QUESTCO

RESEARCH & INSIGHTS

ORIGINAL DATA REPORT

2026 SMB Employee Benefits & Retention Report

What the data reveals about what employees value, why they stay, and where employers should focus.

QUESTCO

Parallel surveys of 100+ U.S. employers and employees · 2026

questco.net

ABOUT THIS REPORT

Two surveys, one set of questions — so assumption can be measured against experience.

Questco fielded two parallel surveys — one for employers, one for employees — asking both audiences the same things. That structure lets us compare what employers *assume* against what employees actually *report*. More than 100 U.S. employers and employees participated.

A NOTE ON METHODOLOGY

Throughout this report, findings are cross-referenced at the **individual level** — not only as aggregate averages. That cross-referencing is what reveals which employees are most likely to leave, and why.

THE DATASET

100+
U.S. employers & employees

2
Parallel survey instruments

1
Shared question set

HOW THIS REPORT IS ORGANIZED

ESTIMATED READING TIME — 15 MINUTES

01 · KEY FINDINGS AT A GLANCE

Pay anchors retention. But the largest opportunity sits where value and experience diverge.

A fast-scan summary of the survey's headline numbers. The full breakdowns and cross-referenced analysis follow in the next section.

RETENTION CONTEXT

+57
Overall NPS — likelihood to stay across the full sample

52%
rank **base pay** as their #1 reason to stay

27%
rank **manager quality** as their #2 reason

15%
rank **benefits** as their #3 reason

Pay and management set the baseline for retention. Benefits rarely top the list of reasons employees stay — but as the next pages show, the *absence* or *mishandling* of specific benefits is one of the most reliable reasons employees leave.

BENEFITS COMMUNICATION — QUICK STATS

86%
of employers **don't publish** a benefits summary

0
employers do **all three** communication basics: publish, disclose early, measure understanding

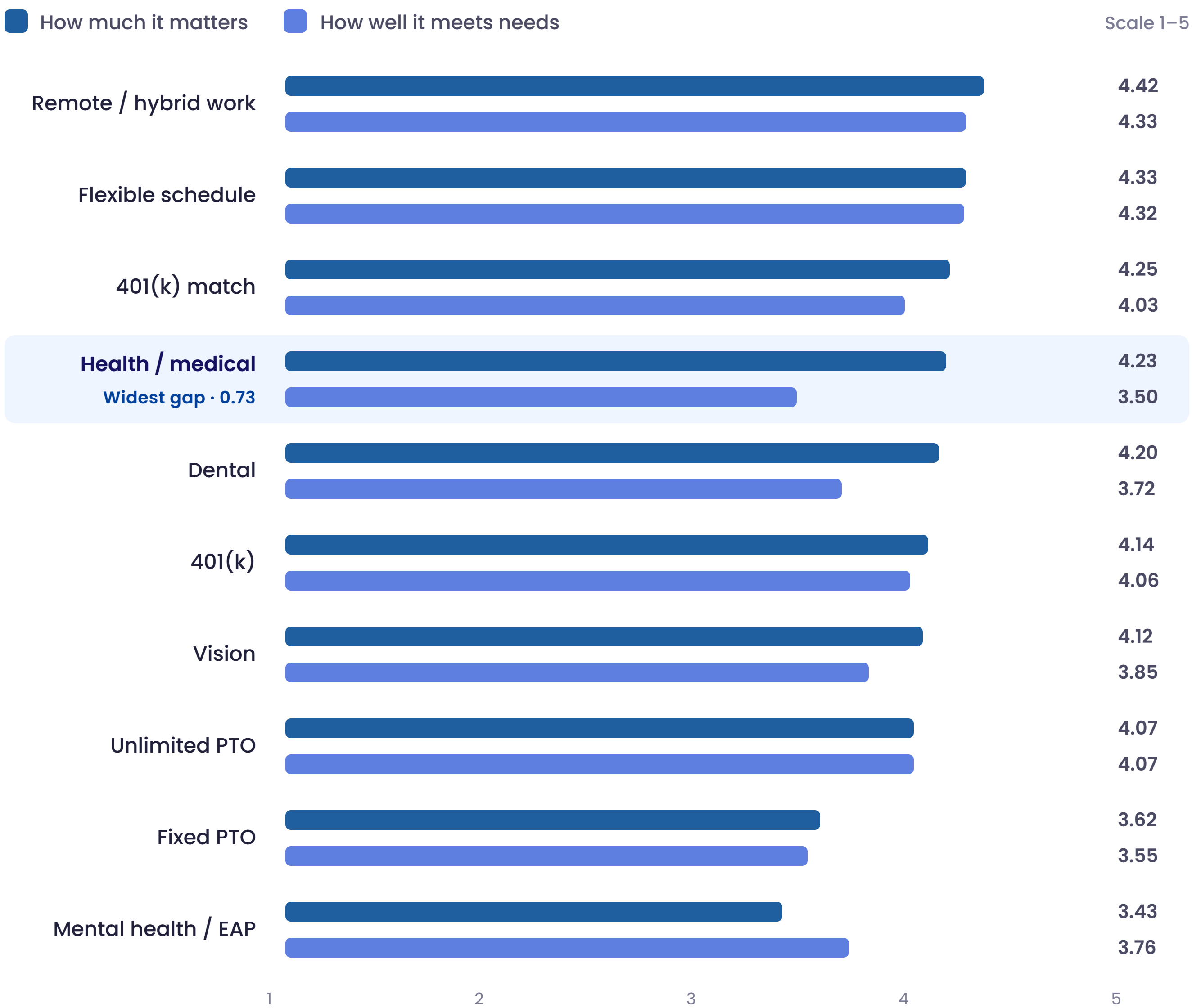
1 in 3
do **none** of the three

Together these gaps mean most employers can't yet tell whether their benefits are landing with employees — which, as the deeper analysis shows, is exactly where retention risk begins.

01 · KEY FINDINGS AT A GLANCE

Where benefits matter most vs. where they actually meet needs

Employees rated each benefit twice on a 1–5 scale: how much it **matters** to them, and how well it **meets their needs**. Where the two diverge is where the retention risk concentrates. The widest gap in the survey is **health / medical** — and it is no coincidence that health satisfaction turns out to be one of the two strongest predictors of who leaves.



02 · THE DEEPER ANALYSIS

Who’s actually at risk

The top-line findings on the web report show what the survey *said*. This section shows what the data *reveals* when every finding is cross-referenced against how likely each employee was to stay — and which two characteristics reliably predict who’s leaving.

FINDING 01

Health satisfaction is a retention predictor — not just an opinion.

29%
of employees with **low** health satisfaction (1–2 of 5) are at risk of leaving

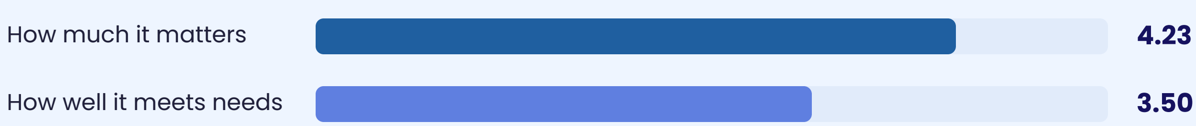
8%
of employees with **high** health satisfaction (4–5 of 5) are at risk

4×
more likely dissatisfied employees are to be at risk

Employees who rate their health plan 1–2 of 5 for meeting their needs are **four times** as likely to be at risk of leaving as those who rate it 4–5. That single factor accounts for **6 of the 10** employees who scored lowest on likelihood to stay.

The satisfaction gap in the value / meets-needs table — 4.23 vs. 3.50 — is not just an opinion about benefits quality. It is a retention predictor.

THE HEALTH GAP, ISOLATED · RATED 1–5



A **0.73-point gap** — the widest in the survey, and the one most closely tied to who leaves.

FINDING 02

Trust in how benefits are handled is the stronger predictor.

86%

of employees with **low trust** (1–2 of 5) in how benefits are handled are at risk of leaving

−71

NPS among that low-trust group — 6 of 7 are detractors

+77

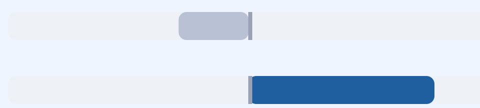
NPS among the high-trust group — just 2 detractors of 60

Trust in how benefits are administered is the second predictor — and a stronger one than satisfaction alone. An employee who doesn't trust that their benefits are being handled correctly is not just a retention risk; they are **almost certain to leave**.

NPS BY TRUST LEVEL

Low trust in benefits handling (1–2 of 5) −71

High trust in benefits handling (4–5 of 5) +77

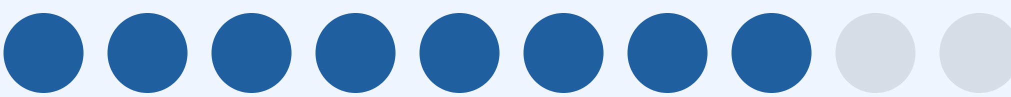


The NPS gap between low-trust and high-trust employees is **148 points**. Center line marks an NPS of zero.

FINDING 03

The profile of the employee most likely to leave

Two characteristics — low health satisfaction and low trust in benefits administration — do most of the predictive work. When we isolate the ten employees least likely to stay, almost all of them carry at least one.



8 of 10 at-risk employees have low health satisfaction, low trust in how benefits are handled, or both.

Carries at least one characteristic   Fits neither condition

Only **2 of the 10** fit neither condition. The important point for employers: both characteristics describe something they can **actively address** — the quality of the health plan as experienced day to day, and the trust built through how benefits are communicated and administered.

FINDING 04

Advance notice neutralizes the cost of an unwelcome change.

Advance notice of a benefits change **completely neutralizes** its retention impact. Employees who learned about a change in advance scored essentially the same as those who experienced no change at all. Those who found out after the fact fell to NPS +20 — a drop driven entirely by *when* they were told, not *what* changed.

LIKELIHOOD TO STAY (NPS) BY HOW A CHANGE WAS COMMUNICATED

44 **point swing** between advance notice and after-the-fact notice — a retention difference created purely by timing.

FINDING 05

The PTO policy isn't the problem. The culture around it is.

77% of employees say their PTO rules are **clear**

29% of those employees still took **5 or fewer days** last year

40 point retention gap between full users and low-takers

Employees who understand the rules and still don't use their time are losing **40 points** of retention score compared with those who take their full allocation. The barrier is workload and the optics of stepping away — **cultural constraints, not policy ones**.

LIKELIHOOD TO STAY (NPS) BY PTO TAKEN

FINDING 06

Childcare is a quiet competitive gap — flagged by your most tenured people.

1 in 7 employees flagged **childcare** as a benefit they value, lack, or want most	**8 of 10** of that group have been with their employer **3+ years**	**+60** their NPS — matching the survey overall

The employees asking for childcare are among the **longest-tenured** in the survey. They are not about to leave — their retention score matches the general population — but they represent a quiet competitive gap.

Notably, **no employer** in this survey named childcare as a benefit they think employees value. That gap is almost certainly reflected in competitors' recruiting and retention pitches.

FINDING 07

The communication gap compounds every other finding.

0 of 28 employers do **all three** communication basics: publish a summary, disclose before the offer, measure comprehension	**10 of 28** do **none** of the three	**79%** in the 10–49 band don't publish a summary — and don't measure comprehension

An employer can offer excellent benefits and still lose the retention value of those benefits if employees don't know what they have, can't find the details, or are surprised when something changes.

The cross-tab data makes the chain clear: the **timing and quality of benefits communication** is a direct input into whether employees stay. It is the lever that connects every other finding in this section.

Six specific places to focus — each grounded in the cross-referenced data.

1 Audit what your health plan actually costs employees day to day — not just at renewal.

The satisfaction gap (4.23 value vs. 3.50 meets-needs) is the widest in the survey, and low health satisfaction is one of the two primary predictors of turnover. A plan that looked reasonable at renewal may not reflect what employees experience at the point of use. Half of employers here pay 50–74% of the employee-only premium; 29% pay under 50%. How employees perceive that coverage day to day is where the retention math happens.

> Employees with low health satisfaction are **4× more likely** to be at risk of leaving than those who are satisfied.

2 Publish a benefits summary before the first interview.

86% of employers don't publish a benefits summary at all. Most candidates don't see benefits details until the offer stage, which means they decide without the information. Publishing before the first interview is now a differentiator — and it resets the communication baseline for existing employees at the same time.

> In the 10–49 employee band, **79%** of employers don't publish a benefits summary.

3 Communicate benefits changes before they take effect — every time.

Advance notice completely eliminates the retention damage of an unwelcome change. Employees who were surprised but told in advance had a retention score of +64 — identical to those who experienced no change at all. Employees who found out after the fact scored +20. The content of the change mattered far less than the timing of the message.

> **44-point** NPS swing between advance notice and after-the-fact communication.

4 Set and state a recommended minimum for time off.

77% of employees say PTO rules are clear; 29% of them still took 5 or fewer days last year. The constraint is workload and the optics of stepping away — not policy confusion. A stated minimum signals that using PTO is expected and acceptable, which is the cultural signal low-takers are missing.

> NPS **+65** for employees who took 11+ days vs. **+25** for those who held back.

5 Revisit who your parental leave policy actually covers.

Three in four employers in this survey restrict parental leave eligibility to expecting mothers; 29% include expecting fathers. Most policies were written years ago and haven't been updated to reflect how families are formed today. The employees most likely to value parental leave — new fathers, adoptive parents, parents using a surrogate — are often the ones current policies exclude.

> **75%** of employers restrict eligibility to expecting mothers; **29%** include expecting fathers.

6 Protect the 401(k) match before renewals.

The match-suspension NPS was -58, and it was consistent across every match band — employees who receive a 2–3% match reacted the same as those who receive 4–5%. The match is load-bearing regardless of its size. It is the last place to look for cost savings.

> **-58** retention score if the match were reduced or suspended.

WHERE TO START

If you act on only two this year, begin with **#1** and **#3**. They map directly to the two characteristics that predict who leaves — how employees experience their health plan day to day, and whether they trust the way benefits are handled and communicated. Every other recommendation compounds from there.

04 · ABOUT QUESTCO

A co-employer built for small and mid-sized businesses.

Questco is an IRS-Certified PEO (CPEO) with more than 30 years of experience serving small and mid-sized businesses across the U.S. As a co-employer, Questco manages payroll, employee benefits, HR support, and compliance through **dedicated service teams** — not pooled support.

CPEO certification clarifies tax liability, ensures tax-credit eligibility, and avoids federal wage-base tax restarts when you switch mid-year. Questco works alongside your existing brokers and insurance providers.

- **CPEO certified** — clarifies tax liability, protects tax-credit eligibility, avoids wage-base restarts
- NPS averaged **above 70**
- **Diamond ClearlyRated** award, five consecutive years
- **90%** of calls and emails returned within 24 hours
- **Per-employee, per-month** pricing — not a percentage of payroll
- Works with your **existing brokers** and insurance providers

TALK IT THROUGH

Schedule a no-obligation consultation.

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