



IMA Benefits Pulse Report

**2025 INSIGHTS
ON EMPLOYEE
BENEFITS
TRENDS**



Table of Contents

Navigating Medical Costs in 2025	02
---	-----------

Jordan Paulus

Adapting to the 2025 Compliance Landscape	05
--	-----------

Michelle Cammayo

Holistic Wellness Takes Center Stage	08
---	-----------

Adam Moret

Crafting Benefits that Resonate Across Generations	11
---	-----------

Erin Gallion

Meeting Employee Needs in Retirement Planning	14
--	-----------

Robert Goldman

How HR Technology is Redefining the Workplace	17
--	-----------

Kenny Borton

Introduction



As 2025 begins, organizations are prepared to navigate a year of transformation in employee benefits. Rapid evolution in the benefits landscape is shaping the way businesses attract, retain, and support their workforce. Workforce expectations now center on flexibility, well-being, and advanced technology. To remain competitive, businesses must act decisively and strategically to adapt to these changes.

This report explores the emerging trends shaping the future of employee benefits, from compliance to wellness and retirement. It provides actionable insights to help organizations navigate these evolving challenges. By staying ahead of the curve, businesses can meet the needs of today's workforce while securing a competitive advantage for the future.



Navigating Rising Medical Costs in 2025





Navigating the complexities of employee benefits is a critical focus for organizations, yet the relentless rise in medical costs and health insurance premiums continues to challenge even the most prepared employers. As 2025 unfolds, employers must brace for significant financial pressures driven by economic uncertainty and rapid advancements in pharmaceuticals.

RISING MEDICAL COSTS

The lingering effects of COVID-19, coupled with ongoing inflation, have propelled medical expenses to unprecedented levels. Medical carriers are bracing for projected cost increases of up to 10% in 2025.¹ A primary driver of these rising costs is pharmacy spending, particularly the surge in high-cost specialty drugs and biologics, which now consume more than half of many plans' pharmacy budgets. Leading the charge are **GLP-1 medications for weight loss** and groundbreaking therapies such as gene treatments for diseases—both revolutionary in their impact but accompanied by staggering price tags that continue to drive premiums upward.

SHIFTING PRIORITIES

As economic pressures intensify, CFOs and HR leaders are prioritizing cost-control measures like never before. Advanced analytics have emerged as indispensable tools for dissecting cost drivers and crafting targeted strategies to manage expenses effectively. At the same time, employees are seeking affordable benefits that provide seamless access to essential care. This creates a delicate balancing act for employers: the challenge of containing costs while reserving the quality of coverage necessary to support a healthy, engaged, and productive workforce.

COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

Employers are navigating complex benefits challenges and seeking solutions to rising costs, evolving regulations, and workforce expectations.

Key questions we help answer:

- + *How much are costs expected to increase in the upcoming year? How do our costs compare to the market?*
- + *How can we lower the costs of high-cost specialty drugs?*
- + *What should we plan for in terms of high-cost claimants and their impact on future plan expenses?*

These concerns underscore the need for tailored strategies that align financial goals with employee needs.

HARNESSING TECHNOLOGY FOR COST SAVINGS

Artificial Intelligence (AI) and advanced analytics are revolutionizing the approach to managing rising medical costs. These technologies can forecast future expenses and identify cost-effective medical interventions, empowering employers to take proactive measures. By analyzing cost trends in detail, organizations can uncover hidden opportunities for savings and make informed decisions that optimize their benefits offerings without compromising quality or access to care.

REGULATORY CHANGES ON THE HORIZON

The regulatory landscape is also potentially shifting, with changes to the Affordable Care Act (ACA) under consideration by the new administration. These modifications could redefine coverage requirements, significantly impacting the structure and scope of employee benefits. To stay ahead, employers must proactively redesign their plans, accounting for both emerging risks and regulatory uncertainty.

Rising medical costs and health insurance premiums present a formidable challenge for employers in 2025. However, with the right strategies and tools, organizations can transform these obstacles into opportunities for growth. By addressing key cost drivers, leveraging advanced analytics, and staying informed on regulatory developments, employers can enhance their benefits offerings while safeguarding their financial health. Embracing these proactive measures will not only manage costs but also drive innovation and strategic growth within organizations.

Source:

1 <https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>



Adapting to the 2025 Compliance Landscape





Compliance continues to be a cornerstone of the employee benefits landscape, and 2025 brings a fresh wave of complexities for employers. State-level laws are increasingly stepping in to fill gaps left by federal regulations, while fiduciary responsibilities and new federal mandates face intensified scrutiny. Organizations must proactively address these challenges to mitigate risks and align benefits strategies with regulatory demands.

EMERGING TRENDS IN COMPLIANCE

The regulatory environment in 2025 sees states leading the charge with significant changes, such as [California’s expanded fertility coverage](#). This patchwork of laws creates unique hurdles for employers operating across multiple states, requiring tailored strategies to maintain compliance. Meanwhile, federal initiatives like the evolving Mental Health Parity and Addiction Equity Act (MHPAEA) regulations require plan sponsors to prioritize compliance through closer collaboration with third-party administrators (TPAs) and pharmacy benefit managers (PBMs).

Technology plays a vital role in modern compliance, simplifying research and tracking processes. However, expert interpretation remains indispensable. For instance, the CMS gag clause attestation demonstrates how federal agencies are leveraging data for monitoring. Compliance is increasingly data-driven, requiring sophisticated tools and strategic oversight to stay ahead.

SHIFTING WORKPLACE PRIORITIES

Employers are shifting from a reactive stance to a proactive compliance strategy, fueled by heightened fiduciary obligations. Emerging challenges such as high-cost drug therapies, such as GLP-1 medications, demand innovative approaches to benefits design while ensuring non-discrimination. The [2025 MHPAEA](#) rules require detailed non-quantitative treatment limitation (NQTL) analyses, along with plan fiduciary certification, making collaboration with TPAs and PBMs more critical than ever.

Data privacy is also at the forefront of compliance priorities, with employers needing to demonstrate a robust commitment to protecting employee information. By addressing these issues head-on, organizations can foster employee trust, reduce risks, and maintain alignment with a rapidly evolving regulatory environment.





Half of the surveyed risk and compliance professionals said they have noticed a very recent shift from compliance as a “check-the-box” function, to one that occupies a more strategic position in the business.

Source: The 2023 Thomson Reuters Risk & Compliance Survey Report: A delicate balance between risk and reward - Thomson Reuters Institute

COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

Employers often grapple with how to maintain compliance while managing the complexities of employee benefits.

Key concerns we help solve:

- + *Ensuring benefit plans are non-discriminatory across employee groups*
- + *Managing the intricacies of multi-state regulations and varying mandates*
- + *Avoiding costly penalties for non-compliance including fines or litigation*
- + *Preserving benefits during family and medical leave*

Effective compliance demands more than just adherence to the rules—it requires a combination of legal expertise, strategic planning, and transparent communication with employees to foster trust and alignment.

[Click here to review our answers to these common questions.](#)

REGULATORY OUTLOOK FOR 2025

The new [MHPAEA rules](#) will require plan sponsors to perform detailed compliance analyses, while state-level regulations will continue to evolve, creating additional hurdles for multi-jurisdictional employers. Anticipating enforcement actions and embedding compliance into organizational processes are essential strategies.

Our compliance practice offers the expertise and guidance needed to navigate these evolving requirements confidently.

Holistic Wellness Takes Center Stage





Whole health continues to dominate employee benefits priorities as employers respond to rising expectations for mental, physical, and financial wellness. In 2025, organizations are exploring innovative solutions to improve employee well-being while addressing cost pressures and benefits utilization challenges.

EMERGING TRENDS IN WELLNESS

Mental health remains a critical focus, with employers integrating robust mental health resources into their benefits offerings. Traditional programs like Employee Assistance Programs (EAPs) and telehealth services are being expanded to include targeted solutions, such as GLP-1 medications for weight management, and financial counseling. Employers are also adopting **Lifestyle Spending Accounts (LSAs)** to provide employees with tailored wellness options that meet their unique needs, from gym memberships to mindfulness apps, ensuring flexibility and inclusivity in well-being programs.

Wearable devices and AI-powered platforms are revolutionizing wellness initiatives, enabling real-time, personalized health interventions. These tools generate actionable insights that boost program effectiveness while fostering a holistic approach to employee health.

However, it is crucial to remember that healthcare will always have a human element. Technology should complement - not replace - personal connections, enriching the experience and effectiveness of well-being programs.

SHIFTING WORKPLACE PRIORITIES

As workforce diversity grows, employees are demanding more personalized and inclusive benefits. Forward-thinking employers are moving beyond traditional wellness programs, adopting strategies like on-site wellness clinics, mental health days, and financial planning workshops to address the diverse needs of their teams.

Employers are also leveraging real-time data to identify gaps in utilization and refine their offerings, ensuring that benefits align with employee preferences and deliver maximum value.



1 in 10 employees would take a pay cut to have access to better benefits.

Source: Best Employee Benefits In 2024 – Forbes Advisor

COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

Employers often seek expert guidance to navigate the complexities of designing and managing impactful wellness programs.

Key concerns we help solve:

- + *Optimizing wellness programs to meet **diverse workforces***
- + *Evaluating the cost-effectiveness of emerging therapies, such as GLP-1 medications*
- + *Addressing employee engagement and participation in wellness initiatives*

Expert guidance and strategic planning can help organizations address these challenges and create impactful well-being programs.

REGULATORY OUTLOOK FOR 2025

Regulatory developments in 2025 are prompting employers to enhance transparency and inclusivity in their well-being initiatives. Employers must adapt their strategies to comply with evolving data privacy laws while prioritizing accessibility for all employees, including those with disabilities. By integrating compliance into their wellness strategies, organizations can achieve both regulatory and employee satisfaction goals.



Crafting Benefits that Resonate Across Generations





Employee experience is a cornerstone of engagement and retention, and 2025 offers new opportunities for employers to refine their strategies. By prioritizing personalization, clear communication, and inclusivity, organizations can ensure that benefits resonate with a diverse and evolving workforce.

EMERGING TRENDS IN EMPLOYEE EXPERIENCE

Employers are increasingly leveraging AI-powered platforms to deliver tailored messaging that meets the unique needs of a multi-generational workforce. Mobile-friendly tools and platforms further simplify access to benefits information, making it easier for employees to engage with their options. Additionally, interactive resources such as webinars and virtual consultations are enhancing employee engagement and understanding.

Inclusion remains a priority, with employers striving to make benefits accessible to all employees, including those in remote or hybrid roles. Transparent communication about benefits offerings and eligibility ensures employees feel informed and valued, building trust across the workforce.

SHIFTING WORKPLACE PRIORITIES

The shift toward remote and hybrid work models has highlighted the need for digital-first communication strategies. Employers are adopting self-service tools and chatbots to address employee inquiries in real time, while leveraging data analytics to refine their communication approaches. These strategies foster a seamless experience and build trust and understanding.



COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

Effective benefits communication is essential for employee engagement, yet many employers face challenges in ensuring accessibility, clarity, and impact.

Key employer questions we help address:

- + How can we improve benefits understanding for a *diverse workforce*?
- + What tools can simplify benefits navigation for remote or hybrid employees?
- + How can we measure the impact of *communication strategies* on employee engagement?

By addressing these concerns with innovative solutions and a well-defined communication plan, employers can ensure employees feel supported and connected. This not only strengthens engagement but also maximizes the return on investment in their benefits strategy.

+ Only 65% of employees say their benefits are easy to understand based on what their employer provided them.

Source: SHRM Home - The Voice of All Things Work

REGULATORY OUTLOOK FOR 2025

Regulations requiring greater transparency in benefits communication are shaping how employers share information. Compliance with accessibility standards is now a critical focus, ensuring that benefits information is easily understandable and accessible to all employees, including those with disabilities or in remote roles. Proactive planning and clear messaging are essential to navigating these requirements effectively.



Meeting Employee Needs in Retirement Planning





Retirement benefits are undergoing significant transformation as organizations address growing employee concerns about financial security and adapt to shifting workforce dynamics. In 2025, employers are focusing on innovative solutions that integrate financial wellness with retirement planning to meet employee needs and organizational objectives.

EMERGING TRENDS IN RETIREMENT

Retirement plans are incorporating broader financial wellness initiatives, such as Health Savings Accounts (HSAs) and debt management programs, to support employees' overall financial health. The demand for personalized retirement options is rising, with employees seeking plans that align with their unique financial goals and life circumstances.

Employers are adopting tools like AI-powered platforms to simplify the retirement planning process. These tools enable employees to model various scenarios, explore outcomes, and gain a clearer understanding of their retirement readiness, enhancing both confidence and engagement.



84% of Americans with student debt say it impacts their ability to save for retirement.

Source: Fidelity: Meet Secure 2.0

SHIFTING WORKPLACE PRIORITIES

The growing trend of delayed retirement is driving employers to rethink their benefits strategies. Employers are introducing targeted savings incentives and phased retirement programs to support older employees while encouraging long-term financial planning for younger staff. These initiatives address diverse employee needs and promote a more balanced workforce.

Additionally, employees are increasingly drawn to Environmental, Social, and Governance (ESG) investment options, reflecting a preference for socially responsible financial strategies. Employers are incorporating these options to enhance plan appeal and engagement.

COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

As retirement trends evolve, employers are seeking ways to optimize plan participation, manage costs, and stay compliant with regulatory changes.

Top concerns we help employers address:

- + *Boosting retirement plan participation across generations*
- + *Balancing costs with plan effectiveness*
- + *Navigating regulatory changes impacting plan design and administration*

Addressing these concerns with clear communication and strategic plan design ensures organizations meet employee expectations while optimizing resources.

REGULATORY OUTLOOK FOR 2025

The **SECURE 2.0** Act introduces pivotal changes for retirement plans, including automatic plan enrollment and expanded catch-up contribution options. Employers must stay informed about these updates to ensure compliance and maximize the value of their retirement offerings.

Our retirement practice provides expert guidance to help employers navigate these regulatory complexities, helping employers design forward-thinking strategies that drive participation, compliance, and long-term financial success for employees.



How HR Technology is Redefining the Workplace





EMERGING TRENDS IN HR TECHNOLOGY

AI is revolutionizing HR technology, with **73% of HR professionals** trusting AI for candidate recommendations and 70% planning to use it in the coming year. By automating routine tasks, AI enables employees to focus on more complex, high-value activities, effectively creating “super workers.” AI-powered tools and agents are streamlining workflows, analyzing employee behavior to predict attrition, recommending targeted training, and uncovering productivity improvements.

Organizations using these tools report **productivity gains up to 25%.**

The HR Tech market is expected to grow to **\$28.29 billion** by 2024, with a compound annual growth rate (CAGR) of 9.6% through 2034. As AI and automation become integral to HR strategies, they are critical for boosting efficiency, improving workflows, and delivering personalized employee experiences.

+ Nearly half of the surveyed HR professionals say that using AI to support HR has become somewhat or much more of a priority in the last 12 months.

Source: AI Adoption in HR Is Growing



SHIFTING WORKPLACE PRIORITIES

Carrier connections are a major pain point in benefits administration, causing delays and errors. To address this, clients are increasingly prioritizing carriers with advanced application programming interface (API) capabilities. APIs enable real-time data integration, improving accuracy and reducing manual work. This is crucial for providing employees with up-to-date information and streamlining open enrollment. By leveraging APIs, companies can automate updates, enhance security, and improve overall efficiency. The growing demand for better connectivity is driving innovation, pushing carriers and tech providers to collaborate on more integrated solutions.

The grass isn't always greener on the other side when it comes to HR technology. Employers are realizing that dissatisfaction with HR tech often stems from implementation issues, lack of training, or outdated processes, rather than software limitations. Instead of full replacements, many organizations are focusing on optimizing their existing technology. This involves revisiting initial setup, providing additional training, and re-engineering workflows to maximize system capabilities. By viewing HR tech as an ongoing journey and investing in service and optimization, companies can enhance performance, improve user adoption, and maximize ROI without major disruptions.

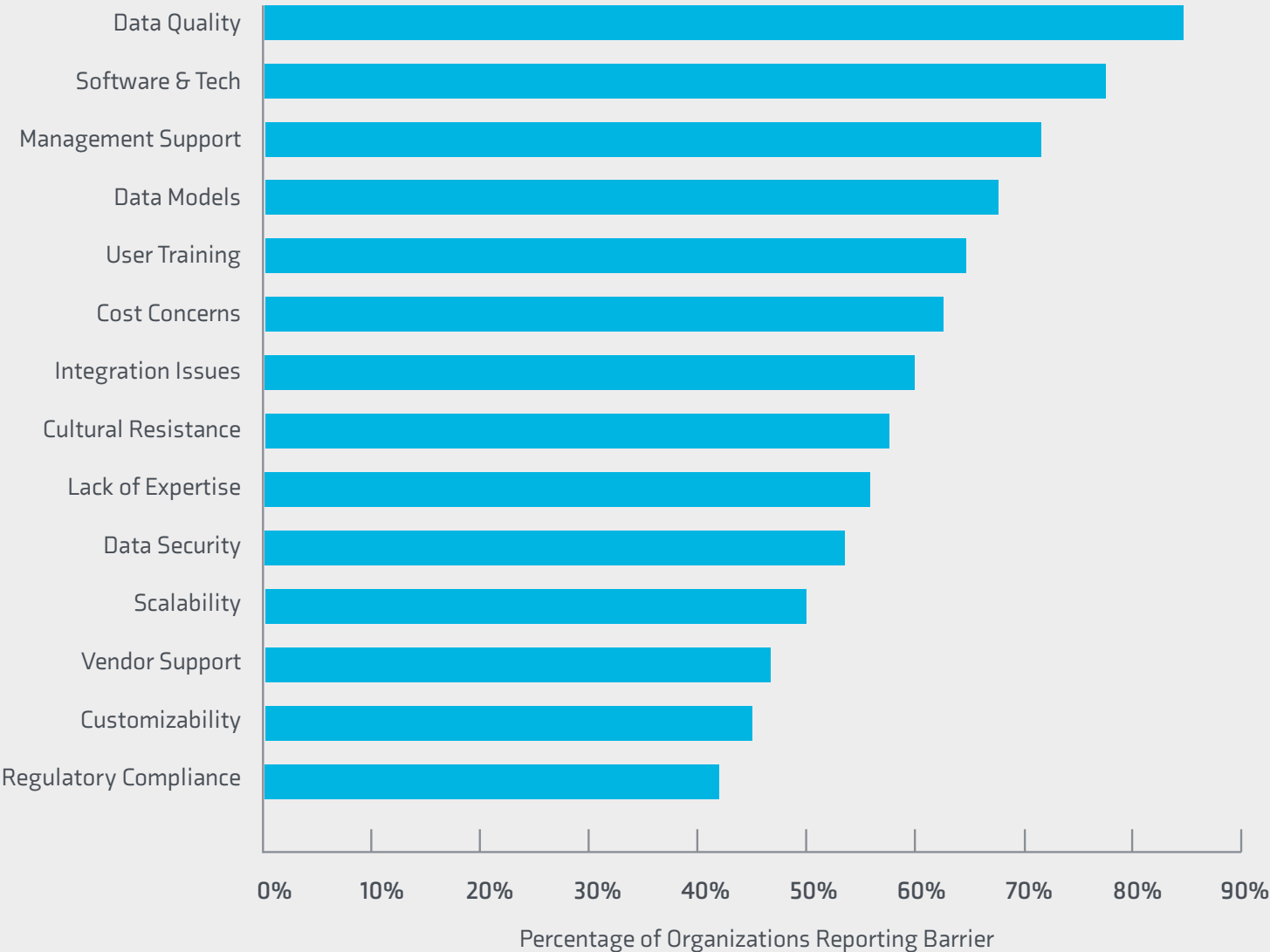


COMMON CONCERNS WE'RE ADDRESSING FOR CLIENTS

A primary concern for employers is integrating new HR technology solutions with existing systems. Organizations often rely on a variety of HR tools, and the risk of creating data silos - where critical information is trapped within one platform - remains significant. This lack of interoperability can lead to inefficiencies, increased manual work, and operational challenges.

To address these concerns, HR technology providers must demonstrate **seamless integration capabilities** and provide detailed road maps for system compatibility. Additionally, organizations seek solutions with open APIs and robust data exchange capabilities, allowing for flexibility and future proofing. Strong partnerships between technology vendors and client IT departments are crucial for smooth implementation and ongoing maintenance.

Barriers to HR Analytics Adoption

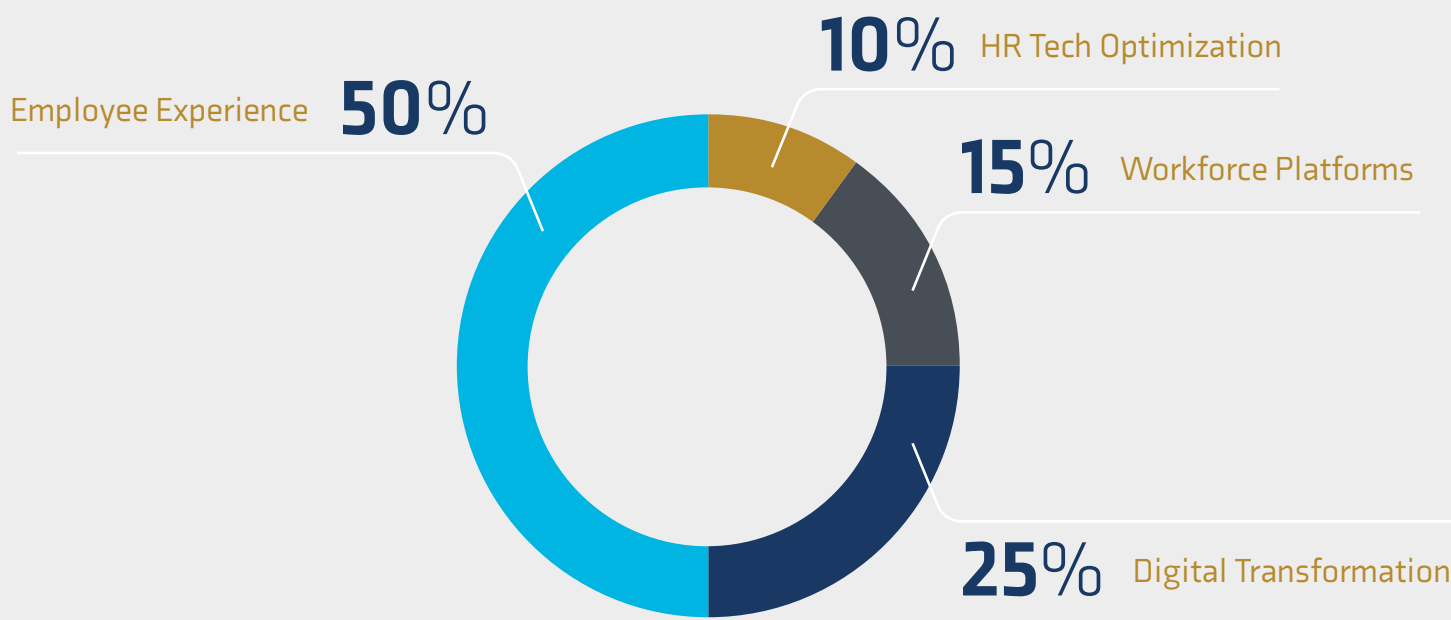


Source: Fernández, V., & Gallardo-Gallardo, E. (2020). Tackling the HR digitalization challenge: key factors and barriers to HR analytics adoption. Competitiveness Review, 31(1), 162-187.

As budgets tighten, organizations are scrutinizing HR technology investments. Employers seek clear ROI metrics, such as increased productivity, reduced administrative workload, and improved employee retention. They also evaluate the total cost of ownership, including initial implementation and ongoing expenses.

Organizations are requesting transparent pricing models and case studies that quantify productivity gains and cost savings. Additionally, the need for scenario planning tools is emerging, allowing employers to project the financial impact of HR Tech investments under different business conditions.

Investment Priorities of HR Leaders



Source: Applaud. (2021). The State of Employee Experience 2021.



CONCLUSION

The future of employee benefits lies at the intersection of innovation, adaptability, and a deep understanding of workforce needs. As technology advances, regulations evolve, and employee expectations grow, organizations must remain proactive in their approach to benefits strategy.

By embracing wellness initiatives, enhancing employee experiences, and leveraging HR technology, businesses can design benefits programs that are not only comprehensive but also aligned with the values and goals of their workforce. Staying ahead of regulatory changes and fostering transparent communication will be key to navigating this dynamic landscape.

As 2025 unfolds, the organizations that succeed will be those that transform these trends into actionable, forward-thinking strategies—driving compliance, fostering engagement, and positioning themselves for sustainable growth in a rapidly changing world.

Partner with us to turn these strategies into action. **Connect with us** to build a benefits approach that drives growth, engagement, and compliance in 2025 and beyond.



IMA BENEFITS



Experience our signature IMA client experience, where people are at the heart of employee benefits. Backed by a dedicated team of experts empowered to do what's best for you, we deliver custom-built transparent solutions tailored to your exact needs. With year-long support services included, you can confidently focus on the heart of your business: your people.

Empowering You, Built Specifically for You

Explore our [library of expert articles](#) on employee benefits and HR, offering insights and practical guidance.



Copyright ©IMA Financial Group, Inc. 2025.

This material is for general information only and should not be considered as a substitute for legal, medical, tax and/or actuarial advice. Contact the appropriate professional counsel for such matters. These materials are not exhaustive and are subject to possible changes in applicable laws, rules, and regulations and their interpretations.

All rights reserved. The contents of this report, including (but not limited to) all written, images, photos, and illustrations, are protected by international copyright and trademark laws. This report or any portion thereof may not be, modified, reproduced, or used in any manner whatsoever outside of the IMA Financial Group umbrella of services without the express written permission of IMA Financial Group.

NPN 1316541 | IMA, Inc dba IMA Insurance Services | California Lic #0H64724
CT-B-IMA-B-021125

IMACORP.COM/BENEFITS