unum®

The rapidly evolving leave landscape

ISSUE 4

The rapidly evolving leave landscape

As a long-time leader in the leave space, Unum is excited to share the latest data and insights from our regular survey of employers nationwide. This report is focused on the challenges of leave management, the lasting impact of leave on workplace health and productivity and the potential for a more welcoming (and efficient) return-to-work process.

Amid a slower job market and changing legislation, employers' attitudes and approach to managing employee absences is evolving. In this Market View Report, Unum tracks a growing shift in focus from employee retention to workplace productivity, with impacts on both new and existing HR trends.

Read on to see what's changing when it comes to leave, what's staying the same — and what's still up in the air.

Behind the data: Our survey approach

The Employer Insights Pulse survey explores different topics around employee benefits and workforce solutions. A subset of questions related to benefit offerings, leave management and general HR issues track evolving trends.

Respondent qualifying criteria

All survey respondents are involved in employee benefits decision-making or administration at U.S.-based organizations and represent companies in various industries and of various sizes. Survey quotas are set to ensure adequate representation within three size categories and to allow for analysis and comparison between these sub-groups.
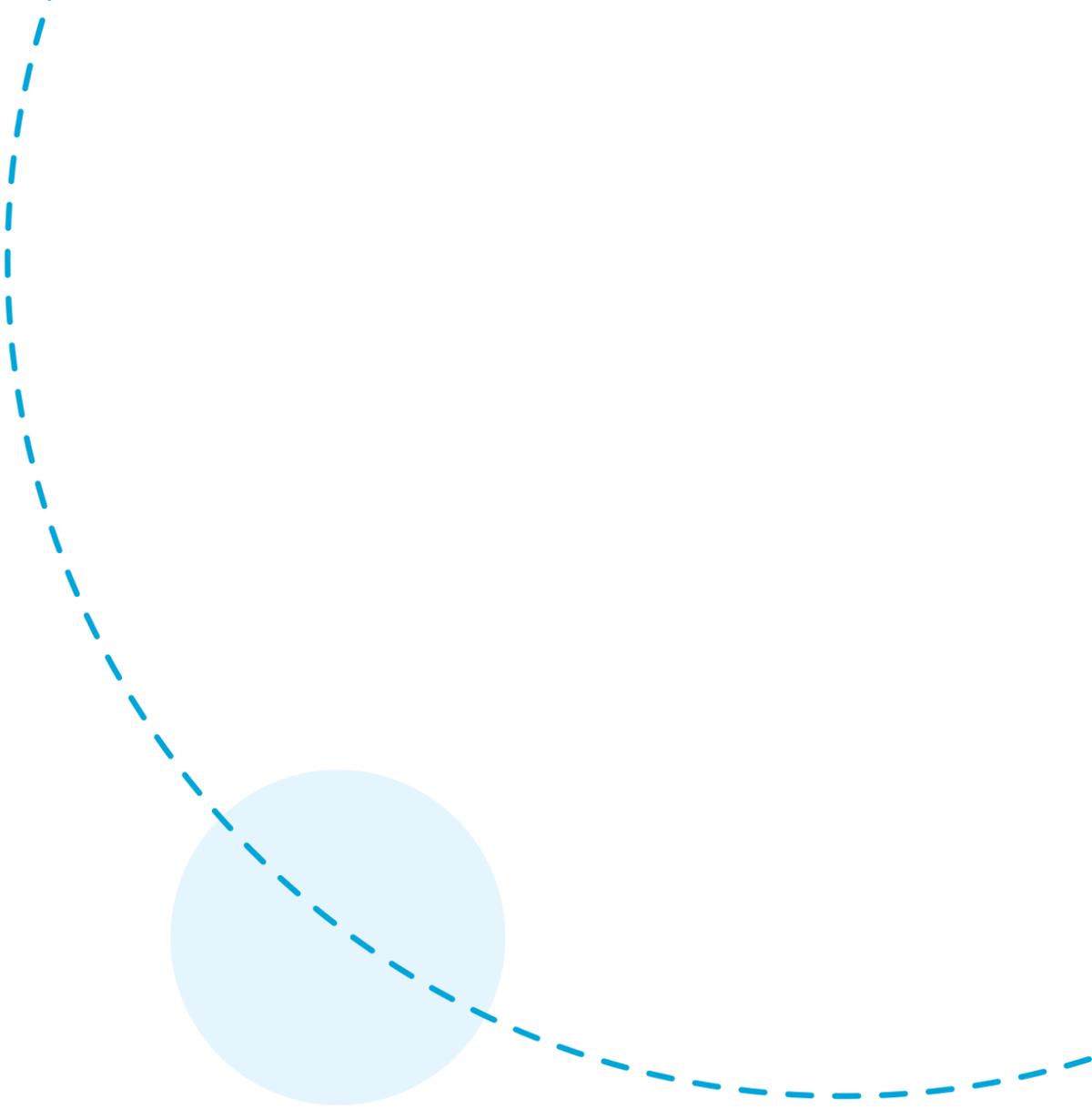
Conducted online from January 17–30, 2025

400 employers were surveyed

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Employers are changing their approach to managing leave

States continue rolling out paid family leave (PFL) and paid medical leave (PML) programs while employers rethink leave management priorities.
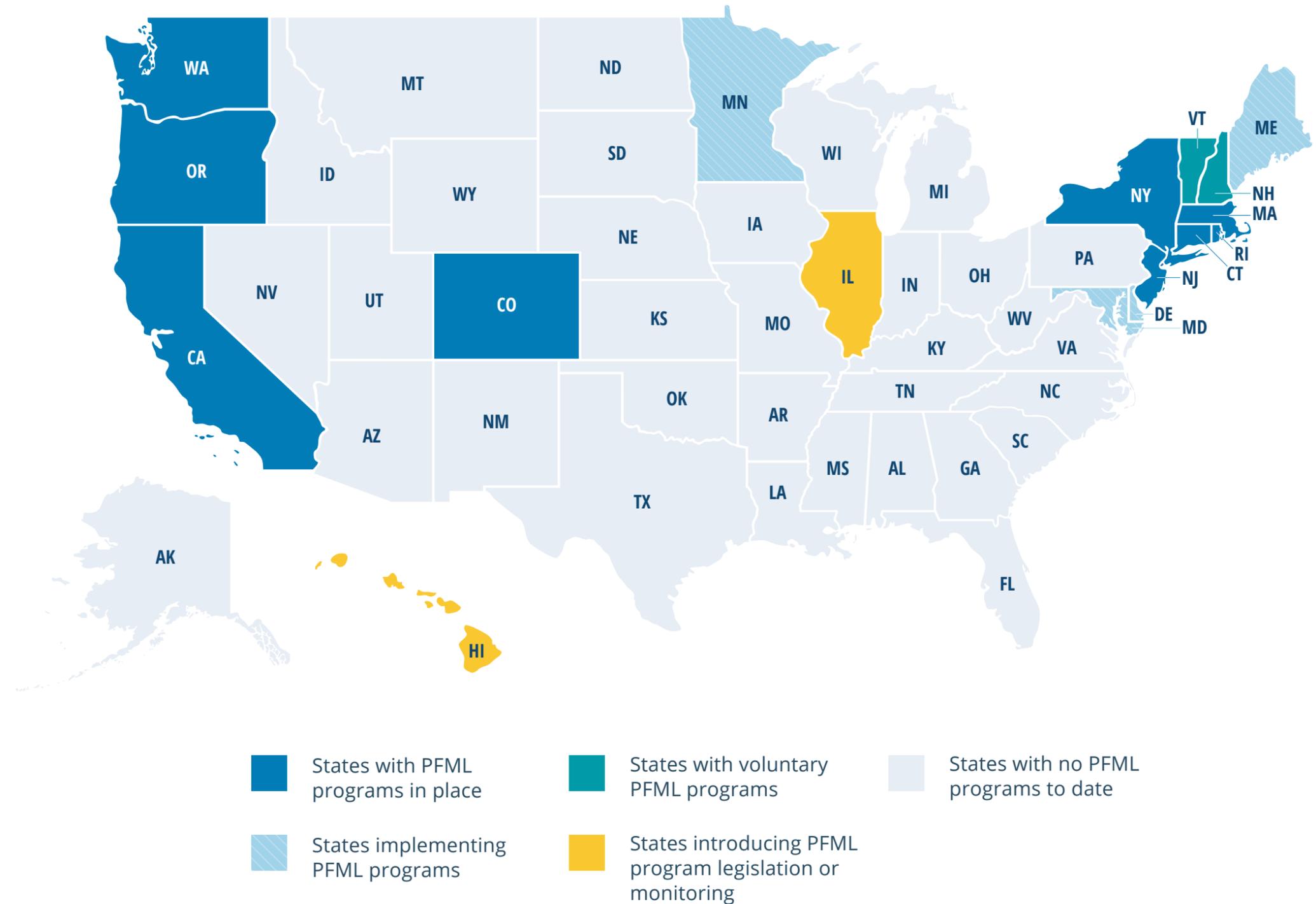
More change on the state level

Paid family leave (PFL) and paid medical leave (PML) programs are expanding nationwide, with Maine, Minnesota, Delaware and Maryland set to implement and at least two other states introducing legislation or being closely monitored for passage of a PFML program.

Check out the Unum state PFML resources for more specifics

Legend:
- States with PFML programs in place
- States with voluntary PFML programs
- States with no PFML programs to date
- States implementing PFML programs
- States introducing PFML program legislation or monitoring

While worker health remains a critical goal, more employers are seeking productivity gains
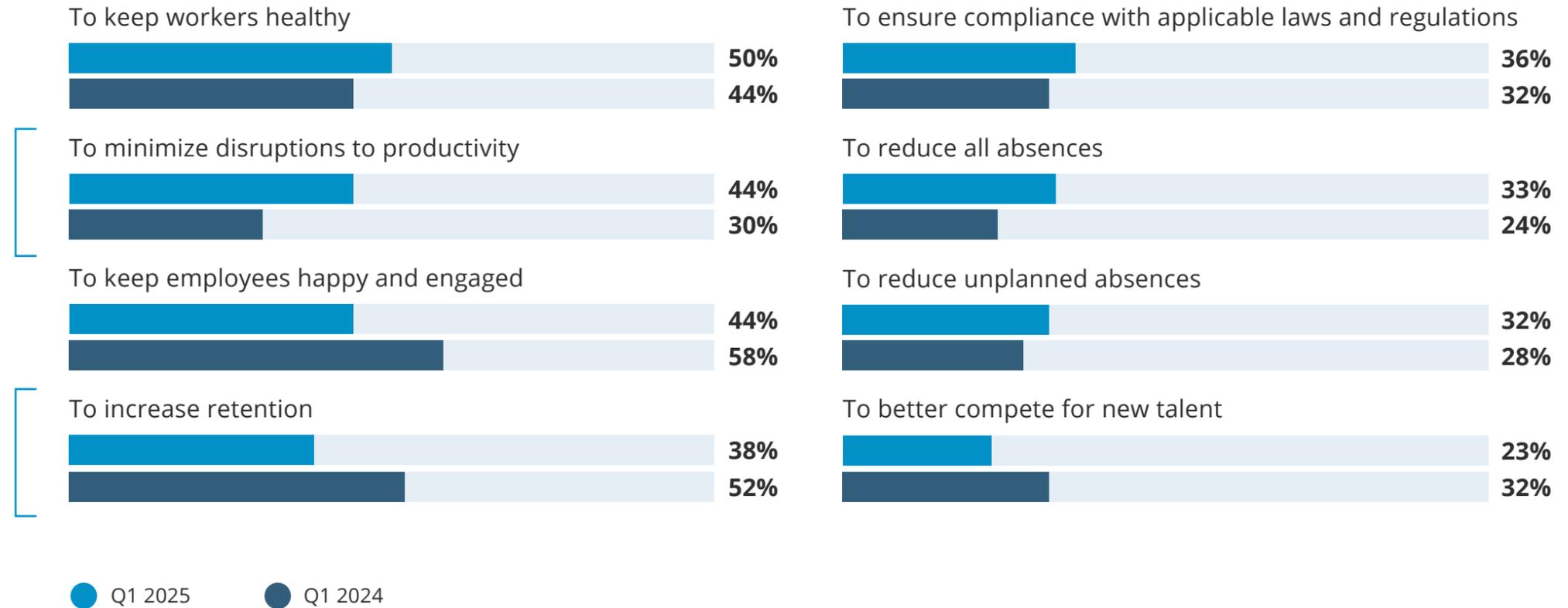
Employer goals are being reprioritized

From 2024 to 2025, fewer employers identified worker happiness and talent retention as top goals of their leave program. Yet they are placing **increased significance on worker productivity** and reducing absences.

These shifts suggest a period of increased belt-tightening, especially contrasted with Covid-era investments in employee experience.

Top goals of leave program from 2024 to 2025

To keep workers healthy
- 50%
- 44%

To minimize disruptions to productivity
- 44%
- 30%

To keep employees happy and engaged
- 44%
- 58%

To increase retention
- 38%
- 52%

To ensure compliance with applicable laws and regulations
- 36%
- 32%

To reduce all absences
- 33%
- 24%

To reduce unplanned absences
- 32%
- 28%

To better compete for new talent
- 23%
- 32%

● Q1 2025   ● Q1 2024

Employers rate their leave programs highly (with room to grow...)

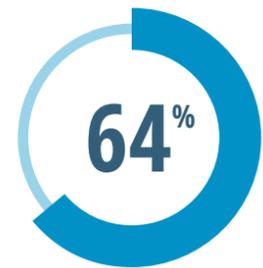**How employers feel their program is performing:**

Ensuring compliance

78[%]
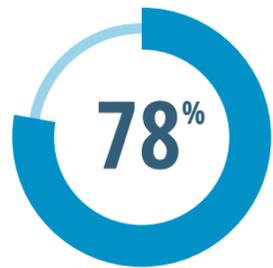
rate their program performance as Very Good or better at ensuring compliance

Employee productivity after leave

66[%]

rate their program performance as Very Good or better at keeping employees productive after leave

Minimizing disruptions

64[%]

rate their program performance as Very Good or better at minimizing disruptions to productivity

Reducing unplanned absences

57[%]

rate their program performance as Very Good or better at reducing all unplanned absences

Top success metrics: Employee satisfaction and absence rates

Leave program success evaluation methods

Employee satisfaction with leave experience
52%

Absence rate/Number of leaves taken
48%

Employee satisfaction with leave types available to them
45%

Return-to-work success rate
44%

Time spent by HR on managing leaves
40%

Workforce productivity KPIs
38%

The overall investment in leave services and solutions
36%

Anecdotal observations from HR and management
24%

Employers highly value their employees' benefits experience

**Most important outcomes of non-medical insurance carrier partnership
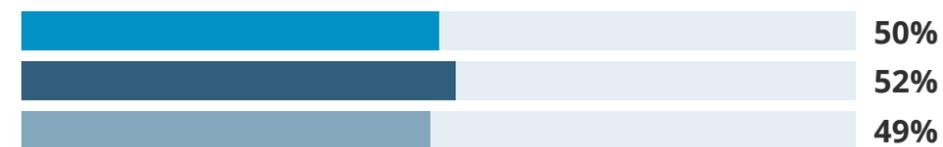(% selected in top three most important)**

Continuing prior trends, employers most highly value the aspects of carrier partnership focused on **delivering meaningful value** to covered employees.

Employees understand the value of their benefits, how their benefits work and how to use them

- **52%**
- **54%**
- **50%**
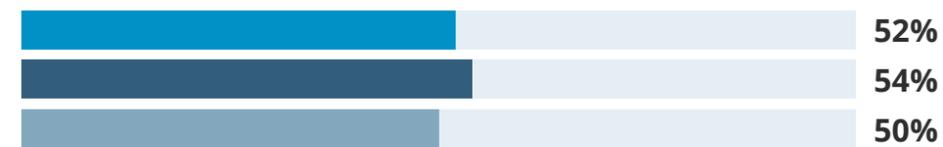
It is easy for our employees to manage their benefits online

- **50%**
- **52%**
- **49%**

Our organization can offer employees a range of benefits

- **40%**
- **46%**
- **43%**
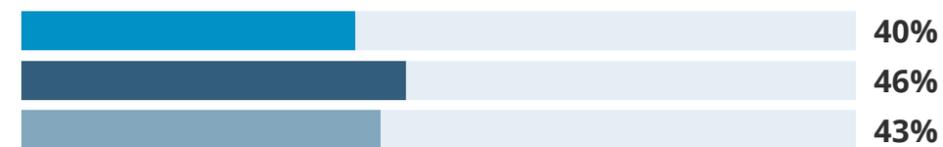
Our employees feel taken care of when life events happen

- **40%**
- **46%**
- **46%**
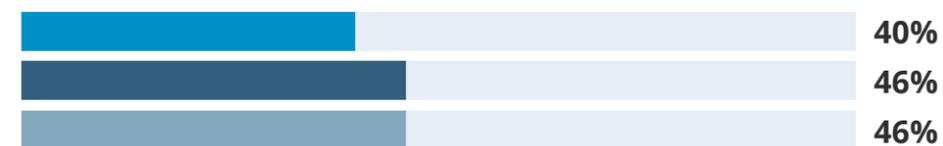
My team has access to the latest technology tools to manage benefits and HR processes

- **33%**
- **29%**
- **32%**
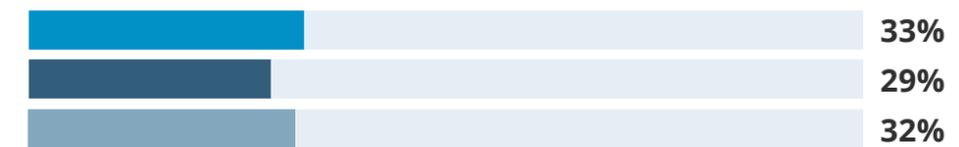
My team can efficiently manage enrollment

- **29%**
- **27%**
- **27%**
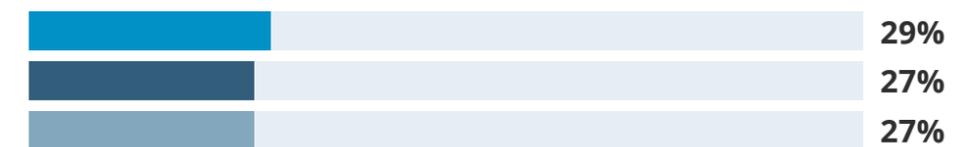
We see evidence of our carrier partner operating as a socially responsible company

- **28%**
- **16%**
- **19%**
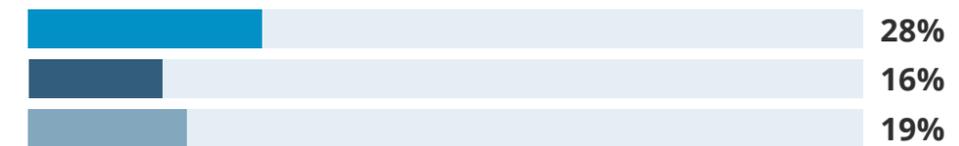
It is easy for me and my team to do business with the carrier

- **25%**
- **27%**
- **30%**
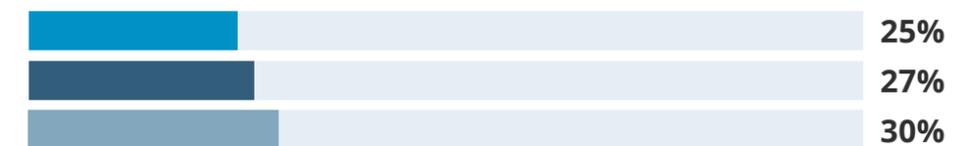
● Q1 2025   ● 2024 total   ● 2023 total

Top employee challenges? Payments, coverage, eligibility and paperwork

Challenges employees face with leave

Understanding payments and coverage of leaves

37%

Knowing what leaves they are eligible for

36%

Gathering the information needed for approval of leave

35%

Understanding the impact of unplanned leave
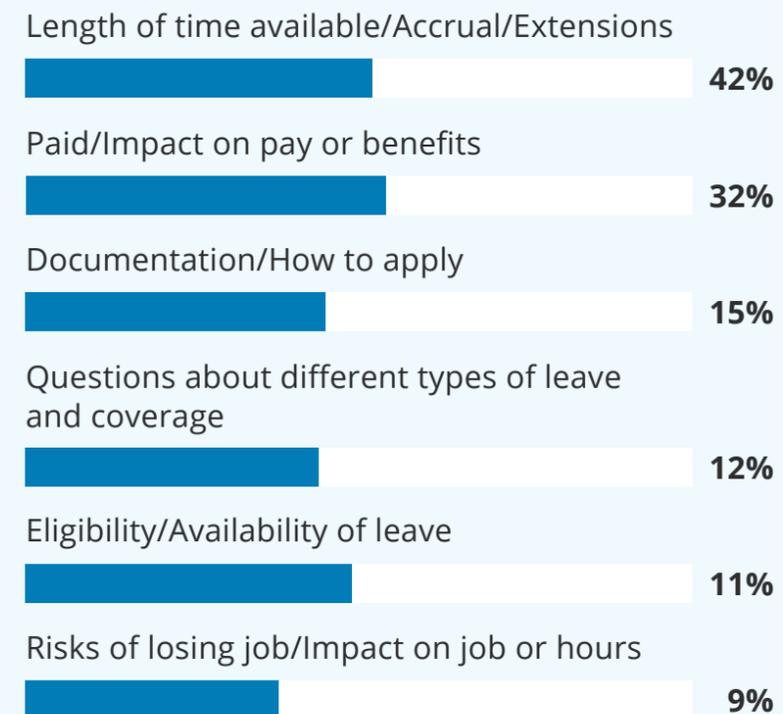
33%

Knowing how to allocate their work tasks to peers

26%

Knowing what leaves are offered

25%

Knowing that there is support when they come back from leave

24%

Knowing their leave rights under local, state and federal regulations

24%

Knowing where to go to have questions answered

23%

Understanding where they are in the leave process

21%

Top question from employees: How much time can I take off?

Frequent questions about leave from employees

Length of time available/Accrual/Extensions

42%

Paid/Impact on pay or benefits

32%

Documentation/How to apply

15%

Questions about different types of leave and coverage

12%

Eligibility/Availability of leave

11%

Risks of losing job/Impact on job or hours

9%

Example questions

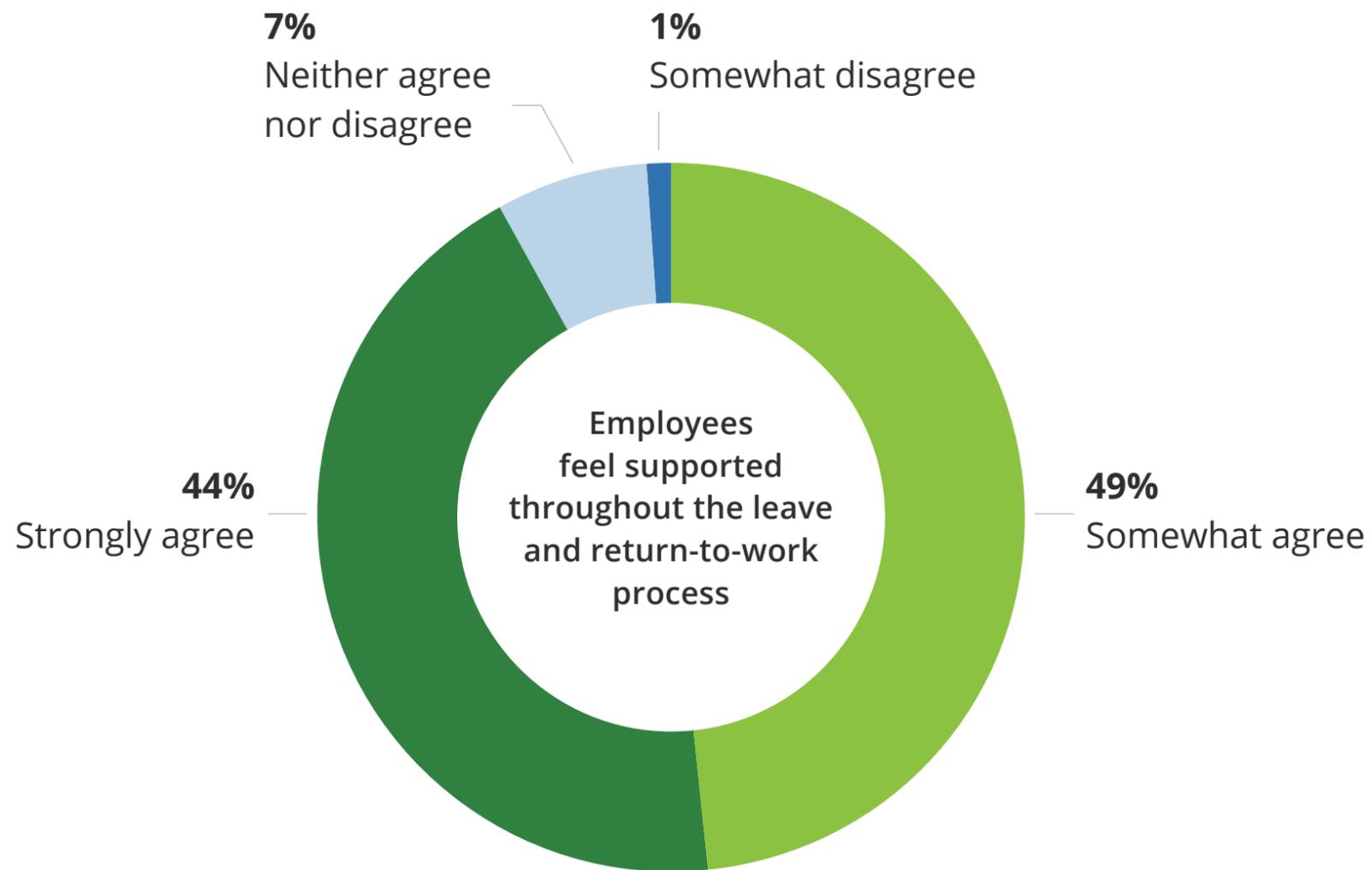- How far in advance do I need to submit a leave request?

- Will I be paid on the standard schedule?

- Which documentation is required for FML and such?

- What's the difference between paid and unpaid leave?

- Can I carry over unused leave to next year?

Return to work is still under repair

Employers agree that it pays off to have concrete plans when welcoming their people back from leave.

9 in 10 agree their employees feel supported throughout the leave and return-to-work process

7%
Neither agree nor disagree

1%
Somewhat disagree

44%
Strongly agree

49%
Somewhat agree

Employees feel supported throughout the leave and return-to-work process

Most agree these more supportive experiences lead to positive outcomes

Supported employees are more likely to...

Stay at the organization

51% **41%** **6%**

Improve workplace morale

50% **39%** **10%**

Improve workforce stability

53% **33%** **10%**

- ● Strongly agree
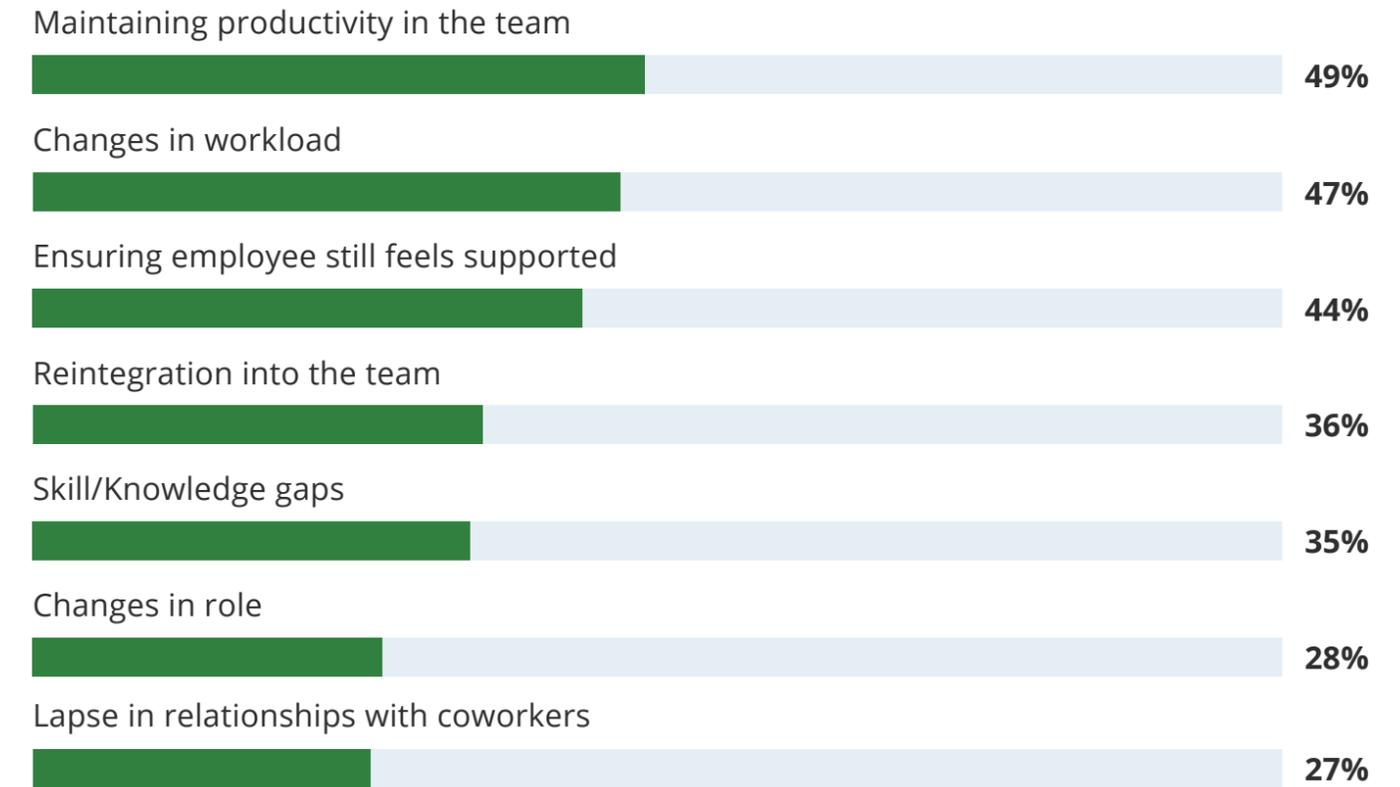- ● Somewhat agree
- ● Neither agree nor disagree
- ● Somewhat disagree
- ● Strongly disagree

Return to work represents productivity and workload challenges

Biggest frustration in managing leaves

Keeping track/Admin work/Paperwork

18%

Enforcing leave policies and rules

15%

Managing/Coordinating schedules

15%

Keeping up productivity

11%

Hiring temp/replacement employees

10%

Keeping employees happy/Accommodating to employees' needs

9%

Education of benefits

6%

Employees deciding not to come back/taking more time than allotted

6%

Communication with those on leave

5%

Following laws and regulations

4%

Biggest challenges in returning employees to work

Maintaining productivity in the team

49%

Changes in workload

47%

Ensuring employee still feels supported

44%

Reintegration into the team

36%

Skill/Knowledge gaps

35%

Changes in role

28%

Lapse in relationships with coworkers

27%

Team workload is biggest impact of lengthy absences

Impact on team dynamics of long absence

Increased workloads

46%

Increased managerial burden

28%

Learning curve for replacements

27%

Decrease in productivity

27%

Collaboration challenges

25%

Information silos

25%

Low workplace morale

14%

None of the above

4%
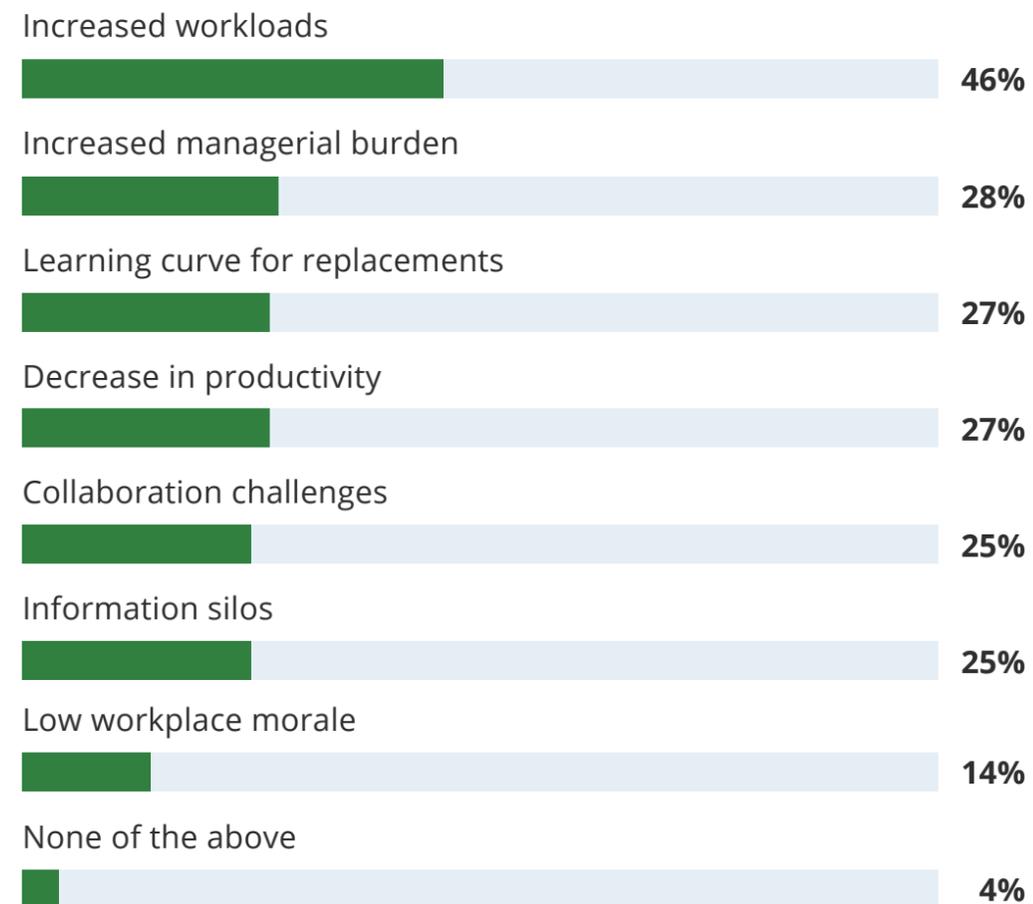
Flexible schedules, EAPs and mental health resources help employees return more successfully

Programs to support employees returning to work

Flexible work schedule

62%

Access to Employee Assistance Programs (EAPs)

54%

Mental health resources

51%

Caregiving support

31%
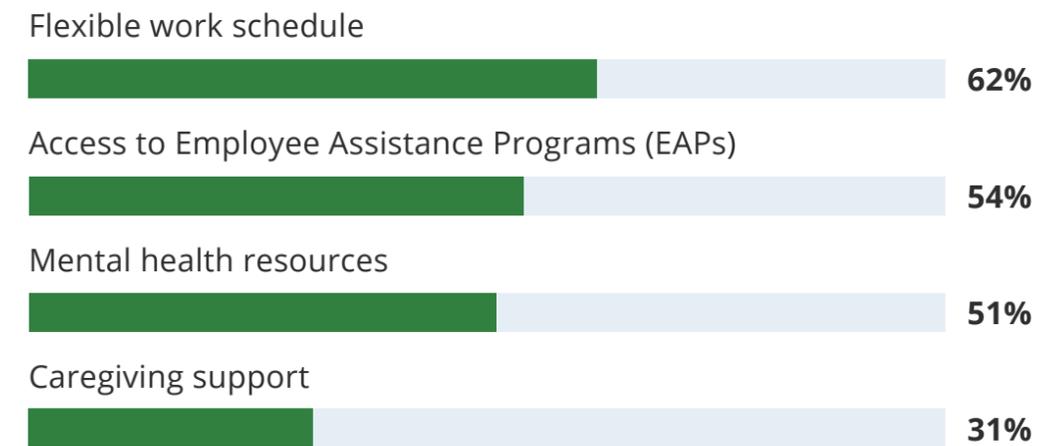
Larger employers are more likely to offer EAPs (60%) than smaller companies with less than 500 employees (45%).

"Co-sourcers" — employers that partially outsource their leave management while covering other aspects in-house — are particularly likely to offer all these programs compared to those who outsource or insource.

INSIGHT 3

Outsourcing: In or out?

A renewed drive for efficiency is prompting more organizations to consider taking their leave programs outside.
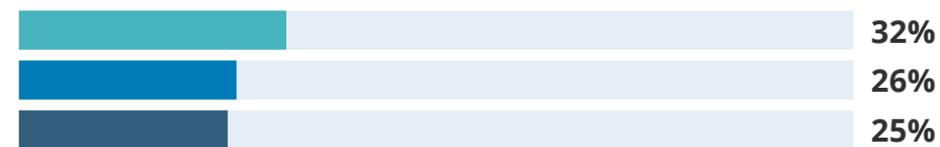
3 in 10 employers outsource leave management to their disability carrier — a considerable increase from prior years
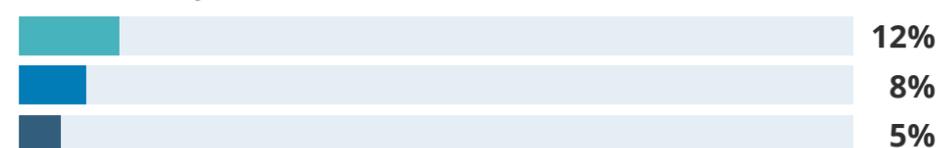
In-house vs. outsourcing leave

Our HR department manages this in-house

81%
78%
81%

We outsource to a third-party administrator that is also our disability insurance carrier

32%
26%
25%

We outsource to a third-party administrator that is not our disability insurance carrier
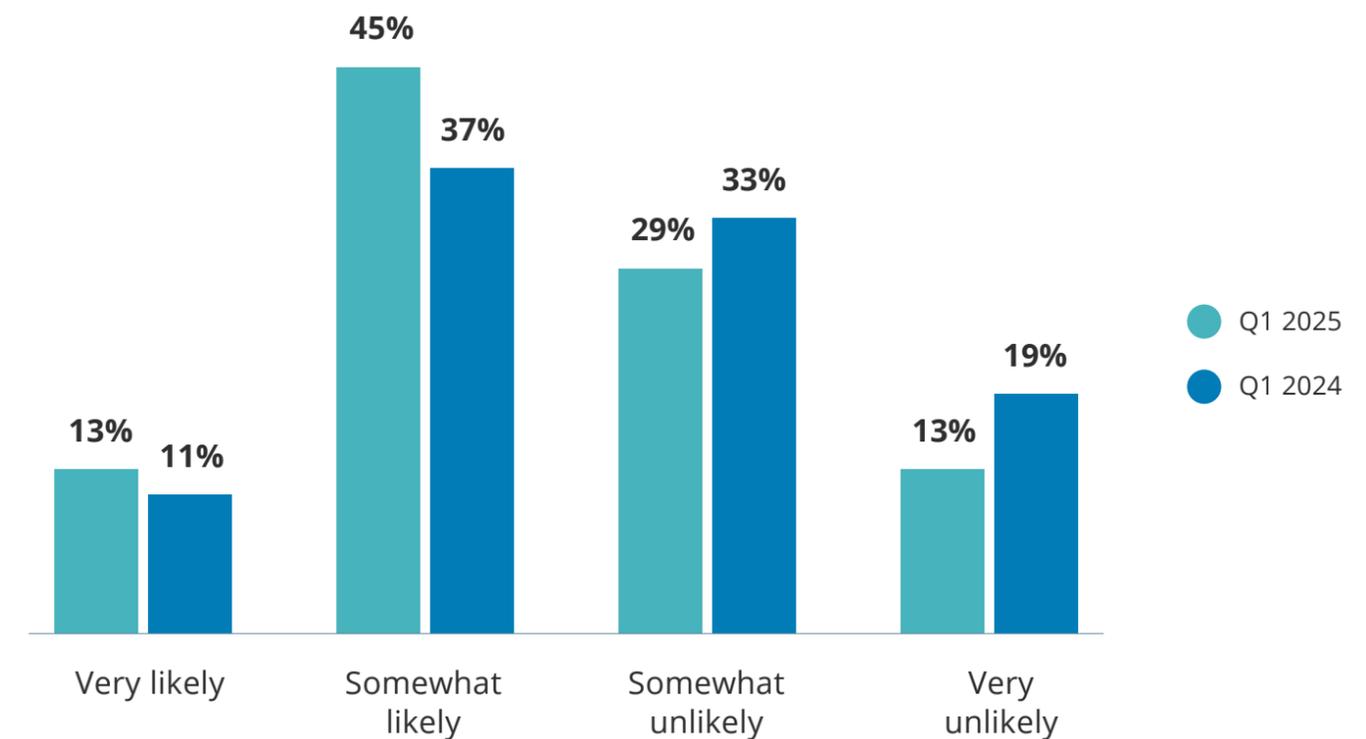
12%
8%
5%

● Q1 2025 ● 2024 total ● 2023 total

| These totals surpass 100% due to many employers **"co-sourcing"** their leave programs.

With nearly 7 in 10 likely to consider outsourcing leave in the next two years

Likelihood to consider outsourcing leave management within the next 2 years

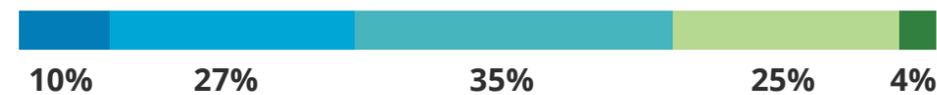|	Very likely	Somewhat likely	Somewhat unlikely	Very unlikely
Q1 2025	13%	45%	29%	13%
Q1 2024	11%	37%	33%	19%

● Q1 2025
● Q1 2024

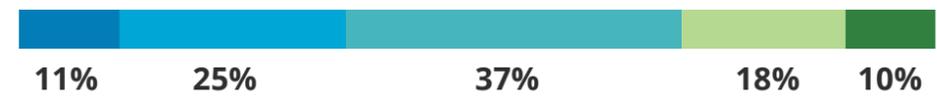| Employer likelihood to consider outsourcing has **increased 20%** since last year.

Employers feel more challenged by ensuring coverage and controlling abuse than by more tactical aspects like tracking and communication
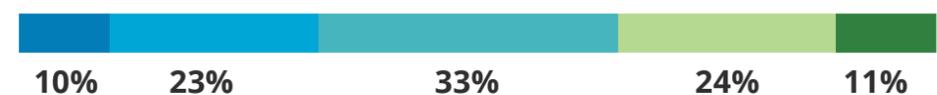
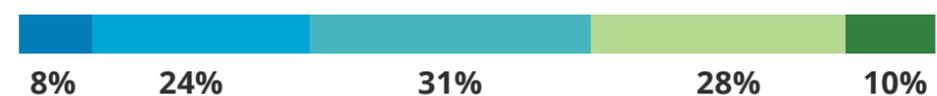**Top leave management challenges**

Leave management overall

Extremely challenging	Very challenging	Somewhat challenging	Not too challenging	Not at all challenging
10%	27%	35%	25%	4%

Dealing with workforce coverage during peak leave periods

11%	25%	37%	18%	10%

Controlling employee abuse of leave and absence benefits

10%	23%	33%	24%	11%

Ensuring employees feel supported during extended absences

8%	24%	31%	28%	10%

Integrating systems, data and communication channels

9%	23%	32%	27%	10%

Educating/Training managers about leave and absence benefits

8%	22%	29%	28%	13%

Helping managers manage leaves consistently

8%	22%	35%	28%	9%

Reporting and tracking leave usage

8%	21%	27%	31%	14%
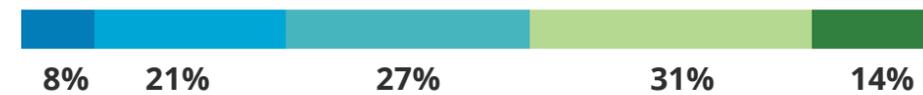
Tracking intermittent leave

8%	20%	30%	30%	12%
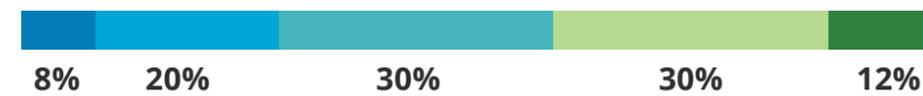
Staying compliant with federal, state and local regulations

6%	23%	28%	30%	14%
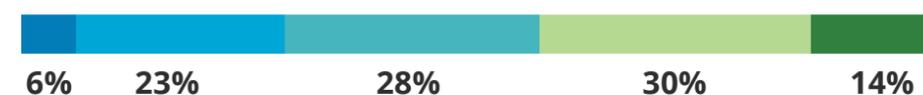
Communication between parties (e.g., HR, manager, TPA)

7%	20%	26%	32%	15%

Educating employees about leave and absence benefits

8%	18%	33%	26%	16%

Return-to-work process

7%	17%	32%	31%	13%

This suggests that employers are **saving time and headaches** where leave technology is in play.
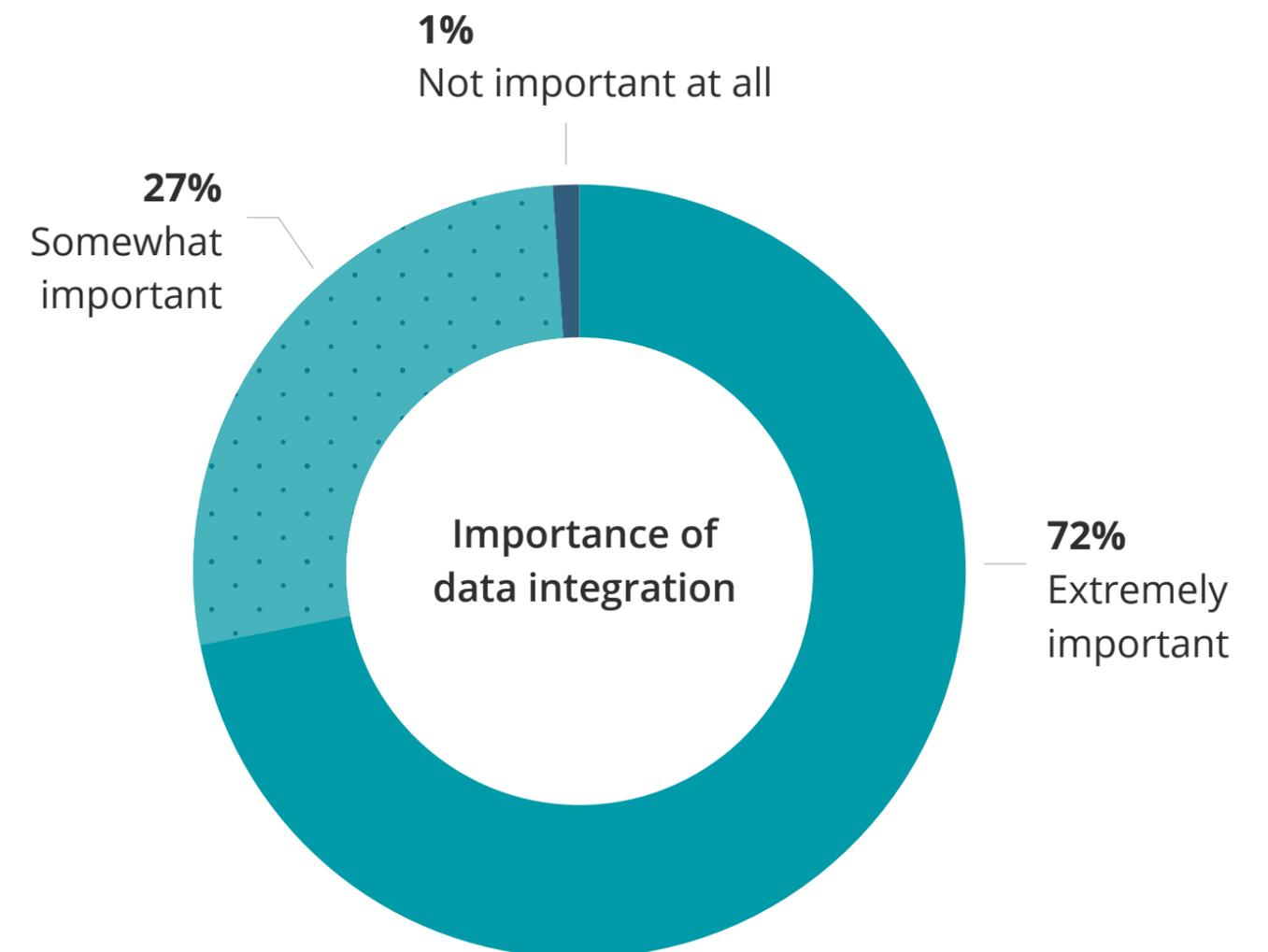
Legend:
- Extremely challenging
- Very challenging
- Somewhat challenging
- Not too challenging
- Not at all challenging

Those that outsource leave see employee satisfaction as ROI
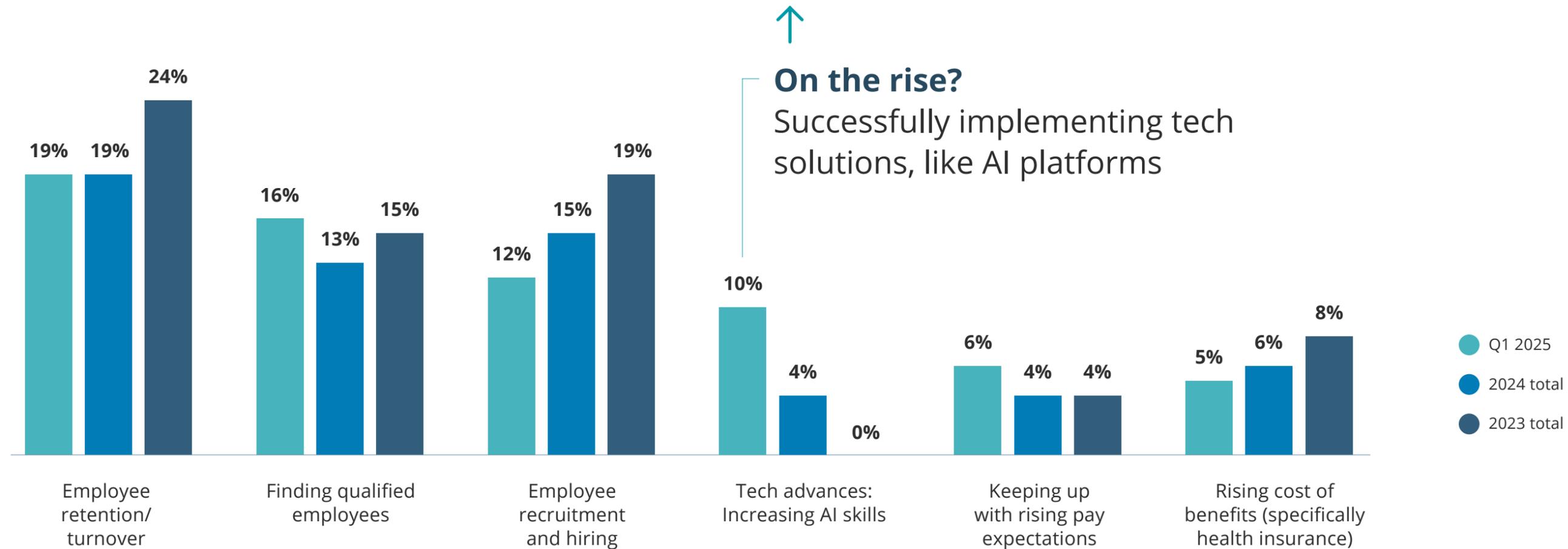
Methods to evaluate the ROI of outsourcing

Employee satisfaction with leave experience
48%

Quality of reporting and data provided by the carrier
45%

Time spent by HR on managing leaves
40%

Employee satisfaction with leave types available to them
38%

Workforce productivity KPIs
37%

Return-to-work success rate
36%

The overall investment in leave services and solutions
35%

Absence rate/Number of leaves taken
34%

Turnaround time for leave approvals and issue resolution
34%

Anecdotal observations from HR and management
31%

With data integration now widely considered key for a smooth outsourced leave experience

1%
Not important at all

27%
Somewhat important
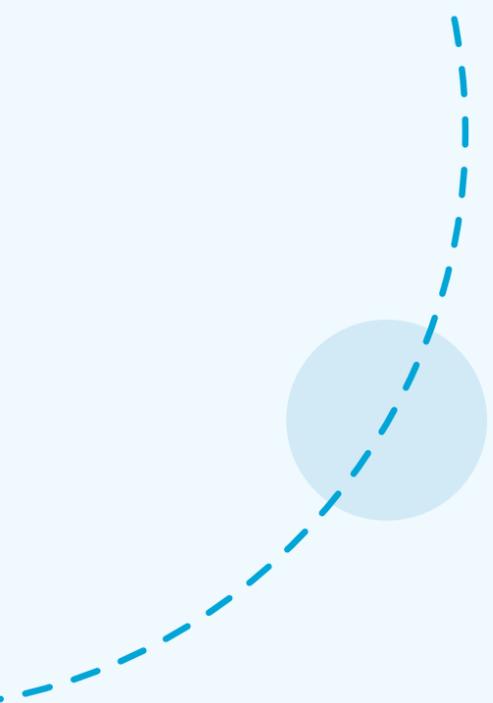
72%
Extremely important

Importance of data integration

While down from highs in the shadow of lockdowns, HR leaders expect retention and recruitment to remain biggest short-term challenges

Biggest HR challenges in next 3-6 months

On the rise?
Successfully implementing tech solutions, like AI platforms

Legend:
- Q1 2025
- 2024 total
- 2023 total

Employee retention/turnover: 19%, 19%, 24%
Finding qualified employees: 16%, 13%, 15%
Employee recruitment and hiring: 12%, 15%, 19%
Tech advances: Increasing AI skills: 10%, 4%, 0%
Keeping up with rising pay expectations: 6%, 4%, 4%
Rising cost of benefits (specifically health insurance): 5%, 6%, 8%

BOTTOM LINE

The world of leave is changing fast

Amid a slower job market, employers are spending less time worried about employee retention and workplace health and more on ensuring productivity and compliance. As priorities shift, HR continues to need programs and solutions that meet rising demand and a continually evolving landscape.

Unum can help you keep up.

Helping the working world thrive throughout life's moments®

We help millions of people gain access to disability, life, accident, critical illness, dental and vision benefits through the workplace — benefits that help them protect their families, their finances and their futures.

Better benefits, delivered differently

Talk to your broker or Unum representative about our benefits and solutions today.