

# 2026 Global Benefits Forecast

## RESULTS

Strengthen your benefits strategy with actionable insights from our 2026 survey.

MARCH 2026

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  - Benefits strategy and priorities
  - Operational challenges, compliance and risk management
  - Innovation, technology and the evolving workforce

# About the survey



## About the survey

What are global organizations planning for their benefits in 2026? What are their priorities and which challenges do they face?

To explore these questions, MBWL conducted its fifth annual global survey, addressing the key topics most relevant to benefits leaders at prominent organizations worldwide. The findings are organized under three primary themes:



### Benefits Strategy & Priorities

including topics such as effective global benefits management, cost management, priority setting, and M&A processes



### Operational Challenges, Compliance & Risk Management

including topics such as benefits administration, staying abreast of legislative changes, and regulatory risk management



### Innovation, Technology & the Evolving Workforce

including topics such as AI and technology adoption, Diversity, Equity and Inclusion, and employee support



# Perspectives from around the world

Summary details of the survey respondents are shown below



**372**  
Total respondents



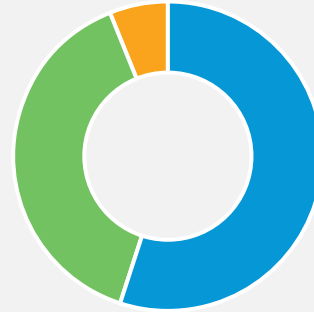
**231\***  
Multinationals



**100+**  
Countries represented

## Location of global headquarters

**59%** North America  
**33%** Europe  
**7%** Asia



## Organization size

**24%** <1,000 employees  
**24%** 1,000 – 5,000 employees  
**11%** 5,000 – 10,000 employees  
**41%** > 10,000 employees

**19** Industries represented

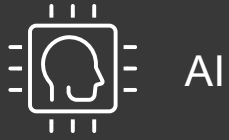


- Agriculture
- Charity (NGOs)
- Construction
- Consumer goods
- Entertainment
- Environmental services
- Financial services
- Industrials
- IT and electronics
- Manufacturing
- Media
- Medical and pharmaceuticals
- Mining and energy
- Professional services
- Real estate
- Retail
- Transportation
- Travel and tourism
- Wholesale/distribution

# 2026 key findings



## 2026 key findings overview



Organizations are increasingly adopting AI to personalize communications, analyze benefits data, and enhance engagement, while navigating data security, integration, and cost challenges.



Cost control remains the top priority, driving action on governance, automation, and cost visibility despite plan complexity and data gaps.



Resource and process challenges are fueling a desire for greater efficiency, optimization and automation.



Clearer communication, better education, and improved benefits positioning are seen as key to boosting employee understanding and engagement.



Late involvement and information gaps hinder benefits teams from efficiently integrating M&A activities.



Retirement plan and pay equity regulations are the top global compliance challenges for organizations.

# Key finding #1: AI

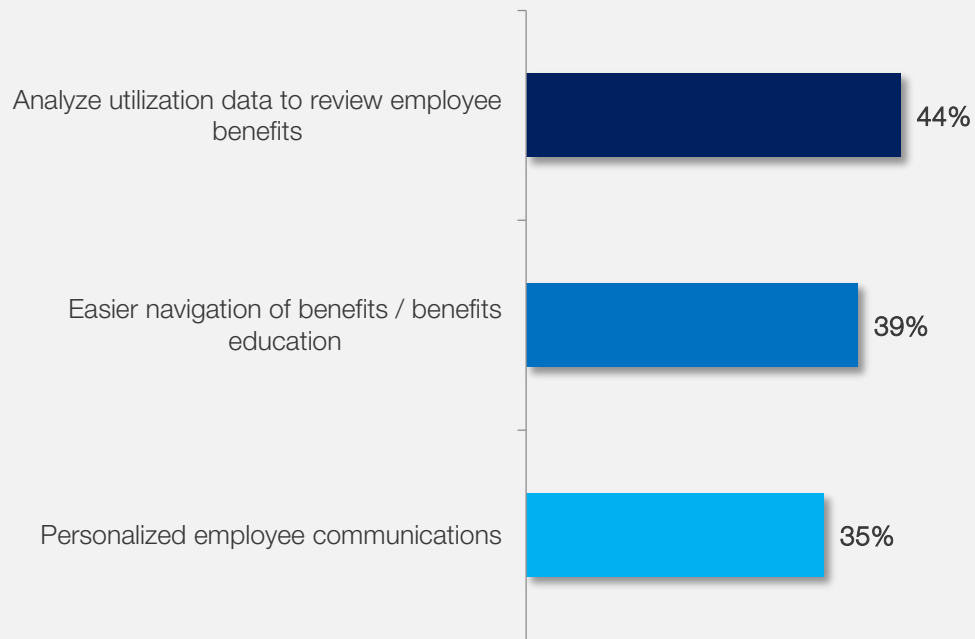
\*Multiple-choice question - maximum 3 choices



Organizations are increasingly adopting AI to gain efficiency, analyze benefits data, personalize communications, and enhance engagement, while navigating data security, integration, and cost challenges.

\* Which of the following areas would you prioritize for technology-driven projects (including AI technology)?

\* What would be the top priority outcomes for your organization from using AI in benefits management?



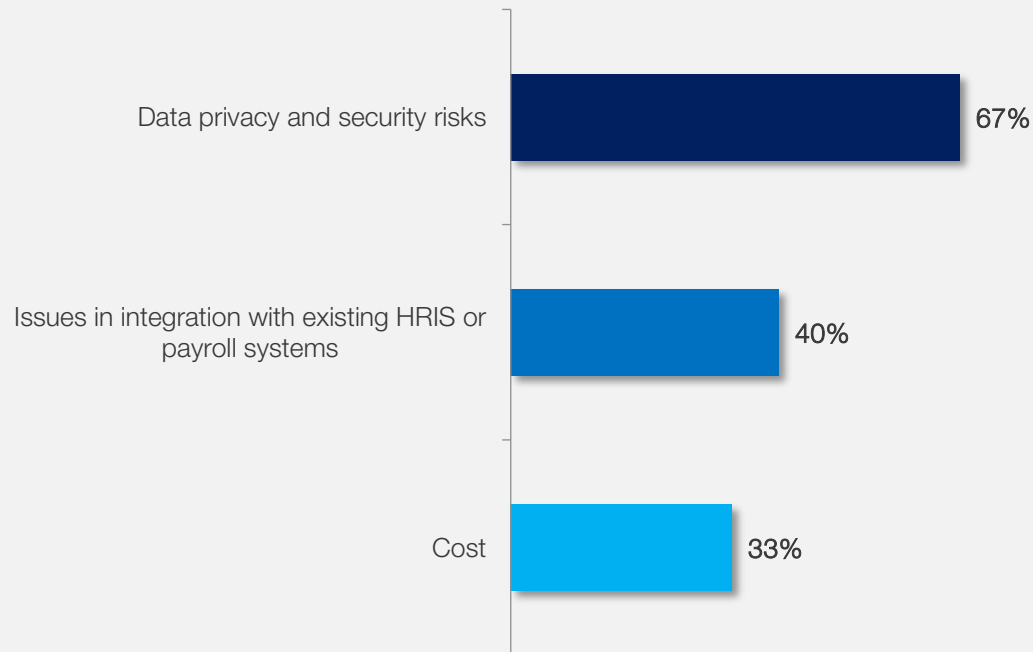
# Key finding #1: AI

\*Multiple-choice question - maximum 3 choices

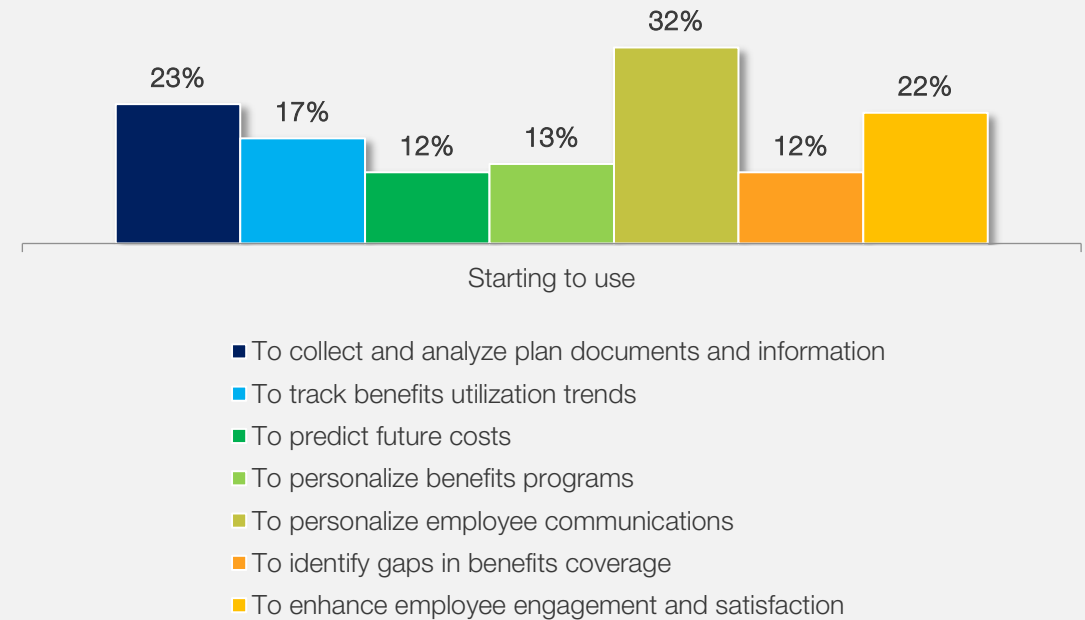


Organizations are increasingly adopting AI to gain efficiency, analyze benefits data, personalize communications, and enhance engagement, while navigating data security, integration, and cost challenges.

\* What are the main challenges you foresee in adopting AI to manage your benefits programs?



In which of the following areas do you make use of AI technology to guide your benefits strategy?



## Key finding #1: AI



Organizations are increasingly adopting AI to gain efficiency, analyze benefits data, personalize communications, and enhance engagement, while navigating data security, integration, and cost challenges.

### What does this mean?

- AI adoption is accelerating across HR and benefits functions.
- Used to personalize communications, improve data analysis, and increase engagement.
- Organizations aim to scale AI to boost efficiency, reduce costs, and enhance employee experience.
- Broader adoption is constrained by data privacy, system integration, and investment concerns.

### Why is this important?

- AI helps to streamline benefits administration and personalize employee communications.
- Rapid AI advancement is raising expectations to elevate employee experience and performance.
- Falling behind in adoption risks loss of competitive advantage and might leave HR trailing behind.
- Value depends on addressing privacy, integration, cost, and HR capability gaps.

### What should organizations do?

- Pilot AI in clearly defined use cases, such as personalized communications.
- Address data security and privacy early, using trusted, certified providers.
- Choose scalable solutions that integrate with existing systems.
- Enable adoption through cross-functional collaboration across HR, IT, and Legal while monitoring emerging AI trends.

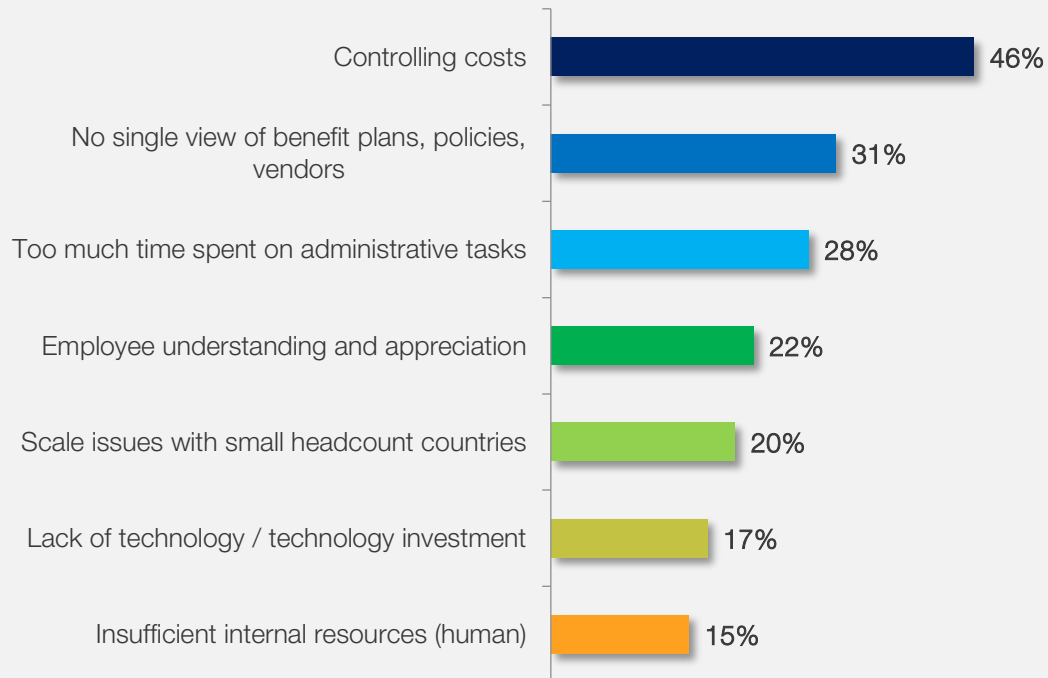
## Key finding #2: Cost control

\*Multiple-choice question - maximum 3 choices

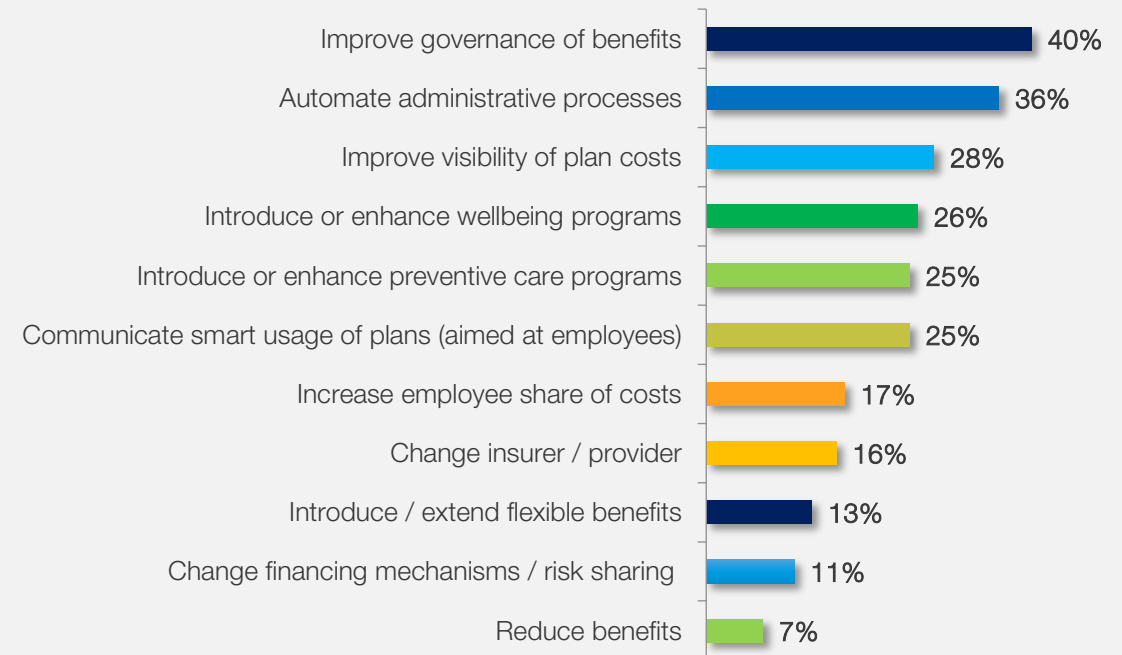


Cost control remains the top priority, driving action on governance, automation, and cost visibility despite plan complexity and data gaps.

\* What are your organization's main challenges in global benefits management?



\* Which of the following initiatives or strategies is your organization considering as a priority to manage or reduce the rising costs of employee benefits?



## Key finding #2: Cost control



Cost control remains the top priority, driving action on governance, automation, and cost visibility despite plan complexity and data gaps.

### What does this mean?

- Managing benefits costs is the leading priority for multinational organizations.
- Focus is on stronger governance, automation, and improved cost visibility.
- Efforts are constrained by plan complexity, fragmented vendors, and data gaps.
- Inconsistent measurement across countries limits effective cost management.

### Why is this important?

- Benefits represent a major and growing financial investment.
- Pressure from leadership to justify spending is increasing amid economic uncertainty.
- Ageing workforces are adding further healthcare cost pressure.

### What should organizations do?

- Maintain accurate, up-to-date global benefits data across all plans.
- Strengthen governance and adopt unified global frameworks.
- Automate processes and improve cost tracking and reporting.
- Collaborate with trusted advisors in the use of analytics and benchmarking to optimize design and manage spend.

# Key finding #3: Optimizing resources

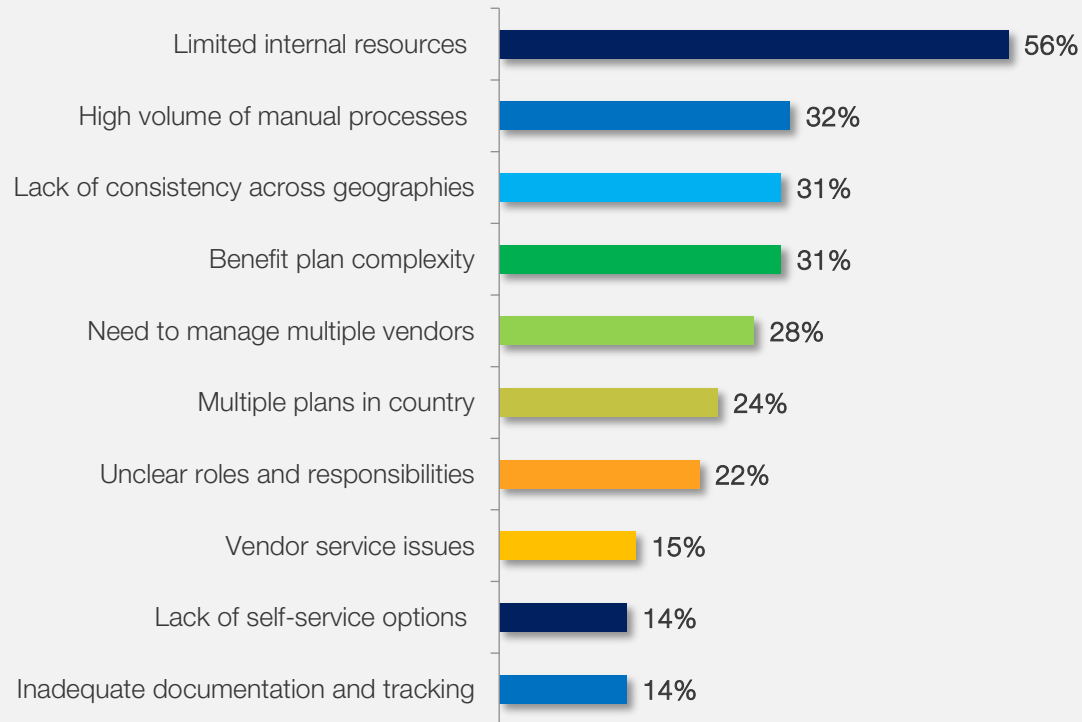
\*Multiple-choice question – select all that apply

\*\*Multiple-choice question - maximum 3 choices

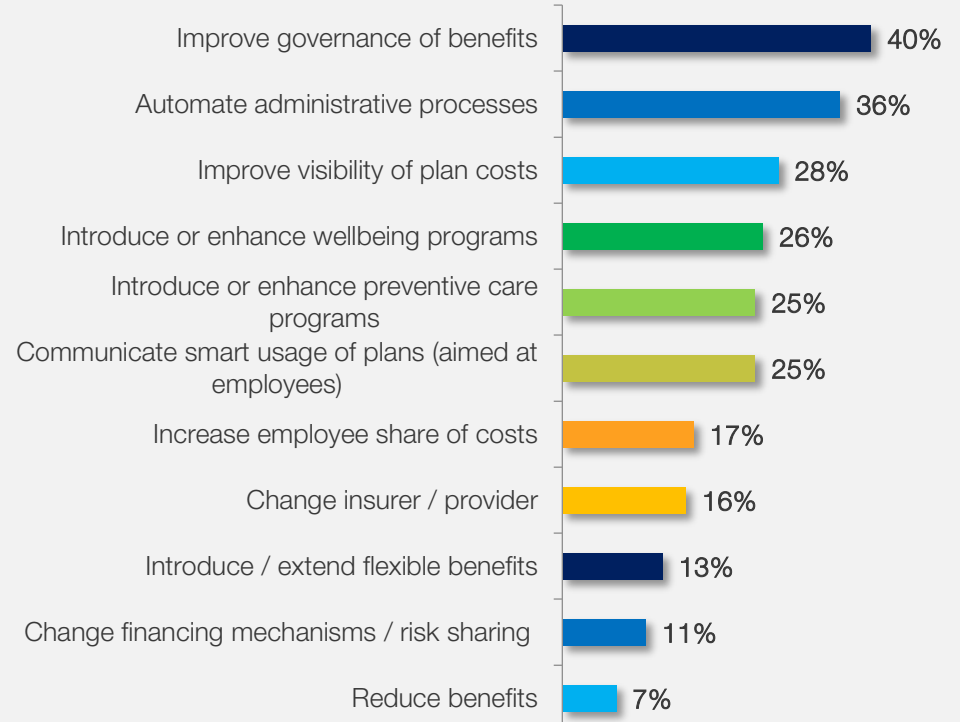


Resource and process challenges are fueling a desire for greater efficiency, optimization and automation.

\* What challenges does your organization face in the administration of its benefits plans?



\*\* Which of the following initiatives or strategies is your organization considering as a priority to manage or reduce the rising costs of employee benefits?



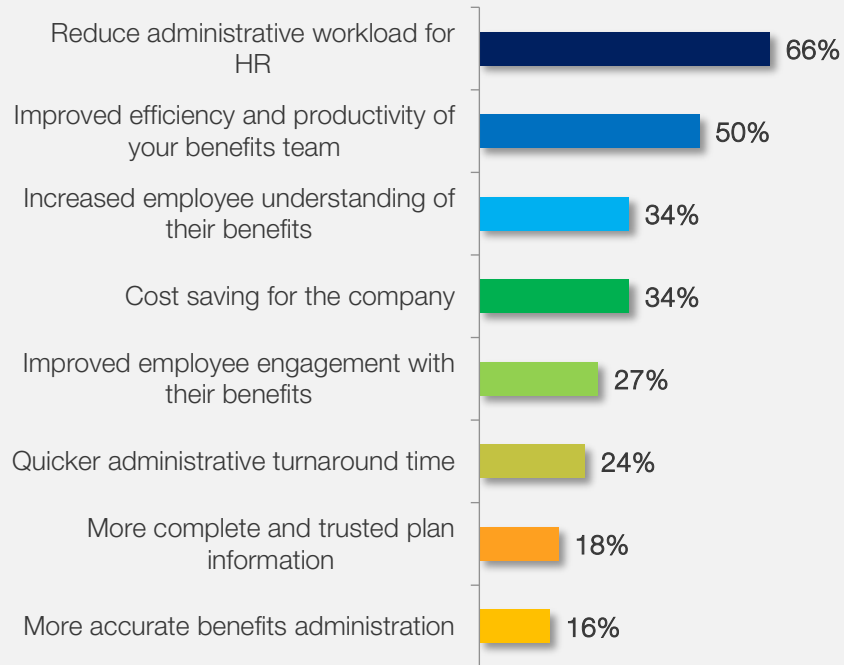
# Key finding #3: Optimizing resources

\*Multiple-choice question - maximum 3 choices

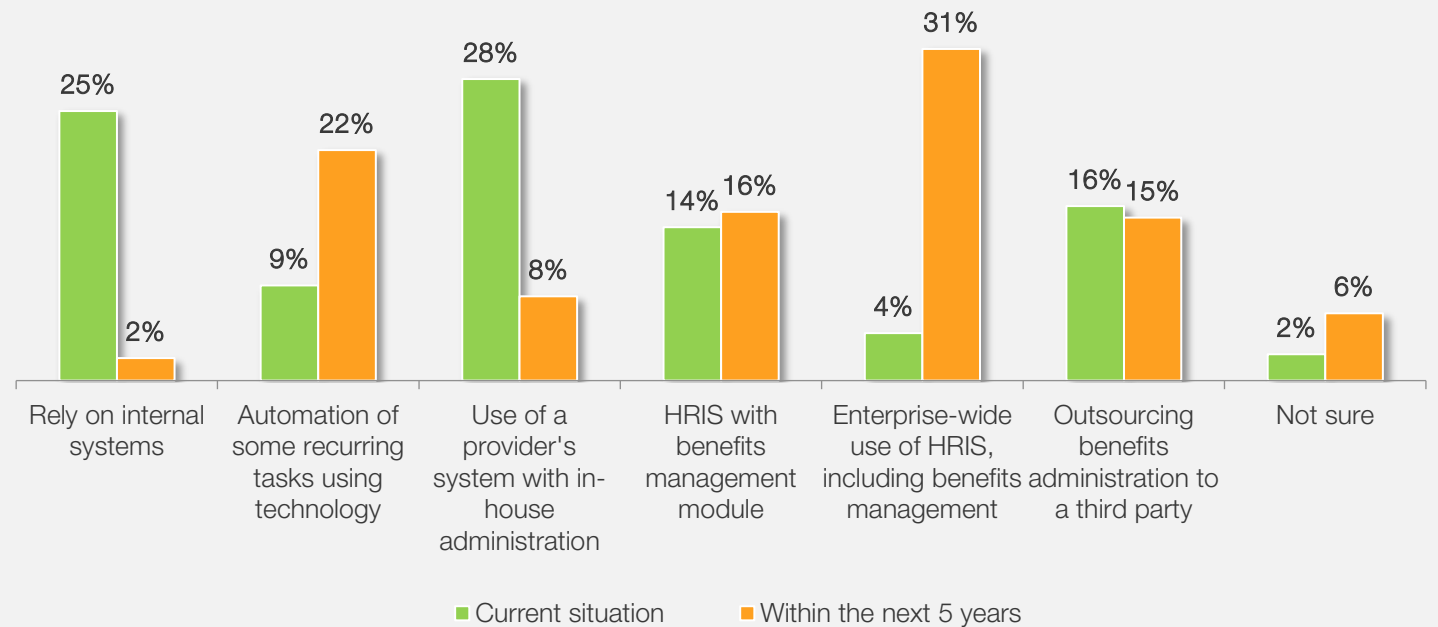


Resource and process challenges are fueling a desire for greater efficiency, optimization and automation.

\* What would be the top priority outcomes for your organization from using AI in benefits management?



\* Which of the following best describes your organization's approach to benefits administration technology?



## Key finding #3: Optimizing resources



Resource and process challenges are fueling a desire for greater efficiency, optimization and automation.

### What does this mean?

- Limited internal resources and manual processes are creating operational strain.
- Inconsistencies across systems are reducing efficiency and scalability.
- Organizations are moving away from fragmented approaches.
- There is a clear shift toward automated, centralized, and integrated HR platforms.

### Why is this important?

- Manual, fragmented processes drive inefficiency, errors, and reporting challenges.
- Strong benefits administration supports compliance, cost control, and employee satisfaction.
- Streamlined operations enable benefits teams to support strategic priorities such as M&A, employee experience, wellbeing, AI adoption, and cost efficiency.

### What should organizations do?

- Accelerate adoption of automation, technology, and AI across benefits management.

## Key finding #4: Employee engagement

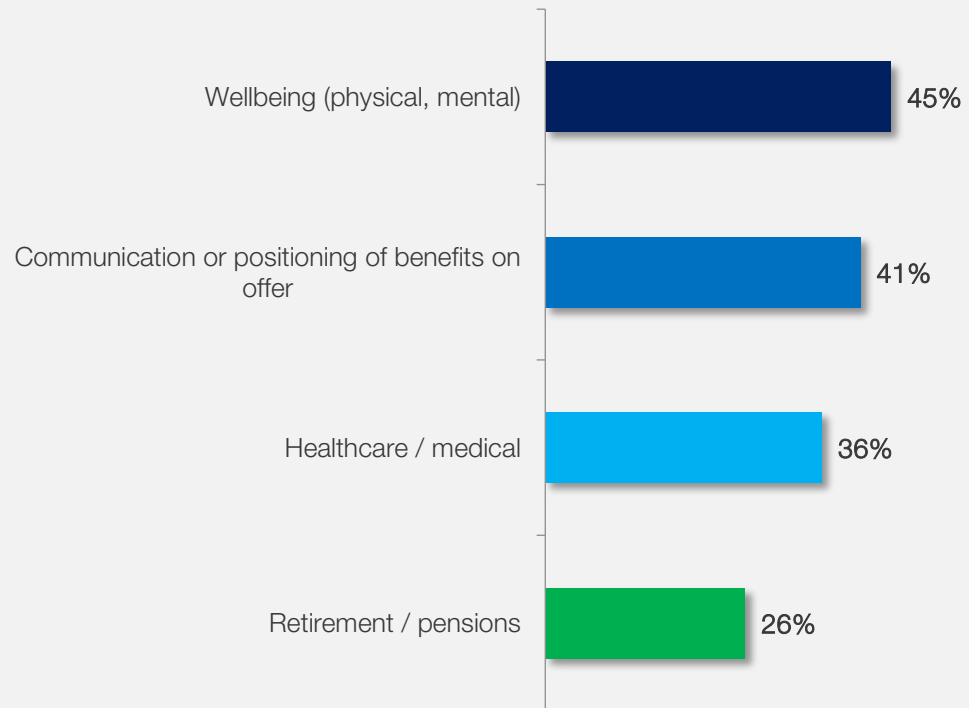
\*Multiple-choice question – select all that apply

\*\*Multiple-choice question - maximum 3 choices

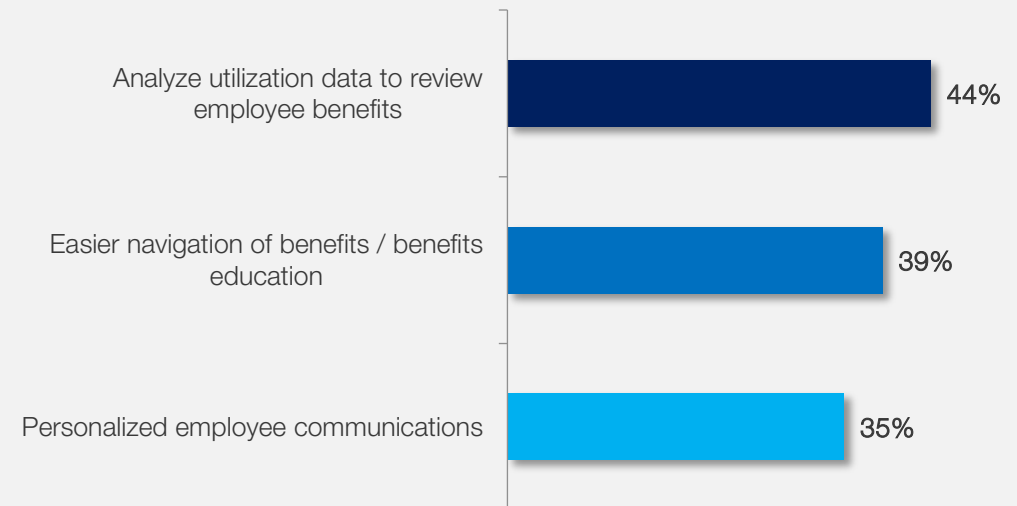


Organizations are elevating communication and benefits education as strategic priorities, responding to rising expectations for clarity and engagement among a diverse, evolving workforce.

\* Which of the following will you introduce or improve in the next 2 years to attract and retain top talent around the world?



\*\* Which of the following areas would you prioritize for technology-driven projects (including AI technology)?



## Key finding #4: Employee engagement



Organizations are elevating communication and benefits education as strategic priorities, responding to rising expectations for clarity and engagement among a diverse, evolving workforce.

### What does this mean?

- Benefits communications are becoming more personalized and targeted.
- Investment in education and positioning is improving understanding and engagement.
- Organizations are moving away from one-size-fits-all approaches toward solutions tailored to local needs and roles.

### Why is this important?

- Employees expect clear, accessible benefits information to make informed decisions.
- Poor communication reduces utilization, satisfaction, and return on benefits spend.
- Effective communication increases perceived value of benefits and supports talent attraction and retention.

### What should organizations do?

- Develop communication strategies tailored to different workforce segments.
- Use a mix of digital and traditional communication channels.
- Invest in education platforms, feedback mechanisms, and clear benefits positioning.

## Key finding #5: M&A

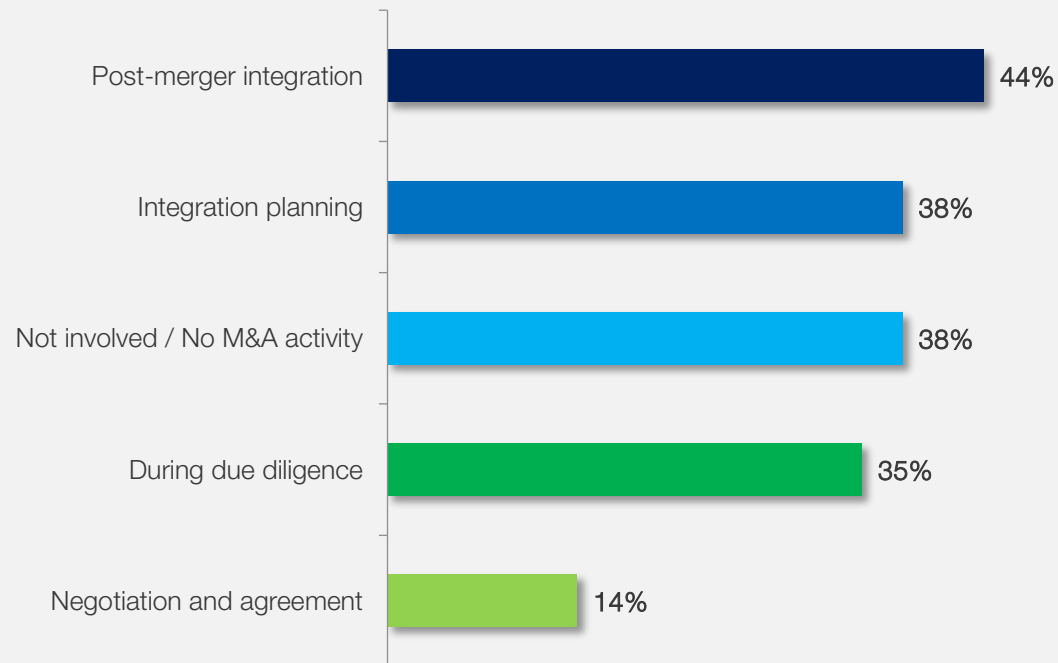
\*Multiple-choice question – select all that apply

\*\*Multiple-choice question - maximum 3 choices

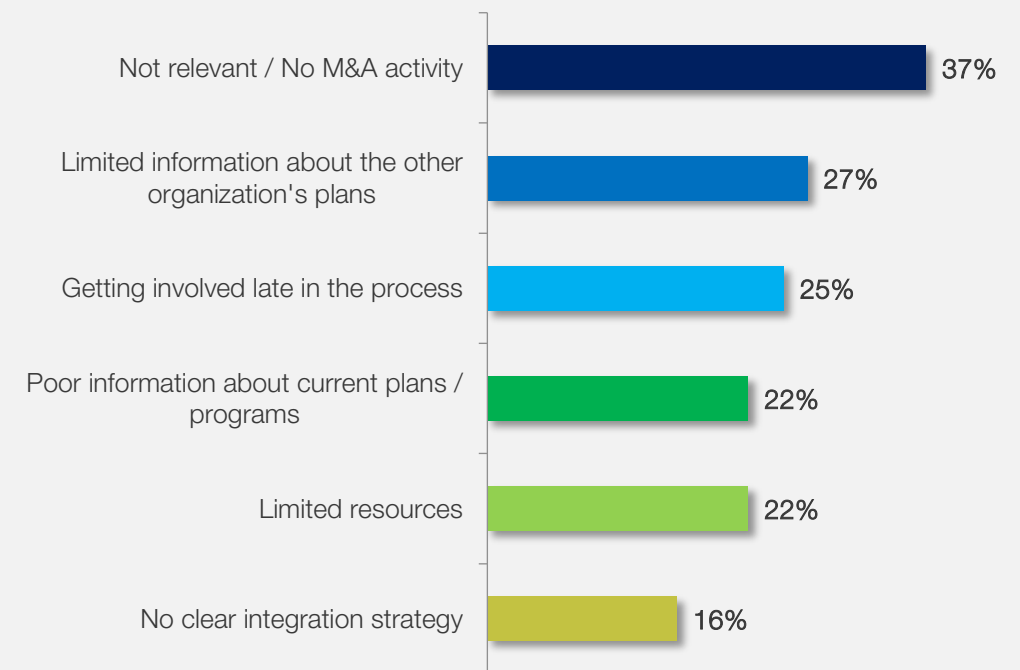


Late involvement and information gaps hinder benefits teams from efficiently integrating M&A activities.

\* Has your organization participated in any mergers or acquisitions (M&A) within the past few years? If so, at which stages are your HR or benefits team typically involved in the M&A process?



\*\* What are your greatest challenges during M&A processes?



## Key finding #5: M&A



Late involvement and information gaps hinder benefits teams from efficiently integrating M&A activities.

### What does this mean?

- Benefits teams are often involved too late in M&A processes.
- Late involvement and poor access to data hinder due diligence and integration.
- Limited resources and unclear strategies complicate benefits harmonization.

### Why is this important?

- Delayed involvement and poor information increase compliance, cost, and operational risk.
- These gaps negatively impact employee retention and morale during M&A.
- Missed standardization opportunities create added complexity and cost.

### What should organizations do?

- Engage benefits experts early across all M&A phases, from due diligence to integration.
- Maintain up-to-date inventories of benefit plans and agreements to support informed decisions.
- Establish strong information-sharing and cross-functional collaboration across HR, Legal, and Finance.
- Learn from past M&A activity and train teams on integration best practices to improve post-merger outcomes.

## Key finding #6: Compliance

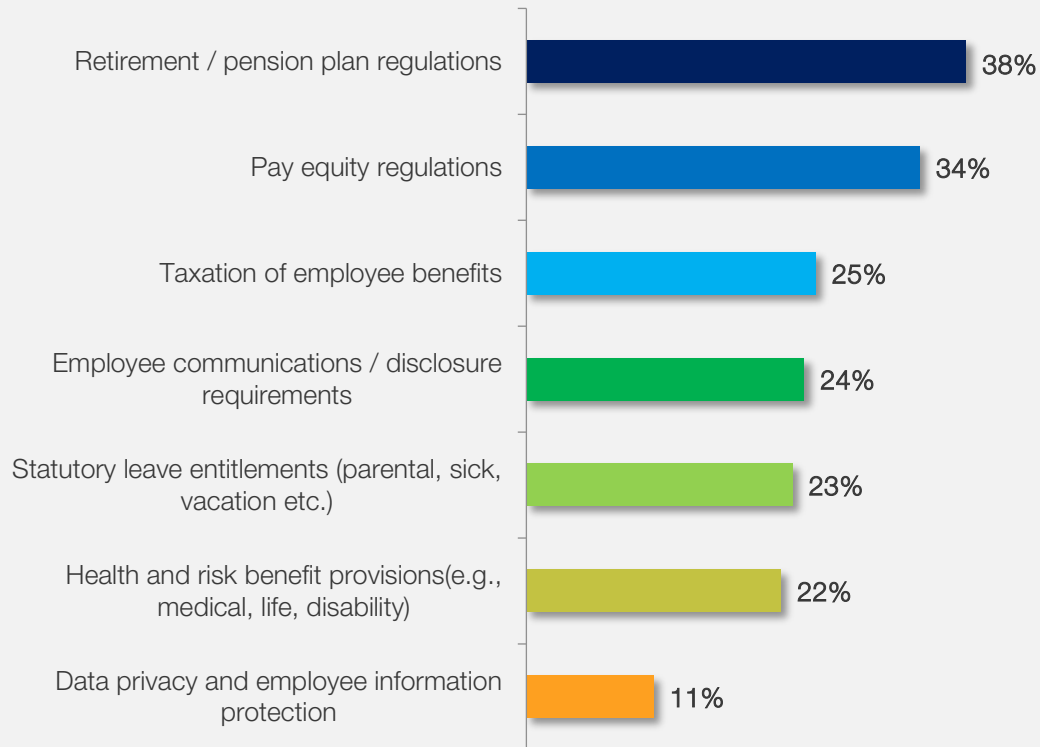
\*Multiple-choice question – select all that apply

\*\*Multiple-choice question - maximum 3 choices

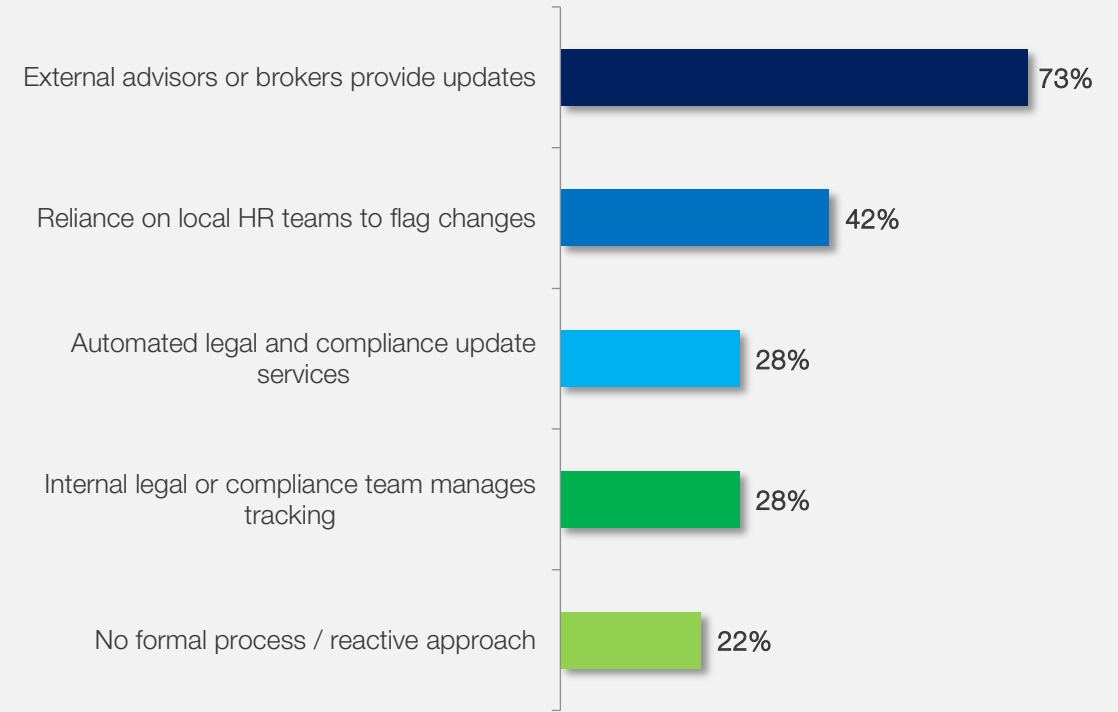


Retirement plan and pay equity regulations are the top global compliance challenges for organizations.

\* Which of the following areas present the greatest compliance challenges for your organization?



\*\* How does your organization stay informed about changes in benefits regulations across different jurisdictions?



## Key finding #6: Compliance



Retirement plan and pay equity regulations are the top global compliance challenges for organizations.

### What does this mean?

- Retirement/pension and pay equity regulations are the top compliance challenges with over one-third of respondents selecting each one.
- Taxation, communications, and statutory leave add further complexity.
- Compliance pressure is especially high for mid-sized multinationals.

### Why is this important?

- Regulatory complexity is increasing, with severe non-compliance risks.
- Strong governance is critical to manage risk and maintain trust.
- The impact of EU pay transparency directive on benefits requires close monitoring.

### What should organizations do?

- Implement strong governance to proactively manage compliance and risk.
- Use technology and AI to improve visibility and streamline compliance.
- Clearly define internal and advisor roles to ensure accountability.

# Shaping Forces & Strategic Directions

A consistent set of pressures are shaping global benefits strategies in 2026:

- Rising costs
- Constrained resources
- Increasing regulatory complexity
- Accelerating technological change

Organizations are responding by:

- Prioritizing efficiency, governance, automation, and data-driven decision-making
- Gradually integrating AI and technology to support more sustainable, scalable benefits management
- Elevating strategic employee communication to drive engagement and maximize the perceived value of benefits offerings

# Next 100-day plan



# Next 100-day plan

## Weeks 1–5 | Data gathering & fact base

- Collect benefits spend, trend data, and cost-sharing structures (aligned with cost control priority — 46%)
- Inventory vendors, insurers, and advisory relationships (heavy reliance on external advisors)
- Map administrative processes and resource constraints (limited internal resources — 56%)
- Compile compliance exposure (retirement/pension— 38%; pay equity — 34%)
- Assess current technology, outsourcing, and automation maturity
- Gather employee utilization and navigation data (top tech priorities)

## Weeks 6–8 | Diagnostic & ROI modelling

- Identify major cost drivers and savings opportunities
- Quantify efficiency gains from automation / process redesign
- Evaluate vendor optimization potential
- Assess compliance risk exposure and mitigation value
- Model ROI scenarios and implementation complexity
- Prioritize initiatives by impact vs feasibility

# Next 100-day plan

## Weeks 9–11 | Action plan & quick wins

- Select priority actions with near-term impact (“quick wins”)
- Define implementation roadmap by workstream
- Identify low-hanging fruit (e.g., vendor renegotiations, automation pilots)
- Establish governance and ownership
- Launch early actions where feasible (important for credibility)

## Weeks 12–14 | Business case & executive alignment

- Build CFO-ready financial case (target 3–5× ROI)
- Validate assumptions with Finance and HR leadership
- Develop implementation budget and KPIs
- Prepare executive decision materials

# Detailed findings



# Introduction

MBWL ran a global survey on key topics that are top of mind for benefits leaders at leading organizations worldwide, under three headings:



## Benefits Strategy and Priorities

including topics such as effective global benefits management, cost management, priority setting, and M&A processes.



## Operational Challenges, Compliance and Risk Management

including topics such as benefits administration, staying abreast of legislative changes, and regulatory risk management.



## Innovation, Technology and Evolving Workforce

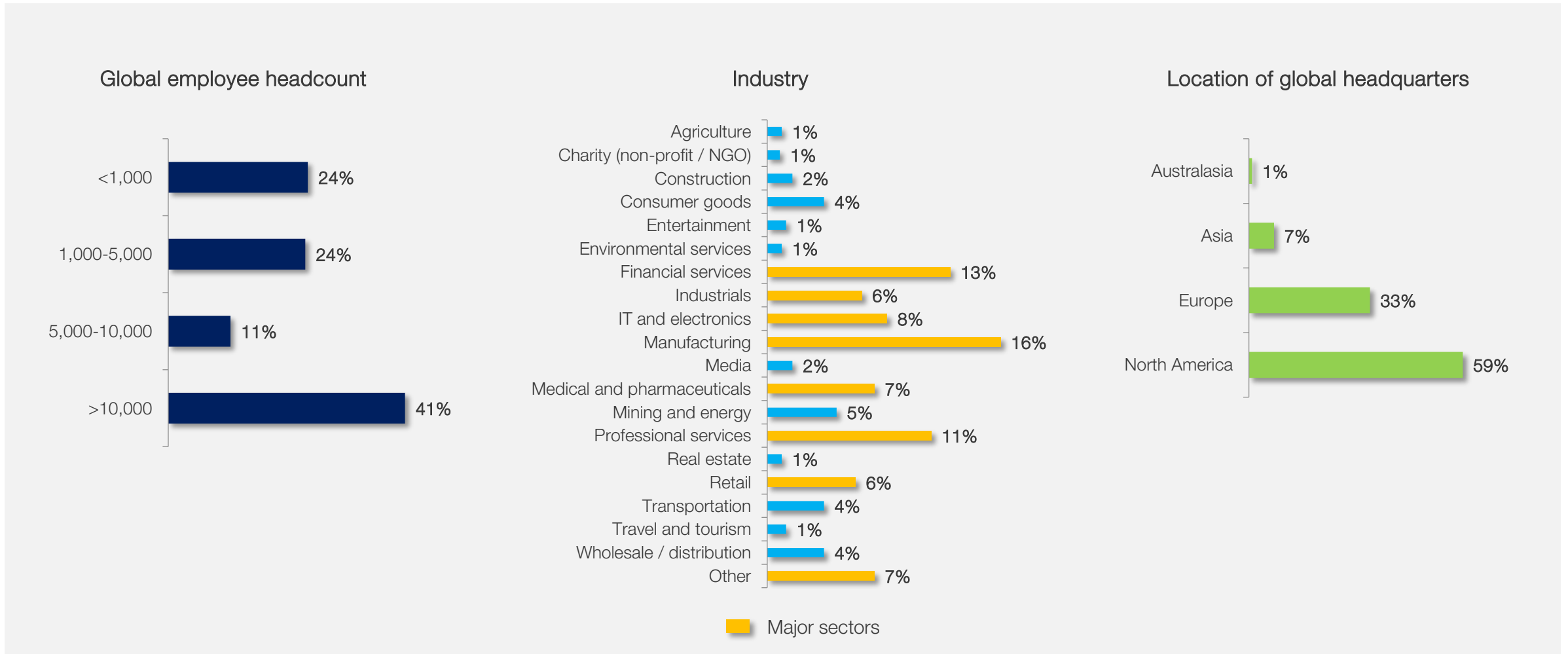
including topics such as AI and technology adoption, Diversity, Equity and Inclusion, and employee support.

The survey was open from December 2, 2025, to January 23, 2026. It was distributed to senior HR leaders of multinational organizations, to gather their views on current issues impacting on their global employee benefits.

This section provides the full detailed findings of the survey from 231 respondents, including summary details of the survey respondents, the responses to each question and MBWL's points of view on the results.

Responses may not sum to 100% where multiple responses were allowed, or because of rounding.

Survey respondents - 231 multinational respondents representing organizations with employees in over 100 countries worldwide

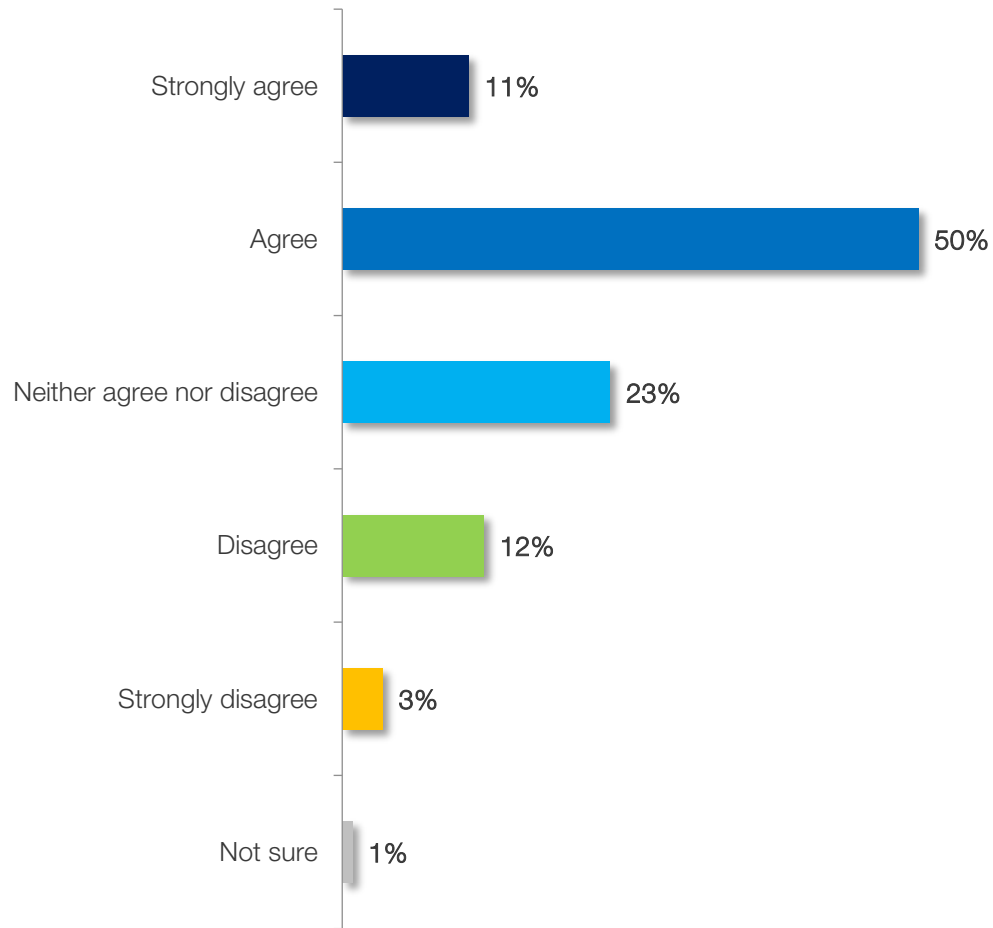


# Benefits Strategy and Priorities



# Three out of five organizations report being effective in the management and governance of their global benefits

Question: To what extent do you agree with the following statement?  
“Our organization is effective in its management and governance of global benefits.”



## Our point of view

The survey results reveal a generally positive perception of organizational effectiveness in managing and governing global benefits. Most respondents (61%, including 11% who strongly agree) endorse the statement that their organization is effective in this area.

However, the substantial 23% who neither agree nor disagree, alongside the 15% who disagree or strongly disagree, highlight areas of uncertainty and outright concern. These findings suggest room for improvement in global benefits governance, particularly as multinational organizations increasingly prioritize consistent, cost-effective, and employee-focused strategies amid rising complexities like regulatory variations and workforce diversity.

The high level of agreement (61%) positions effective management as a relative strength compared to more critical views, yet the combined neutral and dissenting responses signal potential gaps in communication, execution, or visibility of governance processes. Addressing these perceptions could enhance employee trust, support better talent retention, and align benefits more closely with broader organizational goals in a competitive global landscape.

### Cohort analysis

The positive sentiment is strongest amongst those organizations with headquarters in North America (68% agree or strongly agree), compared with those in Europe (43%). Of the best represented industries in our survey, Industrials appear to have the lowest confidence in their governance efficacy (only 34% agree or strongly agree).

# Cost control the primary focus for 2026

Question: Which aspects of your global benefits offering will you / your team primarily focus on in 2026?

Multiple-choice question – maximum 5 choices



## Our point of view

As in previous years, the survey reveals a clear prioritization of cost control as the dominant focus for global benefits efforts in the coming year, with almost two thirds (64%) of respondents indicating it will be a primary area of attention. This strong emphasis likely reflects ongoing pressures from rising healthcare and benefits inflation, economic uncertainty, and the need to manage total rewards budgets efficiently across diverse geographies. Close behind, plan design, benchmarking, and strategy (48%) stands out as the second-highest priority, suggesting that many organizations are actively reviewing and refining the structure and competitiveness of their benefits plans to ensure alignment with both business objectives and employee expectations.

Most other areas of focus are selected by around a third of respondents, indicating a balanced interest in data-driven decision-making, employee-focused initiatives, and foundational governance improvements. It is notable that forward-looking or specialized themes, including implementing or expanding Global Minimum Standards (13%), DE&I (10%), and environmental sustainability (5%), receive relatively limited focus, potentially signalling that these aspects, while increasingly discussed in corporate agendas, are not considered core drivers of 2026 benefits planning for most multinationals.

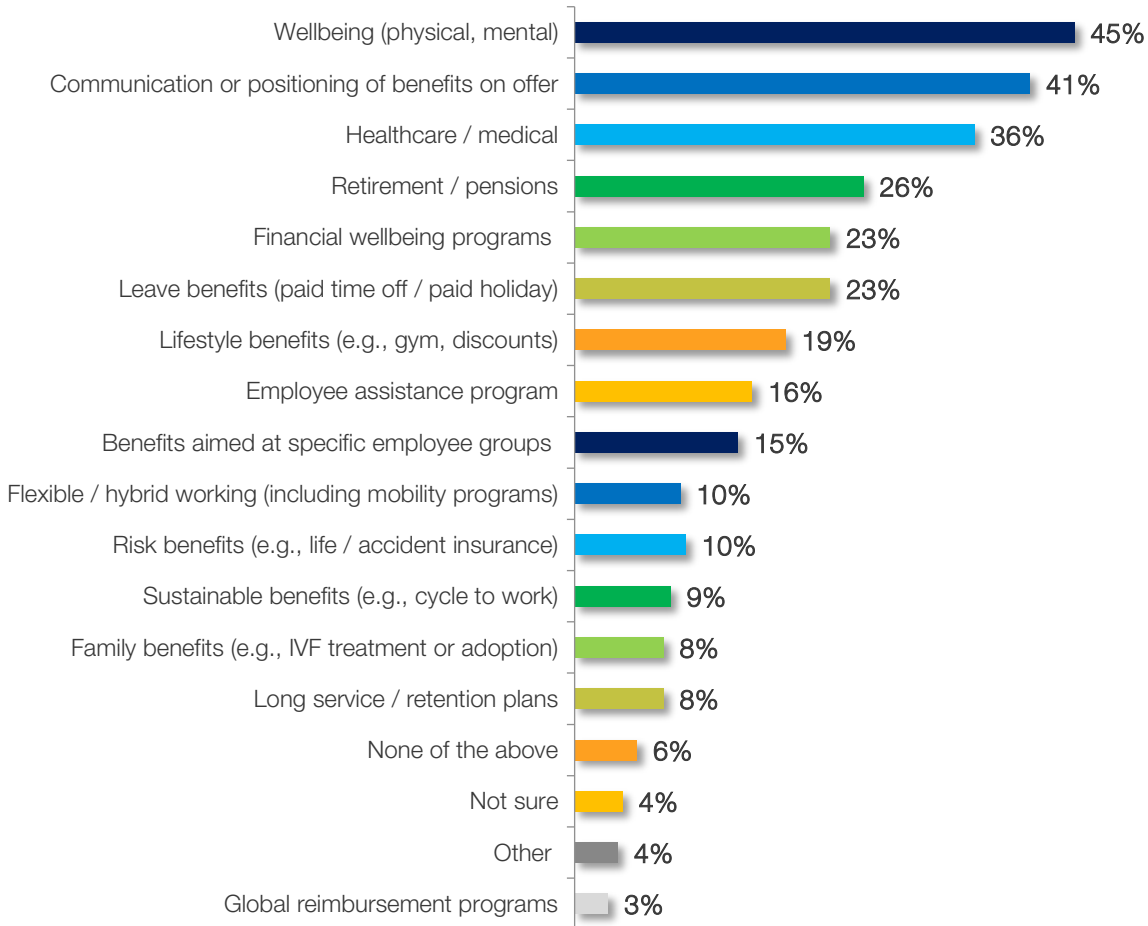
### Cohort analysis

The industrials sector, again, bucks the global trend by focussing more on plan design (53%) and global benefits governance (33%) than on cost control (32%).

# Improvements to physical and mental wellbeing and communication of benefits are most important in attracting top talent

Question: Which of the following will you introduce or improve in the next 2 years to attract and retain top talent around the world?

Multiple-choice question – select all that apply



Our point of view

Our findings indicate a strong strategic emphasis on holistic employee support as a key lever for attracting and retaining top global talent over the next two years. Like last year, physical and mental wellbeing lead prominently at 45%, underscoring the recognition that comprehensive health, particularly mental health, remains a top priority amid persistent workforce pressures, burnout concerns, and rising expectations for employer-provided resources. Closely following is communication, or the positioning of benefits on offer, at 41%, highlighting that many organizations see significant opportunity in better articulating and promoting their existing benefits packages to maximize perceived value and appeal.

Healthcare benefits rank third at 36%, reflecting continued investment in core medical coverage as a foundational differentiator in competitive talent markets.

In last year's survey, 39% of respondents indicated they had introduced or improved flexible / hybrid working in the previous two years. In 2026 only 10% of participants selected this benefit as one to introduce or improve in the next 2 years. This suggests most organizations have sufficiently embedded their flexible working policies and further changes are not considered a real differentiator.

Overall, the data indicates that organizations are prioritizing wellbeing, effective benefits communication, and essential health coverage to build resilient, attractive propositions in a global landscape.

### Cohort analysis

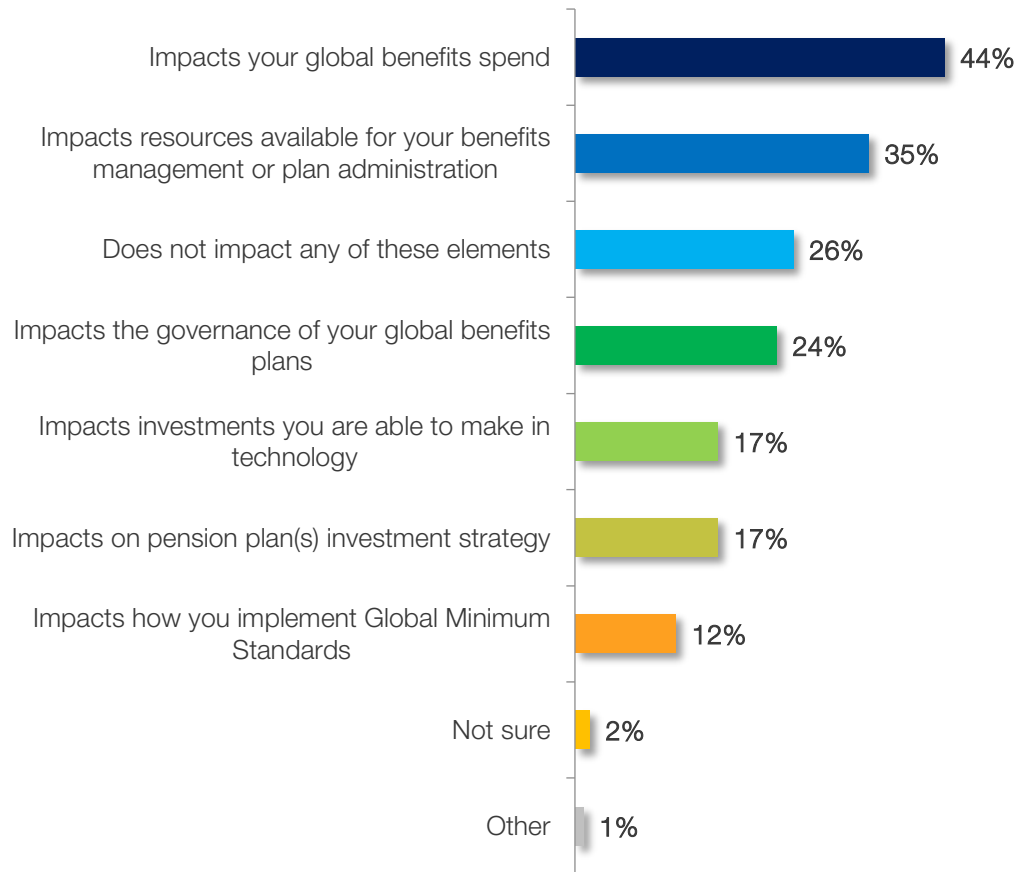
There are some interesting differences in top initiatives that are neither wellbeing or communication in the following sectors:

Industry	Financial services	Industrials	Retail
Top initiative to introduce or improve to attract / retain talent	Healthcare	Healthcare	Leave benefits

# Global geopolitical and economic uncertainty impacts benefits spend and availability of resources most significantly

Question: Would you say that the current global geopolitical and economic uncertainty:

Multiple-choice question – select all that apply



## Our point of view

The findings reveal that current global geopolitical and economic uncertainty is exerting a tangible influence on global benefits strategies, though the impact varies in scope and intensity. The largest group (44%) reports that this uncertainty impacts their global benefits spend, underscoring how volatile conditions, including trade tensions, tariffs, inflation pressures, and fragmented markets, are prompting tighter budgetary controls and cost-conscious decision-making in benefits planning.

A further 35% indicate effects on resources available for benefits management or plan administration, highlighting operational strains such as constrained staffing, vendor negotiations, or administrative bandwidth in a fragmented global environment. Notably, more than a quarter of respondents (26%) state that the uncertainty does not impact any of these elements, suggesting a degree of insulation for some organizations, perhaps through diversified operations, strong financial buffers, or localized benefits approaches that buffer against global volatility.

Overall, the data paints a picture of pragmatic adaptation: uncertainty is not paralyzing benefits functions but is channelling focus toward cost containment and resource efficiency, consistent with a 2026 landscape marked by geoeconomic confrontation, trade disruptions, and cautious corporate planning to safeguard talent investments amid persistent volatility.

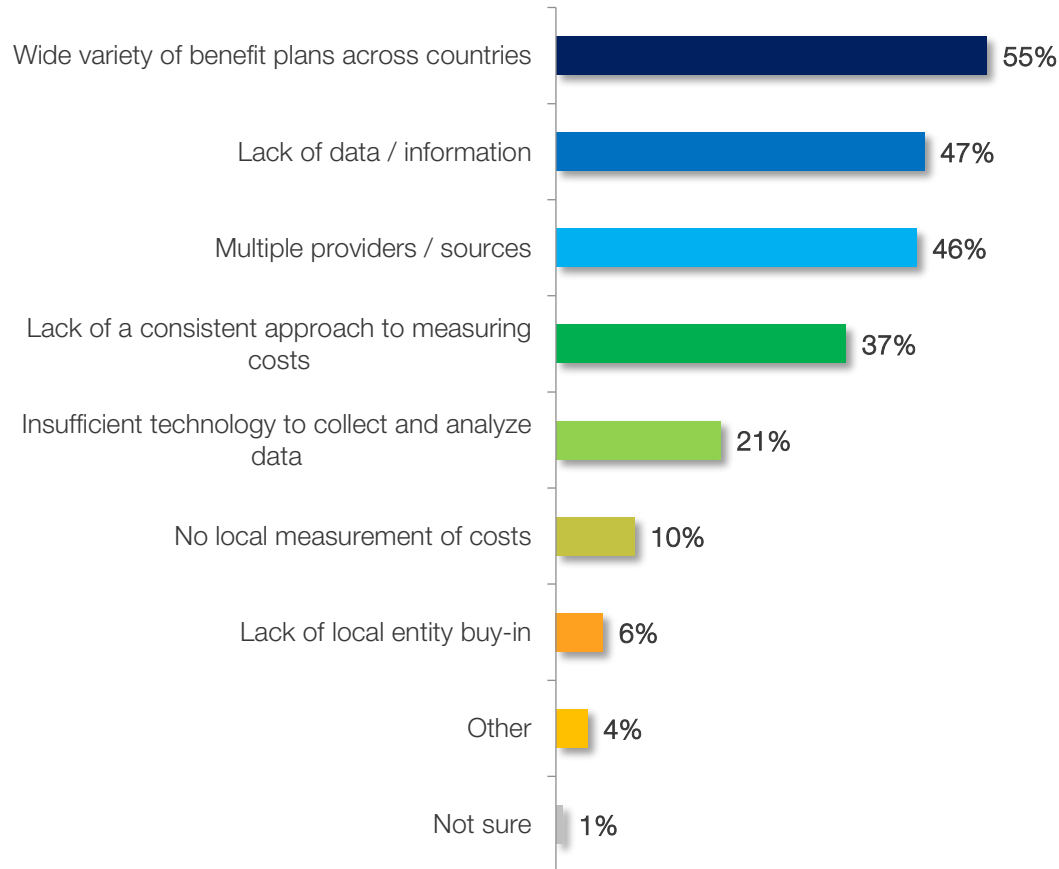
### Cohort analysis

Global benefits spend is impacted the most in almost all major sectors (the biggest impact being in the manufacturing sector (57%)). The exception is the retail sector where global benefit spend is overshadowed by the impact on resources (75%) and pension plan and technology investments (both at 50%).

# The wide variety of benefit plans across countries remains the biggest barrier to measuring costs globally

Question: What are your biggest barriers to measuring the overall costs of benefits globally?

Multiple-choice question - maximum 3 choices



## Our point of view

Over the last few years that we have run our survey the three most prominent barriers to measuring the overall costs of benefits have consistently been the same. The most prominent barrier (cited by more than half (55%) of respondents), is the wide variety of benefit plans across countries, reflecting the inherent complexity of operating in diverse regulatory, cultural, and market environments where local practices, statutory requirements, and employee expectations lead to fragmented offerings. This fragmentation makes like-for-like cost comparisons challenging and often results in inconsistent data aggregation.

Following, are lack of data/information (47%) and multiple providers/sources (46%), underscoring how dispersed vendor relationships, varying reporting formats, and incomplete or inaccessible data further complicate visibility into total spend. These issues align with industry trends where multinationals grapple with decentralized systems and legacy processes that hinder centralized cost tracking.

Additional barriers include a lack of a consistent approach to measuring costs (37%) whilst insufficient technology to collect and analyze data (21%) emerges as a notable but less dominant challenge, suggesting that while technology limitations play a role, they are secondary to structural diversity and data availability problems.

Overall, these findings emphasize the need for enhanced governance, data consolidation tools, and harmonized measurement frameworks to overcome fragmentation, enabling better cost visibility, strategic decision-making, and alignment with broader priorities like cost control in an uncertain economic landscape.

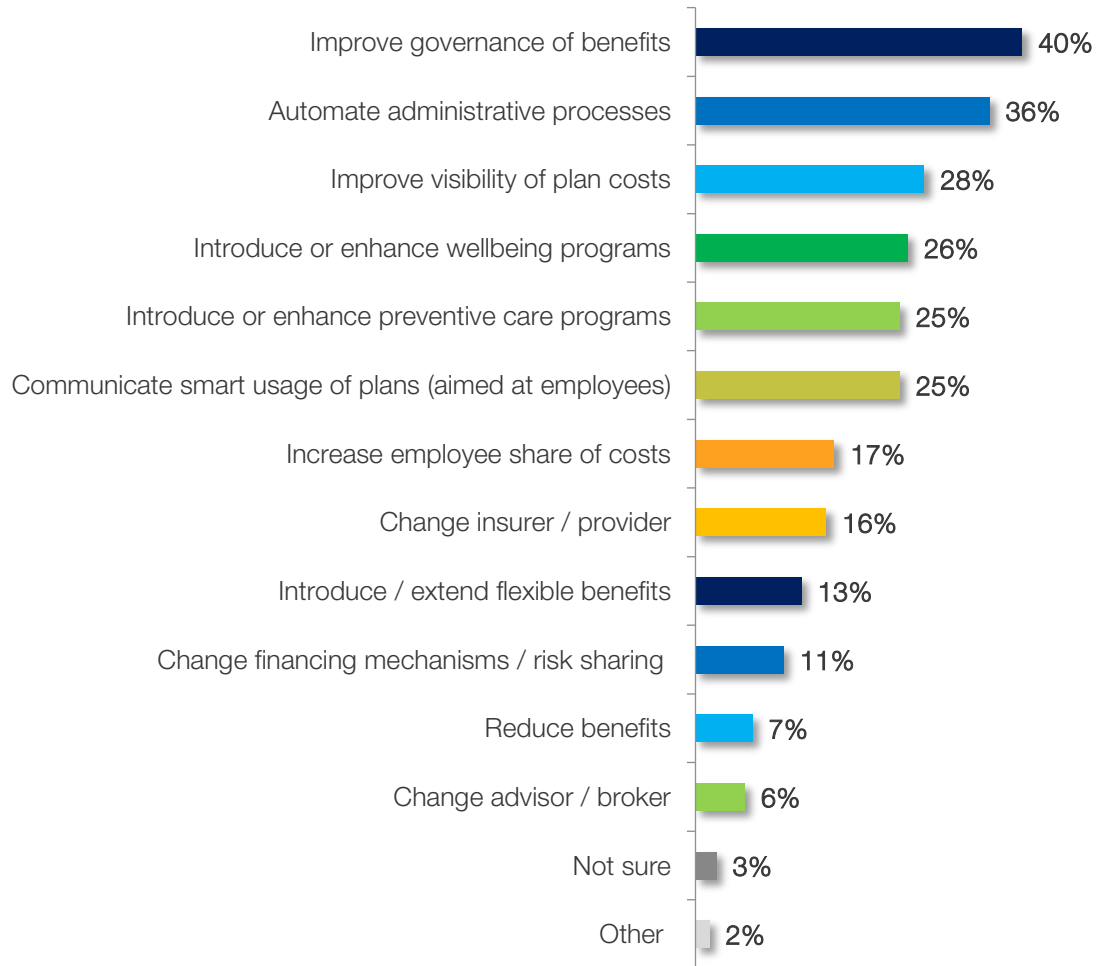
### Cohort analysis

It is interesting that the number one barrier in the financial services sector is a lack of a consistent approach to measuring costs (the only major sector not picking a wide variety of benefit plans or a lack of data as the biggest barrier).

# Focus on governance and operational efficiency key to managing the rising costs of employee benefits

Question: Which of the following initiatives or strategies is your organization considering as a priority to manage or reduce the rising costs of employee benefits?

Multiple-choice question - maximum 3 choices



Our point of view

Last year we asked a similar question but introduced three additional options this year and interestingly, all three are picked as a higher priority than the top two initiatives from last year (which were introducing wellbeing and preventive care programs).

The findings reveal a clear focus on governance and operational efficiency as top priorities for managing or reducing rising employee benefits costs. Improving governance of benefits leads at 40%, indicating that many organizations see strengthened oversight, policy alignment, and centralized decision-making as foundational to controlling spend in a complex global environment. Closely following is automating administrative processes at 36%, reflecting a drive to leverage technology for streamlining claims, enrolment, and vendor interactions to reduce overhead and errors. Improving visibility of plan costs ranks third at 28%, underscoring persistent challenges with data fragmentation and the need for better analytics to inform cost-saving decisions. These top three areas (governance, automation, and transparency) collectively point to a strategic emphasis on foundational improvements rather than immediate cuts, aligning with broader 2026 trends where multinationals prioritize sustainable cost management amid projected healthcare inflation.

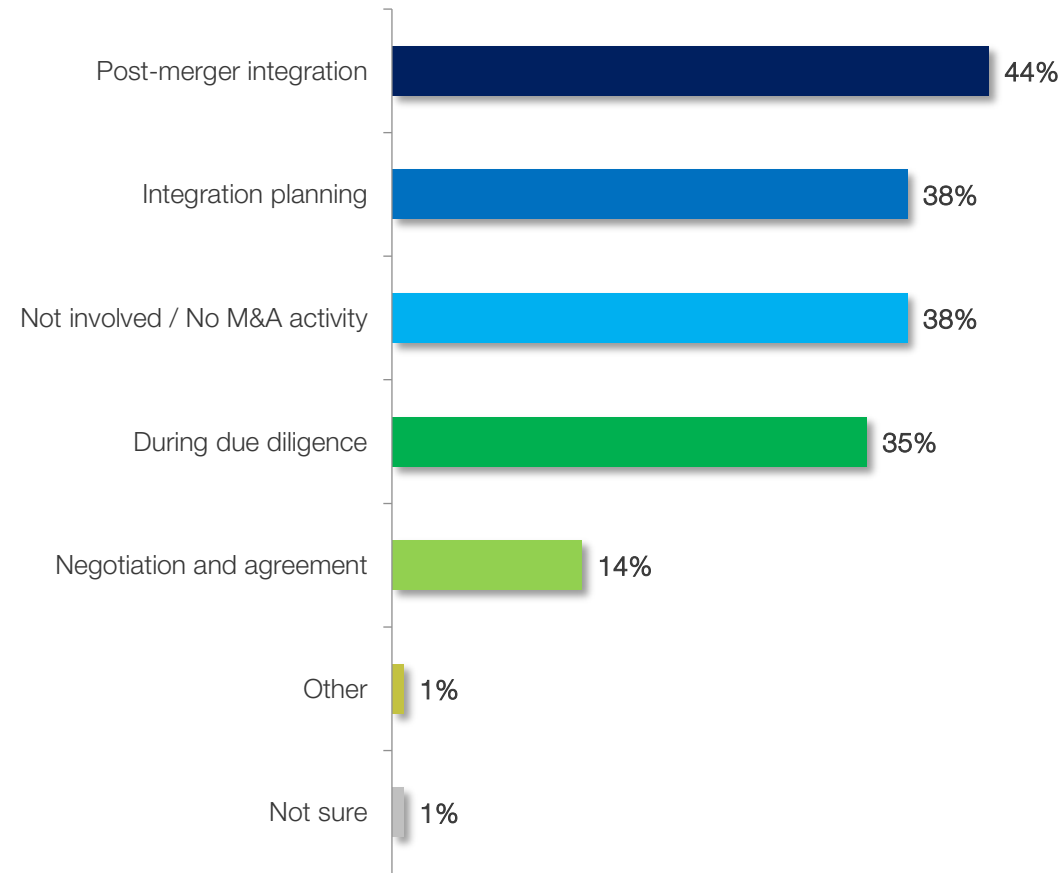
### Cohort analysis

Smaller multinationals (fewer than 1,000 employees) prefer automating administrative processes and introducing wellbeing programs as priorities above all other initiatives.

# During mergers or acquisitions, HR teams are most likely to be involved in post-merger integration

Question: Has your organization participated in any mergers or acquisitions (M&A) within the past few years?  
If so, at which stages are your HR or benefits team typically involved in the M&A process?

Multiple-choice question – select all that apply



## Our point of view

M&A activity was relevant for a substantial portion of respondents, with 62% indicating involvement in mergers or acquisitions in recent years. This involvement aligns with broader trends where effective management of total rewards during M&A supports value creation and talent retention in competitive global markets.

Post-merger integration stands out as the stage where HR or benefits teams are most frequently involved (44%), reflecting the critical role of harmonizing benefits plans, addressing cultural differences, and retaining talent after a deal closes to realize synergies and minimize attrition. Integration planning (38%) and due diligence (35%) also feature prominently, highlighting early and mid-stage engagement where benefits teams assess liabilities, compatibility of plans, cost implications, and compliance risks that are essential for accurate valuation and risk mitigation in cross-border transactions.

A notable number of respondents (38%) report no involvement or no recent M&A activity, suggesting that while M&A is a recurring strategic lever for many multinationals, a significant group operates in stable modes or smaller scales without recent deals.

### Cohort analysis

The only major sector where post-merger integration is not the most prominent stage for HR involvement is financial services, where HR teams appear to be more involved in integration planning (57%) and during due diligence (46%) than post-merger (39%).

# HR teams need to be involved earlier in M&A activity with improved due diligence processes

Question: What are your greatest challenges during M&A processes?

Multiple-choice question - maximum 3 choices



Our point of view

The survey shows that, during M&A processes, challenges are frequently tied to information gaps, timing, and resource constraints rather than outright strategic or leadership failures.

For those involved during M&As, limited information about the other organization's plans (27%) tops the list of practical barriers, followed closely by getting involved late in the process (25%). These findings highlight recurring difficulties in accessing timely, accurate details on benefits structures, liabilities, and integration roadmaps, which can delay planning and inflate hidden costs or risks. Poor information about current plans/programs and limited resources (both at 22%), further compound these issues, pointing to persistent challenges in data transparency and capacity when harmonizing disparate global benefits offerings across borders.

Overall, these results underscore the need for earlier HR/benefits involvement, improved due diligence processes, and enhanced data-sharing protocols to mitigate risks in M&A, particularly as global activity remains robust in 2026, driven by strategic repositioning, megadeals, and opportunities in technology and scale amid ongoing economic and geopolitical volatility. Addressing these barriers can help organizations better align benefits, control costs, retain talent, and capture intended deal value in an increasingly active M&A environment

### Cohort analysis

There appears to be a difference in challenges experienced by HR teams within multinationals with headquarters in Europe compared to North America:

Headquarters	Europe	North America
Greatest challenges during M&As	Limited and poor information	Getting involved late and limited resources

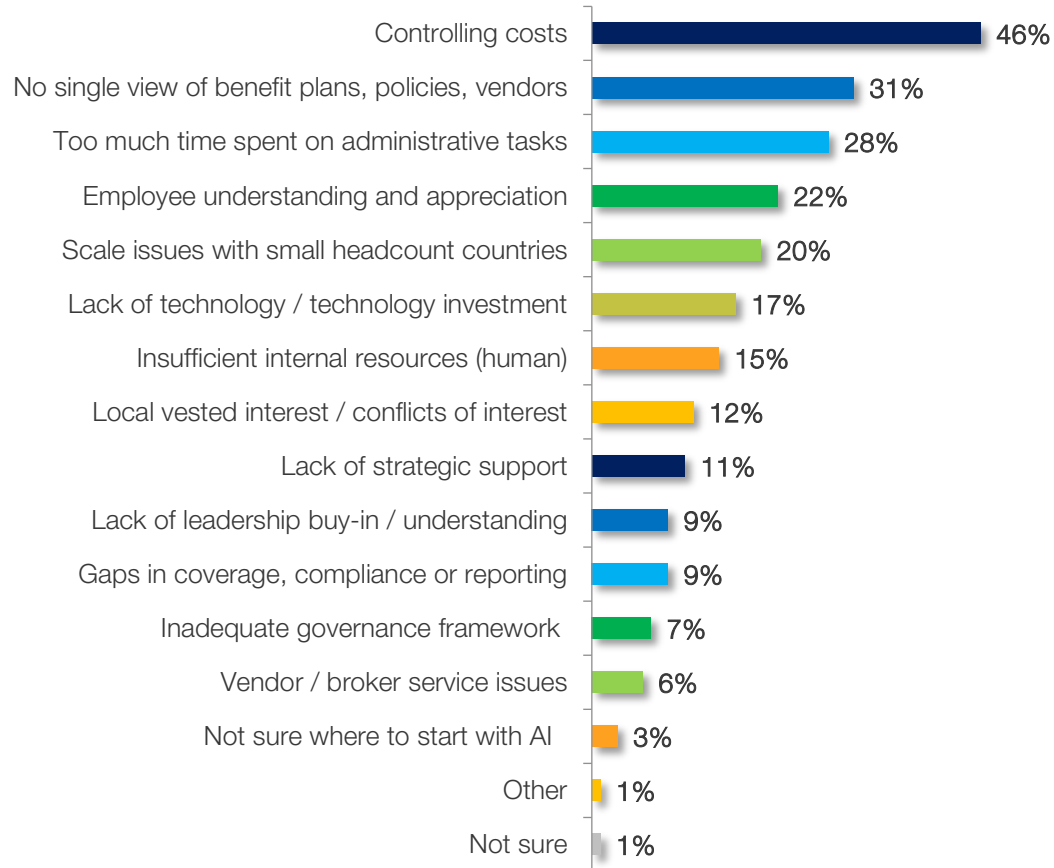
# Operational Challenges, Compliance & Risk Management



# The main challenge in managing global benefits is controlling costs

Question: What are your organization's main challenges in global benefits management?

Multiple-choice question - maximum 3 choices



Our point of view

The survey results highlight cost control as the foremost challenge in global benefits management, with 46% of respondents identifying it as their primary issue. This dominant concern aligns with ongoing pressures from medical inflation, specialty drug costs, and broader economic volatility, where healthcare trends are projected to rise significantly (often in the 8-10% range globally in 2026), forcing organizations to prioritize fiscal discipline while maintaining competitive offerings. Lack of a single view of benefit plans, policies, and vendors follows at 31%, underscoring the persistent fragmentation that complicates centralized oversight, accurate cost tracking, and consistent strategy application across borders. Excessive time spent on administrative tasks (28%) further emphasizes operational inefficiencies, likely stemming from manual processes, disparate systems, and the administrative burden of managing diverse local requirements.

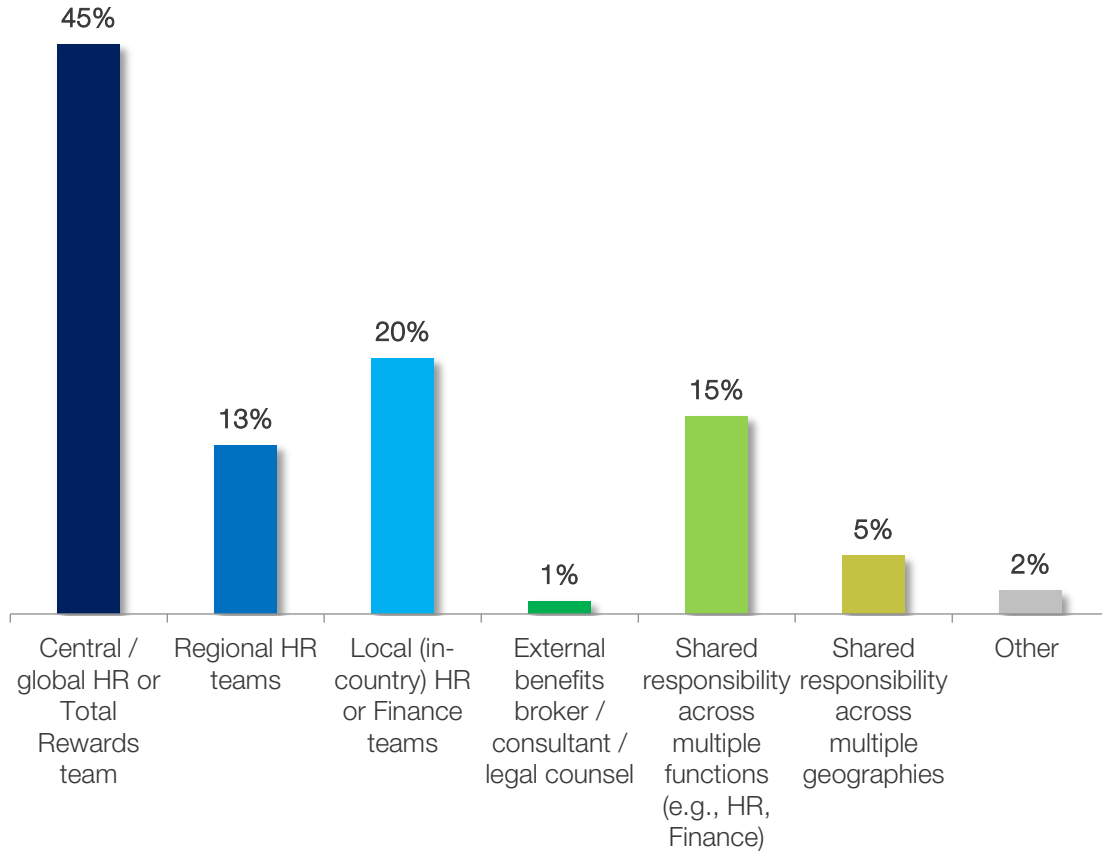
Minimal responses for areas like inadequate governance frameworks (7%), vendor issues (6%), and emerging concerns like AI uncertainty (3%) indicate that while foundational problems dominate, organizations are not yet heavily focused on newer tools or niche gaps. Overall, these findings reveal a landscape where cost pressures intersect with visibility, efficiency, and scale challenges, reinforcing the need for enhanced data consolidation, automation, governance improvements, and better communication.

### Cohort analysis

The retail sector stood out, picking too much time spent on administrative tasks (54%) as its main challenge over controlling costs (38%).

# Primary responsibility for monitoring and managing benefits compliance is centralized and with the global HR or Total Rewards team

Question: Who holds primary responsibility for monitoring and managing benefits compliance across your organization?



## Our point of view

The survey results show a strong concentration (45%) of primary responsibility for monitoring and managing benefits compliance within centralized or global structures. This dominant share reflects a clear trend toward centralized oversight to ensure consistency, mitigate regulatory risks, and maintain alignment with evolving international standards in a complex, multi-jurisdictional environment. Local (in-country) HR or Finance teams account for 20%, highlighting that in many cases compliance remains anchored at the country level where statutory obligations and local enforcement are most directly felt.

Shared responsibility across multiple functions (e.g., HR and Finance) at 15%, and shared responsibility across multiple geographies at 5%, indicate that while collaboration is used by some, it is not the prevailing approach.

Regional HR teams follow at 13%, suggesting that some organizations delegate compliance monitoring to regional hubs with sufficient scale and expertise to bridge global policy and local requirements.

### Cohort analysis

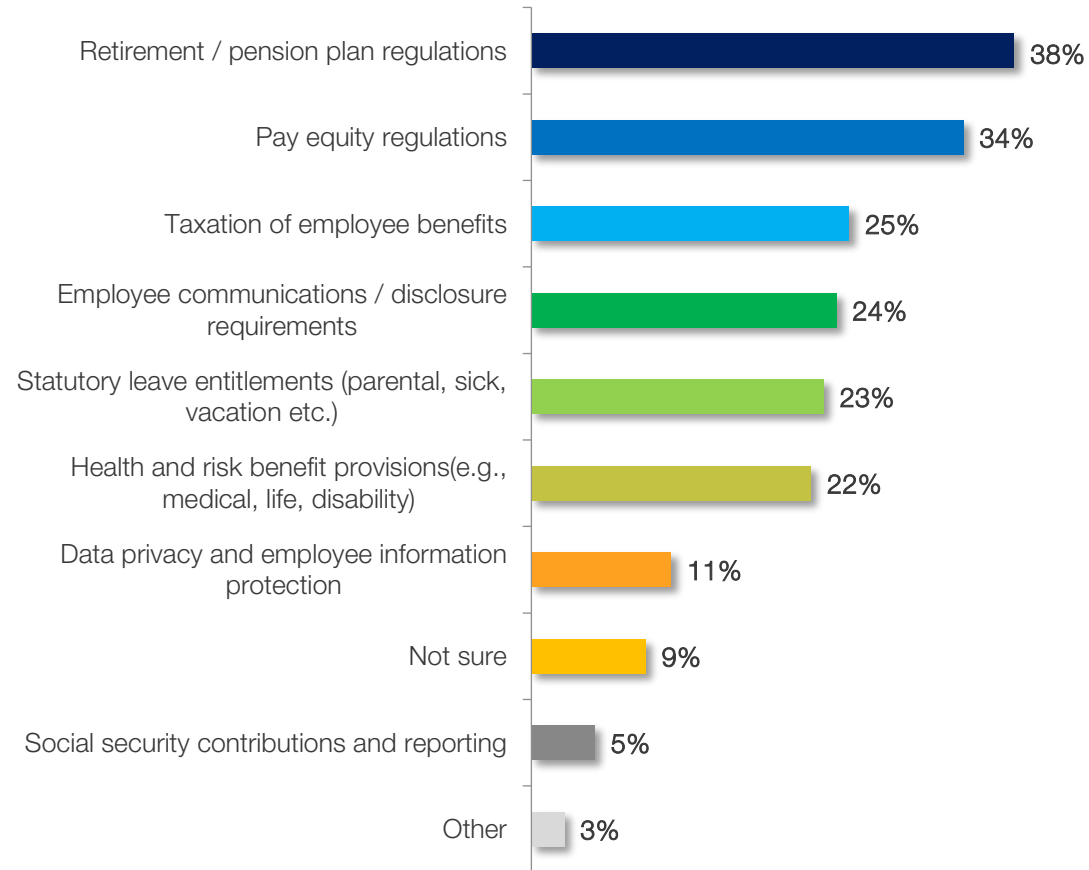
The prevalence for sharing responsibility for benefits compliance across multiple functions appears to differ significantly depending on the size of an organization:

Size (number of employees)	<1,000	1,000–5,000	5,000–10,000	>10,000
Shared responsibility across multiple functions (e.g. HR, Finance)	33%	12%	4%	10%

# The greatest compliance challenges are retirement plan and pay equity regulations

Question: Which of the following areas present the greatest compliance challenges for your organization?

Multiple-choice question - maximum 3 choices



## Our point of view

Our findings indicate that retirement and pension plan regulations represent the single greatest compliance challenge, cited by 38% of respondents. This prominent ranking reflects the complexity of managing diverse pension frameworks, funding requirements, fiduciary responsibilities, and evolving rules across jurisdictions. Closely following at 34% is pay equity regulations, highlighting growing scrutiny and enforcement around gender and other pay gaps, mandatory reporting (such as in the EU, UK, and parts of North America), and the need for consistent global pay transparency practices amid heightened regulatory and stakeholder pressures.

Other significant compliance pain points include taxation of employee benefits (25%), which involves navigating varied tax treatments of perks, allowances, and employer contributions across countries; employee communications and disclosure requirements (24%), tied to mandatory transparency obligations and accurate benefits messaging; and statutory leave entitlements (23%), where differences in parental, sick, vacation, and other mandated time-off rules create ongoing harmonization and tracking challenges.

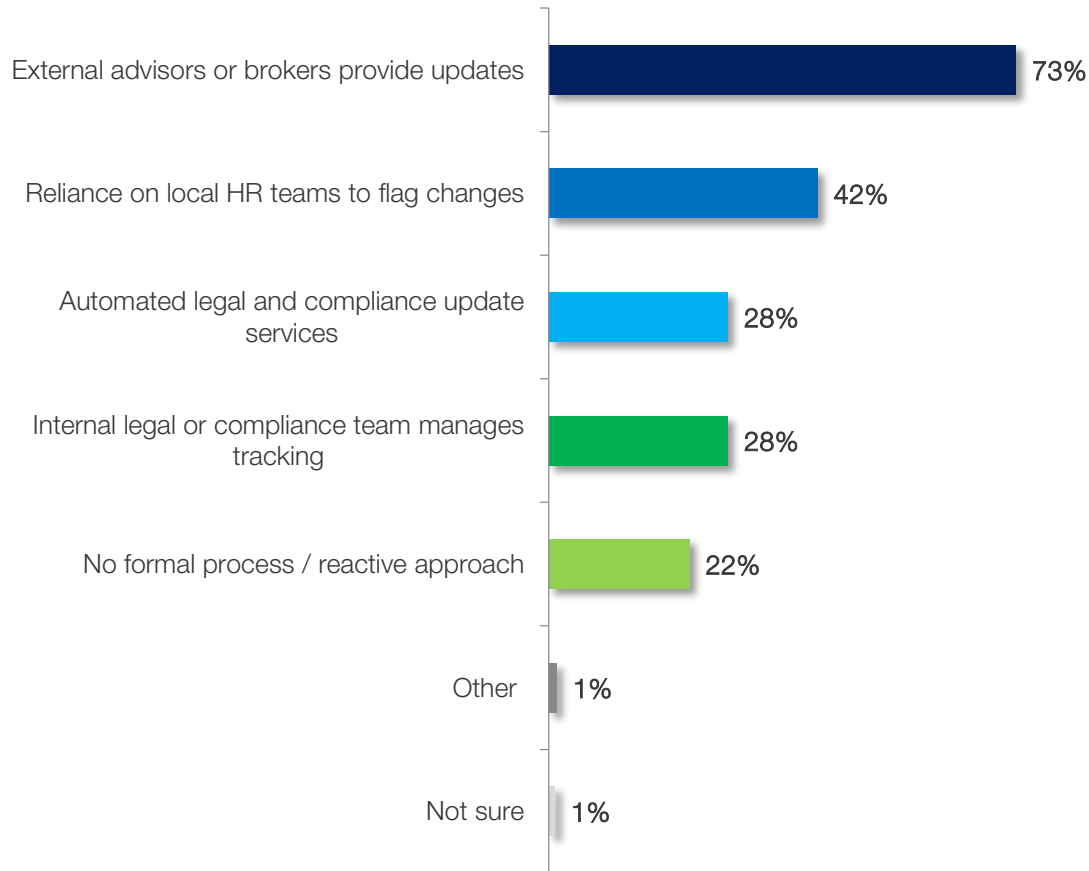
### Cohort analysis

It is interesting to note that mid-sized multinational organizations (between 1,000 and 10,000 employees) list statutory leave and taxation of employee benefits as greater compliance challenges than both retirement plan and pay equity regulations.

# There is a heavy reliance on external expertise to stay informed about regulatory changes

Question: How does your organization stay informed about changes in benefits regulations across different jurisdictions?

Multiple-choice question – select all that apply



## Our point of view

Our findings indicate a heavy reliance on external expertise for staying informed about changes in benefits regulations across jurisdictions, with almost three out of four (73%) respondents indicating that external advisors or brokers provide updates. This dominant approach underscores the value placed on specialized, third-party resources such as brokers, consultants, or legal firms that actively monitor regulatory developments and interpret complex changes (e.g., in pension rules, pay equity, taxation, or statutory leave).

Supporting methods include reliance on local HR teams to flag changes (42%), reflecting a decentralized model where in-country personnel, closest to local statutory requirements and enforcement, serve as frontline detectors of updates.

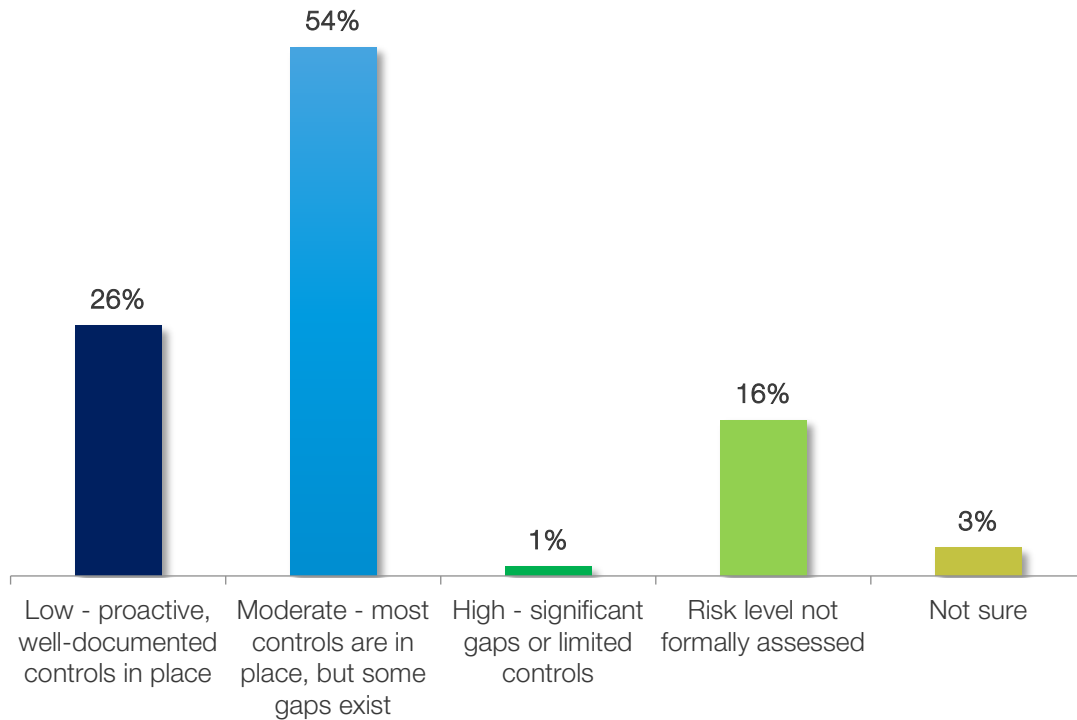
A concerning 22% report that no formal process or at most a reactive approach is in place, highlighting gaps that could expose organizations to penalties, especially amid increasing global scrutiny on areas like retirement regulations and pay equity.

### Cohort analysis

The overall data is skewed by the approach undertaken by organizations with headquarters in North America of which 90% use external advisors or brokers (followed by 33% using automated legal and compliance update services) compared to those with headquarters in Europe where only half (50%) make use of external advisors to stay informed of regulatory changes. Most (60%) in Europe rely on local HR teams to flag changes, indicating a stark contrast to the North American approach.

# Most multinational organizations rate their overall compliance risk as moderate

Question: How would you rate your overall compliance risk related to employee benefits globally?



## Our point of view

The survey results reveal a generally cautious but optimistic self-assessment of overall compliance risk related to employee benefits globally. A combined 80% of respondents rate their risk as low to moderate: 26% describe it as low, with proactive, well-documented controls fully in place, and 54% characterize it as moderate, where most controls exist but some gaps remain.

This majority view suggests that many organizations feel they have established reasonable safeguards, processes, and oversight mechanisms to address the complexities of global benefits compliance such as retirement/pension regulations, pay equity, taxation, and statutory entitlements.

The strong tilt toward moderate risk indicates a pragmatic recognition of inevitable imperfections while maintaining confidence in the robustness of current frameworks. However, a notable minority (17%) report higher or unassessed risk levels.

These findings align with earlier survey themes: while compliance is a recognized priority (particularly in pensions and pay equity), and organizations rely heavily on external advisors and local teams for regulatory updates, gaps in formal risk assessment, data visibility, and consistent controls persist for some.

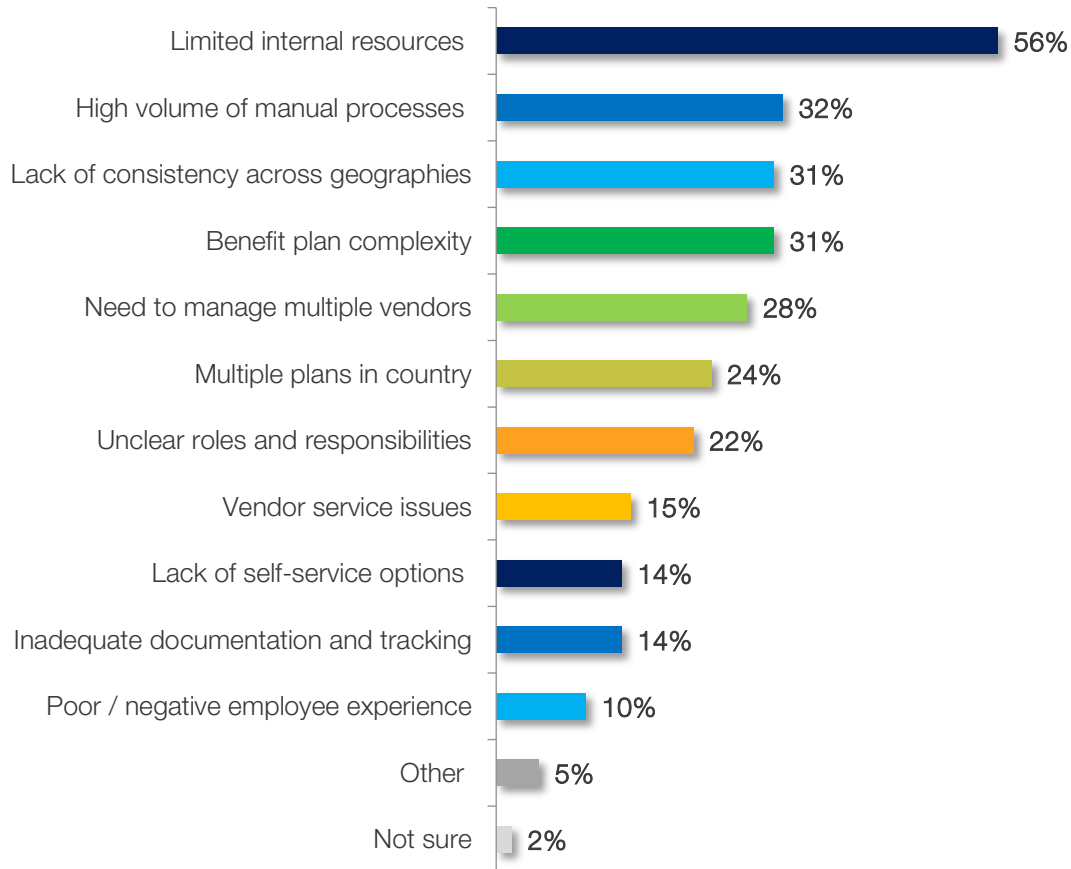
### Cohort analysis

Notably, the majority (60%) of those in the industrials sector report that risk levels are not formally assessed, whilst a significant proportion (47%) of those in the medical and pharmaceutical sector say the same.

# Limited internal resources the main challenge in benefits administration

Question: What challenges does your organization face in the administration of its benefits plans?

Multiple-choice question – select all that apply



Our point of view

Our findings identify limited internal resources as the most significant challenge in the administration of benefits plans, cited by 56% of respondents. This dominant finding reflects the widespread strain on HR and benefits teams responsible for managing complex, multi-country programs with insufficient staffing, budget, or dedicated capacity. Closely related issues include a high volume of manual processes (32%) and lack of consistency across geographies (31%), both of which point to operational inefficiencies caused by fragmented systems, disparate local practices, and heavy reliance on manual workflows.

Benefit plan complexity (31%) ranks equally high, underscoring how diverse regulatory requirements, varying plan designs, and localized entitlements create administrative burdens that are difficult to standardize or streamline across borders. Other notable challenges include the need to manage multiple vendors (28%), multiple plans within the same country (24%), and unclear roles and responsibilities (22%).

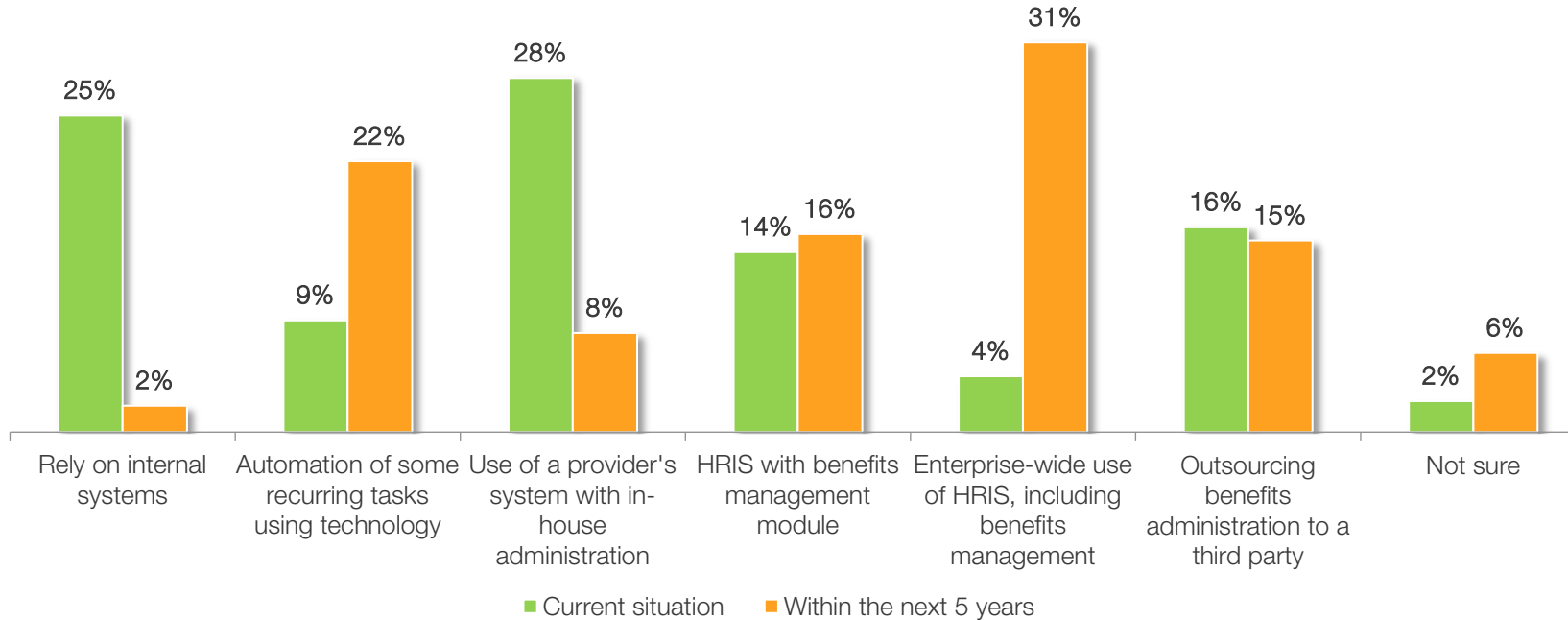
Overall, the results show a clear consensus that administration remains labour-intensive and resource-constrained, driven primarily by capacity limitations, manual work, and the inherent complexity of global benefits delivery. These findings reinforce the strategic importance of automation and process standardization.

# Innovation, Technology and the Evolving Workforce



# Benefits administration is moving from relying on internal and provider-led systems to full automation and firm-wide use of HRIS

Question: Which of the following best describes your organization's approach to benefits administration technology?



Our point of view

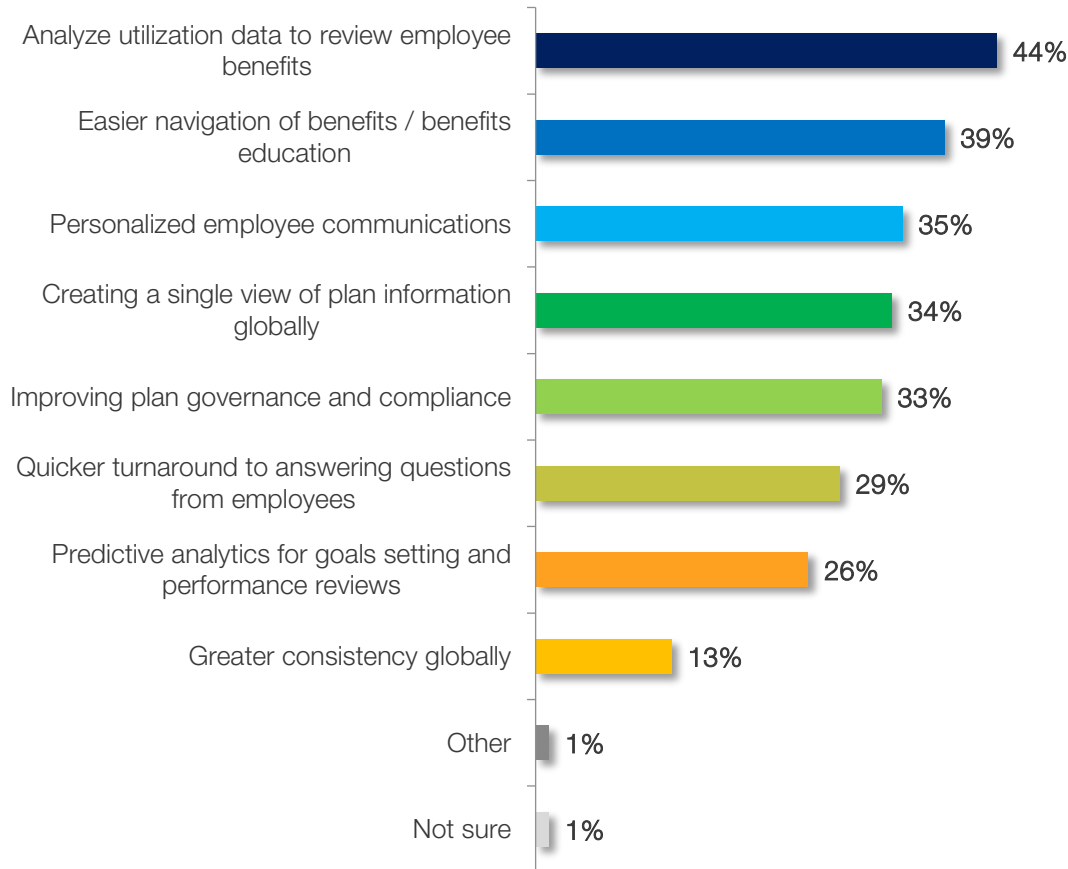
Our findings reveal an evolving landscape in approaches to benefits administration technology. Currently, the most common practice is using a provider's system with in-house administration (28%), followed by relying on internal systems (25%). This indicates that many organizations still depend on in-house or semi-customized solutions to manage benefits, likely due to existing investments and data control preferences.

Looking ahead to the next 5 years, there is a clear shift toward more advanced and integrated technology solutions. The most dramatic projected increase is in enterprise-wide use of HRIS, including benefits management, jumping from 4% currently to 31%, signalling strong intent among multinationals to adopt unified, scalable platforms that centralize data and streamline processes. Together with the automation of recurring tasks (22%), this suggests a strategic pivot from fragmented, manual-heavy approaches toward greater efficiency, consistency, and tech enablement to address challenges highlighted elsewhere in this report like limited resources, manual processes, and lack of geographic consistency.

# Organizations prioritize data utilization analytics and easier navigation of benefits

Question: Which of the following areas would you prioritize for technology-driven projects (including AI technology)?

Multiple-choice question - maximum 3 choices



Our point of view

Last year, the analysis of utilization data to review employee benefits was a mid-tier priority (picked by 20% of participants). This year, it leads at 44%, reflecting a clear shift towards a desire to leverage analytics to better understand patterns in claims, engagement, and cost drivers, enabling more informed benefits design decisions. Easier navigation of benefits or benefits education (39%) and personalized employee communications (35%) follow closely, signalling that organizations see significant value in technology that simplifies access and tailors messaging or recommendations to individual needs. These are key areas where AI-powered chatbots, recommendation engines, and personalized portals are increasingly applied to boost utilization and perceived value.

Additional priorities include creating a single view of plan information globally (34%), addressing longstanding visibility and fragmentation issues through centralized platforms or integrated HRIS solutions, and improving plan governance and compliance (33%), where technology can automate tracking, flag regulatory changes, and strengthen oversight.

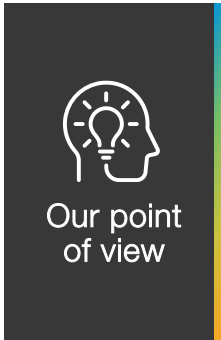
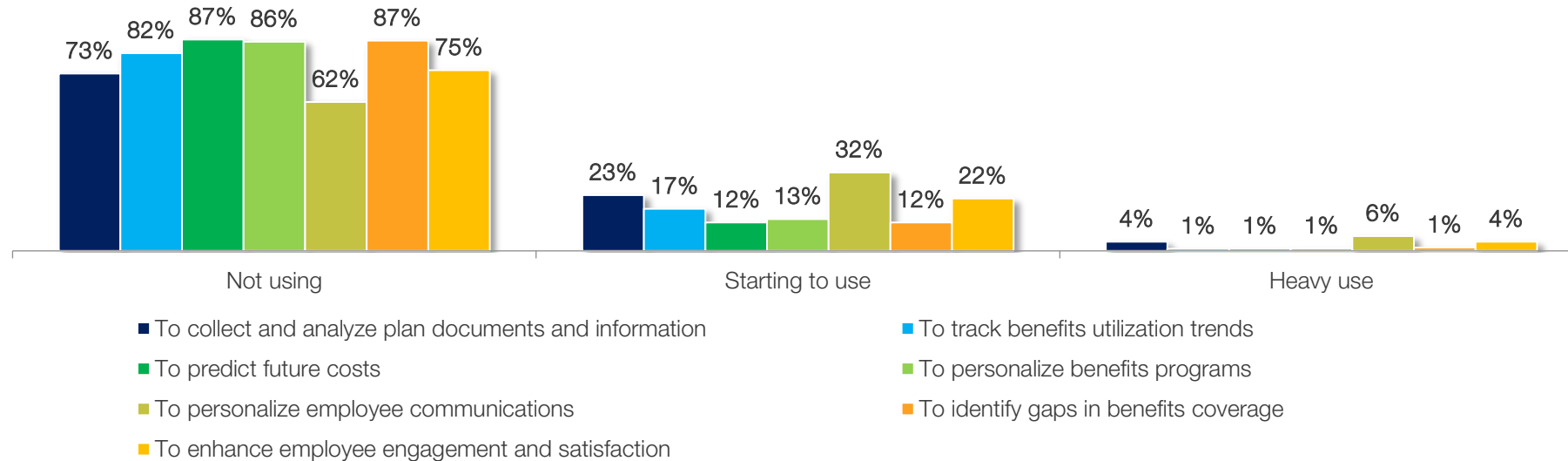
Overall, these findings seem to align with 2026 industry trends toward AI integration for smarter, more employee-focused benefits administration in a cost-conscious and digitally maturing landscape.

### Cohort analysis

It is interesting that most of the major sectors prioritize technology projects in line with the consensus, but that the retail and medical and pharmaceutical sectors are notably different - preferring quicker turnarounds to answering employee questions (Retail, 67%) and improving plan governance (Medical and pharmaceutical, 54%).

# AI is steadily replacing traditional data analytics

Question: In which of the following areas do you make use of AI technology to guide your benefits strategy?



Our point of view

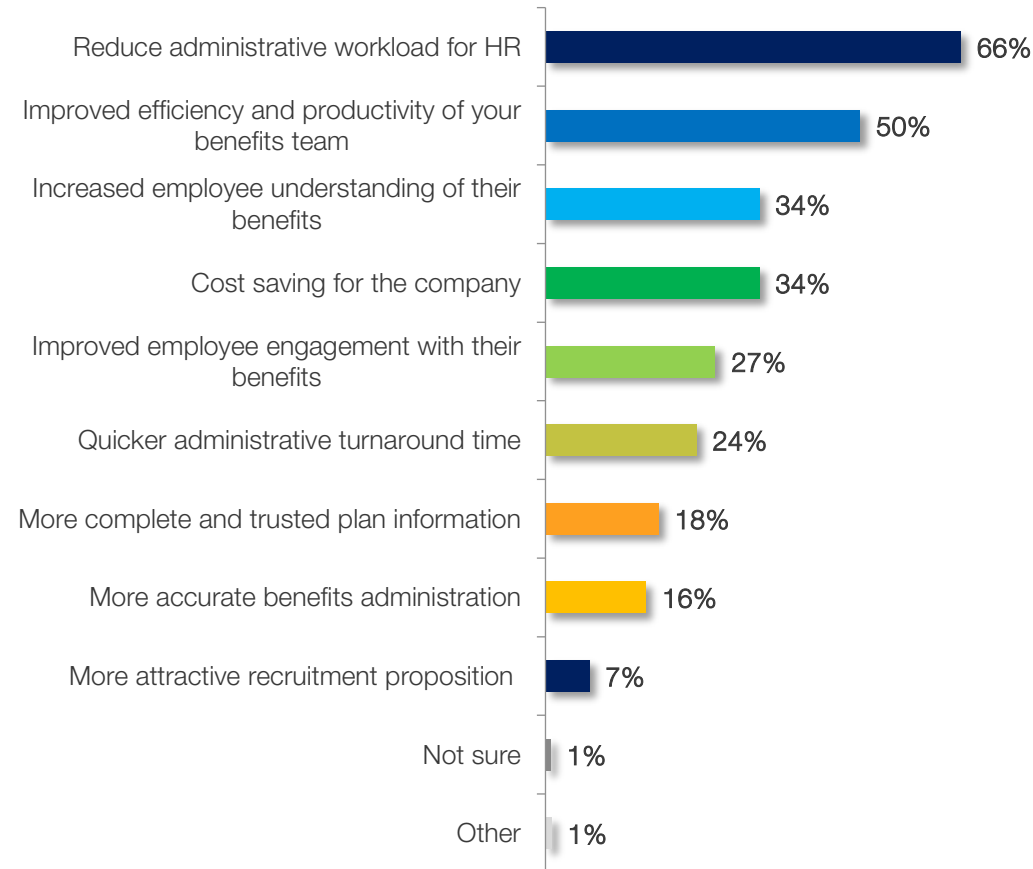
Our findings show moderate but growing adoption of AI technology to guide benefits strategy, with significant variation across use cases. The highest current non-usage is in predicting future costs and identifying gaps in benefits coverage (both 87% not using).

Last year, we found that AI was predominantly used to enhance employee engagement (by 10% of respondents). This year, 26% use AI for this purpose. Most use AI to personalize employee communications (38%) and to collect and analyze plan documents (27%). All other uses we included in last year's survey and again, this year have significantly increased (at least threefold across the board.) These findings suggest strong potential for increased AI adoption in the near term, particularly in high-priority areas like utilization analysis and personalization, to drive more strategic, employee-centric benefits approaches.

# Top priorities from using AI in benefits management are to reduce admin workloads and improve efficiencies

Question: What would be the top priority outcomes for your organization from using AI in benefits management?

Multiple-choice question - maximum 3 choices



Our point of view

The survey results reveal a clear emphasis on operational relief and efficiency gains as the top priority outcomes for using AI in benefits management. Reducing administrative workload for HR leads decisively at 66%, followed by improved efficiency and productivity of HR teams (50%). These priorities align with 2026 industry trends, where AI is increasingly deployed to automate routine tasks, reduce error rates, and cut administrative time, allowing leaner teams to manage complex global programs more effectively amid resource constraints.

Secondary but meaningful outcomes focus on employee-centric improvements and reducing costs to the company. Overall, the data shows that organizations view AI primarily as a tool to lighten HR's load, boost team productivity, and deliver tangible operational and cost efficiencies. This focus positions AI as a practical enabler for sustainable management rather than a radical overhaul, consistent with emerging 2026 adoption patterns where efficiency gains lead anticipated benefits.

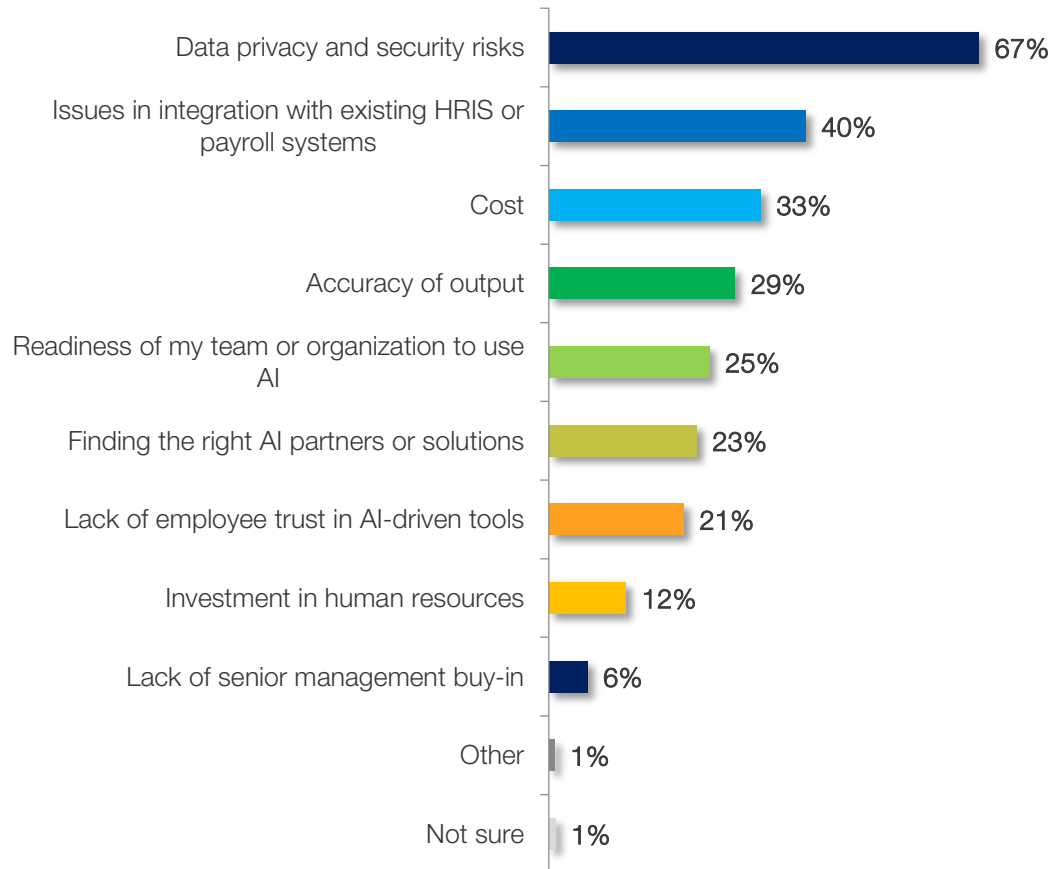
### Cohort analysis

Only the retail sector bucks the trend by having improved efficiencies as its number one priority outcome (67%) from using AI in benefits management, although reducing the administrative workload on HR is in second place (50%).

# Data privacy and security risks are by far the main challenges in adopting AI to manage benefits programs

Question: What are the main challenges you foresee in adopting AI to manage your benefits programs?

Multiple-choice question - maximum 3 choices



## Our point of view

Data privacy and security risks is the most significant anticipated challenge in adopting AI for benefits management, cited by two thirds (67%) of respondents. This overwhelming concern reflects heightened awareness of the sensitive nature of employee data related to benefits, including health and financial details and personal identifiers, subject to stringent global regulations (such as GDPR, CCPA, and emerging data protection frameworks). The fear of breaches, unauthorized access, or misuse underscores the need for robust governance, anonymization techniques, and compliance-first AI solutions to build confidence in its deployment.

Integration challenges rank second at 40%, with issues in integrating AI with existing HRIS or payroll systems posing a major barrier to seamless adoption. This is closely followed by cost (33%) and accuracy of output (29%), indicating practical worries about the financial investment required for implementation and the risk of unreliable or biased AI recommendations that could lead to incorrect benefits decisions and ultimately, employee dissatisfaction.

Overall, the findings suggest cautious optimism tempered by pragmatic realism: while AI holds strong appeal for reducing administrative workload, improving efficiency, and enhancing personalization (as shown earlier in this report), organizations foresee significant hurdles in safeguarding data, achieving technical integration, controlling costs, and ensuring trustworthy outputs.

### Cohort analysis

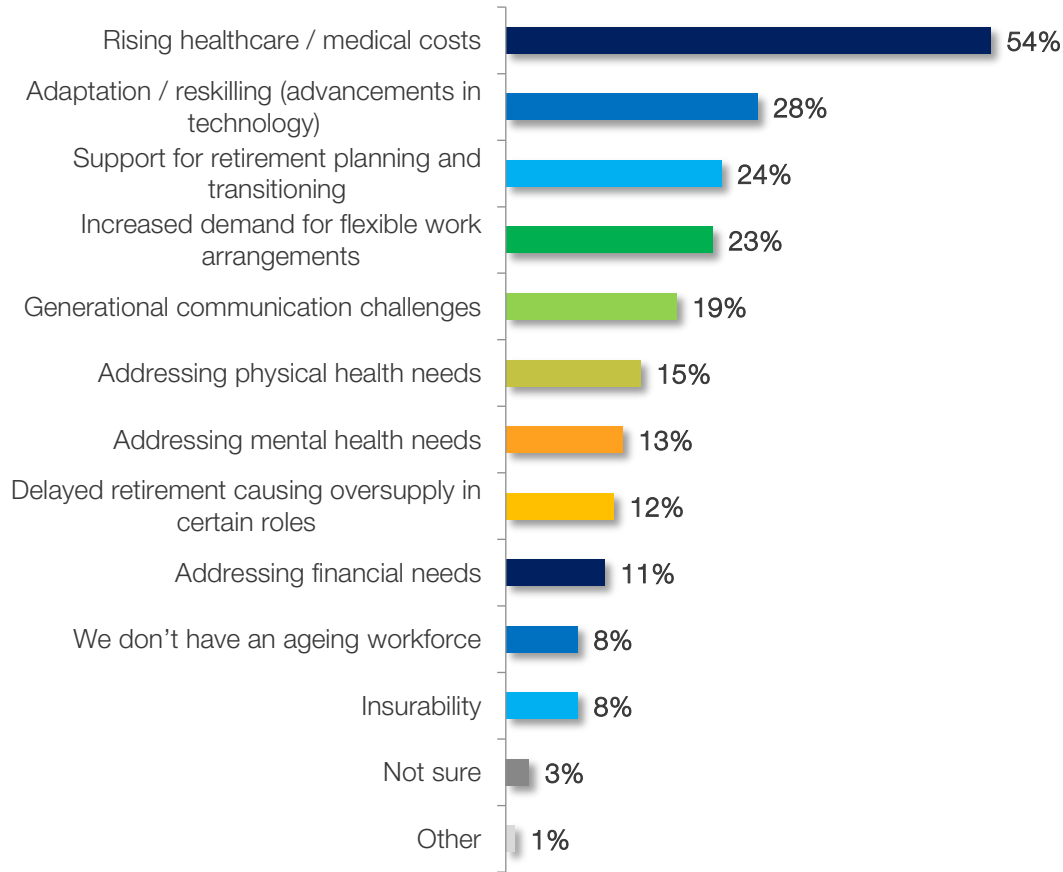
The data shows that smaller multinationals (fewer than 1,000 employees) have a much higher concern around having their teams ready to use AI than others.

Size (number of employees)	<1,000	1,000–5,000	5,000–10,000	>10,000
Team ready to use AI a challenge	43%	15%	26%	19%

# Rising healthcare costs the number one challenge in supporting an ageing workforce

Question: What are the biggest challenges your organization faces in supporting an ageing workforce?

Multiple-choice question - maximum 3 choices



Our point of view

The survey results identify rising healthcare or medical costs as the most significant challenge in supporting an ageing workforce, cited by more than half (54%) of respondents. This dominant concern reflects the well-documented impact of an older demographic on benefits utilization (particularly higher claims for chronic conditions, specialist care, prescription drugs, and age-related medical needs). This, in turn, drives substantial cost inflation in global health plans and with healthcare trends continuing to outpace general inflation in many regions, organizations face mounting pressure to balance competitive coverage for older employees with overall budget discipline.

Secondary challenges focus on workforce capability, transition, and flexibility. Adaptation or reskilling in response to technological advancements ranks second at 28%, highlighting the need to keep older workers engaged and productive as digital tools, automation, and AI reshape job roles. Support for retirement planning and transitioning (24%) and increased demand for flexible work arrangements (23%) follow closely, indicating growing recognition of phased retirement, knowledge transfer, and work-life balance as critical levers for retaining experience while managing succession and cost.

These findings align with the economic reality of longer careers, rising longevity, and persistent medical inflation.

### Cohort analysis

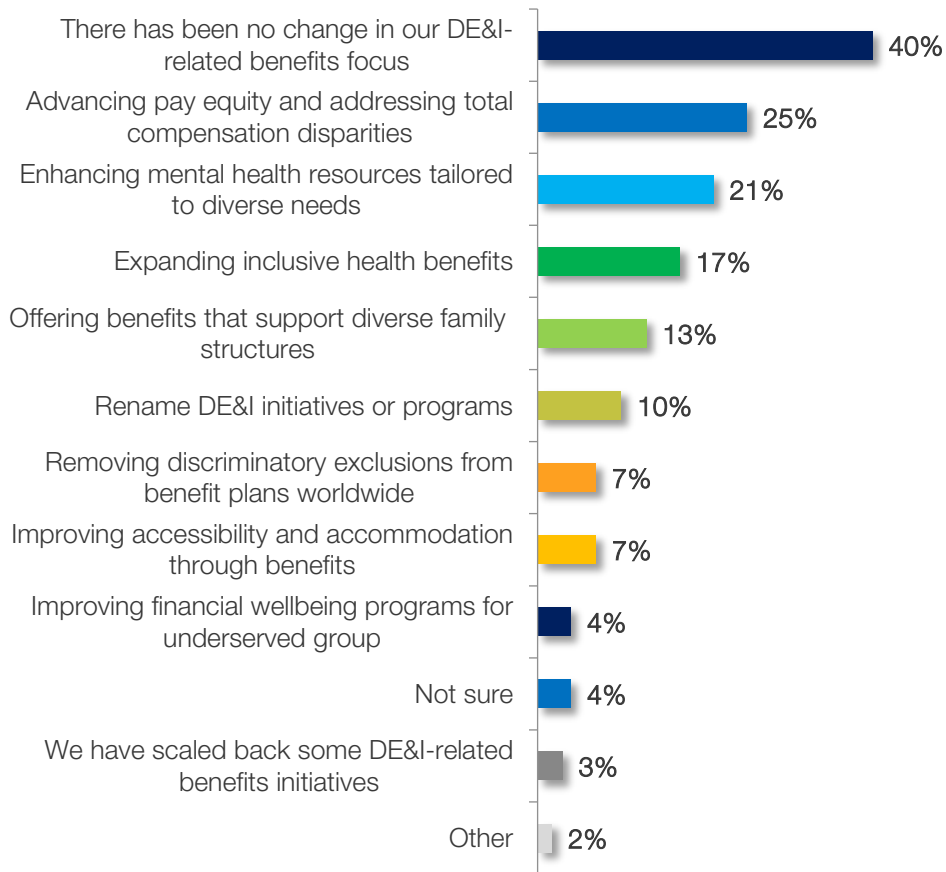
One challenge that differs significantly in magnitude across industries is the need for adaptation and reskilling of employees which appears to be a relatively minor challenge for a company in the IT sector compared to a manufacturing company:

Industry	IT and electronics	Industrials	Manufacturing	Professional services
Adaptation / reskilling is a big challenge	11%	36%	38%	25%

# Largely no change in focus on DE&I with some enhancements to benefits

Question: In which areas of DE&I have you had a change in focus that impacted your organization's benefits strategy over the past year?

Multiple-choice question – select all that apply



Our point of view

Last year we asked if organizations plan to revise their DE&I policies. More than half (52%) reported that DE&I will remain a key priority and only 13% said it will receive less of a focus. This year our findings suggest that DE&I-related focus in benefits strategy has been relatively stable over the past year, with 40% of respondents reporting no change in their DE&I-related benefits emphasis. This substantial share suggests that for many organizations, existing DE&I-integrated benefits (such as equitable plan design, inclusive health coverage, or family support) remain sufficient amid competing priorities like cost control, governance, and operational efficiency in a high-inflation environment.

However, a meaningful portion (25%) have advanced pay equity and addressed total compensation disparities, reflecting heightened regulatory scrutiny (e.g., expanding pay transparency laws) and stakeholder expectations for fair compensation practices across demographics, gender, and other groups. This shift likely involves audits, adjustments to pay structures, and greater transparency in total rewards to close identified gaps and enhance perceived fairness.

Other areas of DE&I have been identified as impacting on benefits strategies over the past year, sharing the respondent vote, ranging from enhancements to various benefits to renaming DE&I initiatives.

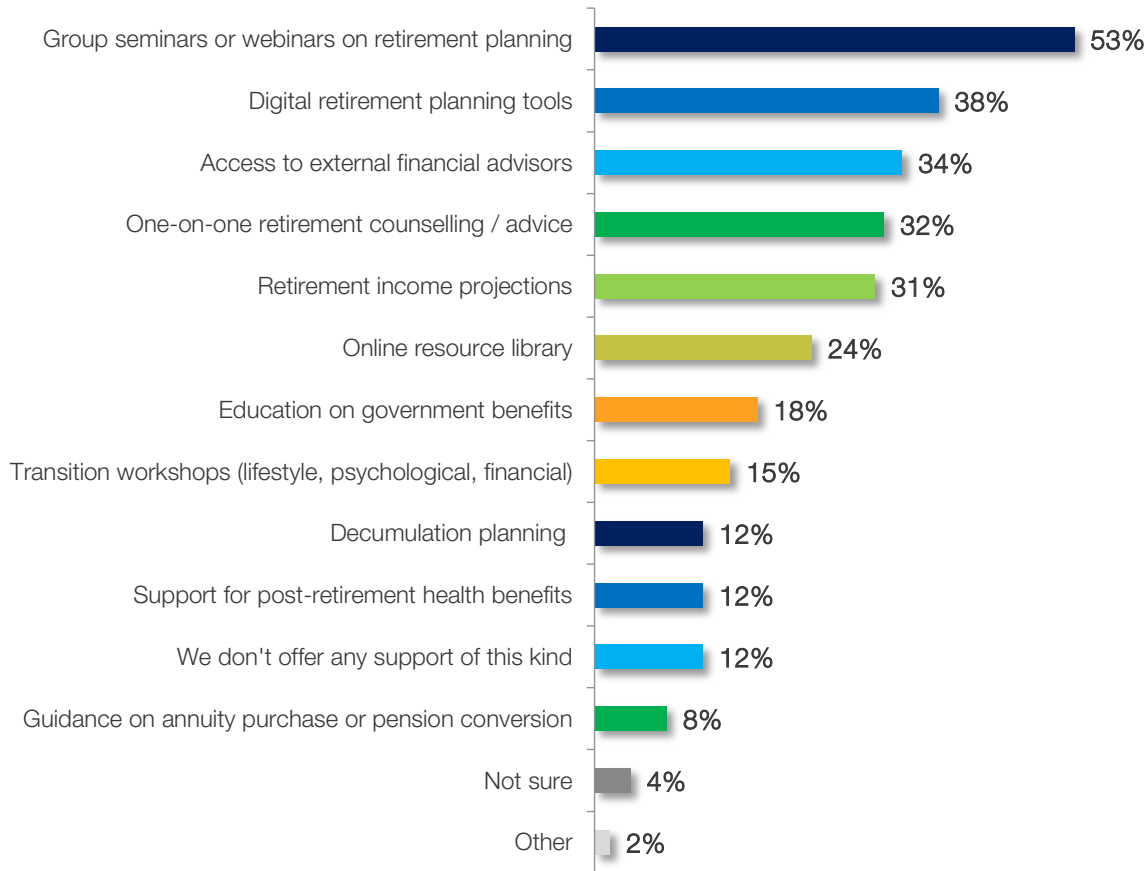
### Cohort analysis

Advancing pay equity is clearly more pressing for those companies with headquarters in Europe where 38% indicated a change in focus that impacted their benefits strategy compared to 19% with headquarters in North America.

# Support around retirement choices mainly provided by way of group seminars, webinars and digital tools

Question: Regardless of the type of pension plan offered, which of the following support services do you currently offer, or plan to offer in the next 2 years, to guide employees in preparing for their retirement?

Multiple-choice question – select all that apply



## Our point of view

Our findings show a strong emphasis on educational and group-based support for retirement preparation. Group seminars or webinars on retirement planning lead prominently at 53%, indicating that organizations favour scalable, cost-effective formats to deliver foundational knowledge on savings, investment strategies, and long-term planning to their employees. Digital retirement planning tools follow at 38%, reflecting growing investment in self-service technology, such as calculators, simulators, and online platforms that enable employees to model scenarios and track progress independently.

Emerging or specialized services such as guidance on annuity purchase or pension conversion (8%) receive a relatively low focus. With an even smaller number of participants saying they're not sure, the data points to a clear indication that multinationals prioritize accessible, scalable educational tools and group sessions to build retirement readiness, supplemented by targeted access to advisors and digital resources, while more intensive or niche support remains secondary.

### Cohort analysis

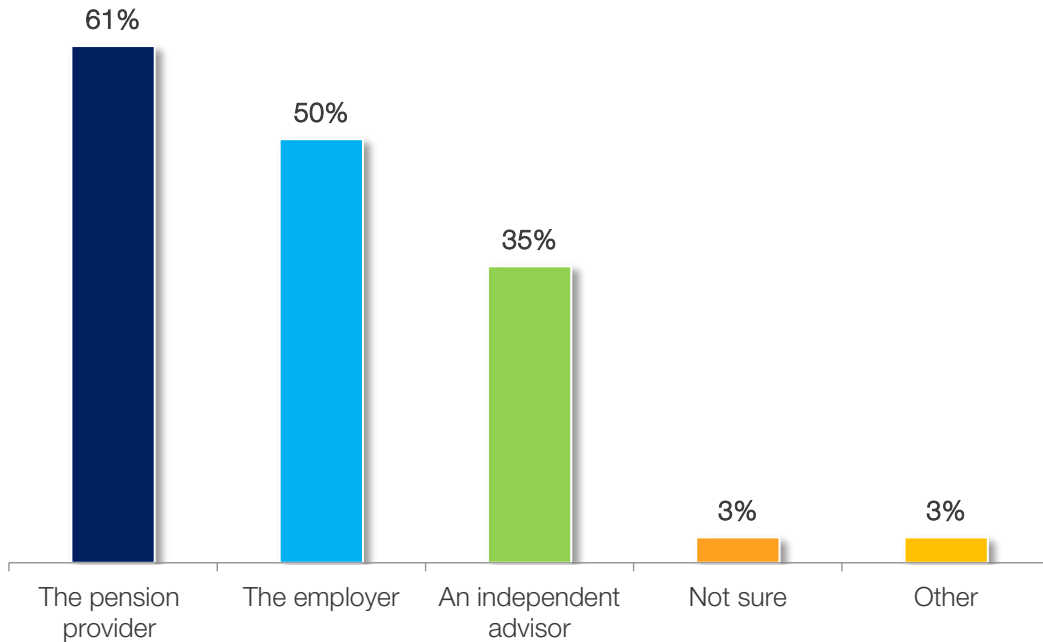
Interestingly, the largest multinationals (over 10,000 employees) prefer to offer digital retirement planning tools (42%) over group seminars / webinars (41%).

And when it comes to geographical differences, there is a stark contrast between multinationals headquartered in North America (where only 5% do not offer any retirement support) compared to the concerning number of European-headquartered multinationals (22%) who do not offer such support.

# Support around retirement choices mainly delivered by pension providers and employers

Question: Who would typically deliver the support you offer employees around preparing for their retirement?

Multiple-choice question – select all that apply



## Our point of view

The responsibility for delivering retirement preparation support is distributed across multiple parties, with the pension provider emerging as the most common deliverer at 61% according to the data. This leading position reflects the frequent reliance on pension plan administrators, insurers, or investment firms to provide education, tools, projections, and advisory services that leverage their technical expertise in retirement savings, decumulation, and regulatory compliance.

Employers often view pension providers as the natural channel for such support, particularly for group seminars, digital tools, income projections, and access to financial planning resources, as these entities already manage core plan elements and can deliver consistent messaging at scale.

Employers themselves rank a close second at 50%, suggesting that a substantial portion of organizations take direct ownership of retirement guidance, likely through internal HR, Total Rewards, or financial wellbeing teams.

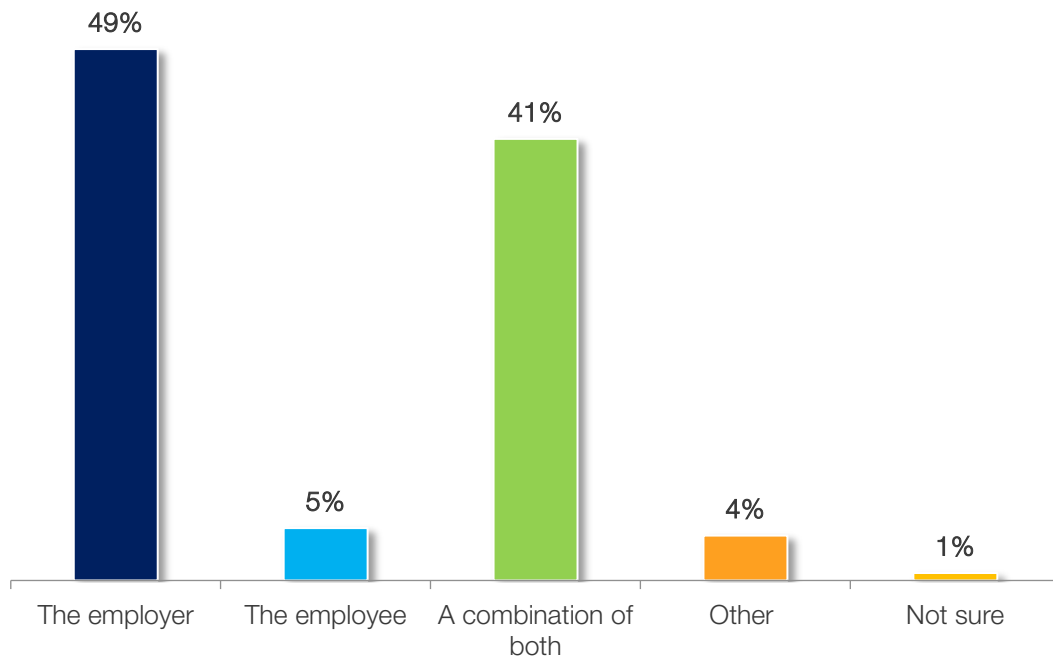
### Cohort analysis

The difference in approach between multinationals headquartered in Europe and those headquartered in North America is worth noting with European-headquartered firms more reluctant to have pension providers deliver retirement support initiatives to their employees.

Deliverer of retirement support	Europe	North America
Pension provider	40%	75%
The employer	56%	44%
An independent advisor	47%	33%

# Retirement support initiatives are mainly financed by the employer

Question: Who finances the retirement support initiatives in your organization?



## Our point of view

The survey findings reveal a strong employer-led approach to financing retirement support initiatives, with 49% of respondents indicating that the employer bears the primary responsibility. This dominant share underscores the strategic value many organizations place on retirement preparation as part of their total rewards package, viewing funded seminars, digital tools, counselling, income projections, and access to advisors as an investment in employee financial wellbeing. By covering these costs, employers can reinforce their role in supporting an ageing workforce, enhance perceived fairness in benefits, and address long-term talent sustainability amid ever more relevant delayed retirements.

A substantial 41% report that financing is a combination of both employer and employee contributions, suggesting a hybrid model where employers provide core or subsidized support (e.g., group webinars, basic digital tools, or access to external advisors) while employees may opt into or co-fund more personalized services such as one-on-one counselling.

Very few organizations place the full burden on the employee alone (5%).

### Cohort analysis

Again, the data shows a difference in approach between multinational companies headquartered in Europe and those headquartered in North America when it comes to who finances retirement support initiatives with European-headquartered companies favouring a shared approach.

Financier of retirement support	Europe	North America
The employer	33%	59%
Combination of employer and employee	56%	34%

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