

Executive Benefits

Beyond compensation: Demonstrating care through executive benefits

Improving key talent metrics for
highly compensated employees



Contents



1.

Highly compensated employees have high expectations of care

Page 4

[Jump to chapter](#) →

2.

Highly compensated employees are a diverse group with diverse needs

Page 7

[Jump to chapter](#) →

3.

The value of executive benefits

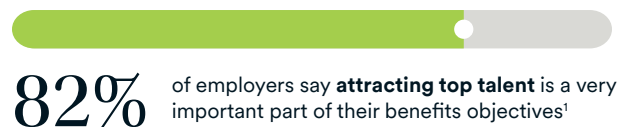
Page 9

[Jump to chapter](#) →

Introduction

Amid a backdrop of economic uncertainty and macro-level stressors, such as inflation and high interest rates, recent data shows that the war for talent rages on. However, benefits remain a key tool for attracting and retaining top talent as employee well-being takes center stage.

Benefits objectives



The current economic uncertainty impacts employee outlooks as well. On the surface, highly compensated employees are more confident about their finances than employees overall (81% versus 53%). Yet among highly compensated employees, 44% expect to postpone retirement due to their current financial situation, and 32% say financial worries make them less productive at work. The financial protection offered by executive benefits can help close these gaps.

This year's MetLife U.S. Employee Benefit Trends Study reinforces the importance of employee care and identifies the critical moments and experiences where employees have the strongest need for care and the highest expectations for employers to provide it. Those critical moments are different for highly compensated employees than the general employee population.

In these moments that matter, benefits are a primary way employers can demonstrate care for their employees. As the research shows, this is especially important to what have traditionally been called executive employees, defined for our purposes as any employee whose annual earned income from their employer is equal to or greater than \$100,000. Employees in many fields including those who earn commissions can top \$100,000, so they may be more accurately described as highly compensated employees rather than executive employees.



Executive benefits are designed to meet the needs of highly compensated employees

Executive benefits include specialized products like Individual Disability Insurance (IDI) and Group Variable Universal Life (GVUL) Insurance that can provide additional income protection. These coverages are sold on a group basis through employers as an added form of financial protection.

IDI is built specifically for highly compensated employees to help protect their total income and standard of living:

- ✓ Closes the income gap not covered by standard disability insurance — that's why, at MetLife, we call it Disability Income Gap Insurance (DIGI)
- ✓ Supports diversity, equity and inclusion (DEI) strategies with fixed, gender-neutral rates
- ✓ Guarantees coverage with no or limited exclusions for pre-existing conditions

GVUL is life insurance protection with various tax advantages and investment opportunities:

- ✓ Provides a variety of tax-deferred investment options, including an interest-bearing account
- ✓ Offers ability to build cash value that can be withdrawn at any time, potentially tax-free



Common disability insurance only covers 60–65% of income and doesn't include bonus income, putting highly compensated employees at a disadvantage.

Chapter 1

Highly compensated employees have high expectations of care



More “must-have” benefits

Across income groups, the average number of “must-have” benefits has increased over time, up 26% since the pandemic — an event which fueled a desire for peace of mind. Highly compensated employees expect their employers to provide more benefits to them.

AVERAGE NUMBER OF “MUST-HAVE” BENEFITS
AMONG INCOME GROUPS

	Employees earning less than \$100k	Highly compensated employees (earning \$100k+)	Top earners (earning \$150K+)
2024	8.2	8.7	9.1
2023	8.2	8.7	8.7
2022	7.5	8.2	8.2
2021	7.2	8.0	7.8



“[During the pandemic,] a lot of people were out, and a lot of people realized that their long-term disability insurance, especially if they were a high-wage earner, wasn’t giving you enough cover.”

—Employer

85%

of highly compensated employees say that having benefits gives them peace of mind for the unexpected

66%

of highly compensated employees say they’re interested in benefits that their employer doesn’t currently offer

Employee care

This rising interest in employee benefits is part of the trending growth in the importance of “employee care” — employers’ genuine demonstration of interest in employees’ overall well-being. This trend is magnified in the highly compensated population. They have significantly higher expectations of care delivery from their employers compared to other employees, and these expectations extend beyond the workplace and into their personal lives.

Care expectations

% EXPECTING CARE TO BE REGULARLY DELIVERED

	Employees earning less than \$100k	Highly compensated employees (earning \$100k+)
Work	56%	66% ▲
Life	34%	48% ▲



The **MetLife Employee Care Model** is designed to take advantage of all elements of the employee experience in pursuit of increased holistic well-being and, ultimately, improved talent management outcomes. Wellness programs and benefits are an important element of the employee experience.



Expectations of care can be met with employee benefits

Our research demonstrates that when highly compensated employees choose and use more benefits, they are significantly more likely to feel cared for.

PERCENTAGE OF EMPLOYEES FEELING CARE FOR



Choosing benefits

Enrolled in 6 or fewer benefits 67% ▼

Enrolled in 18 or more benefits 91% ▲



Using benefits

Used fewer than 10 benefits 70% ▼

Used 17 or more benefits 98% ▲

Chapter 2

Highly compensated employees are a diverse group with diverse needs

Giving highly compensated employees exactly what they want

Not all highly compensated employees view care and executive benefits in the same way. There are pronounced differences across the generations and by gender. Because highly compensated employees are more likely to feel cared for than other employees (74% versus 56%), moving the dial requires considerable benefits investment from employers, so it's important to understand the needs of different segments.

For example, there are more highly compensated women in the workforce compared to 10 years ago², but women are less likely to feel cared for (67% versus 78%). In addition, different care elements are more important to different age groups.

Boomers place more importance on compensation, while Generation Z and millennials place more importance on wellness and benefits.

	Gen Z Execs	Millennial Execs	Gen X Execs	Boomer Execs
Compensation	15% ▼	20% ▼	43% ▼	70% ▲
Purposeful work	8%	16%	14%	13%
Flexibility and work-life balance	25%	17%	21% ▲	8% ▼
Career development and training	18%	18% ▲	10%	2%
Wellness programs and benefits	23% ▲	16% ▲	7% ▼	4% ▼
Social and supportive cultures	12%	13% ▲	5%	3%

Executive benefits are more important to younger highly compensated employees

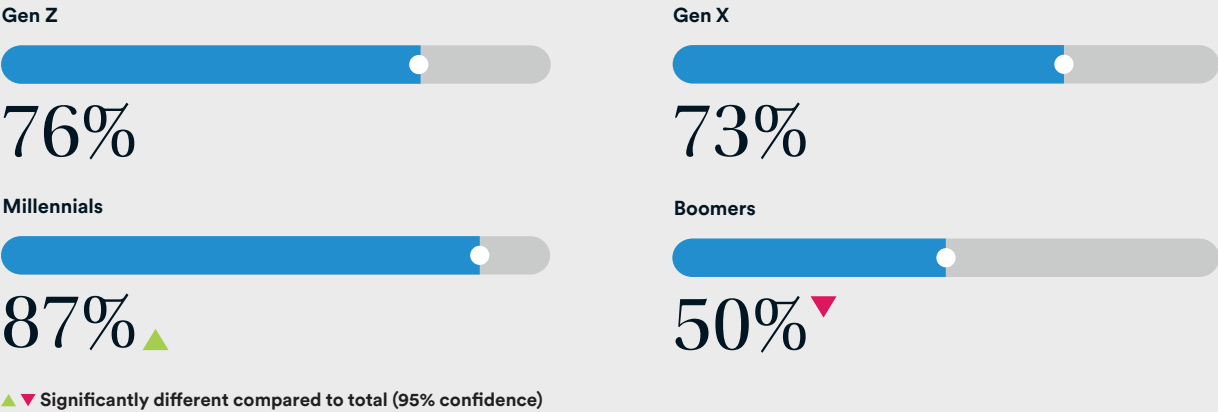
Highly compensated employees in younger generations now outnumber boomers (77% versus 22%). The research shows that millennials are more interested in and more likely to own executive benefits than boomers are.

EXECUTIVE BENEFITS: AGE (%)

HIGHLY COMPENSATED EMPLOYEES				
	Gen Z (21-27)	Millennial (28-42)	Gen X (43-58)	Boomer (59+)
% Must Have	45%	61% ▲	42%	27% ▼
% Own	34%	44% ▲	27%	13% ▼
% Used (All Respondents)	21%	36% ▲	20%	9% ▼

▲ ▼ Significantly different compared to total (95% confidence)

Millennials are also more likely to want employers’ help in achieving financial security



Certain work and life moments are more impactful to highly compensated employees

Employers’ responses and support are pivotal in these moments that matter. In examining distinct moments and events that employees experience at work and in their personal lives, we identified many that have a substantial impact on employee perceptions of being cared for. Our analysis confirms that organizations able to convincingly demonstrate care for employees during these

high-impact moments are more likely to improve their employees’ holistic well-being, including their perceptions of financial health. Ultimately, employers who demonstrate employee care can improve their own talent management outcomes.

The research tested 55 work and life moments to understand when and how employers can best demonstrate care.

MOMENTS RANKED BY MOST IMPACTFUL



Life Moments



Work Moments

	Serious medical diagnosis and/or procedure	Legal troubles	Relationship challenges	Start a new role with a new employer	Having to communicate a layoff/demotion	Nearing retirement
Highly compensated employees (earning \$100k+)	#1	#3	#7	#3	#4	#6
Employees earning less than \$100k	#15	#20	#11	#15	#21	#16

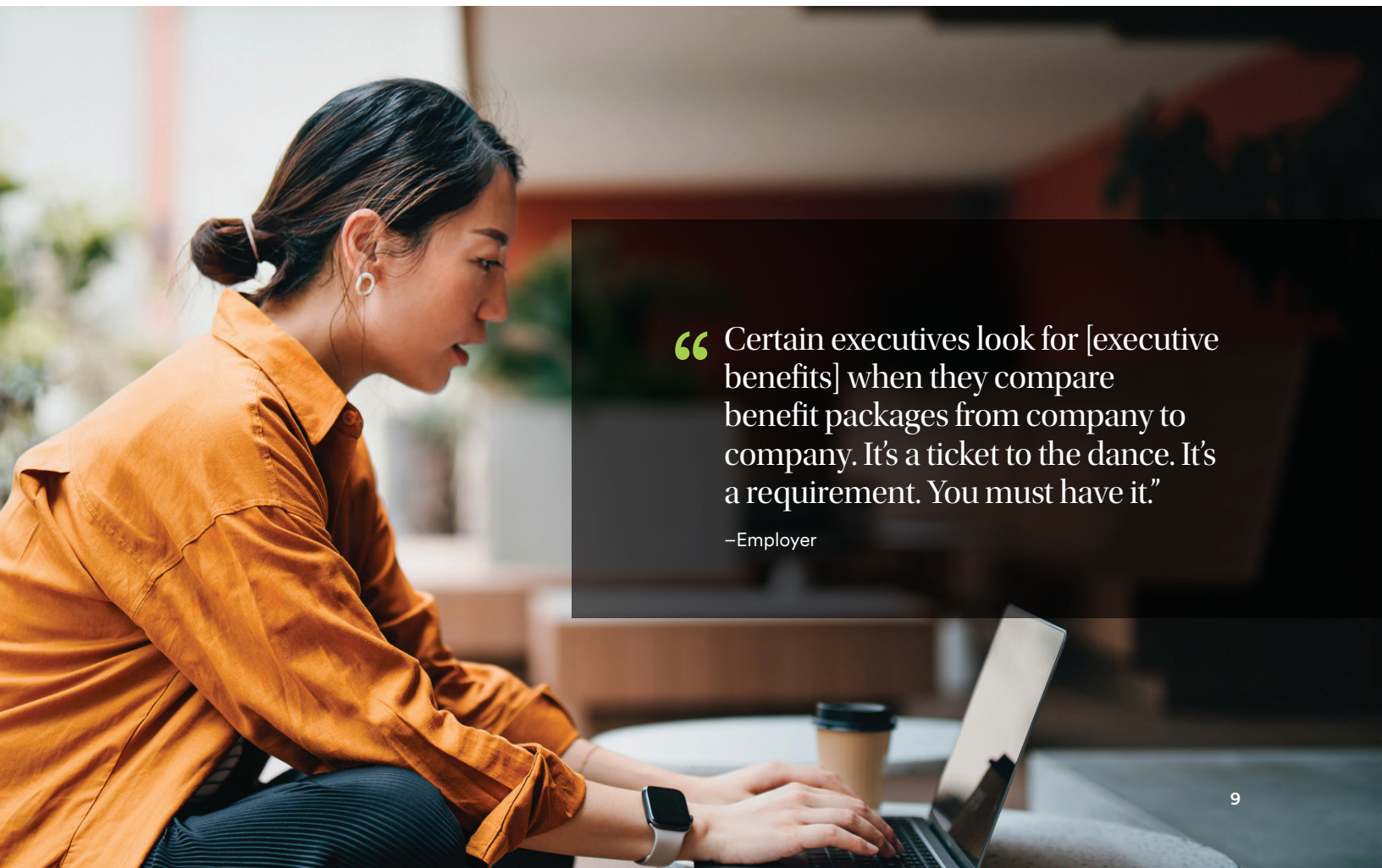
Chapter 3

The value of executive benefits

In the war for talent, IDI and GVUL are highly ranked in terms of broker recommendations, employee interest and employer offerings as part of a comprehensive executive benefits group program.

Top 3 executive benefits³

Rank	Brokers recommend	Employers offer	Employee interest
1	Executive life	Executive health	Individual disability
2	Individual disability	Individual disability	Deferred compensation
3	Executive liability	Executive life	Executive retirement plan



“ Certain executives look for [executive benefits] when they compare benefit packages from company to company. It’s a ticket to the dance. It’s a requirement. You must have it.”

—Employer

When highly compensated employees are enrolled in an executive benefits program, employers see the impact in key talent metrics



Improved outcomes
for businesses

16% more likely to feel **loyal**

15% more likely to feel **satisfied**
with their job

24% more likely to **trust their**
employers' leadership

20% more likely to feel **committed to**
their employers' goals

Executive benefits can help close the gender gap

Female employees are less engaged with executive benefits compared to male employees. They're less likely to see executive benefits as a must have and less likely to own. But when they do own executive benefits, they are more likely to feel cared for, closing the gap.

EXECUTIVE BENEFITS: GENDER (%)

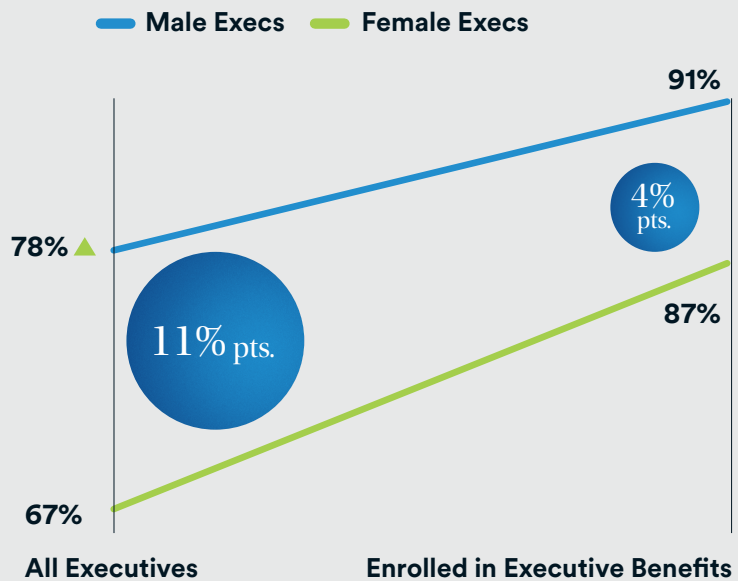
	Male Execs	Female Execs
% Must Have	<div><div></div></div> 49% ▲	<div><div></div></div> 38% ▼
% Own	<div><div></div></div> 32%	<div><div></div></div> 26%
% Used (All Respondents)	<div><div></div></div> 26% ▲	<div><div></div></div> 18% ▼

▲ ▼ Significantly different compared to total (95% confidence)

Enrollment in executive benefits narrows the gender care gap



% FEELING CARED FOR:
MALE VS FEMALE EXECUTIVES



Executive benefits make a difference in impactful moments

Enrollment in executive benefits correlates with higher perceptions of care overall and across key moments.

% FEELING CARED FOR





Life
Moments



Work
Moments

	Highly compensated employees	Highly compensated employees enrolled in executive benefits		Highly compensated employees	Highly compensated employees enrolled in executive benefits
Loss of family member/friend	69%	81%	Health and safety concerns	81%	93%
Pregnancy (self or spouse/partner)	81%	95%	Having to communicate a layoff/demotion	73%	84%
Bereavement (including miscarriage)	77%	86%	Become a manager/mentor to an individual or team	82%	94%

Executive benefits that demonstrate care in impactful moments

Moments that matter	Executive benefit
Serious medical diagnosis and/or procedure Ongoing medical treatment for chronic condition	→  Individual Disability Insurance (IDI)
Growing family Bought first home Nearing retirement	→  Group Variable Universal Life (GVUL) Insurance

Executive benefits foster employee success

Highly compensated employees who are enrolled in an executive benefits program are more likely to feel financially healthy (91% versus 78%), cared for, happy and valued by their employers.

MORE POSITIVE EMOTIONS AT WORK

32% more likely to feel **cared for**

27% more likely to feel **happy**

28% more likely to feel **valued/ appreciated**

16% more likely to feel **successful**

21% more likely to feel **engaged**

11% more likely to feel **productive**

Conclusion

The world has changed rapidly, and the expectations of highly compensated employees have changed with it. Creating an executive carve-out program for highly compensated employees can provide a cost-effective and efficient way to meet their needs. Such programs can help provide the means to satisfy the unique income protection needs of highly compensated employees and increase job satisfaction and engagement without straining company benefits budgets or resources. These benefits can demonstrate employee care by offering financial stability and peace of mind for the moments that matter. In addition, executive benefits can be used as part of a comprehensive DEI strategy to close gaps for key employee segments.



To learn more about executive benefits or to request a quote, contact your MetLife representative.

Research Methodology

MetLife's 22nd Annual U.S. Employee Benefits Trends Study was conducted in November 2023 and consists of two distinct studies fielded by STRAT7 Incite – a global strategy, insight and planning consultancy. The survey consists of 2,640 interviews with full-time employees, ages 21 and over, at companies with at least two employees. All employees were based in the U.S. This report contains data collected for but not reported in the primary Study.

¹ Unless otherwise stated, all data taken from MetLife's 22nd Annual U.S. Employee Benefit Trends Study, 2024.

² Lean In and McKinsey & Company. "Women in the Workplace 2024."

³ MetLife's 2023 Disability Income Gap Insurance Study.

Like most group benefits programs, benefit programs offered by MetLife and its affiliates contain certain exclusions, exceptions, waiting periods, reductions, limitations and terms for keeping them in force. Ask your MetLife representative for costs and complete details.

