



2025

## Nonprofit Employee Benefits Survey Report:

Navigating Cost, Culture, and Competition in 2025



## About the Survey

The PPI Benefit Solutions Nonprofit Employee Benefits Survey has been a trusted source of in-depth benchmarking data since 2008, providing insights into how nonprofit organizations structure, manage, and adapt their employee benefits in today's rapidly evolving workplace.

Each edition of the survey captures responses from hundreds of nonprofit employers across the U.S. Over the years, the survey has expanded to address emerging challenges, such as paid time off, mental health, hybrid work, and technology adoption.

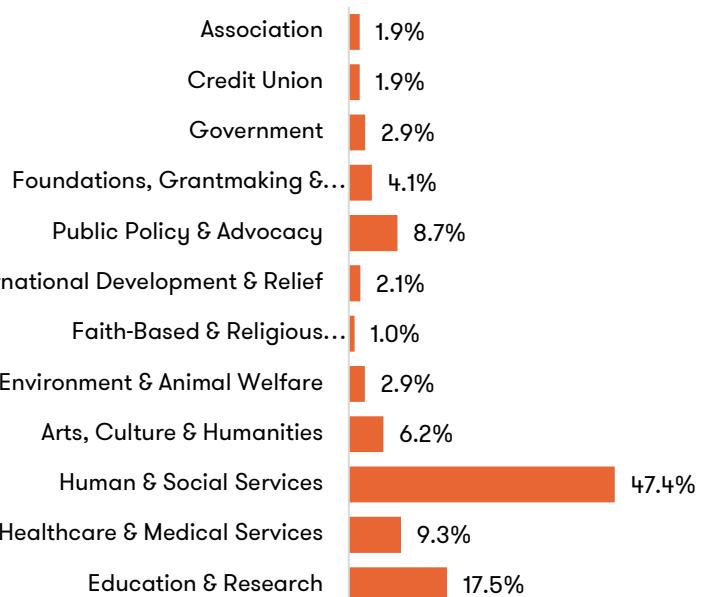
- Conducted every other year, our survey serves to:
- Benchmark benefit offerings against similar organizations
- Evaluate employee benefits cost-control approaches
- Identify emerging trends in voluntary benefits, reimbursement accounts, and plan design

Participants ranged from under 25 to over 500 employees, though the bulk fell between 26 and 250. Most are headquartered in the Northeast, Midwest and Mid-Atlantic, with additional operations in other U.S. regions. Mission types within the sector varied widely, with education, human services, and advocacy most common among participants.

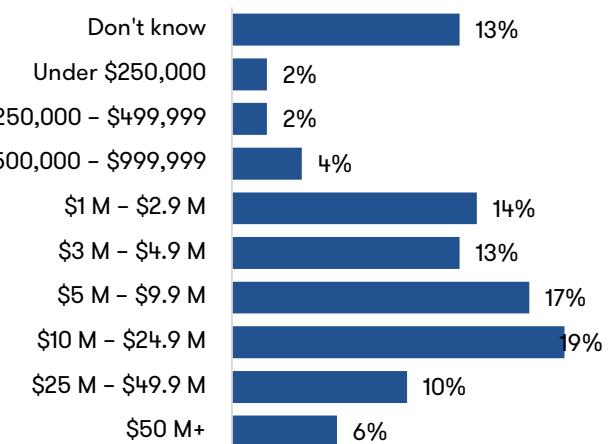
This report synthesizes data from over 200 nonprofit employers. We are confident that these responses offer valuable and actionable insights into the prevailing trends, challenges, and strategies within the sector. However, readers should consider that this sample, while significant, may not be statistically representative of the entire U.S. nonprofit landscape. The data are best used for directional analysis and strategic planning.

Methodology Note: The “All respondents” data include consolidated “Other” responses that encompass various alternative coverage amounts not captured in the standard categories. These “Other” responses are not broken down by organization size segments but are reflected in the overall totals for analytical completeness.

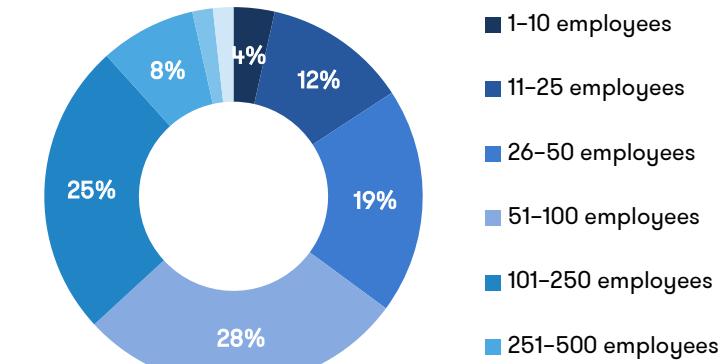
### **Participating Nonprofit Primary Classification**



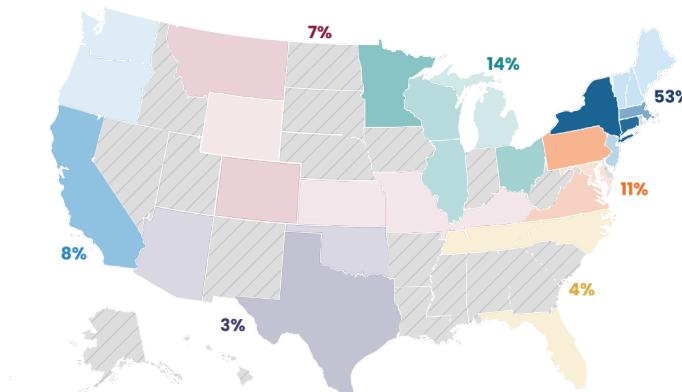
## **Annual Operating Revenue**



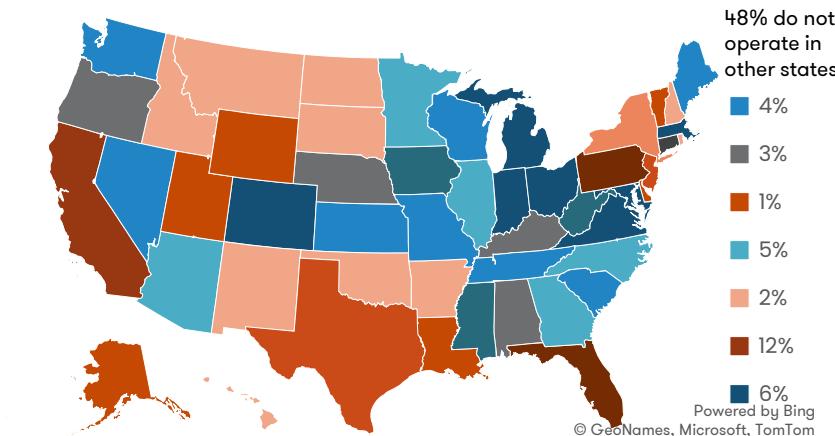
### **Participating Nonprofits by Size (FTEs)**



## Where Participating Nonprofits are Headquartered



## Percentage of Nonprofits Operating in Other States



# Forward

## Navigating Challenges, Unlocking Impact

The 2025 nonprofit landscape is defined by the intensification of a timeless challenge: balancing mission, budget, and people. While resilience and a people-first ethos have always been the sector's backbone, the long-standing difficulty of attracting and retaining mission-driven talent has reached a new level of complexity. This year's survey data reveal organizations navigating the escalating pressures of rising operational costs against the critical need to provide comprehensive, competitive benefits. In this environment, the core challenge for every nonprofit leader has decisively shifted from what benefits to offer to how to build a sustainable, impactful, and equitable strategy that supports both the mission and the people who carry it out.

The findings reveal a strategic pivot, born of necessity, away from traditional, one-size-fits-all benefits packages. We are witnessing a decisive shift toward flexibility, choice, and shared responsibility. High-deductible health plans (HDHPs) paired with Health Savings Accounts (HSAs) are now mainstream (42% adoption), and the nascent rise of Individual Coverage HRAs (ICHRAs) signals a future built on defined contribution models. This evolution empowers employees with choice but demands a greater investment in financial literacy and education to ensure they can navigate these complex decisions effectively.

Simultaneously, the definition of "benefits" has irrevocably expanded. Holistic well-being is now the centerpiece of a modern benefits program. The near-

universal adoption of telehealth (95%) and the dramatic rise of financial wellness programs (85%) are not temporary trends; they are the new standard. Nonprofits understand that employee burnout (a top-three concern for 36% of organizations) cannot be solved with a good medical plan alone. It requires an integrated approach that supports mental health, financial stability, and work-life harmony.

However, this progress is not uniform. A significant strategic and technological divide-rooted in the different risk profiles of the small and large group insurance markets-is widening. Directly exposed to their claims risk, larger nonprofits are driven to implement sophisticated cost-containment strategies. Conversely, smaller organizations, insulated from that direct risk, can offer more generous core coverage but risk being left behind on technology and the breadth of voluntary benefits that modern talent expects.

To succeed in this environment, nonprofit leaders must become more strategic than ever. This report is not merely a collection of benchmarks; it is a call to action. It is a guide to making informed decisions, optimizing limited resources, and building a benefits program that serves as a powerful tool for recruitment, retention, and, ultimately, mission fulfillment. The path forward requires creativity, strategic partnerships, and an unwavering focus on the people who dedicate their careers to serving others.



# Key Insights

## The Bottom Line: Nonprofits Are Fundamentally Reshaping Their Benefits Strategy

The nonprofit sector is experiencing a dramatic transformation in employee benefits, driven by budget constraints, technological advancement, and evolving workforce expectations. Organizations are strategically shifting from traditional employer-funded models to employee-choice frameworks while investing heavily in mental health and family support.

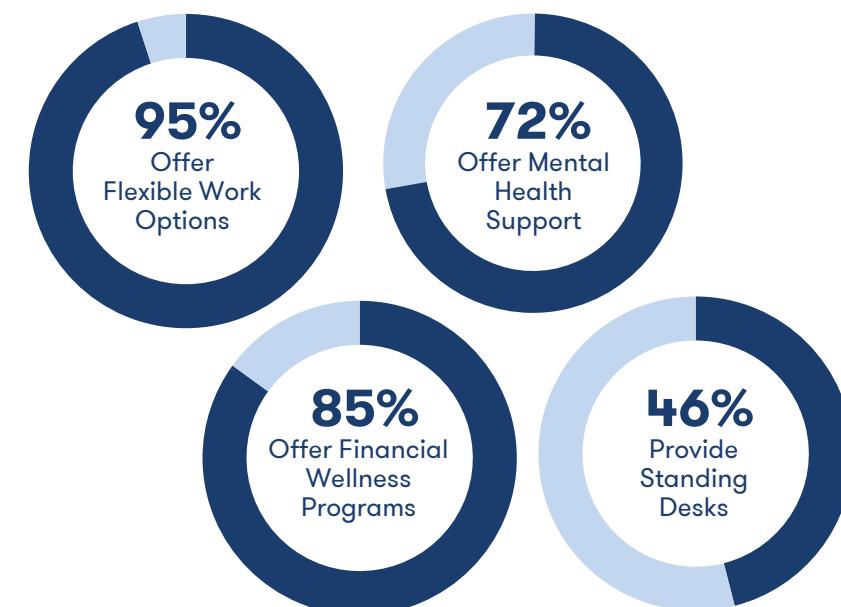
### 1. The Budget Paradox: Doing More with Less

Financial constraints are the number one challenge for 66% of nonprofits. This isn't just about rising healthcare costs and cutting benefits; it's a strategic paradox. Organizations must offer richer, more flexible benefits to compete for talent while facing tighter budgets than ever. This is forcing a fundamental shift from traditional, fully-paid benefits toward cost-sharing, voluntary options, and defined contribution models like ICHRAs. The result is a modern benefits strategy that blends targeted investment in high-impact perks with a recalibrated approach to funding core coverage.



### 2. Holistic Well-being is the New Core

The conversation has moved far beyond basic medical coverage. Mental health support (offered by 72% of all nonprofits and 96% of large ones), flexible work arrangements (~95% adoption), and financial wellness programs (surging to 85% adoption) are now foundational pillars of a competitive benefits package. Nonprofits recognize that supporting the whole employee—their mental, financial, and personal well-being—is essential for preventing burnout and retaining talent.



# Key Insights

## 3. The Widening Gap: How Size and Risk Dictate Strategy

While benefit strategies have long differed by employer size, this gap is widening as each segment leans into the unique strategic advantages of their respective insurance markets.

- **Small nonprofits** are constrained by volatility and capacity yet remain generous.
- **Large nonprofits** are empowered by stability and scale and are becoming more complex and tech-forward.

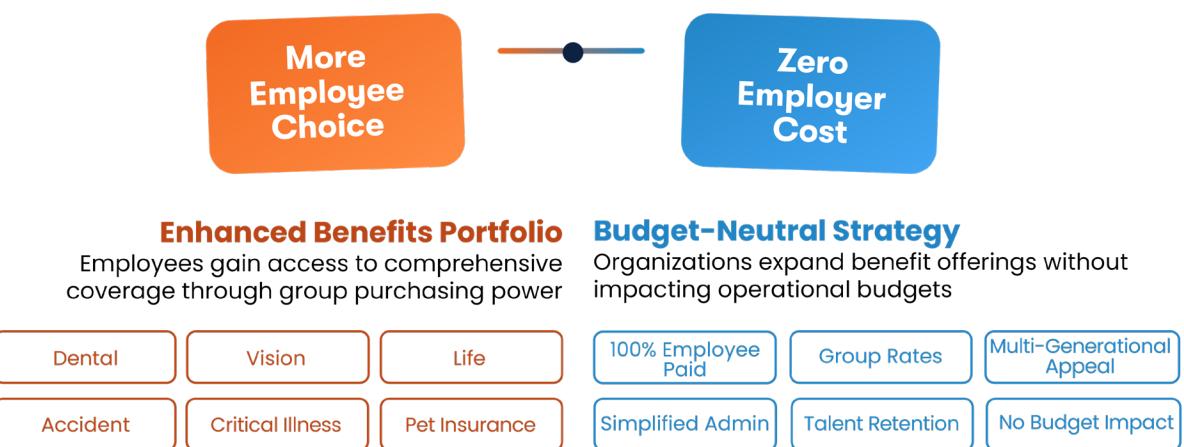
This divergence is creating a two-speed sector, where each segment is evolving on its own path.

Small Nonprofits	Large Nonprofits
Competing on Value	Managing Direct Risk
 <b>Limited Risk Pool</b> more exposed to premium volatility	 <b>Accountable for Costs</b> more financial and strategic control over plan expenses
 <b>Generous, Standard Plans</b> broad coverage with minimal customization	 <b>Sophisticated "Portfolio"</b> multi-tiered, strategic benefit mix
 <b>Simplicity is Key</b> streamlined offerings, fewer plan options	 <b>Flexible Plan Designs</b> HDHP, voluntary, & customization
 <b>Lagging in Tech &amp; Enrollment Options</b> limited adoption of digital tools and voluntary benefits	 <b>Aggressive Cost-Shifting</b> strategic employee contribution models

## 4. Voluntary Benefits Are the New Frontier

As employer budgets shrink, voluntary (100% employee-paid) benefits have become the primary mechanism for expanding choice. The surge in voluntary dental (up 78% since 2023) and the steady offering of critical illness and accident insurance (80-85%) show that nonprofits are using their group purchasing power to provide access to valuable coverage without impacting their bottom line. This strategy allows smaller nonprofits to compete with larger organizations in benefits breadth while maintaining fiscal responsibility.

Voluntary benefits also address the growing demand for personalized benefits packages, as employees increasingly value the ability to customize coverage based on their individual circumstances and life stages. For many mission-driven workers who may accept lower salaries in exchange for meaningful work, access to affordable voluntary benefits through group rates can be a significant factor in both recruitment and retention.



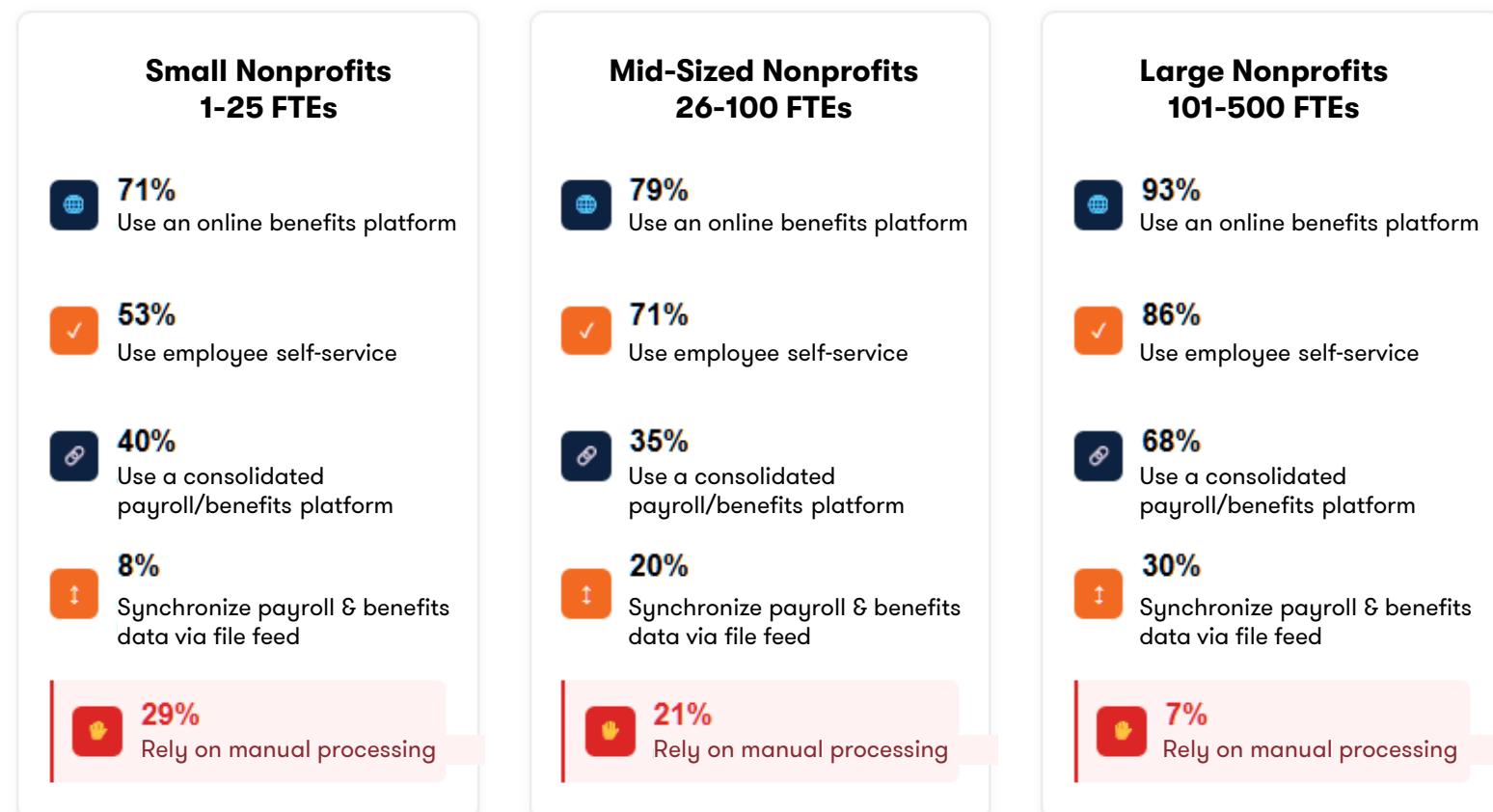
# Key Insights

## 5. The Technology Gap is an Experience Gap

Technology is no longer just a back-office tool; it's a critical part of the employee experience. While 93% of large nonprofits use online benefits management platforms, nearly a third of the smallest organizations do not. This creates a significant gap not only in administrative efficiency but also in the ability to attract and retain talent accustomed to seamless, digital-first interactions.

The data reveal that small nonprofits aren't just behind on basic platforms—they're dramatically lagging on employee-facing capabilities. The most striking disparity is in employee self-service enrollment (53% vs 86%) and system integration (40% vs 68%), forcing employees to navigate fragmented, manual processes that create friction at every touchpoint.

Small nonprofits are four times more likely to rely on manual processing (29% vs 7%), creating delays and errors that signal operational immaturity to prospective employees. This creates a competitive spiral: smaller nonprofits struggle to attract tech-savvy talent partly due to outdated systems but can't justify technology investments without growing their workforce first. Meanwhile, they're competing for the same mission-driven professionals that larger, more sophisticated nonprofits are attracting with seamless digital experiences. The data suggest technology adoption may be driving organizational growth as much as following it.



# Top Benefits Management Challenges

Understanding the top challenges nonprofit employers face in managing employee benefits helps uncover what's driving benefits strategy and where support is needed most.

Employers face a wide range of benefits-related challenges, but **the most common concern by far is managing limited budgets** (66%). This reflects mounting cost pressures, especially in the nonprofit and mid-market space. Secondary challenges include:

- Attracting and retaining talent (38%)
- Supporting mental health and burnout (36%)
- Communicating and managing benefit offerings (33%)

Interestingly, compliance and technology integration were rated much lower, suggesting employers are more overwhelmed by human and financial issues than systems or regulations.

## Top Challenges, Year Over Year

The most pressing benefit challenges for nonprofits have shifted slightly over the past four years, reflecting changing organizational priorities and external pressures.

Even after the COVID epidemic, remote work management challenges spiked from just above 10% in 2021 to 34% in 2025, representing the fastest-growing benefits challenge in the nonprofit sector.

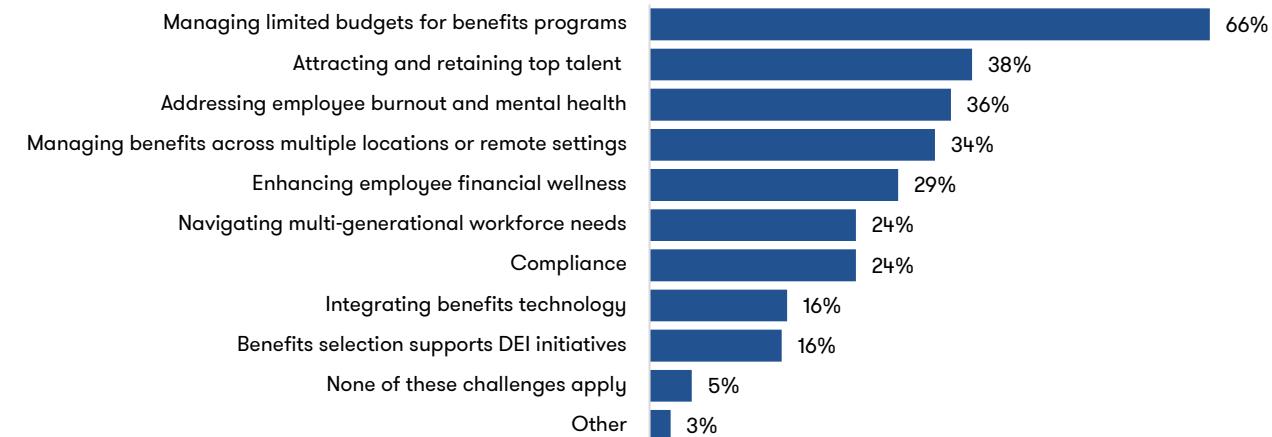
Maintaining affordable healthcare options continues to top the list, with recruitment second, although both are down in 2025.

Addressing employee burnout, mental health, and compliance concerns have risen since 2023, and Managing benefits for remote employees spiking dramatically since 2023.

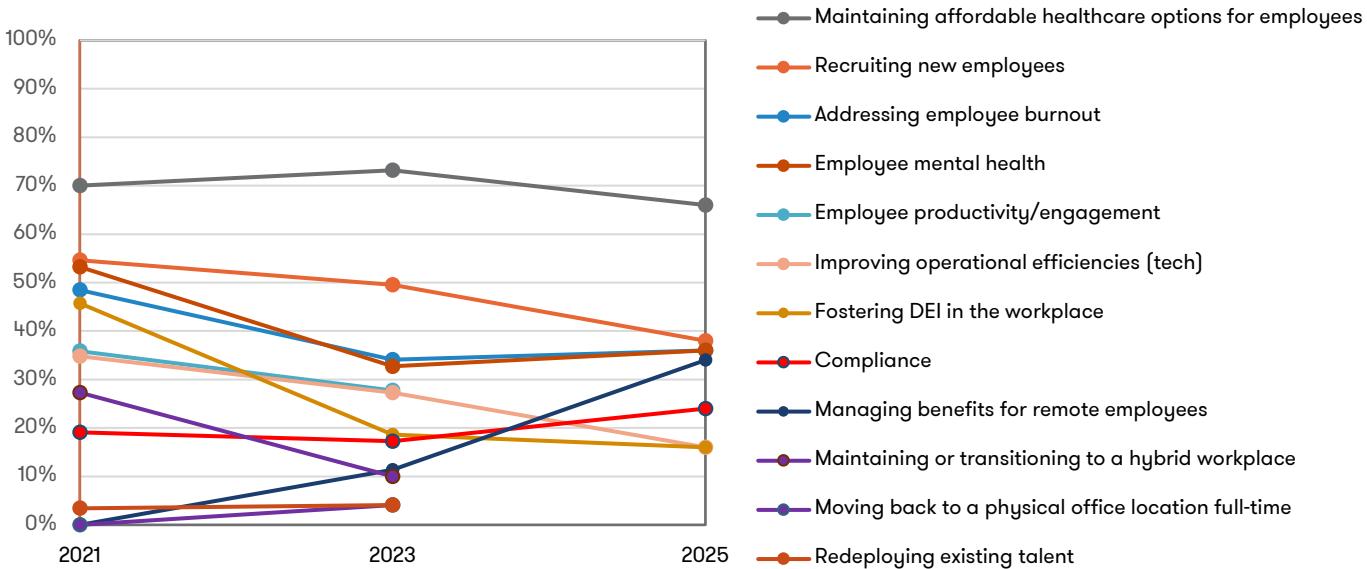
Improving efficiency and Fostering DEI have become lower-tier challenges.

Taken together, the data suggest that while financial constraints remain central, nonprofits are increasingly grappling with the operational realities of a changing workforce and evolving employee expectations.

## Top Challenges of Surveyed Nonprofits in 2025



## Top Challenges of Surveyed Nonprofits in Managing Employee Benefits, 2021, 2023, vs. 2025



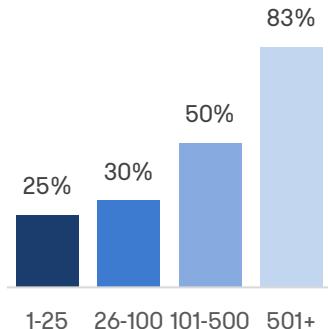
# Benefits Management Challenges

## Top Challenges by Nonprofit Size

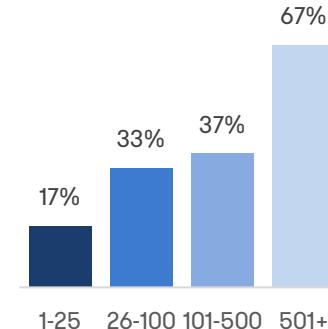
While managing benefit costs are common across the board, other challenges vary by organization size. Smaller nonprofits are more likely to struggle with limited budgets and the basics of benefits administration, while larger employers are increasingly focused on compliance, technology integration, benefits that support DEI, and retaining top talent. These charts break down how priorities shift as organizations grow, offering insight into where support is needed most.



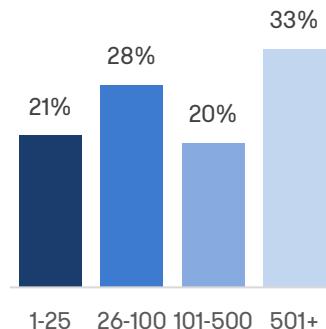
**Attracting and retaining top talent**



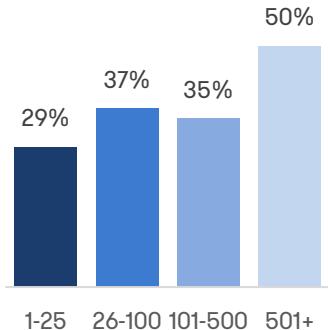
**Managing benefits across multiple locations or remote settings**



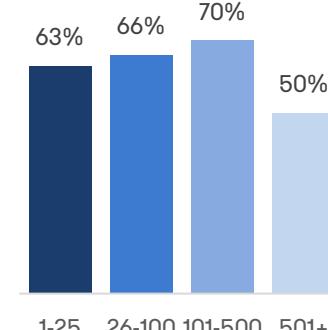
**Navigating multi-generational**



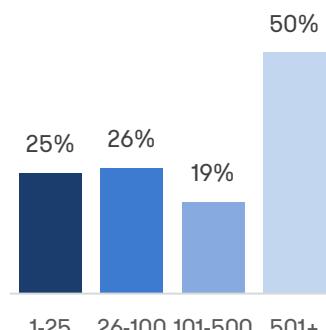
**Addressing burnout & mental health**



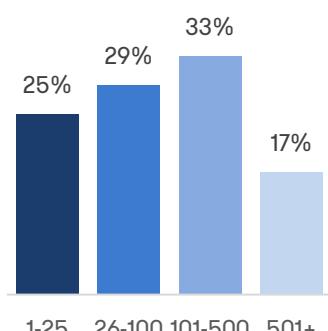
**Managing limited budgets**



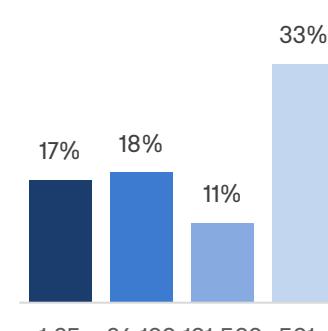
**Ensuring benefits compliance**



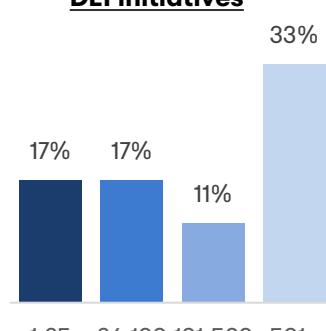
**Enhance employee financial wellness**



**Technology use and integration**



**Benefits selections support DEI initiatives**



# Cost-Saving Strategies

Among those surveyed nonprofits that have implemented or plan to implement any employee benefits cost-saving strategies, Encouraging telehealth (47% and 14%) and making plan design changes (34% and 25%) emerged as the most widely adopted cost-saving tactics—both relatively low-lift options that avoid plan elimination and cost-shifting to employees. A surprisingly high 40% moved to fully insured plans, possibly due to simplicity or shifting risk.

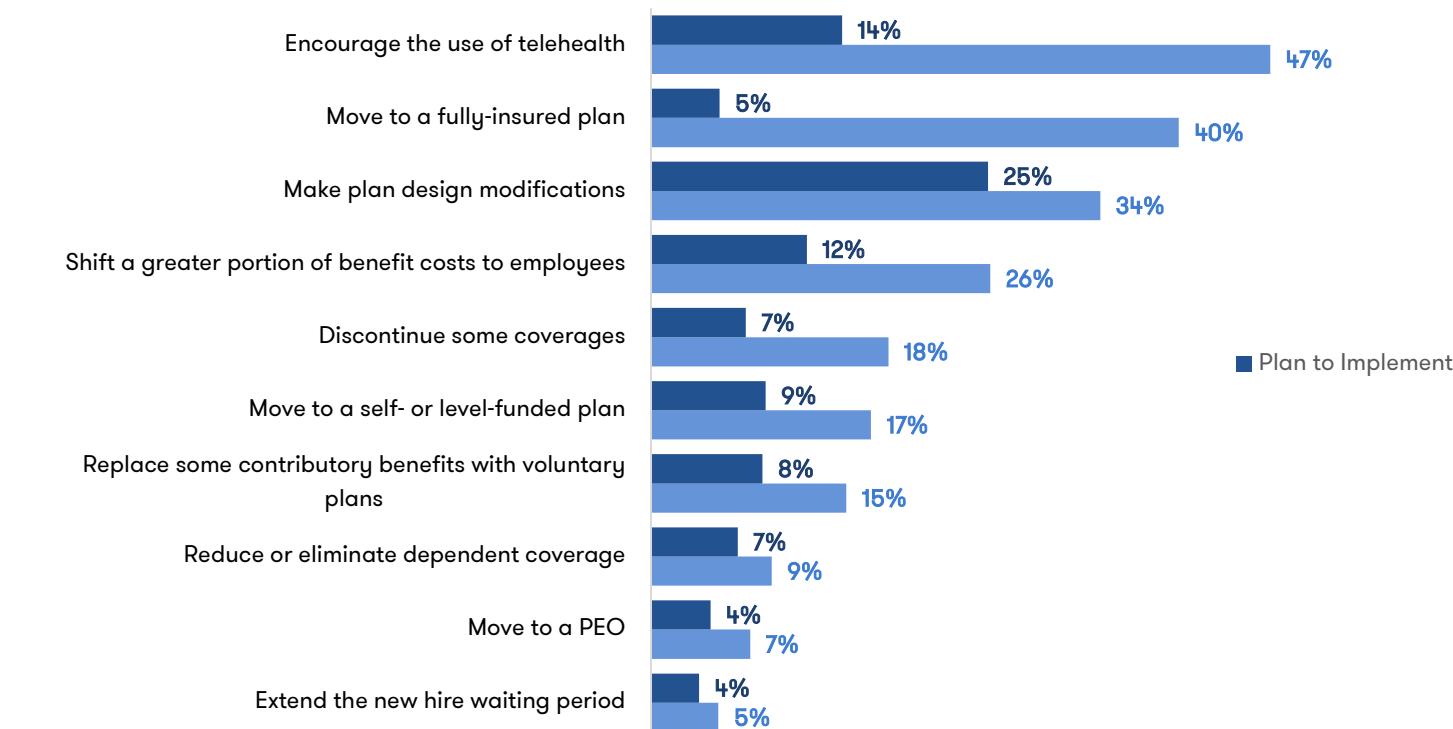
Despite growing industry buzz, PEO adoption (7%) and dependent coverage cuts (9%) remain rare. Even self- or level-funding, touted as a cost solution, was only adopted by 17%. However, while the overall share of nonprofits using self-funded or level-funded medical plans remains modest, as we'll see on the next page, the growth since 2021 points to a rising openness to funding strategies that provide more cost control.

## Cost-Saving Strategies, by Employer Size

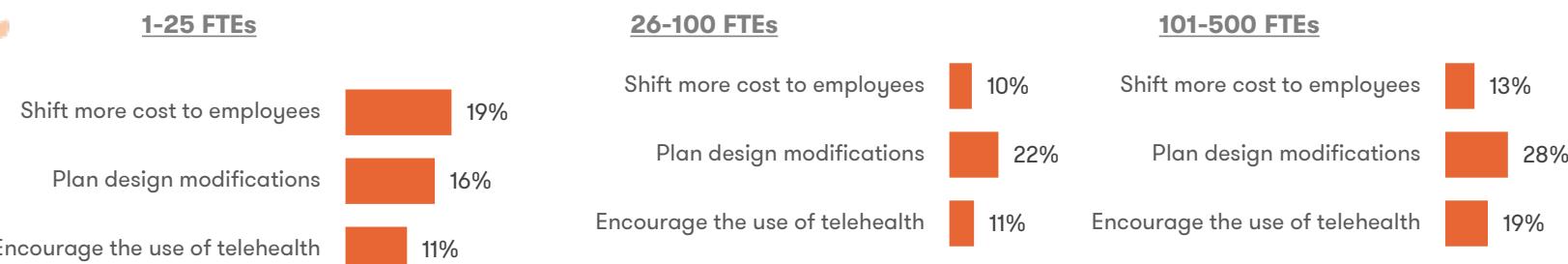
Cost-saving strategies vary slightly for smaller nonprofits (1-25 employees) that focus on shifting costs to employees, modifying plan designs, or discontinuing some coverages. Mid-sized and larger groups (26-500 employees) are more likely to shift more costs to employees, adjust plan designs, or encourage telehealth, rather than removing coverage.



### Benefits Cost-Saving Strategies Among All Nonprofit Participants



### Top three Benefits Cost-Saving Strategies, by Participating Nonprofit Employer Size



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Medical Plans

## Medical Plan Types & Funding

### Medical Plan Types

Among nonprofit employers offering medical benefits (around 99%) in 2025, PPOs remain dominant, offered by over half of employers (59%). This aligns with national trends favoring flexibility and broad access.

Notably:

- High-deductible health plans (HDHPs) with an HSA are offered by close to half (42%), showing traction but not full mainstreaming.
- HMOs are less common (28%), likely due to network restrictions.
- POS plans and EPOs trail even further behind, but EPO plans have trended upward since the 2021 survey.

**★ PPO plans maintain dominance** despite steady decline from 2023 and 2021, while HDHP with HSA adoption has plateaued—suggesting organizations may have reached the comfort limit for consumer-driven plans.

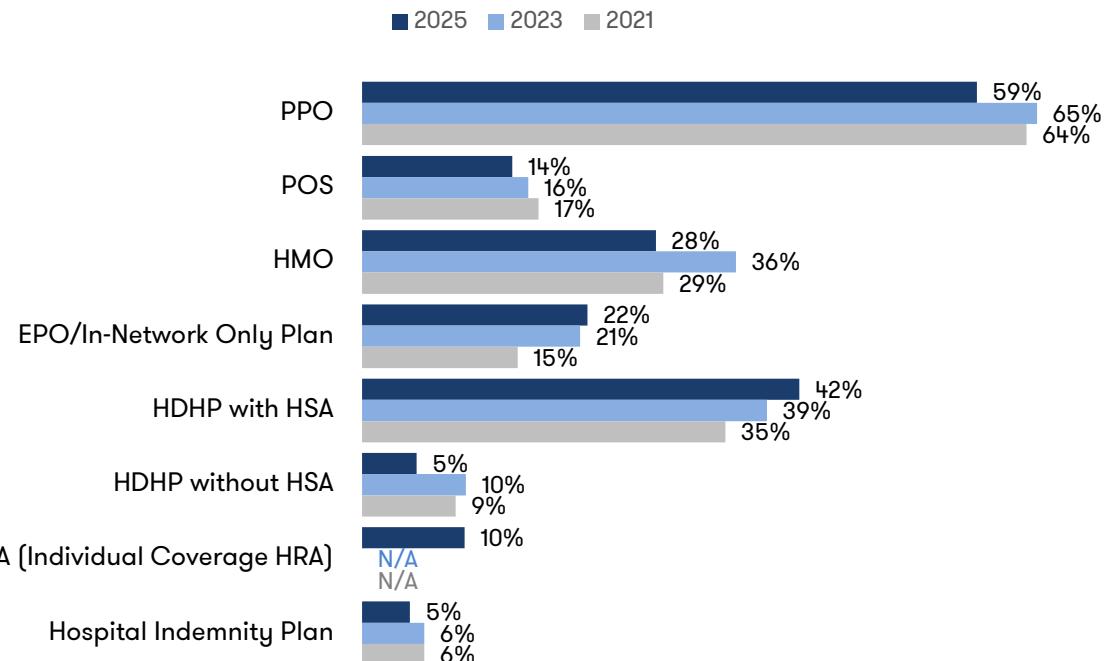
This suggests that while consumer-driven health plans are growing, the PPO is still seen as the most palatable default—especially for organizations trying to attract and retain talent.

### Medical Plan Funding

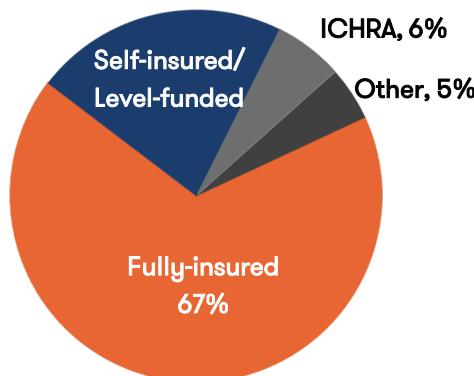
A majority of nonprofit employers (67%) continue to offer their medical plan through a fully-insured arrangement. While this traditional model remains dominant, more organizations are embracing alternative structures. In 2025, 22% reported using a self-insured or level-funded arrangement—up from just 14% in 2023 and 12% in 2021.

Though smaller nonprofits are often perceived as risk-averse, this steady growth suggests an increased willingness to explore funding strategies that offer greater control over costs, enhanced claims transparency, and potential long-term savings. Additionally, 6% of responding organizations now offer

### Medical Plan Types Offered by Surveyed Nonprofits, Year-Over-Year



### Medical Plan Funding Arrangements of Surveyed Nonprofits



**★ The steady growth of self- and level-funding** shows that nonprofits are becoming more sophisticated, taking on calculated risks to gain control over their healthcare spending.

# Medical Plan Contribution Strategies

## Percentage of Premium Still Favored

A clear majority of surveyed nonprofits continue to structure contributions using a percentage of the premium across all plan types — a strategy that offers simplicity, predictability, and is familiar to both HR teams and employees.

Other contribution models, including flat-dollar amounts or plan-specific variations, remain in use but are far less common.

These approaches have not gained traction in recent years and, if anything, show signs of gradual decline.

The continued dominance of the percentage-based model suggests that most nonprofits prioritize administrative ease and transparency in their benefits strategy — particularly important in resource-constrained environments.

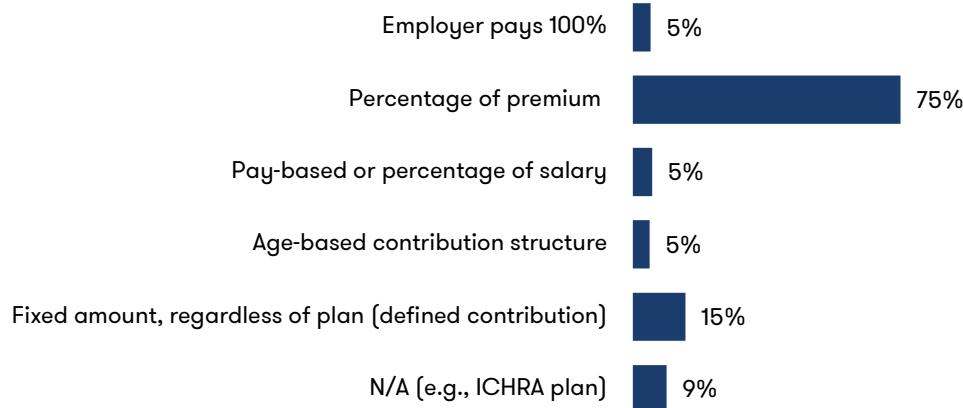
## Year-Over-Year Comparison

Looking across the last three survey years, the structure of nonprofit employer contributions toward medical benefits has remained largely stable, with some subtle shifts. The percentage-of-premium approach — already the dominant strategy in 2021 — has steadily gained share, rising from 52% in 2021 to 75% in 2025.

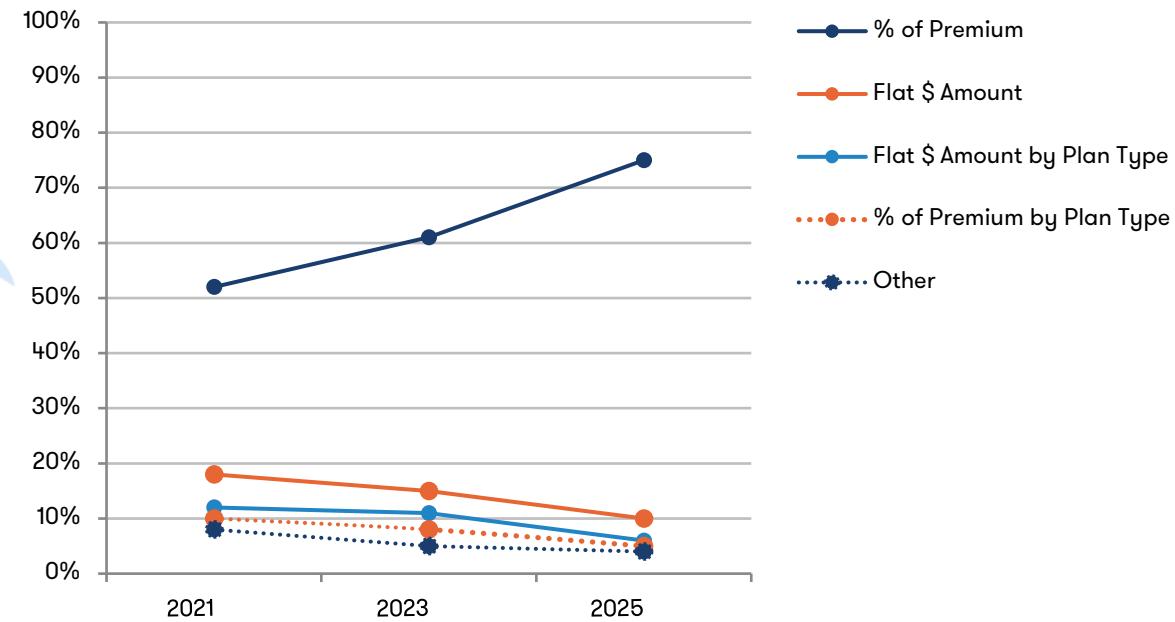
Meanwhile, less common methods such as flat dollar contributions or strategies that vary by plan type have seen modest declines. These models continue to account for only a small portion of responses, indicating limited adoption or a gradual move away from more complex structures. It should be noted, however, that not all strategies surveyed in 2025 were included in past surveys, and some strategies surveyed in the past, were not included in the 2025 survey.



## Medical Plan Contribution Strategies of Surveyed Nonprofits, for the Plan with the Highest Enrollment



## Medical Plan Contribution Strategies of Surveyed Nonprofits, Year-Over-Year



# Medical Plan Employer & Employee Contributions

Balancing employer and employee contributions is critical to maintaining affordability and competitiveness. Employee contributions for single PPO coverage range from \$0-\$500 (median ~\$101-\$150, 27 responses), while family coverage spans \$100 to over \$1,000 (~30%, 20 responses at \$601-\$1,000), with larger nonprofits (251-500 employees) facing higher costs due to greater enrollment. Employers contribute significantly—\$600-\$1,000 for single plans (33 responses) and over \$1,000 for family plans (40 responses)—but these costs strain budgets, particularly for smaller nonprofits.

## ★ The Ticking Time Bomb: Family Coverage

With nearly 60% of employers now contributing over \$1,000 per month, the sustainability of traditional family coverage is a critical question for leadership and a major driver of the shift toward ICHRAs and other defined contribution models.

### Average Monthly Medical Plan Employee and Employer Contributions of Surveyed Nonprofits, by Plan Type

PPO	\$0	\$01 - \$100	101-\$150	\$151 - \$250	\$251 - \$350	\$351 - \$450	\$451 - \$550	\$551 - \$650	\$651 - \$750	\$751 - \$850	\$851 - \$1,000	>\$1,000
Employee Contribution, Single	8.6%	24.3%	12.9%	20.0%	10.0%	2.9%	2.9%	0.0%	1.4%	1.4%	1.4%	0.0%
Employee Contribution, Family	5.9%	4.4%	5.9%	7.4%	7.4%	7.4%	7.4%	5.9%	5.9%	5.9%	1.4%	17.7%
Employer Contribution, Single	0.0%	4.4%	0.0%	2.9%	2.9%	1.5%	5.8%	20.3%	10.2%	7.3%	18.9%	13.0%
Employer Contribution, Family	1.5%	1.5%	1.5%	0.0%	1.5%	6.0%	1.5%	3.0%	3.0%	0.0%	4.5%	59.7%
POS	\$0	\$01 - \$100	101-\$150	\$151 - \$250	\$251 - \$350	\$351 - \$450	\$451 - \$550	\$551 - \$650	\$651 - \$750	\$751 - \$850	\$851 - \$1,000	>\$1,000
Employee Contribution, Single	8.6%	5.3%	36.8%	2.6%	7.9%	2.6%	0.0%	2.6%	0.0%	0.0%	2.6%	0.0%
Employee Contribution, Family	5.9%	2.6%	7.9%	5.3%	5.3%	10.5%	7.9%	2.6%	5.3%	0.0%	2.6%	17.7%
Employer Contribution, Single	0.0%	2.9%	8.8%	5.9%	0.0%	8.8%	0.0%	5.9%	5.9%	5.9%	0.0%	13.0%
Employer Contribution, Family	1.5%	0.0%	6.1%	3.0%	0.0%	0.0%	6.1%	6.1%	3.0%	0.0%	0.0%	59.7%
HMO	\$0	\$01 - \$100	101-\$150	\$151 - \$250	\$251 - \$350	\$351 - \$450	\$451 - \$550	\$551 - \$650	\$651 - \$750	\$751 - \$850	\$851 - \$1,000	>\$1,000
Employee Contribution, Single	6.7%	17.8%	15.6%	22.2%	13.3%	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee Contribution, Family	2.2%	4.3%	10.9%	0.0%	4.3%	2.2%	6.5%	13.0%	4.4%	8.7%	0.0%	17.7%
Employer Contribution, Single	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	9.3%	14.0%	9.3%	2.3%	16.3%	13.0%
Employer Contribution, Family	0.0%	0.0%	4.8%	0.0%	0.0%	2.4%	2.4%	2.4%	2.4%	0.0%	2.4%	59.7%
EPO	\$0	\$01 - \$100	101-\$150	\$151 - \$250	\$251 - \$350	\$351 - \$450	\$451 - \$550	\$551 - \$650	\$651 - \$750	\$751 - \$850	\$851 - \$1,000	>\$1,000
Employee Contribution, Single	10.3%	23.1%	15.4%	10.3%	0.0%	5.1%	0.0%	2.6%	2.6%	0.0%	0.0%	0.0%
Employee Contribution, Family	0.0%	2.6%	7.7%	2.6%	5.1%	7.7%	7.7%	5.1%	0.0%	0.0%	0.0%	17.7%
Employer Contribution, Single	0.0%	2.6%	5.1%	2.6%	2.6%	2.6%	2.6%	2.6%	7.7%	0.0%	10.3%	13.0%
Employer Contribution, Family	2.6%	2.6%	0.0%	2.6%	2.6%	5.3%	0.0%	2.6%	2.6%	0.0%	0.0%	59.7%

# Medical Plan Contributions, Year-Over-Year

Monthly employee and employer contributions for single and family coverage have shifted across the 2021, 2023, and 2025 survey periods. Grouped into consistent dollar ranges, the data reveal evolving cost-sharing strategies and highlights where nonprofits are absorbing more cost—or passing it along to employees—as premiums continue to rise.

## Key Takeaways:

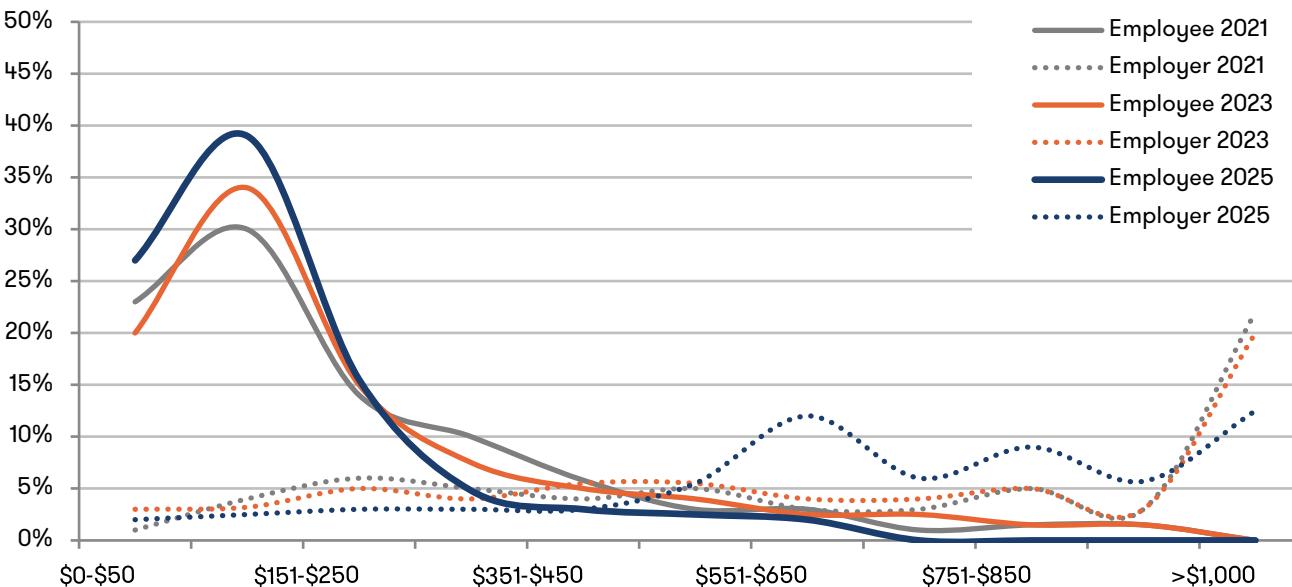
- Employee contributions for single coverage have remained relatively steady across all three survey years, with most falling in the \$51-\$150 range.
- Very few employees contribute more than \$650 for single coverage, and none are reported in the >\$1,000 category.
- In contrast, employer contributions to single coverage show a significant shift over time. In 2021 and 2023, contributions were spread more evenly across mid-range buckets, but by 2025, a full 13% of employers report contributing more than \$1,000 toward single coverage—the most frequently reported contribution level.
- Compared to 2021 and 2023, the

2025 distribution shifts away from the middle. There are fewer employees contributing between \$301-\$850, with slight increases in both the lowest ranges and in the >\$1,000 tier—indicating growing cost disparity among employees.

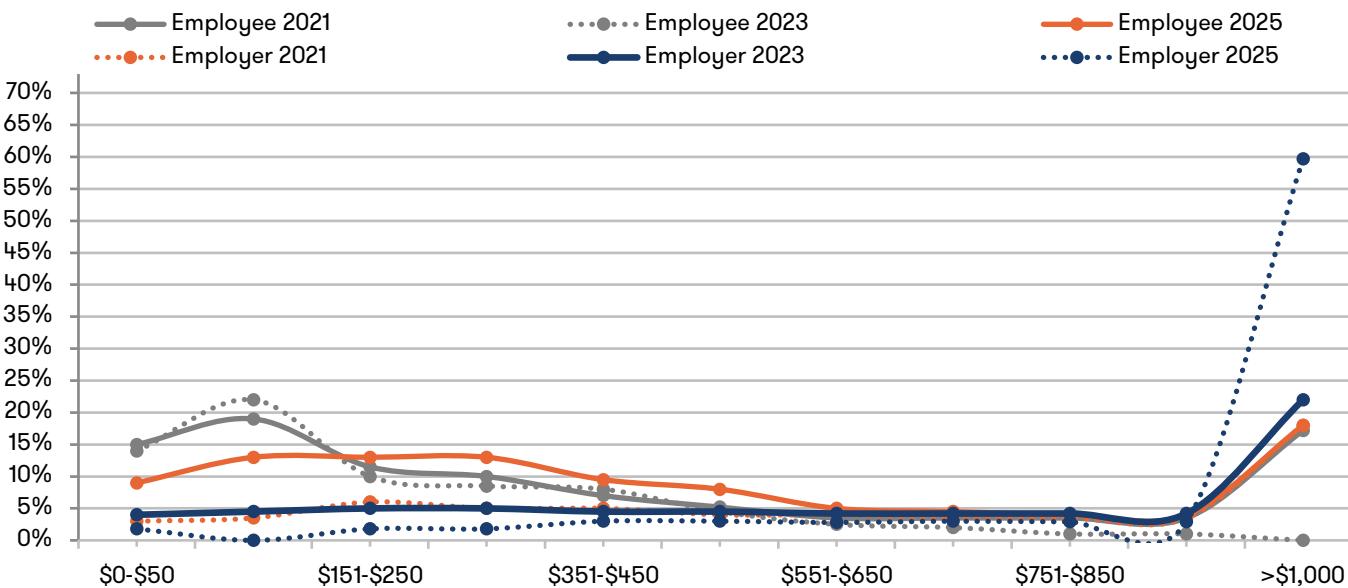
- On the employer side, there's a clear trend: by 2025, 59.7% of employers report contributing more than \$1,000 toward family coverage—a dramatic increase from 22% in 2023 and 18% in 2021.

Employer contributions have increased across both tiers, with the most common amount now exceeding \$1,000 per month for single and family coverage in 2025. Employee contributions for single coverage remain stable, but family contributions show a split: fewer employees are paying moderate amounts, with more either paying very little or over \$1,000. These shifts point to rising premiums and diverging funding strategies that are creating both opportunities and challenges for nonprofit employers.

## Year-Over-Year Average Medical Plan Contributions of Surveyed Nonprofits, Employee Only Tier



## Year-Over-Year Average Medical Plan Contributions of Surveyed Nonprofits, Family Tier



# Medical Plan In-Network Copayment and Coinsurance Amounts

## Cost-Sharing Remains Consistent

The 2025 results reflect continued consistency in how nonprofit employers structure cost-sharing for the medical plan with the highest enrollment. Respondents selected either copayments or coinsurance amounts based on their plan design, not both.

**Primary care visit copays remain clustered in the \$25–\$34 range**, selected by 47% of respondents. Another 36% report copays of \$15–\$24, indicating that most employers continue to keep out-of-pocket costs for primary care relatively moderate.

Specialist copays are slightly higher, with a combined 76% of responses split between the \$25–\$34 and \$35–\$44 ranges. This maintains a typical cost differential between primary and specialist services, in line with historical norms.

**Emergency room copays show the most upward movement.** A growing share of employers — now 43% — report ER copays above \$250, a noticeable increase from prior years and likely a reflection of efforts to manage high-cost utilization.

Urgent care copays are more modest, generally concentrated in the \$50–\$99 range, suggesting employers are still positioning urgent care as an accessible alternative to emergency services.

**For plans using coinsurance instead of copays, 20% coinsurance is now the most reported rate** (33%), edging out 10% (25%). This marks a shift from earlier surveys, where 10% was more common, and reflects a modest move toward higher cost-sharing in some plan designs. A smaller portion of employers report coinsurance of 25–30%, consistent with high-deductible or leaner PPO offerings.

### In-Network Copayment Amounts for the Medical Plan with the Highest Enrollment

	0%	1%-10%	11%-20%	21%-30%	31%-40%	More than 40%
Primary Care (non-preventive)	12%	36%	47%	0%	1%	0%
Specialist Visit	4%	12%	40%	36%	3%	0%
Inpatient Hospital	14%	1%	5%	1%	17%	43%
Outpatient Surgery	16%	3%	9%	4%	14%	34%

### In-Network Coinsurance Amounts for the Medical Plan with the Highest Enrollment

	0%	1%-10%	11%-20%	21%-30%	31%-40%	More than 40%
Primary Care (non-preventive)	33%	8%	10%	8%	3%	10%
Specialist Visit	24%	9%	16%	10%	0%	10%
Inpatient Hospital	16%	7%	25%	19%	4%	10%
Outpatient Surgery	16%	7%	24%	18%	7%	10%

## Year-Over-Year Trends

- Primary care copays in the \$25–\$34 range have increased steadily and are now the most common.
- Specialist visit copays show growth in both the \$25–\$34 and \$35–\$44 ranges, with a trend toward higher values.
- ER copays of \$250+ have risen sharply, reflecting a shift toward higher cost-sharing for emergency services.
- 10% coinsurance has declined as the most common rate, while 20% has taken the lead in 2025.
- Higher coinsurance tiers (25–30%) are gradually gaining share, consistent with HDHP adoption and premium management strategies.

# Medical Plan In-Network & Out-of-Network Deductibles

## Shift Toward HDHPs Continues

This year's results suggest a continued shift toward high-deductible plan designs — especially for family coverage — but also reveal a surprising level of generosity among smaller employers, even in areas like out-of-network care.

**Mid-sized and large nonprofits continue to embrace high deductibles**, particularly for in-network individual coverage, where more than two-thirds of both groups reported deductibles above \$1,500. But mid-sized employers are now slightly more likely than large ones to offer those higher deductibles, signaling that cost-shifting is no longer just a large-group strategy.

**Smaller employers, on the other hand, remain more likely to provide low or no deductible options** — not just in-network, but out-of-network as well. A full 21% of small employers still offer \$0 in-network individual deductibles, and nearly 30% fall into the moderate \$500–\$1,499 range. But what stands out most is that 27% of small employers reported \$0 deductibles for out-of-network individual coverage — a level of generosity rarely seen in the market. Even for

out-of-network family coverage, 20% of small employers reported \$0 deductibles, compared to just 3% of mid-sized and 8% of large employers.

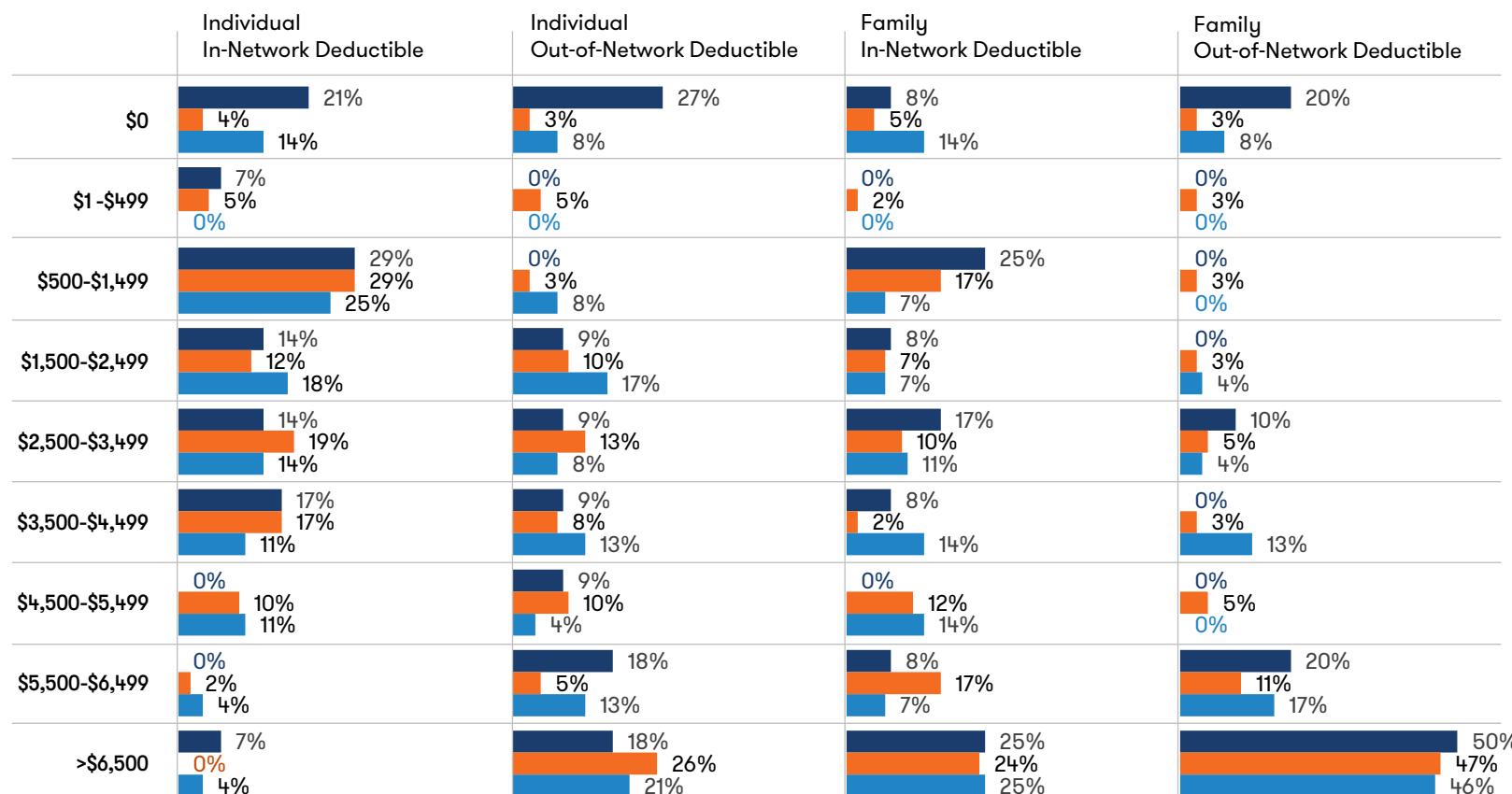
When it comes to family coverage in-network, deductibles over \$6,500 were reported by about a quarter of employers across all sizes. That consistency suggests a ceiling has been reached in some markets but also reflects how little financial protection family plans may provide — even in-network. Out-of-network, family deductibles in the top tier remain the most common response across all segments, but again, a small percentage of employers in each group — including 20% of small employers — still reported \$0 deductibles in this category.

In short, while the nonprofit market is clearly trending toward higher cost-sharing, especially for families and out-of-network care, there is still a notable pocket of lower deductible plan designs — particularly among smaller organizations. That generosity could be a key competitive advantage in recruiting and retaining employees, especially in sectors where wage growth is limited.

## In-Network and Out-of-Network Deductible Amounts, for the Medical Plan with the Highest Enrollment

	No deductible	\$1-\$499	\$500-\$1,499	\$1,500-\$2,499	\$2,500-\$3,499	\$3,500-\$4,499	\$4,500-\$5,499	\$5,500-\$6,499	> \$6,500
Individual In-Network	12%	5%	<b>24%</b>	14%	18%	11%	10%	3%	2%
Individual Out-of-Network	9%	2%	8%	13%	11%	9%	8%	8%	<b>21%</b>
Family In-Network	13%	1%	<b>12%</b>	6%	11%	8%	<b>14%</b>	12%	<b>23%</b>
Family Out-of-Network	11%	2%	1%	5%	5%	6%	4%	13%	<b>44%</b>

## In-Network and Out-of-Network Deductible Amounts, by Employer Size, for the Medical Plan with the Highest Enrollment



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Medical Plan Eligibility & Access

## Part-Time Employee Coverage Shows Nuanced Size-Based Patterns

The 2025 data reveal that 74% of surveyed nonprofits do not extend medical benefits to part-time employees, maintaining consistency with historical trends. However, the size-based analysis unveils more complex patterns than those observed in previous survey years.

Mid-sized organizations (26-100 employees) lead in part-time coverage at 29%, slightly outpacing the smallest organizations (1-25 employees) at 26%. This represents a notable shift from 2023 patterns, where smaller organizations typically lagged. The 101-500 employee segment shows the lowest adoption rate at 21%, suggesting unique cost-pressure constraints in this group.

## Waiting Period Structures Reflect Organizational Sophistication

The “1st of the month following the date of hire” remains the dominant approach at 34%, followed by “1st of the month

after 30 days” at 25%. These calendar-based structures account for 59% of all policies, demonstrating continued preference for administrative predictability.

Immediate coverage (no waiting period) remains relatively uncommon at 14% overall, with traditional day-count waiting periods representing just 11% of policies.

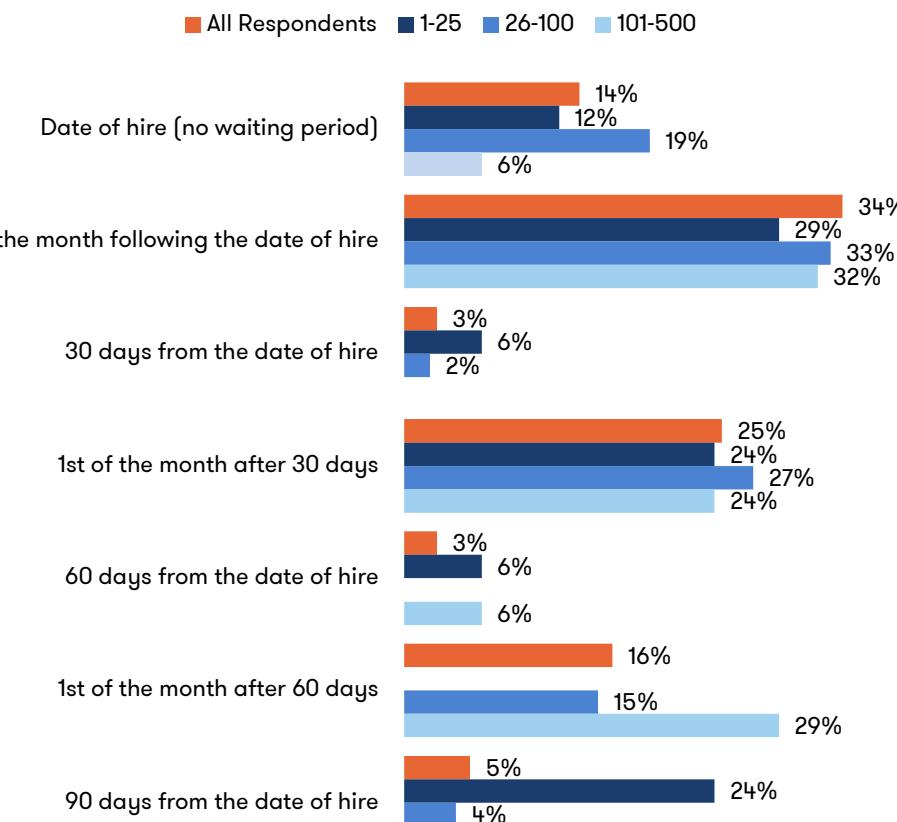
## Strategic Implications

The 2025 data suggest mid-sized nonprofits (26-100 employees) may represent an emerging sweet spot for progressive benefit policies, balancing resource availability with competitive talent needs. The relatively low part-time coverage rate among 101-500 employee organizations may indicate differentiation opportunities, particularly as workforce flexibility expectations continue to evolve.

## Surveyed Nonprofits Employers Offering Medical Benefits to Part-Time Employees

All Respondents	<b>26%</b>
1-25 FTEs	<b>26%</b>
26-100 FTEs	<b>29%</b>
101-500 FTEs	<b>21%</b>

## Medical Plan Waiting Periods of Surveyed Nonprofits, for the Medical Plan with the Highest Enrollment



Note: Responses from organizations with more than 500 employees (n=6) are included in the “All Respondents” totals but are not shown as a separate segment due to the limited sample size.

# Prescription Drug Coverage

## Three-Tier Plans Maintain Dominance Despite Decline

Three-tier plans remain the standard at 48-50% across all organization sizes, though this represents a continued decline from 56% in 2023 and 50% in 2021. The consistency across size segments suggests three-tier structures provide the optimal balance of cost management and member comprehension for most nonprofit organizations, regardless of administrative capacity.

Mid-sized organizations (26-100 employees) lead four-plus tier adoption at 38%, significantly outpacing smaller organizations (19%) and larger ones (23%). This pattern suggests mid-sized nonprofits may be more aggressive in adopting sophisticated drug management strategies, potentially reflecting greater cost pressures combined with sufficient administrative resources to manage complex tier structures.

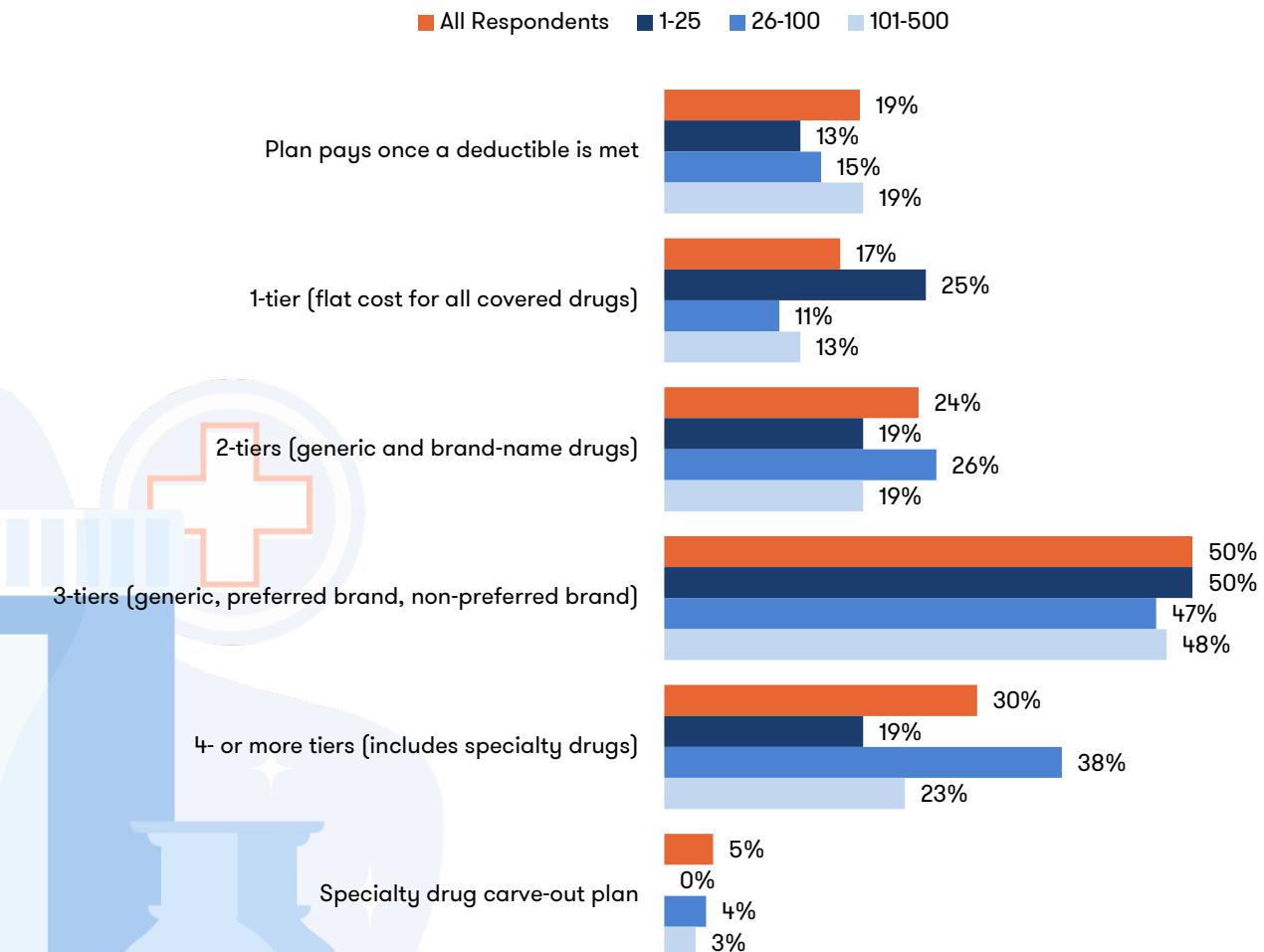
Deductible-based prescription coverage remained relatively stable at 19% overall, compared to 25% in 2023 and 15% in 2021. The consistency across size segments (13-19%) indicates this approach appeals to organizations seeking administrative simplicity while maintaining cost control through member cost-sharing.

## Size-Driven Simplification Patterns

Single-tier plans show inverse correlation with organization size, with smallest organizations (1-25 employees) adopting these simplified structures at 25% compared to just 11-13% for larger segments. This pattern likely reflects administrative capacity constraints and preference for straightforward employee communication among resource-limited organizations.

Specialty drug carve-out adoption remains minimal at 0-4% across all segments, suggesting most nonprofits continue managing high-cost medications within traditional tier structures rather than implementing separate specialty programs. The size-based variation in sophisticated plan designs suggests opportunities for smaller organizations to evaluate whether more complex structures could provide meaningful cost savings, while larger organizations might consider whether simplified approaches could reduce administrative burden without compromising cost management objectives.

## Prescription Drug Coverage in the Highest Enrolled Medical Plan of Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Rx Copayments and Coinsurance



## Copay Structures Follow Traditional Tier Logic

Generic drugs maintain low-cost access with 55% of plans using \$1-\$10 copays and an additional 27% in the \$11-\$25 range. This 82% concentration in low-cost tiers aligns with historical patterns encouraging generic utilization. Preferred brand drugs show balanced cost-sharing with 47% using \$26-\$50 copays, representing the sweet spot for encouraging appropriate brand medication use while maintaining affordability.

Non-preferred brands demonstrate more aggressive cost management, with 53% of plans requiring \$51+ copays, including 21% charging \$76 or more. This distribution reflects increased efforts to steer members toward preferred alternatives through meaningful cost differentials.

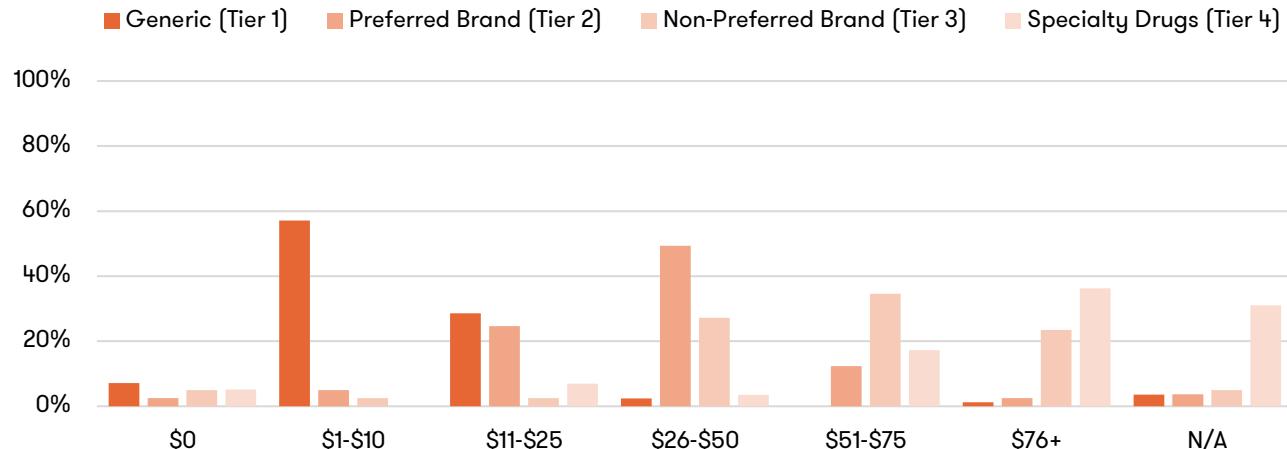
Specialty drugs present the most varied cost-sharing approaches, with 33% of plans requiring \$76+ copays but significant portions using lower tiers. The 30% N/A response rate for specialty drugs suggests many organizations struggle with defining appropriate cost-sharing for these high-cost medications, potentially indicating separate management approaches or lack of specialty drug coverage clarity.

## Coinurance Adoption Shows Strategic Tier-Based Approach

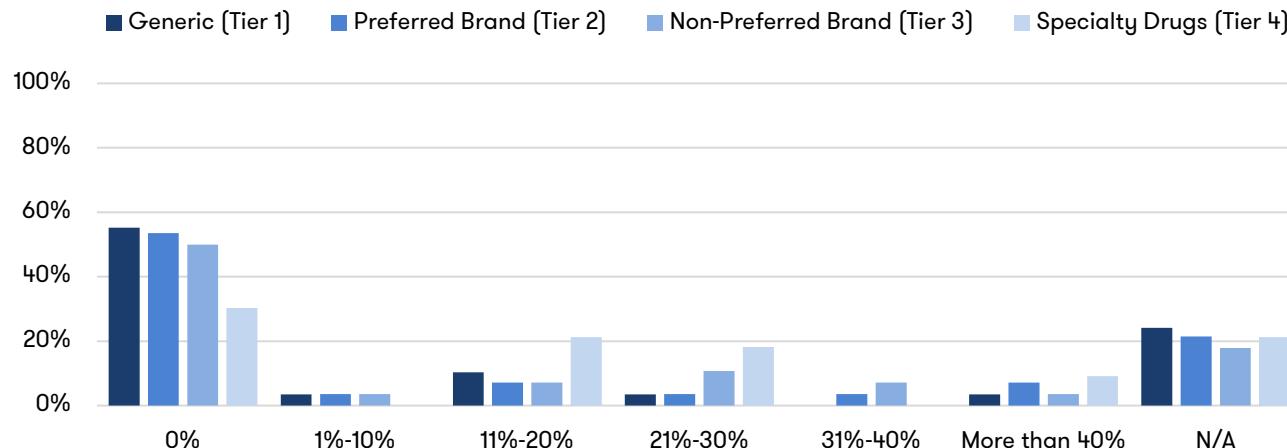
Among plans using coinsurance structures, most provide zero-cost access for lower tiers, with 48-54% of coinsurance-based plans charging 0%-member coinsurance for generic through non-preferred brand drugs. However, specialty drugs reveal dramatically different strategy, with only 24% providing zero-cost access and 17% applying member cost-sharing above 40%, indicating recognition that percentage-based sharing provides more appropriate cost management for high-cost medications.

The N/A rates (50-55% for traditional tiers, 24% for specialty drugs) suggest most organizations continue favoring copay structures over coinsurance for routine medications but show greater willingness to implement coinsurance for specialty drugs. This pattern indicates sophisticated benefit design thinking - using coinsurance strategically where percentage-based sharing provides the most value while maintaining simpler copay approaches for routine medications.

## Prescription Drug Coverage Copayments for the Highest Enrolled Medical Plan of Surveyed Nonprofits



## Prescription Drug Coverage Coinsurance Amounts for the Highest Enrolled Medical Plan of Surveyed Nonprofits



# Rx Cost-Control Strategies

## Mail Order Programs Achieve Near-Universal Implementation

Mail Order Programs show the highest adoption at 80-90% across all organization sizes, representing the most widely implemented cost control strategy. This universal appeal likely reflects the dual benefits of member convenience and plan cost savings through 90-day supplies and reduced dispensing fees. Prior authorization ranks second in adoption at approximately 50-55% overall, with relatively consistent implementation across size segments, indicating nonprofit organizations have embraced clinical oversight as a critical cost management strategy despite administrative complexity.

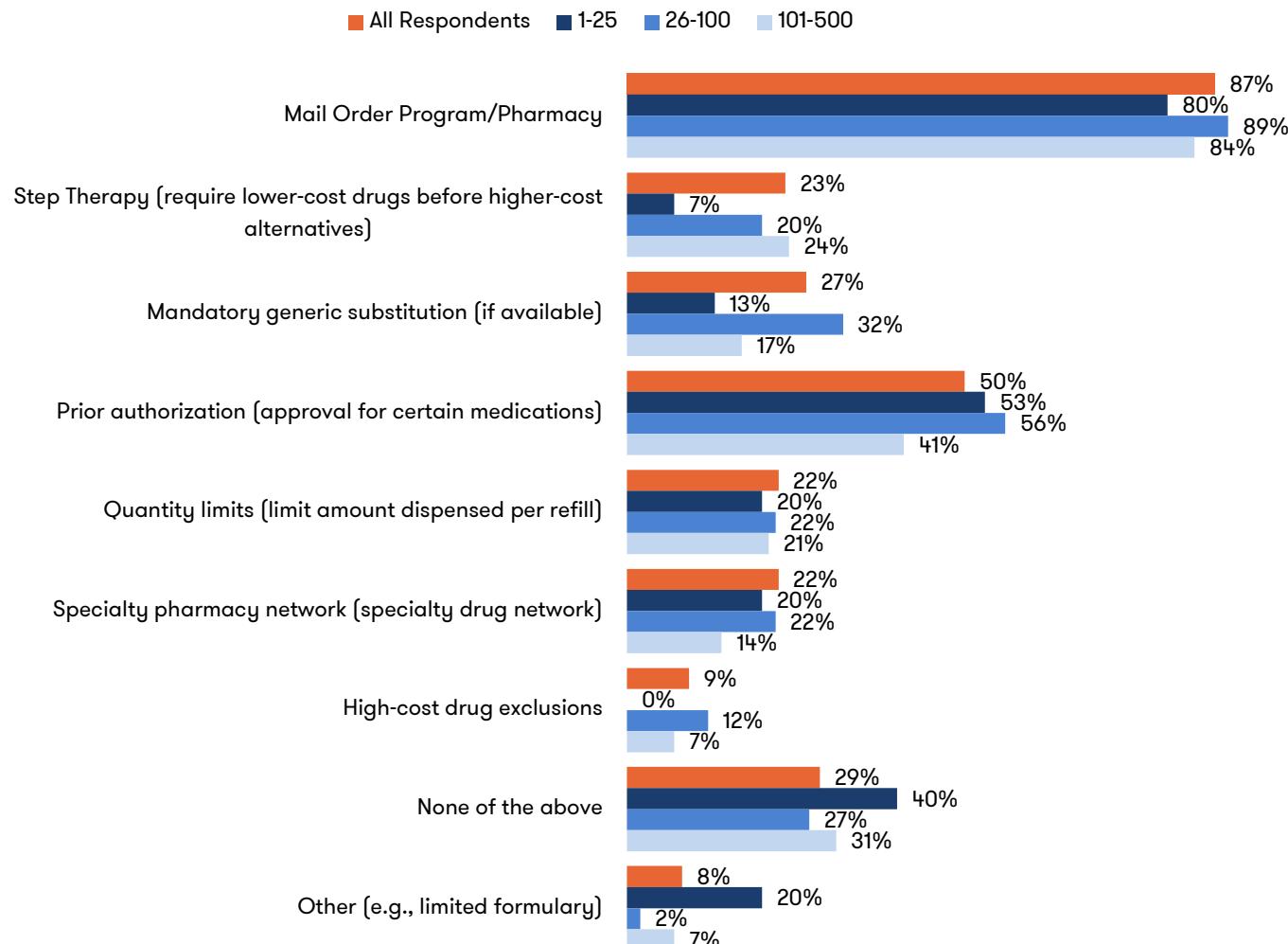
Most cost control strategies show remarkable consistency across organization sizes, suggesting these tools appeal broadly regardless of administrative capacity. Mandatory generic substitution (25-30%) and step therapy (20-25%) maintain steady adoption rates, indicating balanced approaches to clinical and cost management priorities.

## Limited Adoption of Advanced Strategies

Specialty pharmacy networks and quantity limits both hover around 15-20%, while high-cost drug exclusions remain minimal at approximately 5%. The low adoption of exclusion strategies suggests nonprofit organizations prioritize member access over aggressive cost containment, reflecting sector values around comprehensive care provision.

The 25-30% of organizations using “none of the above” represents significant opportunity for cost management improvement, particularly given the proven effectiveness and broad applicability of mail order and prior authorization programs. The consistency across size segments suggests smaller organizations could successfully implement these strategies with appropriate vendor support.

## Prescription Drug Coverage Cost Control Strategies of Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the “All Respondents” totals but are not shown as a separate segment due to the limited sample size.

# Consumer Reimbursement Accounts

## Current Landscape

### Core Account Offerings Dominate

Medical FSAs lead adoption at 66%, maintaining their position as the most accessible tax-advantaged account for nonprofit employees. Dependent Care FSAs follow closely at 63%, reflecting sustained demand for childcare expense management across the sector.

HSAs have reached equilibrium at 46%, with significant size-based variation. Larger organizations (101-500 employees) lead adoption at 59%, compared to just 32% among smaller organizations (1-25 employees), highlighting the administrative sophistication required for effective HSA implementation.

### Emerging Opportunities

Limited Purpose FSAs show strong growth to 27%, indicating better understanding of how these accounts complement HSA strategies. HRA adoption continues declining to 28%, reflecting movement toward employee-directed savings vehicles over employer-controlled reimbursement accounts.

The 15% of organizations offering no consumer accounts represent potential expansion opportunities, particularly among resource-constrained smaller nonprofits that may benefit from simplified implementation approaches.

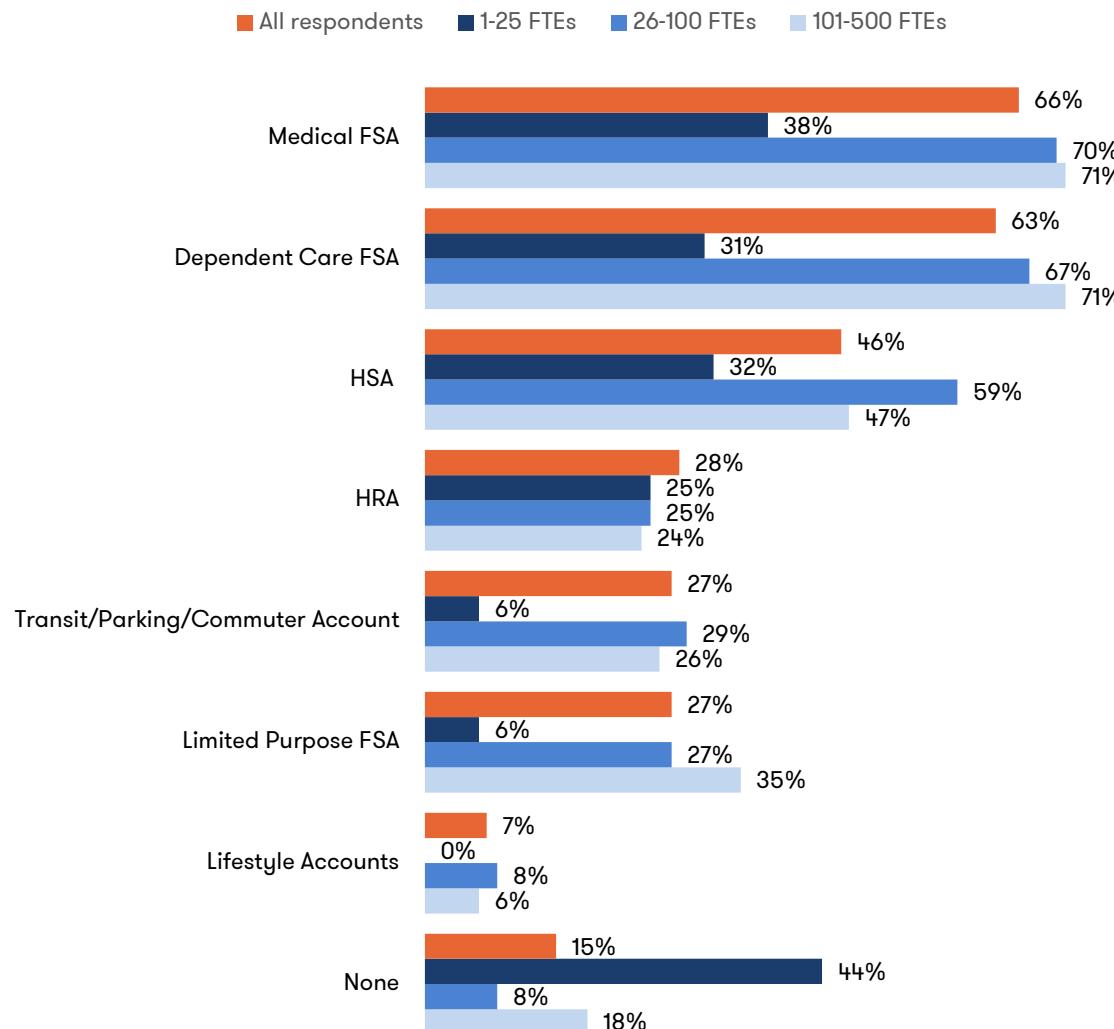
### ★ Medical FSA

adoption has declined 28% since 2021 (94% → 66%), representing the most dramatic shift in the reimbursement account landscape as organizations pivot toward HSA strategies.

### Size-Based Strategic Considerations

Mid-sized organizations consistently show higher adoption rates across most account types, suggesting optimal balance between administrative capacity and cost management needs. The uniformity of adoption patterns across size segments for certain accounts (like HRA at 24-25%) indicates sector-wide trends rather than size-specific factors driving decision-making.

### Consumer Accounts Offered by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Reimbursement Accounts, Employer Contribution Strategies

## HSA Funding Reveals Employer Ambivalence

HSA contribution patterns show a bimodal approach: 27-28% of employers provide no contribution, while 14% contribute meaningfully in the \$1,001-\$2,000 range for both single and family coverage. Only 10% contribute \$2,001 or more annually, indicating most employers position HSAs as employee-funded vehicles rather than making substantial investments despite long-term savings potential.

The percentage providing no HSA contribution increased from 23% in 2021 to 31% in 2023 and remained elevated at 27-28% in 2025. However, meaningful contributions (\$1,001-\$2,000) held steady at 14-17% across all three survey years for single coverage, while family coverage contributions concentrated in this range increased from 47% in 2021 to 47% in 2023, suggesting employers maintain consistent funding levels when they do contribute.

## HRA Decline Reflected in Funding Patterns

HRA funding aligns with declining adoption trends. The 38% N/A rate reflects discontinued programs, while 13% provide zero contributions. Among active funders, 10% contributing \$2,001-\$3,000 represents the highest meaningful funding concentration, reinforcing the strategic shift away from employer-controlled accounts toward employee-directed savings.

Zero contributions jumped from just 3% in 2021 to 12.5% in 2023, reaching 13% in 2025. More significantly, high-value contributions (\$1,500+) dropped from 52% in 2023 to just 10% contributing \$2,001-\$3,000 in 2025, indicating substantial pullback from HRA investment as organizations phase out these accounts.

## Transit Benefits Offer Convenience Over Strategy

Transit/Commuter funding shows operational rather than strategic positioning. With 48% N/A and 38% zero-contribution rates, most organizations provide tax-advantaged access without meaningful financial investment. Contribution concentrations in lower ranges align with typical employee-funded commuter benefit structures.

Transit/Commuter funding remained remarkably consistent with 80% providing no contribution in 2021, mirrored by the 38% zero-contribution rate in 2025 (accounting for methodology differences). This stability suggests these benefits serve primarily as employee convenience rather than employer-funded programs.

## ICHRA Adoption Remains Experimental

ICHRA allowances show minimal market penetration with 67% N/A responses. Among limited adopters, varied contribution patterns suggest organizations are still experimenting with optimal funding levels for these emerging benefit vehicles.

## Strategic Implications

The trend toward reduced consumer account funding, particularly for HRAs, aligns with broader shifts toward employee-directed benefits. However, the stability in meaningful HSA contributions among participating employers suggests these accounts retain strategic value when properly implemented and funded.

The conservative contribution approach across consumer accounts may limit their effectiveness as cost-reduction tools. Organizations should reassess funding strategies to ensure accounts achieve intended purposes while maintaining competitive positioning in talent acquisition and retention.

## Annual Employer Contributions to Consumer Spending Accounts

	HSA, Single	HSA, Family	HRA	Transit/Commuter	ICHRA Allowance
<b>N/A</b>	<b>22%</b>	<b>26%</b>	<b>38%</b>	<b>48%</b>	<b>67%</b>
<b>\$0</b>	<b>27%</b>	<b>28%</b>	<b>13%</b>	<b>38%</b>	<b>18%</b>
<b>\$1 - \$100</b>	<b>4%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>0%</b>
<b>\$101 - \$200</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>
<b>\$201 - \$300</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>
<b>\$301 - \$400*</b>	<b>4%</b>	<b>3%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>
<b>\$401 - \$500</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>
<b>\$501 - \$600</b>	<b>4%</b>	<b>1%</b>	<b>3%</b>	<b>0%</b>	<b>2%</b>
<b>\$601 - \$700</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>
<b>\$701 - \$800</b>	<b>4%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>
<b>\$801 - \$900</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>\$901 - \$1,000</b>	<b>3%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>
<b>\$1,001 - \$2,000</b>	<b>14%</b>	<b>14%</b>	<b>8%</b>	<b>0%</b>	<b>4%</b>
<b>\$2,001 - \$3,000**</b>	<b>3%</b>	<b>7%</b>	<b>10%</b>	<b>0%</b>	<b>2%</b>
<b>\$3,001 - \$4,000</b>	<b>3%</b>	<b>1%</b>	<b>5%</b>	<b>2%</b>	<b>2%</b>
<b>\$4,001 - \$5,000†</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>
<b>\$5,001 - \$6,000</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>
<b>\$6,001 - \$7,000</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>\$7,001 - \$8,000</b>	<b>1%</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>
<b>\$8,001 - \$8,550††</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>

\*(2025 Transit/Commuter max: \$325)

\*\*(HRA max: \$2,150 per employee)

†(2025 HSA indiv. max: \$4,300)

†† (2025 HSA Family max: \$8,550)

# Historical Trends and Market Evolution (2021-2025)

## Significant Market Shifts

The four-year trend data reveal fundamental changes in nonprofit benefits strategy. Medical FSA adoption has declined substantially from 94% in 2021 to 66% in 2025, representing the most dramatic shift in the consumer account landscape. This 28-percentage point decline reflects the sector's strategic pivot toward high-deductible health plans paired with HSAs.

Dependent Care FSAs experienced a 20-percentage point decline from 83% in 2021, though the rate of decline has slowed significantly between 2023 (65%) and 2025 (63%), suggesting market stabilization.

## HSA and HRA Evolution

HSA adoption plateaued at 46% between 2023 and 2025, indicating the sector has reached natural equilibrium where organizations capable of implementing consumer-driven strategies have largely done so. HRA utilization dropped 10 percentage points from 38% to 28% between 2023 and 2025, accelerating the movement away from employer-controlled accounts.

## Notable Growth Areas

Limited Purpose FSAs demonstrate the strongest growth trajectory, increasing from 20% in 2021 to 41% in 2023, then surging to 53% in 2025. This 13-percentage point increase over two years suggests successful education around HSA complementary strategies.

Transit/Parking/Commuter accounts recovered to 27% in 2025 after declining to 26% in 2023, indicating resilience in commuter benefits despite remote work trends.

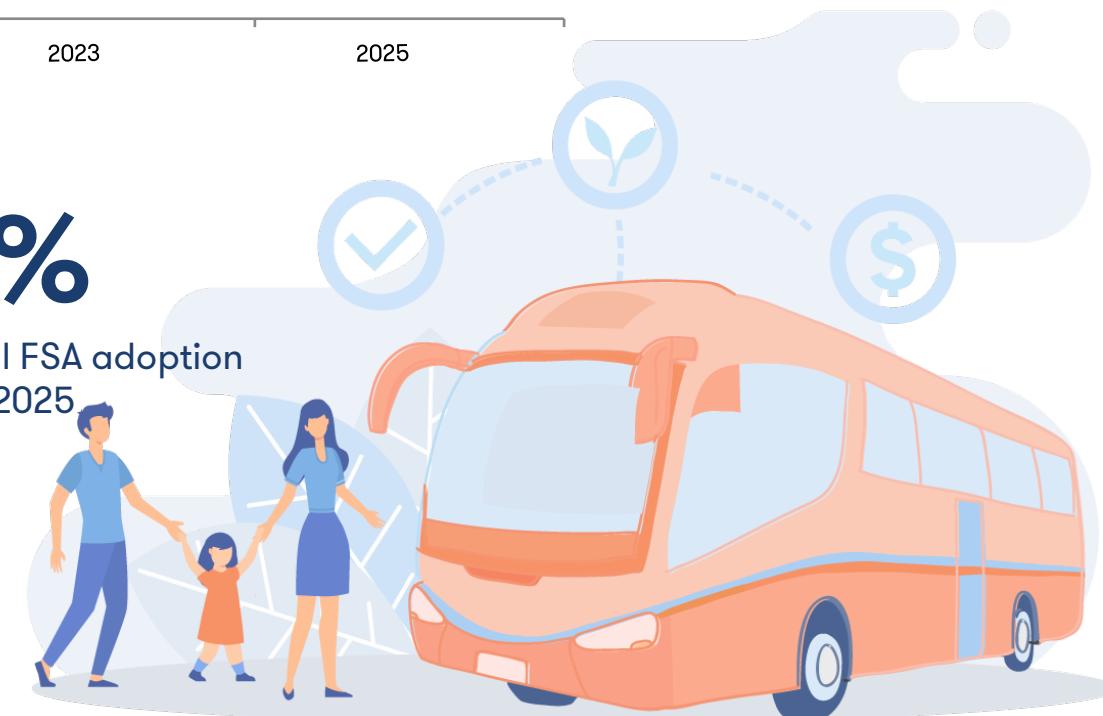
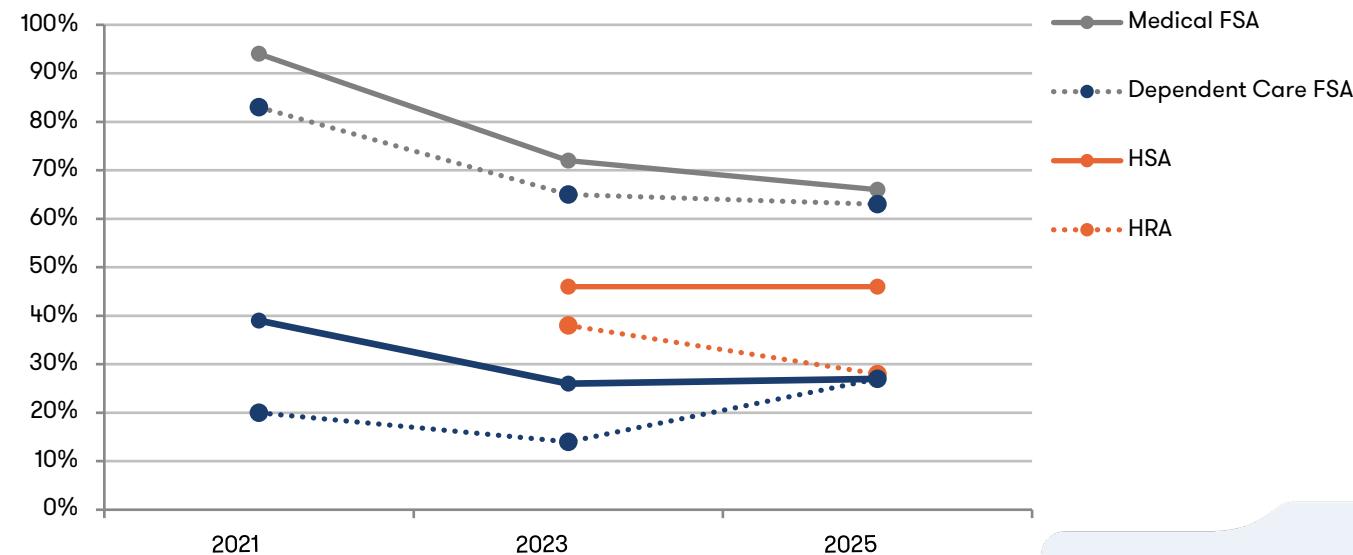
↑ 93%

Adoption of Limited Purpose FSA  
surged between 2023 to 2025

↓ 28%

Decline in Medical FSA adoption  
between 2023 to 2025

## Consumer Account Adoption Trends of Surveyed Nonprofits 2021-2025



# FSA Unused Funds Management

## A Shift Toward Employee-Friendly Policies

### Grace Periods Become Dominant Strategy

Grace period adoption surged dramatically from 30% in 2023 to 52% in 2025, making it the most prevalent unused funds management approach. This 22-percentage point increase suggests nonprofits are prioritizing employee satisfaction and fund utilization over administrative simplicity, as grace periods require more complex year-end management but provide employees additional time to use allocated funds.

### Carryover Options Maintain Steady Adoption

Carryover provisions held relatively stable at 49% in 2025 compared to 48% in 2023, indicating sustained commitment to this employee-friendly option despite administrative complexity. The consistency suggests organizations view carryover as a strategic retention tool, particularly valuable in competitive talent markets where benefits flexibility matters.

### Mid-Sized Organizations Show Distinct Preference Pattern

The 101-500 employee segment demonstrates unique policy preferences, favoring carryover provisions (64%) over grace periods (44%), unlike all other size groups that prefer grace periods. This divergence may reflect the administrative sophistication of mid-sized organizations, which have sufficient resources to manage carryover complexities while lacking the economies of scale that make grace period administration efficient for larger employers.

### Use-It-Or-Lose-It Policies Show Unexpected Growth

Use-it-or-lose-it policies more than doubled from 14% in 2023 to 34% in 2025, representing the most significant policy shift. This increase likely reflects cost management pressures and administrative simplification efforts, as these policies require minimal year-end processing while encouraging active fund utilization during the plan year.

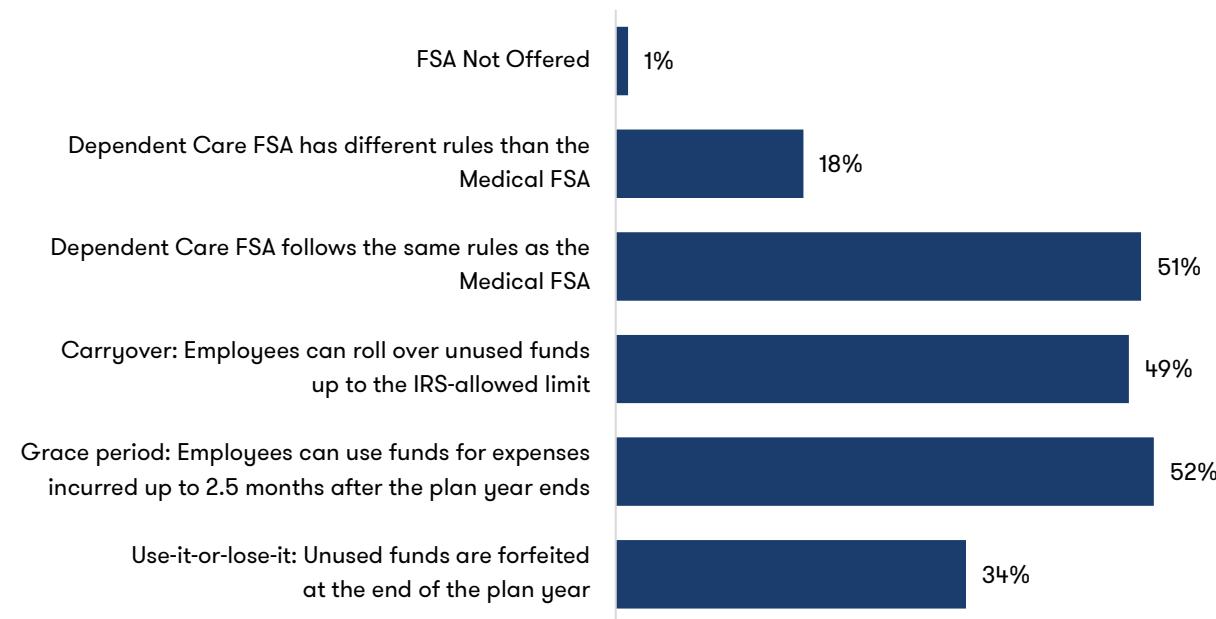
### Dependent Care Integration Patterns

Half of organizations (51%) align Dependent Care FSA rules with Medical FSA policies, indicating administrative efficiency preferences. The 18% maintaining different rules likely reflects the distinct usage patterns and higher balances typical in dependent care accounts, which may warrant more flexible unused funds treatment.

### Strategic Implications

The simultaneous growth in both employee-friendly (grace periods) and restrictive (use-it-or-lose-it) policies suggests nonprofit organizations are polarizing around distinct FSA management philosophies—either maximizing employee value or optimizing administrative efficiency.

### FSA Unused Funds Management Policies of Surveyed Nonprofits



## ★ A Fork in the Road.

The simultaneous rise of employee-friendly grace periods (52%) and employer-friendly “use-it-or-lose-it” rules (34%) reveals a sector at a crossroads. Are you prioritizing maximum employee flexibility or administrative simplicity and cost control. Your choice sends a clear message about your organizational culture.

# Dental Plans

## Coverage Types Offered

### PPO Dominance Continues Despite Market Shifts

PPO plans maintain clear dominance at 76% overall, though this represents a notable decline from 84% in 2023 and 85% in 2021. The decline appears most pronounced among mid-sized organizations (26-100 employees) at 75%, while smallest organizations (1-25 employees) show the highest PPO adoption at 93%. DHMO plans continue their steady decline to 17%, down from 20% in 2023 and 27% in 2021, with larger organizations (101-500 employees) showing the highest HMO retention at 24%.

**Voluntary Dental** plans surged 78% from 2023 to 2025, indicating nonprofits are moving non-medical benefits to a voluntary model to preserve employee choice while protecting the budget.

### Voluntary Plans Growing Strong

Voluntary dental plans demonstrate the strongest growth trend, surging to 16% in 2025 from just 9% in both 2021 and 2023.

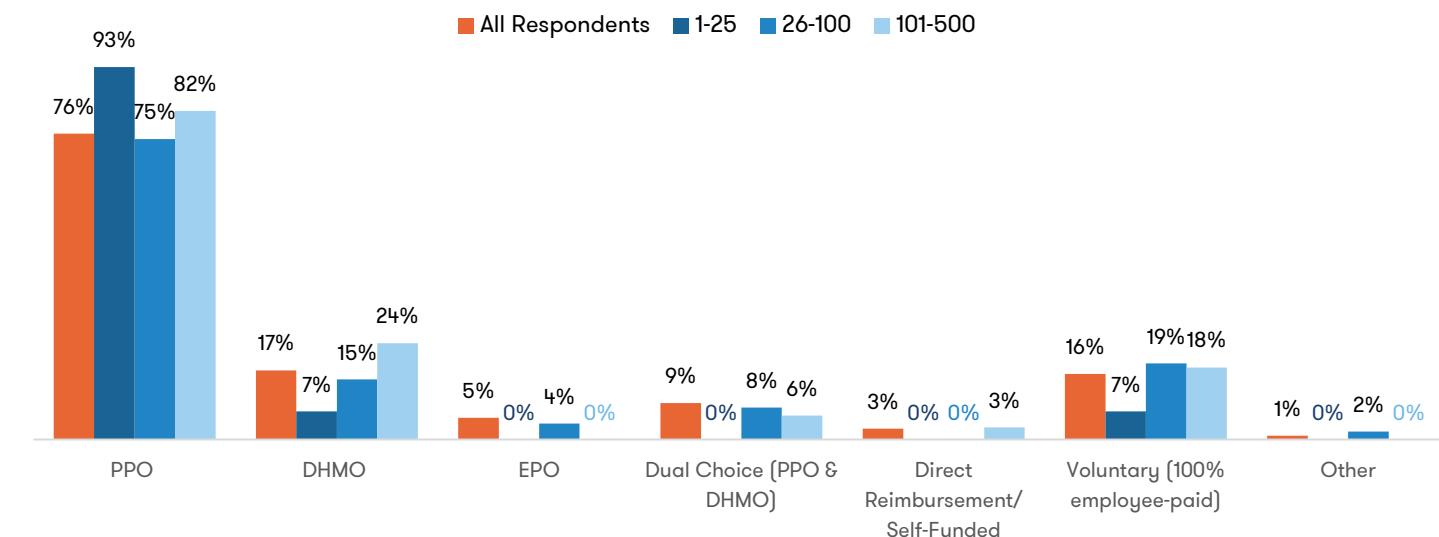
This 78% increase suggests nonprofit organizations are increasingly shifting dental coverage costs to employees while maintaining access to group rates. Mid-sized and larger organizations lead voluntary adoption at 18-19% compared to 7% among smallest employers.

### Dual Choice Show Steady Growth

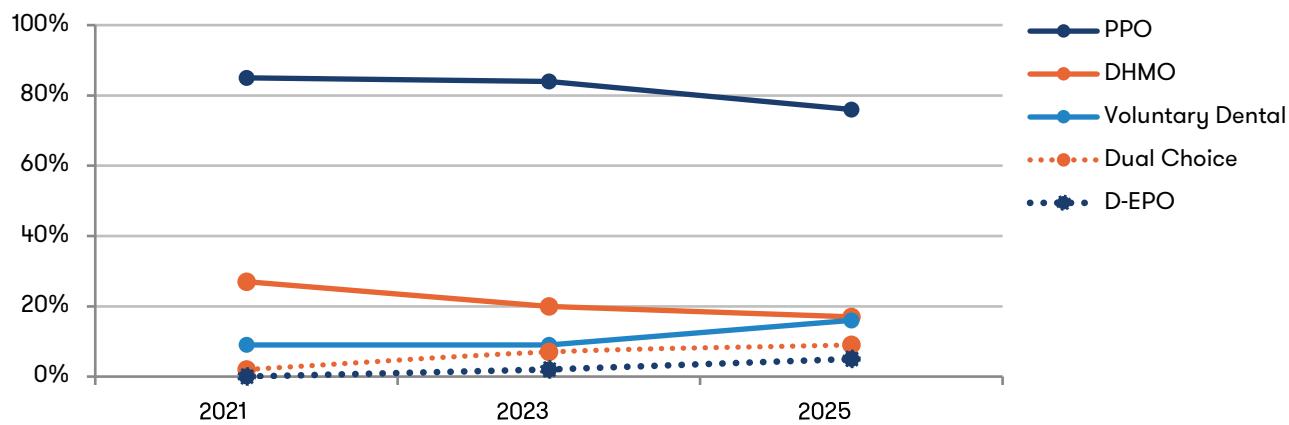
Dual choice offerings reached 9% in 2025 compared to 7% in 2023 and just 2% in 2021. This upward trend indicates organizations are providing employees more flexibility in choosing between PPO and HMO structures within a single benefit offering. EPO plans remain minimal but doubled from 2% to 5%, suggesting limited but growing interest in in-network-only arrangements.

The complete absence of alternative plan types among smallest organizations (1-25 employees) reflects administrative complexity constraints, while larger organizations show greater willingness to implement varied dental strategies. The overall trend toward voluntary offerings and away from traditional employer-funded PPO arrangements suggests cost management pressures are reshaping dental benefit strategies across the nonprofit sector.

### Dental Plan Types Offered by Surveyed Nonprofits



### Dental Plan Types Offered by Surveyed Nonprofits, Year Over Year



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Dental Funding Arrangements

## Conservative Approach

### Dominates

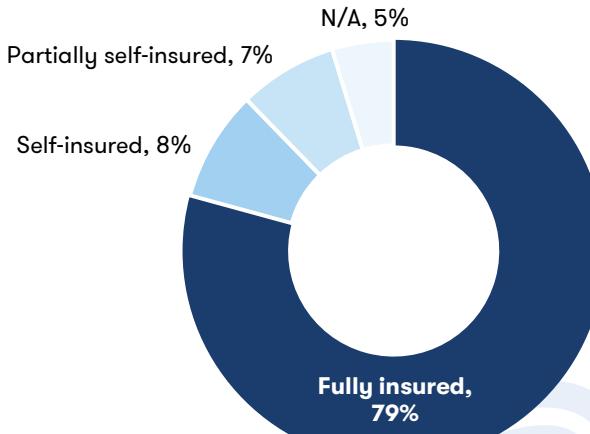
Fully-insured arrangements overwhelmingly dominate dental funding at 79%, reflecting the nonprofit sector's preference for predictable costs and simplified administration. This conservative approach aligns with typical dental plan characteristics where claim volatility is generally lower than medical plans, making fully-insured arrangements more cost-effective for most organizations.

Alternative funding arrangements remain minimal, with self-insured (8%) and partially self-insured (7%) approaches representing just 15% of organizations combined. The low adoption of self-funding for dental benefits contrasts sharply with medical plan trends, likely reflecting the relatively modest cost savings potential and administrative complexity that self-funding dental creates relative to the premium dollars involved.

Size-based patterns show predictable risk tolerance differences, with smaller organizations (1-25 employees) avoiding complete self-funding entirely while larger organizations show limited willingness to assume dental plan risk. This pattern suggests that even organizations comfortable with medical plan self-funding recognize that dental benefits may not justify the administrative overhead required for alternative funding arrangements.

The 5% N/A response rate likely represents organizations offering voluntary-only dental coverage where funding arrangements don't apply in traditional terms. The overwhelming preference for fully-insured arrangements indicates dental benefits are viewed primarily as a predictable employee benefit rather than a strategic cost management opportunity, distinguishing them from medical plan funding decisions where self-funding has gained significant traction among larger nonprofit organizations.

## Dental Plan Funding Arrangements of Surveyed Nonprofits



# Dental Plan Contributions

## Modest Cost-Sharing with Plan Type Distinctions

PPO and DHMO plans show similar employer investment patterns, with PPO employers contributing \$0-\$100 monthly for single coverage (84%) and DHMO employers contributing at comparable levels (59%). For family coverage, both plan types concentrate employer contributions in the \$0-\$200 range, though PPO plans show slightly higher contribution levels with 34% contributing \$101-\$200 for family coverage compared to DHMO's 11%.

**Employee cost-sharing remains consistently affordable across traditional plan types**, with both PPO and DHMO plans showing 55% of employees paying \$0-\$10 monthly for single coverage. Family employee contributions show more variation, with PPO family coverage concentrated at \$26-\$50 (37%) while DHMO family contributions favor lower ranges with 31% paying \$1-\$25.

**Alternative plan structures reveal distinct funding philosophies.** DEPO and Dual Choice plans show high N/A rates (67-83%) for both employer and employee contributions, suggesting these arrangements often operate outside traditional contribution structures. Voluntary dental plans confirm their employee-funded nature with 70-81% N/A rates for employer contributions, while employee contributions are distributed across moderate ranges.

## Historical Comparison Shows Contribution Stability

Comparing to 2021 data reveal remarkable consistency in dental contribution ranges. The concentration of employee single coverage in the \$0-\$10 range and family coverage in the \$26-\$50 range has remained stable, indicating dental benefits maintain their position as affordable supplemental coverage that balances employer investment with reasonable employee cost-sharing across plan designs.

## Average, Monthly, Employer and Employee Dental Plan Contributions, by Single and Family Tier

Employer, single	\$0-\$100	\$101-\$200	\$201-\$500	\$501-\$750
Dental PPO	84%	7%	1%	0%
DHMO	59%	7%	3%	0%
DEPO	5%	5%	5%	5%
Dual Choice (PPO/DHMO)	5%	10%	10%	0%
Voluntary Dental	14%	0%	5%	5%

Employer, family	N/A	\$0-\$100	\$101-\$200	\$201-\$500	\$501-\$750
Dental PPO	11%	47%	34%	7%	0%
DHMO	33%	56%	11%	0%	0%
DEPO	80%	5%	5%	5%	5%
Dual Choice (PPO/DHMO)	74%	5%	16%	5%	0%
Voluntary Dental	81%	5%	5%	10%	0%

Employee, single	N/A	\$0-\$10	\$11-\$20	\$21-\$30	\$31-\$50	\$51-\$60	\$61-\$70	More than \$70
Dental PPO	7%	55%	21%	7%	10%	0%	0%	0%
DHMO	31%	55%	7%	0%	0%	3%	0%	3%
DEPO	78%	6%	11%	0%	6%	0%	0%	0%
Dual Choice (PPO/DHMO)	72%	6%	6%	11%	0%	0%	0%	6%
Voluntary Dental	70%	0%	10%	5%	10%	5%	0%	0%

Employee, family	N/A	\$0	\$1 - \$25	\$26 - \$50	\$51 - \$75	\$76 - \$100	\$101 - \$150	\$151 - \$200	\$201 - \$300	\$301 - \$400
Dental PPO	4%	6%	14%	37%	19%	10%	9%	0%	0%	1%
DHMO	31%	10%	31%	10%	10%	3%	0%	3%	0%	0%
DEPO	83%	0%	6%	6%	0%	6%	0%	0%	0%	0%
Dual Choice (PPO/DHMO)	67%	6%	0%	22%	0%	6%	0%	0%	0%	0%
Voluntary Dental	70%	10%	0%	5%	0%	10%	5%	0%	0%	0%

# Dental Deductibles & Annual Maximums

## Moderate Individual Costs, Higher Family Burden

Individual in-network deductibles concentrate heavily in the \$26-\$50 range at 61%, representing a significant shift from historical patterns. Comparing to previous surveys, zero-deductible plans declined from 23% in 2021 to 22% in 2023, and further to just 11% in 2025, indicating a clear trend toward increased member cost-sharing at the point of service.

The \$26-\$50 individual deductible range has become the new standard, growing from what was historically the \$50-\$99 range that dominated in 2021 (54%) and 2023 (38%). This suggests organizations are implementing more moderate deductibles rather than the higher amounts that were previously common, potentially balancing cost control with member accessibility.

Family deductibles reveal a starkly different pattern, with 48% requiring more than \$75 annually for in-network services and 58% for out-of-network care. This concentration in higher deductible ranges aligns with 2021 and 2023 data showing family deductibles typically in the \$150+ range, though the 2025 “more than \$75” category suggests some moderation from the highest historical levels.

Out-of-network deductibles consistently exceed in-network amounts across all coverage tiers, with 19% of individual and 58% of family plans requiring more than \$75 for out-of-network services compared to 7% and 48% respectively for in-network care. This differential reinforces network

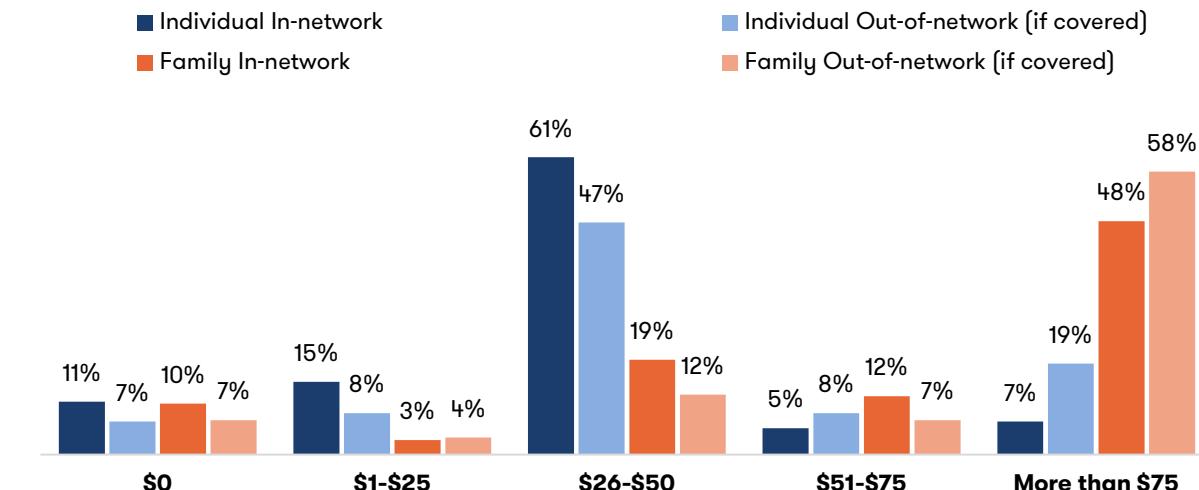
steerage strategies while maintaining some level of coverage for non-network providers.

**The overall trend shows dental plans moving toward moderate, predictable deductible structures that balance affordability with meaningful cost-sharing,** particularly for individual coverage, while family deductibles remain a more significant financial consideration for employees with dependents.

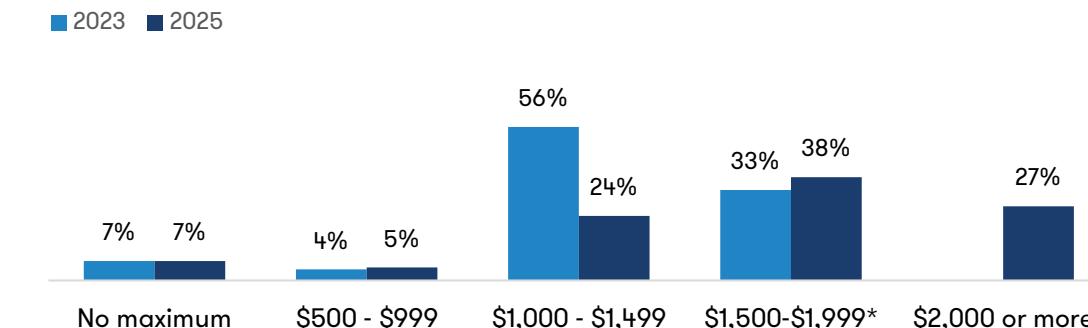
## Dental Plan Annual Maximums

**Dental plan annual maximums show a clear trend toward more generous benefit limits,** with the traditional \$1,000-\$1,499 range declining dramatically from 56% in 2023 to just 24% in 2025, while higher-value options gained significant traction. The \$1,500-\$1,999 range increased from 33% to 38%, and the newly-tracked \$2,000+ category captures 27% of organizations in 2025 - likely representing plans that were previously captured in the “>\$1,500” category in 2023. This upward shift suggests nonprofit organizations are enhancing dental coverage value, potentially responding to competitive talent market pressures or recognition that traditional limits may no longer provide adequate coverage for comprehensive dental care, with organizations maintaining stable approaches at the extremes (7% offering no maximum in both years).

## Annual Deductibles for the Dental Plan with the Highest Enrollment



## Annual Maximum for the Dental Plan with the Highest Enrollment



**★ Is Your Dental Plan Stuck in the Past?** The classic \$1,000 dental maximum is fading fast. In 2023, 56% of plans had this limit; today, only 24% do. With 65% of nonprofits now offering \$1,500 or more, failing to update your dental plan could put you at a significant competitive disadvantage.

# Vision Coverage

## Vision Benefits Offering and Plan Contributions

### Affordable Access with Modest Cost-Sharing

Vision plan adoption shows a notable trajectory, surging from 77% in 2021 to 92% in 2023, before declining to 87% in 2025. This recent 5-percentage point decrease may reflect cost management pressures or benefit portfolio optimization as organizations reassess ancillary coverage priorities in competitive talent markets.



In 2025,  
**87%**  
Offer Vision  
Coverage

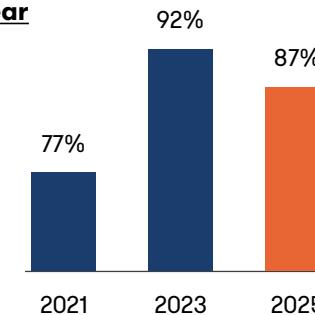
Among the 87% offering vision benefits, exceptional affordability remains with 87% of employees paying less than \$10 monthly for single coverage (21% paying \$0 and 66% paying less than \$10), while family coverage shows higher but still reasonable costs with 46% paying less than \$10 and 42% paying \$10-\$50.

Employer

contribution patterns reveal a balanced approach, with 35% providing no contribution for both single and family coverage, while others offer modest support with 34% contributing less than \$10 for single coverage and 30% contributing \$10-\$50 for family plans.

The evolving adoption rates may correlate with changing contribution strategies. The 2025 pattern of 21% of employees paying \$0 for single coverage represents a decrease from 31% in 2023, suggesting **organizations that retained vision benefits are implementing modest employee cost-sharing rather than eliminating the benefit entirely.** The concentration in the "less than \$10" category has increased from 23% to 66%, indicating surviving vision plans prioritize accessibility through minimal contributions. Employer contribution patterns have remained stable with 35% contributing \$0, suggesting the 5% of organizations that discontinued vision benefits between 2023 and 2025 may have been those with higher cost-sharing models that became less competitive or sustainable.

**Percentage of Surveyed Nonprofits Offering Vision Benefits, by Survey Year**



**Employee and Employer Monthly Vision Plan Contributions of Surveyed Nonprofits**

	\$0	Less than \$10	\$10 - \$50	\$51 - \$100	\$101 - \$150	\$150 or more
<b>Employee monthly contribution, Single</b>	21%	<b>66%</b>	10%	0%	0%	3%
<b>Employee monthly contribution, Family</b>	11%	<b>35%</b>	<b>42%</b>	9%	2%	2%
<b>Employer monthly contribution, Single</b>	<b>35%</b>	<b>34%</b>	<b>23%</b>	3%	3%	2%
<b>Employer monthly contribution, Family</b>	<b>35%</b>	14%	<b>30%</b>	13%	3%	5%

## Universal Basic Coverage, Size-Driven Supplemental Options

### Affordable Access with Modest Cost-Sharing

Basic life and AD&D coverage achieve near-universal adoption at 86% and 76% respectively, with larger organizations showing consistently higher adoption rates (94% and 78% for 101-500 employee organizations) compared to smallest employers (78% and 50% for 1-25 employees). Comparing to historical data, basic life coverage has remained remarkably stable, declining only slightly from 95% in 2021 to 86% in 2025, while basic AD&D has improved from 77% in 2023 to 76% in 2025.

### Supplemental coverage reveals size-based disparities

Supplemental life offerings range from just 17% among smallest organizations to 57-59% among larger ones. Dependent coverage follows similar patterns, with spouse and child life insurance offered by only 11% of smallest employers compared to 50-

56% of larger organizations. These patterns suggest that administrative complexity and economies of scale create significant barriers for smaller nonprofits implementing comprehensive life insurance portfolios.

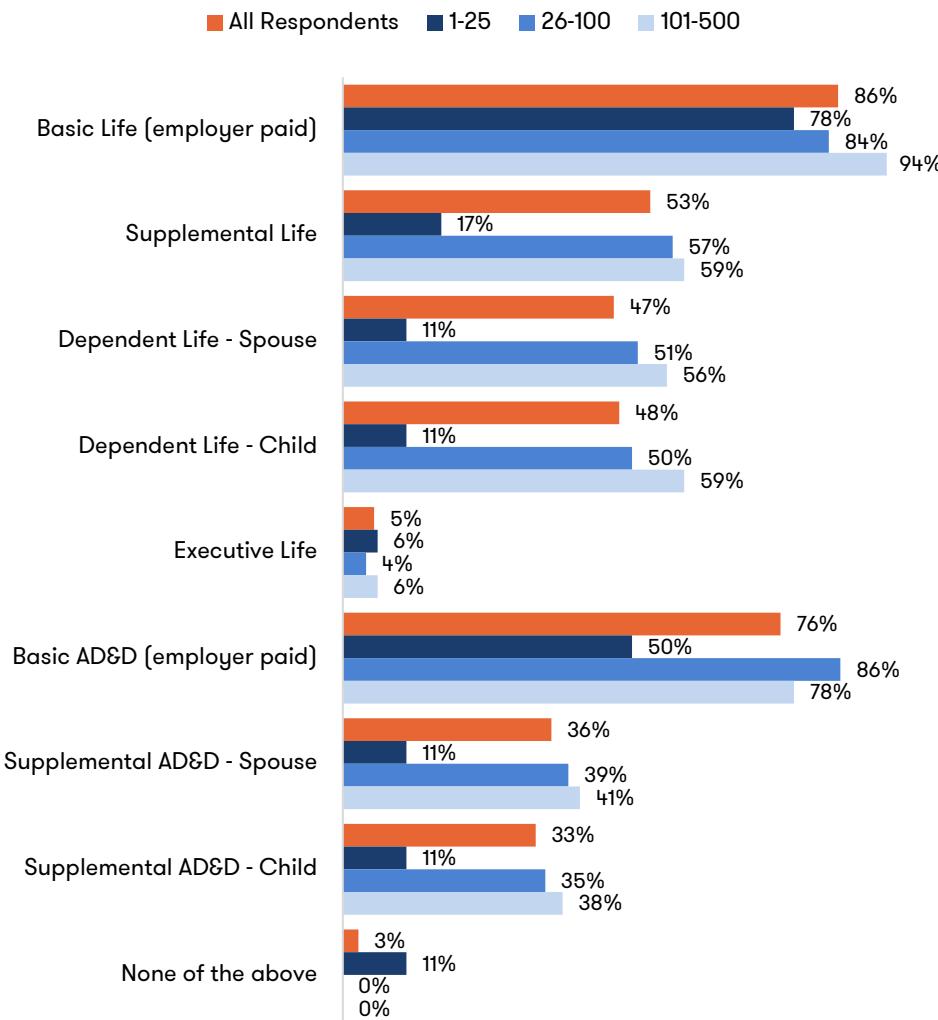
### AD&D Mirrors Life Trends

AD&D supplemental spouse and child coverage is offered by 36% and 33% of organizations overall but showing the same pronounced size correlation.

### Executive life remains minimal

Executive life insurance remains minimal across all segments at 5-6%, indicating limited appetite for enhanced coverage for leadership positions. The minimal “none of the above” responses (3% overall, 11% for smallest employers) confirm that some form of life insurance coverage has become standard practice, with size determining the comprehensiveness rather than the presence of these benefits.

### Life and AD&D Benefits Offered by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the “All Respondents” totals but are not shown as a separate segment due to the limited sample size.

# Basic Life Benefit Amounts

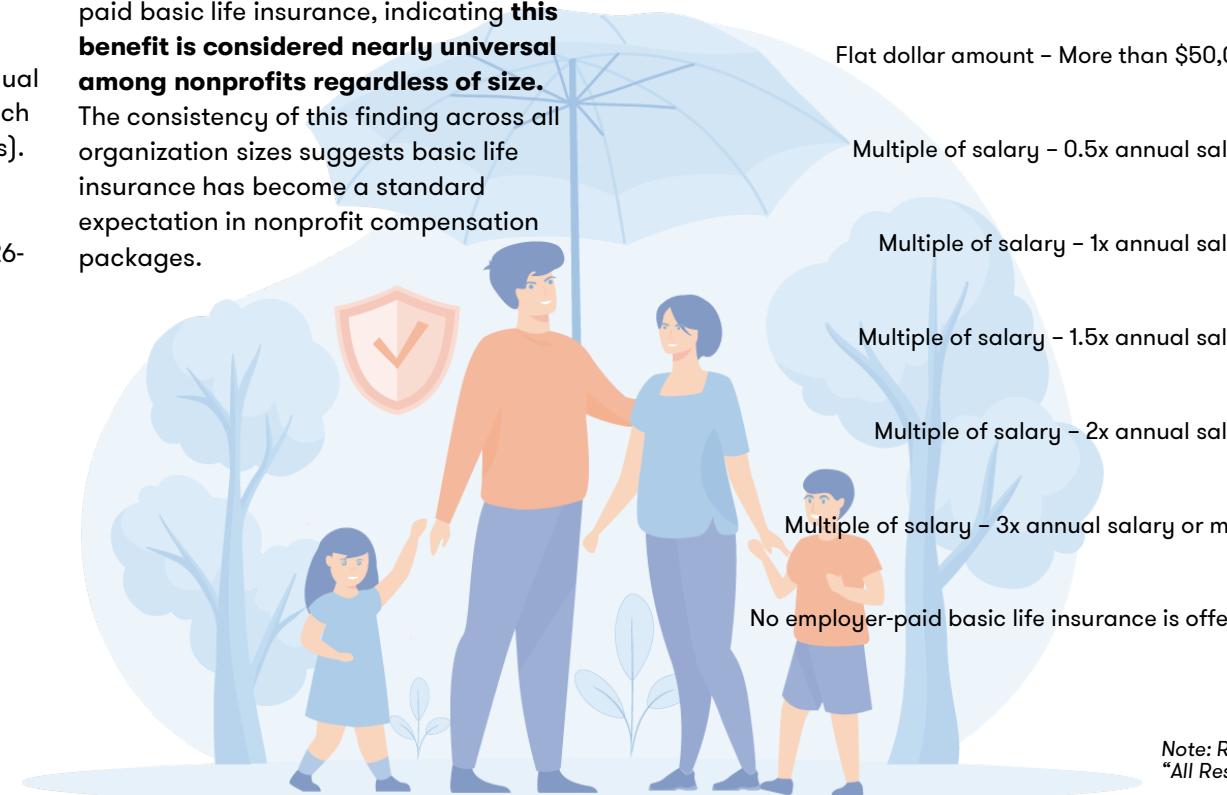
## Size-Based Preferences:

The \$50,000 flat amount emerges as the standout choice for larger organizations, with approximately 30% of the largest nonprofits (101-500 employees) selecting this coverage level. This amount aligns with the IRS tax-free benefit limit, suggesting larger organizations are optimizing for both employee value and tax efficiency. In contrast, smaller organizations show much lower adoption of this amount, likely reflecting different budget constraints and employee expectations.

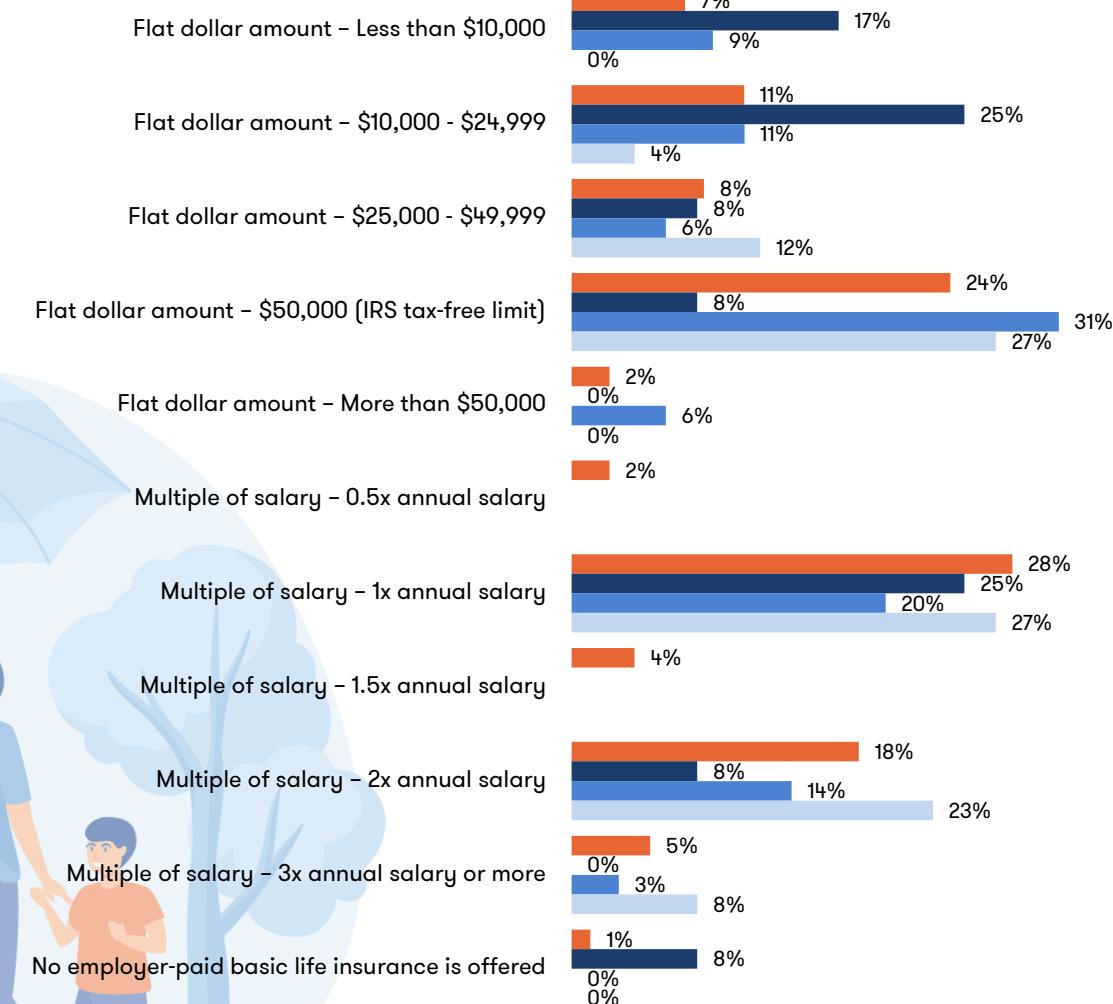
**Salary-based multiples show interesting size patterns**, with 1x annual salary being the most popular approach overall (around 27% of all respondents). This approach appears relatively consistent across organization sizes, though medium-sized organizations (26-100 employees) show slightly higher adoption. The 2x salary multiple is moderately popular across all sizes, while higher multiples (3x or more) remain uncommon, suggesting most nonprofits view 1-2x salary as appropriate coverage levels.

Lower flat dollar amounts (\$10,000-\$24,999) are more common among smaller organizations, which makes sense given their typically more constrained budgets and potentially lower average salaries. The sub-\$10,000 category shows modest usage across all sizes but isn't dominant anywhere, suggesting most organizations recognize this as insufficient coverage.

Notably, very few organizations (under 5% overall) report offering no employer-paid basic life insurance, indicating **this benefit is considered nearly universal among nonprofits regardless of size**. The consistency of this finding across all organization sizes suggests basic life insurance has become a standard expectation in nonprofit compensation packages.



## Life Insurance Benefit Amounts by Size of Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Basic Life Coverage Factors

## Current Patterns & Evolving Trends:

Nonprofit organizations show clear patterns in how they structure life insurance coverage, with organizational size being the strongest predictor of approach complexity. Small nonprofits overwhelmingly prefer uniform coverage, with 64% providing identical benefits to all eligible employees, while larger organizations maintain more varied approaches—38% each using salary level and employee age as determining factors.

**The data reveal a gradual but notable shift since 2023 toward simpler approaches, particularly around salary-based determinations.** Large organizations showed the most significant change, dropping from 72% to 38% in using compensation as a factor, while small organizations decreased from 37% to 18%. This suggests growing organizational preference for more equitable benefit structures, though the change appears evolutionary rather than dramatic.

Age-based and work status considerations have remained relatively stable, indicating these are viewed as practical, defensible criteria. About a quarter of organizations use full-time versus part-time status as a determining factor, and age-based determinations show consistent usage across time periods. These factors appear more durable than salary-based approaches, likely because they're seen as operationally necessary or actuarially sound.

Less common approaches include job classification and tenure-based

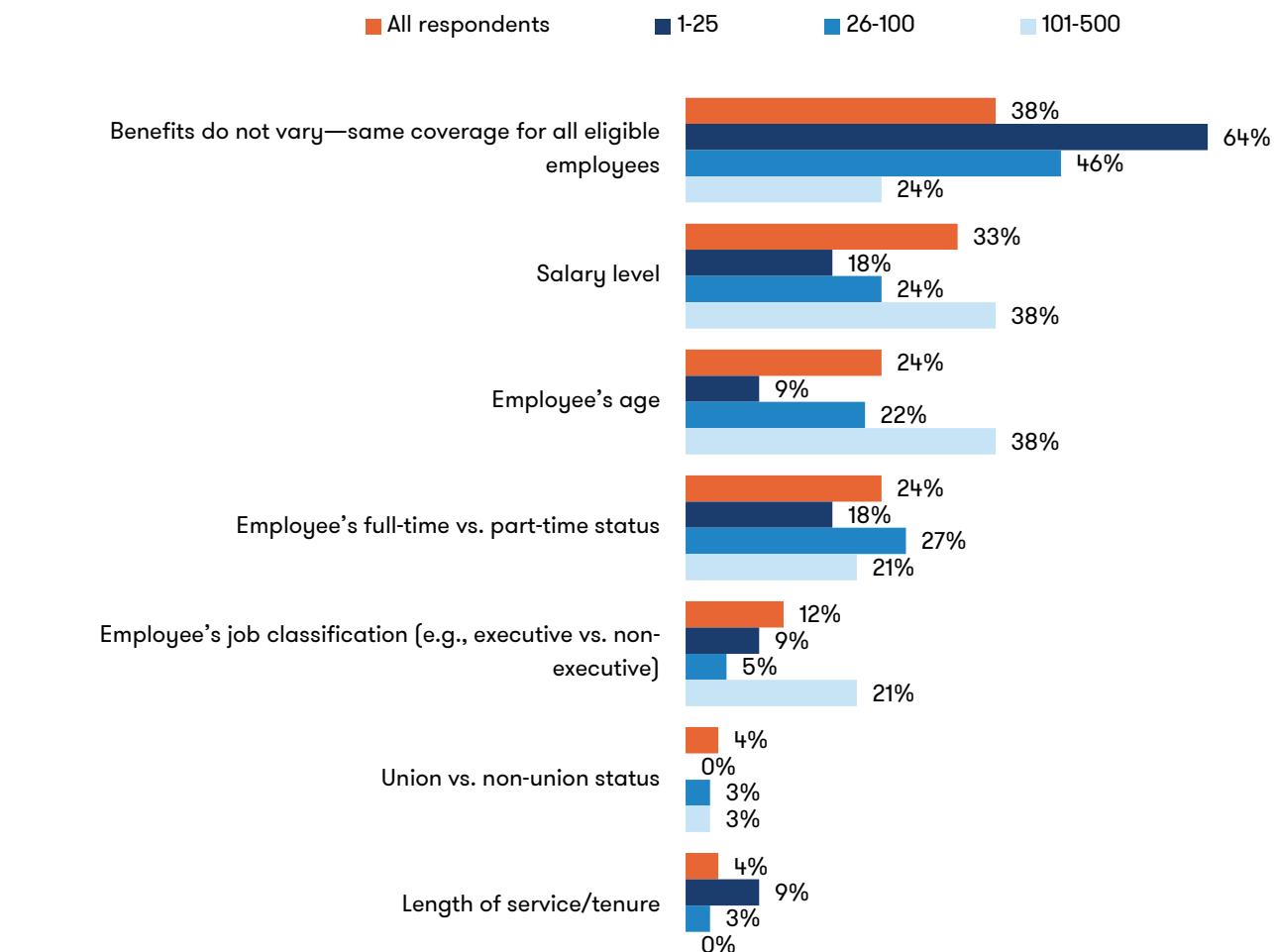
determinations. Interestingly, job classification usage increased among large organizations (from 7% to 21%), suggesting some larger nonprofits are developing more sophisticated but selective approaches. Length of service remains consistently low across all segments, and union status barely registers as a factor.

For organizations benchmarking their practices, **the current landscape suggests most small nonprofits use uniform coverage, while larger organizations typically employ 2-3 simple, transparent criteria.** The sector appears to be gradually moving toward either uniform coverage or straightforward age and work-status based approaches, with complex multi-factor systems becoming less common. This shift likely reflects both administrative efficiency needs and evolving organizational values around benefit equity.

 **47%**

Larger nonprofits have rapidly moved away from salary-based life insurance. Usage of compensation as a determining factor fell by nearly half (from 72% to 38%) since 2023, signaling a significant shift toward simpler, more equitable structures.

## Life Insurance Coverage Factors used by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Disability Benefits

## Coverage Types Offered

### Cost Pressures Drive New Approaches

Both STD and LTD employer-provided coverage have decreased significantly since 2023. STD coverage dropped from 71% to 55% overall, while LTD fell from 90% to 70%. This represents a substantial shift away from employer-funded disability benefits, most pronounced among smaller organizations where STD coverage decreased from 69% to 50%.

**Employer-Paid STD Coverage** dropped from 71% to 55%, while LTD fell from 90% to 70%—representing one of the most significant benefits funding changes.

**The emergence of “voluntary only” options suggests a strategic shift in benefit funding approaches.** The current data show 16% of organizations offering voluntary STD only and 16% offering voluntary LTD only—categories that weren’t explicitly tracked in 2023. This likely represents organizations moving from employer-paid to employee-paid disability coverage while maintaining benefit availability.

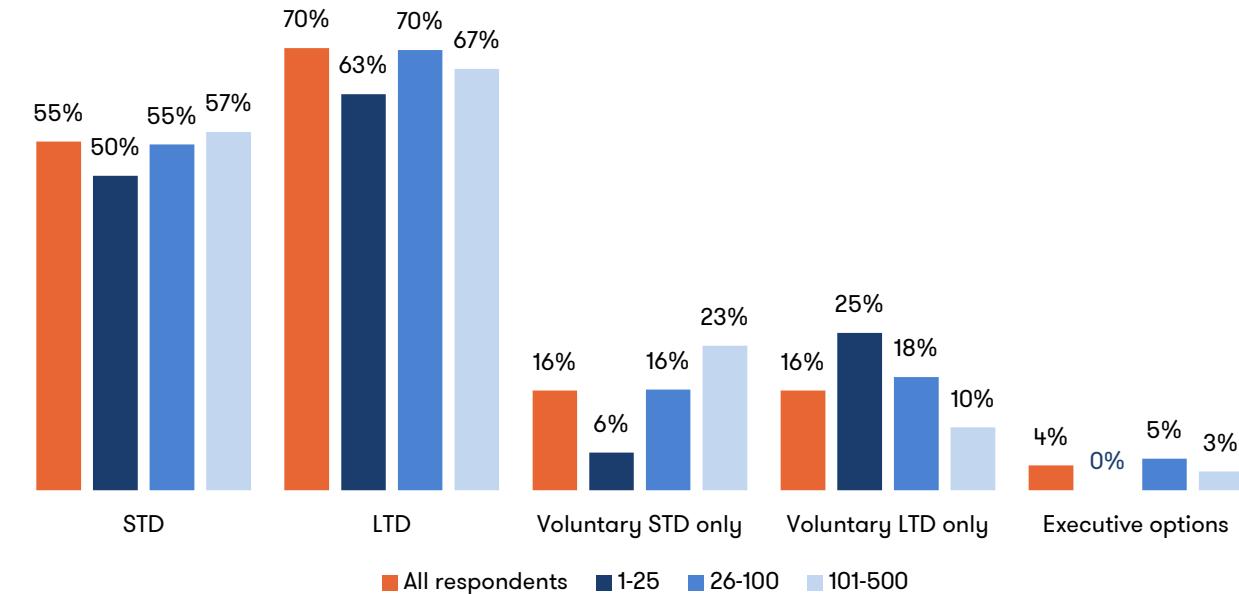
Size-based patterns reveal interesting variations in this transition. Larger organizations (101-500 employees) show the highest rates of voluntary STD only (23%), while smaller organizations (1-25 employees) show higher rates of voluntary LTD only (25%), suggesting different strategic approaches based on organizational capacity.

Executive disability options remain minimal across all sizes (4% overall), consistent with 2023 levels, indicating this remains a niche benefit with virtually no usage among the smallest organizations.

**The overall trend suggests cost pressures are driving nonprofits to restructure disability benefits rather than eliminate them entirely.** By shifting from employer-paid to voluntary coverage, organizations can maintain benefit options while transferring costs to employees—a pragmatic response to economic pressures facing the nonprofit sector.

**Methodology Note:** The 2023 survey measured employer-provided disability benefits and limited supplemental options, while the current survey distinguishes between employer-paid and voluntary-only coverage models, making direct comparisons approximate rather than exact.

**Types of Disability Coverage Offered by Surveyed Nonprofits, by Size (FTEs)**



Note: Responses from organizations with more than 500 employees (n=6) are included in the “All Respondents” totals but are not shown as a separate segment due to the limited sample size.

# Short-Term Disability Benefit Amounts

## 60% Salary Dominates Across All Organization Sizes

The 60% of salary benefit level is overwhelmingly the standard choice, used by approximately 60-70% of organizations across all size segments. This represents a slight increase from 2023 when 53% of nonprofits overall used this level, suggesting continued convergence around this industry benchmark. The consistency across organization sizes indicates this has become the accepted standard regardless of organizational capacity.

**50% of salary serves as the primary alternative**, used by roughly 10-15% of organizations, particularly among smaller nonprofits. This lower level likely reflects budget constraints while still providing meaningful income replacement. The 66.67% level (two-thirds salary) shows modest usage around 10-12%, suggesting some organizations prefer this slightly more generous approach.

**Flat weekly benefit amounts are notably uncommon** across all categories. Even the most popular flat amount (less than \$200

weekly) shows minimal adoption, and higher flat amounts (\$500+ weekly) are virtually unused. This preference for percentage-of-salary over flat amounts makes sense given the wide variation in nonprofit employee compensation levels and the need for benefits to scale appropriately with income.

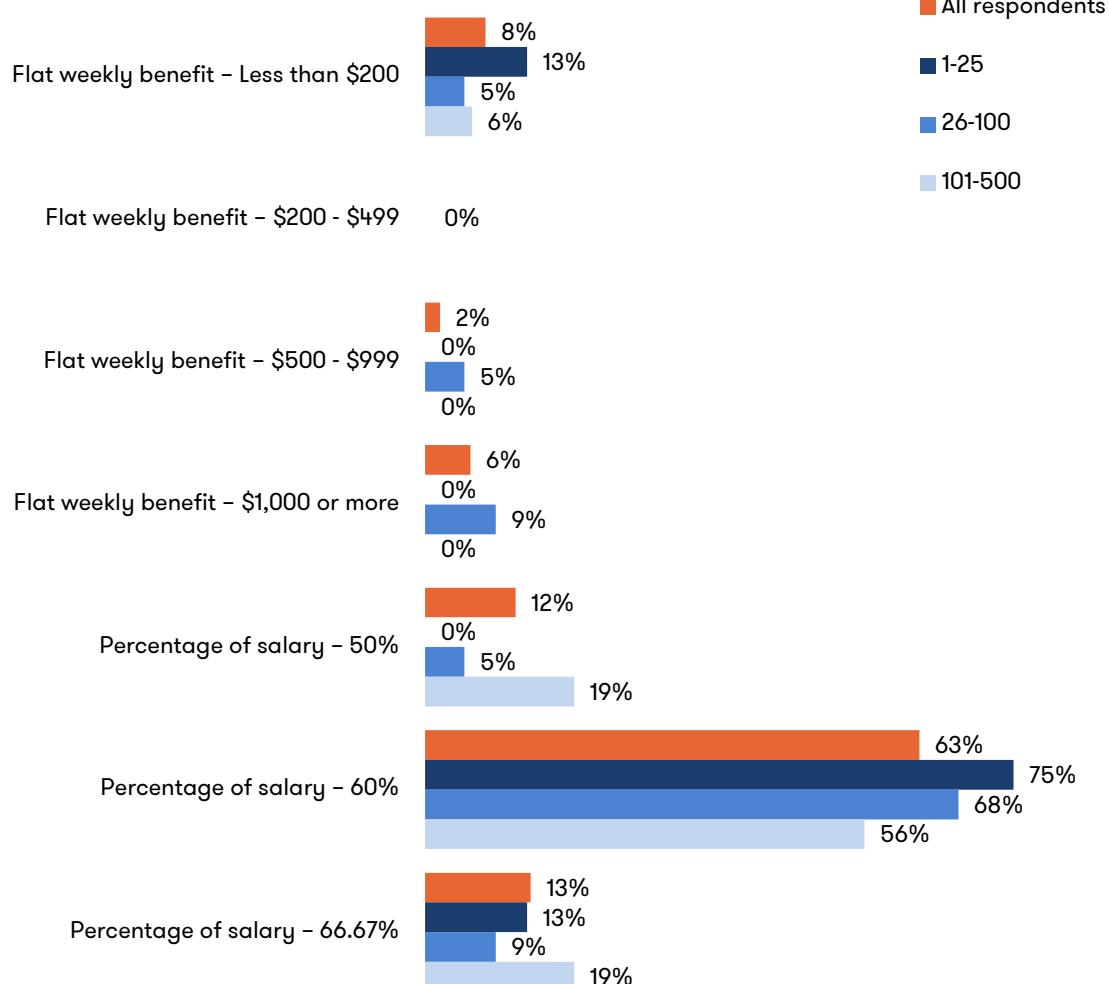
The data show remarkable consistency across organization sizes, unlike other benefits where size creates significant variation. This suggests that **STD benefit design has achieved sector-wide standardization**, with 60% of salary becoming the de facto industry norm. Organizations considering STD benefits can confidently benchmark against this standard, knowing it represents both current practice and employee expectations across the nonprofit sector.

The trend toward the 60% standard likely reflects both actuarial best practices and competitive positioning, as this level provides meaningful income replacement while remaining affordable for most organizations.

1 in 4

While the 60% of salary benefit is the established standard, roughly one in four nonprofits strategically deviates. These are not aberrant choices but reflect a clear trade-off: opting for a more budget-conscious 50% level or positioning as a more generous employer with a 66.6% benefit.

## STD Benefit Amounts Provided by Surveyed Nonprofits, by Size (FTEs)



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Long-Term Disability Benefit Amounts

## 60% Salary Remains the Overwhelming Standard

The 60% of salary benefit level is used by approximately 60-75% of organizations across all size segments, consistent with 2023 data showing 68% adoption. This has become the established industry standard for long-term income protection.

Usage patterns remain consistent across organization sizes, suggesting **LTD benefit design has achieved sector-wide standardization** with the 60% level viewed as appropriate regardless of organizational capacity.

Alternative benefit levels show minimal adoption, with 50% of salary used by roughly 10% of organizations and 66.67% showing modest usage around 10%. Flat weekly benefit amounts are virtually nonexistent, which makes sense given LTD's extended benefit periods.

The 60% standard represents one of the most standardized benefits in the nonprofit sector, allowing organizations to confidently adopt this level knowing it represents both current practice and long-established industry consensus.

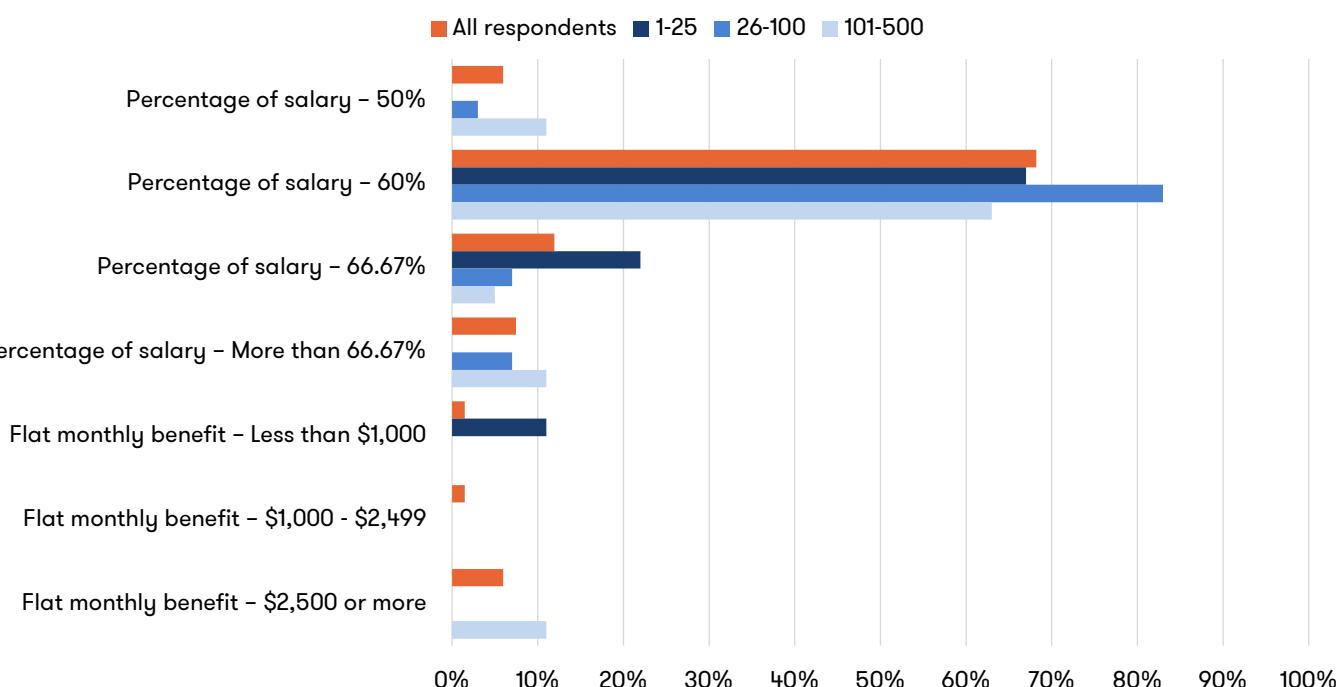
## LTD Duration: Long-Term Protection Standard

Coverage until Social Security normal retirement age dominates at 55%, essentially unchanged from 2023 levels. This represents the most comprehensive approach and indicates most nonprofits view LTD as true long-term financial protection rather than temporary assistance.

**Shorter-term options show a notable shift**, with 2-year maximums decreasing from 23% to 18% since 2023, while 5-year coverage increased dramatically from 2% to 15%. This suggests **some organizations are moving toward middle-ground approaches that provide substantial protection without lifetime coverage costs.**

The combined 70% offering either 5-year or until-retirement coverage indicates the sector recognizes that meaningful disability protection requires extended duration, given that disabilities serious enough to trigger LTD often have lasting impacts.

## LTD Benefit Amounts Provided by Surveyed Nonprofits, by Size (FTEs)



## Maximum Duration of Benefits for Employer-Paid LTD provided by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Other Benefits

## Technology and Flexibility Lead

### Technology-enabled benefits show near-universal adoption

Telemedicine/telehealth and telehealth mental health both reached an approximately 95% current offering. This represents a dramatic increase from 2023 levels of 52% and 40% respectively, likely accelerated by pandemic experiences and employee expectations for accessible healthcare options.

**★ The Growth of Telehealth, Flexible Work, and Financial Wellness programs are becoming core components of a modern benefits package that addresses the holistic well-being employees now demand.**

**Flexible work arrangements have become essentially standard** at roughly 95% adoption, reflecting the permanent shift in workplace expectations post-pandemic. This wasn't prominently tracked in previous surveys but clearly represents one of the most significant changes in nonprofit benefit landscapes.

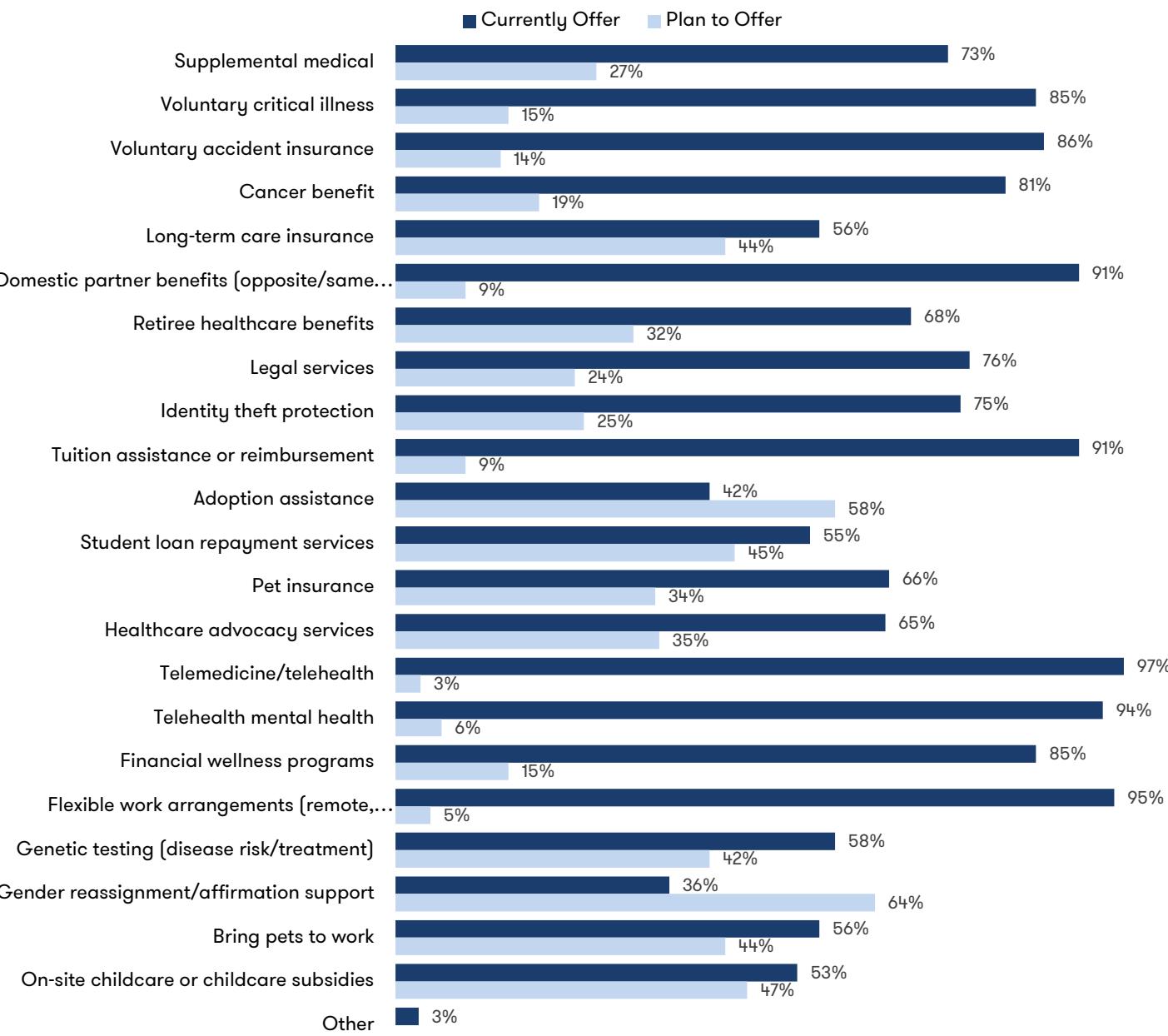
Financial wellness programs show strong adoption at around 85%, compared to 26% in 2023, indicating growing recognition of employee financial stress and the value of providing guidance and resources.

**Voluntary insurance products maintain steady moderate adoption**, with critical illness, accident insurance, and cancer benefits each showing 80-85% current offering. These levels are consistent with 2023 trends showing gradual growth in voluntary benefit options.

Family and lifestyle support benefits show more mixed adoption. While domestic partner benefits reach about 90%, practical family support like on-site childcare (around 55%) and bring pets to work (around 45%) remain less common, likely reflecting cost and operational complexity.

Notable growth areas include benefits with significant "plan to offer" percentages, particularly gender reassignment/affirmation support and adoption assistance, suggesting these benefits are gaining momentum even if current adoption remains modest.

### Other Benefits Provided by Surveyed Nonprofits



# Time Off Policies

## Paid Holidays

### Maintaining Generous Standards While Managing Costs

Nonprofit organizations in 2025 continue to provide substantial paid holiday benefits, with the largest segment offering 12-15 paid holidays annually to full-time employees. The distribution shows a clear preference for this mid-range approach, balancing employee satisfaction with operational needs, though a notable portion extends this to 16-20 holidays, demonstrating the sector's commitment to work-life balance.

**The treatment of part-time employees reveals a more restrictive approach,** with the majority of nonprofits offering zero paid holidays to part-time staff. This represents a clear delineation in benefit philosophy, where organizations reserve holiday pay as a full-time employee benefit. The small percentage providing equivalent holiday benefits to part-time workers likely reflects either mission-driven inclusivity or competitive pressures in specific talent markets.

**Organizational size creates distinct patterns in holiday policies.** Larger nonprofits demonstrate more generous holiday offerings, with 50% providing 12-15 holidays compared to smaller organizations' more varied distribution. Conversely, smaller nonprofits show

greater likelihood of providing holiday benefits to part-time employees, suggesting more flexible, relationship-based policies rather than standardized HR frameworks.

**Floating holidays remain uncommon** across the sector, with nearly half of organizations offering none. When provided, they typically range from one to two days annually, often serving specific accommodation needs rather than broad flexibility benefits.

These patterns have remained remarkably stable since 2021, indicating that **holiday policies represent a foundational element of nonprofit compensation philosophy** rather than a variable subject to economic pressures. This consistency suggests organizations view holiday benefits as essential to their employment value proposition and organizational culture.



### Most Nonprofits Offer FTEs Between 12-15 Paid Holidays per Year

8 days or fewer	19%
9 days	8%
10 days	13%
11 days	13%
12-15 days	38%
16-20 days	8%

### Among Nonprofits that Offer Paid Holidays to PTEs, 24% Offer 12-15 days, the Same as for FTEs

0 days	29%
1-8 days	19%
9 days	3%
10 days	7%
11 days	9%
12-15 days	24%
16-20 days	7%

### Nearly Half of Nonprofits do not Offer Paid Floating Holidays

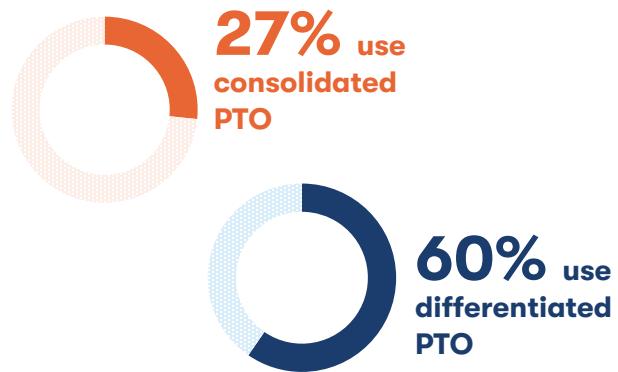
0 days	49%
1 day	10%
2 days	17%
3 days	8%
4-5 days	10%
6-7 days	4%
8 or more days	1%

## Organizational Size Drives Strategic Differences

Nonprofit organizations in 2025 show a clear preference for differentiated PTO policies, with 60% maintaining separate allocations for vacation, sick, and personal time compared to 27% using a consolidated approach. This preference intensifies with organizational size—while smaller nonprofits (1-25 employees) favor consolidated PTO at 35%, larger organizations overwhelmingly adopt separate policies, reaching 65% among the largest employers. This pattern reflects the administrative complexity that larger organizations can manage and their need for more structured leave tracking systems.

**The universal standard of varying PTO by years of service remains dominant across all organization sizes**, with approximately 53-61% of nonprofits using tenure-based accrual systems. This consistency demonstrates the sector's commitment to rewarding employee loyalty, though it represents a notable decrease from 68% in 2023, possibly reflecting organizations simplifying their administrative processes.

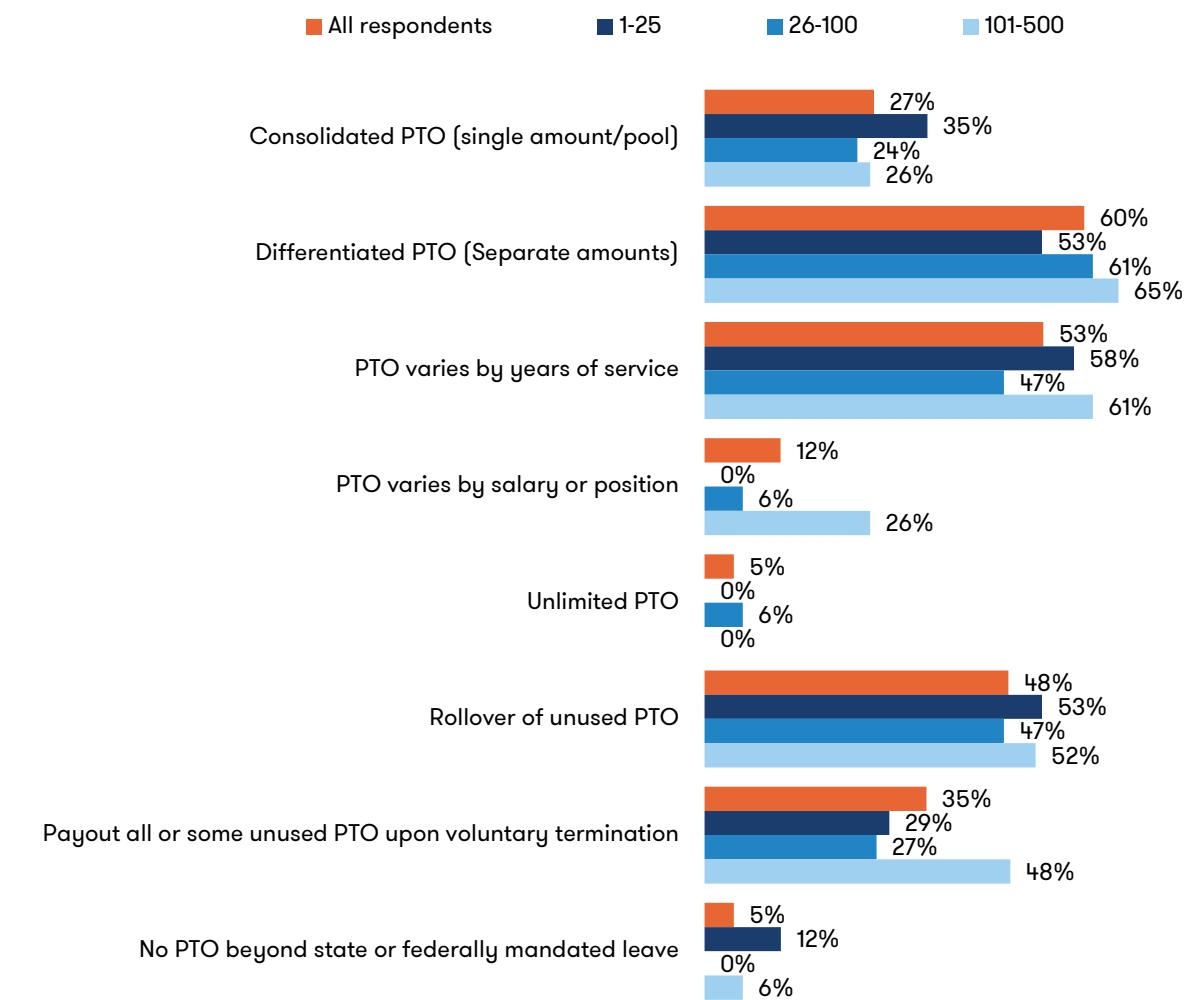
**Salary or position-based PTO variations reveal stark organizational differences**, ranging from 0% among the smallest nonprofits to 26% among the largest. This suggests that larger nonprofits are more likely to differentiate benefits based on organizational hierarchy or role complexity, while smaller organizations maintain egalitarian approaches.



**Unlimited PTO policies, while still rare at 5% overall, have increased from just 1% in 2023**, indicating growing experimentation with progressive leave policies. However, this remains primarily a larger organization phenomenon, with smallest nonprofits showing no adoption.

**Rollover and payout policies demonstrate significant size-based variations**. Nearly half of organizations (48%) allow PTO rollover, remaining relatively stable since 2023. However, PTO payout upon voluntary termination shows both size disparity and temporal decline—dropping from 45% in 2023 to 35% in 2025, with larger organizations (48%) much more likely to offer payouts than smaller ones (27-29%).

## PTO Administration for Full-Time Employees of Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Consolidated PTO Allocation

## Tenure-Based Systems Show Clear Progression

The hours-based PTO tracking data reinforce the patterns observed in day-based systems, demonstrating consistency across different administrative approaches in 2025, among nonprofit employers that administer a consolidated PTO policy. Whether organizations track PTO in days or hours, the fundamental tenure-based progression structure remains remarkably similar, providing validation for sector-wide practices.

For new employees, the hours-based data show an even distribution between moderate (120-159 hours, equivalent to 15-20 days) and generous (160-199 hours, equivalent to 20-25 days) starting allocations, each representing 30% of organizations. This aligns closely with the day-based findings and suggests **most nonprofits start employees with approximately three to four weeks of PTO.**

The tenure progression follows predictable patterns, with significant increases occurring at the 2-4-year mark, where 40% of organizations provide 120-159 hours while 20% each offer 160-199 and 200-239 hours. By the 5-7-year milestone, allocations

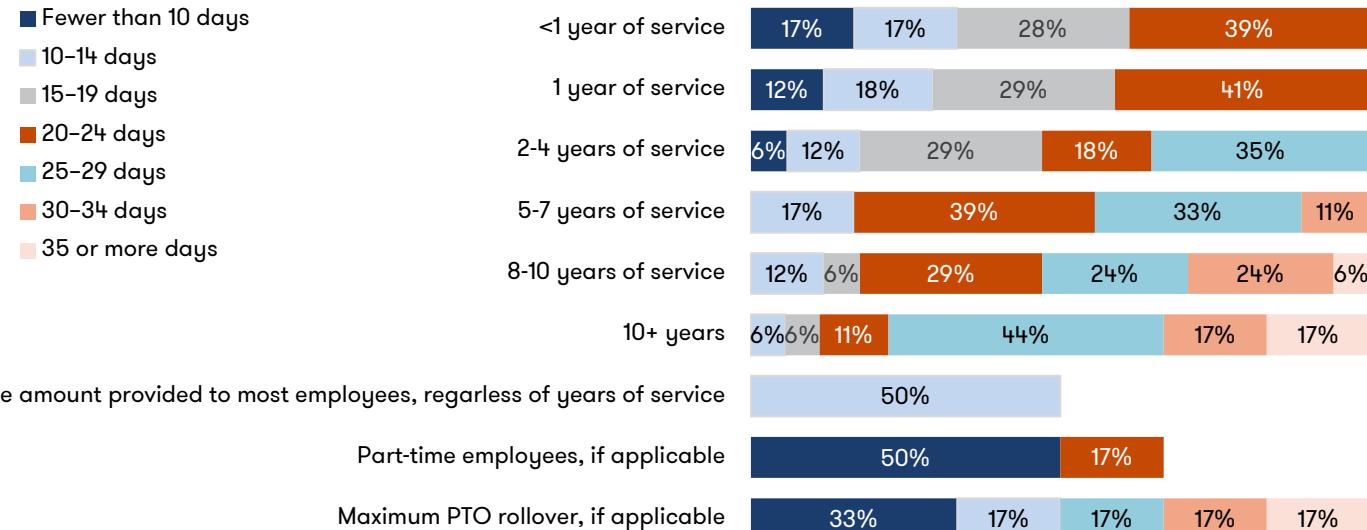
cluster around 160-199 hours (40%) and 240-279 hours (30%), equivalent to 20-25 and 30-35 days, respectively.

Veteran employees (10+ years) see the most generous treatment, with 30% receiving 280+ hours (35+ days) and distributions across higher hour bands, confirming that **substantial PTO increases represent a key long-term retention strategy** regardless of tracking methodology.

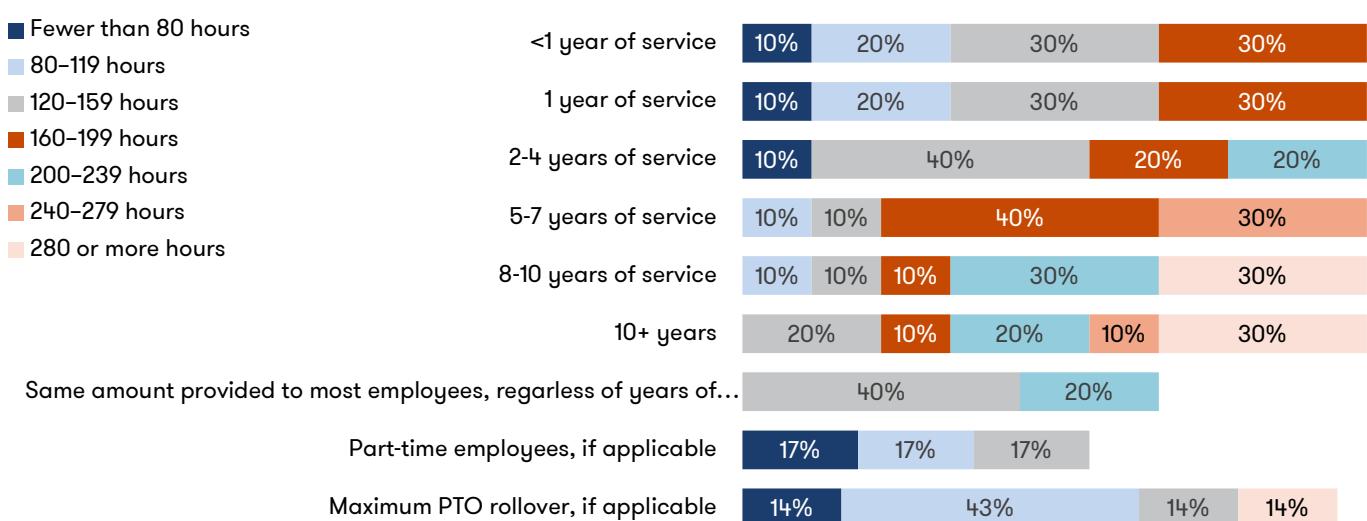
Interestingly, the hours-based data show 40% of organizations providing uniform PTO regardless of tenure, compared to 50% in the day-based chart. This suggests that **organizations using hour-based tracking may be slightly more likely to implement tenure-based progression**, possibly due to the greater precision that hourly accrual systems enable.

**Part-time employee allocations remain consistently limited** across both tracking systems, with the hours-based data showing even 17% distributions across the lower tiers, reinforcing that substantial PTO remains primarily a full-time benefit across different administrative approaches.

## PTO Allocations of Surveyed Nonprofits, by Tenure, in Days



## PTO Allocations of Surveyed Nonprofits, by Tenure, in Hours



# Differentiated PTO: Vacation Time

## More Conservative Than Consolidated PTO

For organizations using separate vacation, sick, and personal time policies, **vacation allocations follow distinctly more conservative patterns than consolidated PTO systems**, reflecting that vacation represents only one component of total time off in differentiated structures.

The 2025 data show that 38% of organizations provide uniform vacation regardless of tenure, compared to 50% using flat systems for consolidated PTO. This suggests that when vacation is separated from other leave types, organizations feel more compelled to reward tenure through progressive allocations than they do with comprehensive PTO systems.

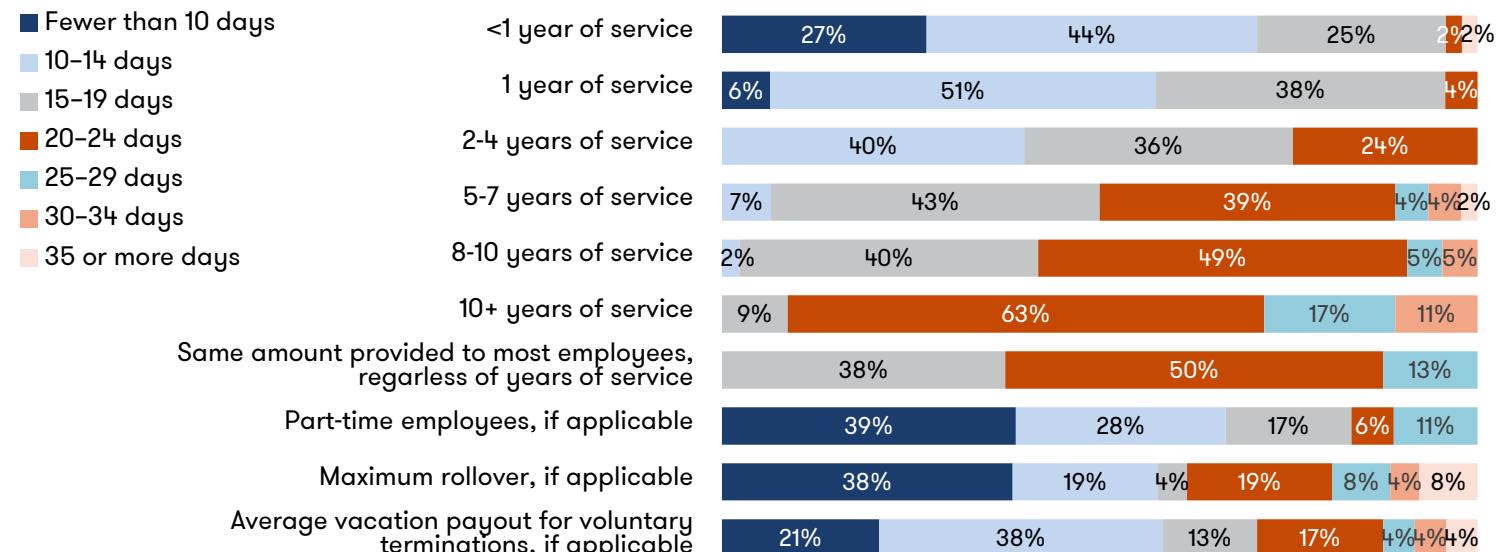
**New employees in differentiated systems typically receive modest vacation starting points**, with 27% receiving fewer than 10 days and 44% getting 10-14 days when tracked daily. This represents a notable contrast to the historical data from 2023, where average vacation for new employees was approximately 11 days, growing to 22 days for veteran employees—patterns that appear consistent with current findings.

The tenure progression shows veteran employees (10+ years) receiving 20-24 vacation days for 63% of organizations, with only 17% providing 25-29 days. These allocations align closely with 2023 averages, suggesting **vacation policies have remained stable even as overall PTO structures have evolved**.

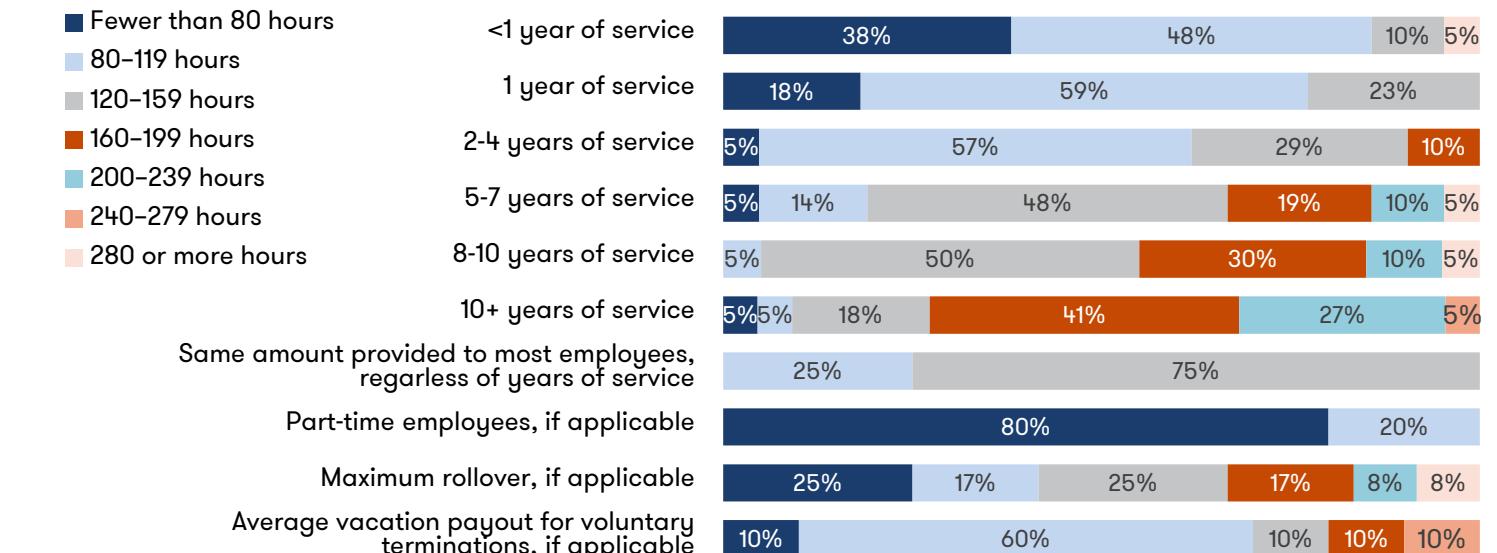
Compared to the shift from 49% consolidated policies in 2021 to 28% in 2023 and 27% in 2025, the vacation component within differentiated systems appears to have maintained consistent allocation patterns. **This stability in vacation-specific allocations contrasts with the broader structural changes occurring in PTO administration** across the sector.

**Part-time employee vacation remains limited**, with 39% receiving fewer than 10 days, maintaining the traditional differential between full-time and part-time benefits that has persisted since 2021.

## Vacation Allocations of Surveyed Nonprofits, by Tenure, in Days



## Vacation Allocations of Surveyed Nonprofits, by Tenure, in Hours



# Differentiated PTO: Sick Time

## Standardized Approach with Minimal Tenure Variation

Sick time policies in 2025 reveal more standardized approaches across tenure levels and organizational practices. Unlike vacation policies where 38% provide uniform allocations, only 5% of organizations maintain flat sick time regardless of tenure, suggesting that **sick time progression remains a nearly universal practice among nonprofits using differentiated systems**.

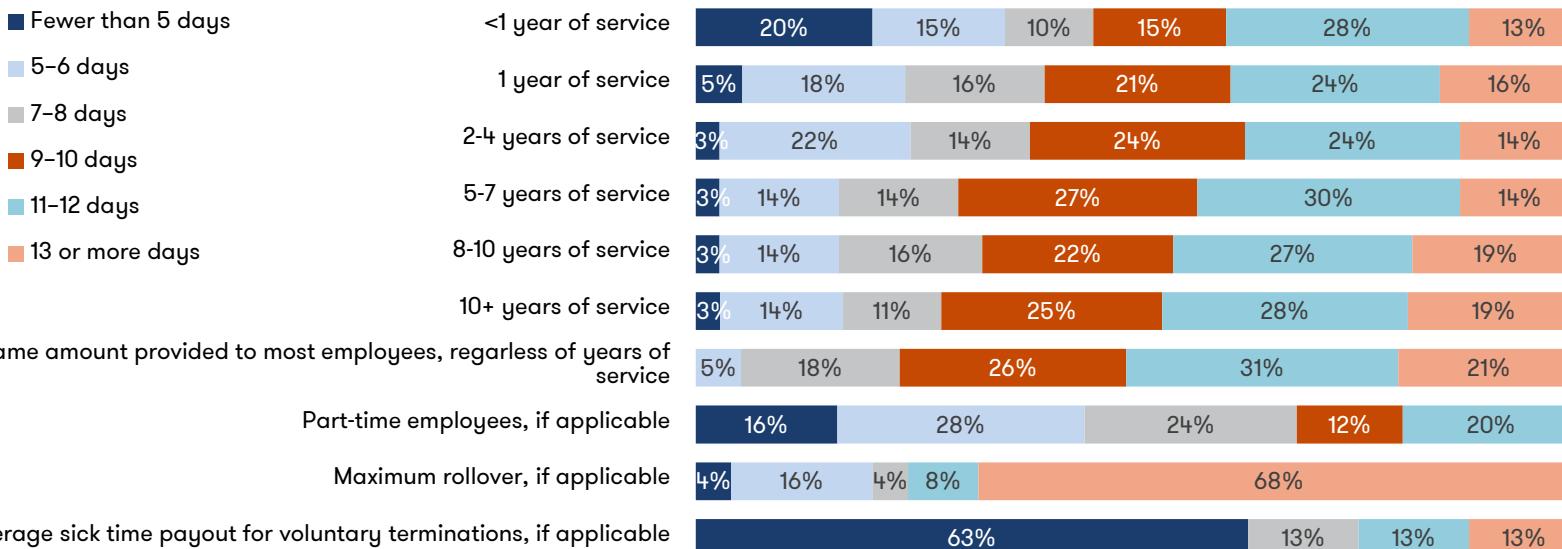
The allocation patterns show modest but consistent tenure-based increases, with new employees typically receiving 11-12 days (28% of organizations) or fewer than 5 days (20%). The progression through service years remains relatively compressed, with veteran employees (10+ years) seeing 25% receive 9-10 days and 28% getting 11-12 days. This conservative growth pattern reflects the fundamentally different philosophy underlying sick time—viewed more as insurance against illness rather than earned time off.

Compared to 2023 data, these patterns appear stable, with historical averages showing new employees receiving approximately 9.78 days and veterans earning 11.70 days. The current data align closely with these benchmarks, suggesting sick time policies have remained largely unchanged even as organizations restructure their broader PTO approaches.

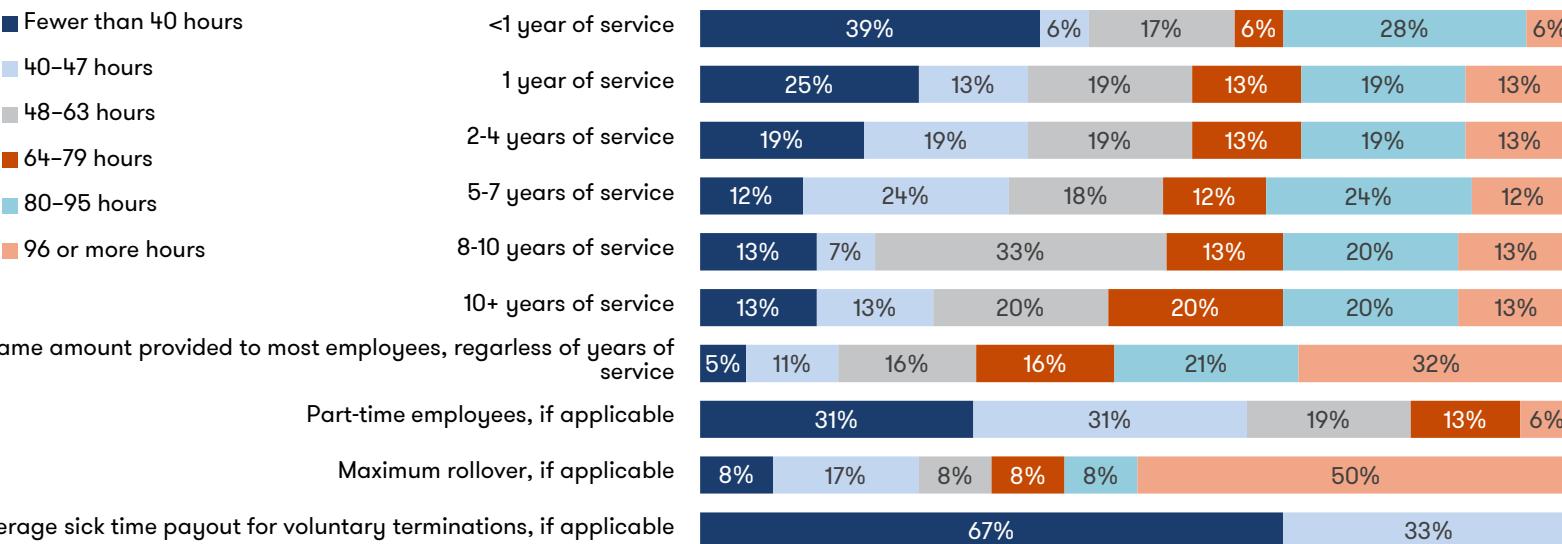
The hours-based data reinforce these findings, with 39% of organizations providing fewer than 40 hours to new employees, progressing modestly to more distributed allocations for veteran staff. Notably, 32% provide uniform hours-based sick time regardless of tenure, higher than the 5% in day-based systems, possibly reflecting different administrative philosophies between tracking methodologies.

**Rollover and payout policies reveal sector-wide consensus:** 68% allow 13+ days rollover when tracked daily, and 63% provide no sick time payout upon voluntary termination. This generous rollover combined with restricted payout reflects the insurance-like nature of sick time benefits, encouraging accumulation while limiting financial liability for employers.

### Sick Time Allocations of Surveyed Nonprofits, by Tenure, in Days



### Sick Time Allocations of Surveyed Nonprofits, by Tenure, in Hours



# Differentiated PTO: Personal Time

## Minimal Benefits with Limited Tenure Growth

Personal time allocation patterns demonstrate minimal tenure-based progression and significant organizational variation in whether these benefits are offered at all. The current data show that 27% of organizations provide no personal time to new employees, while allocations for those receiving benefits distribute relatively evenly across 1-5+ days, suggesting varied organizational approaches to this benefit component.

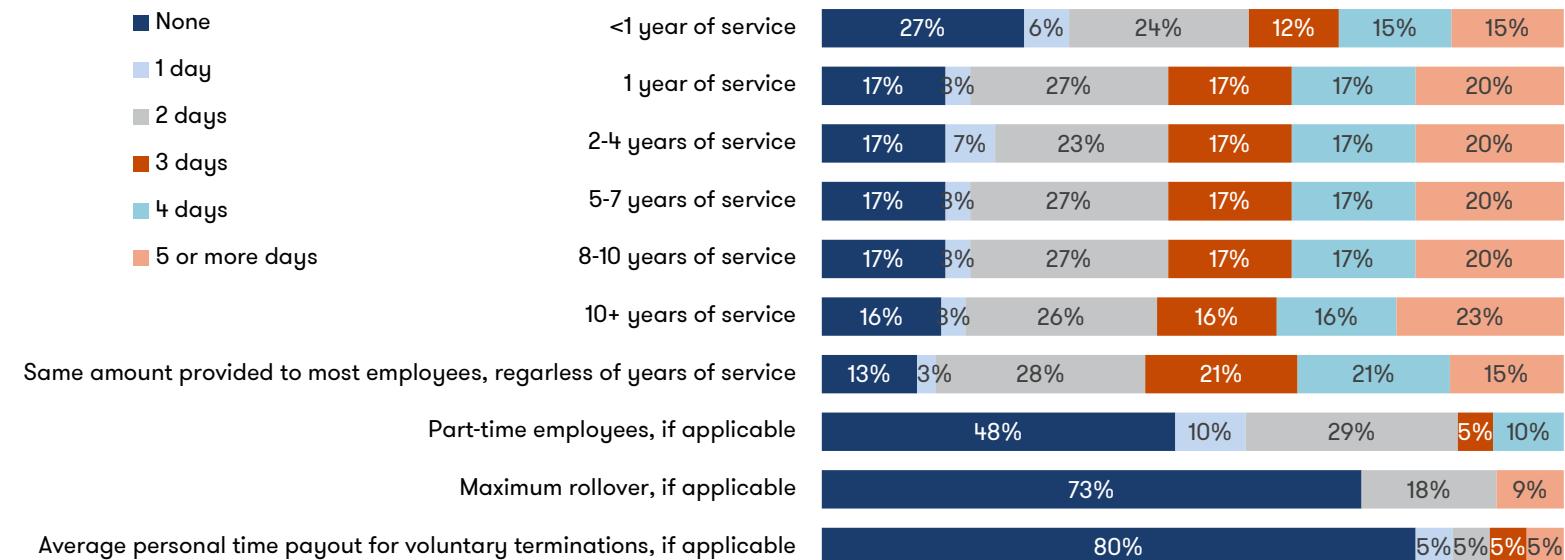
**Personal time policies show virtually no progression from new employees through veterans**, with distribution patterns remaining nearly identical across all service years. This flat approach extends beyond the 13% of organizations explicitly providing uniform amounts—the entire category appears designed as a modest, non-progressive benefit.

Compared to 2023 data, these allocation patterns have remained consistent. The 2023 survey showed average personal time of 3.56 days for new employees, progressing minimally to 3.75 days for most service levels and reaching only 3.79 days for employees with 20+ years of service. The current 2025 distributions align closely with these historical benchmarks, with **the plurality of organizations providing 2-3 days across all tenure levels**, confirming the stability of personal time as a low-value, static benefit.

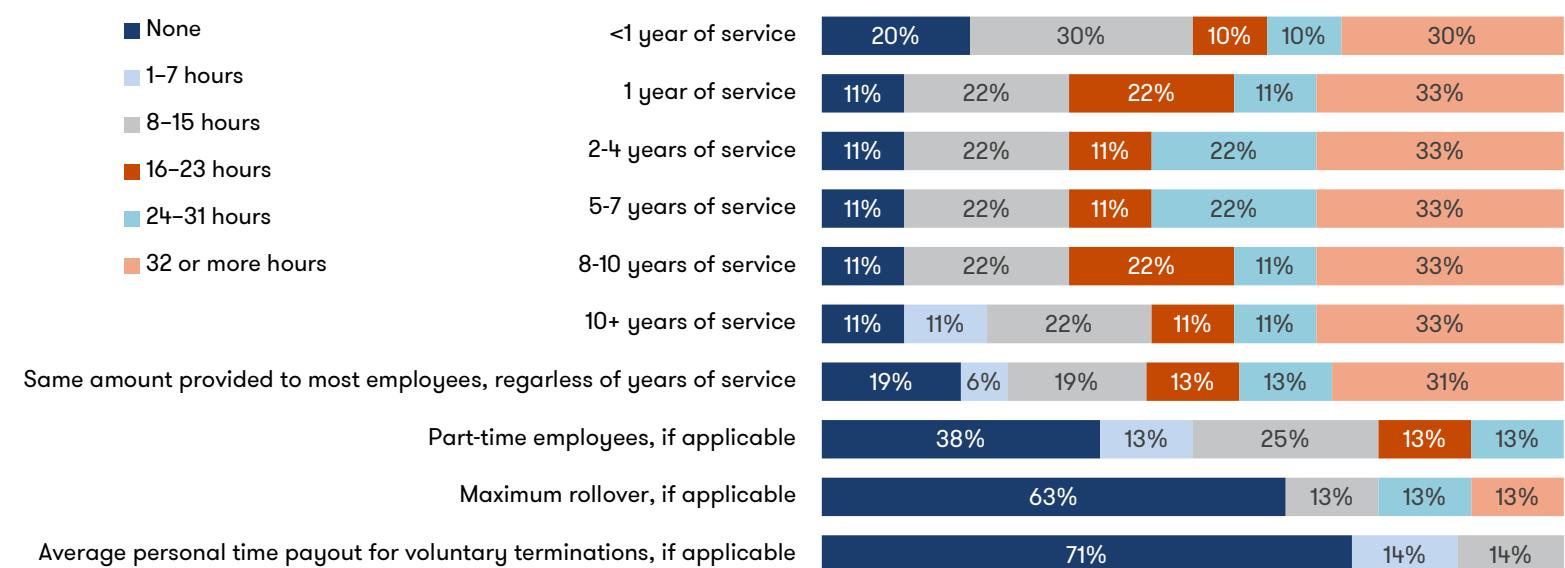
The hours-based data support these findings, with 31% of organizations providing uniform personal time regardless of tenure. When personal time is provided, **32+ hours represents the most common allocation across all tenure levels**, equivalent to approximately 4+ days.

**Rollover policies are highly restrictive**, with 73% allowing no carryover in day-based systems, compared to only 1.6% in 2023 that had no rollover maximum. Similarly, 80% provide no personal time payout upon voluntary termination, a slight increase from 2023 when personal time payout was also uncommon, indicating **organizations continue to view personal time as a “use it or lose it” benefit rather than earned compensation**.

## Personal Time Allocations of Surveyed Nonprofits, by Tenure, in Days



## Personal Time Allocations of Surveyed Nonprofits, by Tenure, in Hours



# Specialized Paid Time Off

## Growing Family Support and Civic Engagement

Nonprofit organizations in 2025 offer varied approaches to specialized paid leave beyond core PTO components, with family-related benefits showing both increased adoption and enhanced generosity compared to previous surveys. The data reveal **significant organizational commitment to supporting employees during major life events**, representing notable evolution from earlier benchmarks.

**Volunteer Time Off shows modest adoption**, with half of participating organizations providing 1-3 days annually. While the 2025 data don't directly indicate prevalence rates, the 2023 survey showed 21% of nonprofits offering volunteer time off, suggesting this remains a less common benefit despite the sector's mission-driven nature.

**Maternity and paternity leave policies demonstrate substantial organizational investment compared to historical patterns**. The 2023 survey showed 25% of nonprofits offering paid maternity leave above FMLA requirements and 20% providing paid paternity leave. Among 2025 organizations offering these benefits, 45% now provide 6-12 weeks of paid maternity leave with 23% extending

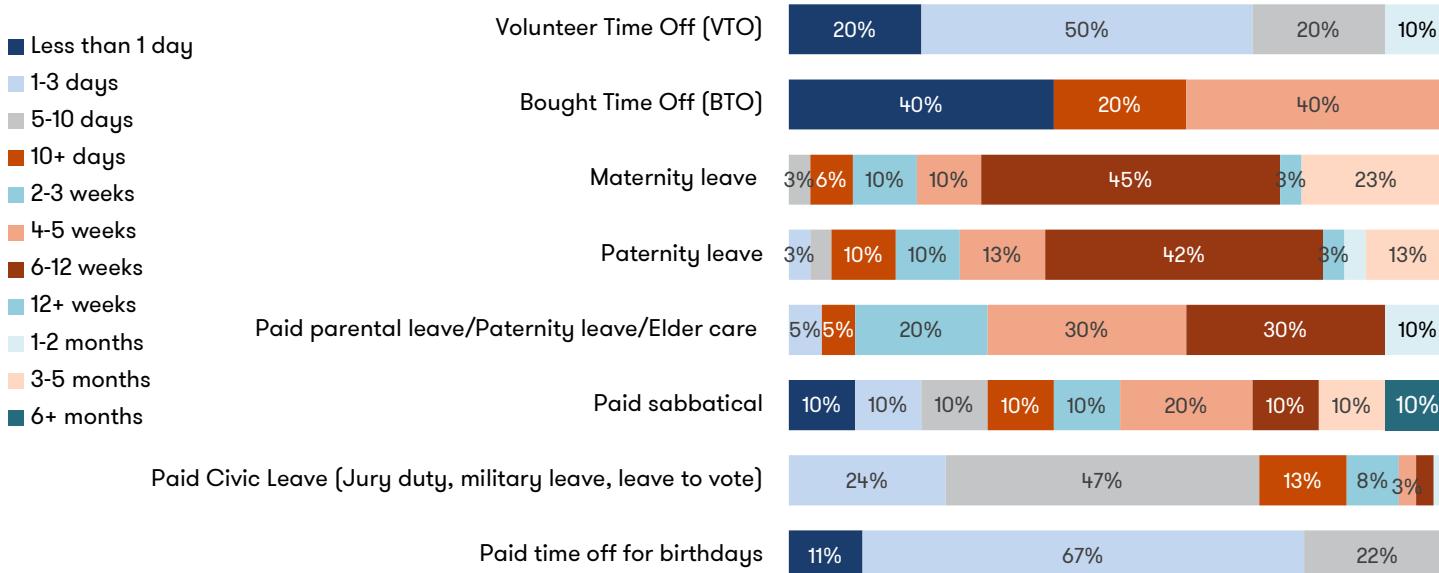
12+ weeks, while 42% offer 6-12 weeks of paternity leave. This represents significant enhancement from 2023 patterns and suggests growing competitive pressure around family benefits.

The broader paid parental leave category (21% adoption in 2023) shows particularly generous 2025 provisions, with 60% of offering organizations providing 3+ months, indicating **evolution toward comprehensive family leave programs rather than basic maternity/paternity policies**.

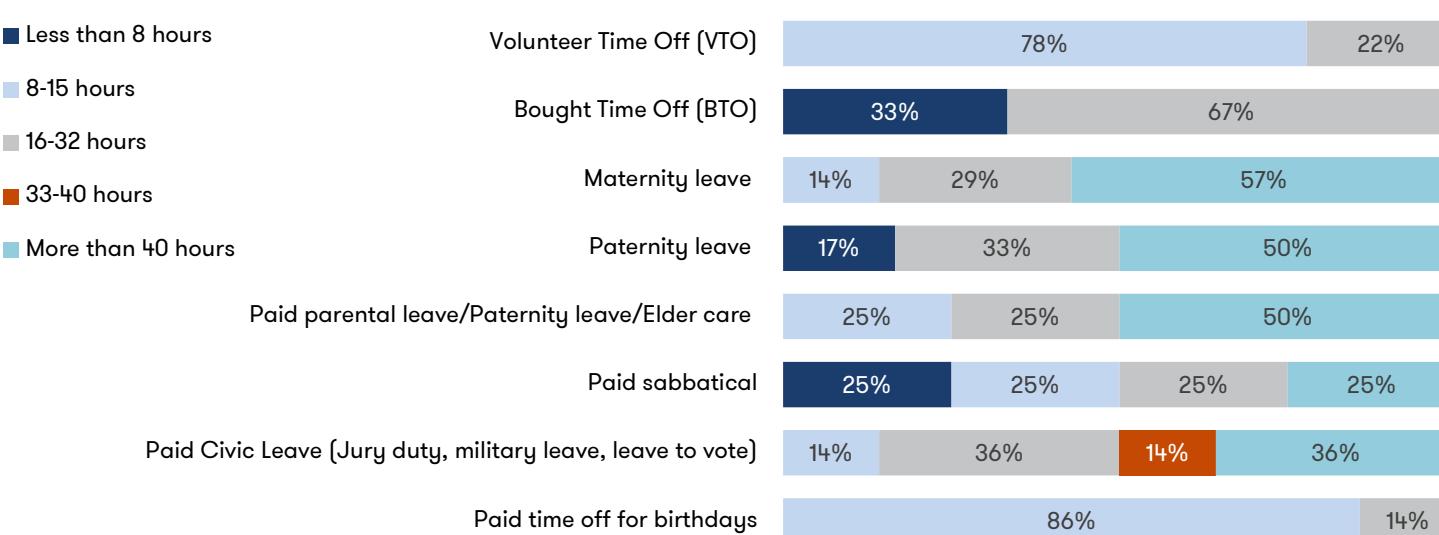
Civic engagement benefits have remained relatively stable, with paid civic leave adoption consistent with 2023 levels (59% offering). Paid time off for birthdays (25% adoption in 2023) maintains traditional 1-3-day allocations among participating organizations.

These trends suggest **nonprofit organizations are strategically enhancing family-related benefits** while maintaining stable approaches to other specialized leave categories, reflecting both competitive talent market pressures and evolving employee expectations around work-life integration.

## Specialized Paid Time Off offered by Surveyed Nonprofits, in Days



## Specialized Paid Time Off offered by Surveyed Nonprofits, by Tenure, in Hours



## Bereavement Time

Bereavement leave policies in 2025 follow standard relationship-based structures, with **immediate family members consistently receiving three days of leave** from approximately 50-53% of organizations offering coverage. Spouses, children, parents, and siblings receive similar treatment, while coverage rates decline for extended family relationships.

**Grandparents and grandchildren typically receive three days** from 59% of offering organizations, though 34% provide no coverage. **Extended family members like aunts, uncles, and cousins see more varied allocations**, with 27% of organizations providing no coverage and benefits ranging from one to five days when offered.

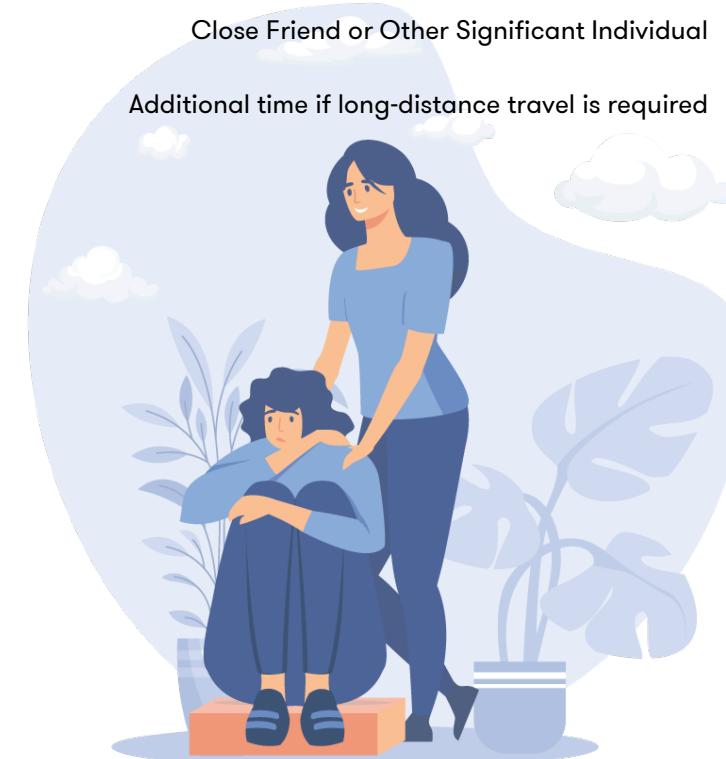
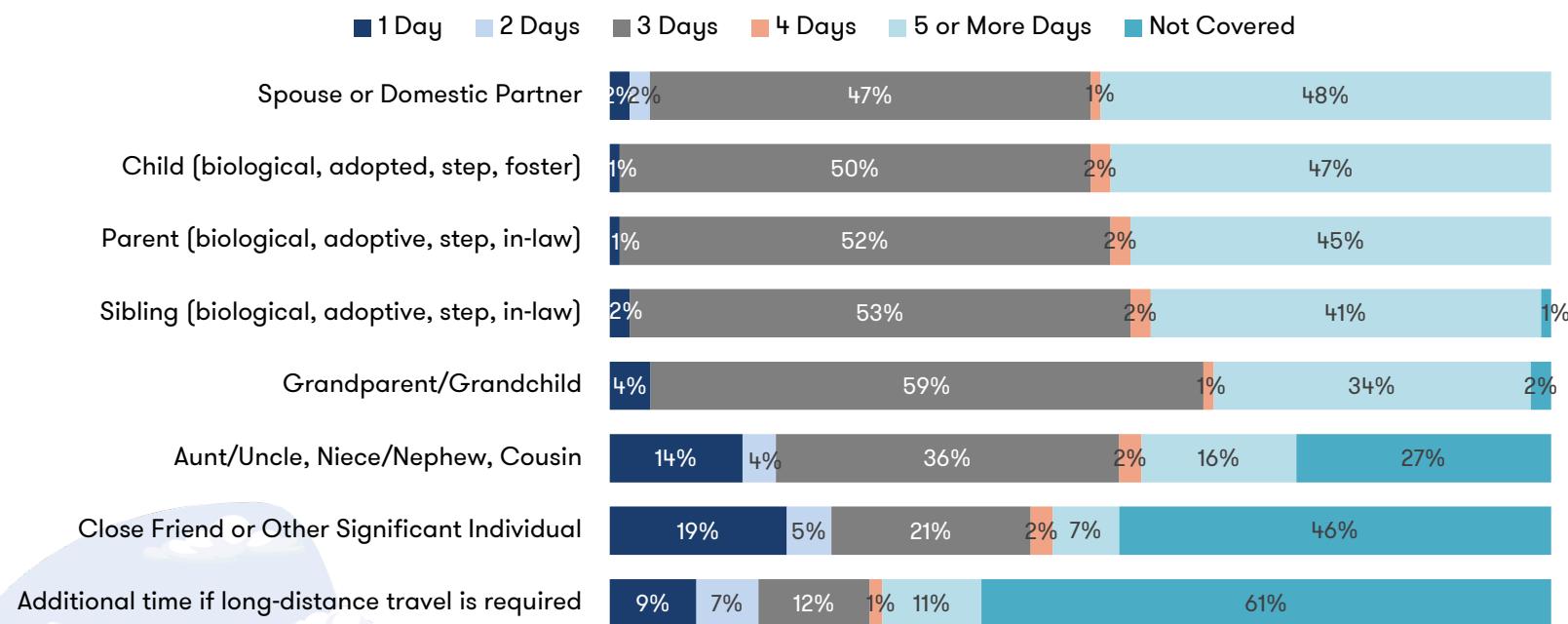
**Non-family relationships receive limited time**, with 46% of organizations providing no bereavement coverage for close friends or significant individuals. When benefits are provided, they typically range from one to three days.

**61%**

**A Potential Policy Gap:** 61% of nonprofits provide no additional bereavement time for travel, leaving a disconnect between traditional policies and the reality of modern, geographically dispersed families.

The patterns remain consistent with 2023 data, when 94% of nonprofits offered bereavement benefits and three days per incident was the standard allocation. **Additional time for long-distance travel remains uncommon**, with 61% of organizations providing no travel accommodations, representing a potential gap in addressing modern family geographic realities.

### Bereavement Time Provided by Surveyed Nonprofits



# Wellness Benefits

## Mental Health Resources Dominate with Clear Size-Based Disparities

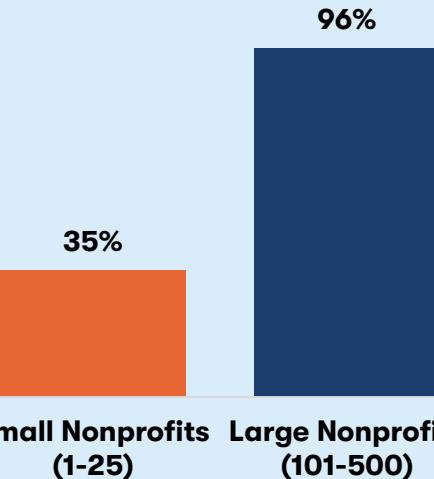
Mental health resources have emerged as the predominant wellness benefit in 2025, with 72% of nonprofit organizations offering EAP, counseling, or stress management programs. This represents slight growth from 70% in 2023, **confirming mental health support as a core organizational priority**. However, size-based disparities are pronounced, ranging from 35% among the smallest organizations to 96% among those with 101-500 employees.

Organizational size creates substantial disparities across all wellness offerings. While larger nonprofits (101-500 employees) provide comprehensive wellness programs, **smaller organizations consistently lag in adoption rates, suggesting implementation challenges despite potential employee value**.

**Health education programs show the most significant growth** since 2023, increasing from 18% offering health fairs/seminars/workshops to 35% now providing comprehensive health education including newsletters, screenings, and classes. This expansion reflects more proactive organizational approaches to employee health.

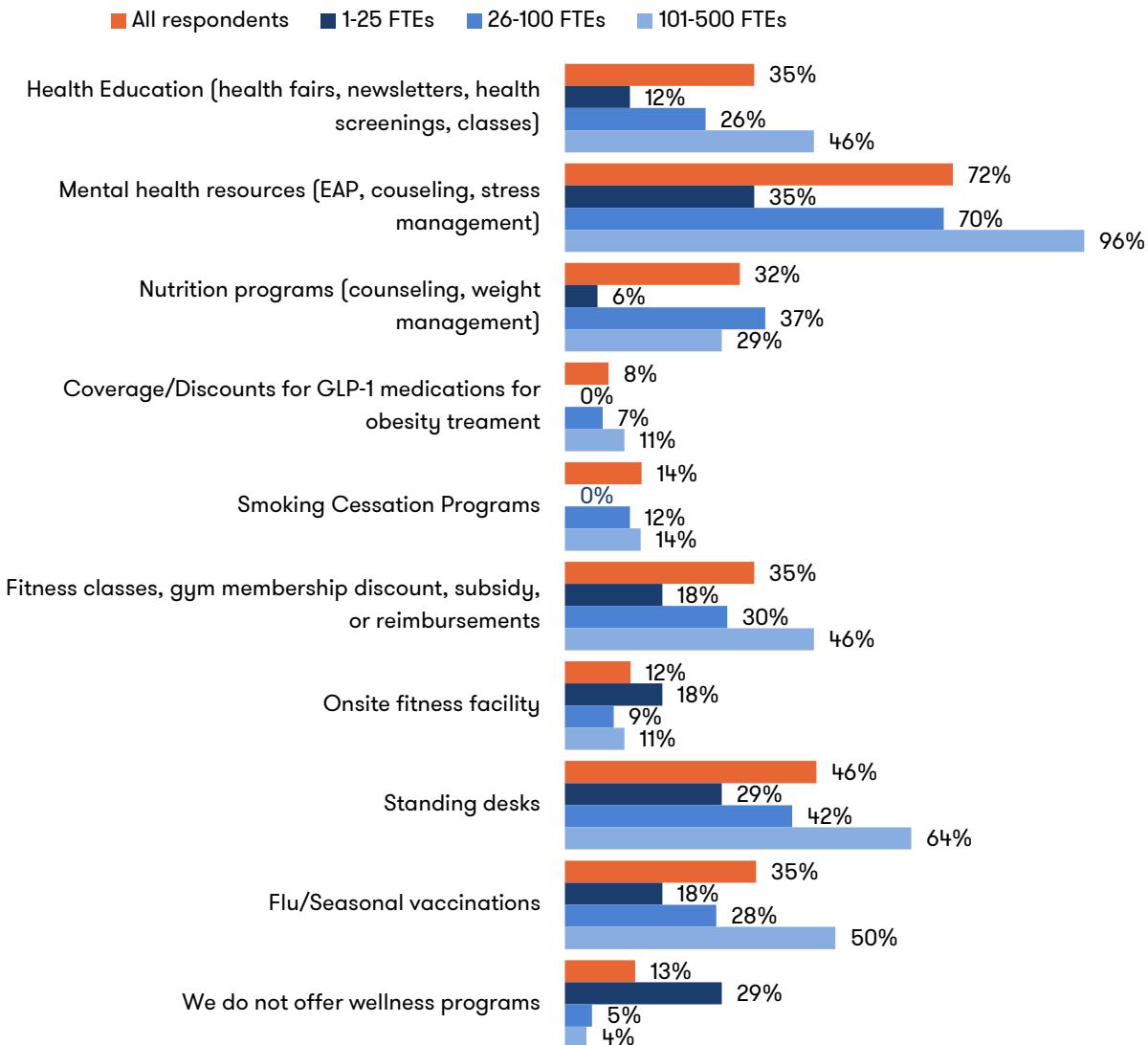
**Standing desks gained modest adoption**, increasing from 40% in 2023 to 46% in 2025, with larger organizations leading at 64%. Traditional wellness staples show mixed trends: flu/seasonal vaccinations declined slightly from 38% to 35%, while fitness-related benefits remained stable at 35%.

**Organizational size is the single biggest determinant of wellness offerings.** While mental health support is nearly universal at large nonprofits, fewer than four in ten of the smallest organizations provide it.



**Nutrition programs maintain moderate adoption** at 32%, though specialized programs like GLP-1 medication coverage (8%) and smoking cessation (14%) remain limited. **Only 13% of organizations report offering no wellness programs, compared to 9% in 2023, with this increase primarily reflecting continued challenges among smaller organizations where 29% still provide no wellness benefits.**

### Wellness Benefits Offered by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Wellness Participation Incentives

## Limited Adoption with Cash Rewards Leading

The majority of nonprofit organizations in 2025 do not offer wellness incentives, with 55% providing no rewards for program participation. This represents a slight increase from 51% in 2023, suggesting continued reluctance to implement incentive programs despite their potential to drive wellness engagement.

Organizational size creates the most significant disparity in incentive adoption. While 78% of the smallest organizations (1-25 employees) offer no incentives, this drops to 38% among larger nonprofits (101-500 employees), indicating that **incentive programs require administrative capacity and resources that smaller organizations may lack**.

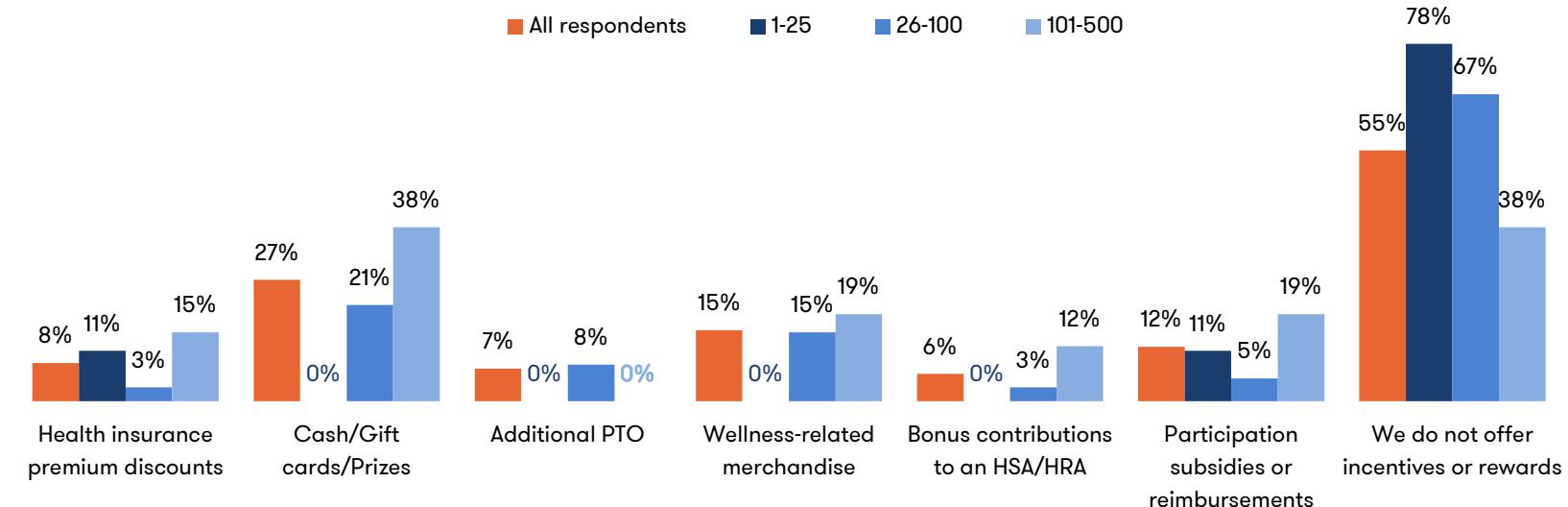
Among organizations offering incentives, cash rewards, gift cards, and prizes dominate at 27% overall adoption, down slightly from 31% in 2023. This remains the most popular incentive type, with larger organizations leading adoption at 38% compared to 0% among the smallest nonprofits.

**Wellness-related merchandise shows consistent moderate adoption** at 15% overall, representing a stable alternative to cash-based incentives. Health insurance premium discounts declined from 10% in 2023 to 8% in 2025, primarily offered by larger organizations at 15% adoption rates.

**More sophisticated incentives like HSA/HRA bonus contributions (6% overall) and participation subsidies or reimbursements (12% overall) remain limited**, with adoption concentrated among larger organizations. Additional paid time off as a wellness incentive shows minimal adoption at 7%, exclusively among mid-sized organizations.

The overall trend toward fewer organizations offering wellness incentives, combined with persistent size-based disparities, suggests that **many nonprofits view wellness programs as intrinsically valuable employee benefits rather than requiring additional motivation through rewards systems**.

## Wellness Participation Incentives Offered by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Benefits Technology

## Online Technology Adoption

### Size-Driven Growth with Increasing Sophistication

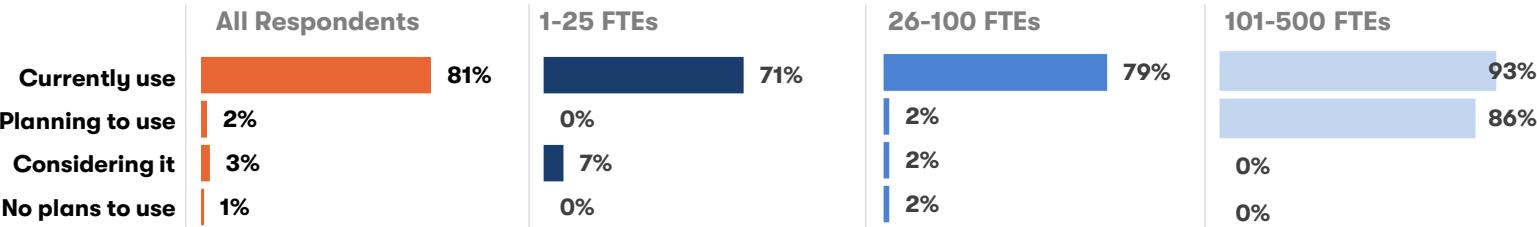
Benefits technology adoption has grown significantly across nonprofit organizations in 2025, with 81% now using online platforms to manage benefits compared to 78% in 2023. However, adoption rates vary dramatically by organizational size, ranging from 71% among the smallest nonprofits to 93% among those with 101-500 employees.

**★ 29% of Small Nonprofits** still rely on manual processes. This isn't just an efficiency problem; it's an employee experience problem that can hinder your ability to attract and retain digital-native talent.

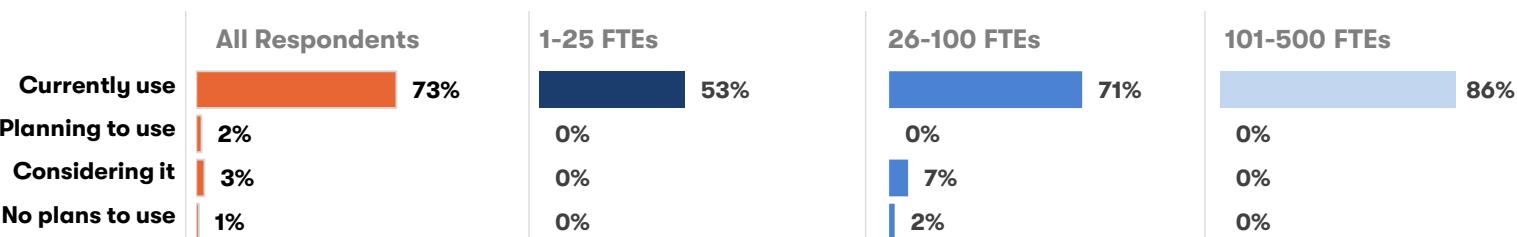
Employee-facing technology shows similar expansion, with online enrollment portals reaching 73% adoption (up from 65% in 2023). The size gap persists, with larger organizations at 86% adoption compared to 53% among the smallest nonprofits, suggesting **continued implementation barriers for smaller organizations despite potential administrative efficiencies.**

Employee-reported Life events shows 62% overall adoption, ranging from 50% to 75% across size segments. This capability gives employees more control but requires systems that can handle timely data updates beyond basic enrollment functions.

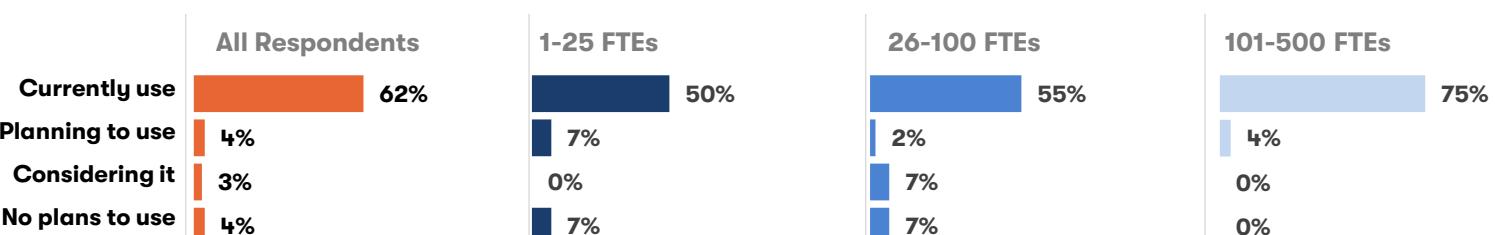
### Percentage of Surveyed Nonprofits that Use an Online Platform to Manage Benefits



### Percentage of Surveyed Nonprofits Whose Employees Use an Online Portal to Enroll in Benefits



### Percentage of Employees that use an Online Portal to Report Life Events and Demographic Changes



Note: Responses from organizations with more than 500 employees (n=6) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# Technology Integrations & Barriers to Adoption

## Integration Strategies Show Significant Gaps

Platform integration strategies demonstrate significant resource-driven gaps. Integrated payroll/HRIS/benefits platforms reach 48% adoption overall but vary from 40% among smallest organizations to 68% among larger nonprofits. These unified systems require substantial technology investments that may strain smaller organizations' resources.

When distinct benefit and payroll point solutions are in place, having electronic data feeds between them show the most pronounced size discrepancy, from just 8% among smallest organizations to 30% among larger nonprofits. This approach requires technical expertise that may be more readily available to larger organizations.

## Cost and Employee Acceptance Lead Concerns

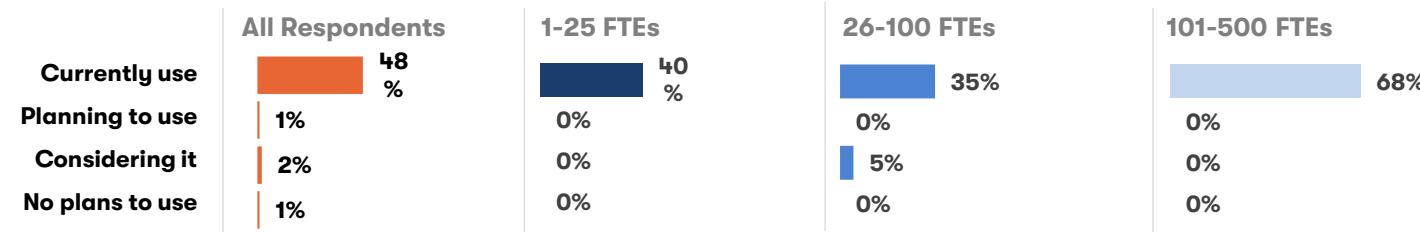
Cost remains the primary barrier to benefits technology adoption in 2025, consistent with historical patterns but representing ongoing challenges for resource-constrained nonprofit organizations. **Employee acceptance concerns have emerged as the second-largest barrier, suggesting organizations worry about change management and user adoption even when technology investments are feasible.**

Implementation complexity represents the third-largest barrier, with "time-consuming implementation" and "too complicated or confusing" combining to reflect operational concerns about technology deployment. Compared to 2023 data, when complexity and cost were tied as top barriers at 65% each, the current hierarchy suggests **organizations may have become more comfortable with technology complexity but remain concerned about financial constraints.**

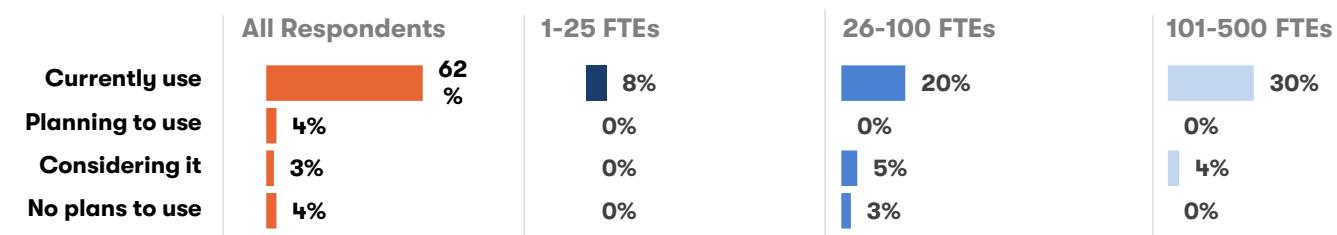
Privacy and security concerns rank as the smallest barrier, indicating that **nonprofit organizations generally trust benefits technology vendors' security** measures or view these concerns as manageable compared to cost and adoption challenges.

The barrier pattern helps explain the persistent size-based technology gaps observed across the sector. Smaller organizations face proportionally higher cost burdens and may have less capacity to manage employee change management, while larger organizations can better absorb both financial and operational implementation challenges. These findings suggest that **addressing cost concerns and providing change management support could significantly improve technology adoption rates among smaller nonprofits.**

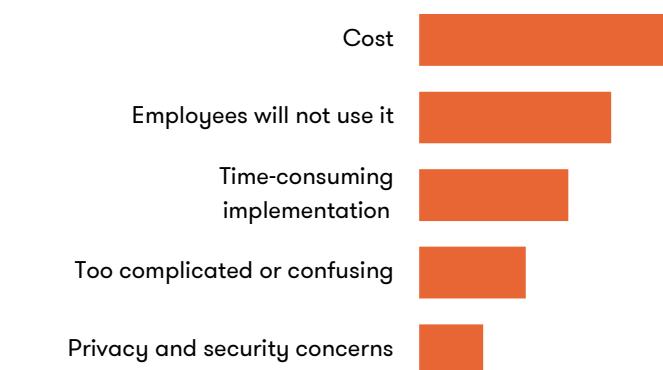
### Percentage of Surveyed Nonprofits that Use a Single Platform for Payroll, HRIS, and Benefits



### Percentage of Surveyed Nonprofits that Sync Benefits and Payroll Data Through an Electronic Feed



### Barriers to Adopting Benefits Technology and Employee Self-Service Reported by Surveyed Nonprofits



Note: Responses from organizations with more than 500 employees ( $n=6$ ) are included in the "All Respondents" totals but are not shown as a separate segment due to the limited sample size.

# From Insights to Action

## Strategic Implementation Framework for the Nonprofit Sector

### Size-Driven Growth, Increasing Sophistication

The 2025 Nonprofit Employee Benefits Survey reveals a sector amid a fundamental transformation—one that reflects both the constraints and opportunities facing mission-driven organizations in today's competitive talent landscape.

### The New Nonprofit Benefits Paradigm

The data point to an emerging benefits model that differs significantly from both traditional nonprofit approaches and private sector strategies. This model is characterized by strategic cost-sharing, technology-enabled accessibility, and values-driven investment priorities. Rather than simply cutting benefits or mimicking corporate approaches, nonprofit organizations are creating a distinctive framework that balances financial sustainability with employee welfare.

### Three Critical Strategic Themes

#### 1. The Shift from Paternalistic to Partnership Models

The movement toward voluntary benefits—exemplified by the 78% increase in voluntary dental plans and the transition of disability coverage from employer-paid to employee-funded—signals a fundamental philosophical shift. Organizations are moving away from traditional paternalistic models where employers made all benefit decisions toward

partnership approaches where employees have greater choice and responsibility.

This transition appears most successful when organizations frame it as employee empowerment rather than cost reduction. The sector's ability to maintain high adoption rates while shifting funding responsibility suggests that employees value benefit access over complete employer subsidy when the choice is positioned appropriately.

#### 2. Technology as the Great Equalizer—and Divider

The dramatic expansion of technology-enabled benefits, particularly the surge from 52% to 95% in telehealth adoption, demonstrates how digital solutions can democratize access to quality benefits. However, the persistent gaps between small and large organizations in technology adoption (71% vs. 93%) create potential competitive disadvantages that could compound over time.

The sector faces a choice: allow technology disparities to create a two-tiered system or develop collaborative approaches that ensure all nonprofits can leverage technological advances regardless of size.

#### 3. Mission-Driven Benefits as Competitive Advantage

The prioritization of mental health resources (72% adoption) and enhanced family benefits represents the nonprofit sector's

authentic competitive response to talent market pressures. Unlike private sector employers who may view these benefits as market requirements, nonprofits are implementing them because they align with organizational values—creating more sustainable and authentic benefit strategies.

### Implications for Organizational Strategy

The survey findings suggest several strategic considerations for nonprofit leaders:

**Benefits Philosophy Definition:** Organizations need clarity about their position on the employer-paternalism to employee-choice spectrum. The most successful approaches appear to combine generous access with shared responsibility, but this requires intentional communication and change management.



# From Insights to Action

## Strategic Implementation Framework for the Nonprofit Sector

**Size-Appropriate Strategies:** The pronounced differences in benefits offerings and technology adoption across organizational sizes indicate that one-size-fits-all approaches are ineffective. Small organizations may need to focus on core benefits with strategic voluntary options, while larger organizations can lead innovation and potentially share learnings with smaller peers.

**Investment Prioritization:** With 66% identifying budget constraints as their primary challenge, organizations must make strategic choices about where to invest limited resources. The survey suggests that mental health, family support, and technology infrastructure offer the highest return on investment for talent attraction and retention.

### Sector-Wide Considerations

The transformation documented in this survey has implications beyond individual organizational strategy:

**Vendor and Partnership Opportunities:** The size-based disparities in technology and benefits adoption suggest opportunities for vendors to develop scaled solutions and for organizations to pursue collaborative purchasing and implementation strategies.

**Professional Development Needs:** The complexity of modern benefits administration, particularly around technology integration and voluntary benefits management, may require enhanced professional development for nonprofit HR professionals.

**Sector Leadership:** Large nonprofit organizations appear to be setting trends that smaller organizations eventually adopt. This creates opportunities for sector leadership and knowledge sharing that could benefit the entire nonprofit community.

### Looking Forward

The 2025 survey captures a sector that has moved beyond crisis response to strategic transformation. The challenges are real—budget constraints, technology gaps, and evolving employee expectations—but so are the opportunities to create distinctive, sustainable benefits strategies that support both organizational missions and employee welfare.

The most successful nonprofit benefits strategies emerging from these data share three characteristics: they align with organizational values, they balance employer investment with employee choice, and they leverage technology to expand access rather than reduce offerings.

As the sector continues to evolve, the organizations that thrive will be those that view benefits not as a cost center to be managed, but as a strategic capability that enables mission achievement through effective talent attraction, retention, and engagement.

The transformation is already underway. The question for individual organizations is not whether to evolve, but how quickly and effectively they can adapt their benefits strategies to match the new realities of nonprofit employment while staying true to their core missions and values.





For more information, contact us  
at [marketing@ppibenefits.com](mailto:marketing@ppibenefits.com).

## About PPI Benefit Solutions

PPI Benefit Solutions combines seasoned expertise with cutting-edge technology to deliver comprehensive, cost-effective solutions that take the pain out of benefits administration for small and mid-sized employers. Our commitment to excellence is exemplified through innovative solutions and collaborative partnerships with carriers and brokers. Together, we cultivate a dynamic benefits ecosystem that not only alleviates administrative burdens but levels-up the enrollment experience for your employees.

The annual Nonprofit Employee Benefits Survey is an extension of our commitment to providing employers and their advisors with the data and insights needed to make strategic, informed decisions.

To learn more, visit [ppibenefits.com](http://ppibenefits.com).

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