Sneak Peek

A preview of the latest benchmarking data revealing how people-first companies shape their employee experience

SEQUOIA CONSULTING GROUP
Employee Experience Benchmarking Report
2019
About the Report

The 2019 Employee Experience Benchmarking Report is a tool that’s rich in competitive data and industry insights to inform your strategic decisions around hiring talent and building a happier and healthier workforce.

The report compiles survey responses and claims data from 684 U.S.-based companies. Weighted toward the technology space and tech hub states of California and New York, the report sheds light on the investments some of the most savvy, people-first employers are making to attract and retain the talent they need to execute their mission.

About the sneak peek

This sneak peek gives you a quick look at some of the content available in the full report, which is packed with over 80 pages of benchmarking goodness. While this version previews only a small sample of data from each section, the full report dives deeper — not only into year-over-year trends, but into the ways companies of different sizes are strategically handling their people practices and protecting their business from risk.

Want more? Let’s talk.

The full report has been exclusively distributed to those who participated in our 2019 Benchmarking Survey. If you want to discover how your company stacks up against the benchmarks, please reach out to benchmark@sequoia.com.

Also be sure to sign up to participate in the next benchmarking survey by visiting www.sequoia.com/benchmark.
Domestic Benefits

Balancing cost and competitiveness
As more and more companies consider benefits as part of their total rewards strategy, balancing the cost and competitiveness of their health benefits remains a priority. The average total program cost (including employer and employee spend) for medical, dental and vision ranges from $10,000-$13,000 per employee per year.

Average cost per type of coverage*

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<tr>
<th></th>
<th>Medical</th>
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</table>

*Per employee per year. Includes employer and employee costs. Does not include HSA contributions or life and disability insurance costs.

Kicking in on employee HSAs
A majority of companies contribute to employee health savings accounts. When compared to 2017, the amount they contribute has decreased slightly but aligns with half of the employee-only deductible for the most common HDHP. 59% of companies fund HSAs monthly, compared to only 37% last year.

Meeting demand for extra health benefits
While offering competitive health benefits is common practice, certain provisions and programs are becoming more important to the workforce. There are many strategic offerings to help employees and their families access the best care, when and where they need it.

Want to dive deeper? Talk to us.
The Domestic Benefits section of the full report provides over 20 pages of insights about the kinds of benefits making a difference at stellar companies. Reach out to learn more: benchmark@sequoia.com
Global Benefits

Establishing strategic global programs
As companies grow, they become much more likely to have a formal global benefits strategy. Roughly half of responding companies with 500 or more employees have such a strategy. Formal global benefits governance also aligns with company size, although only a quarter of participants reported having global benefits governance frameworks.

Supporting employee health and wealth
The provision of health, welfare, and financial benefits for non-U.S. employees is increasing. This growth is driven by the expanding size of responding companies’ global workforce, changing local competitive practices, and, in some countries, evolving mandatory requirements.

Supplementing parental leave
Providing the right level of parental benefits is becoming more of a priority among global companies and many are reviewing their parental leave policies outside the U.S. As a result, many employers choose to supplement mandatory paid leave for employees.

Covering global business travelers
While providing appropriate coverage for employees traveling abroad on business is a critical concern for companies, nearly 30% of them do not have Business Travel Medical (BTM) or Business Travel Accident (BTA) insurance.

Like what you see? Get in touch.
The Global Benefits section of the full report provides 10 pages of insights about coverage for global employees and business travelers. Reach out to learn more: benchmark@sequoia.com
Employee Wellbeing

Shaping a wellbeing program
While there are many contributing factors in shaping a wellbeing program, the majority of employers agree that employee happiness and culture are the primary drivers for wellbeing-related decisions.

Approaching wellbeing holistically
As healthcare rates continue to increase, tactics to support employee wellbeing have become a necessary component in every benefit program. This year we saw a surge in the number of companies who are focused on creating a well-rounded, holistic wellbeing and benefits program, with the largest increase seen in emotional wellbeing.

Finding funds for wellbeing
With few companies reporting a dedicated wellbeing budget, many are increasingly turning to existing resources through their broker, carriers, or community to support their programs. Medical carriers have taken notice of the need, with many offering free telemedicine, chronic condition management, maternity programs, and even fitness challenges and health reimbursements for employees.

Finding differentiation through perks
Companies are breathing new life into the idea of work-life balance by offering employees convenient services and a wide variety of benefits that improve the employee experience.

Intriguing, right? Let’s talk.
The Wellbeing section of the full report provides 12 pages of data and insights to inspire your wellbeing program and delight your employees. Reach out to learn more: benchmark@sequoia.com
HR Policy & Administration

Flexing PTO policies
The shift toward flexible PTO policies continues, led by the tech sector where a majority of responding companies (65%) have adopted flexible PTO. This represents a 35% increase in just 5 years. When considering this type of policy, several factors need to be weighed: cultural fit, how long the company could function without key employees; financial liability with respect to accrued PTO payout upon termination; and whether the policy can be managed effectively and sustained.

In Tech, flexible time off policies have grown 35% in 5 years

Monitoring performance and engagement
A large majority of companies make it a priority to formally evaluate employee performance (75%) and also better understand how employees feel about their company (73%). Most companies use third-party tools to facilitate evaluations, surveys, and reporting.

Supplementing paid leave
Whether or not to offer supplemental pay for pregnancy, parental, or family leave in addition to state- and federally-mandated requirements continues to be a hot topic. According to survey responses, not only are more companies choosing to supplement pay for various types of leave, they are also supplementing for longer.

Focusing on diversity and inclusion
Many of today’s most influential companies are redefining their values and prioritizing efforts to reduce unconscious bias and embrace a workforce that is inclusive of races, genders, ages, religions, disabilities, and sexual orientations. This year’s survey results confirm that Diversity & Inclusion programs are gaining traction, with 70% of employers fostering diversity and inclusion using a variety of programs.

Want the full picture? Talk to us.
The HR Policy & Administration section of the full report provides 16 pages of insights to help great companies make better HR decisions. Reach out to learn more: benchmark@sequoia.com
401(k) Retirement Plans

Prioritizing saving for the future

As pension plans become a thing of the past, the importance of employer-sponsored 401(k) plans has increased, making it the primary retirement savings vehicle used by employees. More than half of surveyed companies offer immediate eligibility in their 401(k) plans and a majority offer both Traditional and Roth options.

Matching employee contributions

HR professionals continue to cite that job candidates reference the company 401(k) plan, especially plans that offer matching contributions, as a deciding factor. For companies that match, vesting schedules are commonly used as a method to encourage employee retention. However, 62% of tech companies use immediate vesting as a recruiting tactic in a competitive talent pool.

Automatically enrolling employees

The adoption of automatic enrollment has been trending over the past few years, with utilization rising 15% since 2016. Nearly half of surveyed companies are now automatically enrolling eligible employees.

Boosting plan participation

Plan participation rates for tech companies continue to rise rapidly. And regardless of industry, one of the contributing factors to improved participation is likely the increase in companies utilizing automatic enrollment. 66% of companies who offer auto enrollment have 75% plan participation or better.

Find this useful? Let’s chat.
The 401(k) Retirement Plans section of the full report provides 8 pages of insightful data to ensure your retirement benefits are competitive. Reach out to learn more: benchmark@sequoia.com
Strategically mitigating risk
While employee benefits protect your staff and their families, corporate business insurance protects the balance sheet, your shareholders, customers, and the public. This year respondents focused on their total cost of risk and retained risk, relative to the size and financial position of their company.

Top reasons why companies choose to retain risk

1. Premiums are too high
2. Policy limitations are too high
3. Our company can cover the risk
4. Adequate coverage is cost prohibitive
5. Internal controls are too strong

Managing claims
Workers’ Compensation claims make up the majority of corporate claims filings. With medical-only soft tissue claims dominating the claims landscape, companies should focus on injury and illness prevention like an ergonomics program, inclusive of ergonomic chairs and desks.

Procuring business insurance
Businesses typically can’t operate without General Liability insurance, and with casualty rates declining, General Liability coverage the most economical spend for the broadest coverage.

Given the rise in employment-related litigation in the U.S., we’ve seen an increase in Employment Practice Liability Insurance Limits from an average of $3M to approximately $6M. We expect this buying trend to continue given the high profile sexual harassment claims in the media.

As Cyber crime is on the rise, so are purchases of Cyber limits. Year over year, buyers purchased more Cyber insurance, from an average of $3M to over $4M in limit.

Average limits for most common policies

- General Liability/Umbrella: $5.57M
- Cyber/E&O: $4.10M
- Directors’ and Officers’: $2.73M
- Employment Practices Liability: $5.92M

Want more? Talk to us.
The Risk Management & Business Insurance section of the full report provides 7 pages of data around how companies are protecting themselves. Reach out to learn more: benchmark@sequoia.com
Helping great companies become great big companies

Sequoia offers everything people-first companies need to grow smartly and confidently:

• Domestic & Global Benefits
• HR & Payroll Outsourcing
• 401(k) Retirement Plans
• Employee Wellbeing
• Risk Management

Sequoia solutions built exclusively for tech:

Sequoia tech
Unmatched benefits value with streamlined administration

Sequoia one
All-in-one HR, payroll and benefits outsourcing for startups

How does your company stack up?

The 2019 Employee Experience Benchmarking Report is rich in competitive data and industry insights to inform your people strategy. Learn more by reaching out to benchmark@sequoia.com and sign up to join the next benchmarking survey at www.sequoia.com/benchmark