



## **FOR IMMEDIATE RELEASE**

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### **Transamerica Reveals Workplace Benefits Forecast for 2026**

Transamerica today unveiled predictions from workplace benefit professionals on a wide range of employee benefits issues looking toward 2026. [\*Transamerica Prescience 2026\*](#) is the first in a series of ten polls and three discussion sessions being conducted over 12 months, each focusing on a particular aspect of employee benefits. Transamerica asked the panel about their expectations for employee financial wellness offerings. The results of the first poll presented in this report paint a positive picture for the future of workers' financial well-being.

Industry specialists were polled about the upcoming evolution through 2026 of retirement plans, benefits, and financial well-being for employees. They said employers, benefits providers and financial professionals must instill more confidence in workers that they will have enough money to sustain themselves through retirement. Most respondents agree on many future trends for workplace benefits. Opinions diverge most notably on the prospects for broad employer reliance on financial well-being indexes. The study relies on the median response (from most respondents) to project workplace benefits coverage by year-end 2026.

“In a fast-changing environment, retirement plan sponsors, providers, consultants, and financial advisors need a sharp vision of the benefits that employees will need for their financial well-being several years from now,” said Phil Eckman, President of Workplace Solutions at Transamerica. “This data will help them select products, services, systems, and processes that will meet the needs of employers and employees into the future. *Transamerica Prescience 2026* delivers this vision, and supplements Transamerica’s other innovative research reports. Transamerica is drawing a comprehensive picture of the private retirement plan business today and into the future.”

These research reports focus on current trends and practices and uncover emerging market developments that could profoundly affect retirement plans. The vision of the future outlined in the first *Transamerica Prescience 2026* poll includes a growing demand for retirement and financial well-being benefits fueled by a continued talent shortage and government mandates for retirement plans.

By year-end 2026, these industry professionals foresee:

- Retirement plan coverage in the under-100 employee market will have equaled coverage in the 100+ employee market.
- Flexible benefits and total rewards programs will have grown in popularity to accommodate an increasingly diverse workforce.
- Financial well-being benefits (e.g., mortgage or rent assistance, credit improvement) will be added, and more than 50% of employers will offer student loan repayment programs.
- More than 40% of employers will offer an emergency savings fund mechanism.
- More than two-thirds of employers will offer High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs).
- Nearly 40% of employers will offer gap insurance to help employees who lack the means to fund a Health Savings Account (HSA) which helps cover the risk of unexpected healthcare expenses.
- Organizations that offer employment flexibility and mobility will have a competitive advantage in the race for talent.
- The performance gap will widen between those employers able to offer the flexible total rewards program of the future and those who simply cannot.

### **Retirement Plans**

Industry specialists project a tremendous increase in defined contribution (DC) plan coverage of employees by a workplace retirement plan, particularly in the small plans market. Indeed, most foresee 88% of employers offering a defined contribution plan by year-end 2026. This level of coverage is already achieved in the 100+ employee market today. However, the level of coverage among small employers is much lower. The study participants opine that state mandates will be essential in increasing coverage. As of the writing of this report, 15 states mandate retirement plan coverage for at least some employers, and only one (Oregon) mandates coverage for employers with as few as five employees. Also, The Secure 2.0 Act was not passed at the time of the survey.

### **Popular Financial Well-Being Benefits**

Panelists also helped project the incidence of a range of traditional and emerging financial well-being benefits at year-end 2026. Compared to today, High Deductible Health Plans will become more prevalent. They predict that nearly seven in ten employers will offer Health Savings Accounts, and four in ten will supply gap insurance for uncovered health care expenses. Triple-tax-exempt Health Savings Accounts help workers fund their retiree health care coverage. Employers who look to differentiate themselves from the competition for talent may also choose to offer retiree medical coverage and executive health care coverage. They also project that between 13% and 17% of employers will offer these benefits by year-end 2026. Benefits that will experience spectacular growth over the next four years will include mortgage or rent aid, credit improvement programs, student loan repayments, and emergency savings funds. These benefits are projected to be offered by 40% to 60% of employers by the end of 2026. Although not all employers are financially able to offer these benefits, the study shows that these benefits will set apart employers and improve their success in attracting talent. In contrast, employers unable to offer these benefits may struggle to keep employees and improve business performance.

Ongoing competition for top talent will fuel spectacular growth in financial well-being benefits. As of the writing of this report, in the age of the Great Resignation, talent is in short supply, and employers need to use employee financial well-being benefits to compete for labor. Benefits unheard of five years ago, such as cash aid with the down payment toward buying a first home, help with chores and adult care, help with student debt, and assistance with other sources of employee financial stress will become more common than today. Our panelists foresee that the employee shortage will continue to year-end 2026, spurring elevated labor costs and, more importantly, the demand for more retirement and well-being benefits.

### **Rising Demand for Flexible Benefits Packages**

Several industry specialists surmise that a progressive shift to flexible benefits will occur as employers look to attract more diverse population segments to the workforce. The employee population will grow more diverse and inclusive with four generations, varying literacy levels, various languages, better geographic distribution and mobility, and all degrees of physical ability and mental stamina. As a result, the scope of financial well-being will expand significantly, and they predict that coaching and employee assistance with benefits selection will be in great demand.

Greater workforce inclusion will promote flexibility in benefits and prompt employees to be more involved in benefits elections than in recent years. This is an exciting development. Indeed, a period inaugurated by the Pension Protection Act of 2006 saw the implementation of automatic retirement plan elections. Vital to enhancing the retirement readiness of working Americans, many workers are now “automatically” enrolled in the workplace retirement plan at a default deferral rate and invested in default elections that set them on a track toward a successful retirement. As we move toward greater



personalization of benefits, responsible choice architecture will be essential to protect employees from regression to inadequate retirement funding for the sake of freedom.

### **Uncharted Future on Financial Well-Being Indexes**

Financial well-being indexes beyond retirement readiness have appeared in recent years to help employees assess their financial wellness more holistically. These scores are based on employee self-assessment across economic indicators, including saving and investing, retirement, and debt control. Others rely on an analysis of all assets and liabilities of the individual or household.

Our panelists are divided on the future of these financial well-being indicators beyond retirement readiness. While just over half (53%) agree or strongly agree that most employers will have an economic well-being rewards program in place by year-end 2026, they have differing views on whether most employers will monitor the financial well-being of their workforce or rely on the well-being indexes provided by their employee benefits partners to check the economic well-being of their employees.

Panelists also opine that employees' concern over the privacy of information needed to measure their financial wellness accurately will constrain use. Indeed, many employees may be reluctant to share information about their debt, personal wealth, other sources of income, and family members' resources with their employer.

"Growth opportunities abound over the next four years as the labor shortage continues, and the demand for more generous and comprehensive rewards programs rises," said Mr. Eckman. "Growing demand and government mandates will place pressure on smaller employers with fewer than 100 employees to offer retirement benefits. In this context, it will behoove employers to select retirement plans, employee benefits, and partners, who can help them migrate toward a more inclusive benefits program. Future polls in the Transamerica Prescience series will help outline a clearer vision of the future for the financial well-being sector."

The *Transamerica Prescience 2026* report is available at [www.transamerica.com](http://www.transamerica.com).

### **About Transamerica**

With a history that dates back more than 100 years, Transamerica is a leading provider of life insurance, retirement, and investment solutions, serving millions of customers throughout the United States. Transamerica's dedicated professionals focus on helping people live well today and empowering them to create a better tomorrow through saving, investing, and protecting their loved ones. Transamerica serves nearly every customer segment, providing a broad range of quality individual life insurance policies, workplace supplemental insurance benefits, workplace retirement plans, individual retirement accounts and investment products including mutual funds, annuities, stable value solutions, as well as asset management services.

In 2021, Transamerica fulfilled its promises to customers, paying more than \$52 billion in insurance, retirement, and annuity claims and benefits, including return of annuity premiums paid by the customer. Transamerica's head office is in Baltimore, Maryland, with other major operations in Cedar Rapids, Iowa, and Denver, Colorado. Transamerica is part of the Aegon group of companies. Each company of the Aegon group of companies is solely responsible for its own financial conditions and contractual obligations. Based in the Netherlands, Aegon is a diversified, international financial services group offering investment, protection, and retirement solutions. For the full year of 2021, Aegon managed over \$1.1 trillion in revenue generating investments. For more information, visit [www.transamerica.com](http://www.transamerica.com).

### **About Transamerica Prescience 2026**

*Transamerica Prescience 2026* is the seventh installment of a modified Delphi Study conducted over a 12-months period in 2022 and 2023. Prescience develops a vision of the future by December 31, 2026, for the financial well-being business based on a consensus of industry specialists. The purpose of the study is to present executives with insights on the industry's future so they can develop and evaluate their organizations' benefits plans and strategies. It is an iterative process based on a series of 10 polls and three discussion sessions on a range of retirement, employee benefits, and well-being topics. This initial report in the series examines trends in employee financial well-being. Thirty-six benefits industry specialists from across the nation



answered the 47-question survey. Panelists represent trade groups, research organizations, consulting firms, academic institutions, advisory firms, investment management firms, service providers, and trade media. Transamerica chose panelists based on their positions as thought leaders and experienced professionals in the retirement plan, employee benefits, and financial well-being business. Because of their involvement with major industry players, members of this panel are well-suited to foretelling high level trends that will determine the road ahead for the business. Upcoming polls in the Prescience series will explore trends for retirement plans, employees benefits and the financial well-being sector in regulations, technology, workforce dynamics, human capital management, investments, plan design, participant education and communication.

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