

COVID-19 Benefits survey report - UK

Key findings

Willis Towers Watson 

What measures are UK companies taking - or planning to take - to adapt employee benefits to suit the new needs of the workforce as a result of the ongoing pandemic?

Employer response

- Two-fifths (42%) of companies have made, or are planning to make, significant changes to their benefit programmes as a result of the COVID-19 pandemic and the impact it has had on the way people work.
- A third of employers are also likely to revise their healthcare strategies for 2021.

Cost Management

- Many firms are anticipating significant cost increases in the benefits they provide employees. Nearly half (44%) are expecting sick leave costs to increase, while over a third (34%) think that Group Life Assurance and Dependent Pension costs will also rise.
- A quarter (25%) are expecting an increase in healthcare costs and Group Income Protection.
- 37% are planning to review the way their medical benefit plans are designed.
- For those employers who have had to furlough some staff, almost all - between 87-98% depending on the individual benefit - are maintaining existing benefits for furloughed employees.

“ The COVID-19 pandemic will prompt big changes in employee benefit programmes for many companies. Some will be forced to get better value from their benefits, both from a cost and communications perspective. Some will look to enhance certain areas and dial-down others as priorities shift. But most companies at some point are likely to look at what they currently provide employees and ask, ‘are these benefits still relevant and is the balance still right for the new working environment?’ ”

Kevin Newman, Head of Health & Benefits GB, Willis Towers Watson

Benefit change

- There are key areas that companies are focusing on to make sure their benefits programmes are fit for purpose during and after the pandemic.
- Encouragingly for employees, more companies are looking to enhance certain benefits than reduce them. Specifically, top priorities for enhancing benefits include: wellbeing programmes (60%); mental health and stress management services (58%); annual leave policies (26%); and voluntary benefits (23%).
- Benefits most likely to be reduced include: annual leave (8%); Retirement benefits (5%); health care benefits (4%); and sick leave (4%).

“ More companies are looking to enhance benefits than reduce them as a result of the pandemic. But areas such as annual leave appear to be a priority for expansion for some and reduction for others, showing the divergent circumstances different employers find themselves in. ”

Kevin Newman, Head of Health & Benefits GB, Willis Towers Watson

Support for employees

- Over a quarter (28%) of employers have taken action to measure employee anxiety during the current period, with a further 47% planning or considering this action.
- Furthermore, two-in-five (39%) employers have provided, or expanded, access to telemedicine and a small proportion (7%) will be facilitating access to COVID-19 testing.

Communication priorities

- Employers are keen to make the most of existing benefit structures by communicating their relevance for this pandemic period as clearly as possible.
- Almost two-thirds (61%) think that communication of benefits and wellbeing programmes will be a top priority this year. Top of the list for awareness raising are Employee Assistance Programmes (79%); online mental health services (65%); and Wellbeing apps (47%).

“ In times of stress and uncertainty, Employee Assistance Programmes and mental health services become even more important and employees that haven't used these services in the past may need reminding that companies often have a network of valuable support services available to employees. ”

Kevin Newman, Head of Health & Benefits GB, Willis Towers Watson

“ Re-shaping and re-planning benefits will be important, but most elements of a company's employee benefit programme will continue to serve their employees well if the relevance is communicated effectively. ”

Kevin Newman, Head of Health & Benefits GB, Willis Towers Watson

Willis Towers Watson surveyed 177 UK employers between 20 April - 1 May 2020

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