

The benefits employees *really* want

What today's workforce values most, and how to build a benefits package that attracts, retains and engages your people.

A practical guide for UK employers · 2026

Introduction

Why benefits belong at the top of the people agenda

Benefits are no longer a “nice to have”. They are central to recruitment, retention and recognition, and HR leaders have named “providing a good range of employee benefits” one of their biggest priorities of 2026.

Yet with employer National Insurance contributions rising and wage bills under pressure, many organisations are scrutinising every line of their reward spend. This guide is designed to help you invest where it matters most. It draws together the findings of research commissioned by the Ciphre Group, FlexGenius’s parent company: a survey of 2,000 UK employees and a survey of 300 UK HR decision-makers, to show what employees value, where employers are falling short, and what genuinely moves the needle on engagement.

1st

Paid sick leave ranks above pay rises as the most-valued benefit.

60%

want pay rises that match or beat inflation. Only 38% of employers provide them.

88%

of employees have at least one thing that makes them feel happy at work.

What’s inside

01 The benefits employees value most

The definitive ranking, and how men and women differ

02 Mind the gap: want vs offered

Where provision falls short of expectations

03 One size doesn't fit all

Tailoring benefits to age and life stage

04 Beyond benefits: what makes people happy

The drivers of engagement and retention

05 Your action plan

Practical, data-led steps for employers

01 – The benefits employees value most

Paid sick leave (company sick pay) tops the list – ahead of pay rises. It's an almost identical result to our survey four years ago, when 67% chose it. Many of the most-prized benefits support health, wellbeing, work-life balance and future skills, showing that pay, while important, isn't everything.

Top 10 most valued benefits & incentives

% of UK employees who say each benefit is important to them



Source: survey of 2,000 UK employees, commissioned by the Ciphre Group, February 2026.

What women want

#	Benefit	%
1	Paid sick leave	70
2	Inflation-matching pay rises	62
3	Flexible working hours	60
4	Pension contribution matching	53
5	Extra holiday allowance	49

What men want

#	Benefit	%
1	Paid sick leave	64
2	Inflation-matching pay rises	58
3	Pension contribution matching	56
4	Flexible working hours	54
5	Extra holiday allowance	52

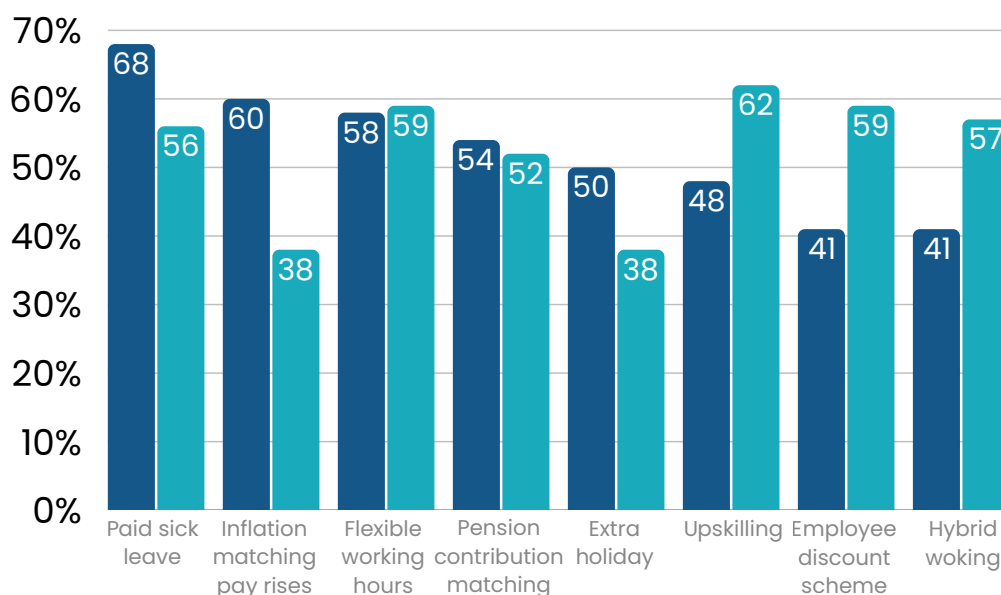
The headline priorities are shared, but the order shifts: women rank flexible working third, while men place greater weight on pension contribution matching.

02 – Mind the gap

The good news: many benefits employees want are already widely provided. But there are clear disparities – and the widest is on pay. Three-fifths (60%) of employees want inflation-matching pay rises, yet fewer than two-fifths (38%) of employers provide them.

What employees value vs what employers offer

% who value each benefit (employees) vs % who offer it to all staff (employers)



Source: surveys of 2,000 UK employees (2026) and 300 UK employers (2025), commissioned by the Ciph Group.

Biggest gaps to close

Percentage-point difference between employee demand and employer provision



“There’s a real risk in employers cutting back on benefits or standing still. Employees have clear priorities – and in several areas there are significant gaps between what they expect and what employers currently provide.”

Karen Lough, director of people, Ciph

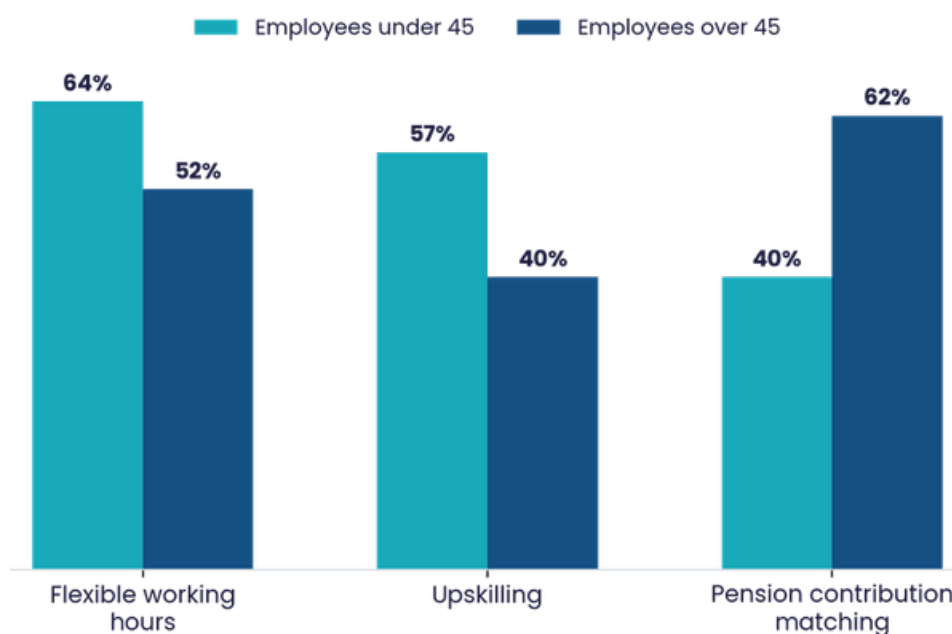
03 – One size doesn't fit all

Priorities shift across a working life. For employees over 45, pension contribution matching becomes comparatively more important than flexible hours or extra holiday. Those further from retirement place greater value on flexibility and upskilling. For 35–44-year-olds – often balancing work and caring responsibilities – flexible working hours rank equal to sick pay.

“What supports a graduate in their first job is rarely what supports a parent on phased return, or a senior leader thinking about long-term financial protection.” **Phil Curtis**, benefits specialist, Ciph

Priorities by age group

% who value each benefit, under-45s vs over-45s



Source: survey of 2,000 UK employees, 2026.

“A personalised benefits platform gives HR and reward teams the structure to design a thoughtful package, the tools to communicate it so people actually use what's on offer, and employees genuine choice across their health, financial and lifestyle priorities. That is where we see significant improvement in wellbeing – and it shows up in retention, attraction and engagement.”

Phil Curtis, benefits specialist, Ciph

Key takeaway

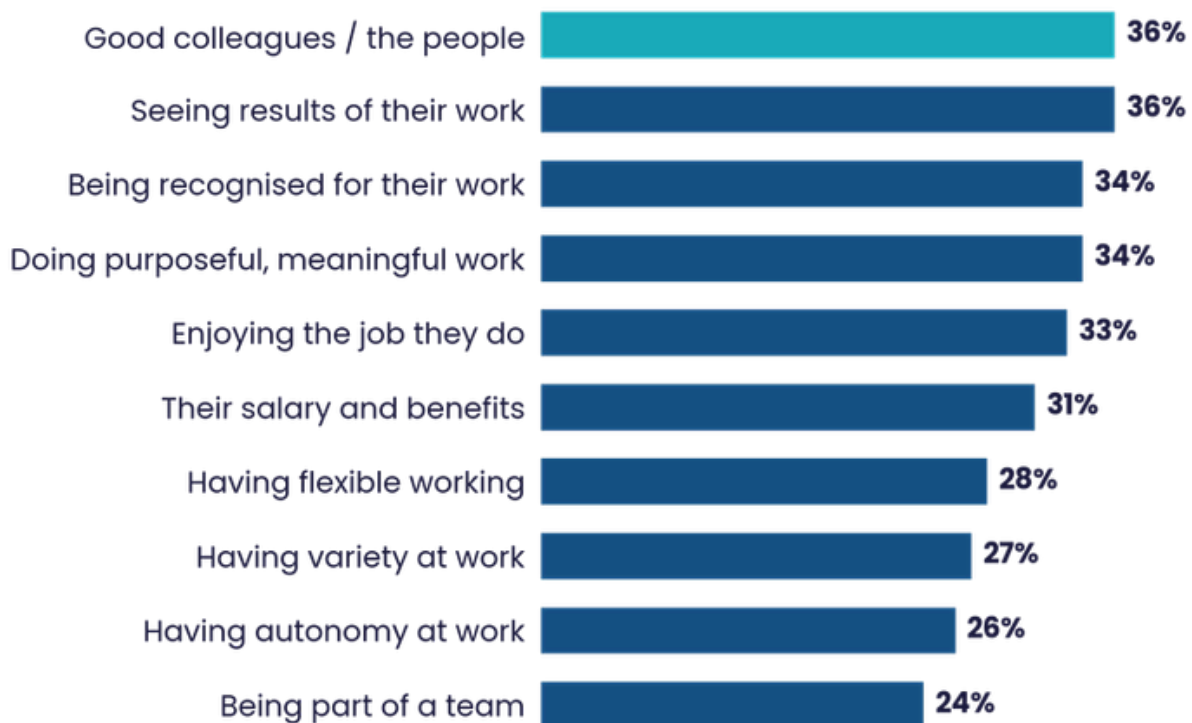
A workforce spanning different generations, life stages and working patterns no longer responds to a single, fixed package. Choice and personalisation are what make benefits work in practice.

04 – Beyond benefits: what makes people happy

Benefits attract and retain – but everyday experience drives engagement. Ciph'r's research found that pay doesn't feature in the top five sources of happiness at work. Work colleagues, visible results and recognition matter more. And happier employees are far less likely to think about leaving: 72% of those who feel happy 20+ days a month find their job fulfilling most of the time.

Top 10 things that make people happy at work

% of UK employees selecting each driver



Source: survey of 2,000 UK employees, commissioned by the Ciph'r Group, February 2026.

"When employees aren't happy at work, it shows up in their performance... The importance of recognition – recognising effort, not just outcomes – shouldn't be underestimated. People really do feel happier knowing that their employer appreciates and values their work."

Karen Lough, director of people, Ciph'r

05 – A practical plan for employers

A strong, clearly communicated benefits package builds trust, reduces absenteeism and attrition, and drives operational resilience. Use these data-led steps to focus investment where it delivers the most impact.

01 Listen to your people – and your leavers

Use feedback from existing employees and recent leavers to understand what you're doing right and what needs to improve. Be led by the data, not assumptions.

02 Close the highest-impact gaps first

Prioritise the areas where demand most outstrips provision – inflation-linked pay, sick pay and holiday allowance – and benchmark to focus spend for maximum impact.

03 Give people genuine choice

Greater autonomy to choose the benefits they actually want makes employees feel valued and more motivated. Flexible, personalised schemes suit a multi-generational workforce.

04 Communicate what's already on offer

Interrogate your benefits uptake data. Are employees even aware of what they can access? Communication often unlocks value you're already paying for.

05 Recognise effort, not just outcomes

Make appreciation a regular feature – shout-outs, thank-you notes, an early Friday finish. Create spaces to connect, develop managers, and give employees a real voice.

The bottom line

It won't always be viable to deliver on every request. But organisations that **act on employee feedback wherever possible**, and offer agile, flexible benefits, are more likely to have a resilient, high-performing workforce.

Methodology & about FlexGenius

Methodology

This guide draws on two surveys commissioned by the Ciphre Group and conducted by OnePoll. The employee survey polled 2,000 UK employees in February 2026 and covered 48 different employee benefits, rewards and incentives. The employer survey polled 300 UK HR decision-makers in 2025, using comparable questions on the benefits available to all staff. The happiness findings come from the February 2026 employee survey.

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If you share or quote these statistics, please credit FlexGenius and link to the original research at ciphre.com.

About FlexGenius

FlexGenius is a flexible employee benefits platform built around your workforce. Choose the modules, schemes, integrations, and communications that fit your organisations. Brand it as your own, and configure it as your needs change.

Part of the Ciphre Group, it helps HR and reward teams design, launch and communicate a benefits package their people actually use – with fast implementation and genuine ongoing support.

Expert contributors

Karen Lough – director of People, Ciphre

Phil Curtis, benefits specialist, Ciphre

Build a benefits package your people actually value

Explore how FlexGenius's flexible benefits platform helps you listen to employees, personalise reward and communicate it effectively.

Visit flexgenius.co.uk to book a demo.