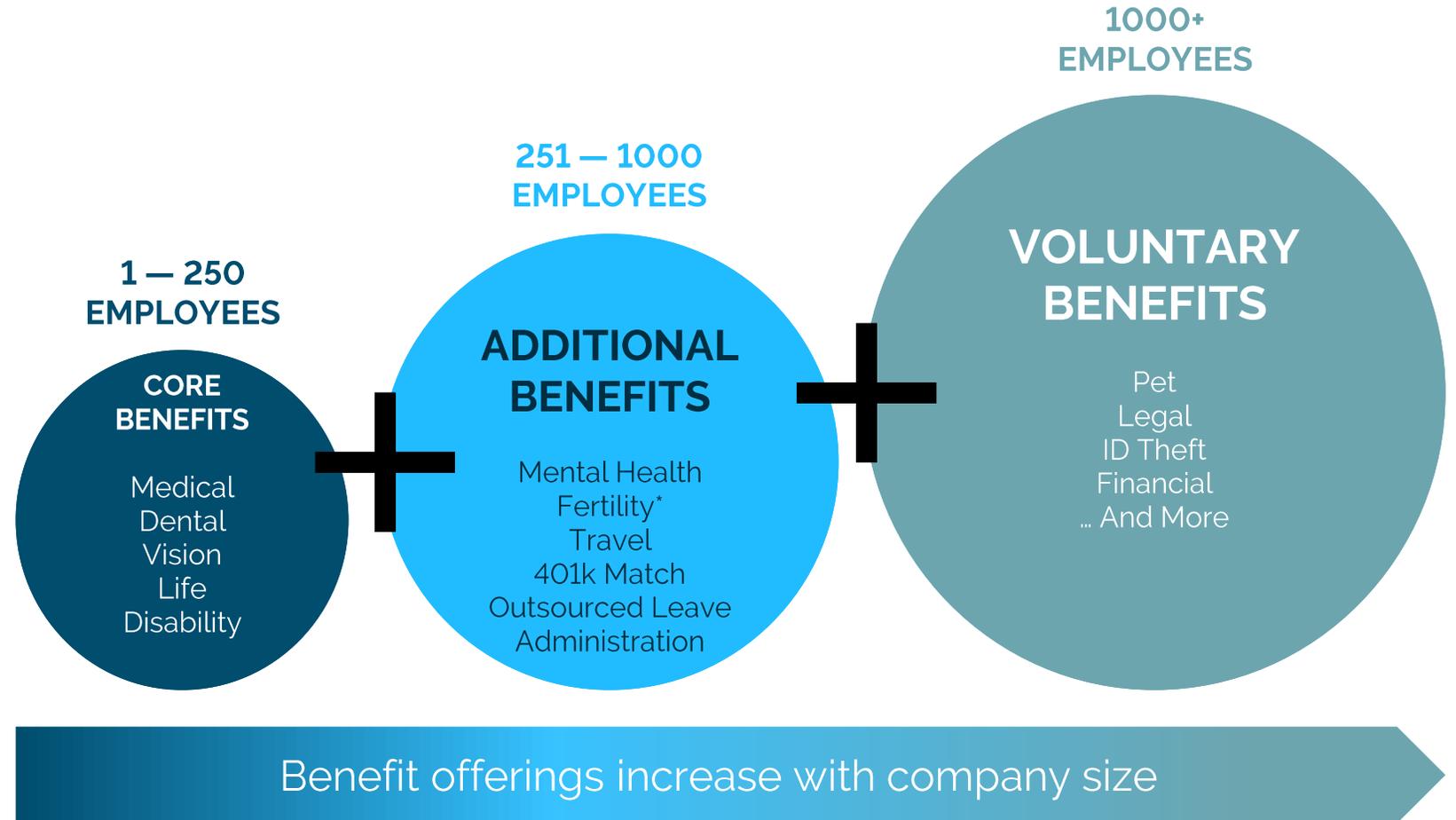
# Scale

Average total health and welfare benefit costs generally range between **10-15%** of base salary (depending primarily on benefit levels and employee demographics).

As would be expected, benefit offerings increase with company size. Smaller companies focus on a foundation of core benefits, but as company size increases, so does the need for additional administrative support and consideration of alternative funding mechanisms.

## COMMONLY OFFERED BENEFITS

(50%+ OF COMPANIES)



\* Fertility coverage in the tech industry is likely to be significantly impacted by California's new insured plan fertility mandate for 2026 (SB 729).

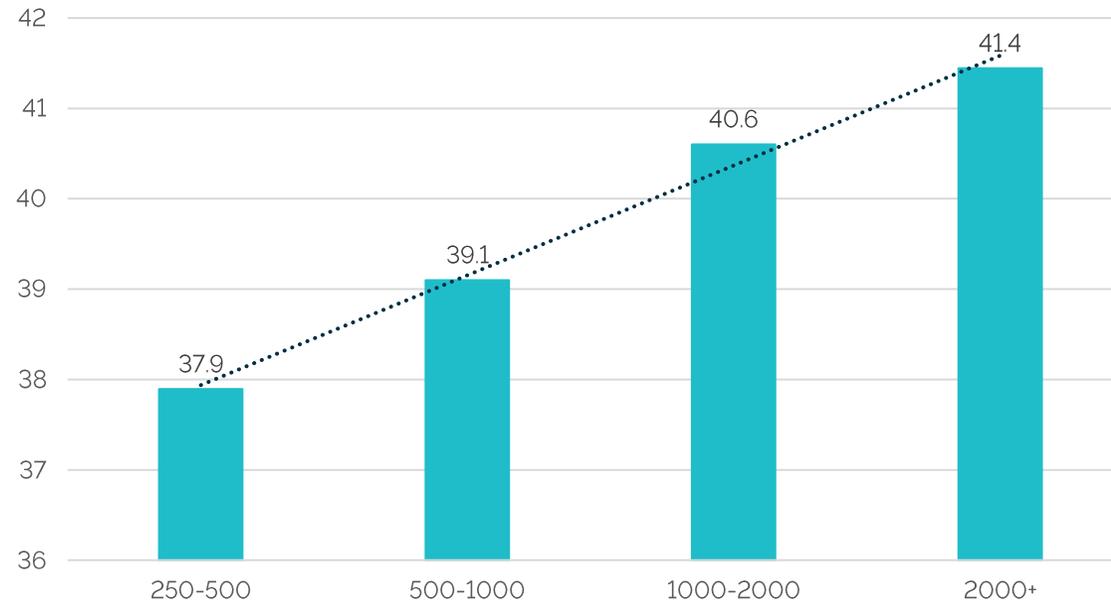


# Impact of Maturing Populations on Future Cost

As tech companies mature average age tends to increase. Increasing age has a correlative effect on health care costs.

Risk data has been adjusted to reflect a 75%/25% male gender ratio.

## Average Age by Company Size 2025 Alliant Tech Survey Data



Age	Risk Adjustment Factor
35	100%
36	102%
37	104%
38	107%
39	110%
40	113%
41	115%
42	119%
43	123%
44	126%
45	133%

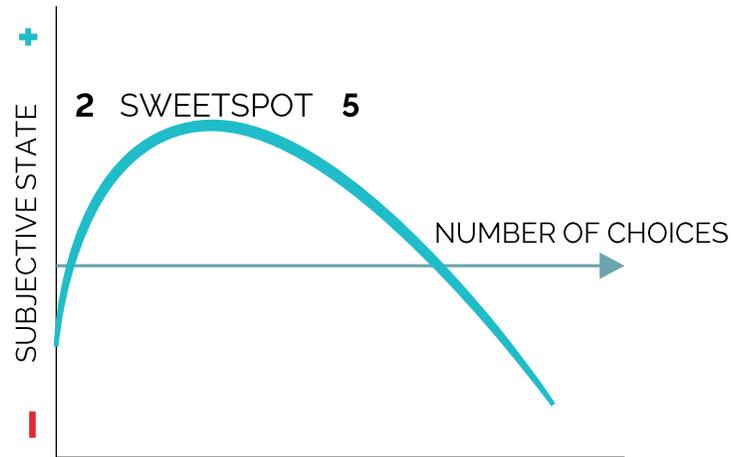
- As companies scale, average age tends to increase.
- Increasing age increases health risk and premium costs.
- Risk factors increase 2%-4% for each additional year of age, **increasing trend for aging companies by up to 50%.<sup>1</sup>**

<sup>1</sup> 2025 [PwC healthcare cost trend](#) of 8%. Risk factor increases of 2% (age 36 to 37) to 4% (age 41 to 42) increase trend by 25-50%.



# Medical Plan

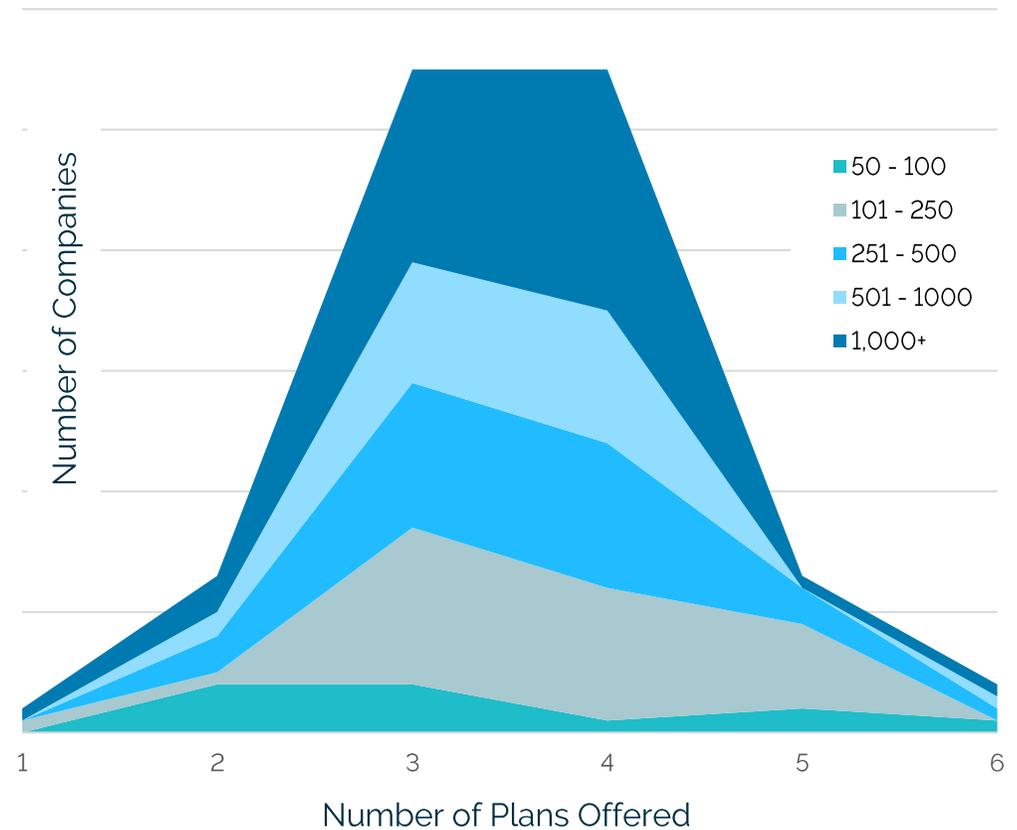
**How many plan options is the correct number?** The paradox of choice and benefit satisfaction research points to between 2 and 5, which aligns with the vast majority of tech companies plan selection.



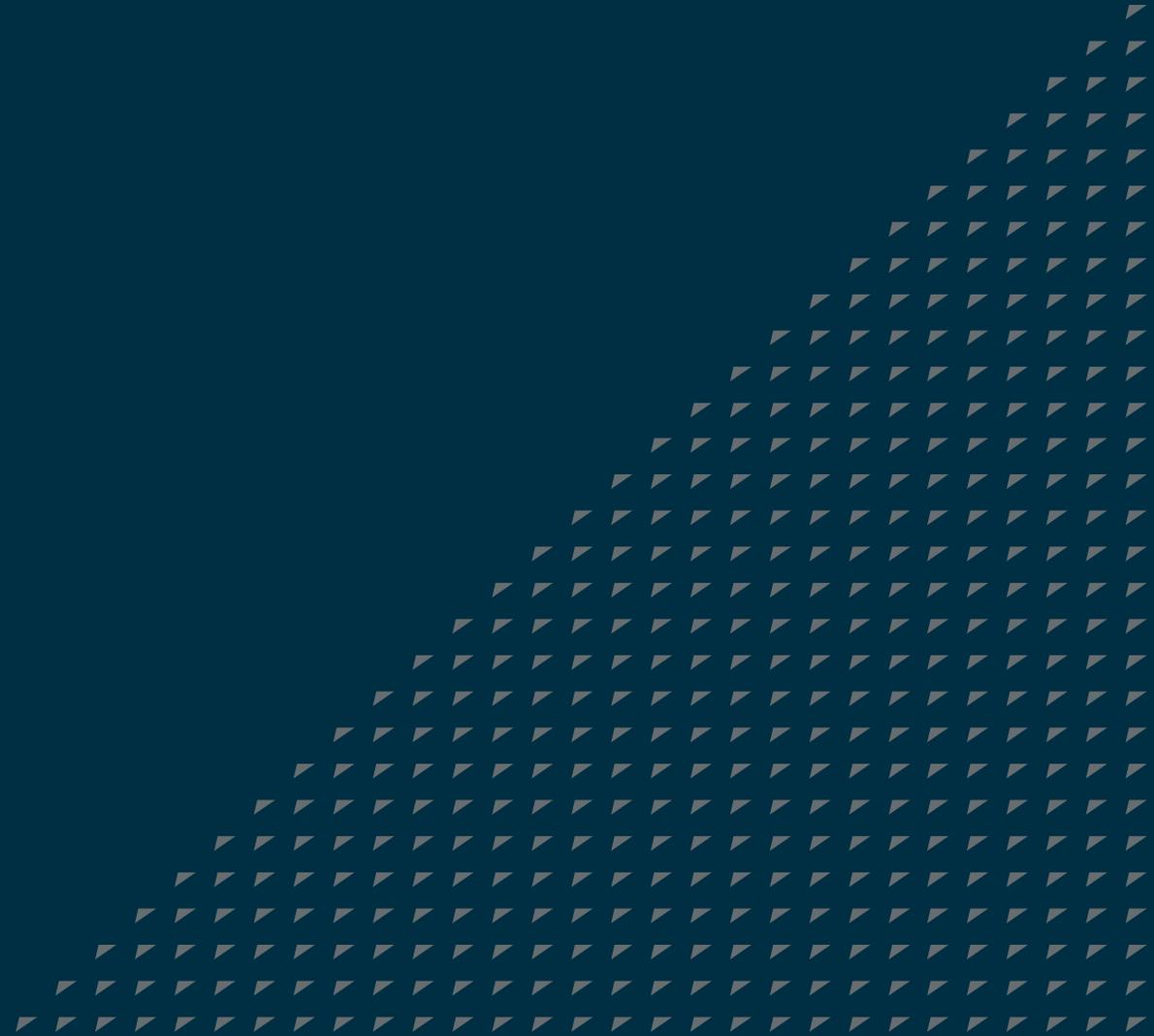
### Most Common Plan Mix

	ALL	1,000+
HDHP/HSA only	0%	0%
PPO only	2%	0%
PPO + HMO only	15%	3%
PPO + HDHP/HSA only	13%	10%
PPO + HDHP/HSA + HMO	69%	85%

## Number of Plans Offered by Company Size



# Staffing and Administration



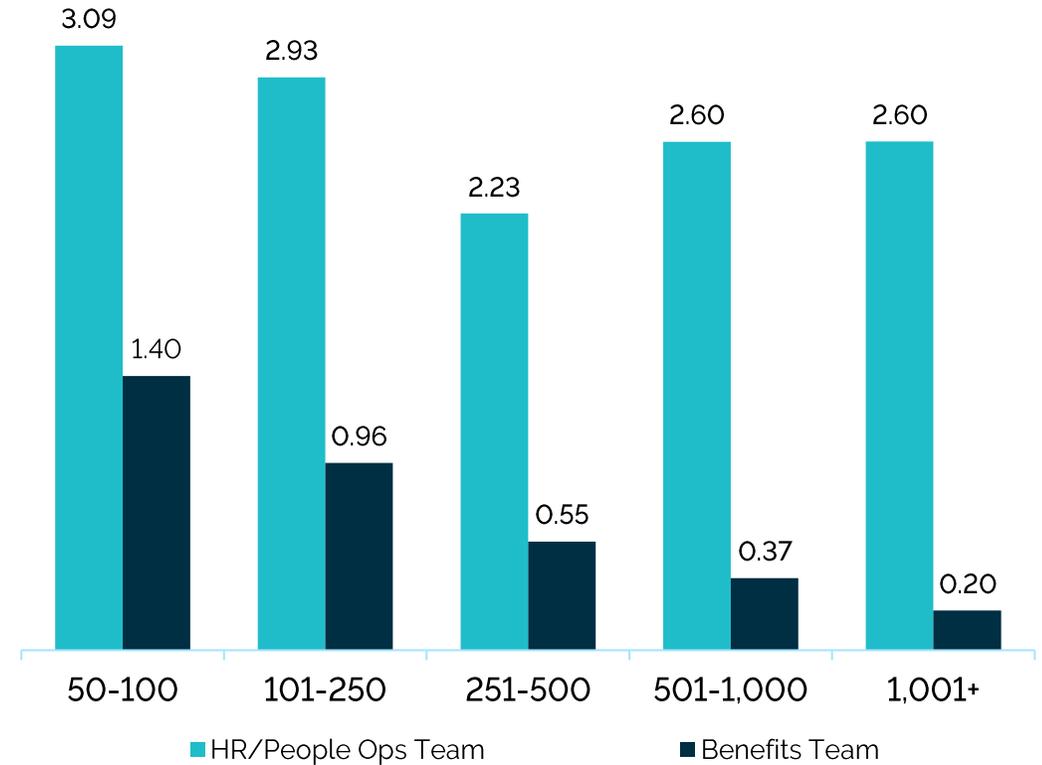


## How benefit leaders rank their largest challenges

Managing healthcare expenses remains the top priority, significantly outpacing all other concerns by 20 points. Offering competitive benefits rose from #4 to #2, indicating that companies are concerned about how cost-control strategies will affect their competitiveness.

		%	'25	'24
UP FROM #4	Control health spend	93%	1	1
	▲ Offering competitive benefits	73%	2	4
SOME RESHUFFLING	▼ Improving wellbeing	69%	3	2
	▼ Communication and education	68%	4	3
	Affordability of benefits	68%	5	5
	Leave administration	57%	6	6
	▲ Recruiting and retention	57%	7	9
	Compliance	52%	8	8
	▲ Vendor management	43%	9	11
	▼ Diversity, Equity and Inclusion	41%	10	7
	▼ Global benefit administration	41%	11	10
	Plan administration	32%	12	12

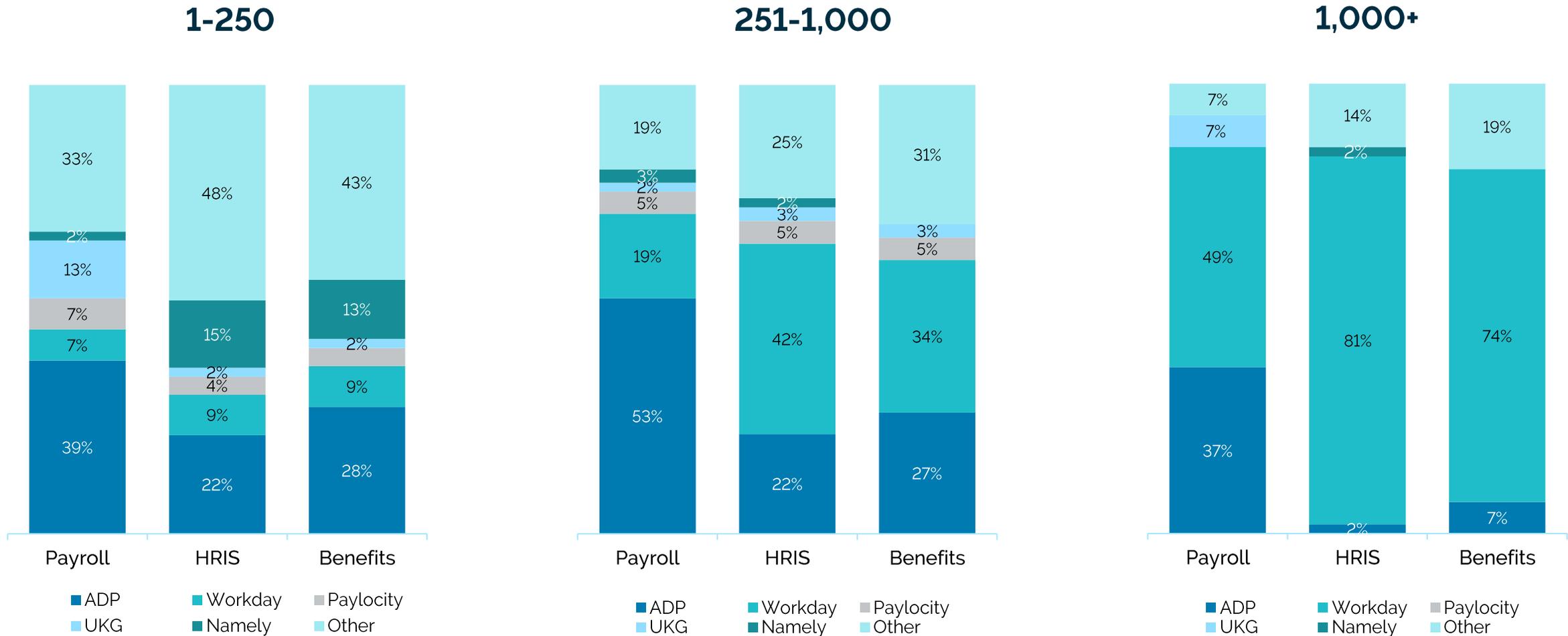
## HR vs. Benefit Teams (per 100 Employees)



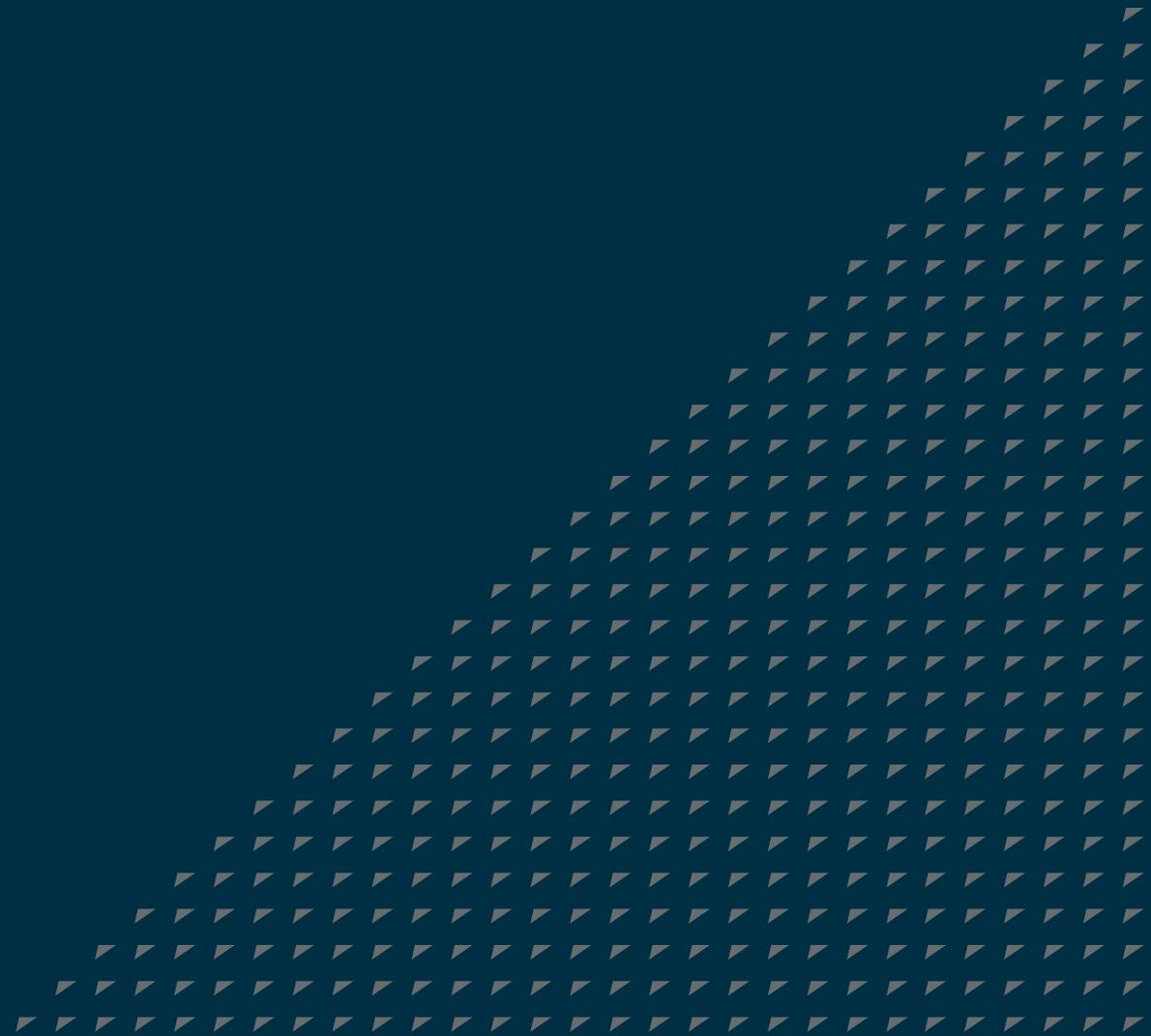
A nearly unanimous challenge faced by benefit leaders is controlling healthcare spending. Leaders are focused on managing costs while still addressing other important issues such as well-being, recruiting and retention, and vendor management. In this environment, continuing to provide competitive benefits is a growing concern as tech is no longer immune to economic pressures.



# Platforms



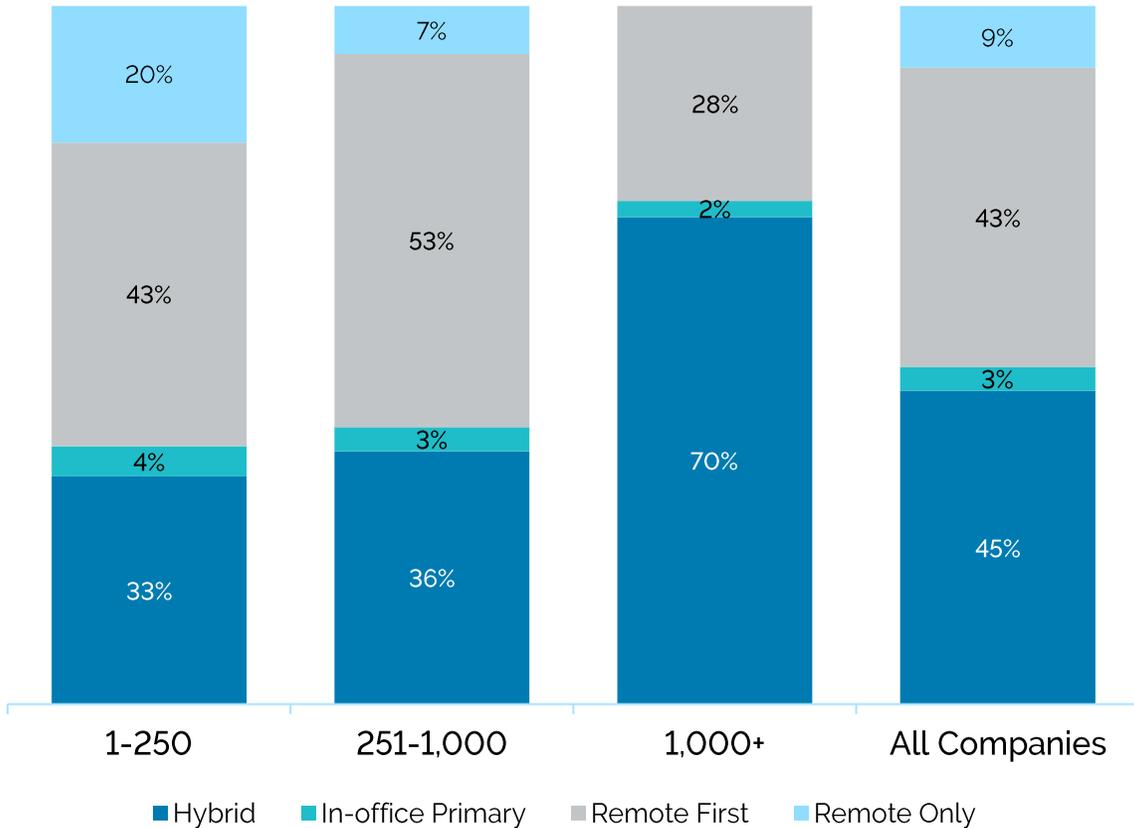
# Trends





# In-Office Status

## Post-RTO “New Normal”



**2.8**

Up from 2.5 in 2024

Average Number of Required Days per Week In-office

Hybrid	In-office Primary	Remote First
2.6	3	2.5

**60%**

Allow Employee Choice

Employee Choice	Specified Days
60%	37%

**54%**

Don't Monitor Adherence

Yes	No
46%	54%

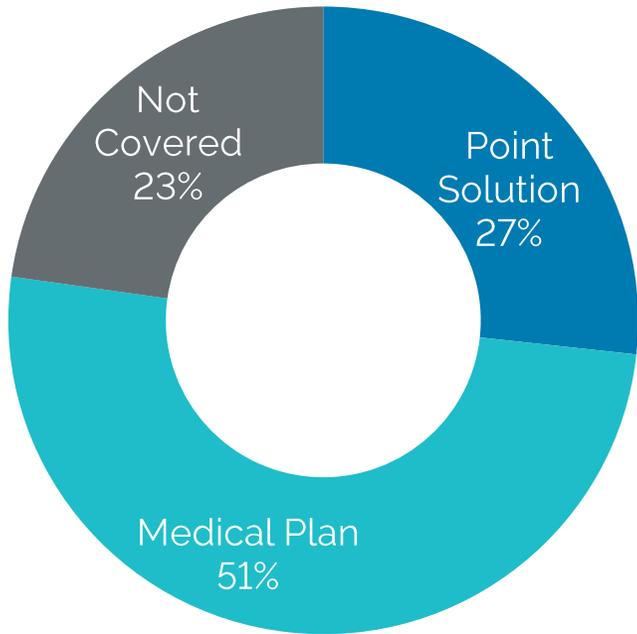
We have moved beyond the “return to work” phase. While some companies are working towards a 5-day in-office workweek, most have found a new balance between in-office time and remote flexibility. In addition to bringing existing employees back to the office, many companies are now re-focusing their hiring efforts around office hub locations, particularly in the San Francisco Bay Area.

# Fertility and Family Forming Benefits



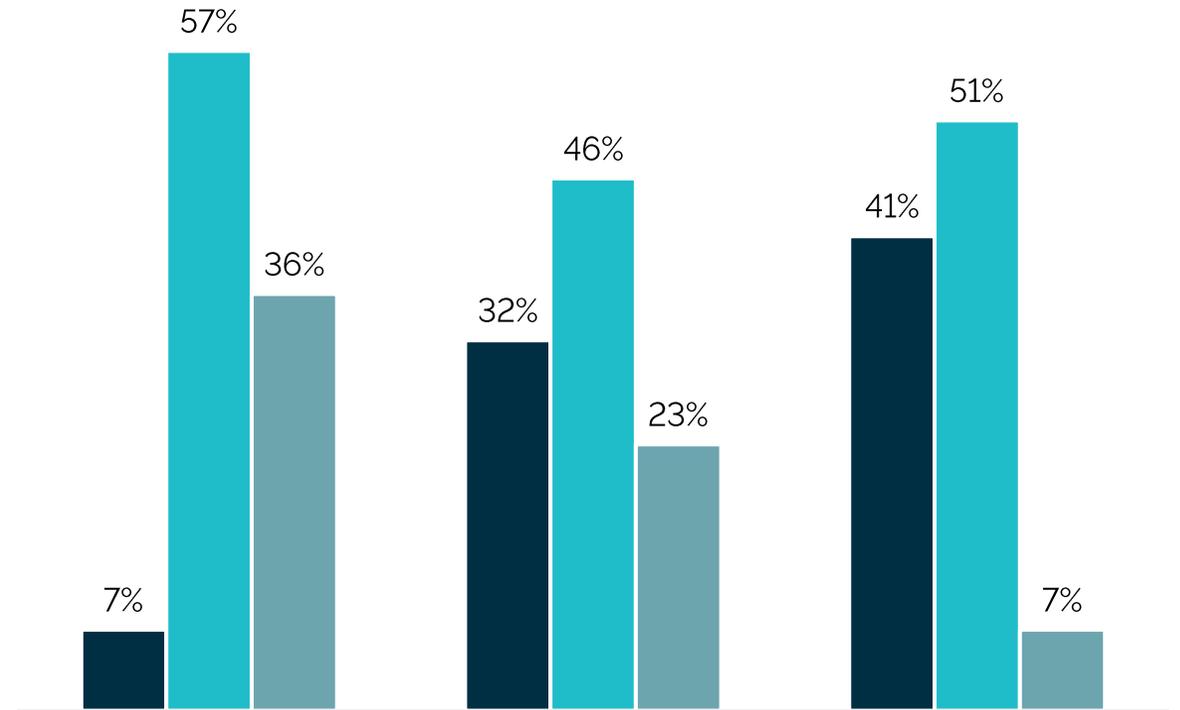
Fertility coverage in the tech industry is set to be significantly impacted by California's new fertility mandate (SB 729), which will take effect in 2026. This mandate requires insured plans to cover three egg retrieval cycles and unlimited embryo transfers. Given that the average cost of IVF cycles ranges from \$15,000 to \$20,000, the mandate effectively translates to a maximum coverage amount of approximately \$45,000 to \$60,000.

Although SB 729 applies only to insured businesses, about 50% of California employees are covered by insured plans. With half of the market experiencing a substantial increase in fertility coverage, there may be considerable pressure on self-funded plans to enhance their fertility coverage in the near future.



- 90%+ of companies with 500+ employees cover fertility
- 50% have equalized fertility, adoption, and surrogacy benefit amounts
- The average fertility dollar maximum remains \$20k, with larger companies (1,000+) at \$30k

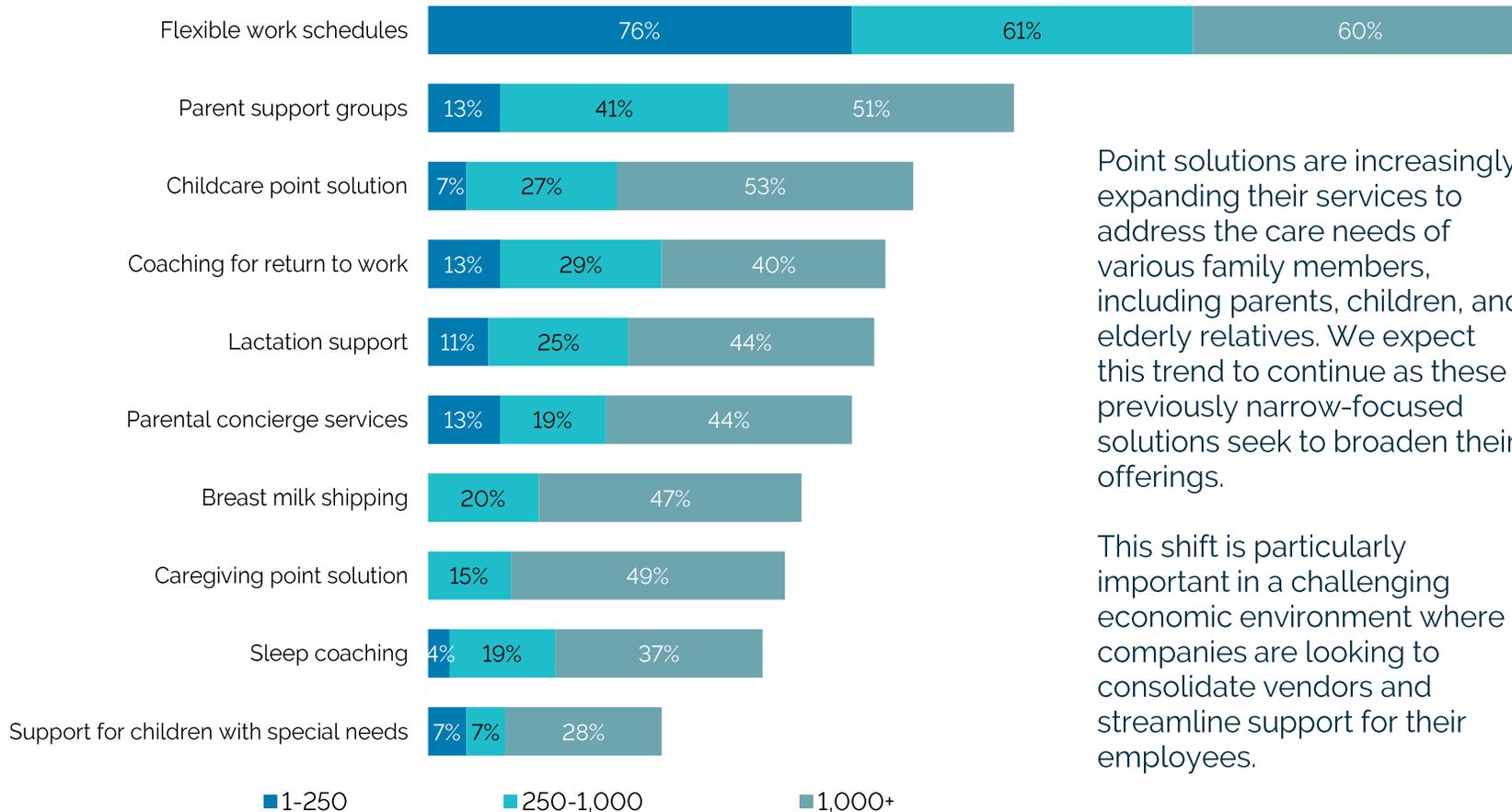
■ Point Solution ■ Medical Plan ■ Not Covered



■ Point Solution ■ Medical Plan ■ Not Covered



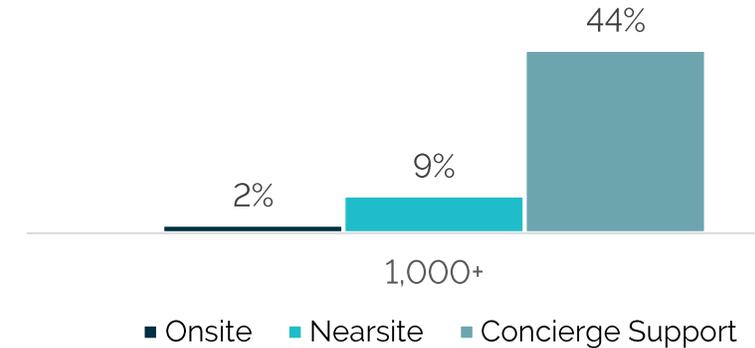
## Percentage Offered Prevalence by Company Size



Point solutions are increasingly expanding their services to address the care needs of various family members, including parents, children, and elderly relatives. We expect this trend to continue as these previously narrow-focused solutions seek to broaden their offerings.

This shift is particularly important in a challenging economic environment where companies are looking to consolidate vendors and streamline support for their employees.

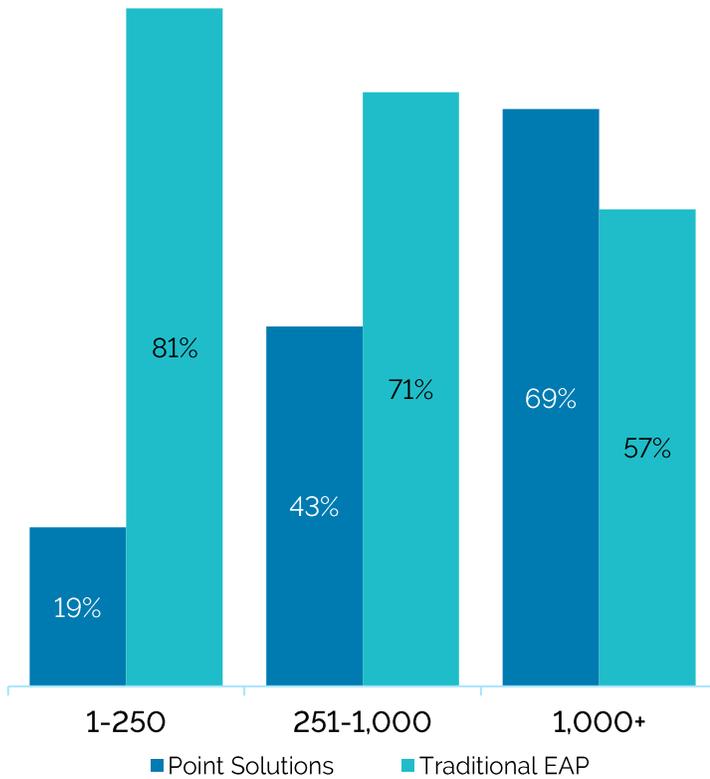
## Employer-Provided Childcare



Childcare options, whether on-site or near-site, are largely available only to very large companies. Even among large companies with 1,000 or more employees, most offer childcare support primarily through concierge services rather than directly providing childcare.



The 2025 data indicates a significant increase in the adoption of mental health point solutions among companies with 250 to 1000 employees compared to 2024.



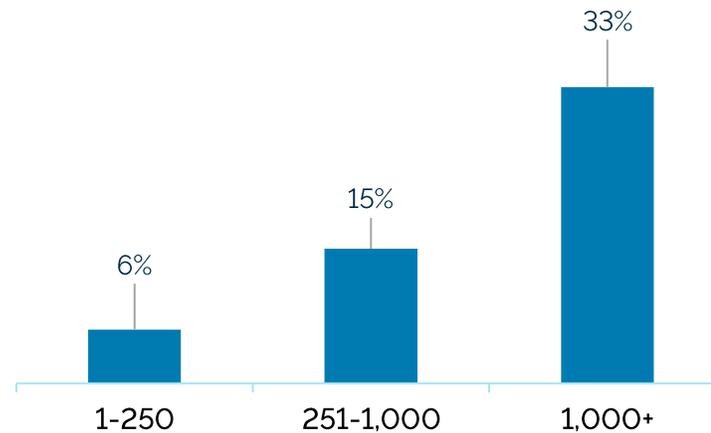
**Core Mental Health Strategy  
Carve Out vs Traditional EAP**

**55%**  
of companies with mental health point solution also maintain a separate traditional EAP

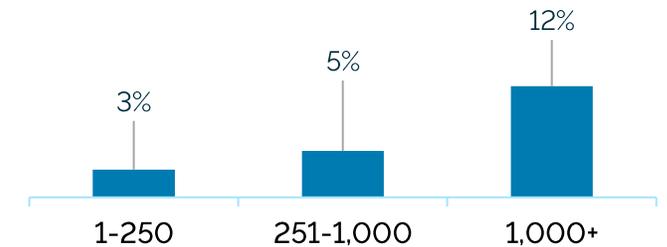
**10.5**  
Average number of sessions (Carve Out)

**10.9**  
Average number of sessions (1000+)

**6 – 25**  
Range of visits



**Improve Medical Plan  
Out-of-Network Benefits**

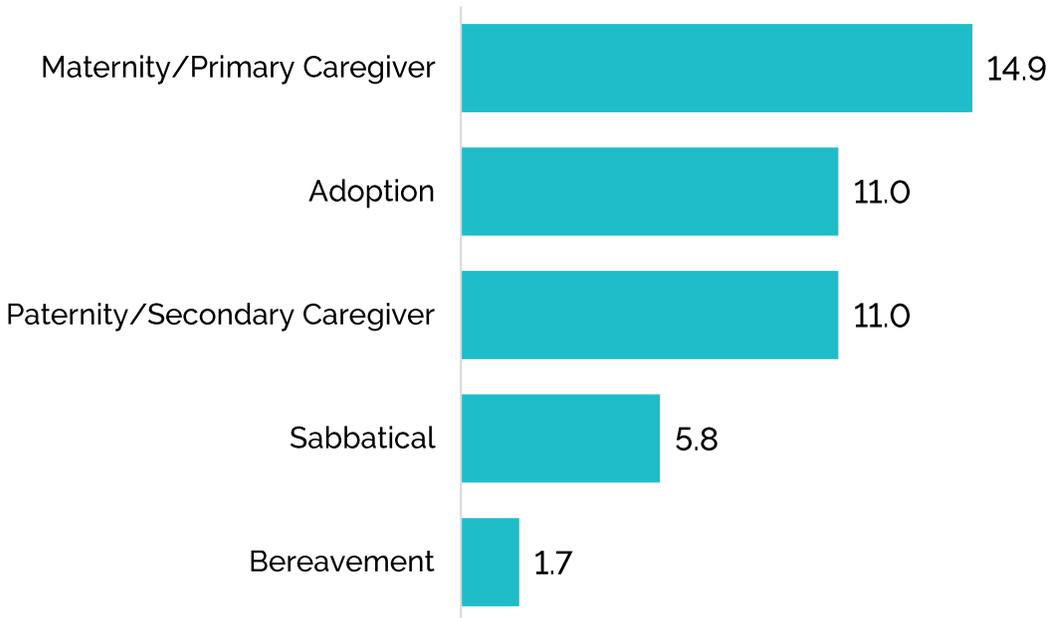


**Medical Plan Integration —  
Point Solution In Network**

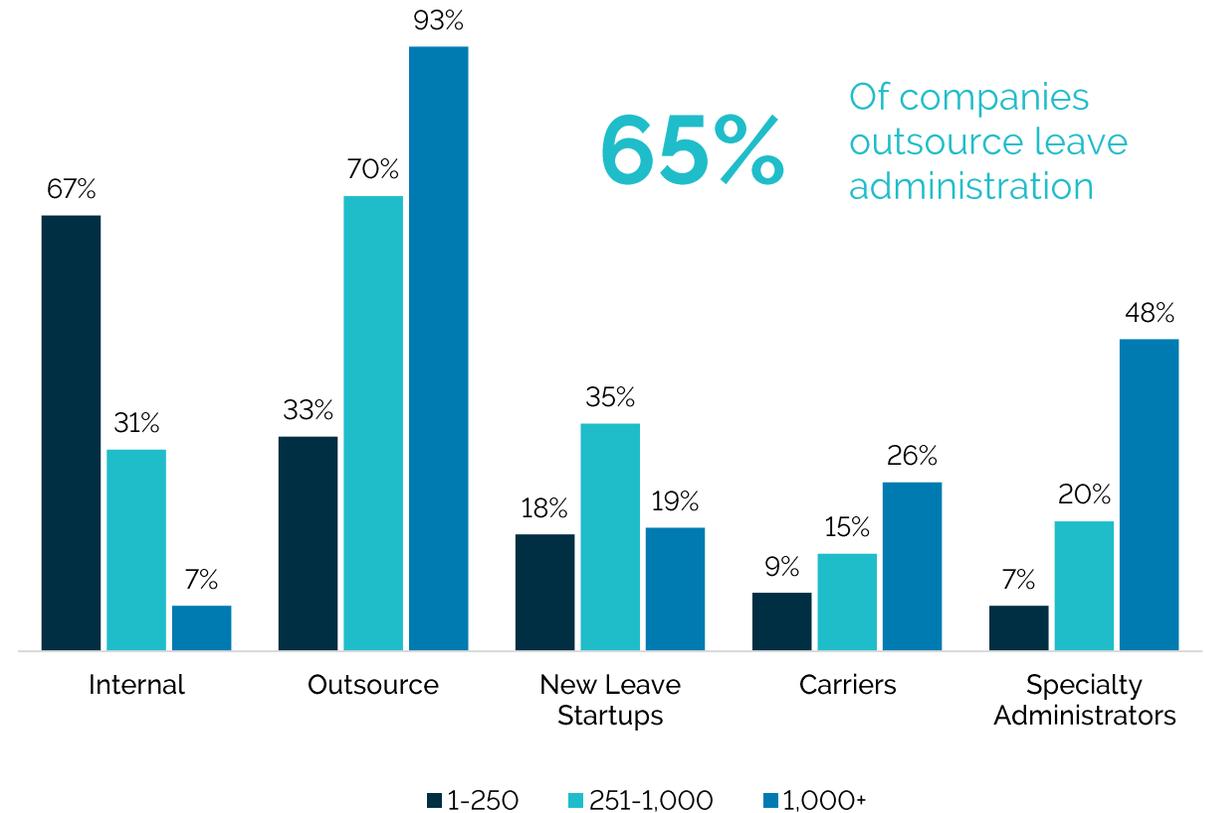


Over time, more tech employers have outsourced their leave administration, particularly larger companies. However, new technology, often driven by AI, is replacing outdated manual processes to manage the complex maze of federal, state, and local regulations.

## Average Duration in Weeks



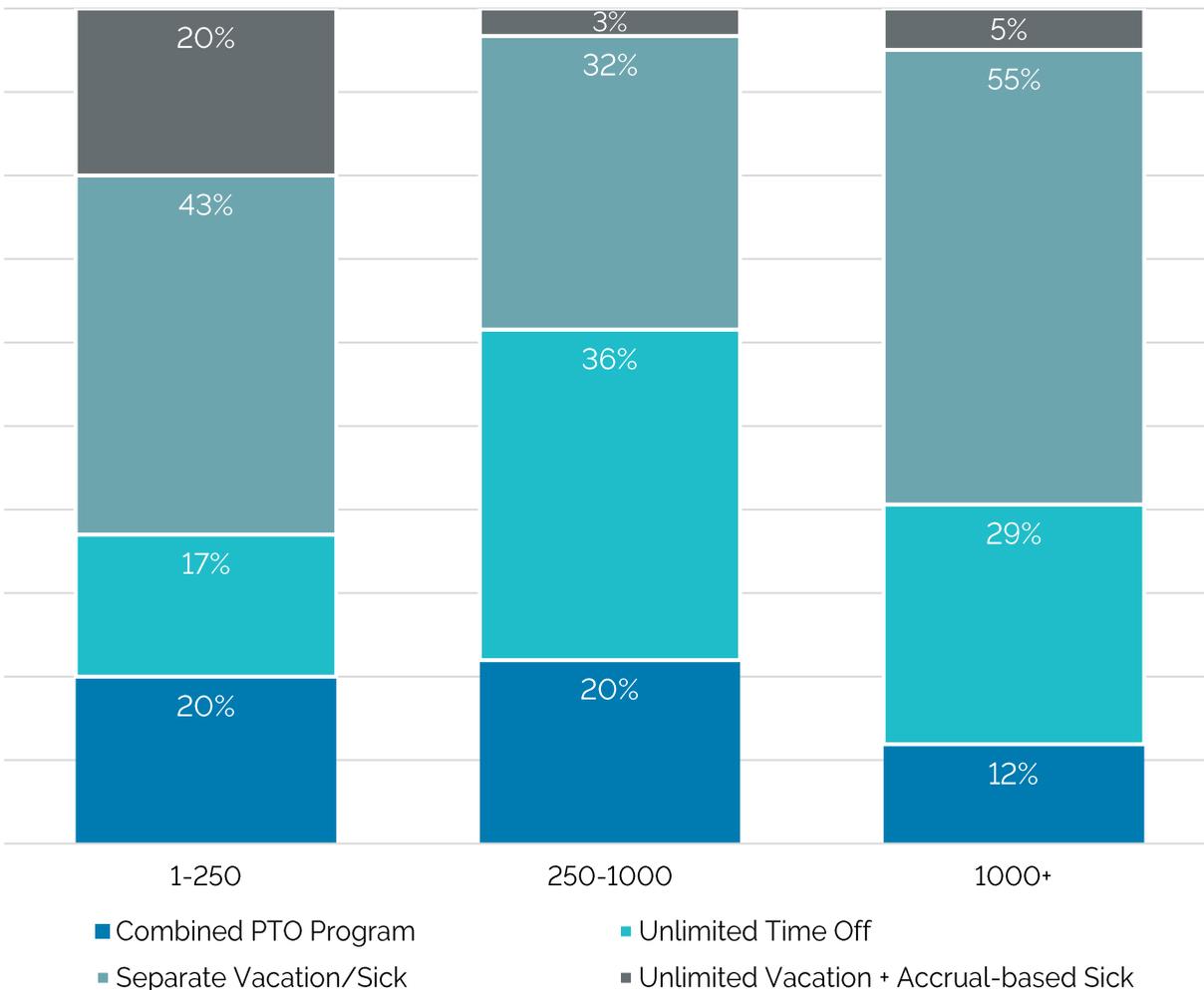
## Leave Administration



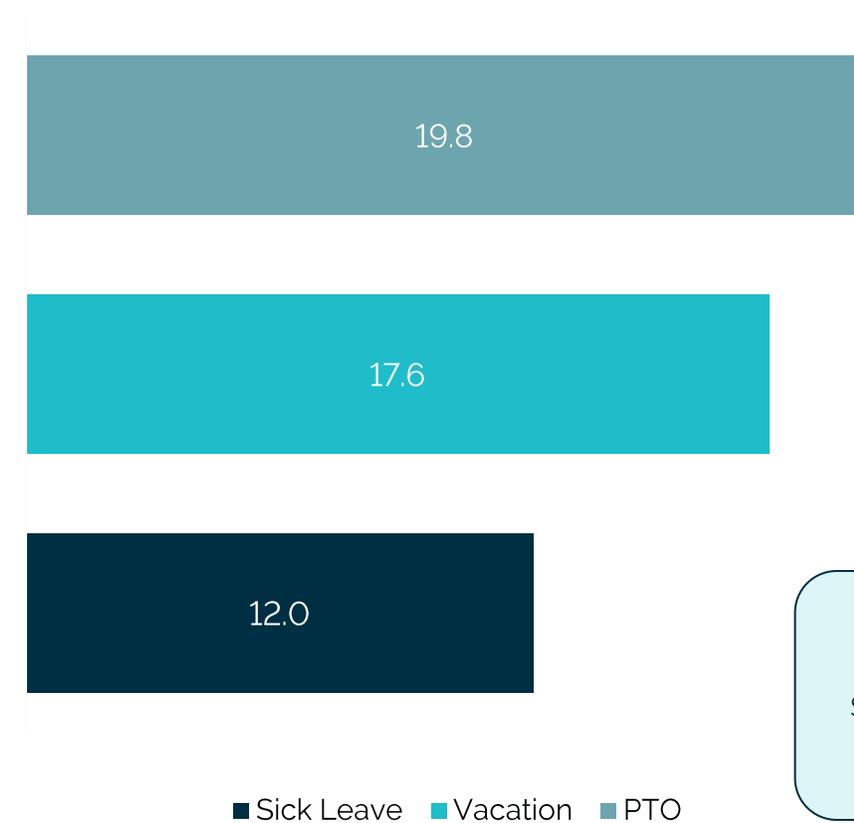


Unlimited Time Off programs continue to lead, especially among smaller/early-stage companies.

## Time Off Program Structure



## Average Days Off (All Years of Service)



**17%**  
Offer Sabbaticals that average 6.9 weeks



# Communications

## Priorities

Engaging employees in their benefits continues to be a priority, as well as creating content that helps employees understand their benefits and get the care and services they need.

STILL #1

		%	'25	'24
▲	Engaging year-round	73%	<b>1</b>	1
▲	Creating high-value content	64%	<b>2</b>	3
▼	Helping EEs find info when there's a problem	57%	<b>3</b>	2
▲	Enrollment guidance	51%	<b>4</b>	6
▼	Meeting needs of EE demographics	49%	<b>5</b>	4
▼	Recruiting	43%	<b>6</b>	5
	Change management (new)	37%	<b>7</b>	—
	Compliance notifications	39%	<b>8</b>	7
	Communicating global benefits	44%	<b>9</b>	8
	Reaching dependents	28%	<b>10</b>	9
	Reaching remote employees	28%	<b>11</b>	10

## Delivery

Email and company intranet remain the most common methods of sharing benefits information, and branding is a high priority. Print and dedicated in-person enrollment meetings are at the bottom of the list.

		%	'25	'24
	Email	93%	<b>1</b>	1
	Company Intranet	91%	<b>2</b>	2
	Branding	86%	<b>3</b>	—
	Webinars	79%	<b>4</b>	3
	On-Demand recorded presentation	68%	<b>5</b>	—
	Benefits-specific Online portal	66%	<b>6</b>	4
	Benefit administration technology platform	66%	<b>7</b>	—
	Enrollment system tools	63%	<b>8</b>	6
	New hire / annual enrollment comparison selection tools	53%	<b>9</b>	8
	Third-party call center / enrollment support	53%	<b>10</b>	7
	Mobile-App: Carrier Product	48%	<b>11</b>	9
	Carrier-based tools (cost estimators, claims tools, etc.)	45%	<b>12</b>	9
	In-person meetings	42%	<b>13</b>	10
	Advocacy, Navigation or Communications app platform	39%	<b>14</b>	—
	Collaboration / messaging	36%	<b>15</b>	11
▼	Enrollment-dedicated in-person meetings	34%	<b>16</b>	10
▼	Print	28%	<b>17</b>	17



# Stipends

Stipends are becoming increasingly common, with a 10% year-over-year increase in prevalence compared to 2024. They are also moving towards more generalized reimbursement options, rather than focusing solely on specific categories like fitness and health. In 2025, general reimbursement became the most prevalent account type for the first time, surpassing categories related to fitness, health, and well-being.

# 1

## General Reimbursement

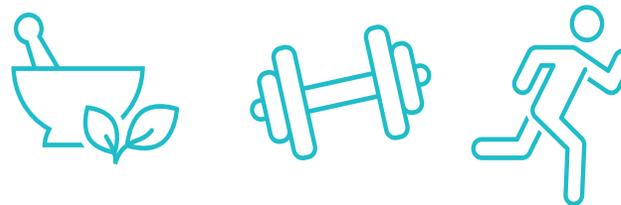


# 34%

Avg.	Low	High
\$1438	\$100	\$5000

# 2

## Fitness / Health / Well-being

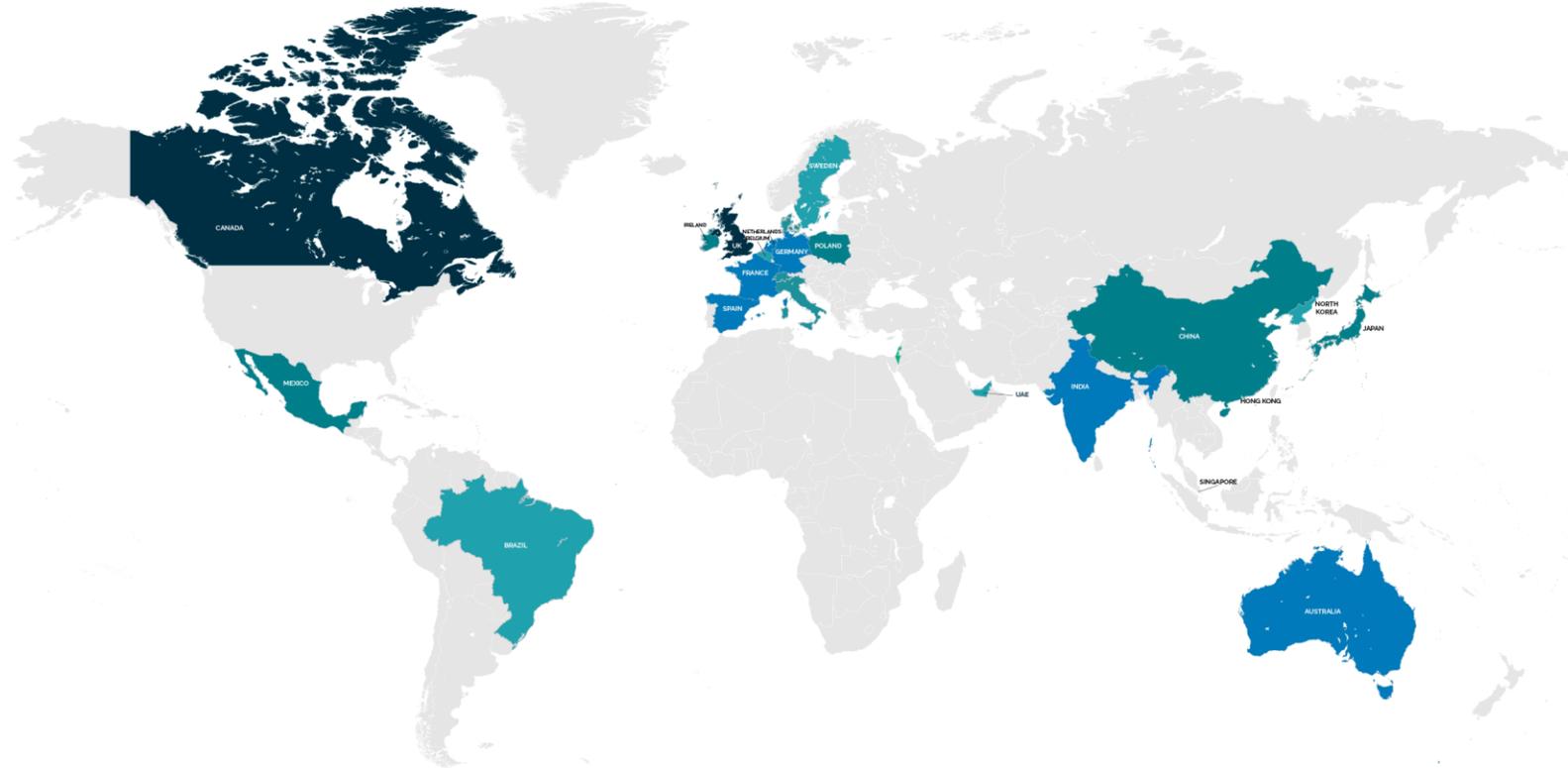


# 31%

Avg.	Low	High
\$490	\$200	\$1200



Tech companies of all sizes are managing large and distributed workforces, with 80% employing global employees, which reflects a 4% year-over-year increase. These companies primarily manage global benefits centrally, with 86% of all companies and 92% of those with over 1,000 employees following this approach. Participating companies have employees in 49 countries worldwide.



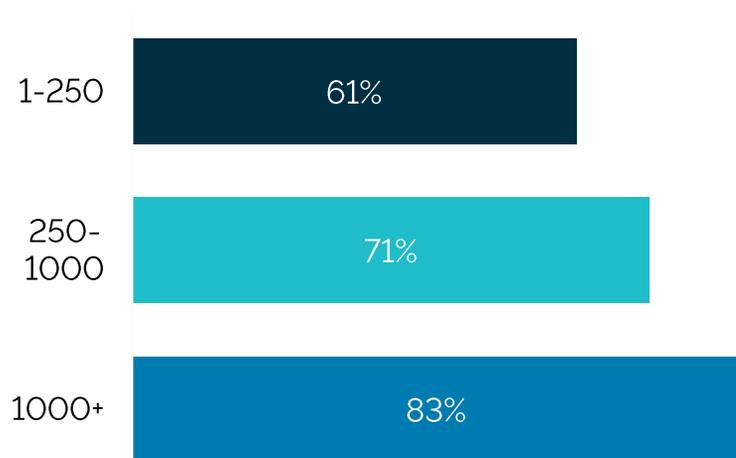
## Top Countries (Outside the US)

Rank	Country	%
1	United Kingdom	82%
2	Canada	72%
3	Germany	53%
4	India	50%
5	Australia	48%
6	France	45%
7	Netherlands	44%
8	Singapore	44%
9	Spain	40%
10	Ireland	34%
11	Japan	34%
12	Poland	29%
13	Brazil	28%
14	Mexico	27%
15	Sweden	27%
16	United Arab Emirates (UAE)	27%
17	China	25%
18	Italy	24%
19	Denmark	22%
20	Republic of Korea	22%
21	Belgium	21%
22	Switzerland	20%
23	Israel	19%
24	Hong Kong	16%



# Retirement

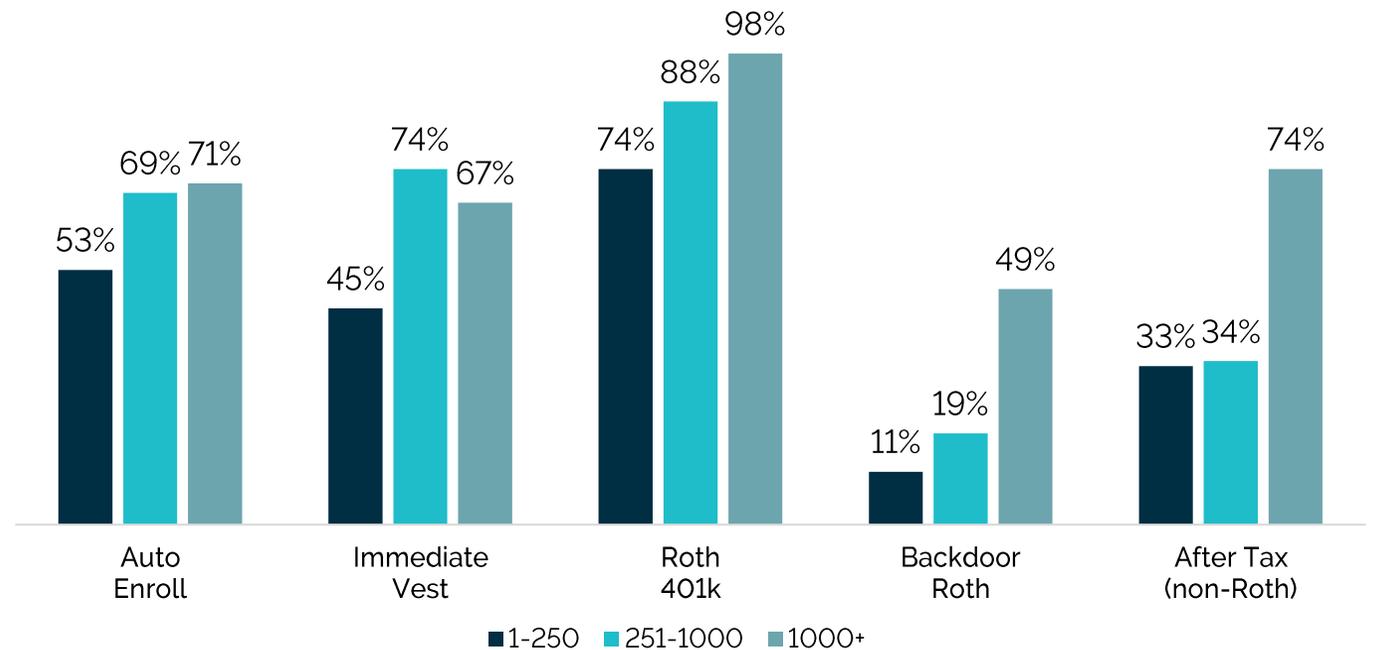
## Employer 401k Match



Employer matching contributions increased significantly leading up to 2024, and the prevalence of matches remains steady from 2024 to 2025.

## Retirement Plan Features

(across large and small companies)



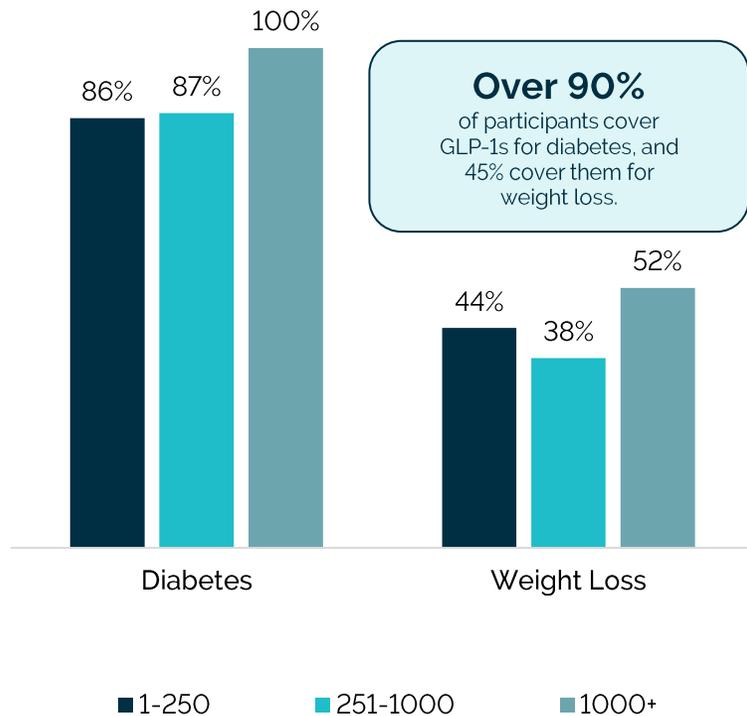


## What is the effect of covering GLP-1s?

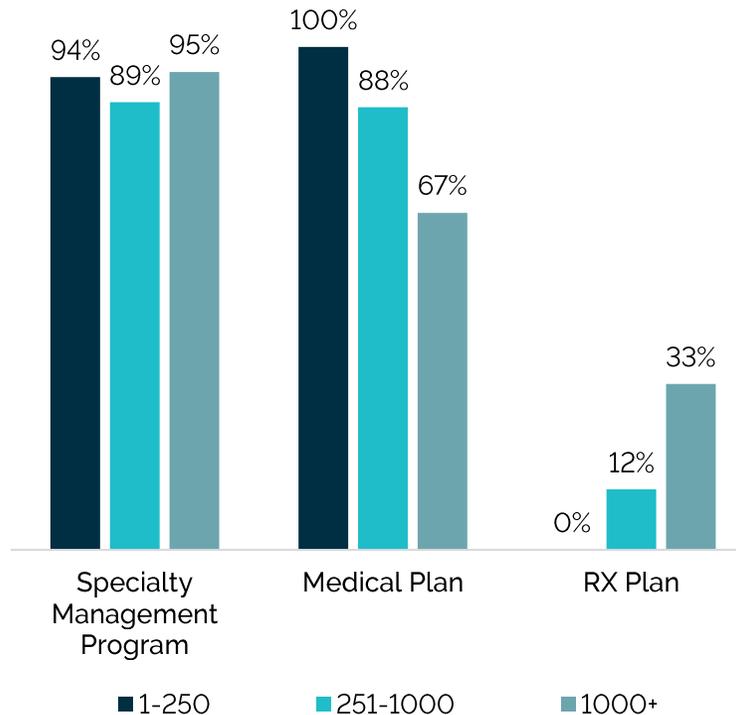
The high cost of GLP-1s poses financial challenges for healthcare systems and employers. As usage increases, these medications are predicted to drive up overall healthcare spending, creating tension between their benefits and the need for sustainable cost management.

GLP-1s are likely to remain a significant topic in 2026, influenced by federal actions, direct-to-consumer initiatives, and the potential introduction of new oral formulations that will affect this dynamic segment of the pharmaceutical market.

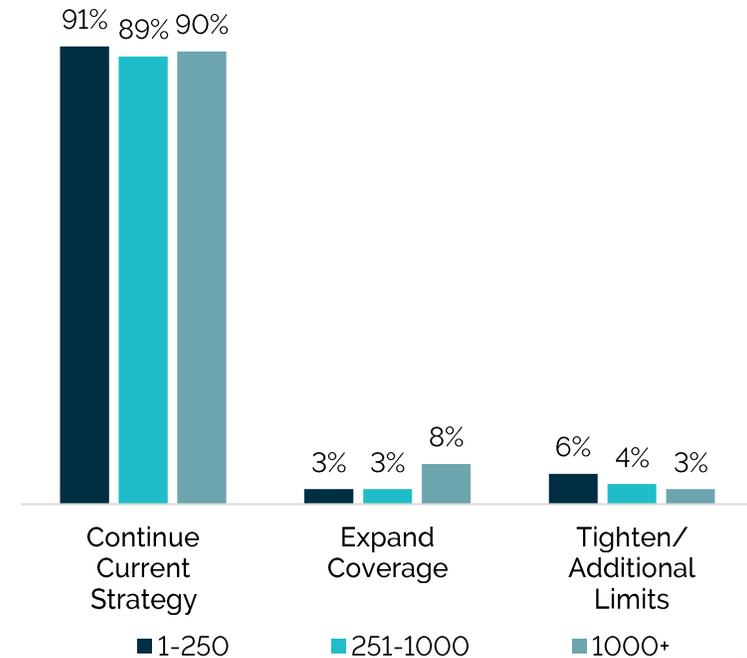
### Cover GLP-1s



### GLP-1 Management



### Next 12-18 Months...





# Future Trends

Data across tech organizations shows that the cost management imperative is crowding out all other priorities. US healthcare trends are at 10-year highs with structural factors that look to continue for the near-term future.



## Cost Management

Healthcare costs increases continue at 10-year highs with no let-up in sight. Organizations have to get serious about managing costs and driving improved outcomes or face 10%+ (in some cases significantly higher) increases for the near future:

- Effective procurement
- Clinical management and program outcomes
- Point solution value
- Smart plan design, aligning participant incentives and enrollment levels
- Health navigation and provider quality
- Prescription drug program management
- Alternative funding and delivery systems



## Artificial Intelligence

AI shows early promise across key benefits priorities, including supporting effective procurement and data insights to help cost efficiency

- Internal process improvement
- Data Analytics
- Participant Support



### Is Creative Agility important to you? It should be.

At Alliant, we celebrate the collective intelligence of our people. We are constantly learning and growing with the industry, enabling us to challenge the status quo on how we deliver our products, services, and experiences to our partners. We call this mindset creative agility. It means that we are not only striving to find solutions today, but we're already looking ahead to solve tomorrow's challenges.

If you have questions about the survey data or would like to participate in future surveys, please email [surveys@alliant.com](mailto:surveys@alliant.com)