

MARSH

The Future of Benefits Technology

Centralize, personalize,
and build your AI advantage



Executive overview

This executive summary provides an overview of the top emerging trends that are transforming how employers design, manage, and deliver employee benefits.

Drawing on a comprehensive global survey conducted by Mercer Marsh Benefits in June 2025 with over 400 employers and 3,000+ employees, the summary highlights key developments in benefits technology that are reshaping the employee experience and organizational strategies.

We'll explore the wider themes of centralization, personalization, and building your artificial intelligence (AI) advantage while also highlighting the most impactful trends shaping the benefits management landscape today and into the future.

3,133

Employees from these countries:

- Brazil
- Canada
- China
- France
- Germany
- India
- Italy
- Mexico
- Singapore
- United Kingdom

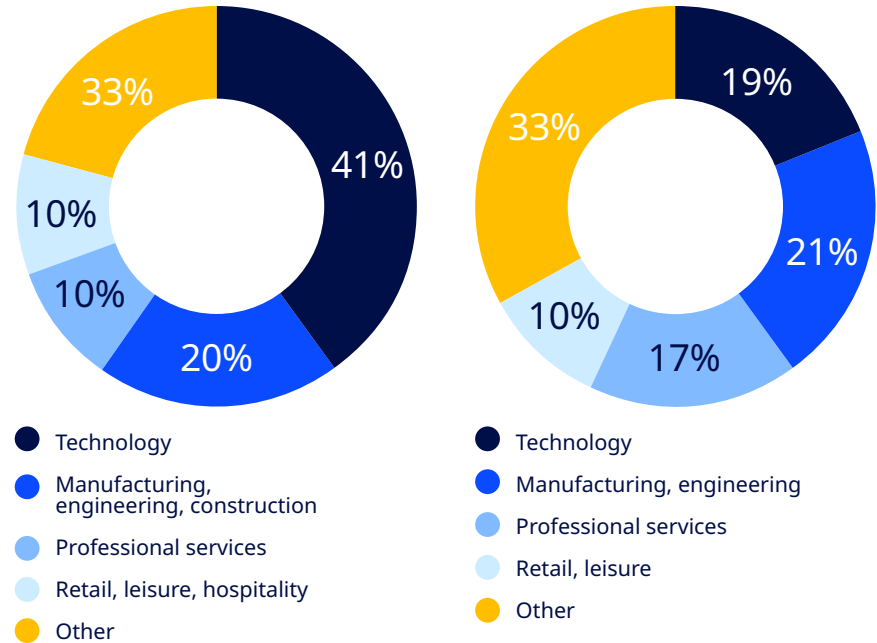
426

Employers

- US/CA
- EMEA
- LATAM
- APAC

25% of employers have 5+ years tenure at their company, and over half (52%) are part of the executive team.

Both employees and employers are from a wide variety of industries, providing a holistic perspective of the global economy.



Our research shows the most impactful trends in employee benefits technology for 2026 are:

- Employers are harnessing digital benefits platforms and AI to transform their benefits management, especially when it comes to leveraging data insights to make informed decisions.
- Building trust and transparency are critical to adopting benefits technology for both employers and employees.
- Perception and adoption of benefits technology varies across generations, highlighting the need for employers to provide personalized benefits offerings.

Benefits strategies for future workforces

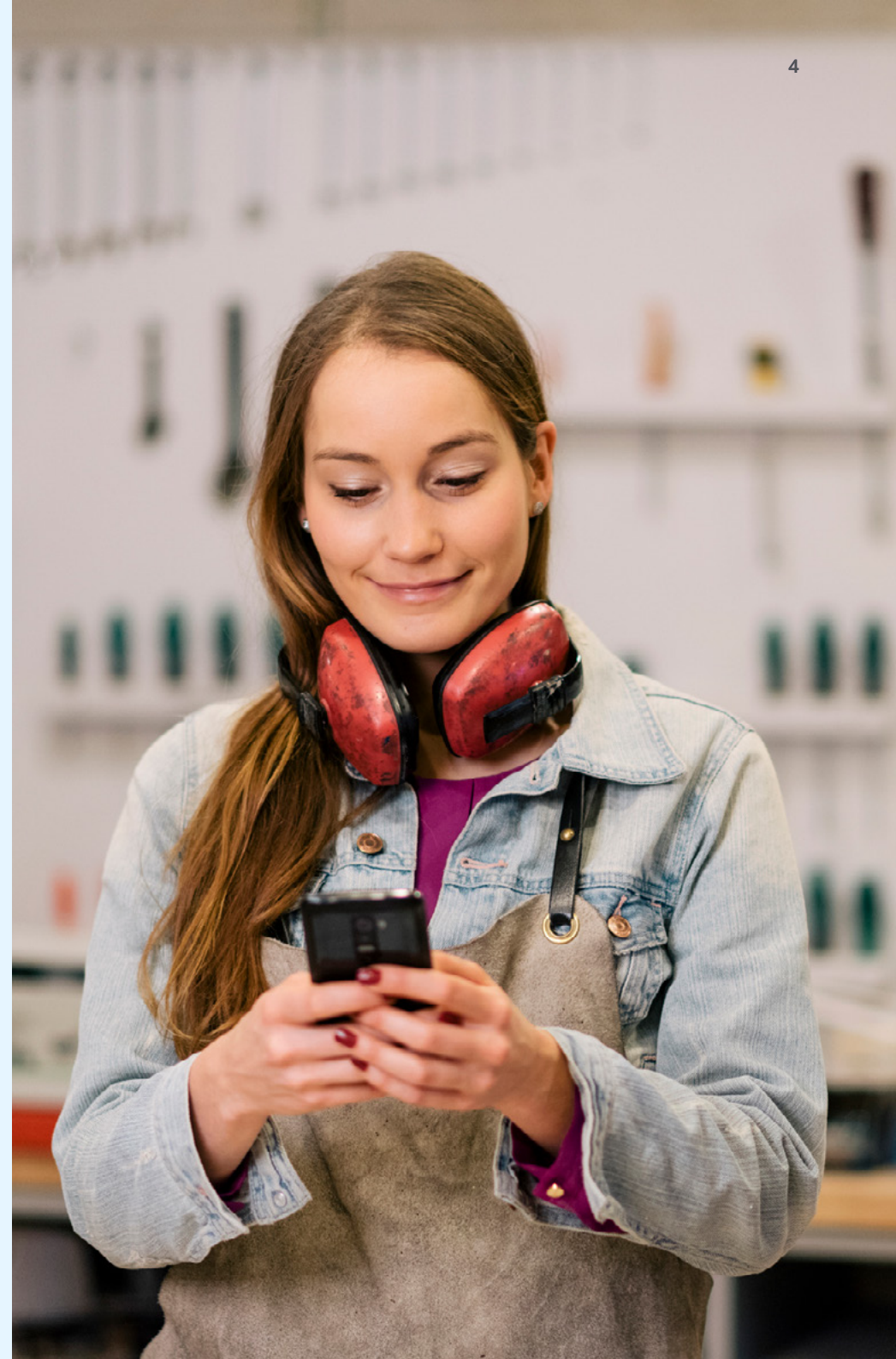
Employers are adopting innovative benefits technologies to modernize employee benefits delivery, actively responding to changing workforce expectations and the latest technological advances.

According to our research, 65% of employers view HR technology as the biggest driver of changing benefits priorities in their organizations. Central to this evolution is the move toward centralized benefits platforms that streamline administration, improve data integration, and provide a unified experience for employees.

Personalization is another critical focus, with employers aiming to tailor benefits offerings to diverse employee needs across generations, life stages, and individual preferences. Additionally, the integration of AI is becoming increasingly prevalent, enabling enhanced analytics, personalized recommendations, and proactive support, such as early detection of burnout.

Despite these promising developments, employers face several key challenges in adopting and optimizing benefits technology. Integration complexity remains a significant hurdle, as organizations often struggle to connect disparate systems and data sources. Data privacy and security concerns also weigh heavily, requiring careful management to comply with regulatory requirements and maintain employee trust. Budget constraints and shifting organizational priorities can limit investment in new technology platforms. Additionally, employee engagement with benefits technology is uneven, with some employees facing access issues or lacking awareness of available tools.

To keep pace with the future workforce, employers have critical opportunities to leverage benefits technology more strategically.





- 1. Centralization:** Employers are increasingly adopting centralized benefits platforms to streamline operations, reduce complexity, and improve data utilization. The survey shows that **89% of employers have already centralized their benefits or plan to do so within the year**, and 75% of employers plan to consolidate their benefits technology and brokerage with a single advisor, 62% of those within a year, and a further 32% within two years.

Impact:

Employers can manage benefits more efficiently and deliver a cohesive experience to employees, benefiting from improved operational efficiencies and better integration of benefits data.

Employees experience a more unified and accessible benefits platform, simplifying navigation and understanding of their benefits.

- 2. Personalization:** There is a growing demand for personalized benefits tailored to the diverse needs of employees, especially across different generations. While 71% of employees feel their benefits experience is relevant, **52% still have unmet needs**. Employers have the opportunity to add value through personalized offerings — 46% of employees express interest in building their own benefits packages and 38% want to receive tailored content based on life events.

Impact:

Employers can enhance employee satisfaction and engagement by offering more relevant, customized benefits.

Employees gain access to benefits that better match their individual circumstances and preferences, improving perceived value and utilization.

- 3. AI Integration:** The use of AI in benefits technology is rapidly increasing, with **50% of employers currently using AI and nearly all planning to implement it soon**. AI supports enhanced analytics, personalization, and early detection of employee burnout — advantages that employers are already leveraging; 58% are currently using insights to personalize benefits recommendations, and 56% to better understand the mental and physical health needs of their workforce. However, building trust and transparency around AI use is critical, as some employees remain skeptical.

Impact:

Employers can leverage AI to gain deeper insights, optimize benefits offerings, and proactively support employee wellbeing.

Employees benefit from more personalized recommendations and timely interventions but require clear communication and human support to build trust in AI-driven tools.



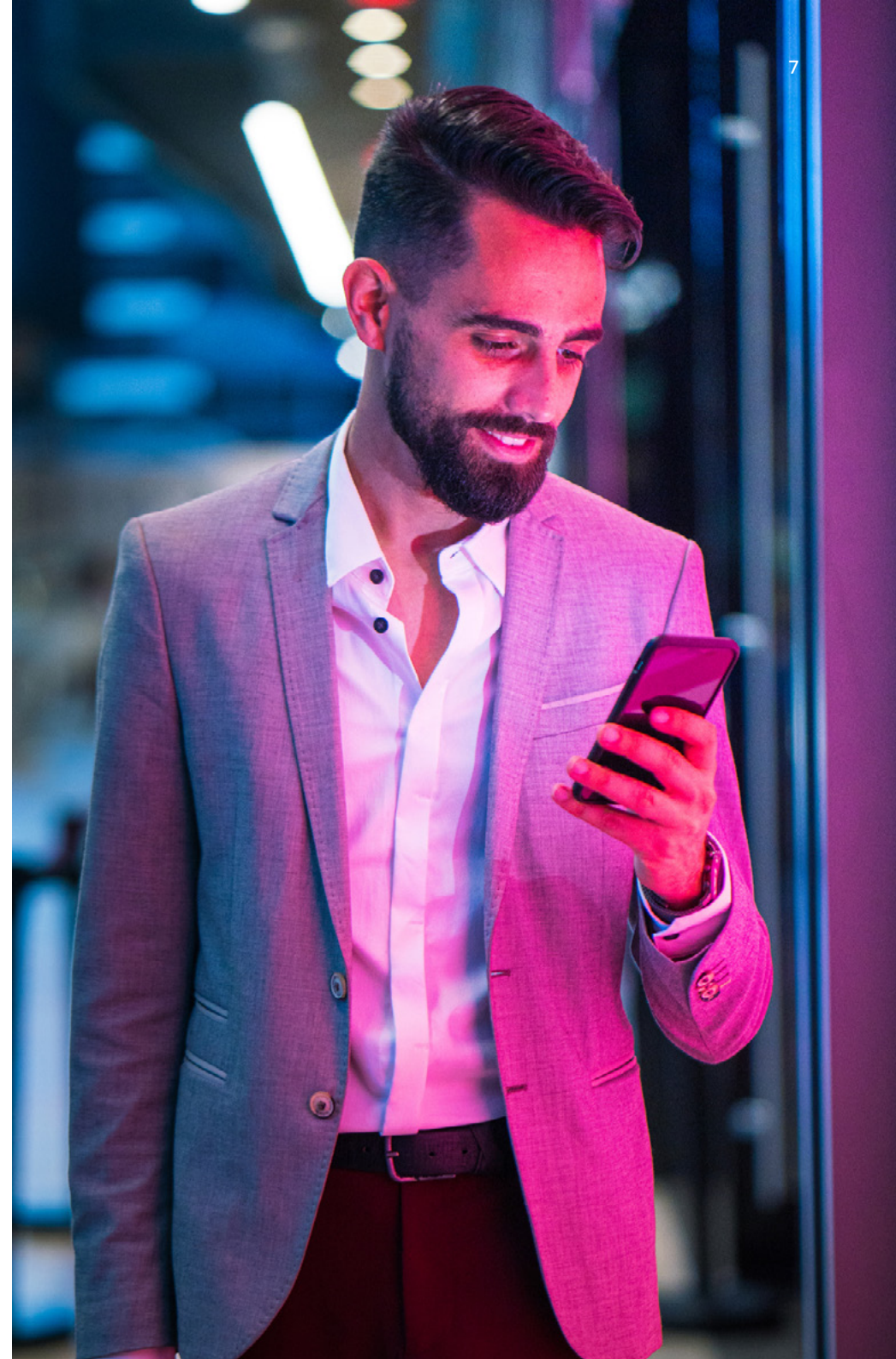
Considerations for employers that are leveraging benefits technology

Harness digital platforms and use AI to build your advantage

Digital benefits platforms combined with AI can transform benefits management by streamlining administration, reducing complexity, and lowering operational costs, allowing HR to focus on strategic priorities. These technologies centralize data from multiple sources and offer a real-time, comprehensive view of benefits.

By leveraging AI-driven analytics to inform smarter benefits design, employers can benefit from reduced costs and increased employee engagement. AI insights also reveal usage patterns and preferences, enabling more personalized benefits that boost satisfaction and retention.

To fully benefit, however, employers must address challenges like data privacy, legacy system integration, and building employee trust in AI. When implemented effectively, digital platforms and AI create agile, responsive, and employee-centric benefits strategies aligned with modern workforce needs.





Build trust with your employees and operate transparently

Building trust and transparency is essential for the successful adoption of benefits technology. As employers implement digital platforms and AI tools, employee confidence is crucial; without it, engagement and impact suffer.

Employers can build trust through clear communication about data use and AI's role, combined with accessible human support. This fosters higher employee engagement, better benefits utilization, and smoother technology rollouts. Transparent practices also help ensure data privacy compliance and reduce reputational risks.

Prioritizing trust enables employers to maximize the value of benefits technology and create a more effective, responsive benefits ecosystem.

Add real value to your employees through personalized benefits

The perception and adoption of benefits technology vary widely across generations, highlighting the need for personalized benefits. Younger employees like Millennials and Gen Z prefer seamless, tech-driven, flexible benefits tailored to their life stages, while older generations often favor straightforward, human-supported options addressing needs like retirement and healthcare.

Employers must move beyond one-size-fits-all solutions by offering intuitive platforms that allow customization and tailored recommendations. This approach boosts employee satisfaction, retention, and well-being, increases platform engagement, and helps employers attract talent while fostering an inclusive workplace culture.



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