



NEWPORT PERSPECTIVES

2025/2026 Edition

COMPENSATION, RETIREMENT, AND BENEFITS *TRENDS REPORT*

Executive Summary



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Introduction

Organizations today are navigating an increasingly complex and unpredictable environment. Tariffs, government shutdowns, and international crises are creating economic uncertainty, while a softening labor market adds another layer of complexity. These dynamics make forward-looking workforce and compensation planning more challenging than ever. For many organizations, total rewards remain one of the largest and most strategic investments—yet aligning these programs with shifting market realities requires clarity and insight.

For nearly two decades, Newport, an Ascensus company, has published the ***Compensation, Retirement, and Benefits Trends Report*** annually to provide a comprehensive, single-source view of the total competitive rewards programs available for the middle market. The 2025/2026 report includes information from more than 590 organizations spanning a range of industries, geographies, and sizes, and summarizes general trends, deep insights, and key managerial takeaways.

We hope you find this report useful as you evaluate your own company's compensation and benefits program for the year ahead.



High-Level Insights

- Base pay increases help retain workers in this tight labor market and increased use of incentives is a top compensation strategy
- Competitive retirement plan matching contributions provide a meaningful benefit to compete for talent
- Service quality ranks as the most important factor in evaluating retirement plan financial advisors and providers
- Fiduciary risk ranks as the top concern, keeping plan sponsors up at night
- Nonqualified deferred compensation plans (NQDC) continue to be critical for recruiting and retaining executives and provide an opportunity for smaller organizations to differentiate themselves
- Enhancing health and welfare benefits and improving communication about these plans are top benefits strategies

Key Takeaways

Compensation

- **Uncertainty in the economy is keeping salary budgets modest.** Average 2025 base salary increase budgets were consistent with the projections for 2025 and ranged between 3.2% and 3.4% across different employee groups. One-third of organizations gave higher than normal pay increases (at least 4%) to hourly and salaried exempt employees. The salary increase budgets for 2026 are forecasted to come in at a median of 3% for all organizations. Average increases are forecasted between 3.1% and 3.3%.
- **Variable pay plans are key to retaining talent.** Organizations cited the increased use of both short- and long-term incentives and bonuses as a key strategy to attract and retain talent.
- **Off-cycle pay adjustments remain a smart pay strategy.** Just over a quarter of organizations gave mid-year pay adjustments in 2025 and almost a third are planning to in 2026.
- **Pay transparency is taking root.** As many as 67% of organizations report sharing salary range information in job postings; of those, 43% post the entire range and 36% post start-rate to midpoint.
- **Top performers want differentiated merit pay.** Organizations allocated 3% more in salary budget to differentiate high performers from low performers. Best practice states that more differentiation is needed.

Retirement Plans

- **Offering a qualified retirement plan is standard.** Ninety-eight percent (98%) of organizations reported offering at least one qualified retirement plan while 16% offered more than one type. The most common type of plan, by far, is a defined contribution plan with an employer match.
- **Company match can be an important contributor to driving plan participation.** Most organizations (56%) offer maximum matching contributions between 3% and 4.9%. Nearly one-third of organizations reported offering matches above 5% of compensation.
- **Employers continue partnering with advisors.** Plan sponsors overwhelmingly work with advisors (91%) and the majority of those relationships (65%) exceed five years. A mere 3% have changed advisors in the past year.
- **Service is key and fiduciary risk is of concern.** When evaluating retirement plan services, respondents prioritized the level and quality of service, administrative ease, fiduciary support services. That said, fiduciary risk is keeping more plan sponsors up at night than other concerns.
- **Employers should understand that 3(16) administrative fiduciary services offload plan administration concerns.** Close to one-third of respondents were unsure of what 3(16) administrative fiduciary services were; 37% use these services today or are considering them for the future.
- **Make them opt-out.** Just over 50% of plans have automatic enrollment (auto-enroll) and 47% have automatic escalation (auto-escalate), but there is still work to be done to give employees access to programs designed to help them save more without needing to adjust their contributions manually.

Key Takeaways

Nonqualified Deferred Compensation (NQDC) Plans

- **NQDC plan prevalence is highly correlated to company size.** The larger the company, the more likely it is to offer an NQDC plan.
- **Job level is the most common criteria used to determine plan eligibility.** The majority of eligible participants are presidents and chief executive officers (88%), followed by vice presidents (70%) and directors (38%).
- **NQDC participants value options.** Plan participants are most satisfied by the breadth of investment choices and the positive impact these plans have on their retirement preparedness.

Benefits

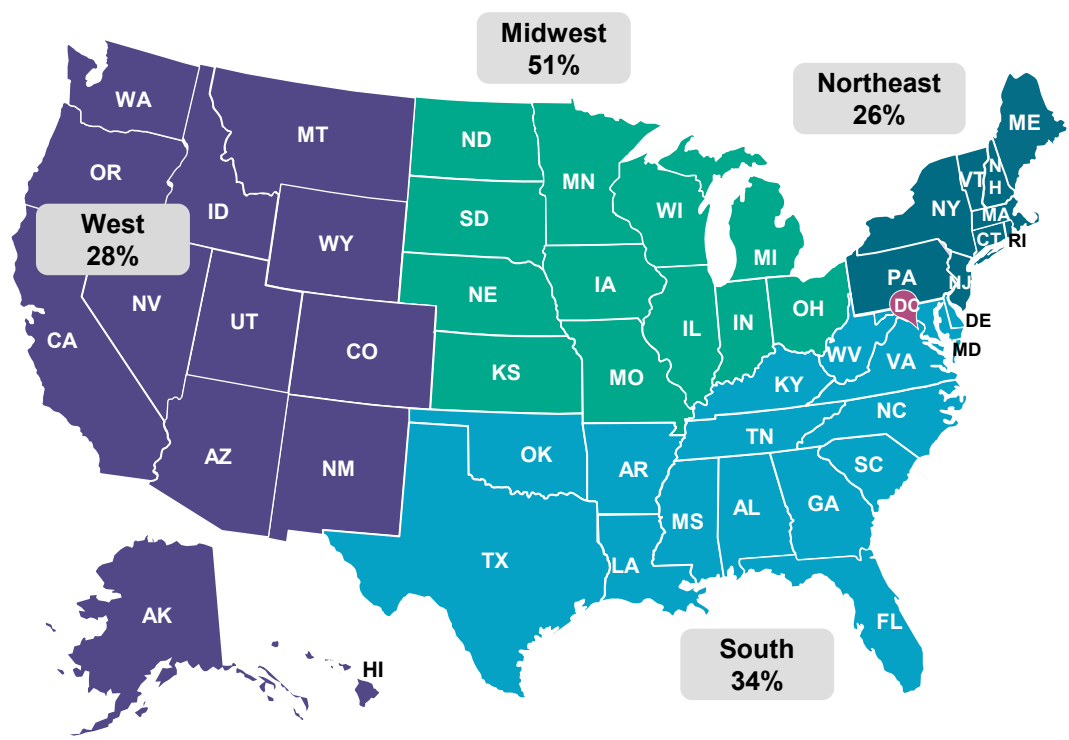
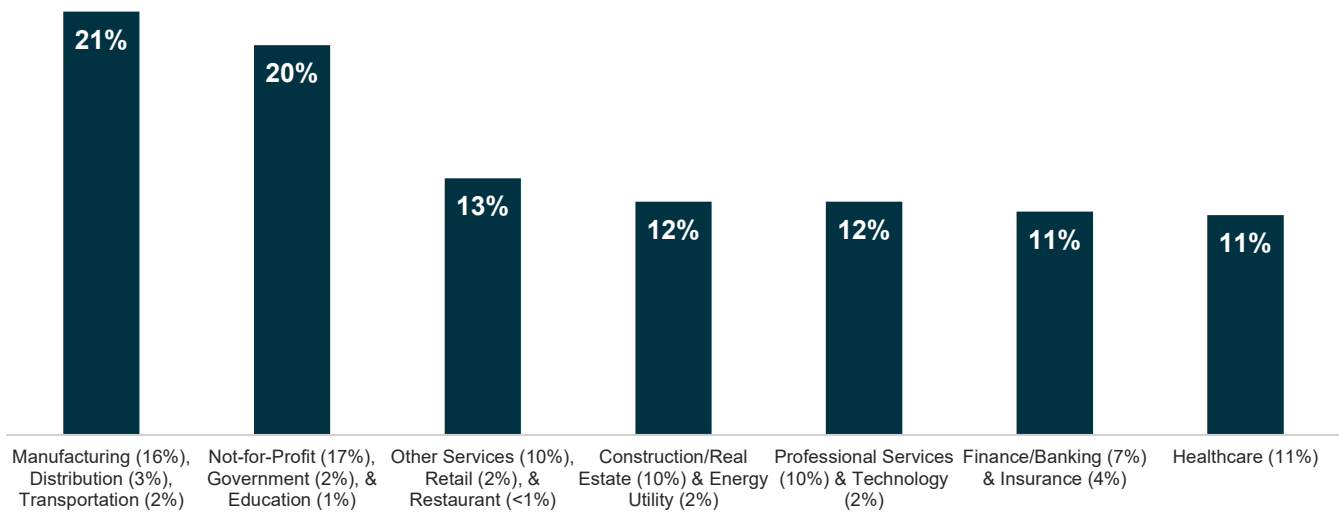
Health Insurance and Welfare

- **Increasing communications around health and welfare benefits is one of the top strategies implemented to attract and retain talent.** Another key strategy is continuing to offer remote work opportunities.
- **Health plan costs are on the rise.** One-third of employers reported cost increases from 4% to 8% percent, with another third experiencing even higher increases.
- **Costs are shifting to employees.** Due to these increases, a greater portion of the costs are shifting to employees and HSA plans have been on the rise.
- **Most organizations offer a variety of employee benefits beyond health and welfare.** These include employee assistance programs (EAP), telehealth, flexible work hours, and wellness programs.

Survey Demographics

The 2025/2026 report includes data from 594 organizations across the country, spanning 16 diverse industries and a range of business sizes—both in terms of employee count and annual gross revenue. To create more meaningful take-aways, this report groups the industries. 33% of the sample are in the manufacturing and not-for-profit industry sectors.

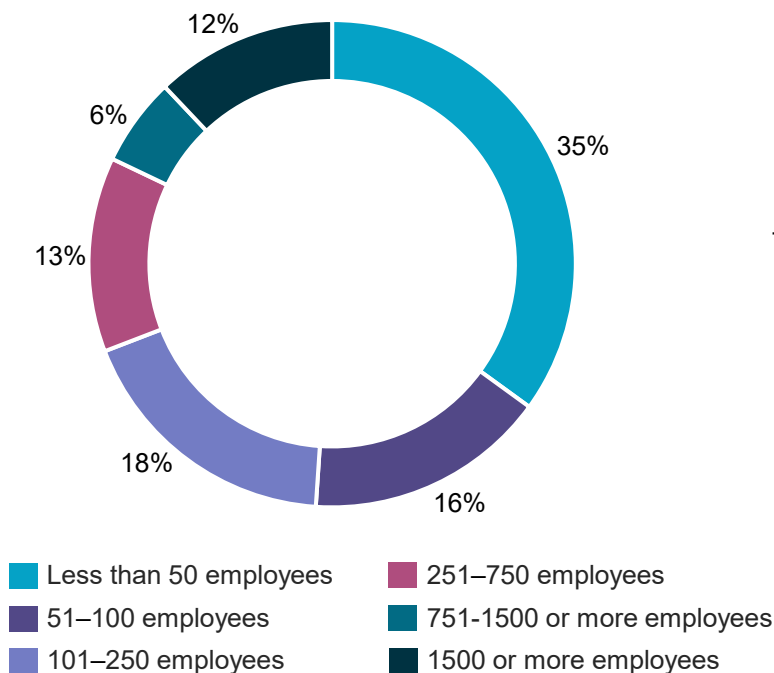
Organizations by Industry Grouping



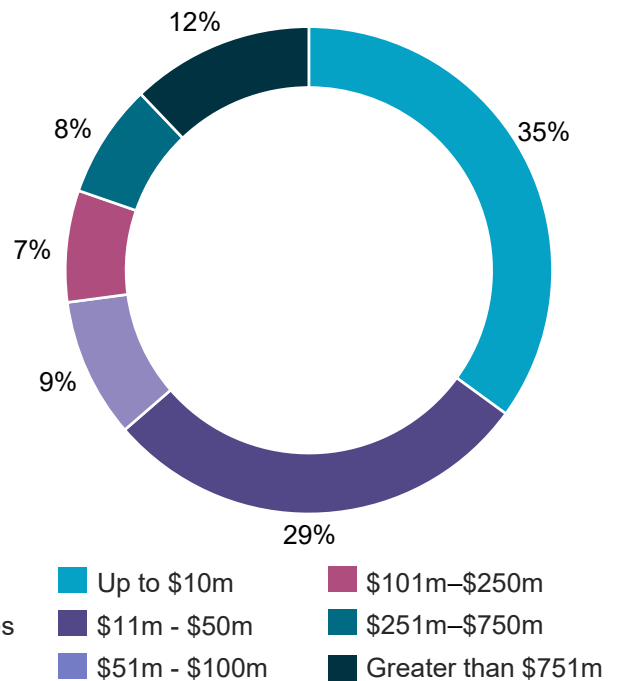
Survey Demographics

Survey respondents were from generally smaller organizations, with almost three-quarters at companies having less than 250 employees and less than \$50 million in annual revenue. Certain questions are broken out to show how smaller organizations are responding compared to larger organizations.

Full-Time Equivalent (FTE) Employee Size



Annual Gross Revenue Size



Methodology

The 2025/2026 survey contained more than 70 questions about compensation, retirement, and benefits programs and was distributed to senior financial and human resources leaders at organizations nationwide. Data collection was administered via a secure, web-based data submission tool. Survey responses were analyzed for consistency and reasonableness and prepared for presentation by Newport's Compensation Consulting team within Ascensus. All individual survey data responses are kept strictly confidential and only aggregated results are reported to display trends.

Key Definitions

- **Median:** statistical point at which half of all reported responses reported are above and half are below
- **Average:** total of all reported data divided by number of responses
- **N:** total number of respondents
- **Full-time equivalent (FTE):** employee who is scheduled to work 40 hours per week
- **Smaller organizations:** less than \$50m in revenue or fewer than 250 employees
- **Larger organizations:** greater than \$50m in revenue or more than 251 employees

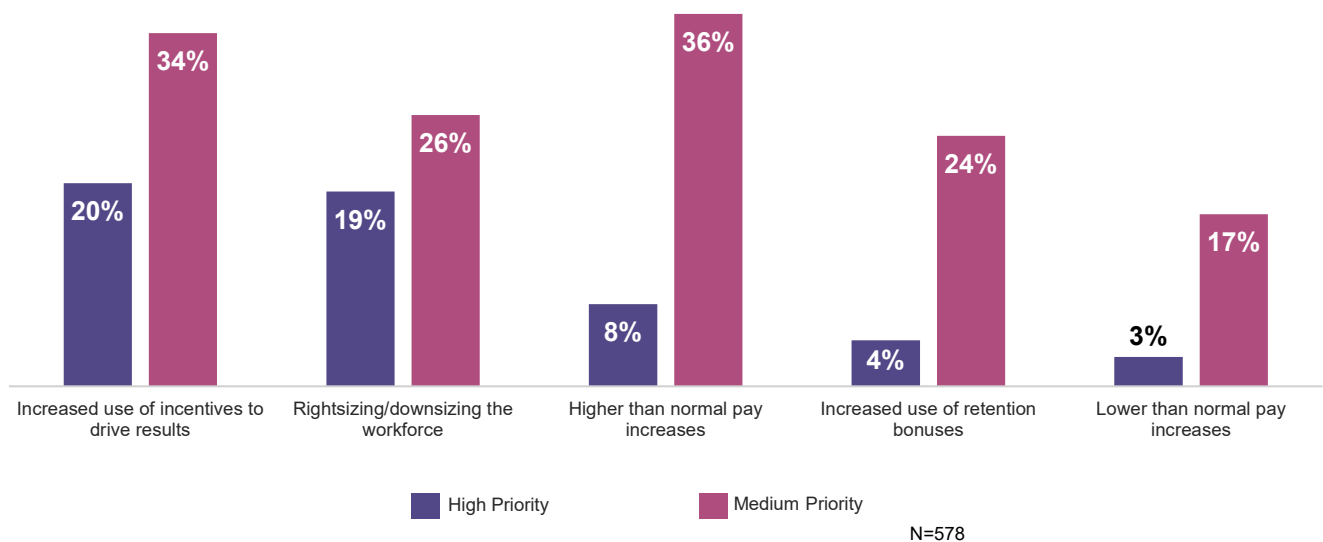
Compensation Practices

Compensation Practices

2025 Compensation Strategies

SURVEY QUESTION: What compensation strategies are you prioritizing in today's economic and labor environment?

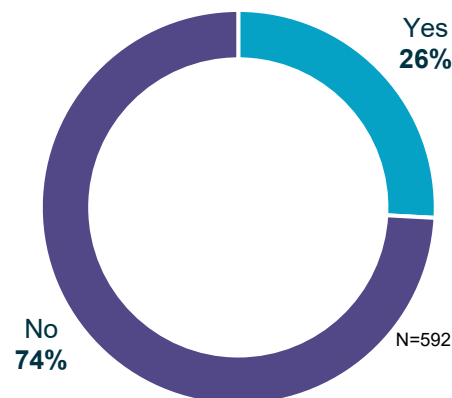
RESULTS: Organizations are placing a high priority on increased use of incentives to drive results, followed by rightsizing/downsizing the workforce.



Mid-Year Pay Adjustments

SURVEY QUESTION: Did your organization give a mid-year pay increase to employees?

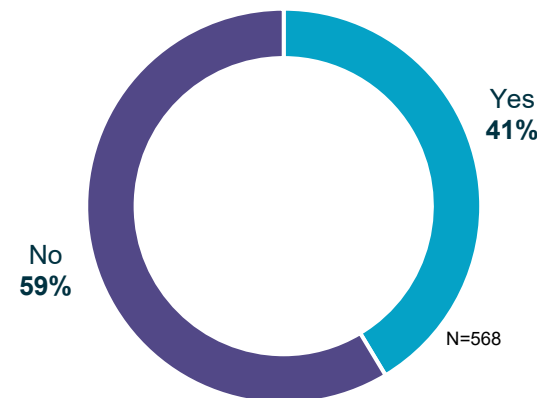
RESULTS: Slightly more than a quarter of organizations provided mid-year pay increases to employees in 2025 and slightly more forecast to do so in 2026.



Pay Equity Analysis

SURVEY QUESTION: Did your organization embark on a pay equity analysis this past year?

RESULTS: Nearing one-half of organizations reported conducting a pay equity analysis in the past year, indicating heightened awareness and compliance.

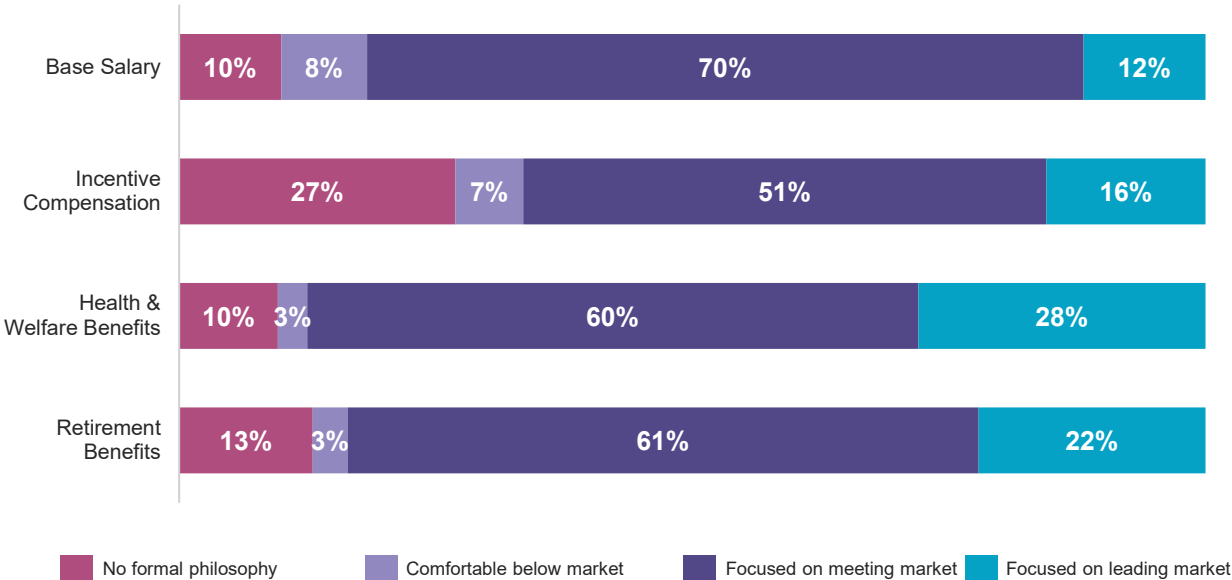


Compensation Practices

Total Rewards Philosophy

SURVEY QUESTION: What is your organization's total rewards philosophy?

RESULTS: A majority of organizations focus on meeting the market value, or 50th percentile, for all total reward components. This creates an opportunity for organizations that focus on leading the market to compete more effectively. For those surveyed, health and welfare benefits is the reward component used most to differentiate (28%). Very few organizations (between 3% and 8%) are comfortable with any reward component below market. Interestingly, 27% of organizations have no formal philosophy around incentive compensation. This is a missed opportunity to drive performance outcomes.



N=563

Compensation Practices

Base Salary Increase Budgets

SURVEY QUESTION: What is your organization's actual base salary increase budget for 2025 and anticipated budget for 2026, as a percentage of base pay for the different employee groups?

RESULTS: The median base salary increase (actual) for 2025 and forecast for 2026 is 3% for all organizations. Between 10%-23% of organizations reported a 0% base salary increase budget for 2025, which is interpreted as a salary freeze. Digging deeper into the data and looking at only organizations with a budget increase, 2026 forecasted averages range from 3.6%-3.8%.

Salary increase budgets continue to vary by industry. For 2026, the highest average or median base salary increases (including zeros) have been reported in the construction/real estate and energy utility sectors.

Median base salary
increase budgets for
2026 (including salary
freezes):

3%

	Overall	Construction/ Real Estate & Energy Utility	Finance/ Banking & Insurance	Education, Government, & Not-for-Profit	Healthcare	Manufacturing, Distribution, & Transportation	Professional Services & Technology	Restaurant, Retail, & Other Services
Executives								
Average	3.1%	3.8%	3.6%	3.3%	2.7%	3.0%	2.8%	2.6%
Median	3.0%	3.0%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Salaried (Exempt)								
Average	3.3%	3.8%	3.5%	3.1%	3.3%	3.1%	3.3%	3.2%
Median	3.0%	3.5%	3.4%	3.0%	3.0%	3.0%	3.7%	3.0%
Hourly (Non-Exempt)								
Average	3.1%	3.6%	3.2%	2.9%	3.0%	3.3%	3.1%	2.8%
Median	3.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.1%	3.0%
N =	512	56	57	101	57	117	59	65

Compensation Practices

Salary Structure Prevalence by FTEs

SURVEY QUESTION: Does your organization have a formal salary structure (i.e., ranges with a minimum and maximum) to manage compensation decisions?

RESULTS: The higher an organization's number of full-time employees (FTEs), the more likely they are to use a formal salary structure. All organizations could benefit from a more organized methodology around pay.

	Overall	Less than 50	51-100	101 - 250	251 - 750	751 -1,500	1,500 or More
Yes	51%	32%	45%	52%	69%	80%	82%
No	49%	68%	55%	48%	31%	20%	18%
N =	581	204	92	107	71	35	72

Salary Structure Movement

SURVEY QUESTION: What is the percentage salary structure movement for 2025, and the amount anticipated for 2026?

RESULTS: The annual movement of salary structures is a key trend organizations monitor each year to understand how to keep pay ranges competitive.

Average salary structure movement for 2026 is at 2.6% and the construction/real estate and energy utility sectors had the highest average structure movement.

2.6%
average salary
structure
movement for 2026

	Overall	Construction/ Real Estate & Energy Utility	Finance/ Banking & Insurance	Education, Government, & Not-for-Profit	Healthcare	Manufacturing, Distribution, & Transportation	Professional Service & Technology	Restaurant, Retail, & Other Services
Executives								
Average	2.5%	3.0%	2.1%	2.6%	2.3%	2.5%	2.3%	2.9%
Median	3.0%	3.0%	2.0%	3.0%	3.0%	2.5%	3.0%	3.0%
Salaried (Exempt)								
Average	2.7%	3.5%	2.1%	2.3%	2.5%	3.2%	3.1%	2.8%
Median	3.0%	3.0%	2.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Hourly (Non-Exempt)								
Average	2.6%	3.4%	2.1%	2.2%	2.5%	3.1%	2.9%	2.6%
Median	3.0%	3.0%	2.1%	2.9%	3.0%	3.0%	3.0%	3.0%
N =	241	23	36	58	36	41	25	22

Compensation Practices

Salary Range in Job Postings

SURVEY QUESTION: If your organization includes the position's salary range in job postings, what information is provided?

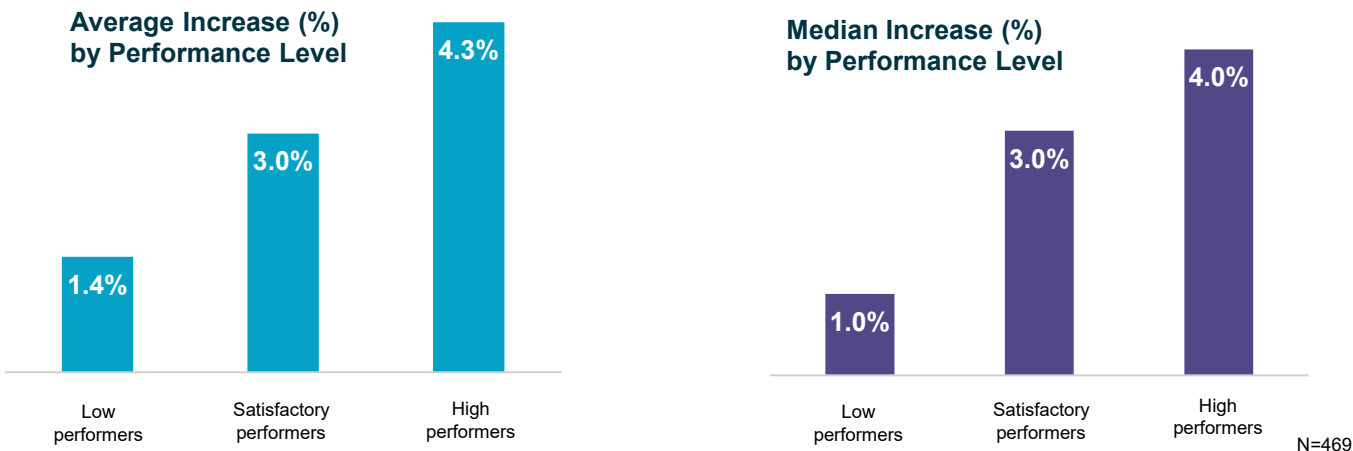
RESULTS: Approximately 67% of organizations report including job salary ranges for all or some of their locations. Of those, 43% include the entire salary range in their job postings, while 36% post the minimum up to the midpoint of the range. Only 21% post a range wider than the actual, entire range to encourage more applicants to apply.

As salary transparency laws become increasingly prevalent, more organizations will likely post salary ranges in job postings.

Pay for Performance Increases

SURVEY QUESTION: What will your organization's base salary increase be for the next review period, by performance level?

RESULTS: When looking at the medians, organizations only allocated 1% more in salary budget to differentiate high performers from satisfactory performers. The rule of thumb is that your high performers should have twice the increase as your satisfactory performers.



Compensation Practices

Short-Term Incentive Eligibility by Industry

SURVEY QUESTION: For organizations that offer annual incentive or bonus programs, what is the eligibility for each employee group?

RESULTS: While most organizations include short-term incentives or bonuses to executives and management as an integral part of the compensation package, many industries also leverage short-term incentives for supervisory, office professional, and hourly production staff. From an industry perspective, healthcare, restaurant, retail, education, government and non-profits are less likely to utilize short-term incentives.

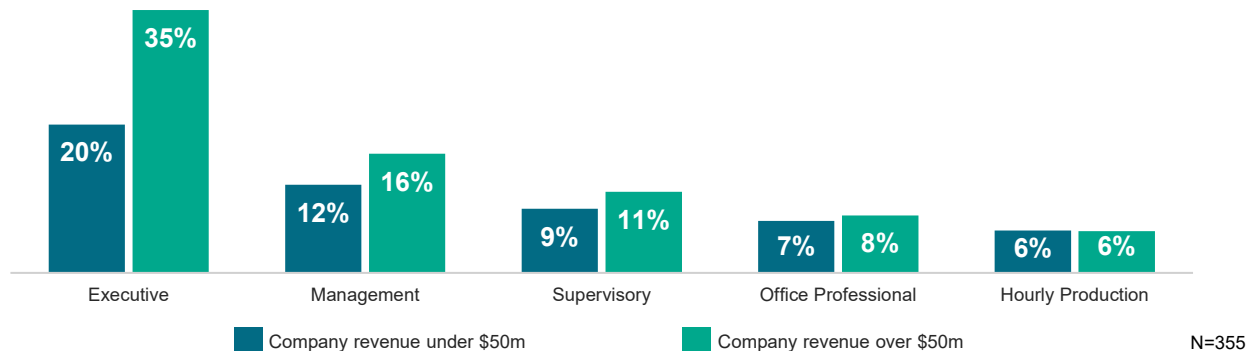
	Overall	Construction/ Real Estate & Energy Utility	Finance/ Banking & Insurance	Education, Government, & Not-for-Profit	Healthcare	Manufacturing, Distribution, & Transportation	Professional Service & Technology	Restaurant, Retail, & Other Services
Executive	78%	79%	87%	77%	79%	81%	67%	73%
Management	81%	83%	85%	67%	74%	91%	76%	78%
Supervisory	71%	81%	78%	59%	58%	83%	67%	51%
Office professional	70%	77%	80%	69%	50%	73%	71%	59%
Hourly production	58%	54%	69%	51%	53%	68%	50%	49%
N =	355	48	54	39	38	93	42	41

Compensation Practices

Short-Term Incentive Award Opportunity

SURVEY QUESTION: What is the average target 2025 annual short-term incentive pay opportunity for each employee group?

RESULTS: Target short-term incentive pay opportunity varies by organizational revenue size and continues to be highest among executives and management, with larger organizations offering higher payouts. Actual incentive payout awards in 2025 reflect organizational results and recognition of individual employee efforts and contributions. Incentives serve as an integral part of the annual compensation package.



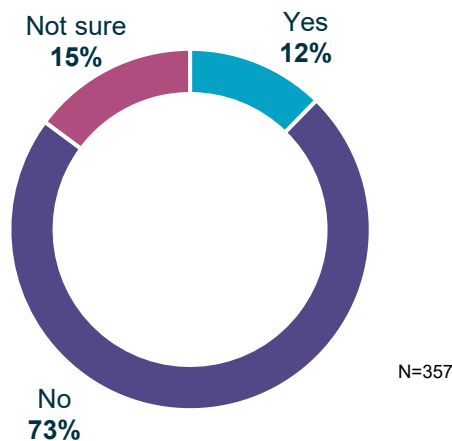
Long-Term Incentive Plans

SURVEY QUESTION: Does your organization provide long-term incentive compensation to eligible employees?

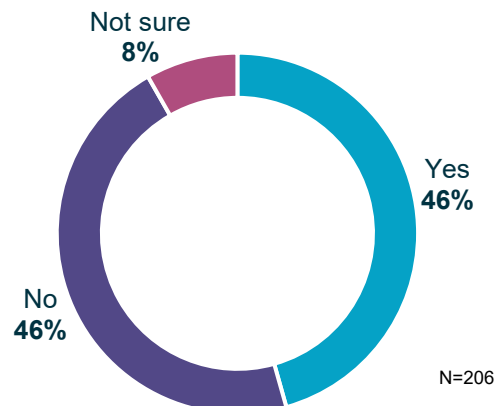
RESULTS: Long-term incentive (LTI) prevalence is highly correlated to organizational revenue size. In the overall sample, 25% of all organizations reported using a long-term incentive program (LTIP) to reward for long-term performance. When revenue size is accounted for, 12% of smaller organizations report having LTI plans while 46% of larger organizations do. From an industry perspective, the finance/banking and insurance sectors are most likely to provide long-term incentive compensation to eligible employees.

Long-term incentive plans include cash-based and equity-based programs, which are designed to motivate employee performance to achieve specific organizational goals over several years.

Company Revenue Under \$50m



Company Revenue Over \$50m



Retirement

[Retirement Plans](#)

[Financial Wellness Plans](#)

[Nonqualified Deferred Compensation Plans](#)

Retirement Plans

Retirement Plan Options, Matching Contributions, and Maximum Company Match

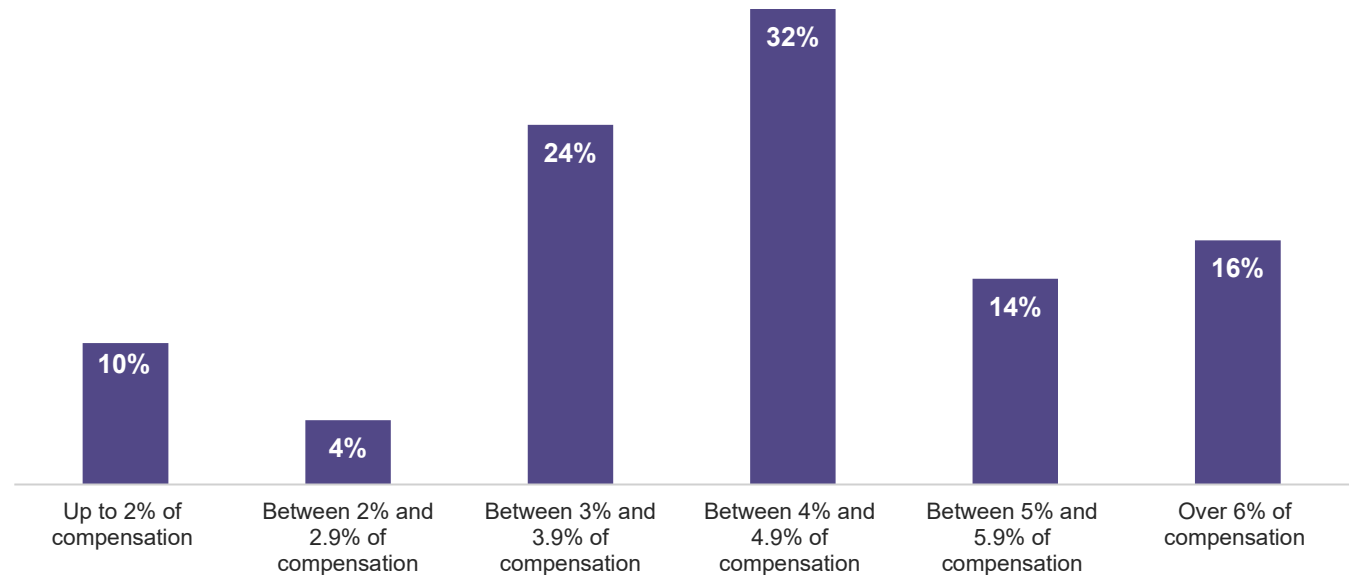
SURVEY QUESTION: What type of retirement plans do you offer and does your company offer matching contributions? For your organization’s defined contribution plan, what is the maximum match under your formula?

RESULTS: The most prevalent types of retirement plans include defined contribution (DC) plans with employer matching contributions and DC plans that do not offer an employer match. Some organizations offer more than one plan type. Eighty-eight percent (88%) of organizations offer matching contributions to their qualified plan.

Most organizations (56%) offer maximum matching contributions between 3% and 4.9% of compensation for their defined contribution plan. A full 30% offer a match greater than 5%, leading to 86% of organizations offering a match at or above 3%.

In general, there is a linear relationship between organization size and the likelihood of offering a match: the larger the organization, the more likely it is to offer a match. Two sectors – distribution, manufacturing, and transportation and finance/banking and insurance - outpaced their industry peers in offering a match.

88%
Offer matching contributions to their qualified plans

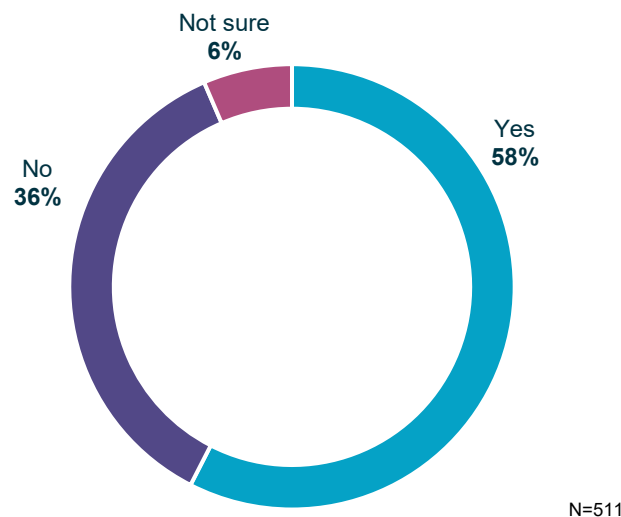


N=464

**Results are from the 98% of organizations that reported offering a qualified retirement plan.*

Retirement Plans

SURVEY QUESTION: Are you satisfied that your employees are taking full advantage of the retirement plan?



RESULTS: In 2025, organizations are lukewarm in their degree of satisfaction with employees taking full advantage of their retirement plan.

The healthcare sector is one where plan sponsors are more dissatisfied than satisfied with their employees taking advantage of their retirement plan: 45% indicated they were satisfied whereas 47% indicated they were dissatisfied.

The other sector that bears spotlighting is manufacturing, distribution, and transportation: just over half (51%) indicated satisfaction with employees taking advantage of their retirement plan. What makes this finding interesting is the sector reported the highest percentage of organizations offering a match (95%), with 87% of organizations offering a match at or greater than 3%. Clearly, the sector is trying to incentivize retirement savings but does not appear to be fully satisfied with the result.

Percent of plan sponsors satisfied employees are taking full advantage of their retirement plans



When the question is disaggregated by headcount, the disparity between small plans and large plans is most stark: plan sponsors in the small plan space are much more satisfied that employees are taking full advantage of their retirement plan than their large plan peers.

Because the two sectors most dissatisfied mentioned above (manufacturing, distribution, and transportation and healthcare) are disproportionately represented in larger plans (41%), a definitive conclusion as to what is driving the dissatisfaction – industry or plan size – is difficult to determine.

Retirement Plans

SURVEY QUESTION: What keeps you up at night about your organization's current retirement plan offering?

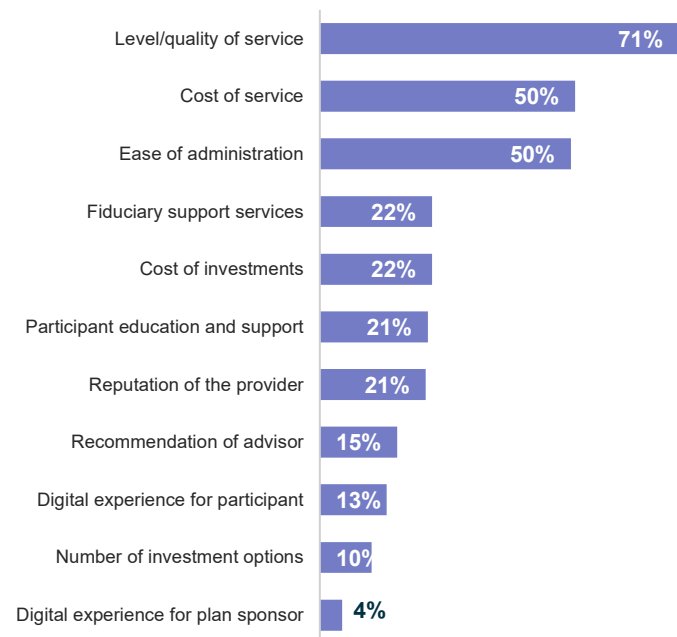
RESULTS: In 2025, fiduciary risk is keeping plan sponsors up at night, with participation (21%) and service (20%) not far behind. This generally holds true of larger plans in terms of headcount but not necessarily revenue size. Fees and service are of greatest worry for smaller organizations.



While fiduciary risk was the highest-ranked concern overall, especially for the finance/banking sector, participation was of greater concern for mid-size plans. For the largest plans (\$751m+ in revenue), fiduciary risk was overwhelmingly of greatest concern.

SURVEY QUESTION: What are the top 3 reasons you choose a new provider vs. staying with current provider? (Chart displays percentage of organizations that ranked the factor in their top three)

RESULTS: In 2025, organizations rank the level and quality of service as the most important factor in evaluating new plan advisors/consultants. The second and third most important factors are the cost of service and ease of administration.



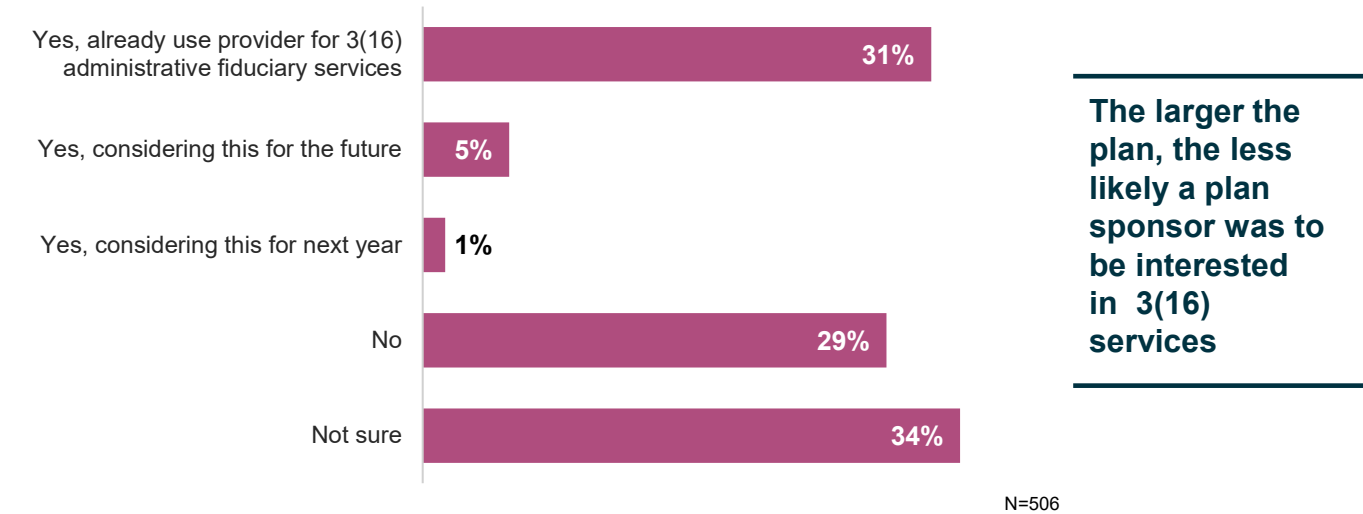
In 2025, organizations rank the level and quality of service as the most important factor in evaluating a new plan provider.

Retirement Plans

3(16) Administrative Fiduciary Services

SURVEY QUESTION: Would the services of a 3(16) administrative fiduciary be of interest to you to manage the administration, fiduciary, and reporting responsibilities of your organization’s retirement plan?

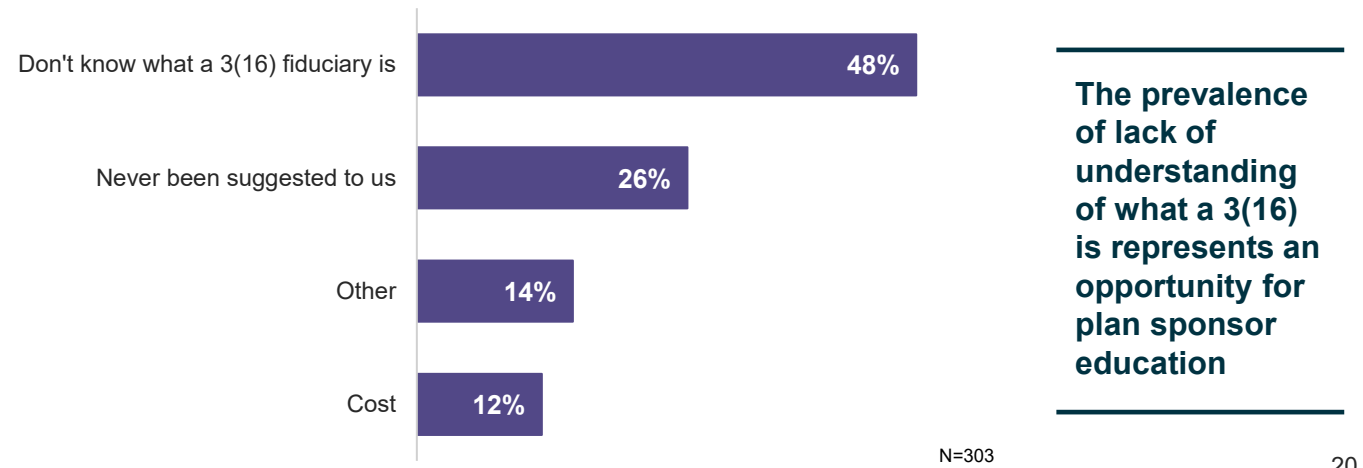
RESULTS: Plan sponsors used a provider for 3(16) services in 31% of organizations, with 6% considering for next year or the future. Sixty-three (63%) of respondents weren't interested or were unsure of whether 3(16) services would be of interest to them.



SURVEY QUESTION: If not currently using or interested in the services of a 3(16) administrative fiduciary, what is the reason?

RESULTS: Of those who are not currently using or interested in 3(16) administrative fiduciary services, 48% report the main reason is not knowing what a 3(16) fiduciary is, followed by 26% of respondents who said it's never been suggested that they use these services.

The smaller the plan, the more likely it was the plan sponsor did not know what 3(16) services are; the larger the plan, the more likely it was 3(16) services had never been suggested to them.

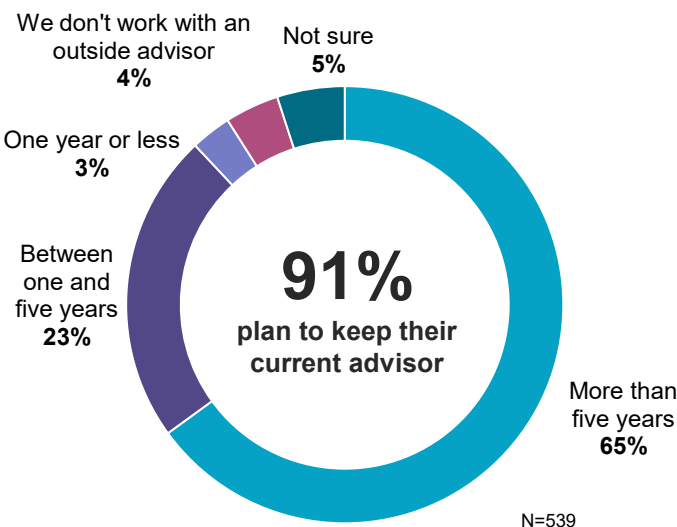


Retirement Plans

Outside Advisor Relationships

SURVEY QUESTION: How long have you been working with the same outside advisor?

RESULTS: Plan sponsors overwhelmingly work with advisors (91%) and the majority of those relationships (65%) exceed five years. A mere 3% of sponsors have changed advisors in the past year.



Long-term relationships appear to matter to plan sponsors, and this is accentuated by plan size: the larger the plan, the longer the relationship with the advisor. A different question indicated only 28 respondents were searching for a new advisor.

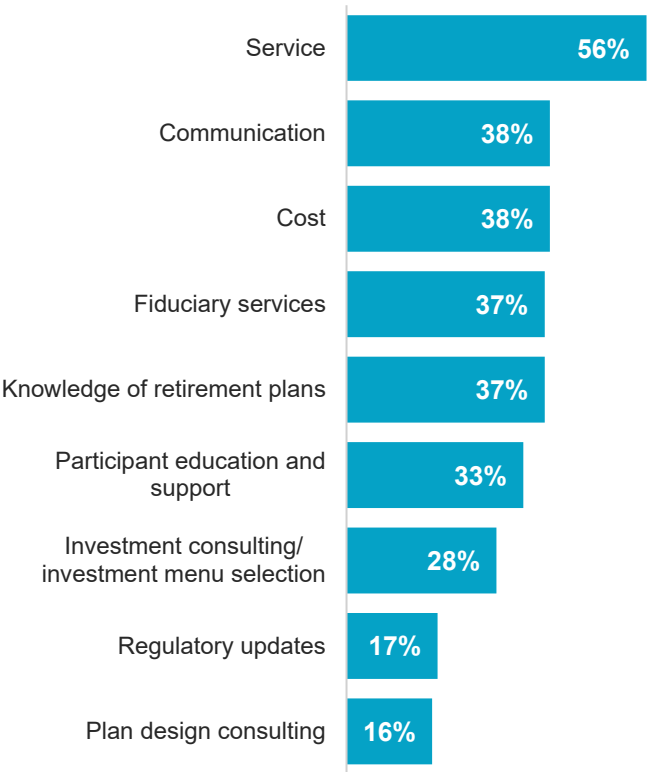
Evaluating Current Plan Advisor

SURVEY QUESTION: If you plan to maintain your current advisor/consultant, what 3 things are MOST important to you?

RESULTS: In 2025, organizations overwhelmingly ranked the level of service as the most important factor in advisor qualities.

Advisor qualities are seen differently depending on organization size. Smaller plans, by revenue and headcount, list communication of higher value while fiduciary services/investment consulting is more important to larger companies with bigger plans.

For mid-size plans we see knowledge and participant education are more important after service. ***This leads us to conclude that advisors need to customize the broad spectrum of services they are providing according to plan size.***

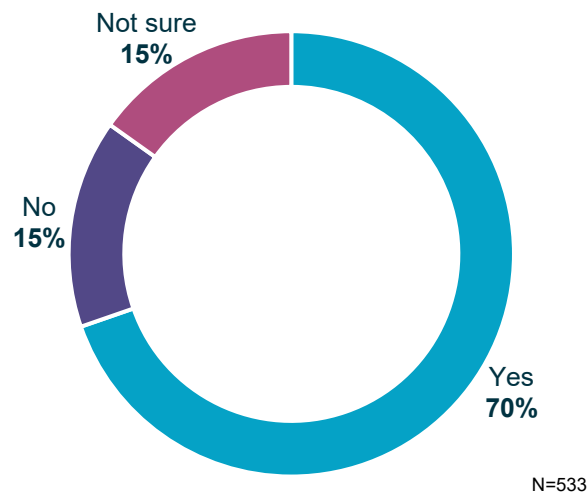


Retirement Plans

Professionally Managed Accounts

SURVEY QUESTION: Does your plan offer professionally managed accounts?

RESULTS: The majority of organizations (70%) reported offering professionally managed retirement plan accounts. Managed account services offer personalized retirement education, advice, and investment management designed to help meet the needs of an organization and its retirement plan participants.

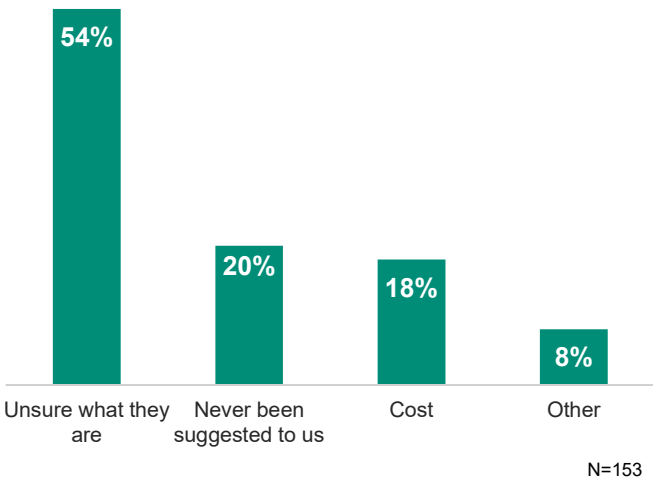


SURVEY QUESTION: If no or not sure, what is the reason your plan doesn't offer a managed account?

RESULTS: More than half of organizations, 54%, reported not knowing what managed accounts are as the main reason they do not have managed accounts as part of their plan.

Of the 153 respondents who indicated their organization did not offer a managed account or were unsure if it did, the vast majority were in smaller organizations.

This leaves a great deal of room for advisor influence in educating plan sponsors about the benefits to participants from having a managed account.



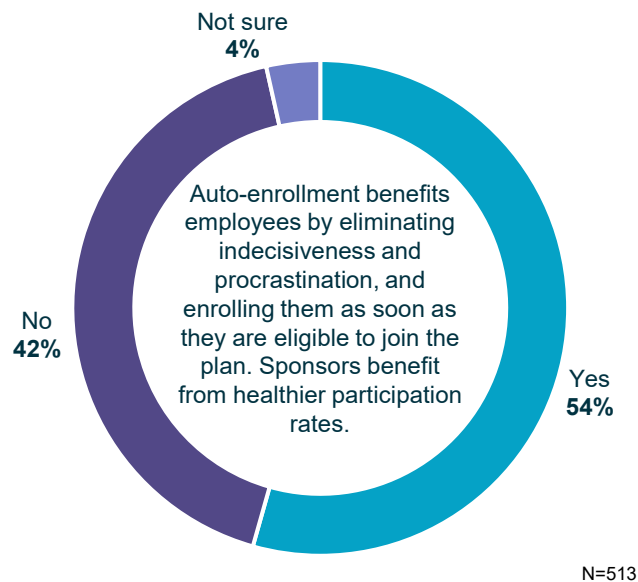
Retirement Plans

Automatic Enrollment

SURVEY QUESTION: Does your plan offer automatic enrollment?

RESULTS: Just over half of respondents (54%) report offering automatic enrollment (auto-enrollment).

Beginning in 2026, new plans as defined in SECURE 2.0 will be required to have auto-enrollment and auto-escalate provisions.

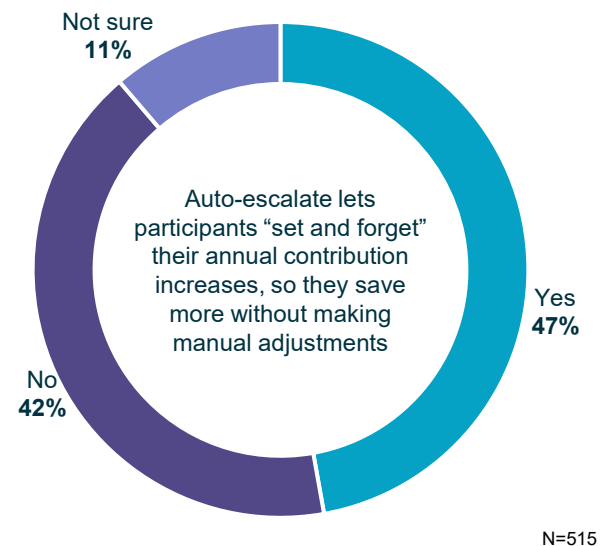


Larger plans report almost twice the auto-enrollment rate in comparison to small plans. Only 42% of small plans (which represent more than 1/3 of respondents) offer auto-enrollment

Automatic Escalation

SURVEY QUESTION: Does your plan offer auto-escalate/auto-deferral increase?

RESULTS: Just under half (47%) of participants report that their plan offers auto-escalate.



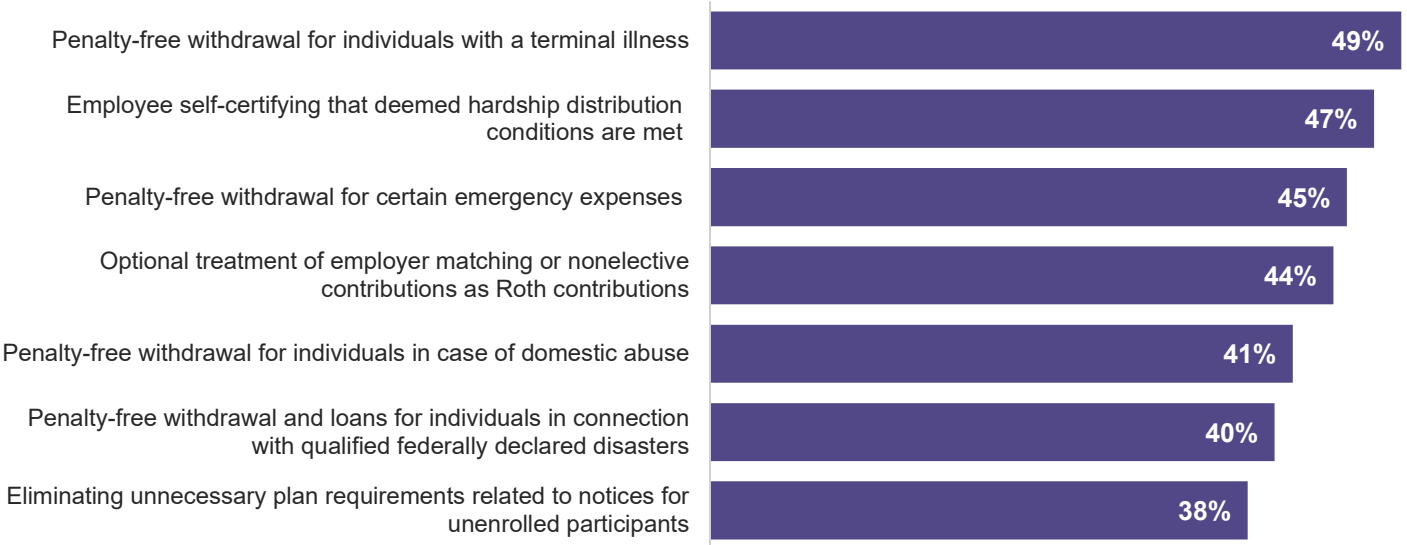
Although the auto-escalate feature has been adopted with slightly less prevalence than the auto-enrollment feature overall, this is exclusively explained by smaller plans adopting auto-escalate at a much lower rate. Larger plan adoption of auto-escalate is virtually identical to that of auto-enrollment.

Retirement Plans

SECURE 2.0 Optional Provisions

SURVEY QUESTION: Of the SECURE 2.0 optional provisions, which do you anticipate implementing?

RESULTS: In 2025, organizations rank penalty-free withdrawal for individuals with a terminal illness as the most important SECURE 2.0 optional provision to implement.

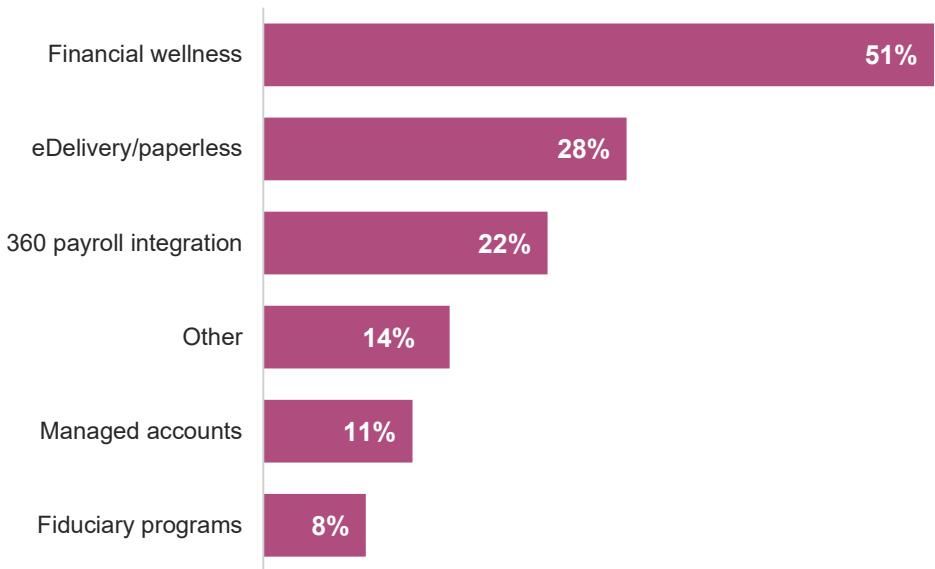


N=314

Additional Services

SURVEY QUESTION: What services are you interested in adding in the next 12 to 24 months?

RESULTS: Half of organizations (51%) responded financial wellness services, followed by electronic delivery (eDelivery)/paperless and 360 payroll integration services.



Ask your advisor about additional services for your plan today

N=280

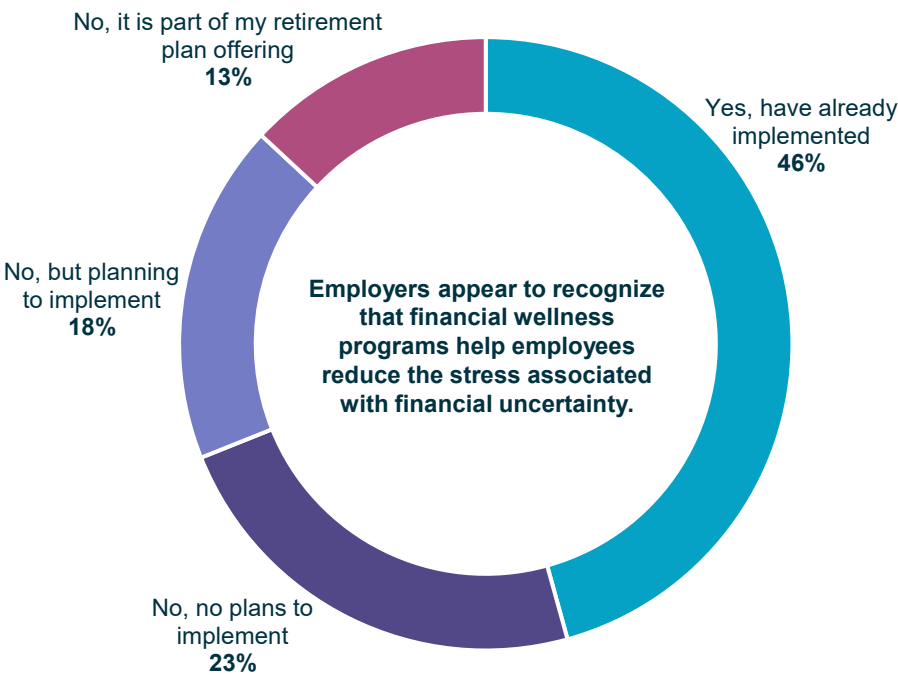
Financial Wellness Plans

Financial Wellness Programs

SURVEY QUESTION: Has your company implemented "financial wellness" (financial literacy and education) programs to help employees prepare for current and future financial needs—whether separately or as part of the overall health and wellness program?

RESULTS: A total of 77% of organizations already have or are planning to implement financial wellness plans, with 46% saying they have already implemented them, 18% indicating they are planning to implement, and 13% who say it is already a part of their retirement plan.

Employers appear to recognize that financial wellness programs help employees reduce the stress associated with financial uncertainty.



N=512

Nonqualified Deferred Compensation Plans

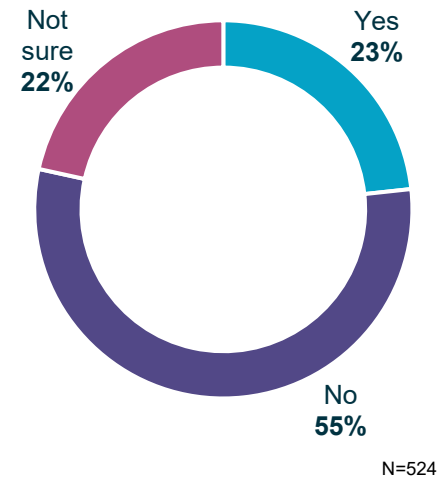
NQDC Plan Prevalence

SURVEY QUESTION: Does your organization offer a nonqualified deferred compensation, nonqualified defined benefit, or other key person benefit plan?

RESULTS: With the sample size of this report slanted towards small companies, just 23% of organizations reported offering an NQDC plan, nonqualified defined benefit plan, or other key person benefit plan.

When we narrow the view of reported data to large companies only, half offered NQDC plans. This is more in line with other similar surveys of large companies, such as the 2024 Newport/PLANSponsor NQDC Trends Survey Report, in which nearly 90% of respondents with more than \$750m in annual revenue indicated they offer at least one NQDC plan.

Although the prevalence of NQDC plans varies across industries, the finance/banking and insurance, and healthcare industries seem most likely to understand the importance of this offering amongst our survey respondents.



	Overall	Construction/Real Estate & Energy Utility	Finance/Banking & Insurance	Education, Government, & Not-for-Profit	Healthcare	Manufacturing, Distribution, & Transportation	Professional Service & Technology	Restaurant, Retail, & Other Services
Yes	23%	25%	43%	15%	33%	20%	18%	19%
No	55%	54%	45%	58%	47%	60%	54%	61%
Not sure	22%	21%	12%	27%	20%	20%	28%	20%
N =	524	63	60	106	55	119	57	64

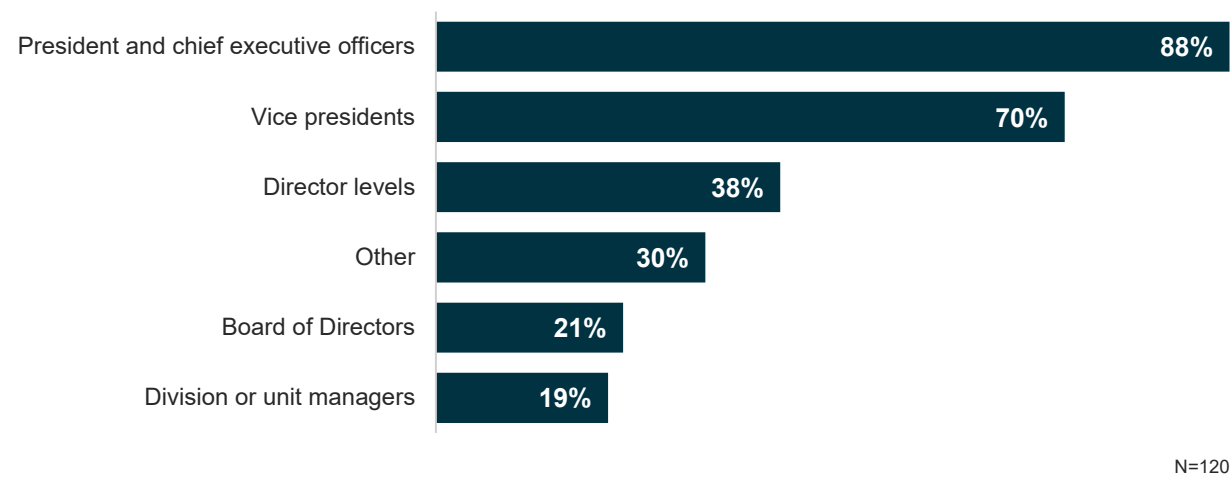
Newport, an Ascensus company, and a premier provider of nonqualified plans, also partners every two years with PLANSponsor, a leading resource for the retirement industry, to publish a report focused on NQDC trends and insights. For more information on these plans, download the [2024 Newport/PLANSponsor NQDC Trends Survey Report](#).

Nonqualified Deferred Compensation Plans

NQDC Plan Participation Eligibility

SURVEY QUESTION: Which positions are eligible to participate in your organization's NQDC plan?

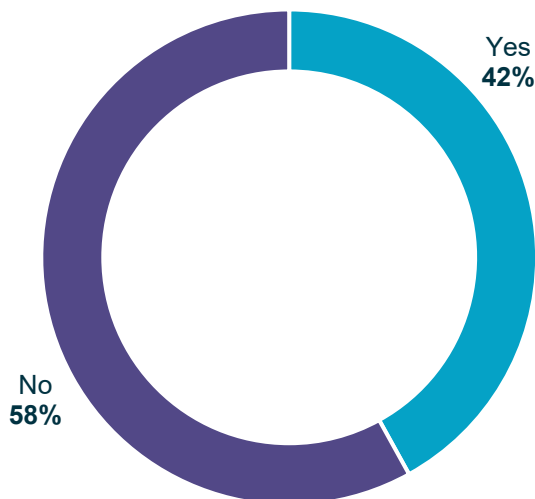
RESULTS: Among the organizations offering nonqualified plans, the majority of eligible participants include the presidents and chief executive officers (88%), vice presidents (70%), and director levels (38%).



Funding NQDC Plan Liabilities

SURVEY QUESTION: Does your company set aside company assets to informally fund nonqualified plan liabilities?

RESULTS: Although funding the liability helps ensure that less cash will be needed when benefits are distributed at a future date, less than half (42%) reported doing this. Smaller companies are often not aware of the benefits of funding nonqualified plans.



NQDC plans are often informally funded with corporate-owned life insurance (COLI) because policy earnings are not subject to income tax.

Benefits

[General Health and Welfare Benefits](#)

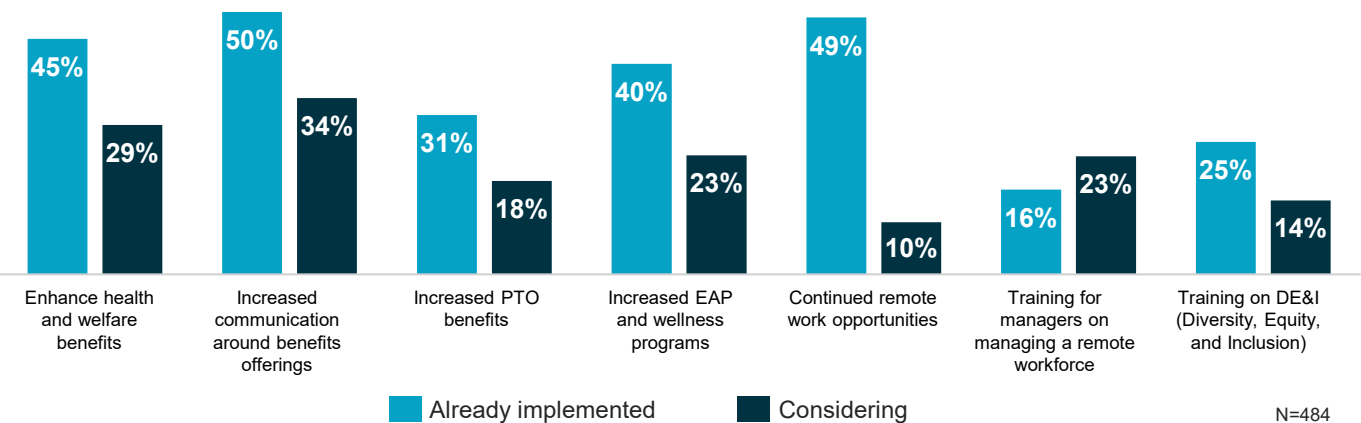
[Health Insurance](#)

Health and Welfare Benefits

2025 Benefits Strategies

SURVEY QUESTION: Which benefits strategies has your organization implemented or considered in today's highly competitive labor market?

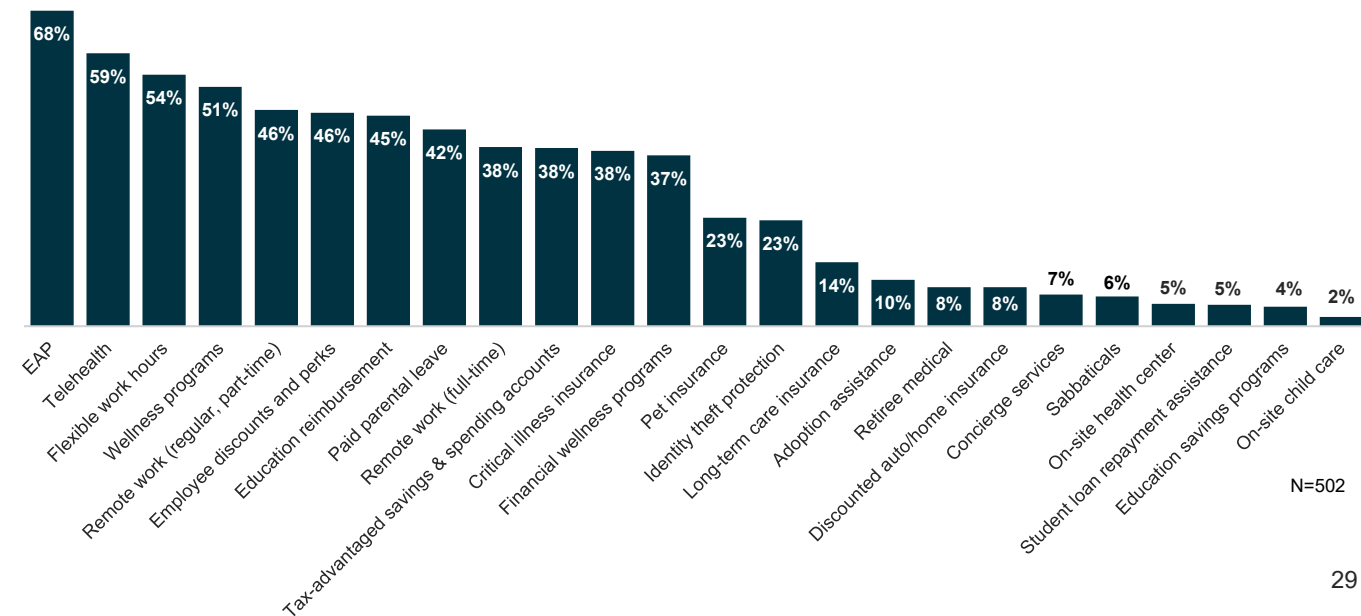
RESULTS: Organizations are increasing communication around benefits offers, offering continued remote work opportunities, and enhancing health and welfare benefits to stay competitive with their benefits programs.



Benefits Currently Offered

SURVEY QUESTION: Which of the following employee benefits do you currently offer?

RESULTS: In addition to medical, dental, vision, life insurance, and disability benefits, prevalent offerings in 2025 include employee assistance programs (EAP), telehealth, flexible work hours, and wellness programs.



Health Insurance

Health Insurance Plan Options by FTE

SURVEY QUESTION: Which of the following plans do you offer as health insurance options?

RESULTS: The most widely available health plans offered by employers based on FTE size continue to be Preferred Provider Organization (PPO) plans, High-Deductible Health Plans (HDHPs), and Health Maintenance Organization (HMO) plans. Larger organizations by FTE size have more HDHPs.

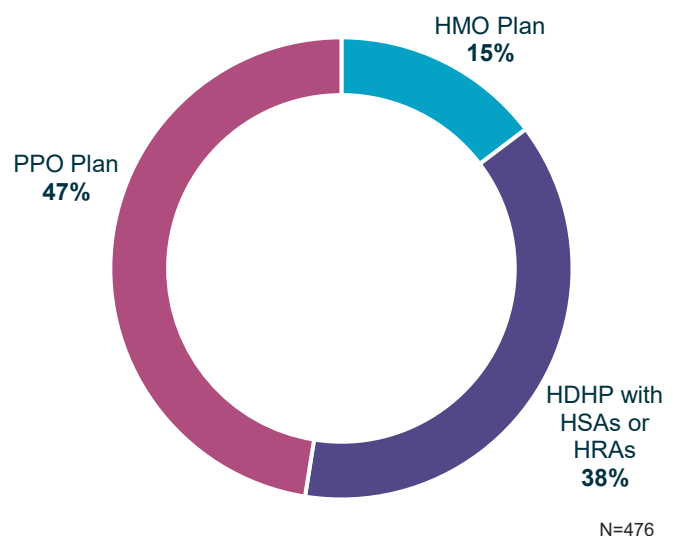
	Overall	Less than 50	51-100	101 - 250	251 - 750	751 - 1,500	1,500 or More
Preferred Provider Organization (PPO) plan	79%	71%	80%	84%	81%	94%	83%
High-Deductible Health Plan (HDHP) with HSAs or HRAs	65%	45%	63%	76%	76%	73%	91%
Health Maintenance Organization (HMO) plan	29%	35%	29%	29%	21%	18%	26%
Retiree medical plan for executives	3%	1%	0%	4%	6%	9%	7%
Supplemental medical plan for executives	3%	1%	2%	1%	2%	12%	7%
Do not offer health insurance	2%	5%	0%	0%	0%	0%	0%
Other	4%	5%	2%	2%	3%	6%	7%
N =	496	170	82	91	62	33	58

Health Insurance Plan Preference

SURVEY QUESTION: For your most recent open enrollment, which of the following health insurance options was selected by the largest number of employees?

RESULTS: Similar to recent years, PPO plans continue to be the most popular option selected by employees during open enrollment.

Overall, almost half of employees (47%) selected PPO plans, followed by 38% selecting High-Deductible Health plans, and the fewest (15%) selecting HMO plan options.

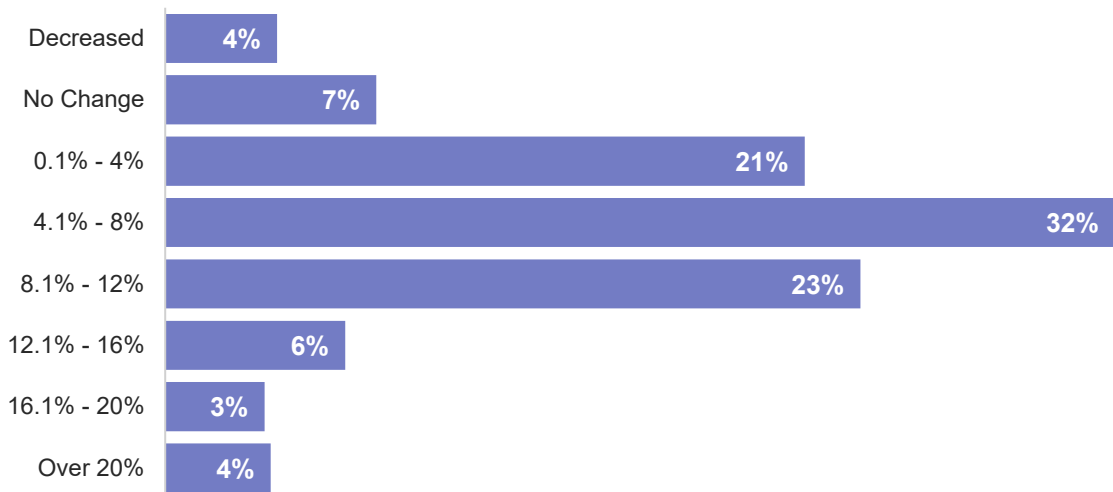


Health Insurance

2025 Health Insurance Cost Change

SURVEY QUESTION: What was the average percentage change in your health insurance plan costs for the 2025 plan year?

RESULTS: While most employers (89%) saw an increase in health plan costs in 2025, the largest percentage of employers (32%) reported increases from 4.1% up to 8%. More than half saw an increase between 4.1% to 12%.

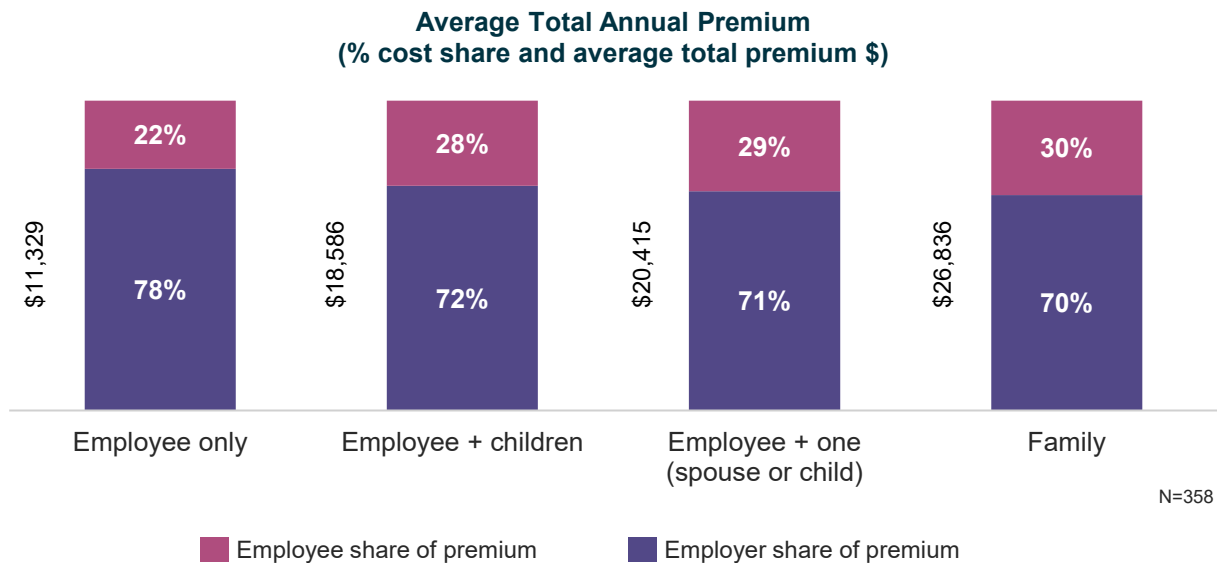


N=482

Health Insurance Annual Premiums

SURVEY QUESTION: For the health insurance option selected by the majority of your employees, what is the total premium cost and premium share paid by the employer and the employee?

RESULTS: Employers tend to cover more of the proportional cost of employee-only coverage. When dependents are included, employers share more of the premium costs with employees, increasing proportionately as the number of dependents increases.



N=358

Health Insurance

Plans to Address Health Care Costs by FTE

SURVEY QUESTION: What actions do you plan to take for the 2026 plan year to address health care costs?

RESULTS: A majority of small organizations have no actions planned for addressing the cost of healthcare. Larger organizations are more apt to increase the employee portion of premium payments, offer tax-advantaged savings and spending accounts, or increase employee deductibles.

	Overall	Less than 50	51-100	101 - 250	251 - 750	751 - 1,500	1,500 or More
No actions planned	50%	69%	54%	41%	33%	34%	30%
Increase employee portion of premium payment	31%	18%	33%	31%	39%	45%	51%
Offer tax-advantaged savings and spending account (FSA, HSA, HRA, LSA, commuter benefits)	16%	15%	12%	16%	25%	10%	17%
Increase employee deductibles	15%	6%	18%	23%	25%	10%	21%
Implement wellness program	11%	5%	9%	12%	16%	24%	17%
Manage surging specialty pharmacy costs	10%	1%	4%	14%	21%	17%	28%
Offer opt-out incentive	5%	6%	3%	6%	7%	3%	2%
Conduct dependent audit	5%	1%	1%	5%	9%	10%	15%
Pursue coverage through a private exchange	2%	3%	4%	0%	4%	0%	0%
Improve ACA compliance and reporting solution	2%	1%	3%	0%	0%	10%	2%
N =	457	160	78	86	57	29	47

Contact Information

For questions about this survey or Newport or Ascensus services, contact our compensation consulting team.

Rena Somersan, Managing Principal

Milwaukee, WI

414-312-8189

rena.somersan@newportgroup.com

Kevin Paulsen, Principal

Cedar Rapids, IA

515-410-9220

kevin.paulsen@newportgroup.com

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