



From benefits to business performance.

How UK executives can turn employee benefits into a measurable competitive advantage. Based on findings from The Great Employee Benefits Study 2026.



Benefits are no longer a HR concern. They're a boardroom one.

The Great Employee Benefits Study 2026 surveyed 1,000 UK employees and 363 senior decision-makers. Its findings are unambiguous: employee benefits have moved from a secondary reward to a primary driver of business performance.

They determine who joins your organisation, who stays, how hard people commit, and whether your workforce recommends you to others. Yet despite continued investment, UK employers have the highest benefit underutilisation rate in Europe.

"The question is not whether to invest in benefits.

It is how to invest effectively - and how to measure what it returns."

83%

of UK employers say
benefits are critical for
attracting top talent.

**86%
vs 59%**

retention intent -
high vs low benefit
satisfaction.

**£1.5m-
£4.5m**

estimated annual turnover cost
exposure for a 500-person
business with low Benefit
Satisfaction Score.

For the Chief Executive Officer & Board.

Benefits are a strategic asset. Treat them like one.

Most UK executive teams spend more time reviewing office costs or software licences than they do reviewing one of their largest investments in people. That needs to change.

The Great Employee Benefits Study 2026 shows that benefit satisfaction has a direct, measurable impact on whether employees stay, how committed they are, and whether they actively promote your organisation.



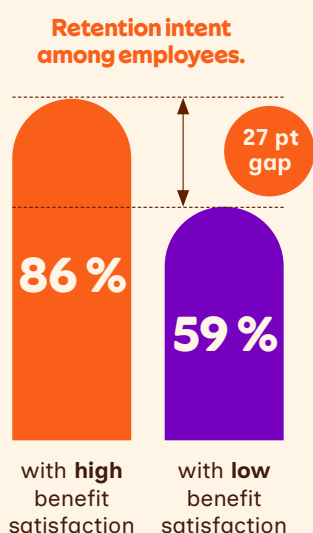
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Correlation between Benefit Satisfaction Score (BSAT) and Employee Net Promoter Score (eNPS) – a strong relationship that links benefits investment directly to employer brand.

For the Chief Executive Officer & Board.



The retention risk in numbers.



Among UK employees with high benefit satisfaction, 86% expect to remain with their employer for at least two years. Among those with low satisfaction, that drops to 59% - a 27-point gap created entirely by the quality of the benefits experience, not pay, role, or management.

For a 500-person business, with around 30% of employees in the low-satisfaction group (the UK average), this represents roughly 150 employees at elevated flight risk. At an illustrative replacement cost of £10,000-£30,000 per employee, the potential replacement-cost exposure would be £1.5m-£4.5m if those employees were to leave - a significant, and potentially addressable, business risk.

Boardroom questions to ask now.

- Do we know our organisation's Benefit Satisfaction Score?
- Can we tie our benefits investment to measurable retention outcomes?
- Are we treating benefits as an ongoing business investment, or an annual HR process?

For the Chief Financial Officer.

The utilisation problem is costing you money.

The UK has the highest benefit underutilisation rate of any European market surveyed. Nearly half of UK employees – 49%, did not use all of their available benefits in the past year. The European average is 35%. Finland, where benefits are well-designed and clearly communicated, achieves 70% utilisation.

67 %

of UK employees say they fully understand what's available to them. This is not primarily an awareness problem. They simply don't use benefits because they don't feel relevant. That gap between spend and usage represents a significant ROI failure.

49 %

of UK employees didn't use all their benefits last year.

54 %

don't use benefits because they don't match their interests.

39 %

of UK employers consider their benefits technology effective.

The CFO's question should not be "how much are we spending?" but "what is our return per pound invested in benefits?" Increasing budgets without addressing relevance simply increases waste.

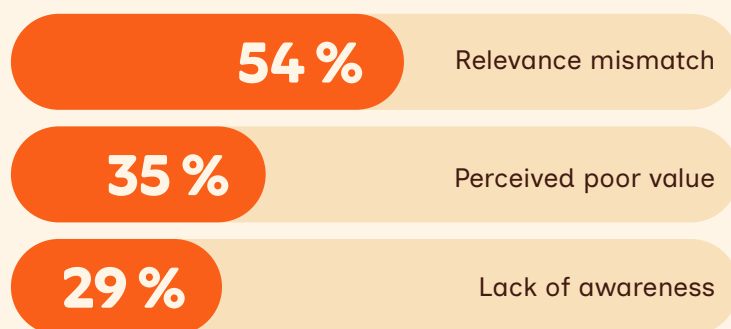
For the Chief Financial Officer.



What drives utilisation.

The Great Employee Benefits Study 2026 identifies a clear hierarchy of barriers. Relevance is the dominant issue - 54% of non-users cite a mismatch with their interests. Value follows at 35%, and awareness at 29%. Each of these barriers has a practical solution that does not require significant additional spend.

Barriers to benefits use.



CFO questions to ask now.

- Do we track benefit utilisation by employee segment?
- Have we quantified the ROI of our current benefits spend?
- Are low-utilisation benefits being redesigned or removed?

For the Chief Operating Officer.

Key UK Numbers.

49%

of UK employees didn't use all their available benefits last year – highest in Europe.

54%

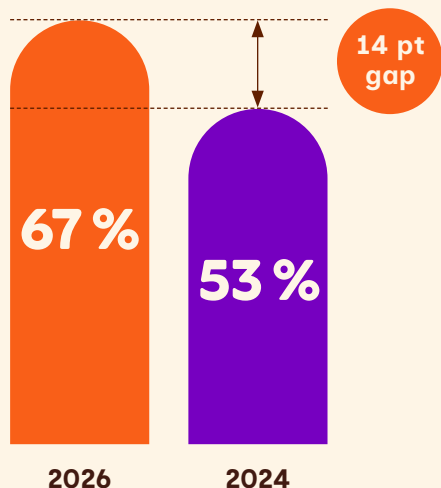
don't use benefits because they don't match their interests – a relevance problem, not an awareness one.

62%

of employees with zero mandatory office days say the right benefits could still bring them in voluntarily.

Wellbeing is a productivity and performance issue.

The operational case for wellbeing investment has strengthened significantly. 1 in 5 European employees say their workload is not sustainable in the long term. Burnout is not a future risk. It is a present-day performance and retention risk that does not show up in standard engagement surveys.



67% of UK employees are more likely to commit to their work when their employer prioritises wellbeing over salary increases – up from 53% in 2024. A 14-point shift in just two years.

“Employers who treat wellbeing as a cost centre rather than a strategic investment are increasingly out of step with their own workforce.”

The most effective burnout prevention tool, according to employees, is flexible working arrangements – cited by 72%. Physical and mental wellbeing benefits, including gym access and mental health counselling, rank second. But these only work if the underlying workload problem is addressed. No wellbeing programme can compensate for structural overwork.

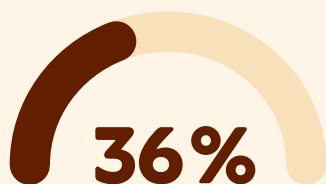
For the Chief Operating Officer.

The hybrid dimension and the utilisation problem are the same problem.

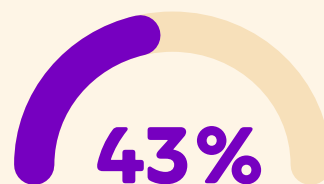
75% of UK employers offer remote working – but hybrid hasn't solved the performance challenge, it's added a new layer to it. 36% of UK employees say they feel lonelier as a result of spending less time in the office. Among Gen Z – the employees at the earliest, most critical stage of their careers – that rises to 43%. Loneliness drives disengagement, productivity loss and, ultimately, attrition among the very people you most need to develop and keep.



of UK employers offer remote working



of UK employees feel lonelier when working remotely



of Gen Z employees feel lonelier when working remotely

Underutilisation makes it worse. In the UK, 49% of employees didn't use all their available benefits last year – the highest rate in Europe. The dominant barrier, cited by 54% of non-users, is that benefits don't match their interests. Every pound spent on a benefit nobody uses is a pound that isn't driving attendance, reducing absence or retaining a high performer.



For the Chief Operating Officer.

The right benefits package addresses both. Location-flexible gym access (chosen by 57% of UK employees as their top hybrid benefit), subsidised commuting, and employer-provided lunch are the most cited practical drivers of voluntary office attendance.

62%

of employees with zero mandatory office days say the right benefits could still make them more likely to come in voluntarily.

Used well, benefits aren't just a retention tool. They're an attendance mechanism and a culture enabler - without a single mandate. Underutilisation isn't just an HR or CFO issue. It affects the return on every pound invested in benefits.

COO questions to ask now.

- **Are we addressing workload before adding new wellbeing initiatives?**
- **Do we know which employee segments are most at risk of burnout?**
- **Are our wellbeing benefits built for a hybrid workforce?**
- **Do we know what proportion of our benefits spend is going on provisions employees don't use - and have we put a cost to that?**
- **Are we using benefits actively to drive voluntary office attendance, rather than relying solely on mandates?**

For the Human Resources Director.

Key UK Numbers.

56%

of UK Gen Z employees might decline a job for poor benefits - 16pts above older workers.

49%

of UK employees uncertain about their future due to AI - and Millennials are most affected at 55%.

47%

of UK employees actively disagree that discussing wellbeing with an AI coach would feel natural.

Relevance beats generosity. Every time.

The single biggest driver of high benefit satisfaction in the UK is not the size of the package. It is relevance - cited by 34% of highly satisfied UK employees as the primary reason. Ease of use follows at 11%, and breadth of provision at 9%.

UK employers and employees are unusually well aligned on benefit categories - both prioritise training and development, mental wellbeing, and insurance in the same order. The problem is execution: knowing what to invest in and delivering it in a way employees actually use are two very different things.

Where the gaps are widest.

Older workers represent the most underserved segment. Benefit satisfaction among employees aged over 50 (BSAT 6.5) sits well below the UK average and far below the satisfaction levels of Gen Z and Millennial employees (7.3). Packages designed around younger, urban, full-time employees are leaving a growing workforce segment behind.

The cost-of-living dimension also matters. Among dissatisfied UK employees, 19% cite benefits not reducing personal expenses as their top complaint. Commuting support, retail discounts, and cash-value benefits all carry elevated importance when employees feel financially squeezed.

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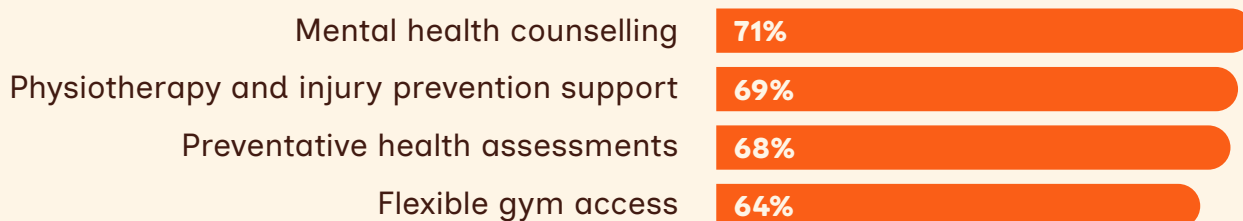
Correlation between Benefit Satisfaction Score (BSAT) and Employee Net Promoter Score - employees who value their benefits become your strongest talent advocates.

For the Human Resources Director.

The Gen Z pressure you need to get ahead of.

56% of UK Gen Z employees say they might decline a job offer if the benefits turn out to be poor - 16 percentage points above older workers. This isn't a future problem. Your Gen Z workforce is already making decisions about whether to accept offers and whether to stay based partly on the quality of your benefits package, and the gap between what they expect and what most organisations deliver is widening year on year.

The most in-demand wellbeing benefits among UK employees:



For a generation that has grown up with consumer-grade digital health tools, these aren't supplementary. They're what Gen Z considers the minimum, not the reward.

The AI dimension that's quietly growing.

49% of UK employees feel uncertain about their long-term future due to AI-related changes - and this is highest among Millennials at 55%, the core of your current workforce. Employee optimism about AI's wellbeing impact has softened to 53% in 2026, down from 56% in 2025, while UK employer optimism has risen to 73%. That 20-point gap is now one of the largest perception divides in the entire The Great Employee Benefits Study 2026 - and it is widening year on year.

Human-led health services - mental health counselling, physiotherapy, occupational healthcare and face-to-face wellbeing support - are not optional extras for a workforce increasingly uncertain about AI. They are the benefits that signal genuine care. Only 35% of European employees would feel comfortable discussing their wellbeing with an AI coach. In the UK, 47% actively disagree. When it comes to health and wellbeing, people want to talk to people. Your benefits package needs to reflect that.

For the Human Resources Director.

What closing the gap requires in practice.

The organisations with the strongest benefit satisfaction scores share three characteristics:

- **benefits that feel relevant to employees' actual life situations;**
- **communication that is timely and specific rather than annual and generic;**
- **and utilisation data that drives decisions rather than sitting in a quarterly report.**

83% of UK employers say usage data is very important or critical for decision-making - yet most still rely on employee feedback surveys rather than hard utilisation data. If you're making benefits investment decisions without real-time utilisation insight, you're flying blind on whether your spend is working.

Human Resources Director questions to ask now.

- **Have we segmented satisfaction data by age, life stage, and sector?**
- **Are we measuring benefits with a sufficiently sensitive tool?**
Binary surveys overstate satisfaction.
- **Do our benefits reflect today's cost-of-living pressures?**
- **Do our benefits meet the baseline expectations of Gen Z candidates, not just our existing workforce? (from the 56% job decline stat.)**
- **Have we audited our package against the benefits employees actually want - mental health, physio, preventative health, flexible gym?**
- **Do we have a clear position on human-led vs AI-delivered wellbeing support, and does our benefits package reflect it?**
- **Are we making benefits investment decisions based on real-time utilisation data, or lagging survey feedback?**

Executive action summary.

Where to focus first.

Five challenges the study identifies most consistently across UK organisations, and the board-level action each one calls for.

Challenge	Board-level action
Low benefit satisfaction → high turnover risk	Model your retention exposure; benchmark BSAT by team and segment
~49% of benefits spend going unused	Audit utilisation; remove or redesign low-performing benefits
Burnout rising; workload unsustainable for 1 in 5	Address structural workload before adding wellbeing programmes
Benefits not relevant to older workers	Design for life stage, not the average employee
Benefits technology not working for 61% of employers	Move from admin tools to platforms that deliver insight and personalisation

The key principles.

- Relevance beats generosity - in every market, every age group, every year of the study.
- Utilisation is the measure that connects benefits spend to business return.
- What gets measured at Board level is what gets improved.

Benefits maturity scorecard.

How strategic is your benefits approach?

Score each question from 1 (not in place) to 5 (fully embedded). Use the results to prioritise your next 90 days.

Strategic question	Score
Benefits are discussed at Board level	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
We have executive ownership of benefits	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Benefits are linked to recruitment & retention KPIs	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
We measure benefit utilisation	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
We measure return on investment	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Benefits are personalised to different employee needs	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
We review employee feedback on benefits regularly	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Benefits support hybrid and flexible working	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

32–40

Strategic
advantage

24–31

Strong
foundation

16–23

Room to
improve

Below 16

Immediate review
recommended

Ready to build the business case for better benefits?

Epassi works with over 2,500 UK employers to give over 11 million employees access to the UK's largest health and fitness network. From gym memberships and preventative health assessments to digital health services, home test kits and everyday wellbeing discounts, we give employees access to the health and fitness benefits they actually want to use.

Talk to our expert team to find out how we can help you make every pound of your benefits budget go further.

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