

HR Brief

December 2025

5 Trends Shaping 2026 Employee Benefits

Understanding the latest employee benefits trends can help organizations plan ahead and offer a benefits package that meets the evolving needs of workers. Here are five trends shaping benefits in 2026:

- 1. Rising health care costs**— Surveys project that health care costs are likely to increase by 6.5% to, in many cases, as much as over 10% in 2026. Employers will absorb much of the costs.
- 2. Continued popularity of glucagon-like peptide-1 (GLP-1) drugs**—A RAND report revealed that 12% of Americans have used GLP-1 medications for weight loss, and 14% are interested in using the drugs. Moreover, the number of prescriptions for the drugs has more than tripled since 2020.
- 3. The impact of the One Big Beautiful Bill Act (OBBA)**—The OBBA, a sweeping tax and spending bill, includes a broad set of changes for employee benefit plans, most of which take effect in 2026. Changes include expanded

access to health savings accounts, increased limits and tax credits for dependent care, and the introduction of a new tax-advantaged account ("Trump Account").

- 4. New specialty drugs**— Industry experts estimate that nearly 80% of all approvals by the U.S. Food and Drug Administration in 2025 are specialty drugs, and the momentum will continue throughout 2026. Biologics, biosimilars, and cell and gene therapies are fueling this rapid growth.
- 5. Expansion of fertility benefits**—New federal initiatives aim to make in vitro fertilization more affordable. Many states require that insurance companies cover infertility diagnosis and treatment. Also, employee demand for fertility benefits is growing.

As the workforce's needs continue to evolve, so must the benefits that companies offer to remain relevant and meaningful to employees. Every workplace is unique, but employers can monitor and understand the latest benefits trends to better attract and retain top talent while maximizing costs.

Winter Attraction and Retention Tips

Winter presents both attraction and retention challenges as well as unique opportunities for employers. For some industries, recruiting often slows during the winter months—especially after the winter holidays. However, winter is also when many job candidates are making plans for the coming year, which may include searching for new jobs and opportunities.

Simultaneously, many employers struggle to keep employees engaged during winter. When left unaddressed, a winter slump can lead to increased turnover and other employment challenges.

Employee Attraction

Employers can consider the following strategies to improve winter attraction:

- Schedule interviews while candidates have free time around the holidays.
- Build a talent pipeline while there's reduced hiring competition.
- Recruit college or university students who graduated during the fall semester.
- Use employment websites to improve branding and candidate outreach.

Employee Retention

Employers can consider these practices to boost employee engagement and retention during the winter months:

- Use the year's end to recognize and reward employees for good work and accomplishments.
- Encourage goal-setting at the team, department and individual levels.
- Offer employees flexibility on severe weather days.
- Check in with employees on a personal and professional level.
- Consider holiday bonuses and other incentives.

Savvy employers can use winter employment challenges as opportunities to attract talented job candidates and reenergize the workforce. Contact us for more resources.