

BENEFITS DISCONNECT

EMPLOYEES WANT MORE SUPPORT, BETTER COMMUNICATION

A NEW REPORT finds that many employers believe they are doing a good job meeting workers' benefits needs, but employees often see things differently.

The findings in the Aflac Workforces Report highlight growing gaps in communication, financial preparedness and access to benefits information that could affect engagement and retention. The report shines a light on areas where employers can take steps to improve how they deliver benefits to their staff and how to boost their benefit uptake and usage, which can improve employee retention and help attract new talent.

Employees who are highly satisfied with their benefits are more than twice as likely to report high overall job satisfaction than workers who are less satisfied.

Disconnects

- The report found that 75% of employers believe employees are satisfied with their benefits packages, but only 65% of employees say they are.
- One of the biggest disconnects involves communication and guidance during enrollment. Nearly 37% of employees said they want to speak with a real person when making benefits decisions, yet only 28% of employers offer that option.
- Similarly, 32% of employees want one-on-one access to a benefits consultant, but only 28% of employers provide it.
- While 78% of employers believe their workers could handle a major unexpected medical bill, 44% of employees said they could not afford \$1,000 in out-of-pocket costs for an illness or injury.
- Nearly one in five employees said they would struggle to cover even \$500 in health care expenses. More than half also reported anxiety about health care costs not covered by insurance.

Burnout and poor communications

The report also points to rising levels of stress and burnout. Nearly three-quarters of employees reported moderate to very high stress levels, and burnout reached its highest level in six years.

Gen Z workers reported the highest burnout rates, surpassing millennials. Only 48% of employees said they are confident their employers care about their mental health, down from 54% a year earlier.

Communication gaps may be contributing to the problem. Only 42% of employees said they fully understand their health insurance coverage, down from 49% the previous year.

Meanwhile, 69% said they want more information about their benefits. Although 46% of employers said they communicate about benefits throughout the year, only 34% of employees agreed that they receive year-round communication.

Digital access has become increasingly important as well. More than four out of five employees said the ability to manage benefits

online is very or extremely important, including 87% of Gen Z and millennial workers. However, 30% of employers still do not offer online benefits management tools.

What employers can do

The findings suggest that employers do not necessarily need to offer more benefits, but they may need to make existing benefits easier to understand and use. Employers can improve engagement by:

- Communicating about benefits year-round instead of only during open enrollment.
- Providing access to benefits counselors or advisers.
- Expanding digital enrollment and self-service tools.
- Offering supplemental benefits that address financial concerns.
- Investing in mental health and burnout prevention programs.
- Regularly surveying employees to understand which benefits they value most.

Organizations that close these gaps may improve employee satisfaction, reduce stress and strengthen retention in an increasingly competitive labor market.



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