



From Perk to Baseline: The 2026 State of Leave

What benefits leaders need to know about the state of leave — and where to act next.

Presented by Shaminder G. & Deana R.

Larkin Leave Intelligence Report 2026 | © The Larkin Company



Six shifts shaping leave in 2026

1	The big shift Leave has moved from perk to baseline	2	Benchmark reality check How your leave durations compare
3	The cost lever PFML coordination — where dollars leak	4	The expectations gap Menopause, caregiving, mental health & the mental load
5	The impact case New evidence: what actually drives retention	6	Monday-morning actions Five moves you can make now

01

The big shift

From a competitive perk to a baseline expectation.

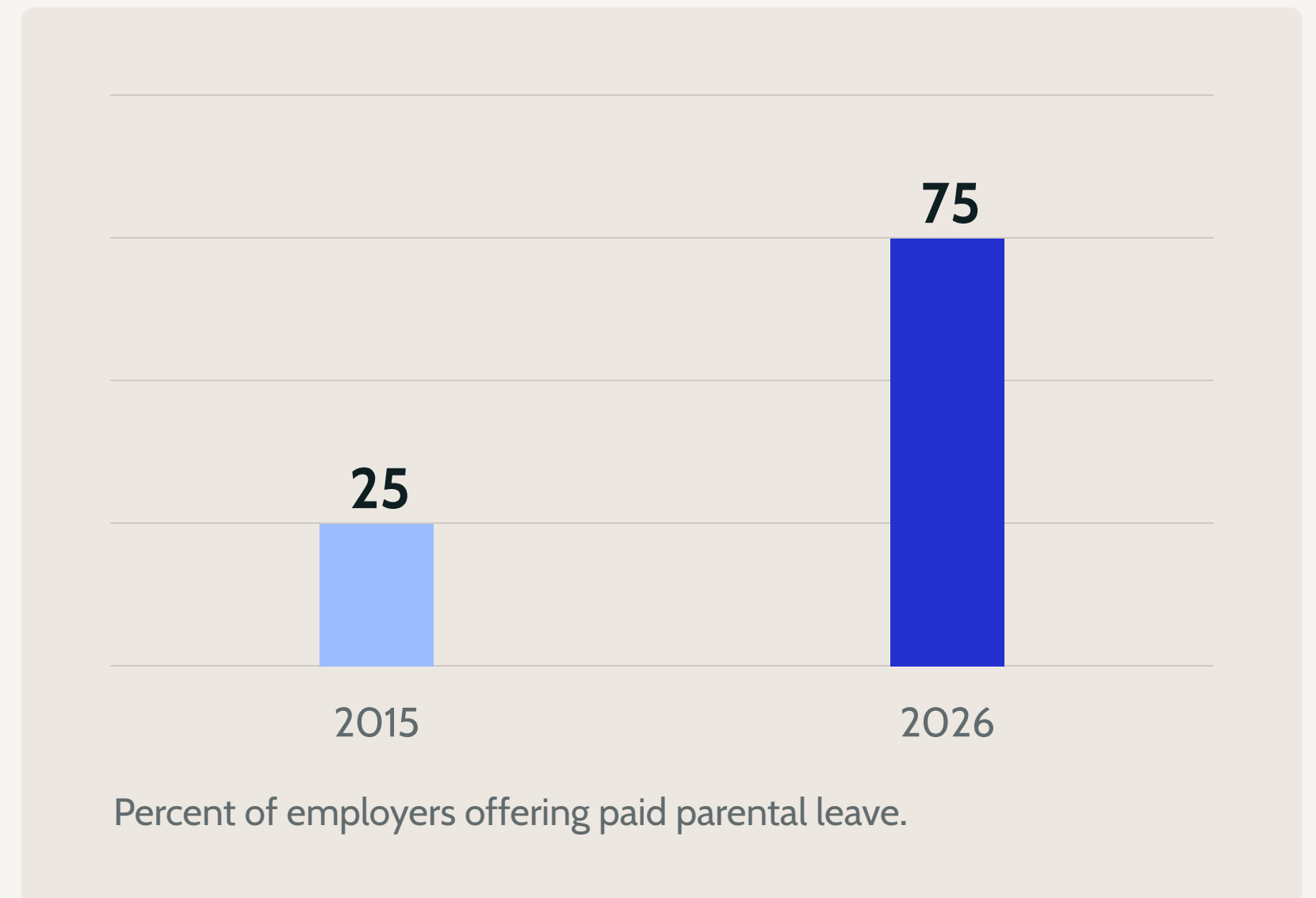
Paid parental leave: perk to baseline

The competitive question is no longer whether you offer it — it's how you design and coordinate it.

75%

of employers now offer paid parental leave — roughly triple the ~25% who did in 2015.

MERCER ABSENCE & DISABILITY SURVEY, 2024



Three forces are reshaping leave



Rising expectations

Employees now treat paid leave and time off as health and family infrastructure — 70% say PTO supports their mental health.

MERCER, 2026



A state-law patchwork

15 states plus D.C. and Puerto Rico now mandate paid family & medical leave — each with its own rules to coordinate.

BIPARTISAN POLICY CENTER, 2026



An administration squeeze

As programs multiply and leave volume climbs, the real cost shifts from benefit design to the hours spent running leave.

DMEC/SPRING, 2025 · NFP, 2026

THE LARKIN PERSPECTIVE

Paid leave policies keep expanding — but employees increasingly judge employers on communication, not generosity. Knowing what happens next, and when they'll be paid, is becoming as important as the benefit itself.



02

Benchmark reality check

The number depends entirely on who you compare against.

How many weeks of paid parental leave does your organization offer?

A None / state minimum only

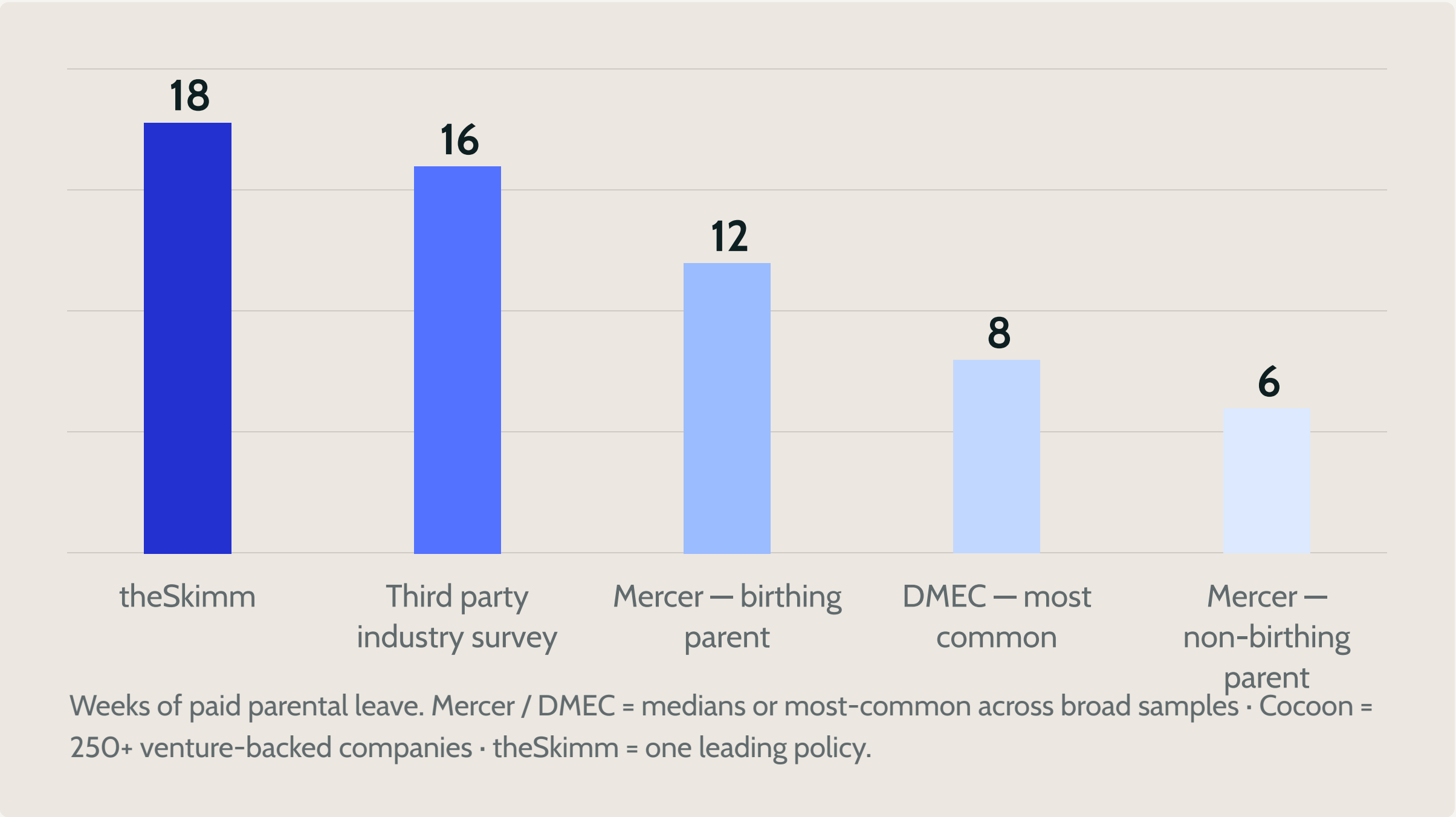
B 1–5 weeks

C 6–11 weeks

D 12–15 weeks

E 16+ weeks

Paid parental leave — weeks offered, by benchmark



6–18
weeks is the whole “market rate”

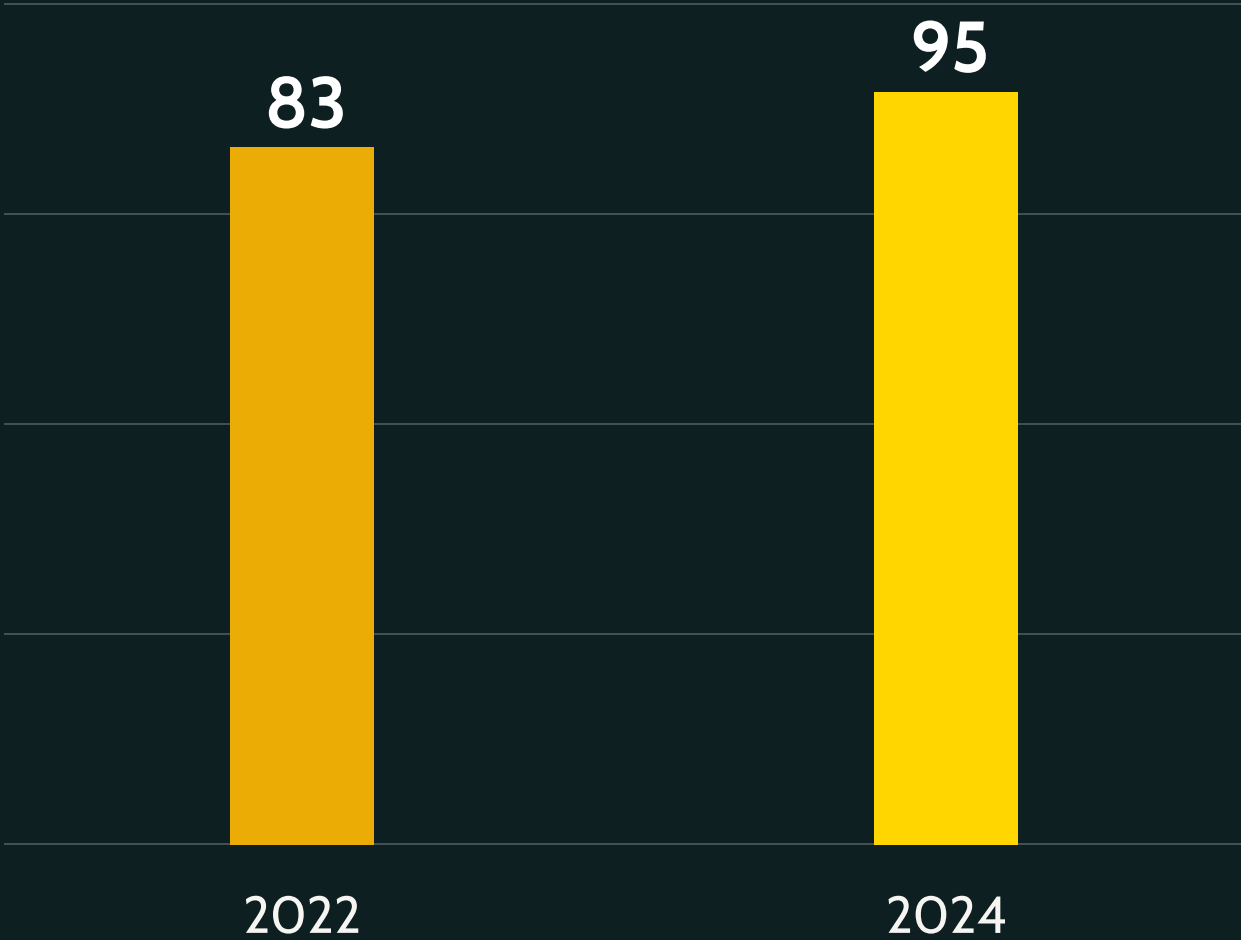
Broad-market medians cluster at 6–12 weeks; high-growth and progressive employers run materially longer.

Adoption is climbing — and pay is near-universal

95%

of parental-leave programs now pay 100% of salary — up from 83% in 2022. Full pay-replacement is the standard. Budget for it; don't treat it as a top-up.

DMEC / SPRING, 2024



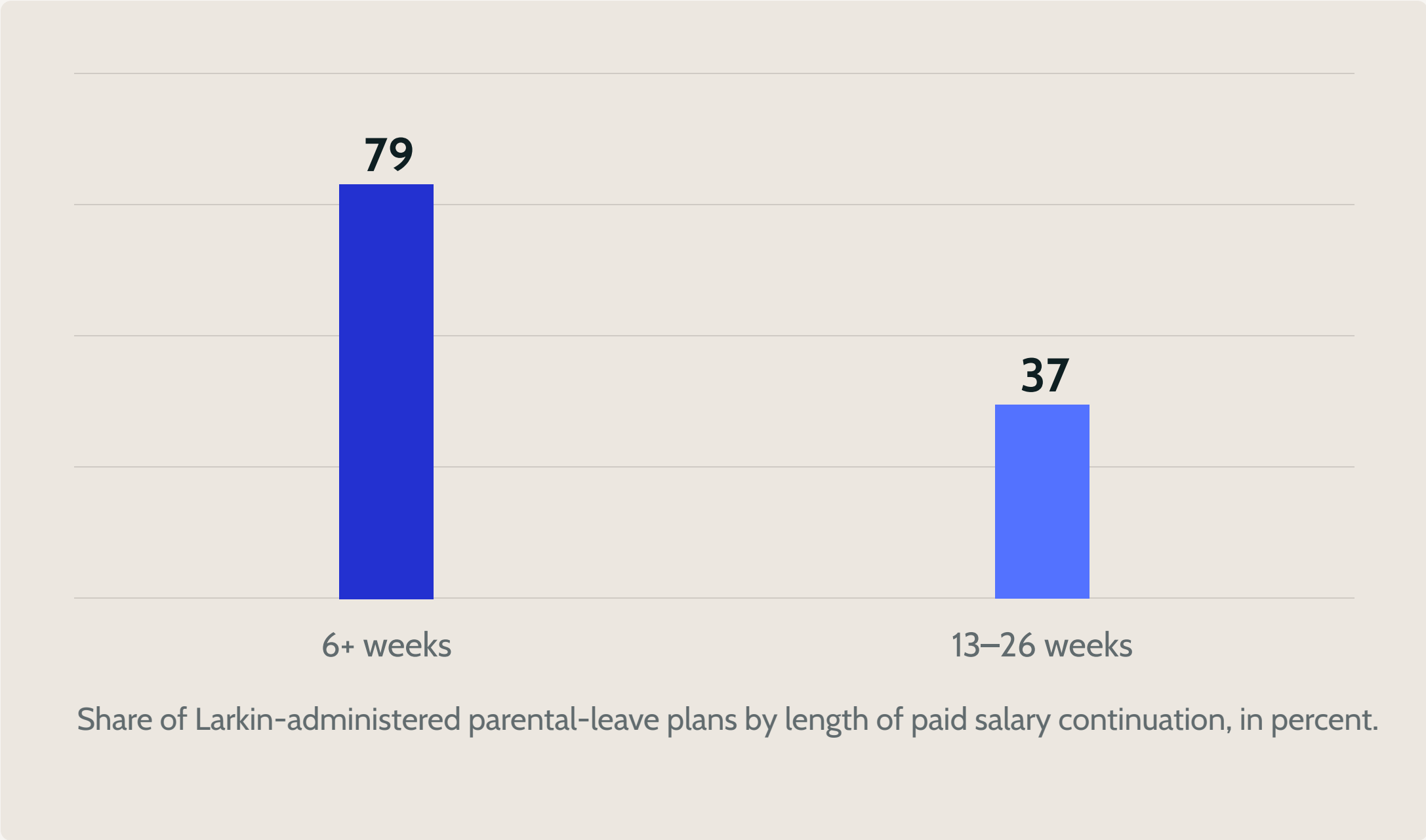
Percent of parental-leave programs paying 100% of salary.

The leading edge runs longer than the market

33%

of the employers in our book offer 13+ weeks — well past the statutory floor.

LARKIN BOOK OF BUSINESS





THE BUSINESS CASE

Longer leave is a retention lever, not just a cost

-50%

drop in the rate at which new mothers quit after Google raised paid maternity leave from 12 to 18 weeks

GOOGLE / QUARTZ

+20%

longer median employee tenure at companies that offer parental leave

Third Party Industry Survey, 2026

50–200%

of salary is the typical cost to replace an employee — the number leave helps you avoid

SHRM

THE LARKIN PERSPECTIVE

**A benchmark isn't a target — it's a mirror.
The real question was never “what's the
average?” It's “who are we actually
competing with for talent?”**



03

The cost lever

PFML coordination is where leave dollars quietly leak.

Does your company provide leave of absence pay to top-up state PFML benefits?

A Yes

B No

C Not Sure

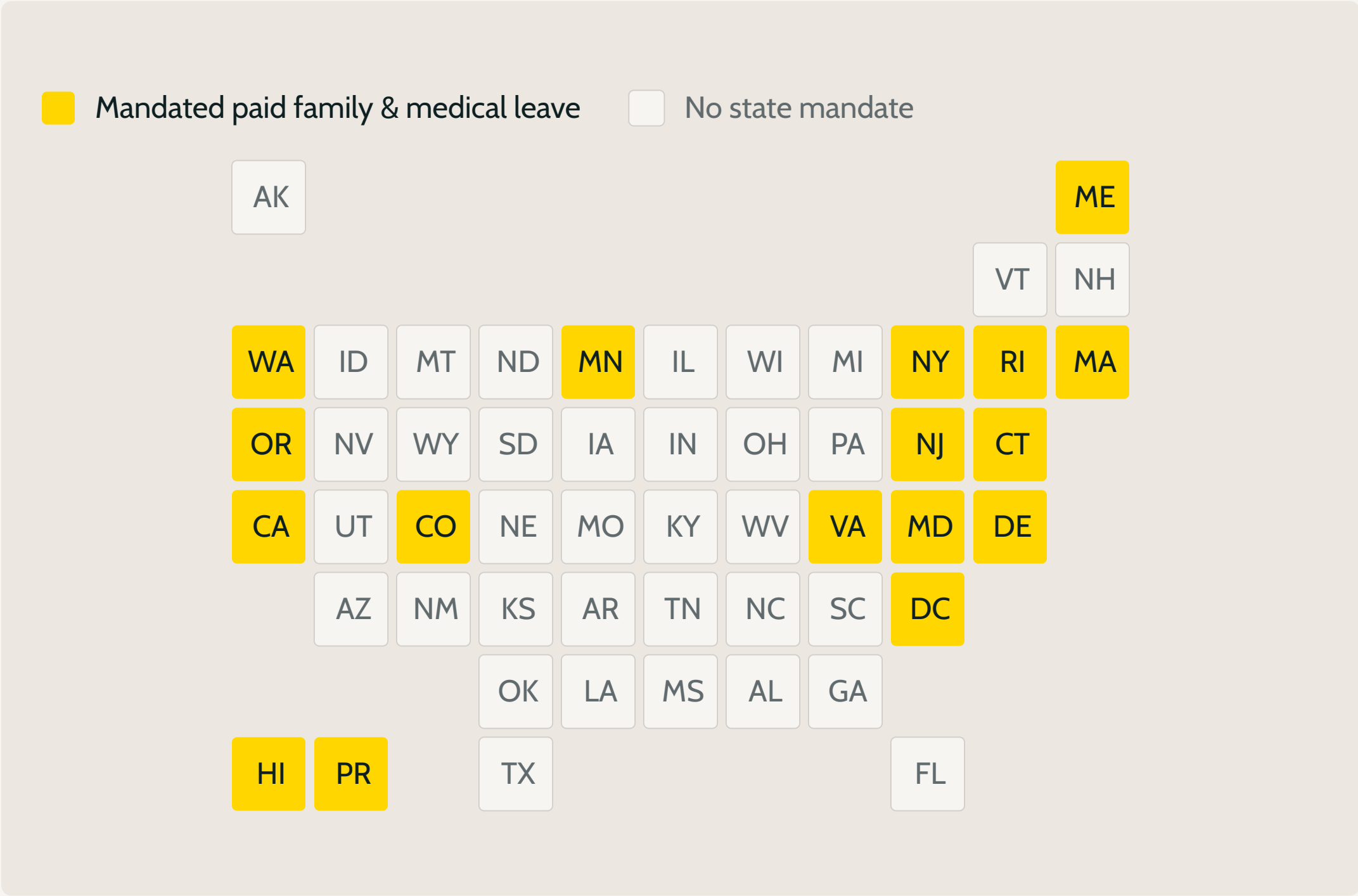
15 states + D.C. & Puerto Rico now mandate paid family & medical leave

15

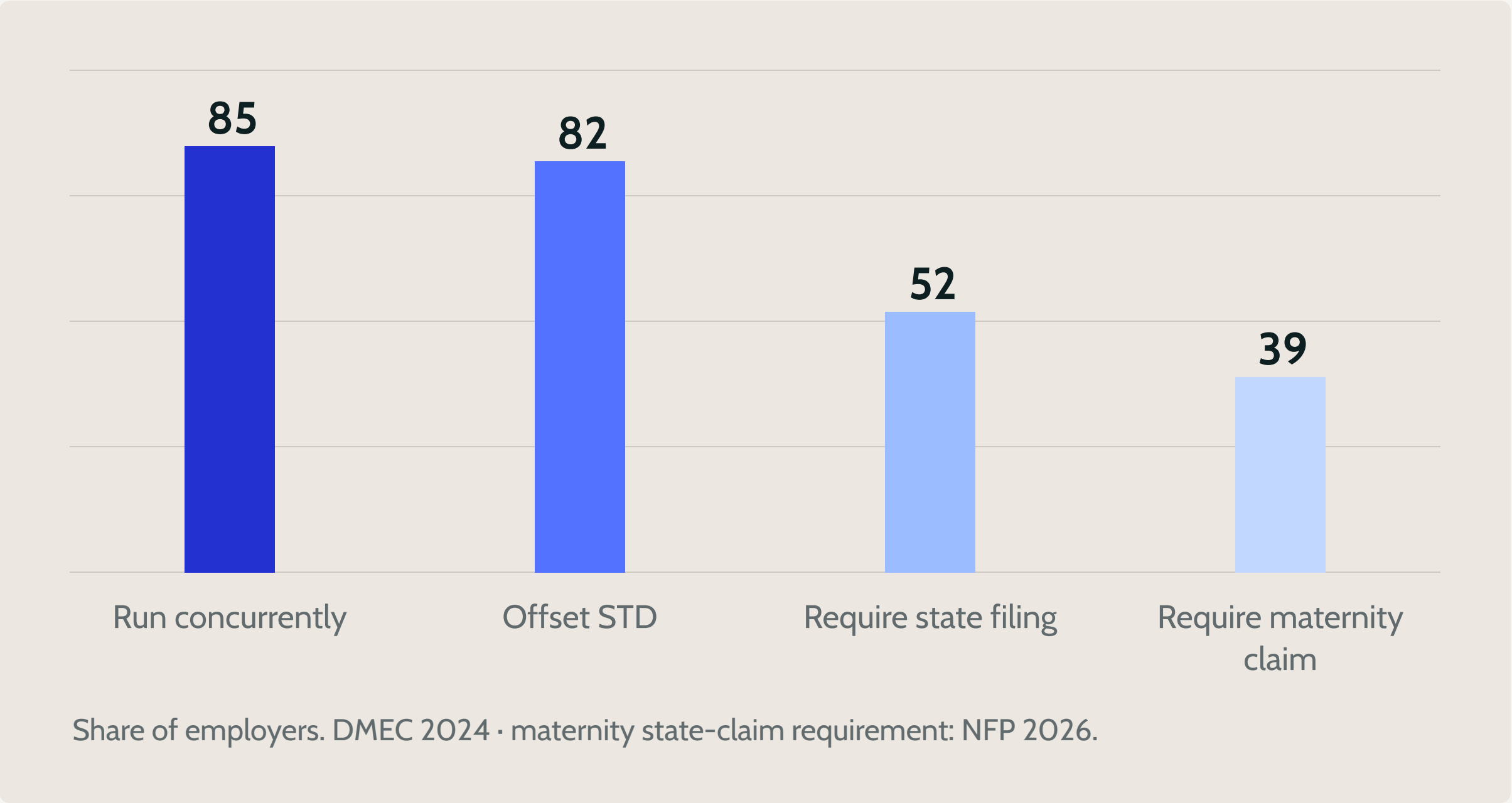
states + D.C. & Puerto Rico, each with its own rules, rates, and filing requirements to coordinate.

Newer programs — Delaware, Maine, Minnesota — take effect 2025–2026; Maryland and Virginia phase in later.

BIPARTISAN POLICY CENTER, 2026



Coordination is the highest-ROI policy work you're under-using



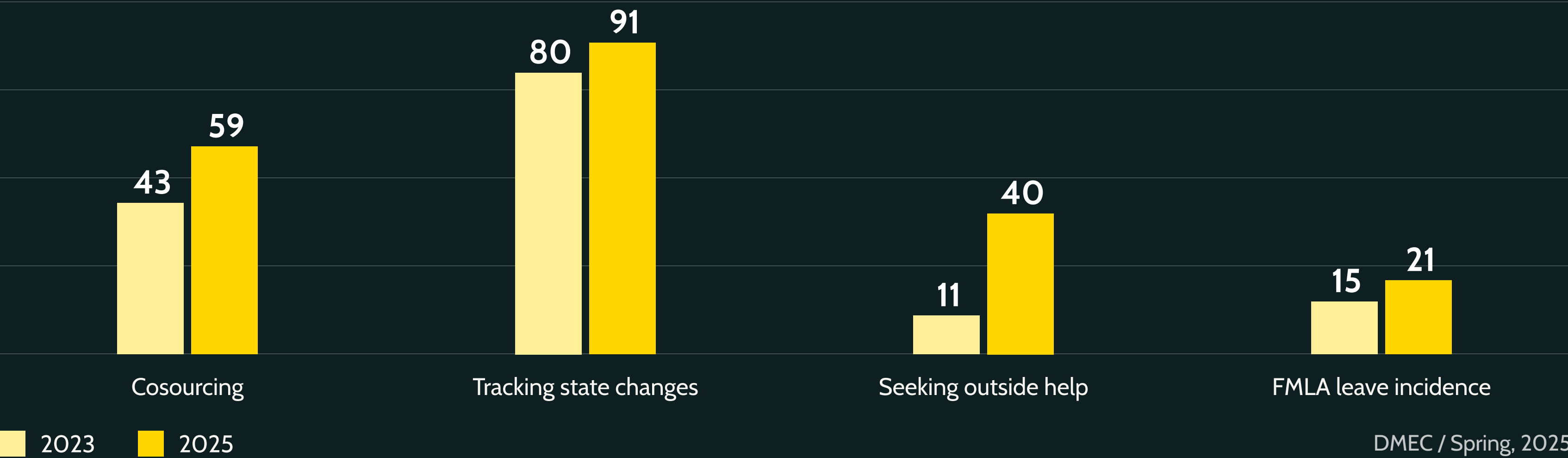
85%

design for concurrency — but only 39% require a state maternity claim

Every unfilled state claim and every un-offset overlap is money left on the table — and 61% of staff miss the coordination.

Coordination isn't just where dollars leak — it's where the work is

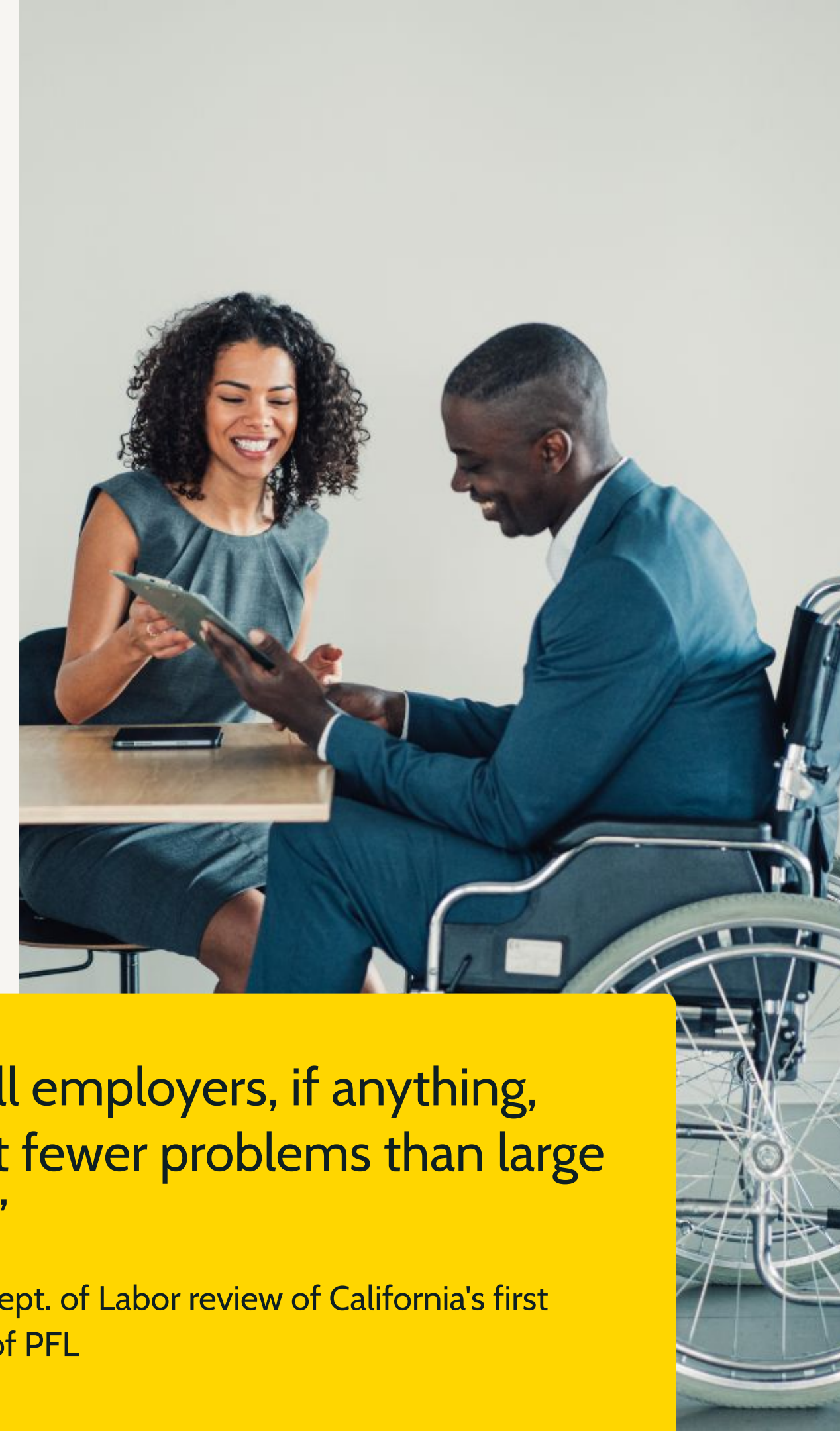
The newest DMEC data shows the administrative load rising on every axis at once — 2023 against 2025.



Where paid family leave has been law longest, employers report it works



of California employers reported paid family leave had a positive effect — or no effect at all — on productivity, profitability, retention, and morale.



“Small employers, if anything, report fewer problems than large firms.”

— U.S. Dept. of Labor review of California's first decade of PFL

THE LARKIN PERSPECTIVE

**The savings in leave aren't in the policy —
they're in the coordination.**

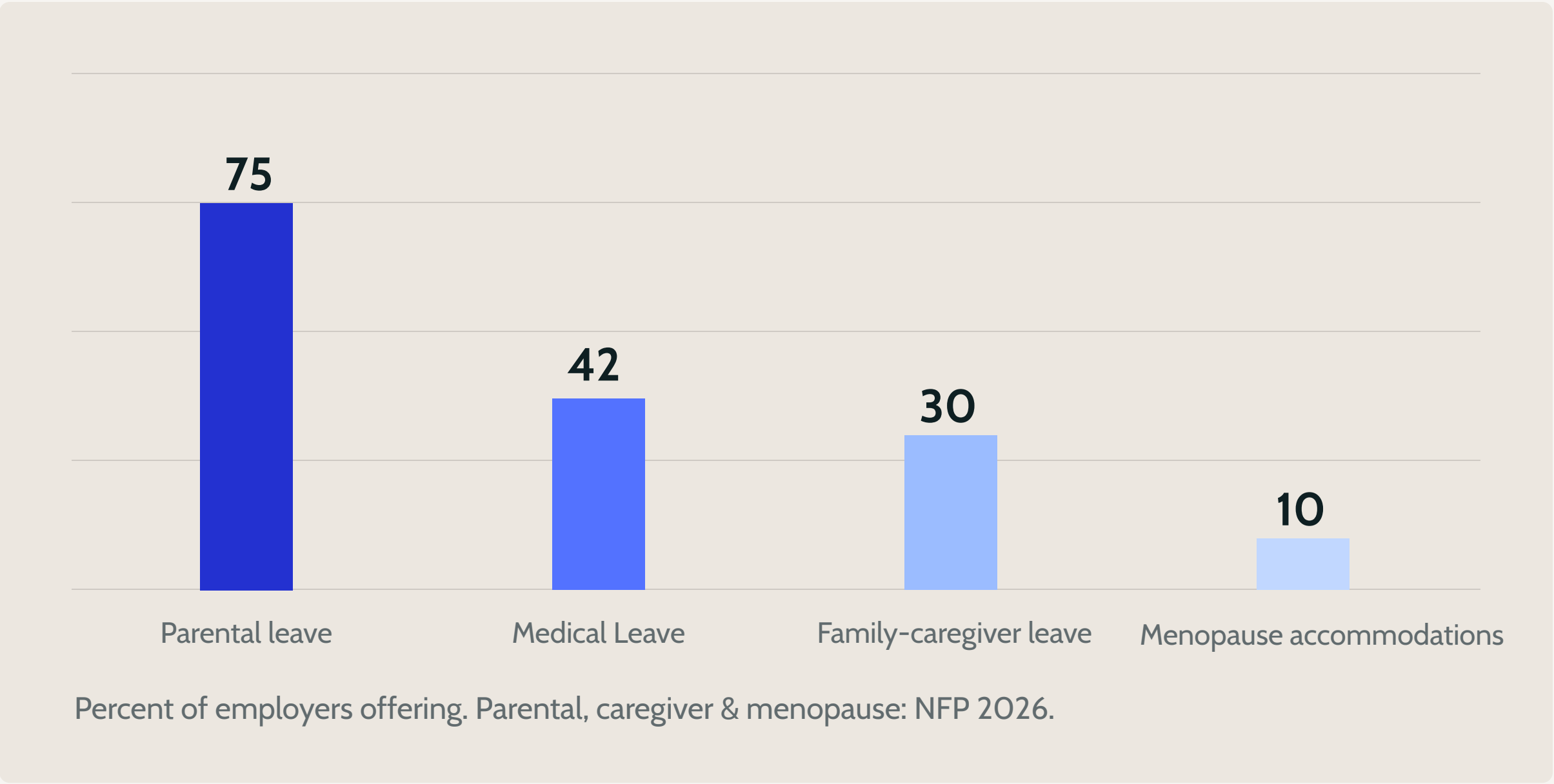


04

The expectations gap

Where employee needs are outrunning employer offerings.

Beyond parental leave, offerings thin out fast



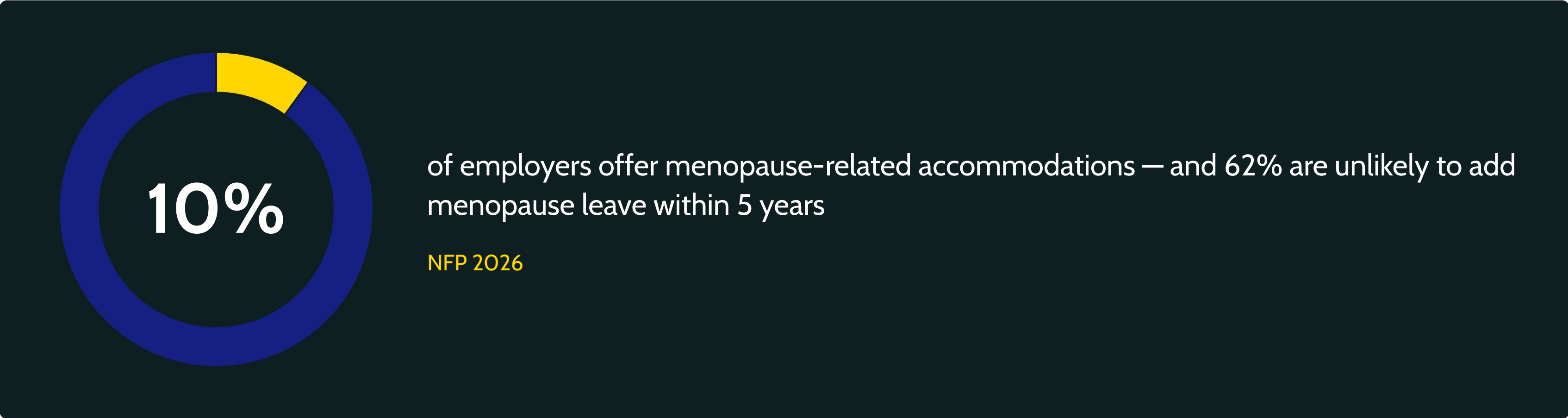
10%
offer menopause accommodations — the clearest white space in benefits today

Coverage falls off a cliff past parental leave.

The most overlooked gap — and it's costing employers

\$1.8B in lost work time each year in the U.S. is attributable to menopause symptoms (\$26.6B including medical costs)
MAYO CLINIC

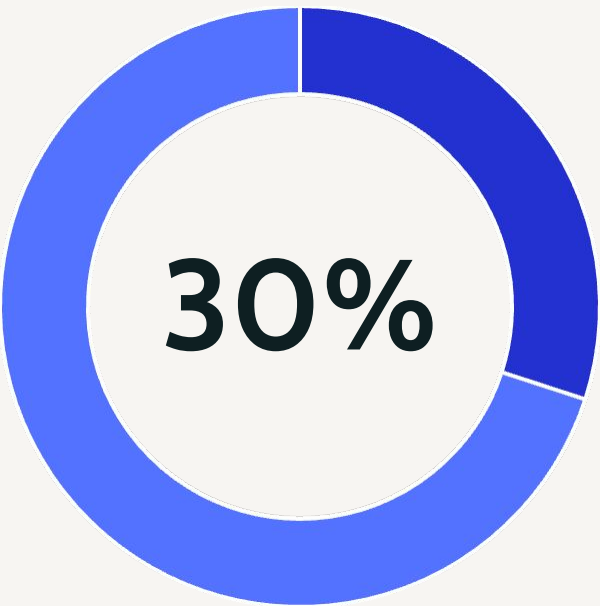
13% of women surveyed had an adverse work outcome tied to menopause symptoms; ~11% missed work
MAYO CLINIC





WHITE SPACE: CAREGIVING

Caregiving touches most of your workforce



offer family-caregiver leave — and 53% of those provide under three weeks
NFP 2026

~\$1T

in lost productivity each year is tied to employees' family-care responsibilities
BENEFITSPRO, 2025

60%

of caregiving employees say caregiving negatively affects their work
LARKIN

The aging population is changing employees needs

42%

of employers offer paid medical leave, and of these 42% of employers, **only 49% offer more than the median 6 weeks**

Third Party Industry Survey

28%

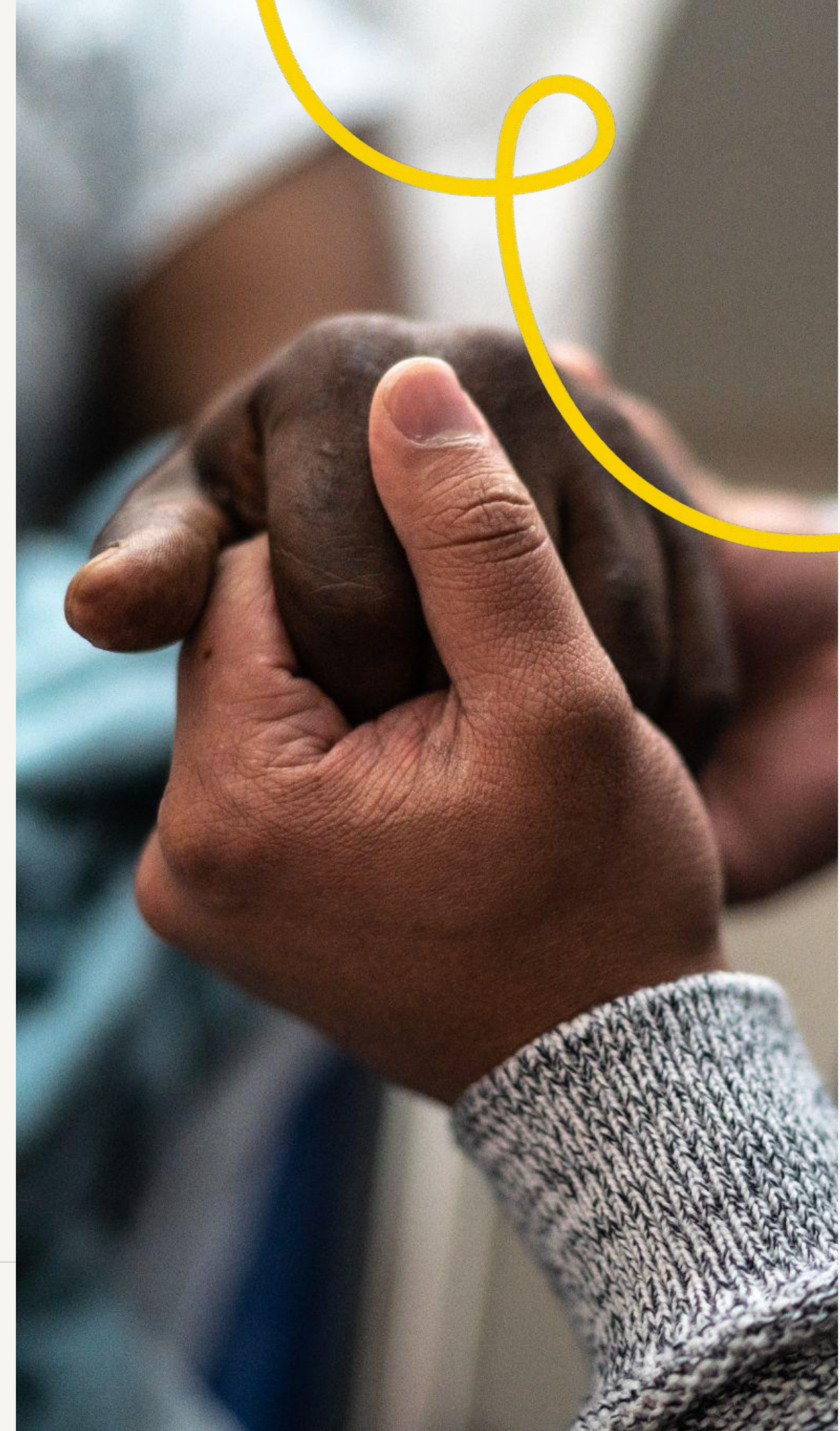
of employers perceive sick leave as a benefit that needs to be more competitive. **37% of employees think it could be**

NPR 2026

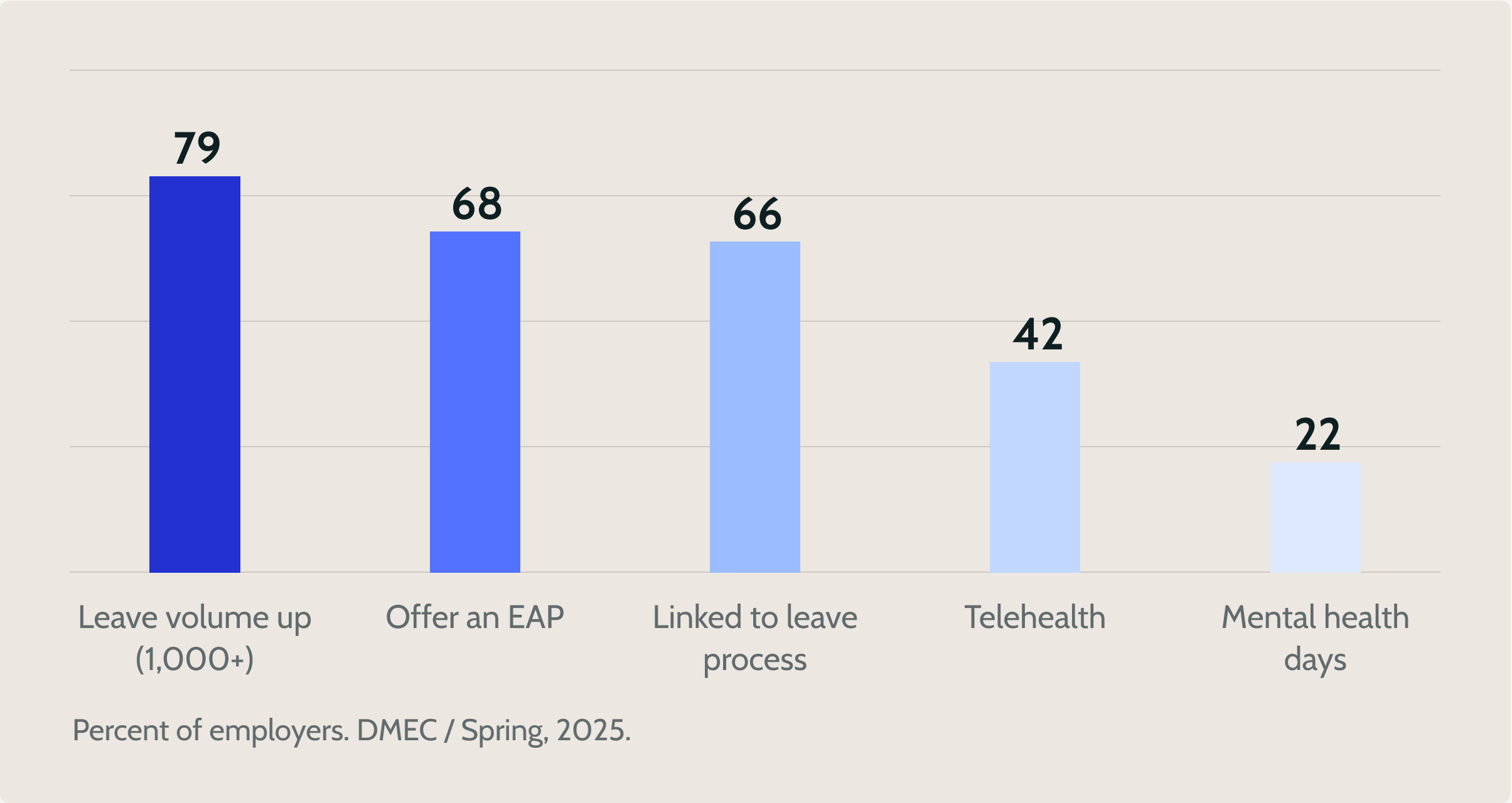
52%

of employers have an internal company policy that offers comparable accrual to ensure compliance

NPR 2026



Mental health has moved into the leave conversation

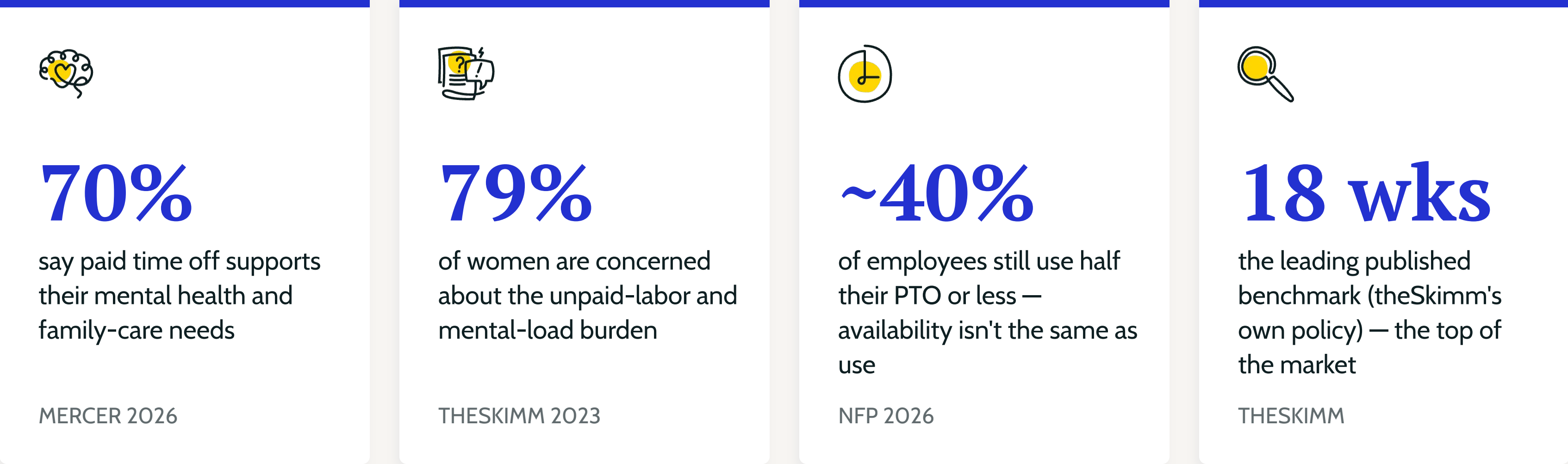


66%

now link mental-health programs to the leave process — up from 54% in 2023

No longer a separate benefits silo — behavioral health is being wired into leave, and the leaves are rising.

Employees are telling you what they value



DMEC's 2025 survey now tracks menstrual leave for the first time — the newest entrant on the white-space map.

THE LARKIN PERSPECTIVE

**The expectation gap isn't driven by policy.
It's driven by visibility.**



05

The impact case

New evidence on what actually drives retention — and it isn't how much leave you offer.

What does your company do to promote your leave programs?

Type your answer in the chat!

Examples include...

Company-wide meetings, posting within the intranet, Q&A discussions, etc.

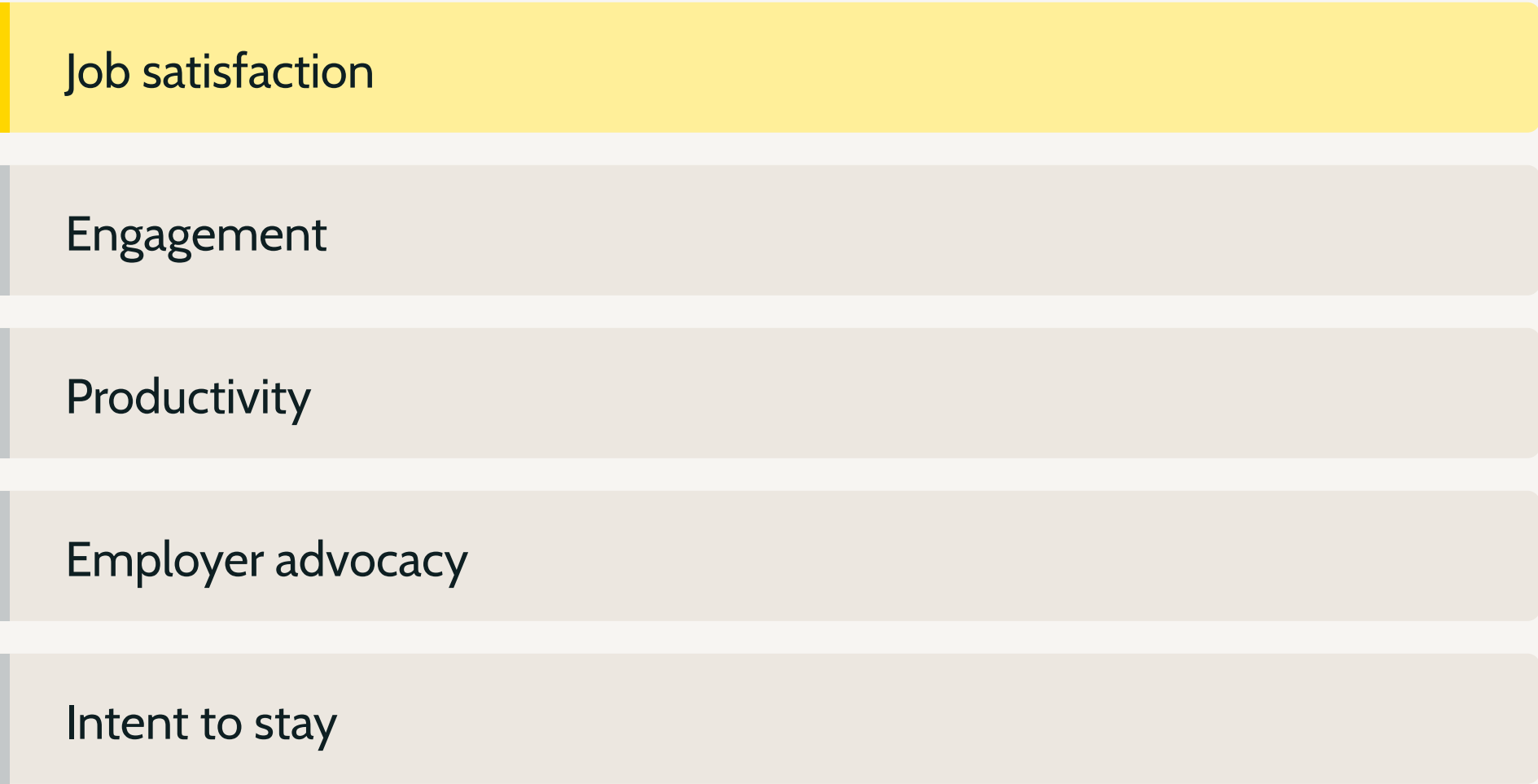
How leave satisfaction tracks with the outcomes leaders care about

0.58

correlation between satisfaction with leave and job satisfaction — the strongest of the five outcomes measured.

DMEC / UNUM 2026 LEAVE IMPACT STUDY (695 BENEFIT-ELIGIBLE EMPLOYEES)

ALL FIVE OUTCOMES MOVE TOGETHER



Correlation (r) between employees' satisfaction with their leave and each workforce outcome. Associations, not causation.

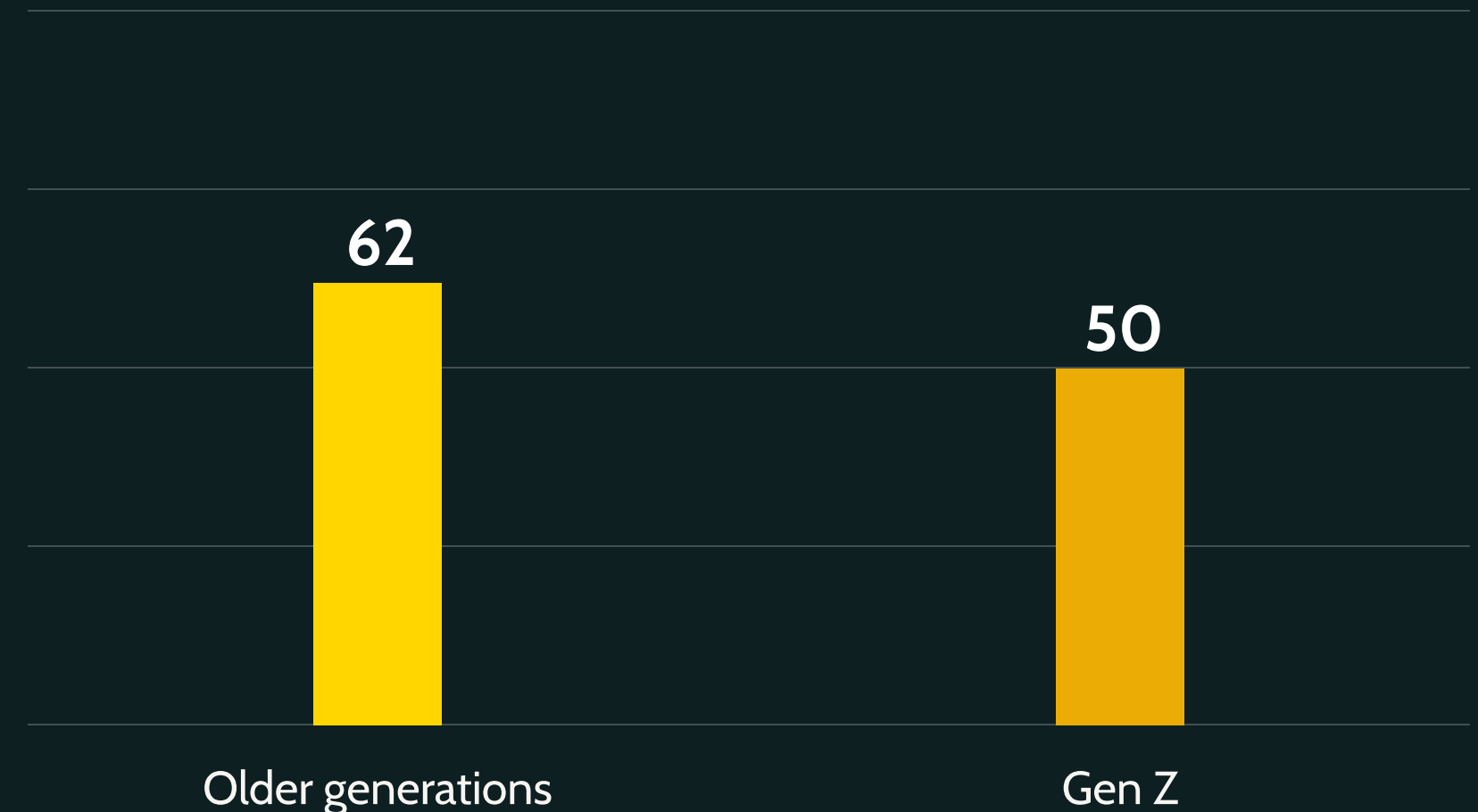
It's not how much leave you offer — it's how well it works

Breadth ≠ impact

No meaningful relationship was found between outcomes and the number of leave types offered.

The highest-return moves raise satisfaction — clear communication, a smooth claim, awareness for newer and younger staff — not another leave type nobody knows they have.

DMEC / UNUM 2026



Awareness of available leave, percent of employees. Older generations run 62–63%.

Awareness also rises with tenure — 54% among the newest employees to 64% among the longest-serving.

THE LARKIN PERSPECTIVE

The question is no longer whether leave matters — the data settles that. It's whether your program is designed, communicated, and run well enough for that value to actually show up.



06

Monday-morning moves

Five actions you can take with what you already have.

Five moves, in priority order

1	Fix your PFML coordination	Require state filing, run concurrent, and offset STD — the highest-ROI edits, no benefit cut required.
2	Benchmark against the right set	Compare durations to your actual talent competitors, not just the broad-market median.
3	Quantify your admin burden	Tally the hours spent coordinating each leave — filings, top-ups, offsets. That total is the business case for expert administration.
4	Open the white space	Pilot caregiver, menopause and mental-health support — low prevalence, high retention signal.
5	Drive awareness and use	Satisfaction, not offerings, drives retention. Make leave clear and visible — especially for newer staff.

Disability & FMLA design benchmarks

STD PREVALENCE

80% of employers offer short-term disability

LTD PREVALENCE

94% of employers offer long-term disability

FMLA PROXY

55–56% use STD approvals as an FMLA proxy

STD DESIGN

7-day elimination · 26-week max · 60% benefit rate

LTD DESIGN

180-day elimination · 60% benefit · to SSNRA (57%)

STD FUNDING

37% fully insured · 33% self-insured via a TPA

STAY-AT-WORK / RTW

Only 37% have a formal SAW/RTW program (50% at 10,000+) — budget & staffing cited as barriers

DMEC / SPRING, 2024–2025

THE LARKIN PERSPECTIVE

Better leave rarely means more leave. It means less friction — for the person living it, and the team running it.



Where Larkin fits



Leave & disability administration

Full-service, tech-enabled administration — our team runs the day-to-day leave and disability workload, so yours doesn't have to.



PFML coordination

Multi-state compliance and coordination handled, so you capture the savings without the complexity.



Family Care concierge

Support for the caregiving and life-stage needs where most employers have the biggest gaps.

Every gap we covered today — coordination, administration, caregiving, and the ~4 in 10 employers now seeking outside help — is where we help employers do more with less friction.

Questions?

Drop them in the chat box — let's dig in.



Thank you

YOU'LL RECEIVE AFTER TODAY

- The full Leave Intelligence Report 2026 — updated with the newest DMEC research
- These slides and the on-demand recording
- A 1-page “Monday-morning” action checklist

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