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Report  
July 2025

# Asia employee --- benefits report 2025

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## Report

# Asia employee benefits report 2025

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# 1 Foreword

As we present the second edition of the CIPD's *Asia employee benefits report*, we do so at a time of profound transformation. The economic landscape across the region continues to evolve, and with it, the expectations and needs of employees. Against the backdrop of rising medical inflation – where costs have doubled between 2020 and 2024 – HR leaders are facing unprecedented pressure to balance fiscal responsibility with the imperative to care for their people.

This year's report builds on the foundation laid in 2024, expanding both in scope and depth. We've broadened our research to include Malaysia alongside Hong Kong and Singapore, and we've enriched our insights by integrating proprietary data from AIA's extensive portfolio of over 38,000 corporate clients from the three markets. This combination of market intelligence and real-world data provides a uniquely comprehensive view of how employee benefits are evolving in response to economic realities.

Our findings reveal a clear tension: while inflationary pressures are tightening corporate budgets, the demand for meaningful, relevant and sustainable employee benefits has never been greater. HR executives are being called upon to lead with agility and foresight – reimagining benefit strategies that not only manage costs but also support the health, wellbeing and productivity of their workforce.

We hope this report serves as a valuable guide for HR professionals and our corporate partners as they navigate the road ahead – one that we believe is filled with opportunity for innovation, resilience and impact.

**David Chow**  
**Director, Group Corporate Solutions, AIA Co. Ltd.**

## 2 Introduction

As organisations across Asia navigate a complex external landscape, shaped by rising health costs and ongoing competition for talent, employee benefits have become more strategic than ever. Companies are reimagining their benefits offerings to meet the evolving expectations of a multigenerational workforce, while addressing broader pressures including the high cost of living. Comprehensive and meaningful benefits are no longer just a differentiator for organisations – they are a necessity. From digital health solutions to personalised, flexible benefits programmes, employers are focusing on what matters to their people. Employee mental health has become a greater focus that is reshaping benefits packages, with companies offering new approaches to proactively support individuals.

At the same time, the growing emphasis on data-driven decision-making is transforming how employee benefits are designed, delivered and evaluated. Organisations are leveraging people analytics and emerging HR technologies to better understand their workforce needs and align their benefits offering with business outcomes.

### **Aims of this report**

Following our *Asia employee benefits report 2024*, our coverage of employee benefits trends and practices this year focuses on three key markets: Hong Kong, Malaysia and Singapore. The report provides insights on the factors influencing the benefits landscape and the current and future strategic priorities for employers. It explores the effectiveness of current approaches to employee benefits, as well as gaps between employee expectations and the benefits being provided.

This year's report includes data from AIA's client portfolio on historical employee insurance benefit trends. Collectively, the insights help organisations benchmark themselves against others in the region, and to design their employee benefits approach to most effectively attract and retain talent.

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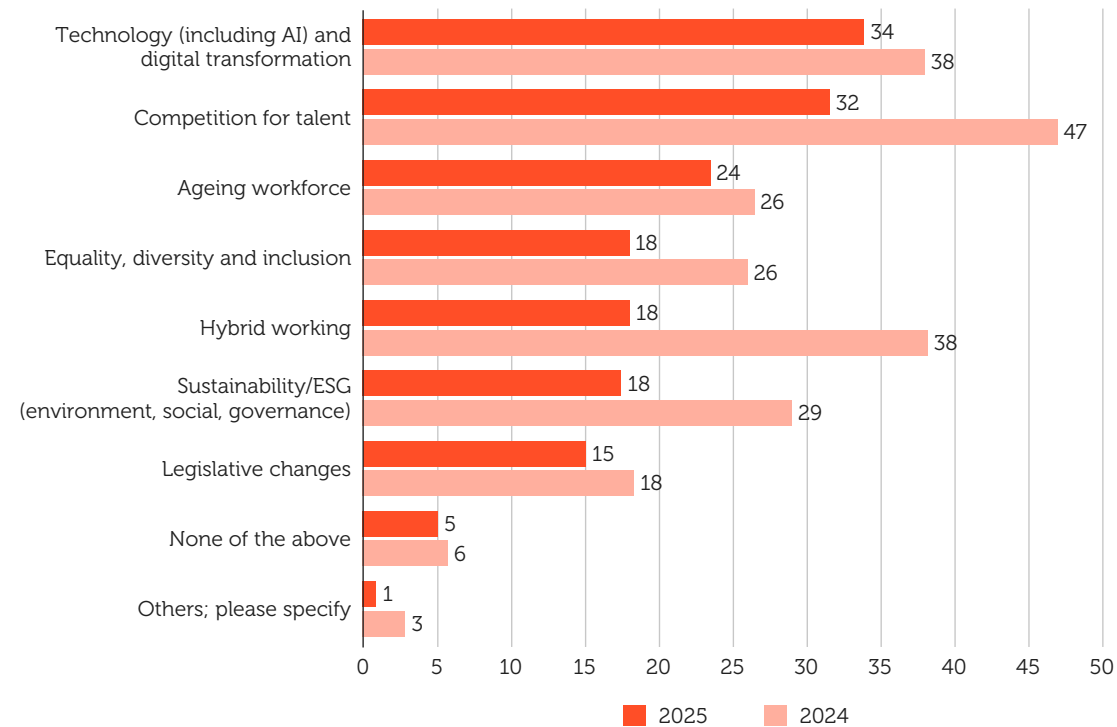
# Which trends and challenges are impacting approaches to employee benefits?

**Rising costs and technology are the top trends impacting organisations' approaches to employee benefits, while competition for talent is having a lower impact compared with 2024.**

Across all three markets, the top trends impacting organisations' approach to employee benefits in the next year are rising costs<sup>1</sup> (49%) and technology and digital transformation (34%). New HR tools, like digital health solutions and chatbots, are helping organisations tailor employee benefits and use people data effectively to assess what works.

In 2024, competition for talent was the top trend (47%), but this has dropped to 32%, reflecting the impact of the wider concerns about inflation and economic uncertainty (Figure 1). Meanwhile, sustainability and equality, diversity and inclusion (EDI) have decreased in importance since 2024 by 11 and 8 percentage points respectively.

**Figure 1: Trends with biggest impact on employee benefits approach (%)**



Base: 2025: n=348; 2024: n=409.

<sup>1</sup> Since rising costs was not included as a response option in our 2024 survey, no comparison data is available.

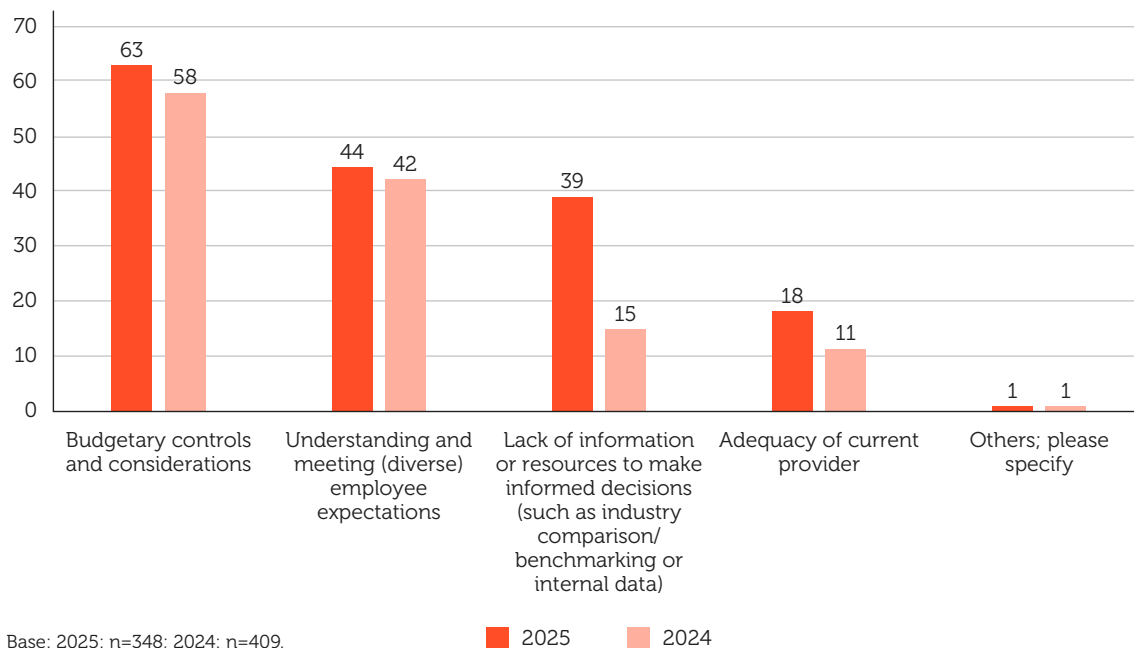
### Recommendation

Employers can leverage advances in technology to support their employee benefits offering and communicate it effectively to the workforce. For example, artificial intelligence (AI) can enable better analytical insights so that benefits can be tailored to increase uptake and engagement, while reducing administrative costs.

**Budget considerations and aligning with employee expectations are the main challenges employers are facing in designing the employee benefits offering.**

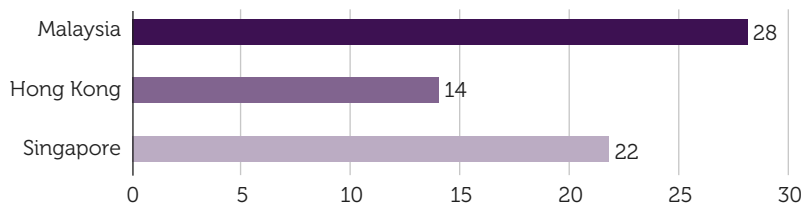
Across markets, 63% of respondents cited budgetary controls and considerations while 44% highlighted understanding and meeting diverse employee expectations as their main challenges – similar to our 2024 survey figures (58% and 42% respectively) (Figure 2).

**Figure 2: Main challenges in designing employee benefits (%)**



Budget concerns align with responses about the main trends impacting companies' approach to employee benefits, with rising costs ranked as having the biggest impact. AIA data shows that medical claim inflation ranged from 14% and 28% annually over the past two years across the three markets (Figure 3).



**Figure 3: Overall paid medical claims per member per year 2022–24 (average % year-on-year change)**

Base: Malaysia: n=c.13,500 corporate policies; Hong Kong: n=c.10,300 corporate policies; Singapore: n=c.14,600 corporate policies.

While employers can't fully control these costs, they can better tailor benefits to employee preferences. Interestingly, nearly two-fifths of respondents do not see budget as a key challenge, despite the current economic climate.

There has been a notable rise in employers citing lack of information or resources to make informed decisions as a challenge, up from 15% in 2024 to 39% this year.

#### Recommendations

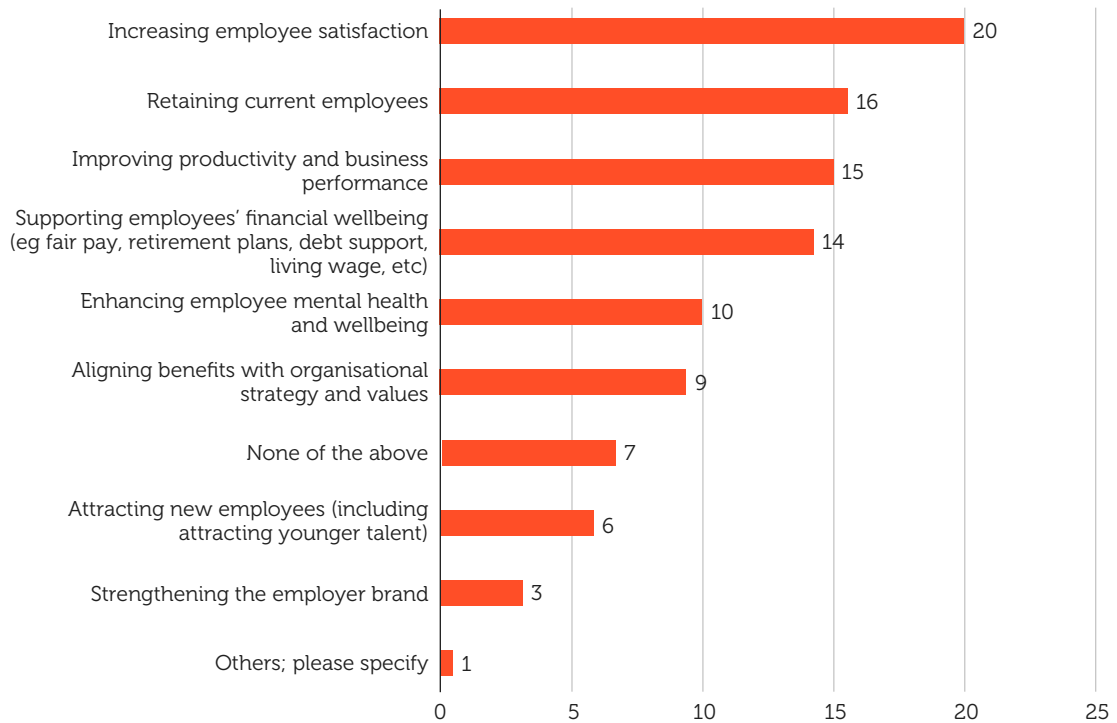
- Where budget is a key concern, focus on cost-effective or no-cost benefits (such as flexible working) and use technology to improve efficiency.
- When looking to improve insurance benefits, take a balanced approach – gradually add or enhance some benefits each year while others are reduced.
- Avoid blindly following the approach of others – employers should tailor the design of their benefits package to fit their organisation's specific needs and context.

## 4

# Which factors are important when designing the benefits offering?

**Increasing employee satisfaction is the main priority when it comes to designing the benefits package, with one-fifth of respondents citing this across markets.**

As in 2024, increasing employee satisfaction and retaining current employees were cited as the most important goals when designing the benefits offering (although this has dropped from 53% in 2024 to 20%) (Figure 4). Enhancing employee wellbeing was the third-ranked factor by employers in 2024 (33%), while this year it was improving productivity and business performance (15%).

**Figure 4: Main motivation or goal when designing employee benefits (%)**

Base: n=348.

Our data points to a wide range of motivations when it comes to organisations designing their benefits offering, with no particular goal singled out by a notable margin. Companies can risk failing to clearly articulate the purpose of each benefit and how it fits into their wider rewards framework, which can reduce its perceived value.

However, our data indicates alignment between respondents' top-ranked goal – increasing employee satisfaction – and one of their main challenges – understanding/meeting employee expectations – when designing a benefits package. This suggests that aligning with employee needs is both a key priority to boost talent retention and a significant challenge that organisations must address.

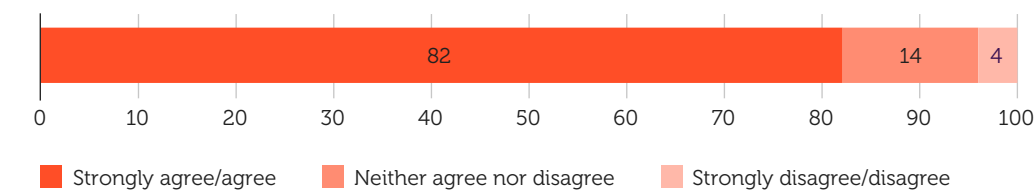
### Recommendations

- Employers should identify clear goals as part of their employee benefits strategy (aligned with the overall business strategy) and implement strong metrics to assess whether each of the benefits being offered is achieving these outcomes.
- Gathering employee feedback data, such as through 'pulse' surveys, is an important way of understanding individuals' motivations and tailoring the benefits package accordingly.

**Over four in five employers believe that their benefits offering helps the organisation in meeting its main goal.**

The majority of respondents said that their current employee benefits package is effective in delivering on their main goal when it comes to designing the benefits offering (82%) (Figure 5). But over seven in 10 plan to make changes to their benefits offering in the next two years (72%). This indicates that employers are not being complacent – instead, they are regularly reviewing their benefits package to ensure it is reflecting employee needs, evolving employer goals, and new economic and social operating contexts. In line with this, AIA's data (see [Appendix](#)) shows that organisations have consistently enhanced their employee benefits (in terms of benefit types and limits) over the past six years.

**Figure 5: Whether current benefits offering is helping to meet main goal (%)**

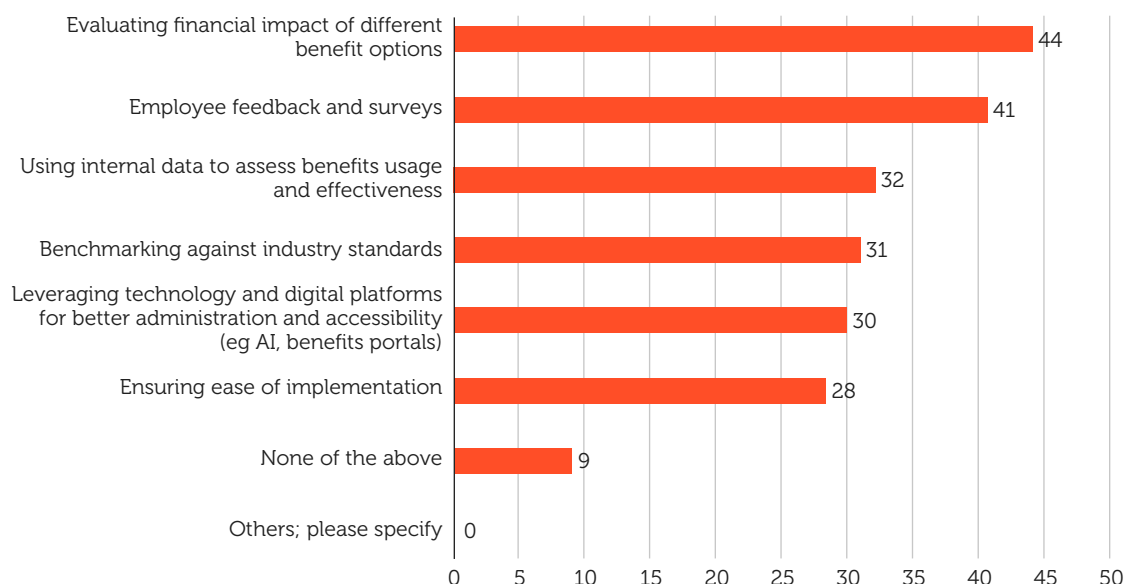


Base: n=324.

**Evaluating the financial impact of benefits and employee feedback/surveys are the main methods for designing an employee benefits package to meet the organisation's goal.**

Over two-fifths of employers said evaluating the financial impact of different benefit options (44%) and employee feedback and surveys (41%) are the most important methods when designing an employee benefits package (Figure 6). These findings reflect the main challenges employers are currently facing in designing the benefits offering, with budget and understanding/meeting employee expectations being the top two challenges.

**Figure 6: Most important methods when designing benefits package (%)**



Base: n=348.

Given the importance of aligning with employee expectations, we may expect employee feedback to be used by a higher proportion of organisations as a key metric. However, this is more difficult for smaller companies to implement – although having fewer people to gather feedback from could reduce the administrative burden (see the [case study](#) on Chemours' use of employee feedback when designing employee benefits). Payments platform CleverCards has also enhanced employee choice around benefits (see the [case study](#)).

Use of technology and digital platforms is also lower than expected in these results (30%), given that this was one of the main trends impacting organisations' approach to employee benefits. Additionally, 9% of respondents said they didn't know which methods matter most for their organisation, which suggests a lack of clear strategy for ensuring their benefits package meets its aims (see the [case study](#) on how Experian Malaysia digitalised their employee benefits system).

### Recommendations

- Use people analytics to measure the impact of employee benefits and ensure they align with business goals.
- Tools like [employee sentiment analysis](#) can help identify what employees value, address concerns, and help to guide more targeted, effective benefits strategies.

**Employee engagement, satisfaction, commitment or experience data is the top way of measuring the effectiveness of the employee benefits offering (41%).**

This mirrors our finding that increasing employee satisfaction is employers' main goal when it comes to designing the benefits approach. But while nearly a quarter of respondents use productivity data to measure the effectiveness of employee benefits (23%) (Figure 7), only 15% said improving productivity and business performance was their main goal (Figure 4 above).

Meanwhile, 13% don't currently measure the effectiveness of their employee benefits offering. When companies select benefits based on what competitors in the market offer, or objective factors like employees' seniority level or performance, this [overlooks what employees actually value](#). Instead, integrating employee experience data enables organisations to optimise and differentiate their benefits package, boosting talent attraction and retention.

**Figure 7: How effectiveness of benefits offering is measured (%)**

Base: n=348.

**Recommendation**

Employers should align their metrics to their goals when designing their employee benefits approach. This will ensure that they can maximise the value of the benefits they offer, by measuring what matters to the organisation. For example, if enhancing employee wellbeing is the goal, companies can look at employee health data (such as through a technology platform that provides reports on personal health metrics at an aggregated level) to inform decisions about where support is needed.

# 5

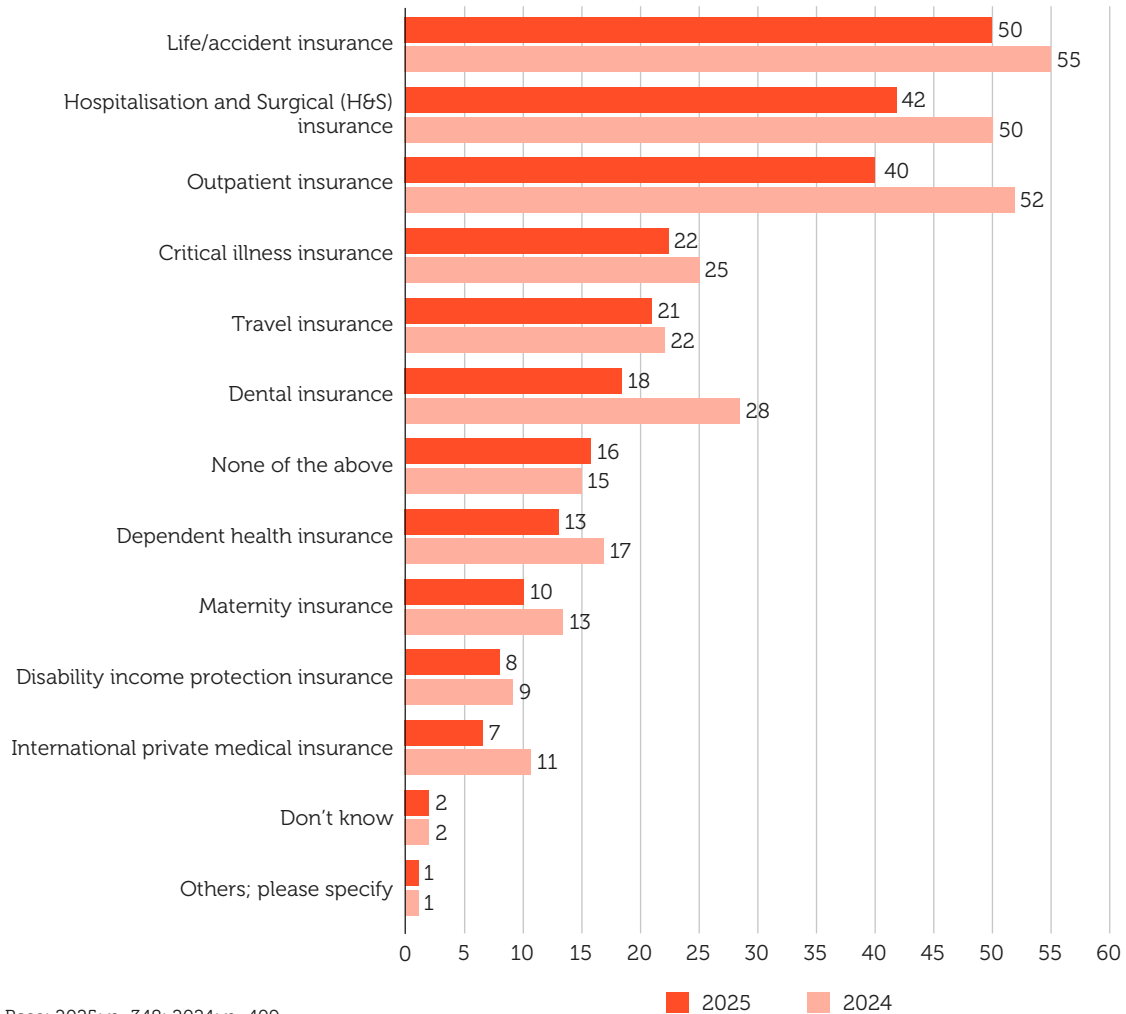
## Which insurance benefits are organisations currently providing, and which are most requested by employees?

**Fewer organisations are providing hospitalisation and surgical (H&S) and outpatient insurance this year (42% and 40% respectively).**

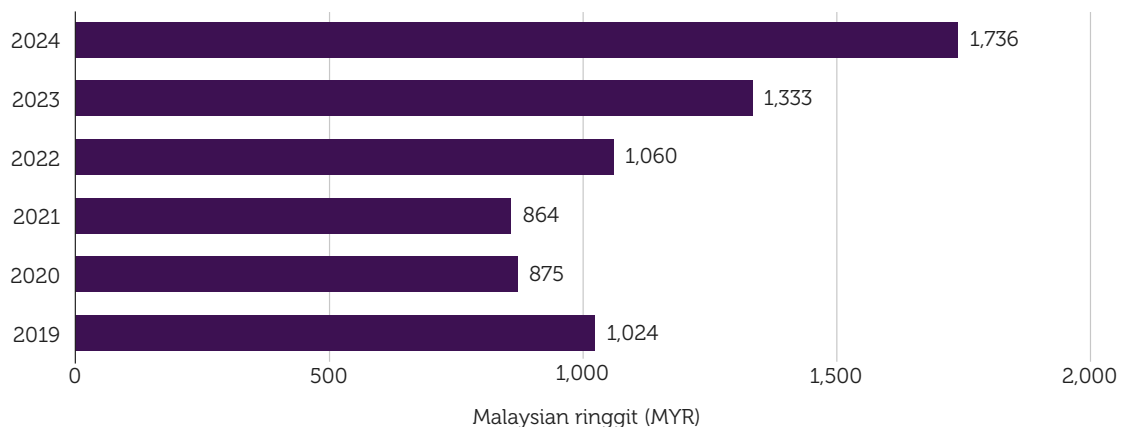
As seen in 2024, life/accident insurance is the most commonly provided insurance benefit (50%), though this has decreased by 5 percentage points since last year (Figure 8). While hospitalisation and surgical (H&S) and outpatient insurance are the most provided benefits this year, there has been a significant decline in the proportion of employers providing these benefits (8 and 12 percentage points respectively). A possible reason why employers are cutting back on these insurance benefits is budget pressures.

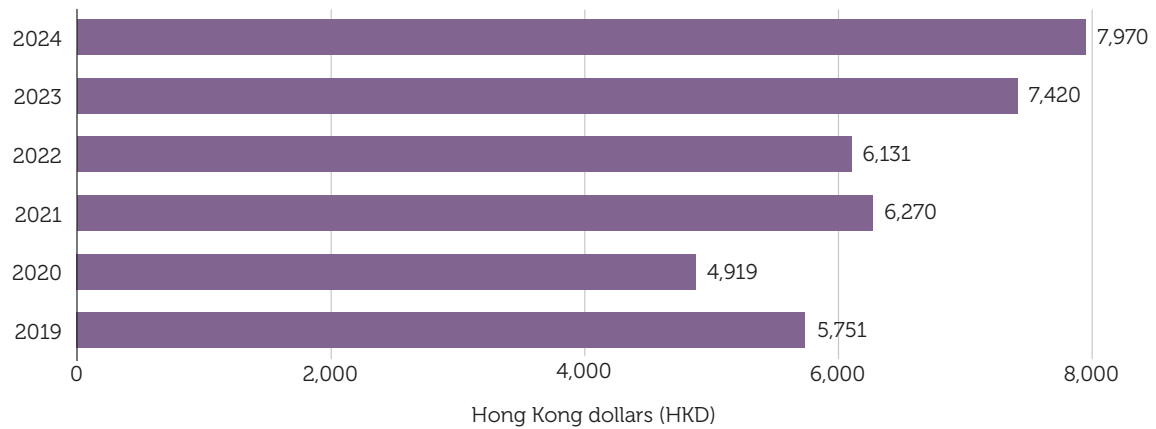
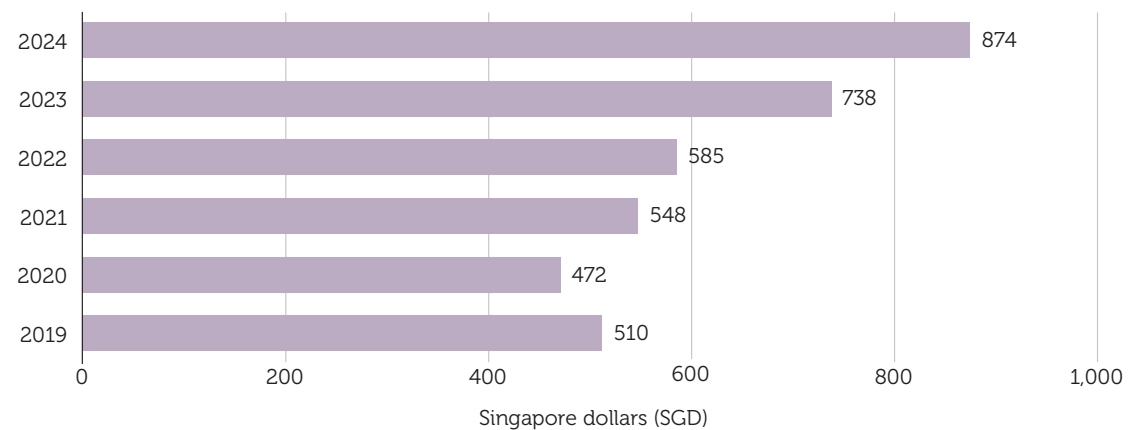
However, the proportion of employers providing dental insurance has decreased by 10 percentage points since 2024, from 28%. Overall, 84% of respondents said their organisation offers some form of insurance benefit, which is similar to last year (85%).

With a fifth of Asia employees below the average household income level, there is growing pressure on organisations to support employee wellbeing such as through individual health insurance. As our data shows, one in seven employers are focusing on supporting employees' financial wellbeing when designing their benefits offering (14%).

**Figure 8: Insurance benefits currently provided to employees (%)**

AIA's client data shows that while all markets saw a decline in insurance claim trends during the pandemic (due to fewer clinic/hospital visits), they have since rebounded quickly, such that overall medical inflation from 2019 to 2024 aligns with observed historical inflation trends (Figures 9, 10 and 11).

**Figure 9: Overall total paid medical claims per member per year in Malaysia**

**Figure 10: Overall total paid medical claims per member per year in Hong Kong****Figure 11: Overall total paid medical claims per member per year in Singapore**

Despite rising costs, AIA's data (see [Appendix](#)) indicates that the provision of most insurance benefits has generally widened since the pandemic:

- Among AIA's client organisations, employee insurance coverage has steadily been increasing across the board from 2019 to 2025. Looking at the most prevalent insurance benefits, for H&S, benefit limits have been increasing at 3% per annum. For life insurance, the increase in coverage has been even higher at 8% per annum, with the most pronounced increases occurring during the pandemic years of 2020 and 2021.
- The addition of new lines of insurance benefits was most pronounced for critical illness, with 4% to 7% of client organisations adding this benefit between 2019 and 2025. Additionally, among ancillary/wellness benefits, there were significant increases in telemedicine and traditional Chinese medicine (TCM) adoption in Singapore and Hong Kong.
- Generally, there has been an increase in higher percentile plans in Hong Kong and Singapore, whereas Malaysia has seen a rise in lower percentile plans.



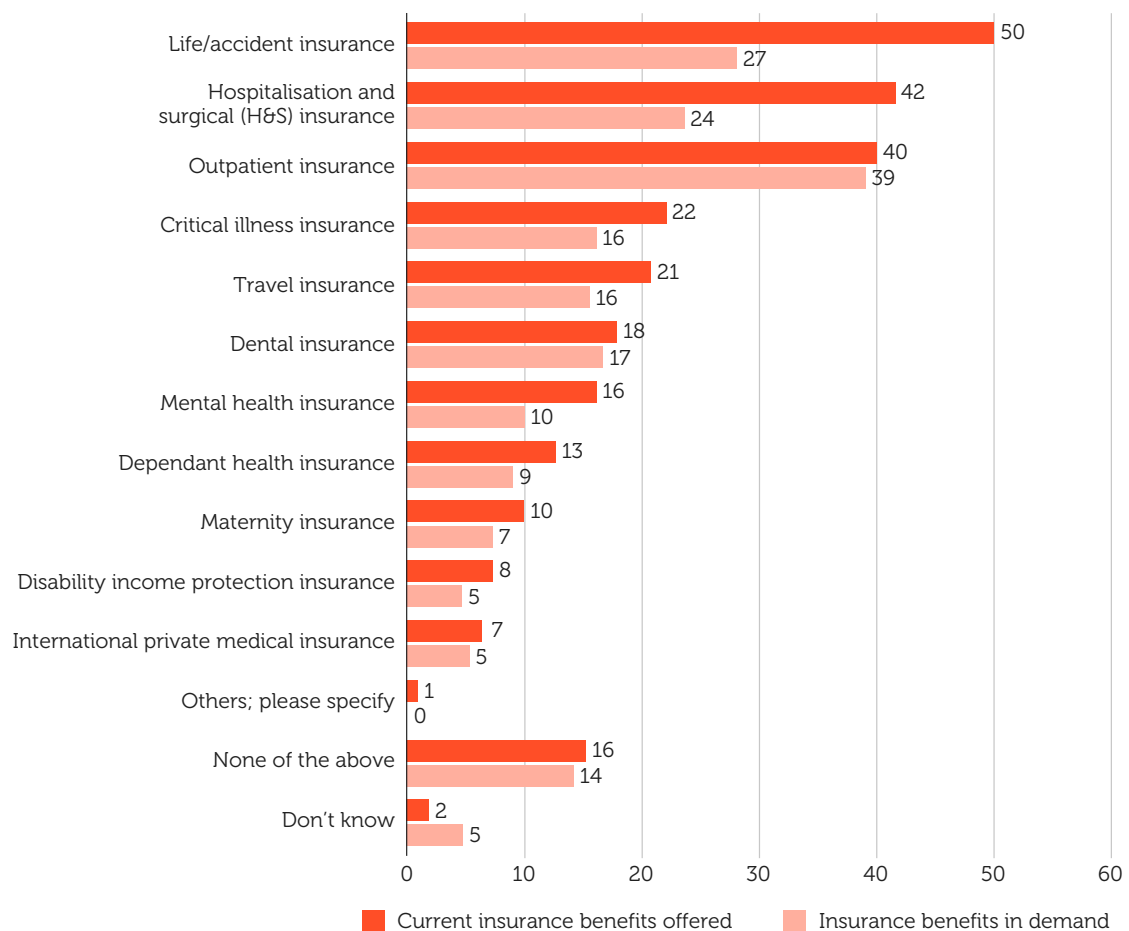
### Recommendation

Employers should assess the value of life and H&S insurance in supporting employees' financial stability during unexpected events or illnesses. This can be balanced with budget pressures by offering more affordable levels of coverage.

### Outpatient insurance is the most frequently requested insurance benefit by employees (39%).

While H&S insurance is requested by staff in only a quarter of organisations (24%), over two-fifths of employers are offering it (42%) (Figure 12). Similarly, while life/accident insurance is being frequently requested by staff in only 27% of companies, half of employers are currently providing it (50%).

**Figure 12: Current insurance benefits provided versus most frequently requested (%)**



Since aligning with employee expectations is a key priority for organisations when designing their benefits package, there is room for improvement in the degree to which the insurance benefits currently being offered match those that are frequently requested by staff.

### Recommendations

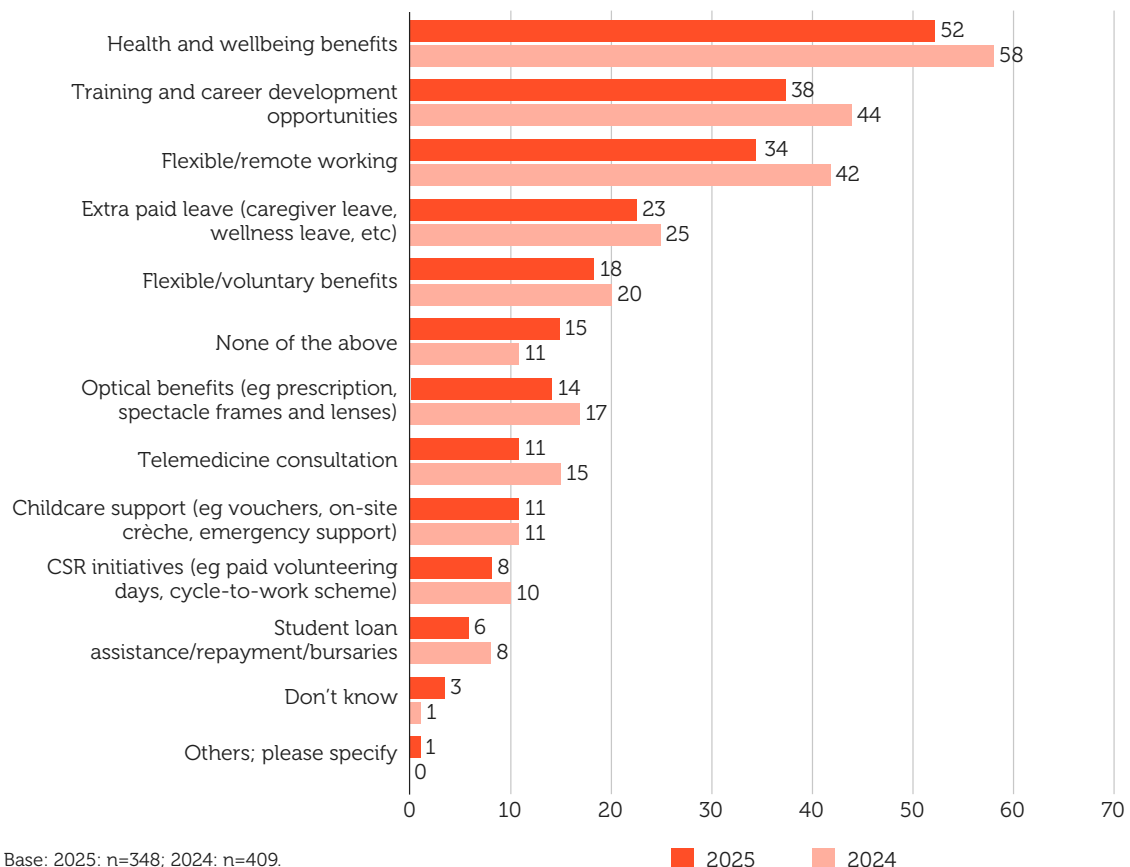
- Employers should consider how they can best match their benefits offering to employee needs, to help increase employee satisfaction and retention.
- Effectively communicating the benefits on offer helps to increase employees' awareness of the value of their available benefits.

**Health and wellbeing benefits (52%), training and career development opportunities (38%), and flexible/remote working (34%) are the most commonly provided non-insurance benefits.**

These were the top three other employee benefits that organisations said they provided in 2024 (Figure 13). There has been a decrease this year in training and career development opportunities and flexible/remote working (from 44% and 42% respectively in 2024). The provision of health and wellbeing benefits has also decreased by 6 percentage points since last year, from 58%.

The decline of hybrid work arrangements observed in Western markets, as more companies are requesting their staff to return to the office, is somewhat reflected in this survey: just over a third of employers said they currently offer flexible/remote working (34%), down from 42% in 2024.

**Figure 13: Other employee benefits currently provided (%)**



### Recommendations

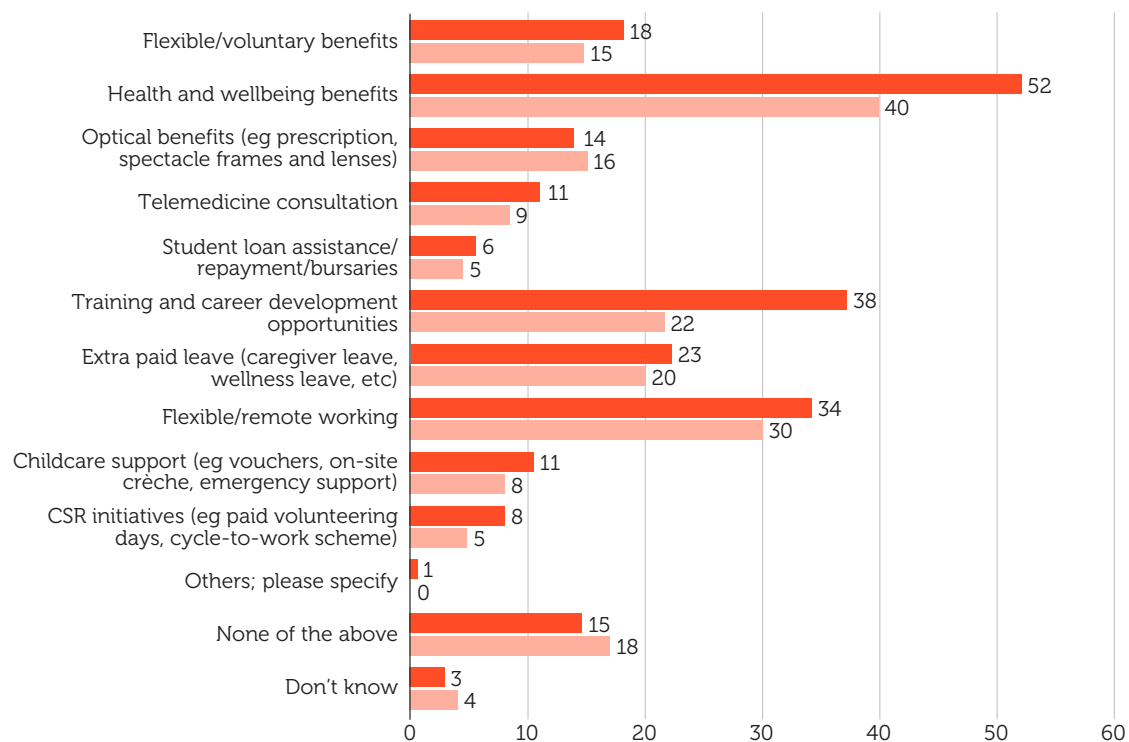
- Proactively supporting employee mental health and wellbeing helps build a healthier, more motivated and productive workforce.
- Investing in preventive care and boosting employee health can be cost-effective by reducing insurance claims.
- Offer a wide array of programmes, including counselling, mental health days and resilience training, to provide holistic wellbeing support, backed by a strong culture that prioritises employee wellbeing.

**The other benefits most commonly requested by staff are health and wellbeing benefits (40%) and flexible/remote working (30%).**

These mirror the top three other employee benefits that organisations are currently providing. Despite flexible/remote working being the second most in demand with employees, fewer organisations are providing this than in 2024 (with a decrease of 8%). However, nearly three in 10 plan to introduce or enhance flexible/remote working in the next two years (29%).

While health and wellbeing benefits and training and career development opportunities are among the most commonly requested benefits by staff (40% and 22% respectively), they are already being provided by a relatively higher proportion of organisations compared with the demand (52% and 38% respectively) (Figure 14).

**Figure 14: Other employee benefits currently provided versus most frequently requested (%)**



Base: n=348.

■ Other employee benefits offered

■ Other employee benefits in demand

### Recommendations

- Since budgetary constraints and meeting employee expectations are the top challenges that companies said they are currently facing, there is room for stronger alignment between the benefits offering and employee needs. This will help ensure return on investment as well as employee satisfaction and retention.
- Organisations must also assess their future skills needs and shape professional development benefits accordingly.

## 6 What are employers' plans for their future employee benefits offering?

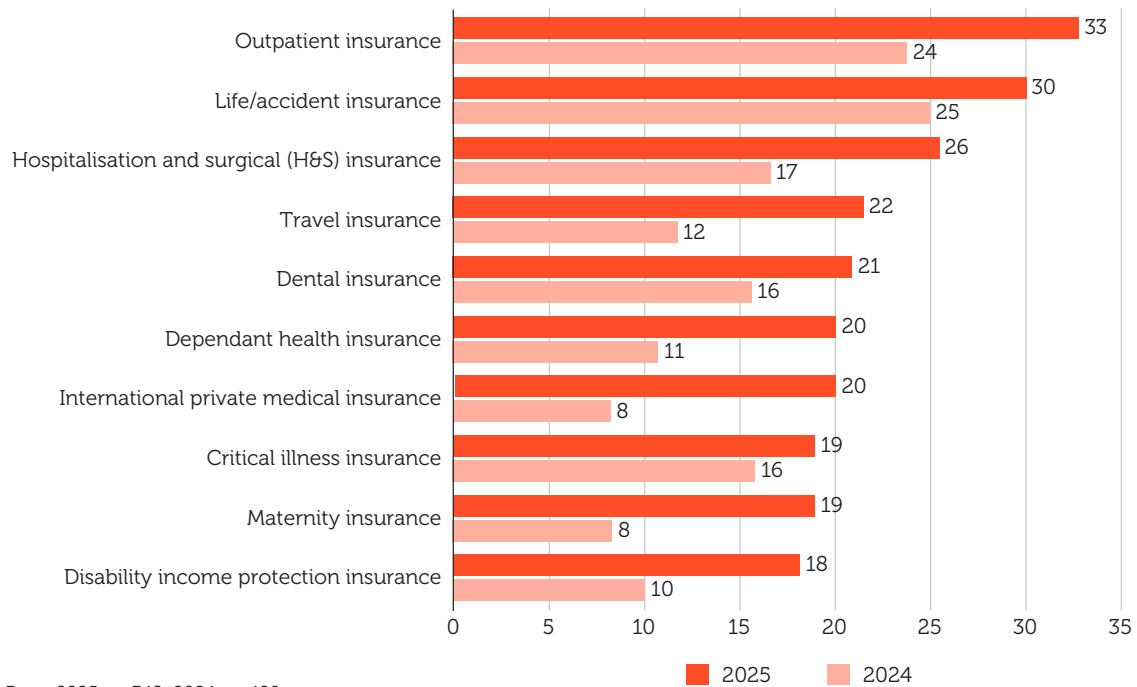
**Mental health insurance is gaining traction, with 27% of employers planning to add or enhance it in the next two years.**

Despite mental health insurance<sup>2</sup> (20%) being ranked among the top two priority benefits to be introduced (after life/accident insurance, 21%), only 10% of employers said it has been most frequently requested by employees, possibly due to ongoing stigma around mental health in some Asian markets.

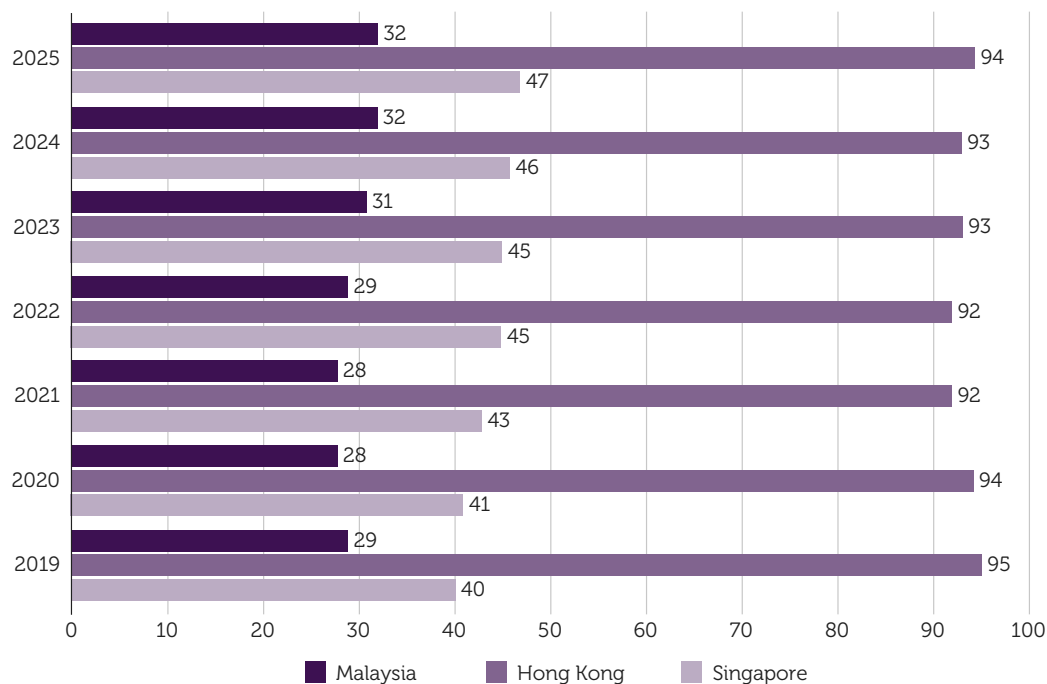
Overall, there has been a significant increase in the proportion of organisations who plan to introduce or enhance several insurance benefits since 2024, such as:

- international private medical insurance: 20% (up from 8%)
- outpatient insurance: 33% (up from 24%)
- H&S insurance: 26% (up from 17%) and
- dependant health insurance (20% versus 11%) (Figure 15).

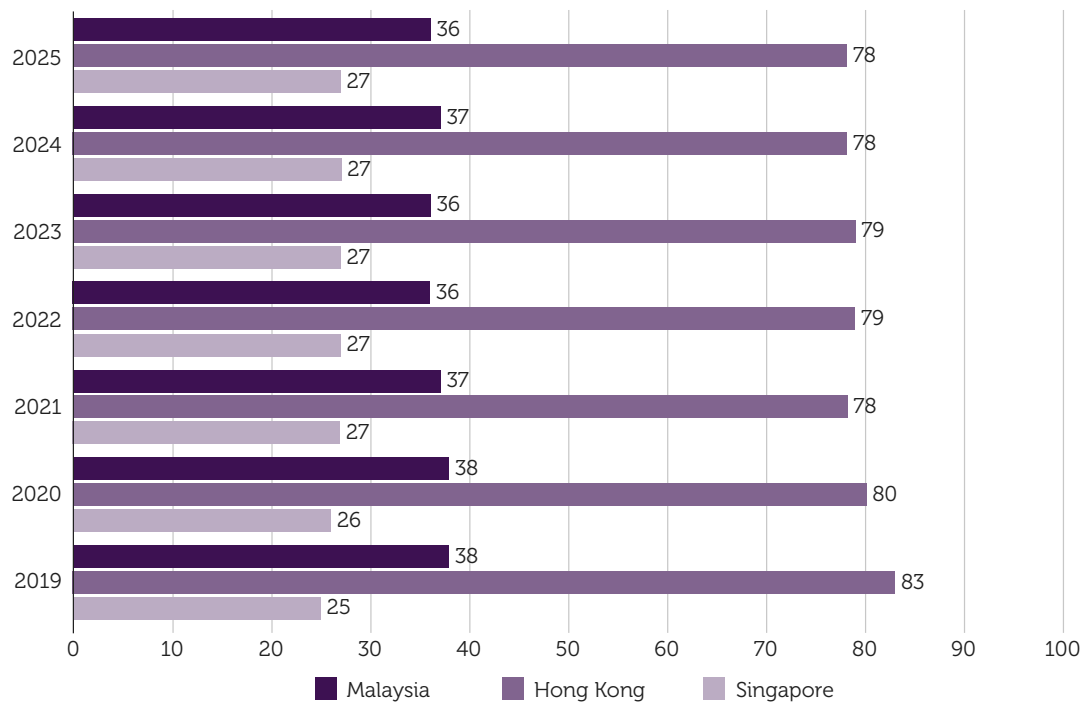
<sup>2</sup> Since mental health insurance was not included as a response option in our 2024 survey, no comparison data is available.

**Figure 15: Which insurance benefit is your organisation looking to change? (%)**

Consistent with these findings, AIA's historical data shows a gradual increase in companies providing outpatient insurance over the last six years in Singapore and Malaysia (while levels in Hong Kong have remained consistently high) (Figure 16). However, somewhat diverging from our survey findings, there has been a gradual decrease in employers providing dependant health insurance in Malaysia and Hong Kong (while it has increased slightly in Singapore) (Figure 17).

**Figure 16: Prevalence of outpatient insurance policies (%)**

Base: Malaysia: n=c.13,500 corporate policies; Hong Kong: n=c.10,300 corporate policies; Singapore: n=c.14,600 corporate policies.

**Figure 17: Prevalence of group medical policies where dependants are covered (%)**

Base: Malaysia: n=c.13,500 corporate policies; Hong Kong: n=c.10,300 corporate policies; Singapore: n=c.14,600 corporate policies.

Our survey data suggests that, overall, more insurance benefits are being added than taken away, with few organisations planning to restrict or remove any in the next two years. This expansion may increase costs and could make it harder to communicate the benefits offering to staff. However, the majority of employers are not planning to make any changes to their insurance benefits, which reflects our finding that 82% believe their current employee benefits package is helping the organisation to meet its main goal when it comes to designing the benefits offering.

### Recommendation

Mental health benefits should be backed by a supportive company culture – such as appointing mental health champions and creating safe spaces for discussing mental health concerns.

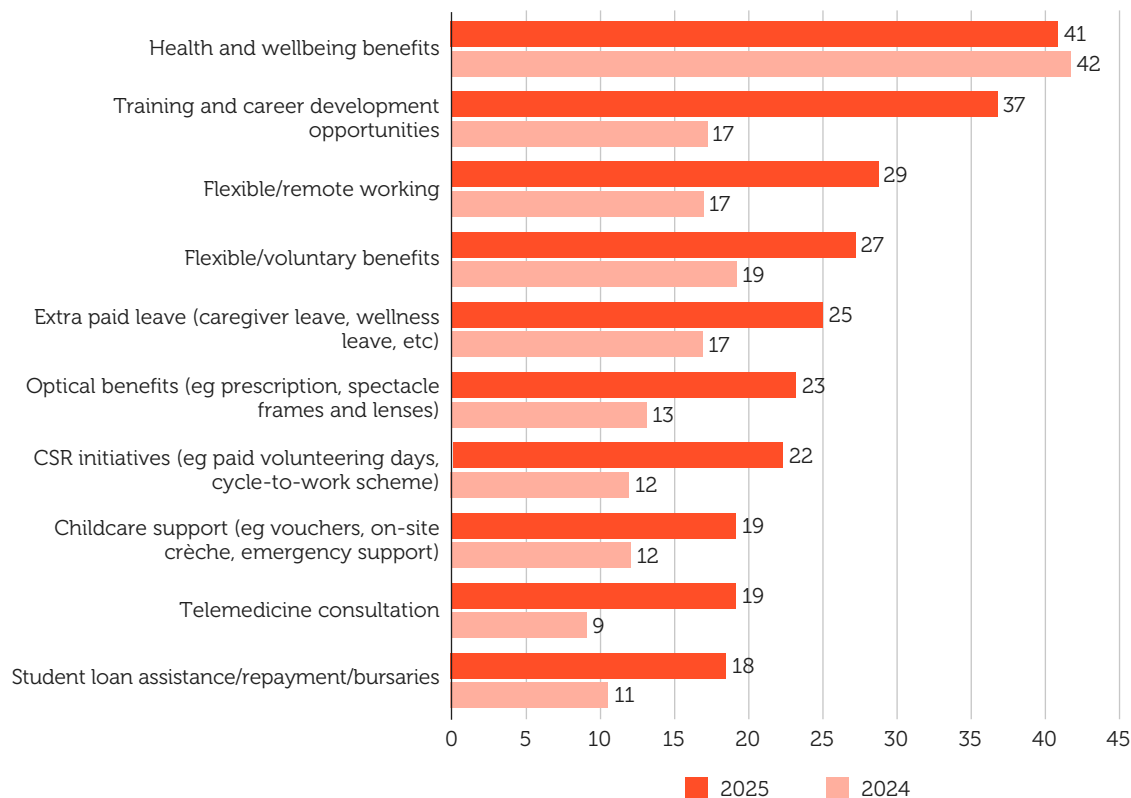
**There has been an increase in the proportion of employers who plan to add or enhance training and career development opportunities and flexible/remote working in the last year.**

The planned addition or enhancement of training and career development opportunities has risen to 37% (from 17% in 2024), while these planned changes in flexible/remote working have increased to 29% (from 17% in 2024) (Figure 18). These findings mirror the other benefits that are among the most in demand – despite fewer employers currently providing training and career development opportunities and flexible/remote working compared with last year. Organisations should focus on

developing the skills that they most need now and in the future, and how in turn these will support the training and career development opportunities sought by employees.

Nearly three in 10 employers plan to add or enhance flexible/voluntary benefits in the next two years (27%) (from 19% in 2024). However, only 15% currently said that these benefits have been most frequently requested by employees. A similar proportion of respondents said they are planning to add or enhance health and wellbeing benefits this year (41%) compared with last year (42%).

**Figure 18: Other employee benefits being changed (%)**



As with the insurance benefits, our data indicates that most organisations do not plan to change their other employee benefits in the next two years. However, more of these other benefits are planned to be added or enhanced than removed (see the [case study](#) on Fubon Bank's enhancement of various employee benefits).

### Recommendation

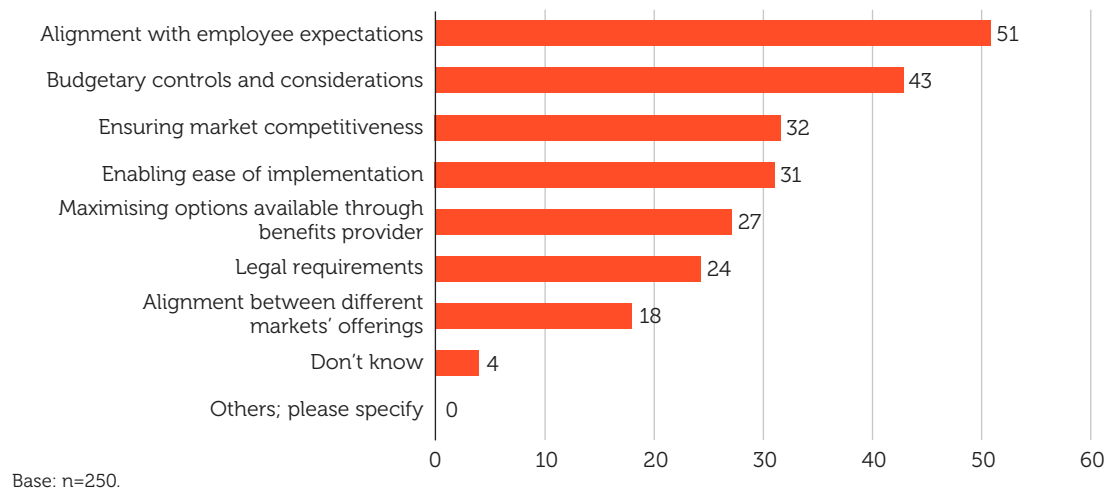
Employers should consider how demographic shifts and a multigenerational workforce are shaping employee needs. Tailoring the benefits offering to each workforce segment can enhance the overall employee value proposition.

**The top reason that organisations are planning to change their benefits is to align with employee expectations (51%).**

This reflects our finding that understanding and meeting employee expectations is the second most commonly cited challenge that employers are currently facing in designing the benefits offering (44%). Additionally, since increasing employee satisfaction is the top goal for employers when it comes to their benefits approach (20%), it is intuitive that they would make changes to better match employee needs.

The second most commonly cited reason for planned changes to insurance and/or other employee benefits is budgetary controls and considerations, with over two-fifths of respondents saying this (43%) (Figure 19). This aligns with our earlier findings that costs are top of mind for employers when it comes to their benefits approach. However, we may expect more organisations to plan to remove or restrict some benefits (or introduce/expand low-cost employee benefits) instead of adding or enhancing them, since budget is a key consideration.

**Figure 19: Reasons for changing insurance and/or other employee benefits (%)**



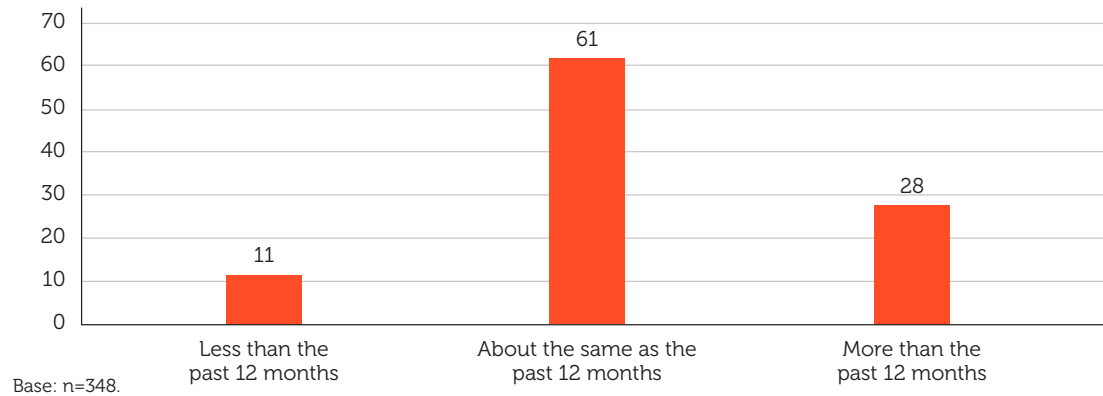
### Recommendation

Employers should use benchmarking data to explore what employee benefits other companies are providing, and work with their benefits provider to understand cost options. This should be coupled with internal data on current benefit usage and employee feedback on their experiences and needs when it comes to the benefits offering.

**Over three in five organisations intend to maintain their current level of expenditure on all employee benefits in the next 12 months (61%).**

While 63% of respondents indicated that they plan to add or enhance any of their employee benefits in the next two years, only 28% are currently aiming to increase their benefits expenditure (Figure 20). It is more challenging for organisations to make additions or enhancements to their employee benefits offering without extra budget, except for low-cost options like flexible/voluntary benefits and remote work (see the [case study](#) on how Shiseido Hong Kong has enhanced several low-cost employee benefits).

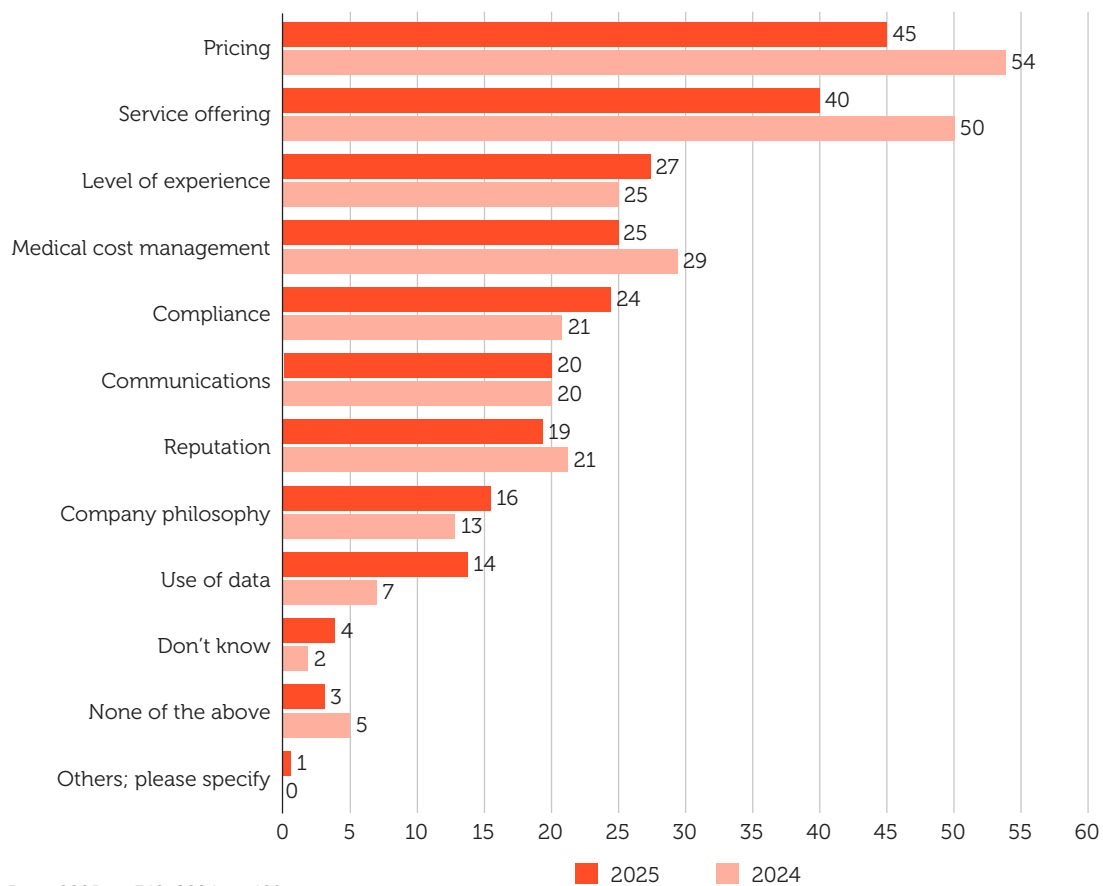


**Figure 20: Expected spend on insurance and other employee benefits (%)**

**Pricing and service offering are the most important factors for choosing an employee benefits provider (45% and 40% respectively).**

Similar to 2024, pricing and service offering were employers' main considerations, although these have decreased in importance by 9 and 10 percentage points respectively this year (Figure 21). The focus on pricing aligns with our earlier finding that budget is a main consideration for employers when it comes to their employee benefits approach.

Meanwhile, use of data has increased in importance by 7 percentage points since 2024.

**Figure 21: Most important factors for choosing main employee benefits provider (%)**

## 7

## Focus on Hong Kong

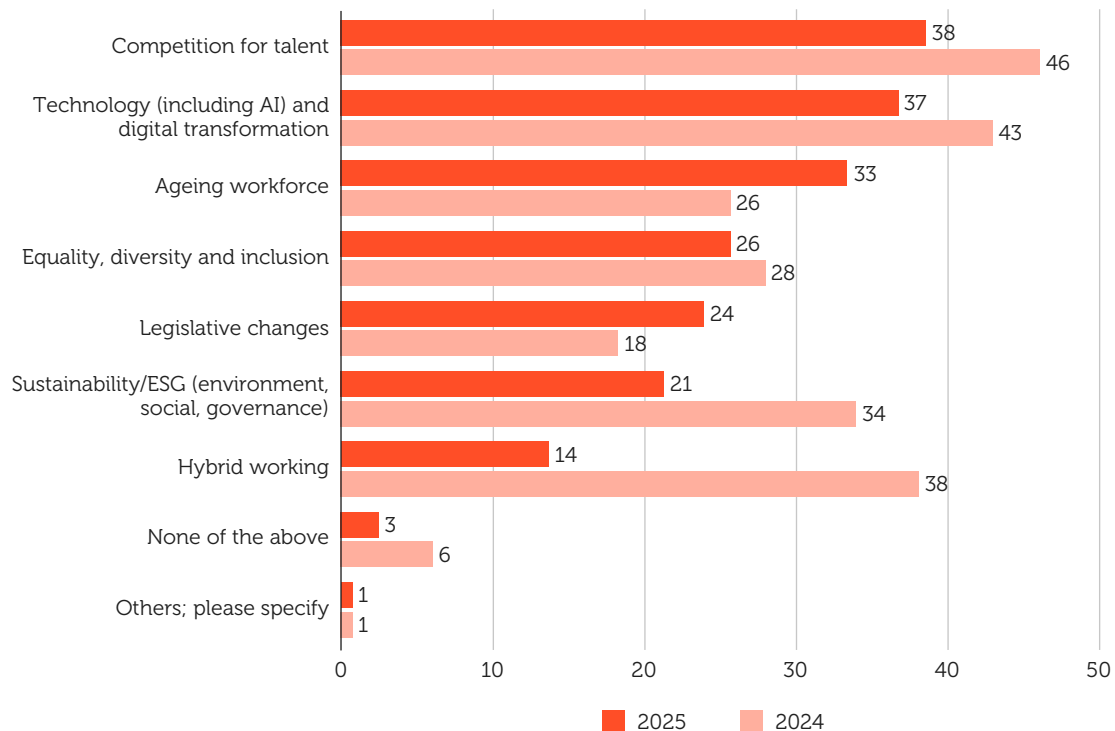
The employee benefits landscape in Hong Kong is continuing to shift as organisations respond to a competitive labour market, rising operational costs and changing employee priorities. In particular, employee medical insurance expenses have seen a surge over the past three years. Meanwhile, organisations are grappling with talent shortages, particularly in specialised roles, while also facing high turnover driven by dissatisfaction with compensation and limited investment in skills development.

Despite global hybrid work trends, most employees in Hong Kong prefer office-based arrangements, prompting companies to provide greater flexibility in working hours. Learning and development opportunities are also becoming a core component of competitive benefits strategies, as employees seek opportunities to upskill and progress their careers, while HR teams explore technology solutions to enable skills-based mobility.

### Which trends and challenges are impacting organisations' approach to employee benefits?

**Competition for talent (38%), technology and digital transformation (37%) and rising costs (36%) are having the biggest impact on organisations' approach to employee benefits.**

As in our 2024 survey, competition for talent was the biggest trend among Hong Kong employers (46%) followed by technology and digital transformation (43%) – although each of these have decreased this year, by 8 and 6 percentage points respectively (Figure 22). Sustainability was mentioned as the third biggest trend impacting the benefits approach in 2024 (34%), but this year only a fifth of employers said it is having an impact (21%). Our data indicates that the ageing workforce and legislative changes have become more of an issue – possibly because many employers have now moved on from sustainability, and environmental, social and governance (ESG) issues. As workers age, they become more of an insurance risk and premiums therefore rise.

**Figure 22: Trends with biggest impact on employee benefits approach (%)**

While rising costs<sup>3</sup> is highlighted among the top three trends in Hong Kong, it is having a lower impact on Hong Kong organisations (36%) compared with those in Singapore (58%) and Malaysia (54%). Meanwhile, legislative changes are having a bigger impact on companies in Hong Kong (24%) compared with Singapore (13%) and Malaysia (7%).

Among AIA's client organisations, the majority of H&S insurance plans in Hong Kong are on a 'sub-limit' basis (currently 99%), with only 1% on an 'as-charged/lump sum' basis – which is more expensive for the employer, but better for employees.

However, of the three markets, Hong Kong has seen the lowest growth in H&S insurance plans with sub-limits since 2019 (see [Appendix](#)), which keeps costs down for employers.

Furthermore, almost all H&S insurance plans do not include co-payment and/or deductible (ie the amount that the individual must pay before being able to make a claim), which also helps to control claim cost among Hong Kong employers. Taken together, these findings can suggest that employers are willing to provide a richer benefits plan while remaining cautious about costs, to mitigate the negative impact of changes on employee morale. In addition:

- The H&S benefit limit increase in Hong Kong is modest, at 1% per annum since 2019. However, the increase is disproportionately on higher percentiles (90th percentile), increased at a more rapid rate of 3% per annum, implying a focus on improving top plans.

<sup>3</sup> Since rising costs was not included as a response option in our 2024 survey, no comparison data is available.

- There is a noticeable pattern of moving from 'fixed amount' to 'multiple of salary' life cover, from 14% in 2019 to 24% in 2025. This shift is generally more inflation-proof as life cover amount for multiple of salary plans increases in sync with salary increases.
- For fixed amount, critical illness coverage relative to life coverage is highest in Hong Kong, at 1:1, compared with Singapore and Malaysia at approximately 0.5:1.

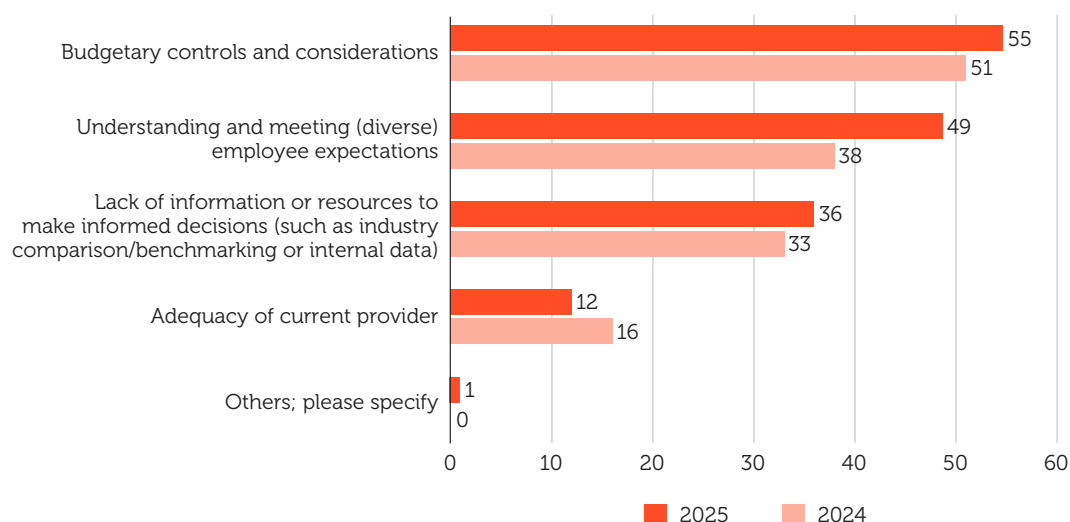
**The negative impact of benefit changes on employee morale is among the top three challenges faced by employers in designing the benefits offering (44%).**

While the negative impact of benefit changes on employee morale was the third most commonly cited challenge among Hong Kong respondents, it ranked fourth in Singapore (26%) and Malaysia (39%). Meanwhile, over a third of Hong Kong employers said regional differences in the benefits offering are a key challenge (35%). We can observe from AIA's client data that there are clear differences in the insurance benefits offering across the three markets (see [Appendix](#)). This highlights the need to recognise that the context and requirements of each country are different; therefore, harmonising the benefits offering across markets is only possible to a certain extent.

The main challenge for Hong Kong organisations when it comes to designing the employee benefits offering is budgetary controls and considerations (55%), which is similar to our 2024 data (51%) (Figure 23). The recent [government policy change](#) to relax the definition of a 'continuous contract' means that more part-time and temporary employees will be eligible for certain statutory benefits such as annual leave and sickness allowance – adding to cost pressures for employers.

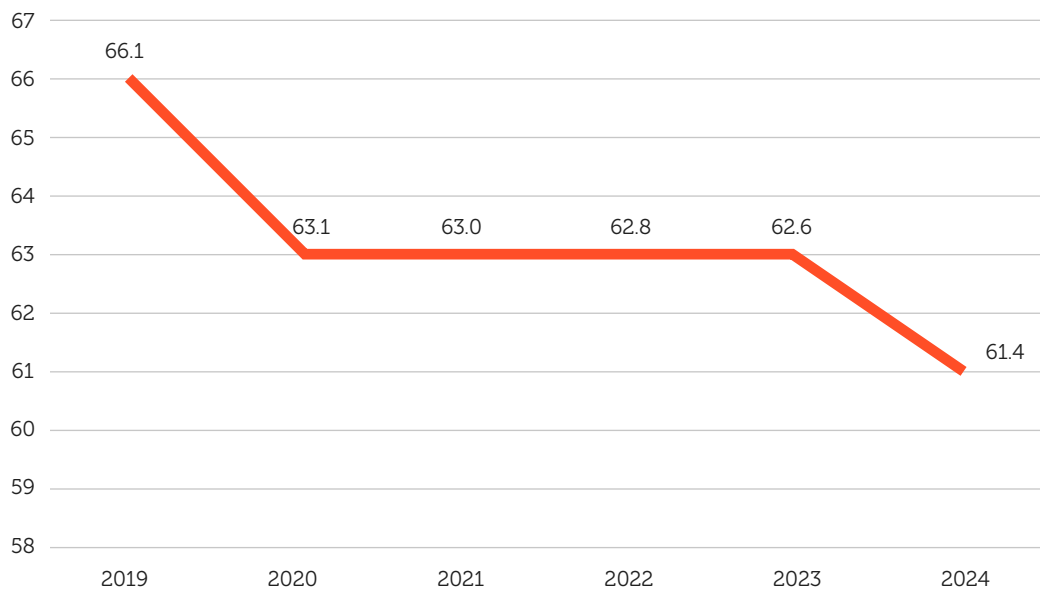
While meeting employee expectations is once again the second most commonly cited challenge this year (49%), this has increased by 11 percentage points since 2024.

**Figure 23: Main challenges in designing employee benefits (%)**



AIA's historical data suggests that of the three markets, Hong Kong sees the lowest rate of benefit improvement – especially for H&S coverage. Consequently, we have seen the H&S claim reimbursement ratio (ie the percentage of reimbursed amount/incurred amount) decreasing from 66% in 2019 to 61% in 2024, meaning employees are increasingly paying more out-of-pocket (Figure 24). Employers face the challenge of balancing their employee benefits budget with the high medical inflation observed in recent years.

**Figure 24: H&S claim reimbursement ratio (%)**



Base: n=c.10,300 corporate policies.

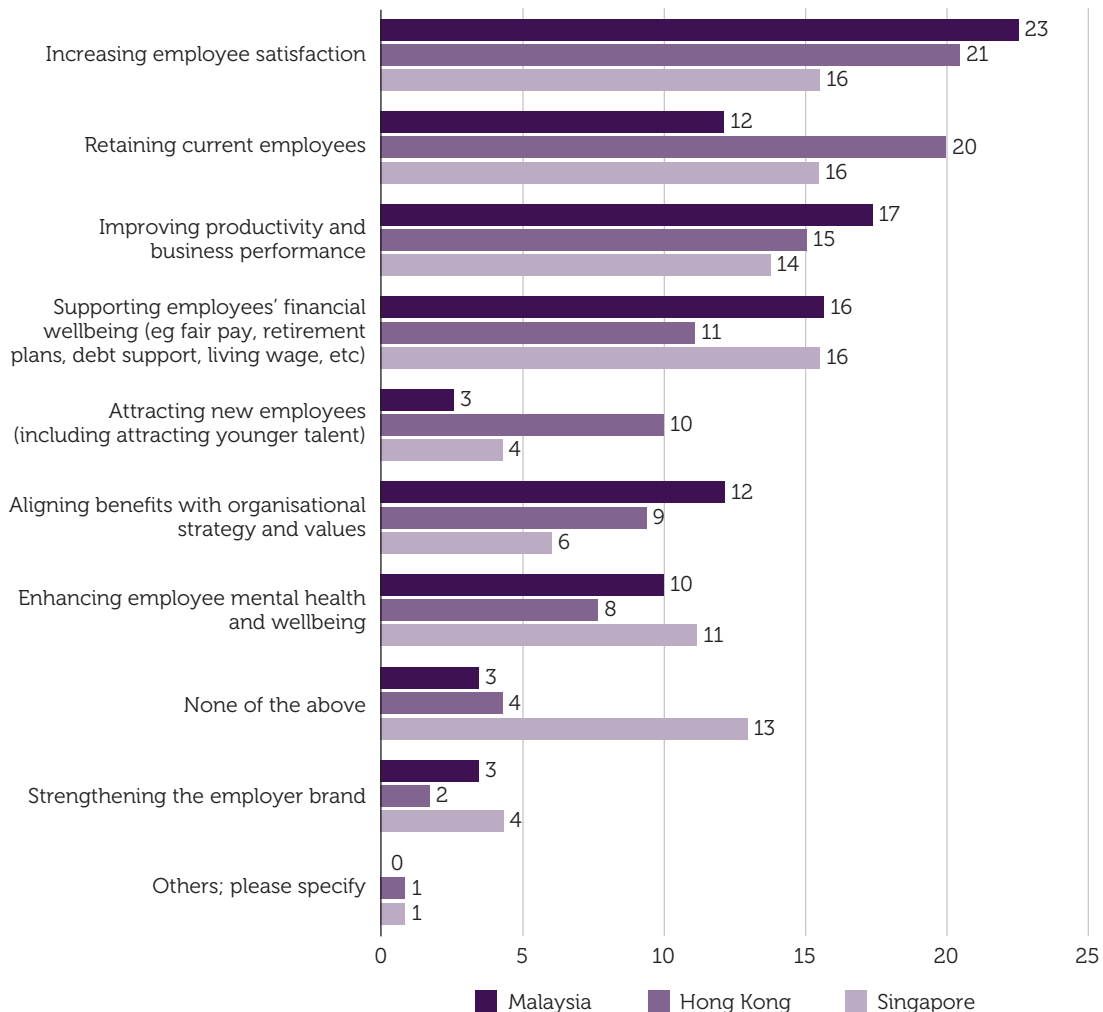
### Recommendation

Employers should clearly communicate any changes to the benefits offering to staff, and invite feedback. This helps employees understand the implications and have a voice in decisions, which can mitigate any negative impact on employee engagement and satisfaction.

## Which factors are important when designing the benefits offering?

**Increasing employee satisfaction and retaining current employees are the top goals when it comes to designing the benefits package, with a fifth of organisations citing each (21% and 20% respectively).**

As shown in Figure 25, increasing employee satisfaction is also the top goal in Malaysia (23%), but the importance of other goals is fairly even across the board in that market. Among Singapore respondents, there is no one goal standing out above others, while 13% said none of the listed goals are their organisation's main focus, suggesting that they may not have a clear goal for their benefits offering.

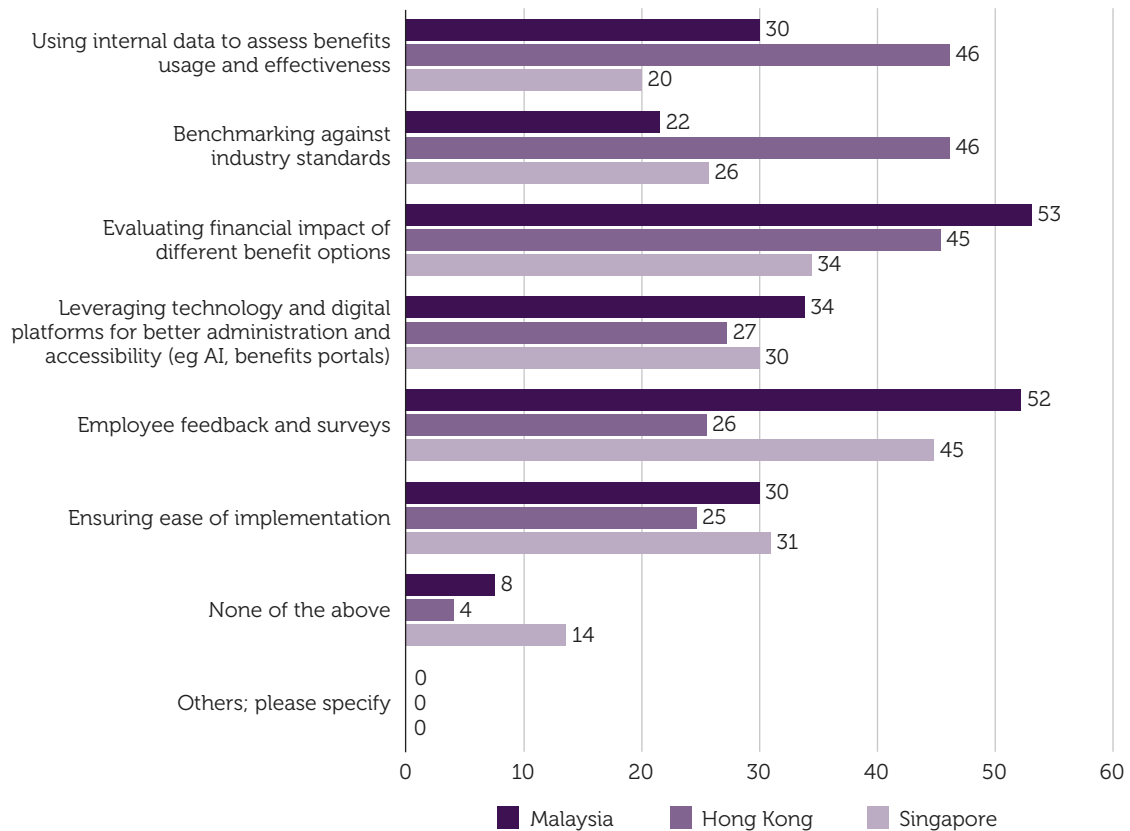
**Figure 25: Main motivation or goal when designing employee benefits (%)**

Base: Malaysia: n=115; Hong Kong: n=117; Singapore: n=116.

In 2024, increasing employee satisfaction and retention was similarly the most important factor when designing the benefits approach in Hong Kong (46%). However, while 27% of employers said enhancing employee wellbeing was important last year, only 19% said it was their main goal when it comes to designing the benefits offering this year.

**Benchmarking against industry standards (46%), using internal data (46%) and evaluating the financial impact of benefits (45%) are the main methods used in designing the employee benefits package.**

In contrast to other markets, only 26% of Hong Kong employers said employee feedback and surveys are most important when designing the benefits package to meet the organisation's goal (versus 45% in Singapore and 52% in Malaysia) (Figure 26). It could be that there is a trust issue in some organisations, creating a reluctance to ask employees to share their thoughts. Meanwhile, Hong Kong respondents were more likely to say benchmarking and using internal data to assess benefits usage and effectiveness are the most important methods, compared with those in Singapore (26% and 20% respectively) and Malaysia (22% and 30% respectively).

**Figure 26: Most important methods when designing benefits package (%)**

Base: Malaysia: n=115; Hong Kong: n=117; Singapore: n=116.

### Recommendation

Employers can refer to the insurance benefits benchmarking data included in the Appendix, and consult with their benefits provider to review the data and recommendations.

### The top method for measuring the effectiveness of the benefits offering is benefits utilisation rates (50%).

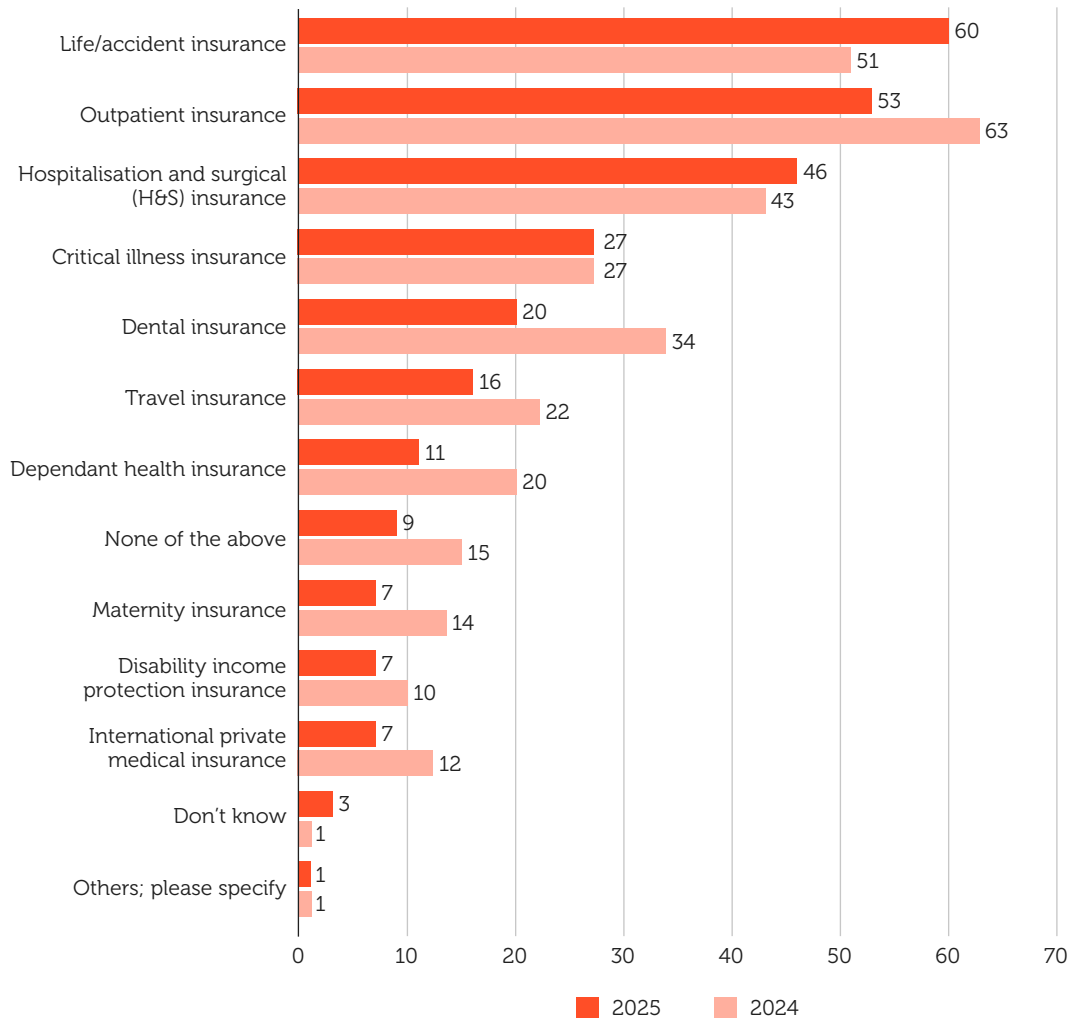
Hong Kong organisations are significantly more likely to rely on benefits utilisation rates compared with those in Singapore (12%) and Malaysia (22%). The second most common metrics used in Hong Kong are employee engagement, satisfaction, commitment or experience data (45%), followed by employee turnover rates (39%).

## Which insurance benefits are organisations currently providing, and which are most requested by employees?

**While life/accident insurance (60%) and outpatient insurance (53%) are the most commonly provided insurance benefits, there are significant differences in the proportion of employers offering these since 2024.**

The provision of life/accident insurance has increased from 51% since last year, while outpatient insurance has decreased from 63% (Figure 27). Dental and dependant insurance have also each seen a decrease this year, by 14% and 9% respectively.

**Figure 27: Insurance benefits currently provided to employees (%)**



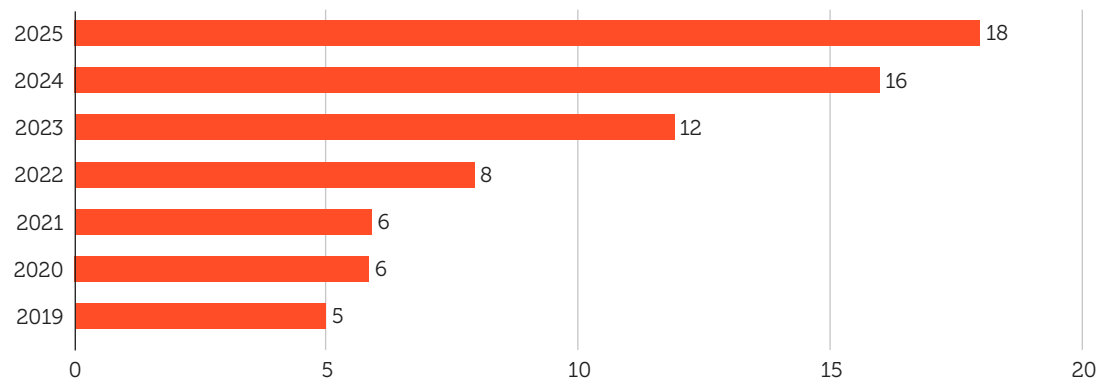
In contrast to our survey findings, AIA's client data (see [Appendix](#)) indicates that outpatient insurance has remained high since 2019, with little change since then (95% vs 94% in 2025) (Figure 16). The prevalence of dental insurance has seen a slight gradual increase to 36% since 2019 (from 33%), and remains similar to 2024 (35%).



Meanwhile, the dental benefit limits have been fairly static over the past six years. AIA's Hong Kong client organisations have shown a significantly higher adoption of dependant health insurance over the last six years compared with those in Malaysia and Singapore – but this has reduced over time from 83% in 2019 to 78% this year (Figure 17). However, according to our current survey data, Malaysia employers are the most likely of the three markets to provide dependant health insurance (17% vs 11% in Hong Kong and 10% in Singapore).

A fifth of our survey respondents said their organisation is currently providing mental health insurance (21%). Among AIA's clients, there has been a sharp increase in the proportion of employers providing mental health cover, from 5% in 2019 to 18% this year (Figure 28). This indicates a growing awareness in the market of the importance of supporting employee mental health.

**Figure 28: Prevalence of mental illness insurance (%)**

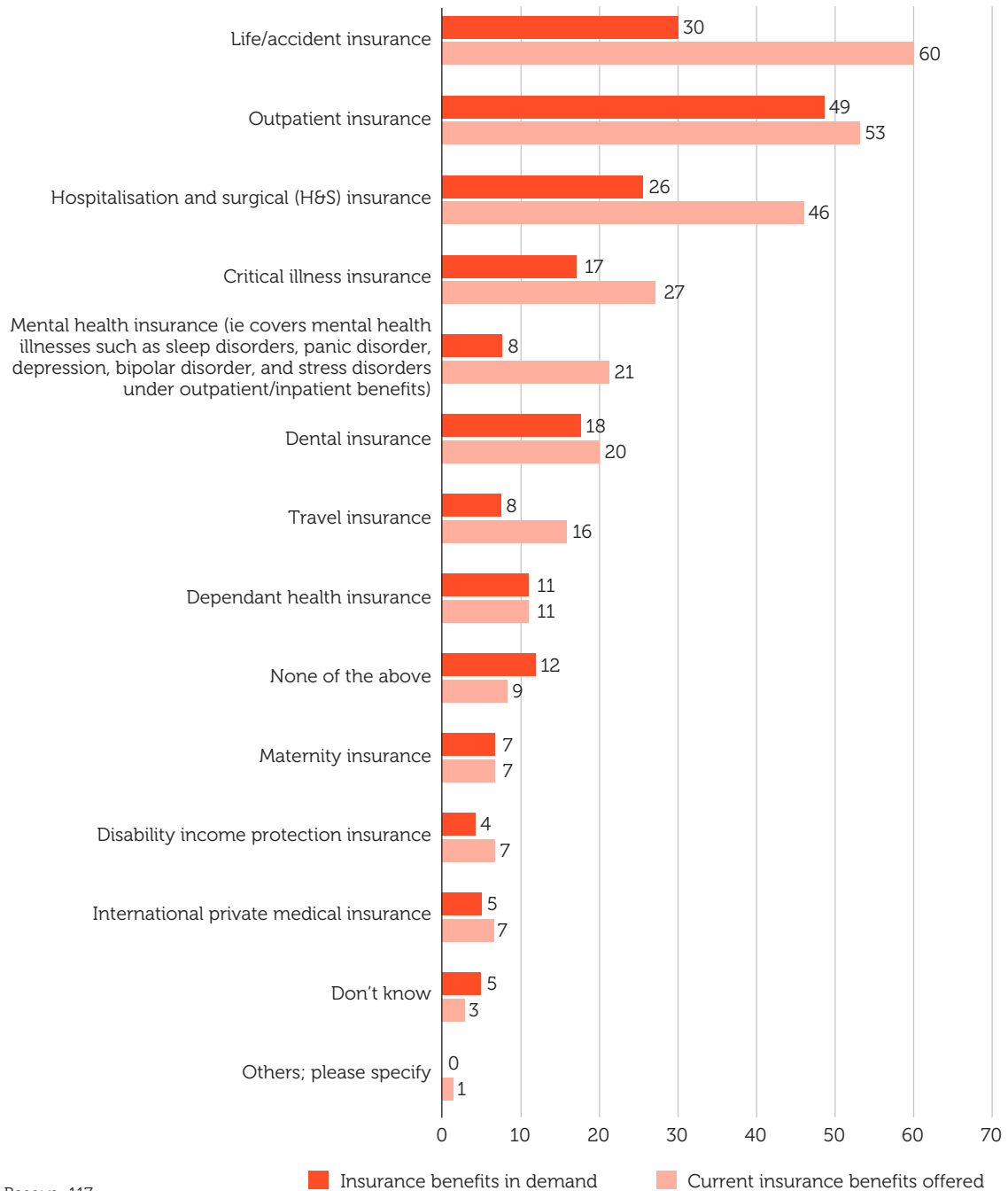


Base: n=c.10,300 corporate policies.

Meanwhile, Hong Kong employers are more likely to offer outpatient insurance (53%) compared with those in Singapore and Malaysia (both 33%). This mirrors AIA's client data, with Hong Kong organisations having the highest prevalence of outpatient insurance among the three markets (currently 94%, compared with 63% in Malaysia and 84% in Singapore) (Figure 16).

### **Supply is outweighing demand when it comes to life/accident, H&S and critical illness insurance.**

While 60% of Hong Kong employers currently provide life/accident insurance, this has only been frequently requested by employees in 30% of organisations (Figure 29). Similarly, 46% of employers are offering H&S insurance despite it only being demanded by staff in 26% of organisations. Critical illness insurance is also much more commonly provided than it is demanded (27% vs 17%). However, even if not highly requested, removing these benefits could negatively impact employee morale or influence job decisions. Employers may continue offering them in order to show commitment to employee wellbeing and remain competitive in attracting talent.

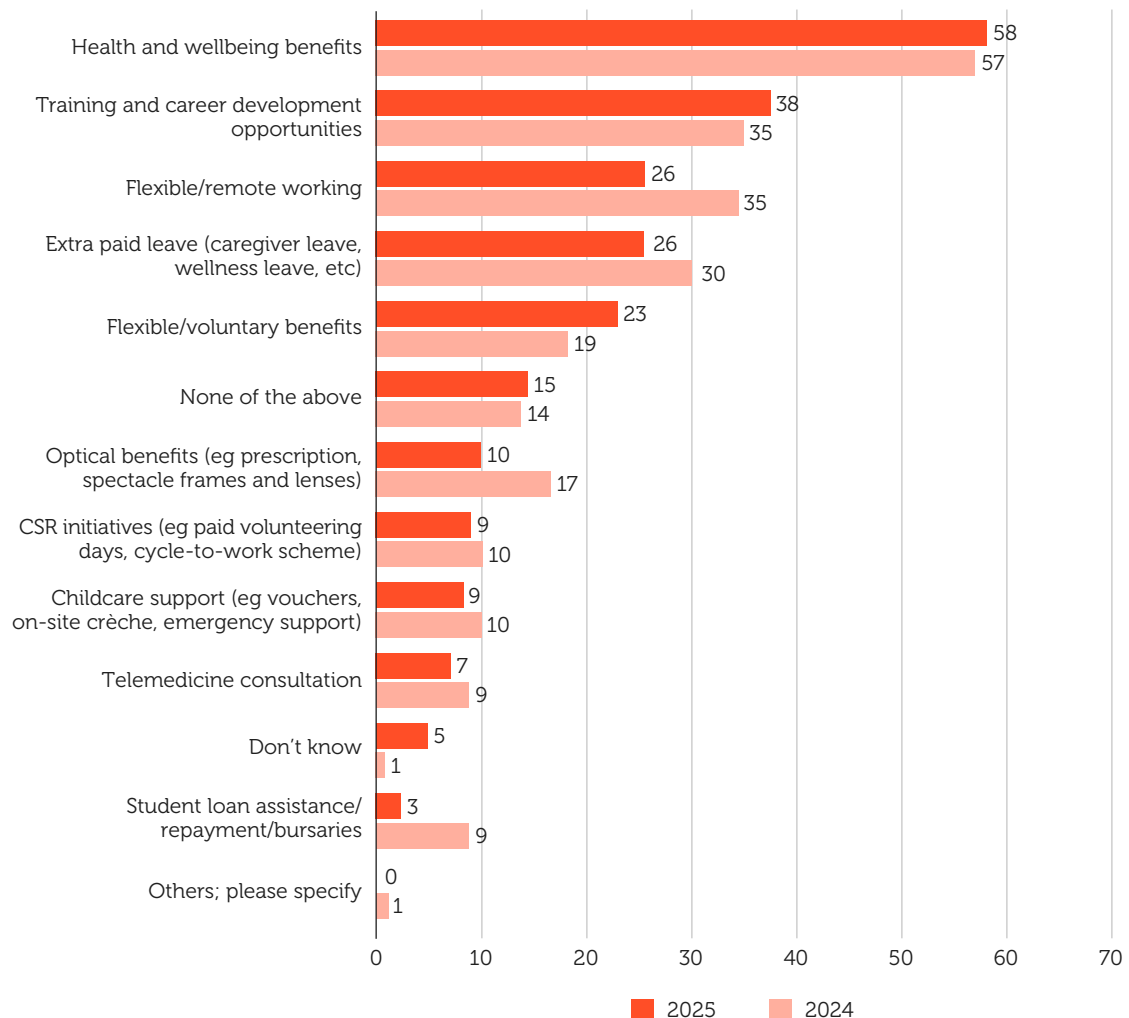
**Figure 29: Current insurance benefits provided versus most frequently requested (%)****Recommendation**

Organisations can run regular 'pulse surveys' to understand employee needs and the value they place on various benefits.

**Nearly three in five organisations are providing health and wellbeing benefits (58%), which has not changed since 2024 (57%).**

When it comes to non-insurance employee benefits, health and wellbeing continues to be the priority for organisations this year. Training and career development opportunities are the second most commonly provided non-insurance benefit in Hong Kong (38%), which has increased slightly since 2024 (35%) (Figure 30).

**Figure 30: Other employee benefits currently provided (%)**



Base: 2025: n=117; 2024: n=162.

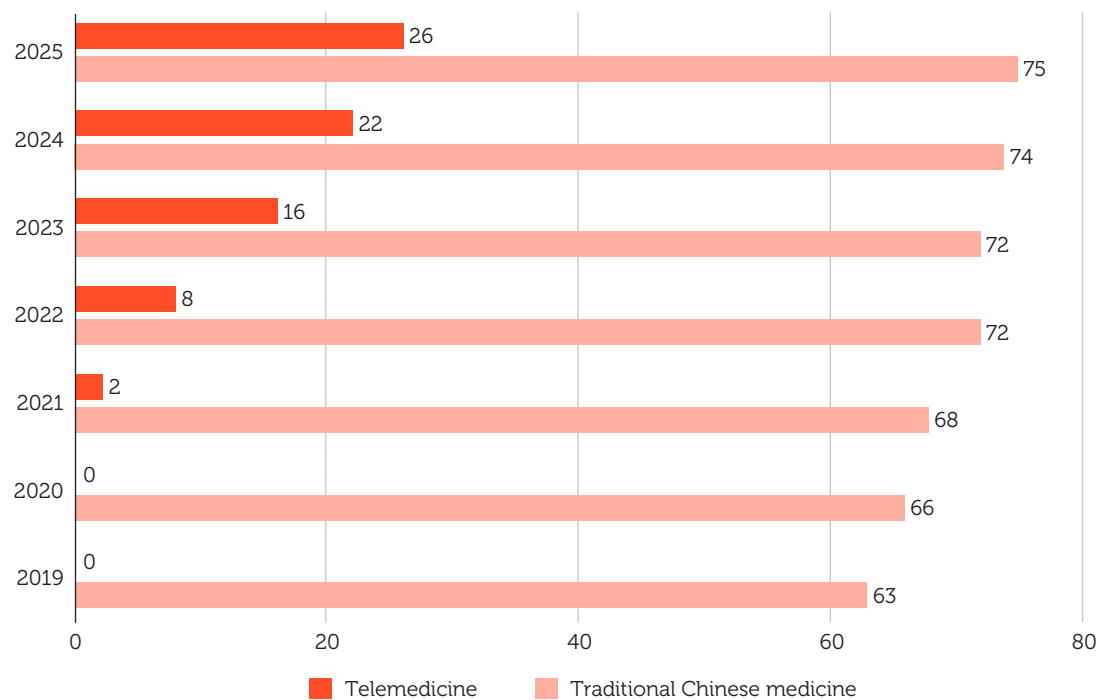
Only just over a quarter of Hong Kong employers currently provide flexible/remote working (26%), which is the same proportion that provide extra paid leave (26%). There has also been a decrease of 9% in the provision of flexible/remote working since last year. This reflects a continued preference for office-based work – despite the [Good Employer Charter 2024](#) launched by the Labour Department, which encourages companies to adopt family-friendly policies such as flexible work arrangements.

### Case study

An example of one Hong Kong company that has enhanced their benefits to maintain employee wellness across different life stages is Fubon Bank, which implemented a series of family-friendly policies such as working from home, flexible hours and extra time off each month. In addition, a childbirth subsidy and education reward for employees' children who achieve excellent academic results further promote an inclusive culture.

According to AIA's client data, the prevalence of ancillary wellness-related benefits like telemedicine consultation has accelerated since the pandemic (from 0% in 2019 to 26% in 2025) (Figure 31). This contrasts with our current survey data, with only 7% of Hong Kong employers offering telemedicine (down from 9% in 2024).

**Figure 31: Prevalence of ancillary wellness benefits (%)**



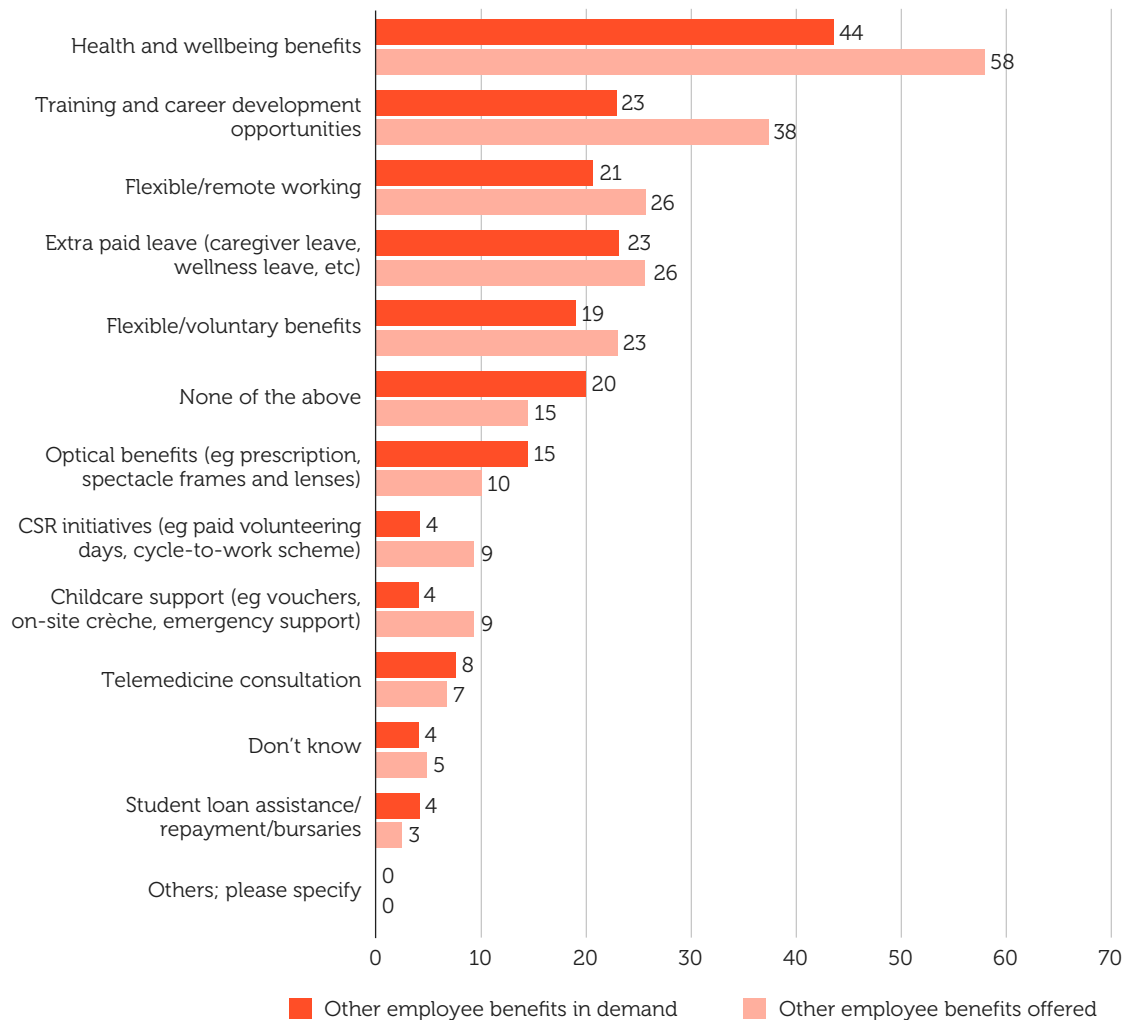
Base: n=c.10,300 corporate policies.

### The non-insurance benefits most commonly being provided in organisations are less in demand among employees.

As we saw with the insurance benefits, a higher proportion of employers are providing health and wellbeing benefits (58%) compared with the proportion of organisations in which these are most frequently requested by staff (44%) (Figure 32). Similarly, while 38% of Hong Kong employers provide training and career development opportunities, these are only being demanded in 23% of companies.

Again, this could be due to companies trying to boost their employer brand by demonstrating that they care about and invest in their people.

**Figure 32: Other employee benefits currently provided versus most frequently requested (%)**



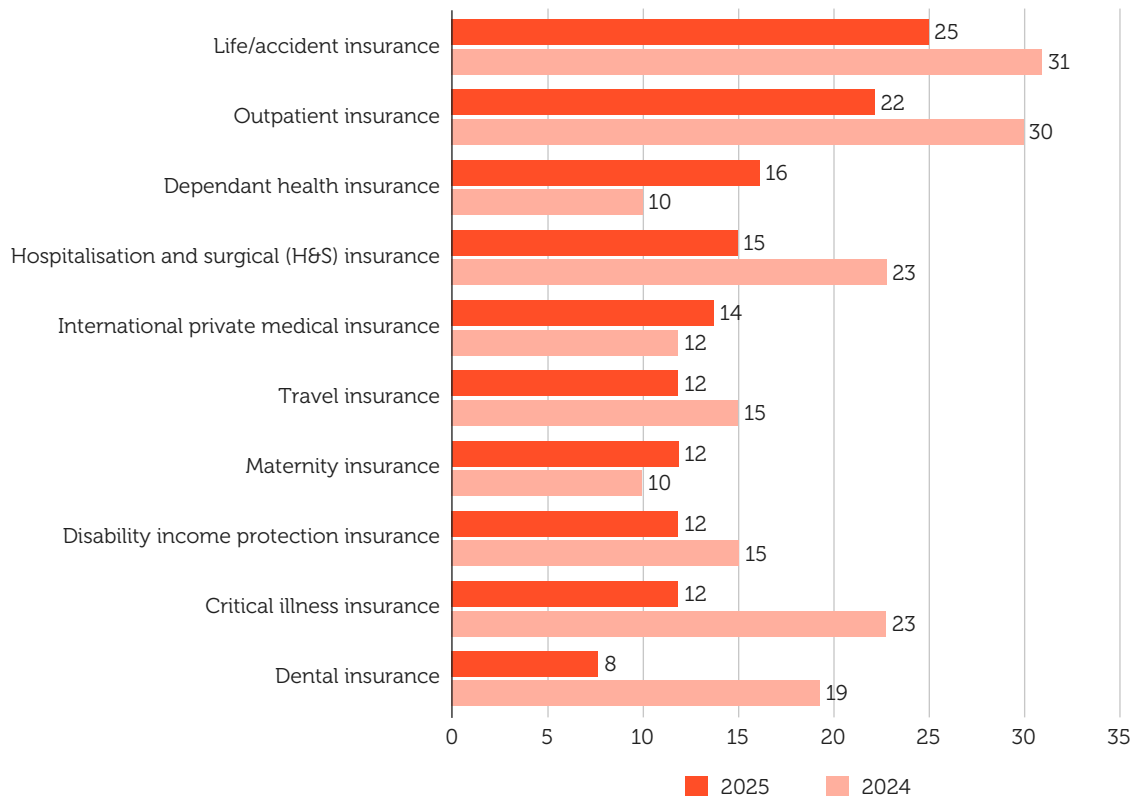
## What are employers' plans for their future employee benefits offering?

**Life/accident insurance (25%) and outpatient insurance (22%) are the top two benefits targeted for introduction or enhancement in the future, consistent with our 2024 data (31% and 30% respectively).**

These trends are aligned with the top two insurance benefits that are most being demanded by staff, with life/accident insurance being most frequently requested in 30% of companies and outpatient insurance being demanded in 49%. However, a significantly lower proportion of organisations said outpatient insurance is planned to be added or enhanced (25%) compared with those who said this is in demand among staff (30%).

There have been some changes to the planned addition or enhancement of some insurance benefits since 2024, such as H&S insurance (which has decreased from 23% to 15% this year) and dental insurance (which has decreased from 19% to 8% this year) (Figure 33). Meanwhile, fewer Hong Kong employers plan to introduce dental insurance in the next two years (6%) compared with in Singapore (22%) and Malaysia (23%).

**Figure 33: Which insurance benefit is your organisation looking to change? (%)**



### Recommendation

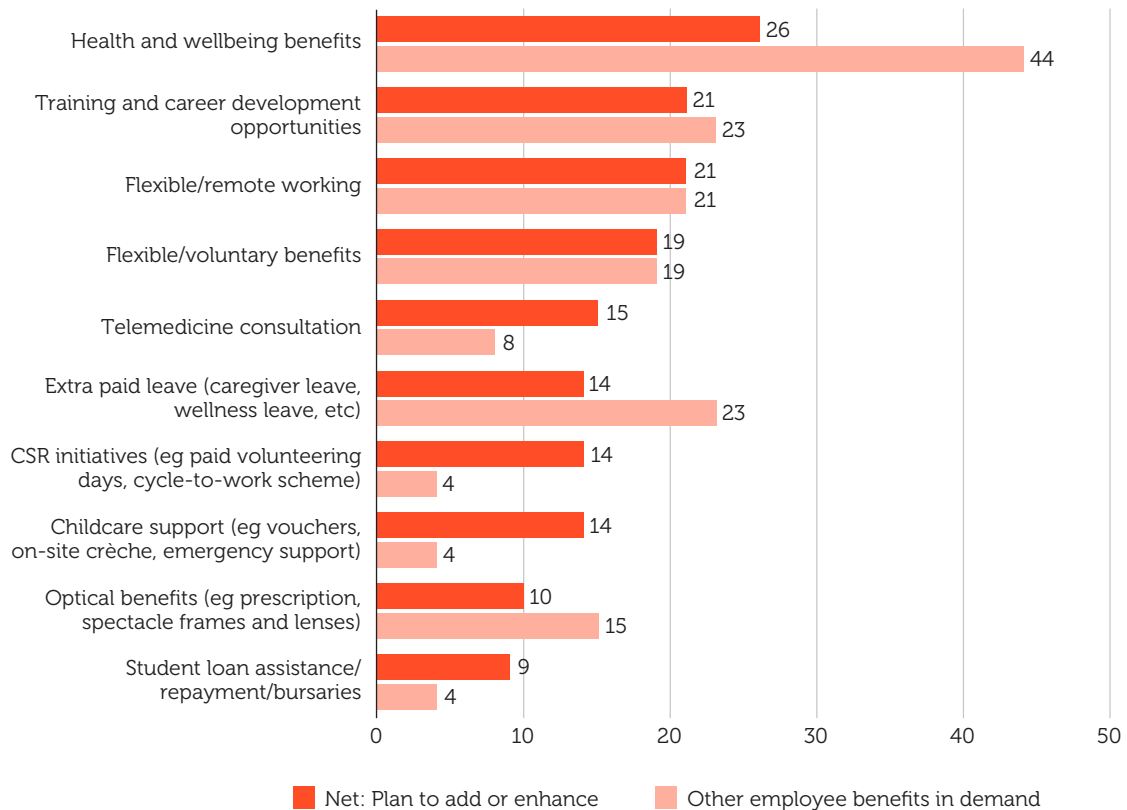
Employers should review the insurance benefits benchmarking data in the Appendix, and consult their benefits provider to design a short- to medium-term plan that balances affordability and employee satisfaction.

### A quarter of organisations plan to introduce or enhance health and wellbeing benefits in the future (26%).

While health and wellbeing benefits are the most frequently requested by staff (44%) and are the top priority for employers to plan to add or enhance, a lower proportion of respondents said they are looking to make these changes compared with the proportion who said they are in demand (Figure 34). Similarly, extra paid leave is most frequently requested in nearly a quarter of companies (23%), but only 14% of employers plan to add or enhance this benefit. However, there is a close match in

demand versus planned changes when it comes to training and career development opportunities (23% vs 21%) and flexible/remote working (both 21%).

**Figure 34: Other employee benefits your organisation is looking to change versus most frequently requested (%)**



There has been a decrease in the proportion of Hong Kong organisations that plan to add or enhance health and wellbeing benefits since 2024 (26%, down from 52%). However, plans to make such changes to training and career development opportunities have increased by 9 percentage points since last year.

### Case study

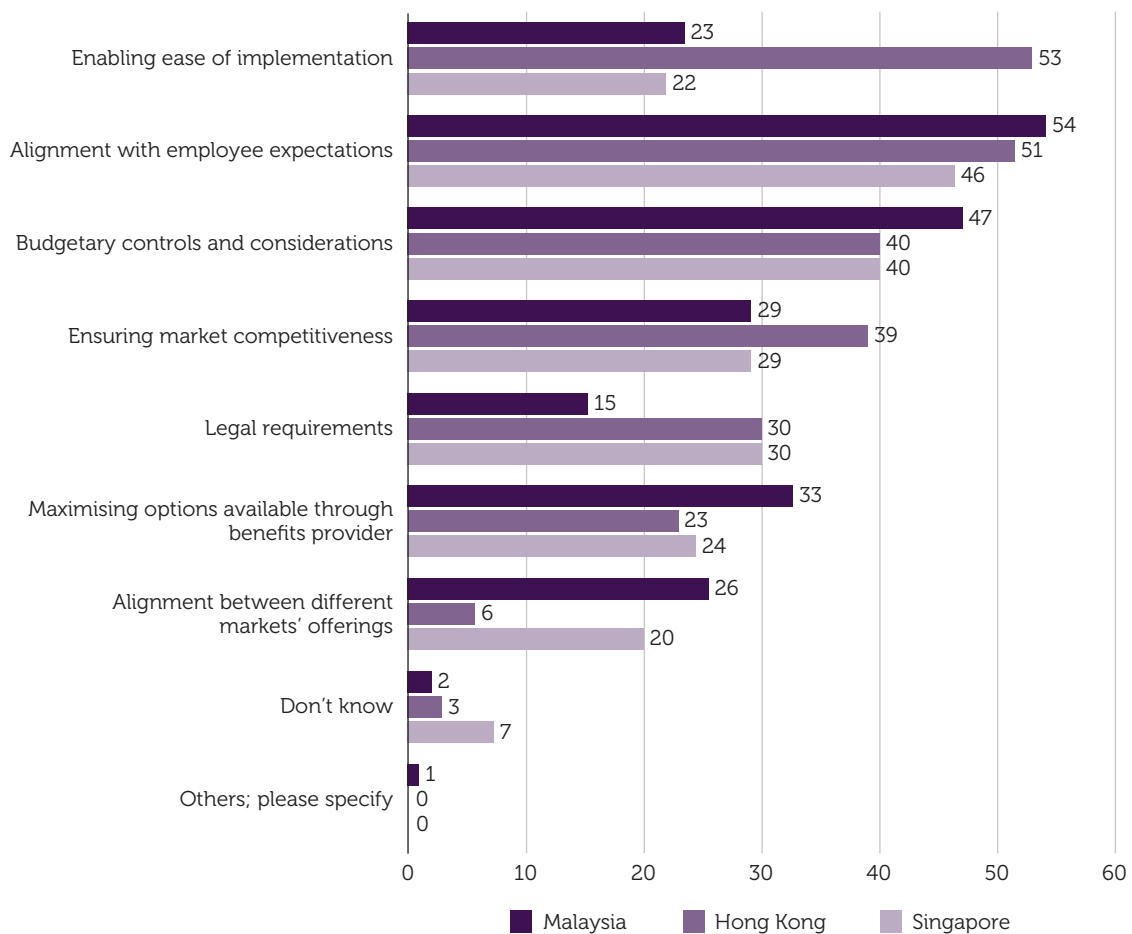
One company that increased its focus on work-life balance and employee wellbeing is Shiseido Hong Kong. The new initiatives included staff entitlement to work remotely up to two days per week and personalise their working hours, a 4.5-day work week during the summer, and a 'Wellness Flexi-Dollar' to be spent on a set of wellness and lifestyle perks that individuals choose from.

Of the three markets, Hong Kong employers are the least likely to introduce any new non-insurance benefits in the next two years, with many of the listed benefits receiving interest from less than 10% of respondents. In particular, significantly fewer respondents in Hong Kong said they plan to introduce health and wellbeing benefits (21%) compared with those in Singapore (35%) and Malaysia (43%).

**The main motivation for planned changes to employee benefits is enabling ease of implementation (53%), which is higher than in other markets.**

In comparison, only 22% of respondents in Singapore and 23% in Malaysia said enabling ease of implementation was their main motivation (Figure 35). However, similar to other markets, the other main reasons for looking to change any benefits in Hong Kong are alignment with employee expectations (51%) and budget (40%).

**Figure 35: Reasons for changing insurance and/or other employee benefits (%)**



Base: Malaysia: n=98; Hong Kong: n=70; Singapore: n=82.

Overall, Hong Kong organisations are less likely to plan to make any changes to their employee benefits (60%) compared with those in Singapore (71%) and Malaysia (85%).

### Recommendation

When it comes to insurance benefits, we can see from AIA's client data that there are constant shifts in the benefits offered and coverage level. Employers should always keep up to date by benchmarking their benefits and consulting with their provider for any benefit design recommendations.



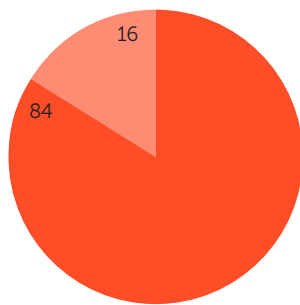
**Service offering (38%) and pricing (37%) are still the most important factors for choosing the main benefits provider, although both have decreased since 2024.**

In comparison with last year, the proportion of Hong Kong employers who said service offering is important has declined by 9%, while the proportion who mentioned pricing has declined by 13%.

Organisations in Hong Kong are more likely to say that company philosophy is an important consideration when choosing their main employee benefits provider (29%) compared with those in Singapore (11%) and Malaysia (6%). Company philosophy has increased in importance by 10% since 2024 among Hong Kong employers.

## Hong Kong sample demographics

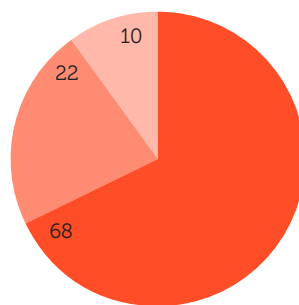
**Figure 36: Organisation size, by number of employees (%)**



■ Small – fewer than 200  
■ Large – 201 or more

Base: n=117.

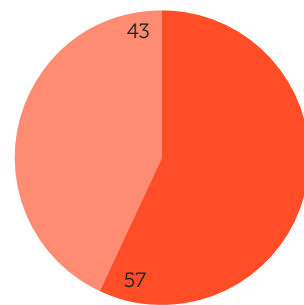
**Figure 37: Number of years organisation has been in operation (%)**



■ 6 years or more  
■ 2–5 years  
■ Less than 2 years

Base: n=117.

**Figure 38: Job role of respondents (%)**



■ HR practitioner  
■ Business owner

Base: n=117.

## 8

## Focus on Malaysia

After weathering the fluctuations of a turbulent global economy since the end of 2024, Malaysia has enjoyed an increase in foreign investment alongside steady job growth and low unemployment. This has strengthened its appeal as a market for talent across southeast Asia. At the same time, the government's drive for digital transformation and AI integration is reshaping talent requirements, with skills shortages in data science and analytics being particularly acute among small and medium-sized enterprises (SMEs). Talent attraction and retention has become increasingly complex due to a fluid job market, heightened competition and evolving candidate motivations. Meanwhile, increasing levels of employee burnout have been prompting calls for improved mental health support and more flexible work arrangements. Coupled with rapidly rising medical inflation, with insurance premiums recently growing by 40–70%, the need for more holistic and responsive workforce strategies has become paramount.

### Which trends and challenges are impacting organisations' approaches to employee benefits?

**Over half of employers in Malaysia said rising costs are having the biggest impact on their organisation's approach to employee benefits (54%).**

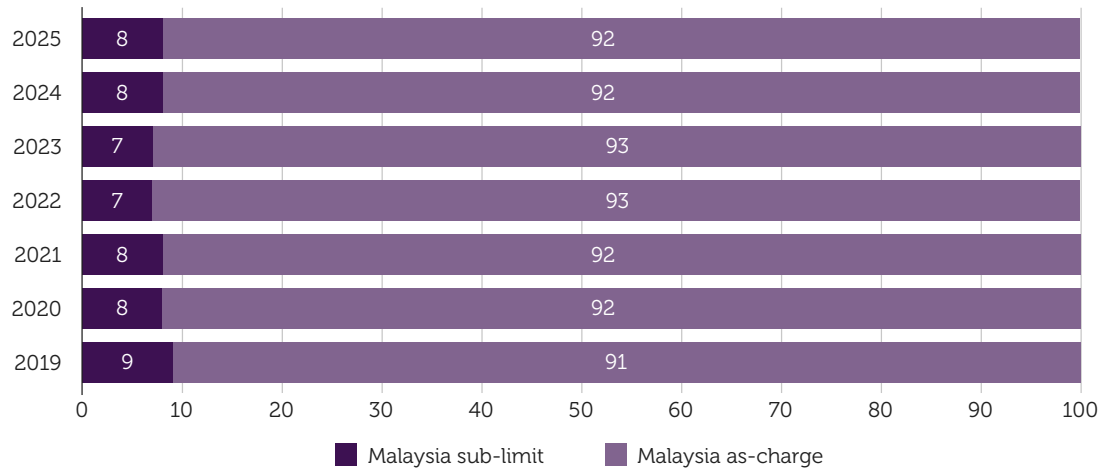
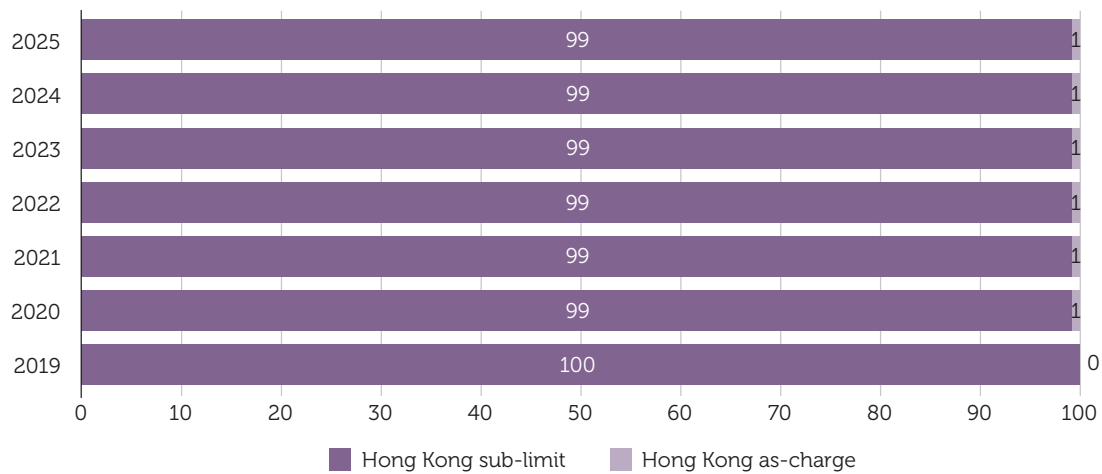
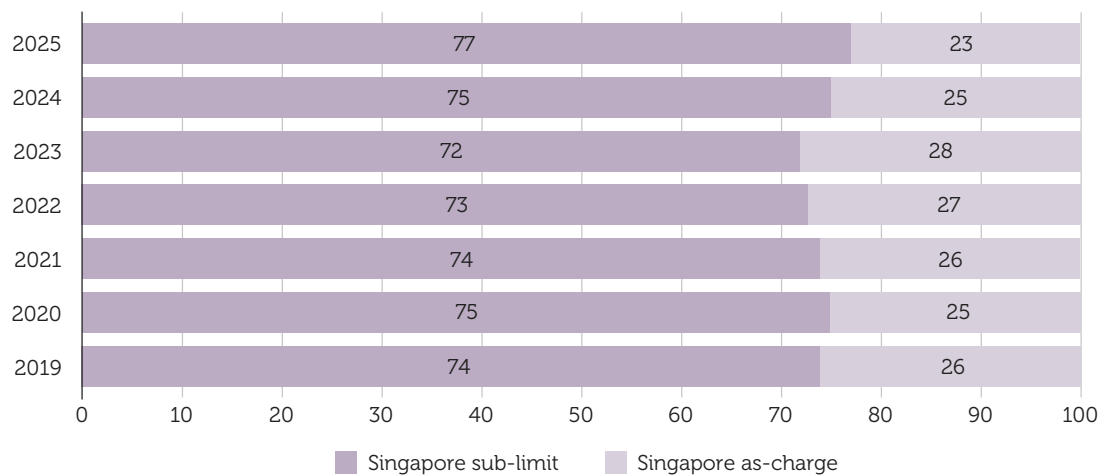
Similar to other markets, the other top trends in Malaysia are economic uncertainty (37%) and technology and digital transformation (34%).

In keeping with these findings, AIA's client data indicates that of the three markets, Malaysia has the highest medical insurance claim inflation – averaging 28% per year between 2022 and 2024 (Figure 3).

**Budgets are the main challenge being faced by organisations in designing the benefits offering (65%), followed by aligning with employee expectations (47%).**

Meanwhile, lack of information or resources to make informed decisions is the third most commonly cited challenge among Malaysia respondents (40%).

According to AIA's client data, the majority of Malaysia insurance plans are on an 'as-charge' basis (unlike Hong Kong and Singapore, which are mostly on a 'sub-limit' basis) (Figures 39, 40 and 41). Since 'as-charge' plans are typically viewed as superior to 'sub-limit' plans, this trend could reflect Malaysia organisations' prioritisation of employee satisfaction.

**Figure 39: Prevalence by type of inpatient medical insurance in Malaysia (%)****Figure 40: Prevalence by type of inpatient medical insurance in Hong Kong (%)****Figure 41: Prevalence by type of inpatient medical insurance in Singapore (%)**

While there has been a growth rate of 4% per annum on 'as-charge' limits since 2019, the growth rate is highest for lower benefit plans in Malaysia companies (Figure 47). There has also been a significant shift towards more affordable 'accelerated' (as opposed to 'additional') critical illness cover – suggesting that employers are still focused on cost efficiency. Despite this shift, Malaysia has the highest prevalence of critical illness cover at 46% in 2025, compared with 24% and 36% in Hong Kong and Singapore respectively (see [Appendix](#)).

**Increasing employee satisfaction is the top goal when it comes to designing the benefits package, with nearly a quarter of respondents stating this (23%).**

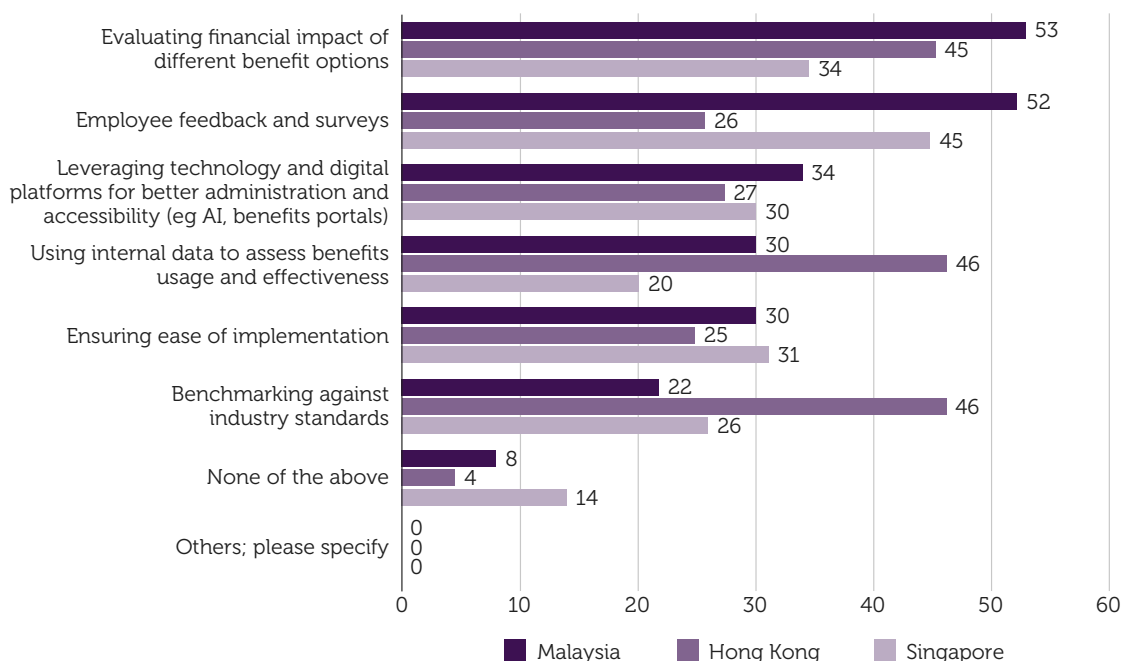
As we saw in Hong Kong, the main focus for Malaysia employers is enhancing employee satisfaction – but the importance of other goals is fairly even across the board in Malaysia. The second and third most commonly cited goals were improving productivity and business performance (17%) and supporting financial wellbeing (16%).

## Which factors are important when designing the benefits offering?

**Similar to other markets, the most important methods when designing the benefits package are evaluating the financial impact of benefits (53%) and employee feedback (52%).**

Leveraging technology and digital platforms for better administration and accessibility is the third most important method in Malaysia organisations (34%), whereas it ranked fourth in Hong Kong (27%) and Singapore (30%) (Figure 42).

**Figure 42: Most important methods when designing benefits package (%)**



Base: Malaysia: n=115; Hong Kong: n=117; Singapore: n=116.

### Case study

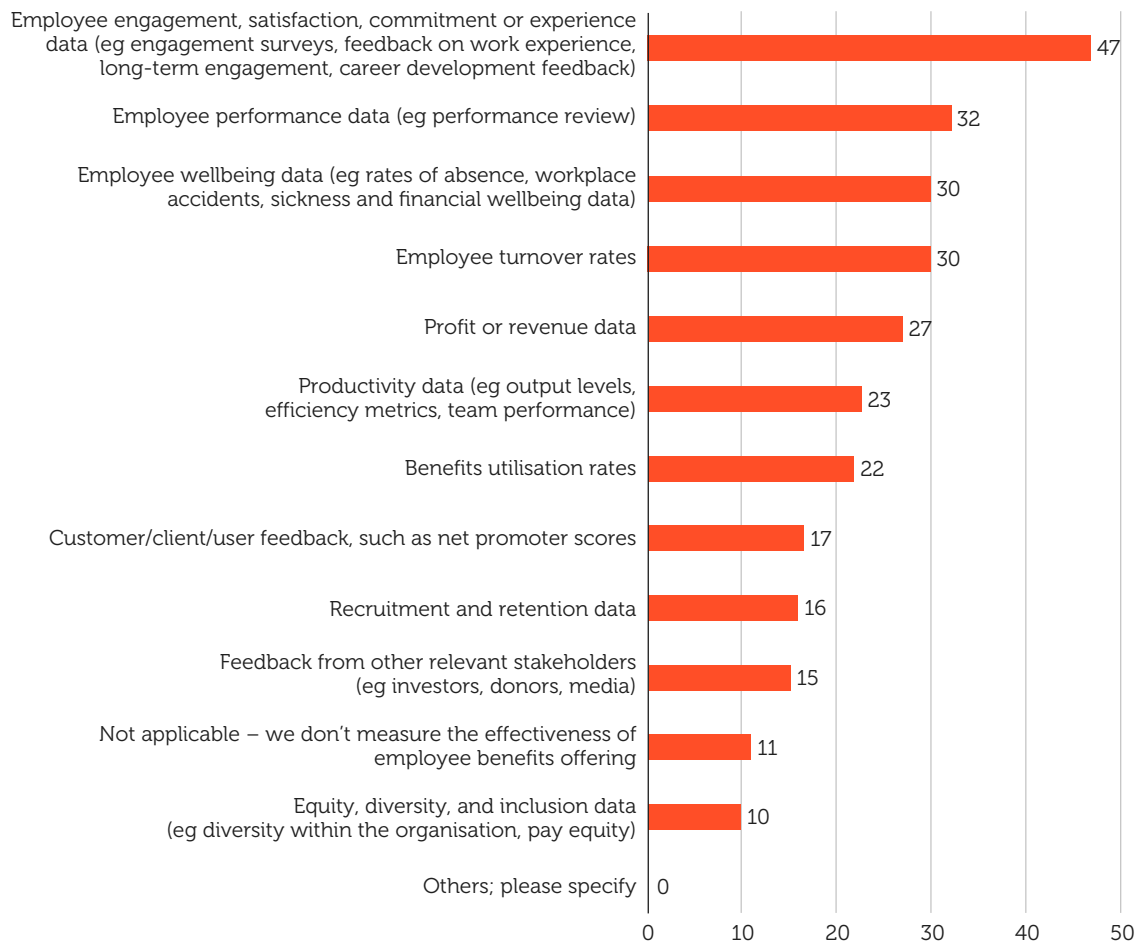
An example of one company that digitalised the employee benefits system is Experian Malaysia. Through the 'Your Choice' app, employees across the Asia-Pacific region could access a personalised digital rewards statement, flexible benefits allowance, monetary relief fund for hardships, and real-time health and wellbeing support – all through a single digital platform. This was accompanied by a predictive analytics tool to help HR develop the right strategies to boost employee engagement as well as cost savings. Education and awareness sessions were also provided to all stakeholders to enable smooth implementation of the technology. By partnering with the business to raise the visibility of the benefits offering and reinforce the employee wellbeing agenda, the HR team was able to enhance the employee experience.

**Nearly half of organisations use employee experience data to measure the effectiveness of the benefits offering (47%).**

Employee performance data is the second most common metric used by Malaysia employers (32%), followed by employee turnover rates and employee wellbeing data (each 30%) (Figure 43). This shows a focus on employee data when organisations are assessing the extent to which their benefits package is effective, which mirrors the importance of aligning with employee expectations and increasing employee satisfaction indicated in our earlier Malaysia findings.

### Case study

US chemical manufacturer Chemours conducts an annual employee survey to improve their benefits offering for the broad diversity of talent across their workforce. This includes providing assistance with college loans and offering marriage benefits and family leave.

**Figure 43: How effectiveness of benefits offering is measured (%)**

Base: n=115.

## Which insurance benefits are organisations currently providing, and which are most requested by employees?

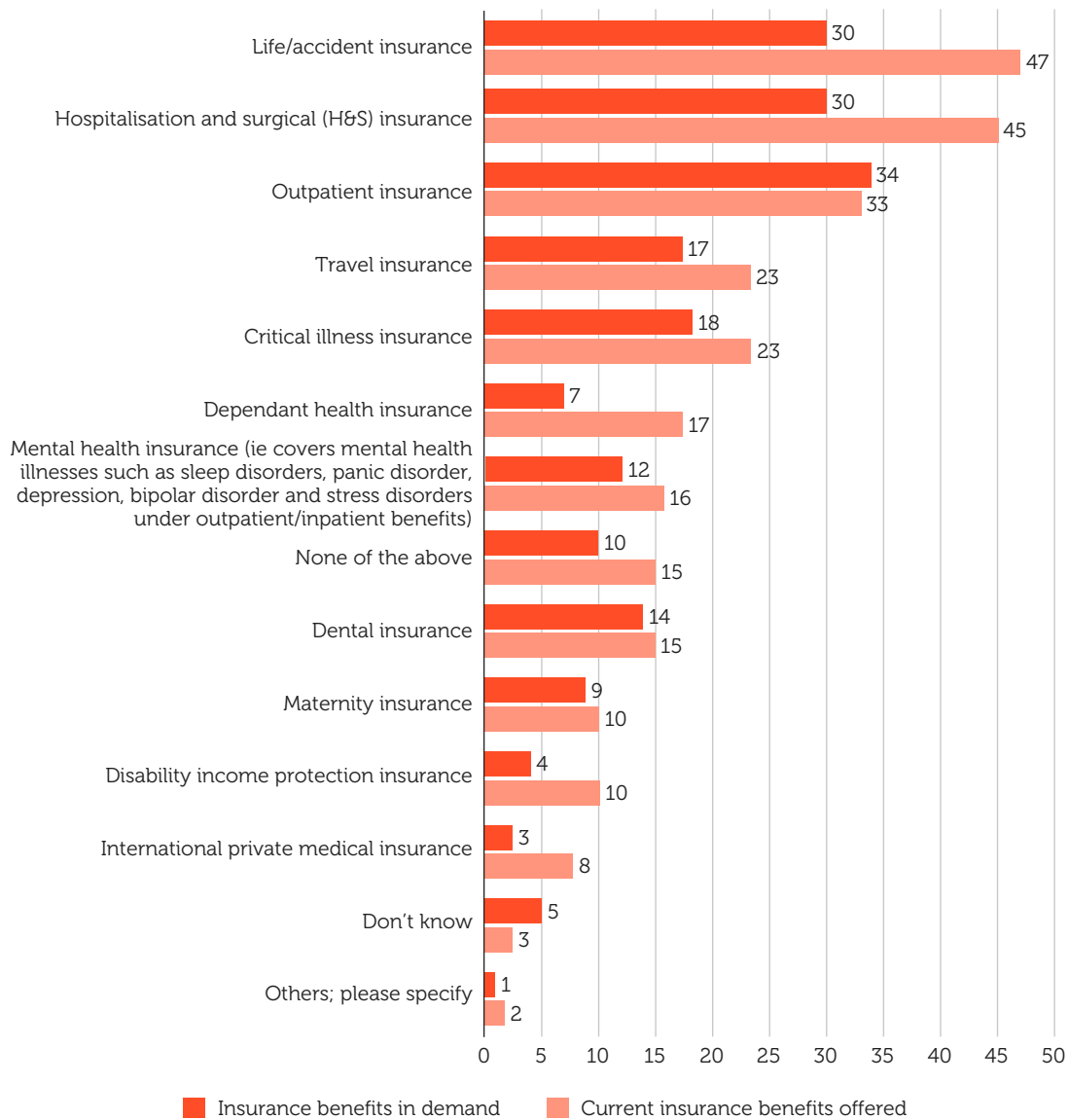
**The top three insurance benefits currently offered are life/accident (47%), H&S (45%) and outpatient insurance (33%).**

The insurance benefits most commonly provided by Malaysia organisations mirror those in other markets. Nearly a quarter of respondents in Malaysia said they currently provide travel insurance and critical illness insurance (each 23%).

While 47% of employers currently provide life/accident insurance, this has only been frequently requested by employees in 30% of Malaysia organisations (Figure 44). Similarly, 45% of employers are offering H&S insurance despite it only being demanded by staff in 30% of organisations.

However, there is better alignment between employee wants and the benefits offering when it comes to outpatient insurance, which is both frequently requested and provided in a third of companies (34% and 33% respectively). According to AIA's historical data, there has been a gradual increase in the proportion of employers providing outpatient insurance, from 29% in 2019 to 32% in 2025 (Figure 16). Similar to our survey findings, the prevalence of mental health insurance coverage is very low among AIA's Malaysia clients, with only 3% of organisations providing such cover this year.

**Figure 44: Current insurance benefits provided versus most frequently requested (%)**



Base: n=115.

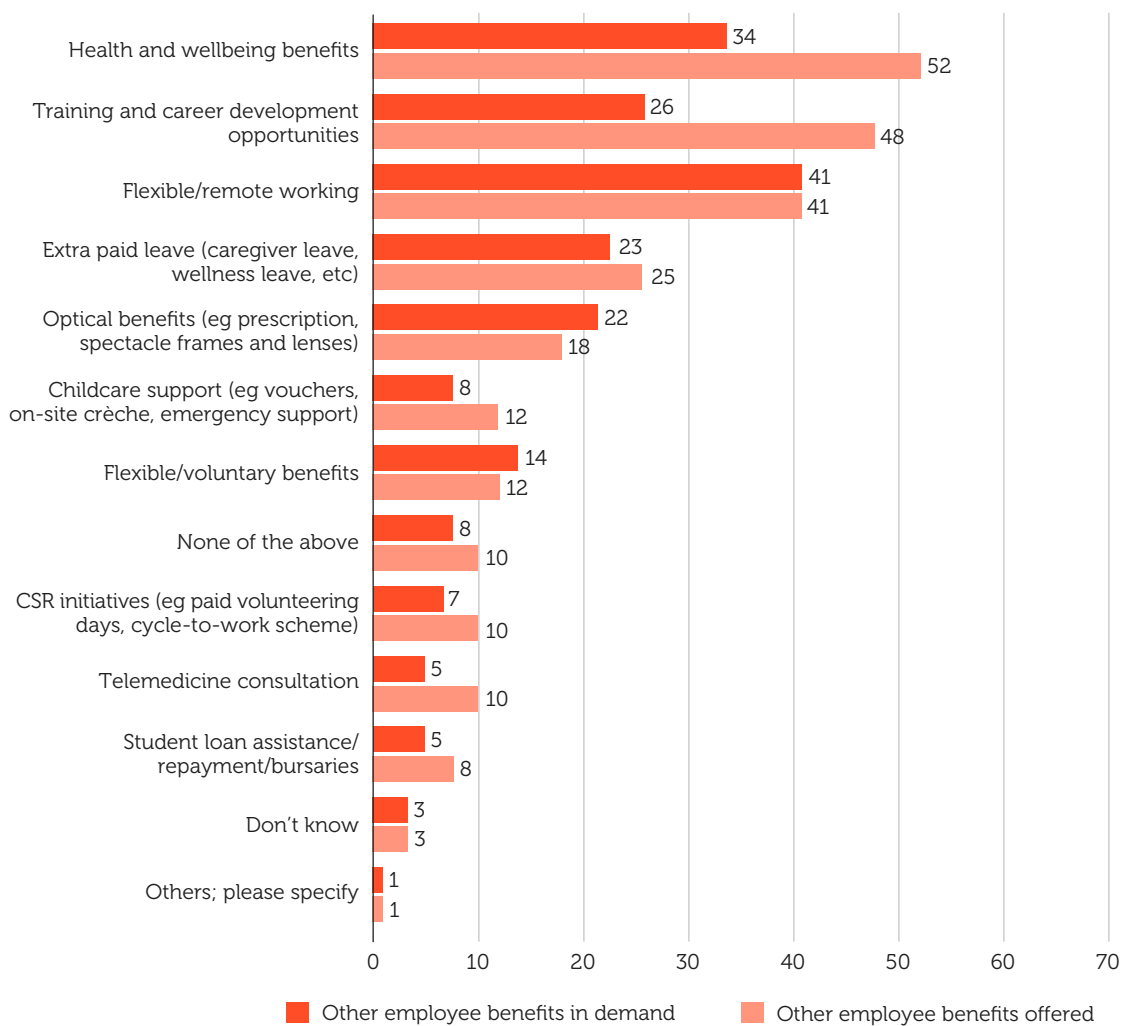
**Around half of employers are offering training and career development opportunities (48%) and health and wellbeing benefits (52%).**

The top two non-insurance benefits currently provided in Malaysia organisations mirror those in other markets, but there is a slightly higher prevalence of training and career development opportunities in Malaysia (versus 38% in Hong Kong and 28% in Singapore). As the Malaysian Government considers raising the retirement age, there are calls for more upskilling initiatives to help older employees stay relevant in the labour market.

Despite nearly half of employers offering training and career development opportunities (48%), these are only most frequently requested by staff in a quarter of companies (26%) (Figure 45). Similarly, there is a large gap between the proportion of employers providing health and wellbeing benefits (52%) and organisations in which these are most in demand (34%).

However, there is close alignment between benefit provisions and employee wants when it comes to others, including flexible/remote working (each 41%) and extra paid leave (25% vs 23%). The most frequently requested non-insurance benefit in Malaysia is flexible/remote working.

**Figure 45: Other employee benefits currently provided versus most frequently requested (%)**





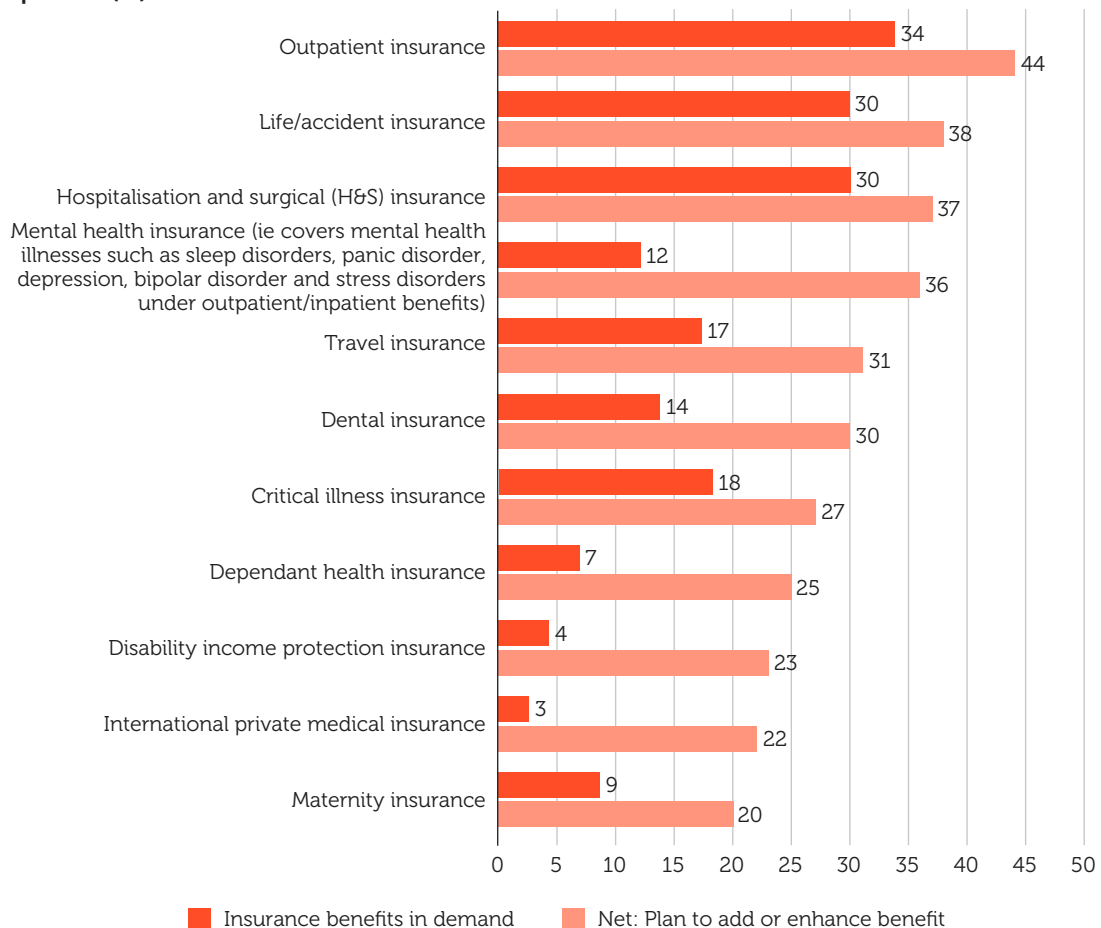
## What are employers' plans for their future employee benefits offering?

**Over a third of employers plan to introduce or enhance mental health insurance in the next two years (36%), despite it only being demanded by staff in 12% of companies.**

It could be that mental health support is less requested by employees due to cultural factors, or relatively low awareness of the importance of workplace mental health – despite the rising prevalence of this issue during the pandemic.

The top insurance benefits that employers plan to add or enhance are outpatient (44%) and life/accident insurance (38%). As we saw with the insurance benefits currently being provided, a higher proportion of employers plan to make such changes to these benefits compared with the proportion of organisations in which they are being demanded by staff (outpatient insurance is most frequently requested in 34% of companies, and life/accident insurance is most frequently requested in 30%) (Figure 46). The same trend is seen across planned changes to most other insurance benefits in Malaysia compared with those being demanded.

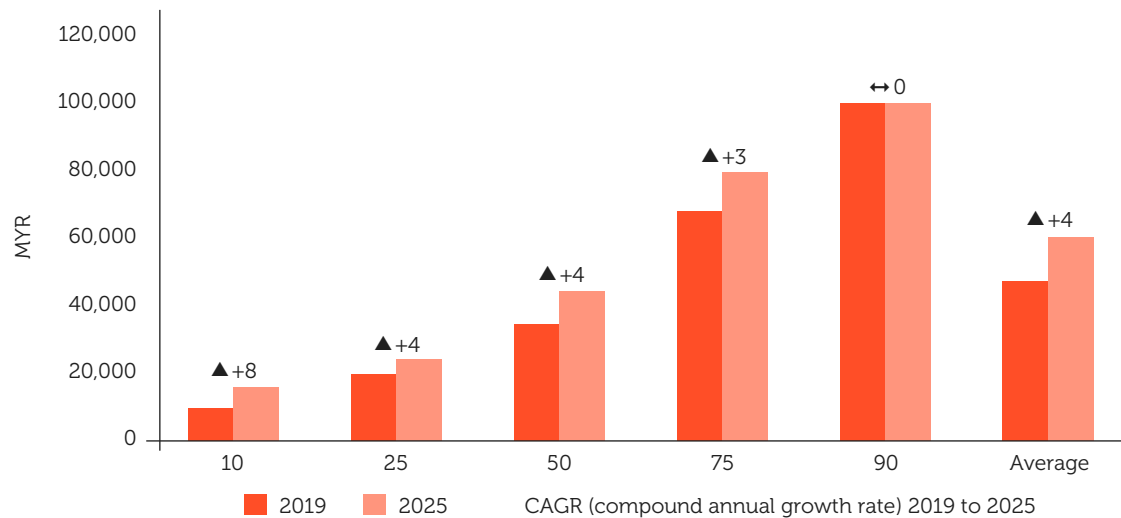
**Figure 46: Insurance benefits your organisation is looking to change versus most frequently requested (%)**



Base: n=115.

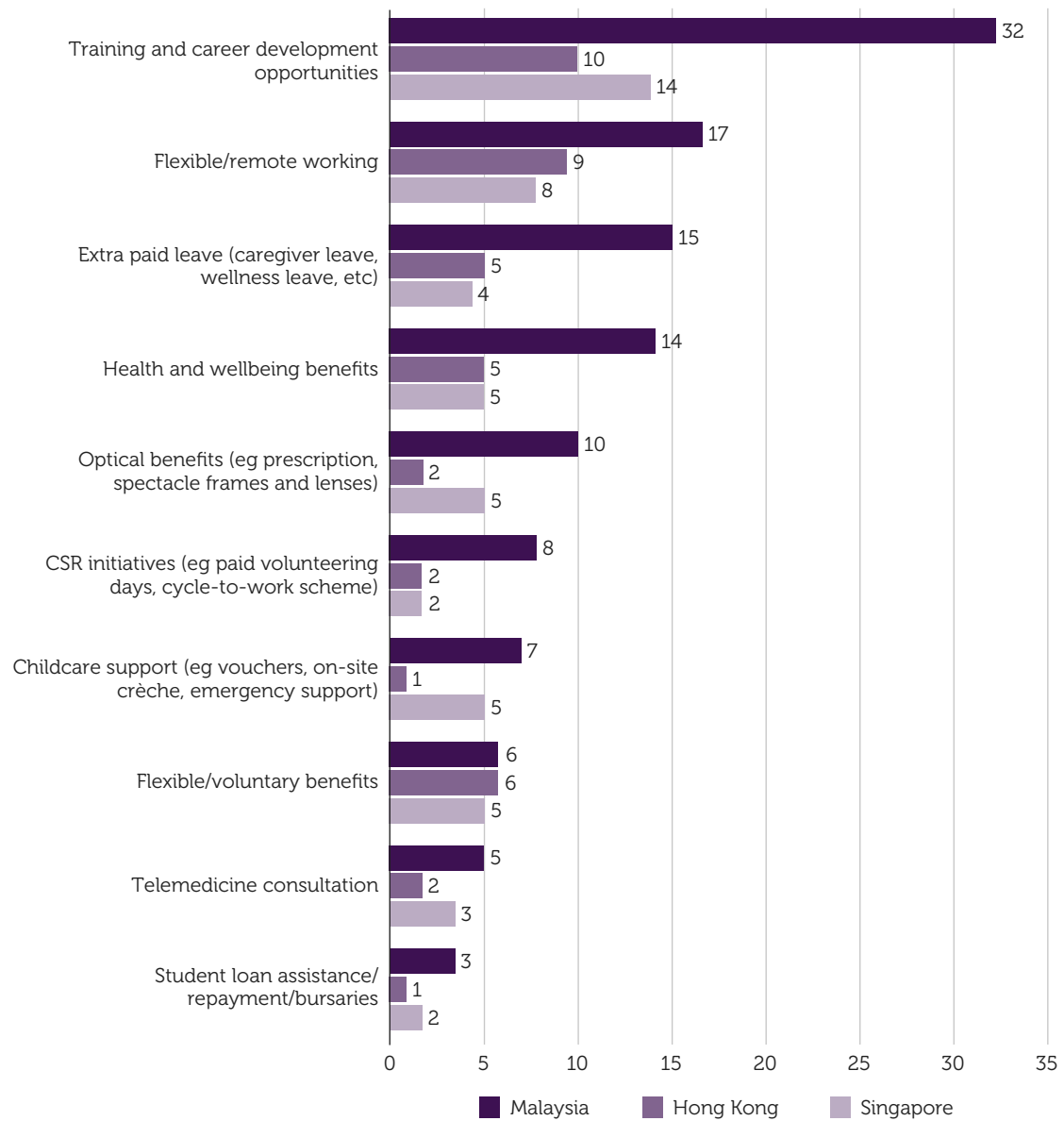
A fifth of Malaysia organisations plan to enhance H&S insurance (21%), which is significantly higher compared with Singapore (7%) and Hong Kong (4%). This is consistent with AIA's client data, where the average H&S insurance benefit limit (on an 'as-charge' basis) has been upgraded since 2019, at an average rate of 4% per annum, with the biggest increase among the lower benefit plans (Figure 47).

**Figure 47: Percentile distribution of H&S insurance as-charge limits, in Malaysian ringgit (MYR) (%)**



**Malaysia employers are more likely to plan to enhance training and career development opportunities compared with other markets.**

A third of Malaysia respondents said their organisation is looking to enhance training and career development opportunities in the next two years (32%), compared with only 14% of those in Singapore and 10% in Hong Kong (Figure 48).

**Figure 48: Other employee benefits being changed (%)**

Base: Malaysia: n=115; Hong Kong: n=117; Singapore: n=116.

Health and wellbeing benefits are the top priority when it comes to planned additions or enhancements (57%). Again, while these are the second most commonly requested non-insurance benefits among staff (34%), a much higher proportion of companies plan to make such changes to them compared with the proportion where they are in demand.

Around a quarter of respondents said they are unsure whether their organisation will make changes to several non-insurance benefits, including telemedicine consultation (23%), student loan assistance (26%) and corporate social responsibility (CSR) initiatives (26%).

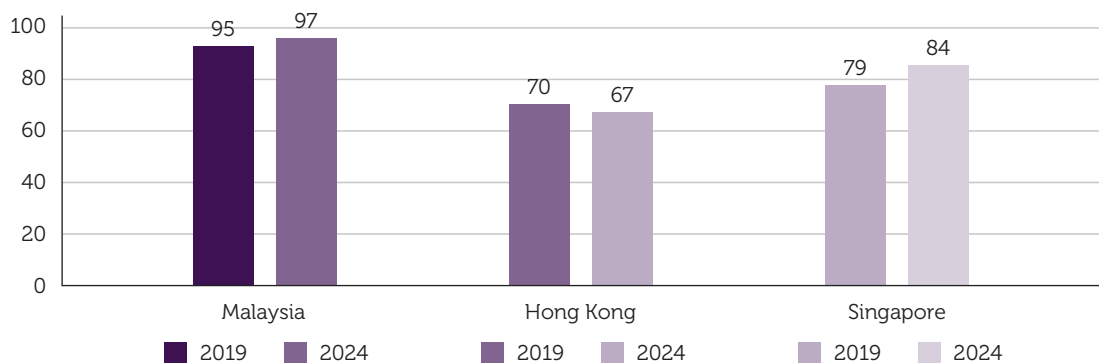
**Over half of employers plan to change their employee benefits to align with employee expectations (54%).**

Consistent with our finding across markets, the second main reason for organisations in Malaysia to plan benefit changes is budgetary controls and considerations (47%). These trends reflect the main challenges currently being faced by Malaysia employers when it comes to designing the employee benefits approach. Meanwhile, maximising options available through the benefits provider is a key reason in a third of organisations (33%), which could also be driven by cost-efficiency motivations.

AIA's Malaysia client data highlights that key insurance benefits have improved since 2019, with medical reimbursement ratios maintaining at very high levels – significantly higher than Hong Kong and Singapore (Figure 49). This could reflect organisations' efforts to boost employee satisfaction by reducing the amount they would need to pay 'out-of-pocket'. Additionally (see [Appendix](#)):

- The majority of H&S insurance plans in Malaysia are on an 'as-charge' basis (which are more beneficial for employees), unlike those in Hong Kong and Singapore, which are mostly on a cost-controlling 'sub-limit' basis. This could reflect Malaysia employers' efforts to enrich benefits plans to boost employee satisfaction.
- While there has been growth in as-charge limits of 4% since 2019, the growth rate is highest for lower-percentile benefit plans – indicating that employers are remaining cautious about costs.
- The proportion of H&S plans with 'co-pay/deductible' is relatively higher compared with those in Hong Kong and Singapore, at 13% in 2019 and 12% in 2025. The average 'co-pay' applied has remained steady, at 19–20%, but the average deductible has reduced gradually by 3% per annum from MYR 422 in 2019 to MYR 350 in 2025).
- The proportion of organisations with 'co-pay/deductible' reduced significantly during the pandemic years of 2020–22, but has reverted to pre-pandemic levels in 2025.

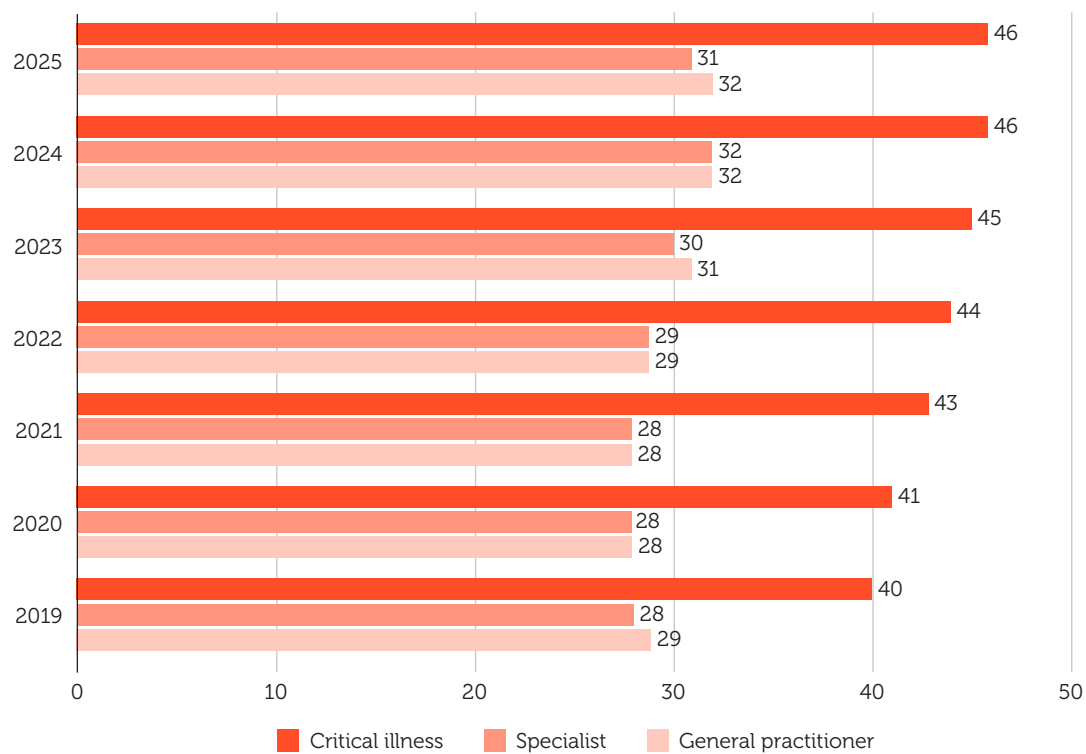
**Figure 49: Medical reimbursement ratio (%)**



Base: Malaysia: n=c.13,500 corporate policies; Hong Kong: n=c.10,300 corporate policies; Singapore: n=c.14,600 corporate policies.

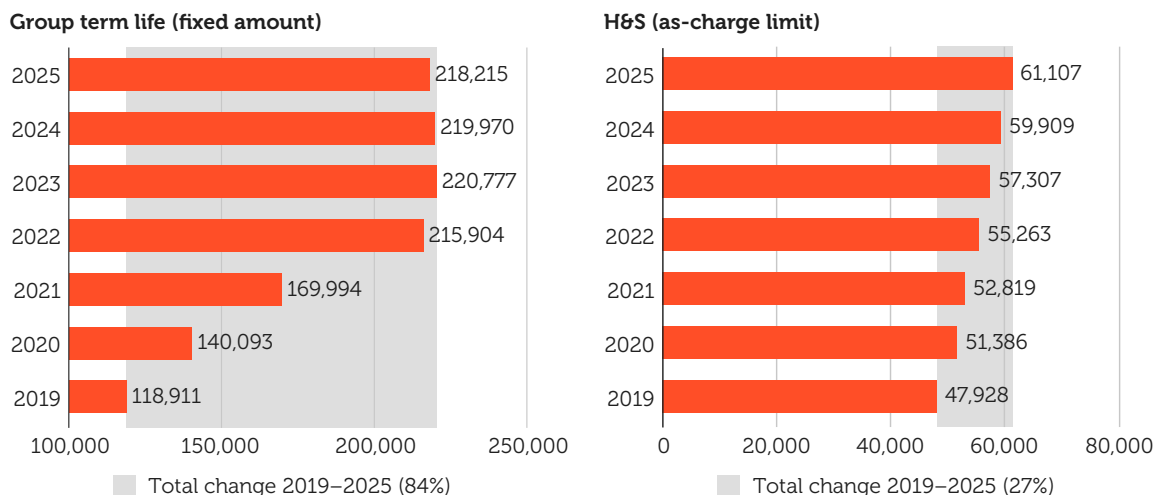
According to our current survey data, Malaysia organisations are more likely to plan to introduce or enhance any of their employee benefits (83%) compared with those in Singapore (60%) and Hong Kong (45%). This is consistent with the historical insurance benefits trend among AIA's Malaysia clients. For example, between 2019 and 2025, the proportion of employers offering outpatient insurance increased by 3 percentage points, and those offering critical illness insurance increased by 6 percentage points (Figure 50). Additionally, there has been an increase in the insurance coverage amount for H&S (on an 'as-charge' basis) of 27%, while life insurance (fixed amount) has increased by 84% (Figure 51).

**Figure 50: Prevalence of insurance benefit policies (%)**



Base: n=c.13,500 corporate policies.

**Figure 51: Average number of insurance plans across percentiles**

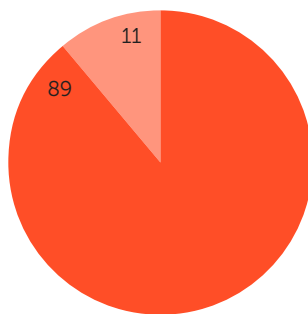


**Consistent with other markets, the most important factors for choosing the main employee benefits provider in Malaysia are pricing (54%) and service offering (48%).**

Medical cost management is the third most important factor (30%), whereas this is much lower on the priority list in Hong Kong, ranking seventh (22%). This is unsurprising given the high level of medical inflation experienced recently in Malaysia, with this issue gaining public awareness as premium increases have dramatically risen for individual medical insurance.

## Malaysia sample demographics

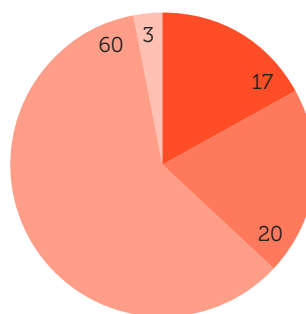
**Figure 52: Organisation size, by number of employees (%)**



■ Small – fewer than 200  
■ Large – 201 or more

Base: n=115.

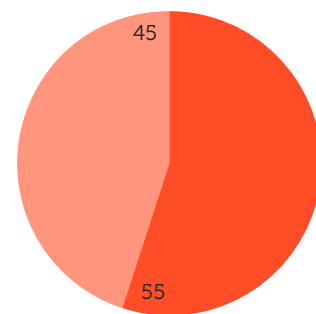
**Figure 53: Number of years organisation has been in operation (%)**



■ Less than 2 years  
■ 2–5 years  
■ 6 years or more  
■ Don't know

Base: n=115.

**Figure 54: Job role of respondents (%)**



■ HR practitioner  
■ Business owner

Base: n=115.

## 9

## Focus on Singapore

Following the post-pandemic transition to hybrid work, the office is re-emerging as the primary workplace in Singapore. However, flexible work arrangements continue to top the employee priority list, influencing job choices and work satisfaction. In parallel, the introduction of the mandatory [Tripartite Guidelines on Flexible Work Arrangement Requests](#) has made it compulsory for employers to fairly evaluate employee requests for flexibility.

Recent government enhancements to parental leave policies and a growing focus on preventive healthcare reflect broader lifestyle and health-related concerns. With a rapidly ageing population and high rates of diabetes among youth, employers are being urged to rethink workplace support structures and secure the best talent through more responsive benefit strategies.

### Which trends and challenges are impacting organisations' approaches to employee benefits?

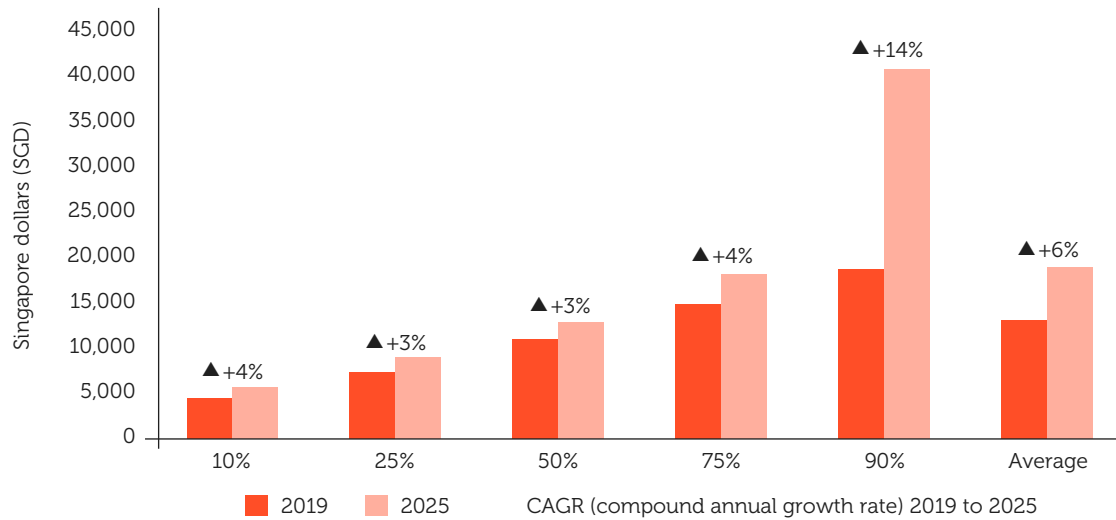
**Nearly three in five employers say rising costs<sup>4</sup> are having the biggest impact on their benefits approach (58%).**

Similar to other markets, [medical insurance costs in Singapore are expected to rise in 2025](#), which is likely contributing to the observed concern about rising costs. The other top trends affecting Singapore organisations' approach to employee benefits are technology and competition for talent, with three in 10 highlighting each of these (31% and 30% respectively). In our 2024 survey, competition for talent was the top trend impacting the benefits approach, which has decreased by 18 percentage points this year from 48% (Figure 56). The same proportion of employers said technology or digital transformation is having an impact in 2024 compared with this year (30% vs 31%).

AIA's client data indicates that Singapore employers have been taking a balanced approach to cost management measures when it comes to their insurance benefits. For example, more plans have been shifted from a richer 'as-charge' basis to a more affordable 'sub-limit' basis (the proportion of H&S plans on 'sub-limit' increased from 74% in 2019 to 77% in 2025). However, concurrently, the 'sub-limit' benefit limits have been increasing at a rapid rate of 6% per annum, improving the richness of such benefits. This is the highest rate of increase across the three markets (with particularly high growth of sub-limits in the high percentile benefit plans) (Figure 55).

<sup>4</sup> Since rising costs was not included as a response option in our 2024 survey, no comparison data is available.

**Figure 55: H&S total major sub-limits (for other hospital services, surgical and pre- and post-hospitalisation) across percentiles in Singapore**

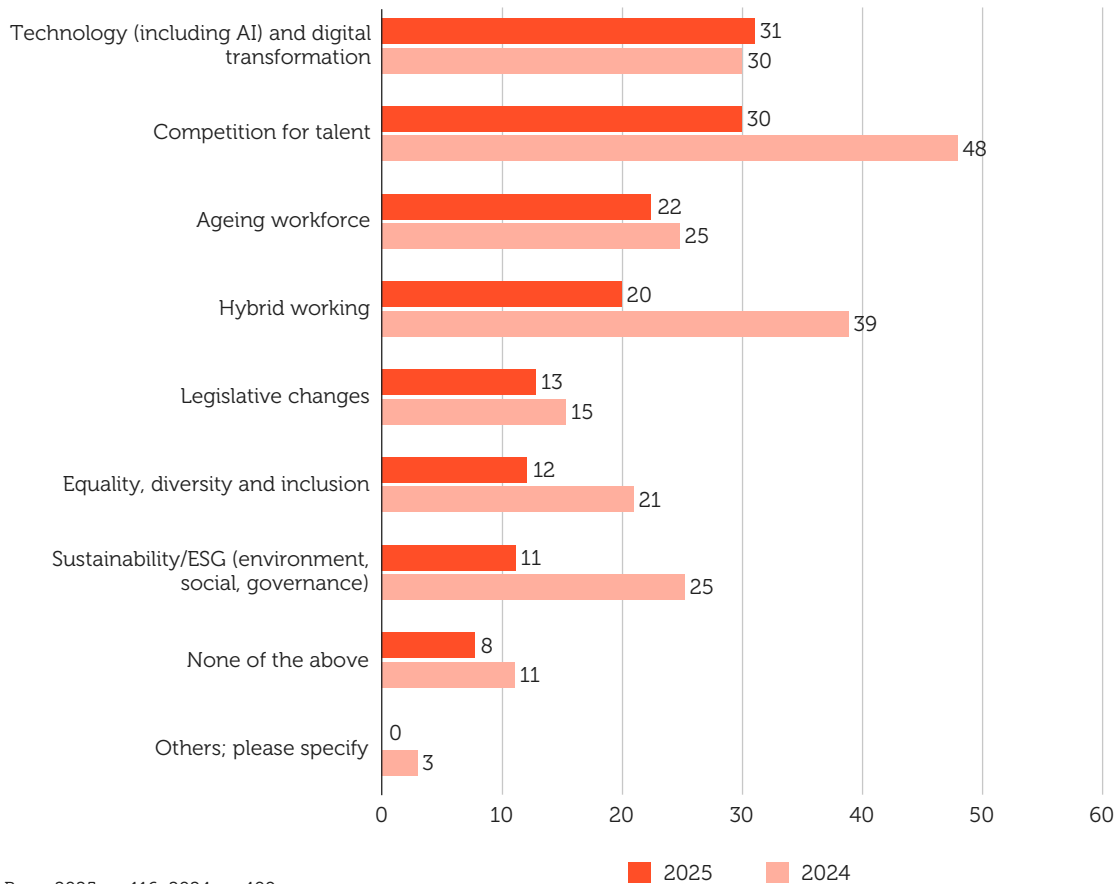


There is further indication that Singapore employers are offsetting some cost reduction measures with benefit enhancements in other areas, to maintain talent retention while balancing budgets. For example, similar to Hong Kong, a very low proportion of Singapore companies are imposing co-pay or deductible insurance plans (currently 0.8%). There has also been a gradual shift towards death and critical illness coverage from fixed amount towards a multiple of monthly salary since 2019 (see [Appendix](#)), which provides some protection against the effects of inflation. Even for group term life plans on a fixed amount, the coverage amount has been increasing consistently from 2019 to 2025 (with an average increase of 5% per annum, which is broadly in step with general inflation).

Meanwhile, hybrid working is having a lower impact this year among our survey respondents (20%) compared with in 2024 (39%), which reflects the 'return to office' trend seen in the wider market (Figure 56). This is despite the [Tripartite Guidelines on Flexible Work Arrangement Requests](#) making it easier for employees to request flexible work arrangements while ensuring employers have clear processes to accommodate these.

Our survey data also indicates a declining trend this year for diversity and inclusion (of 9% since 2024) and sustainability (of 14% since 2024).



**Figure 56: Trends with biggest impact on employee benefits approach (%)**

**Seven in 10 employers say budget is a key challenge being faced in designing the benefits offering (70%), which has increased by 8 percentage points since 2024.**

Among our current survey respondents, a similar proportion mentioned meeting employee expectations as a main challenge this year (36%) compared with in 2024 (39%). Meanwhile, a quarter of employers said the adequacy of their main provider is a challenge (24%), compared with only 7% who mentioned this factor last year.

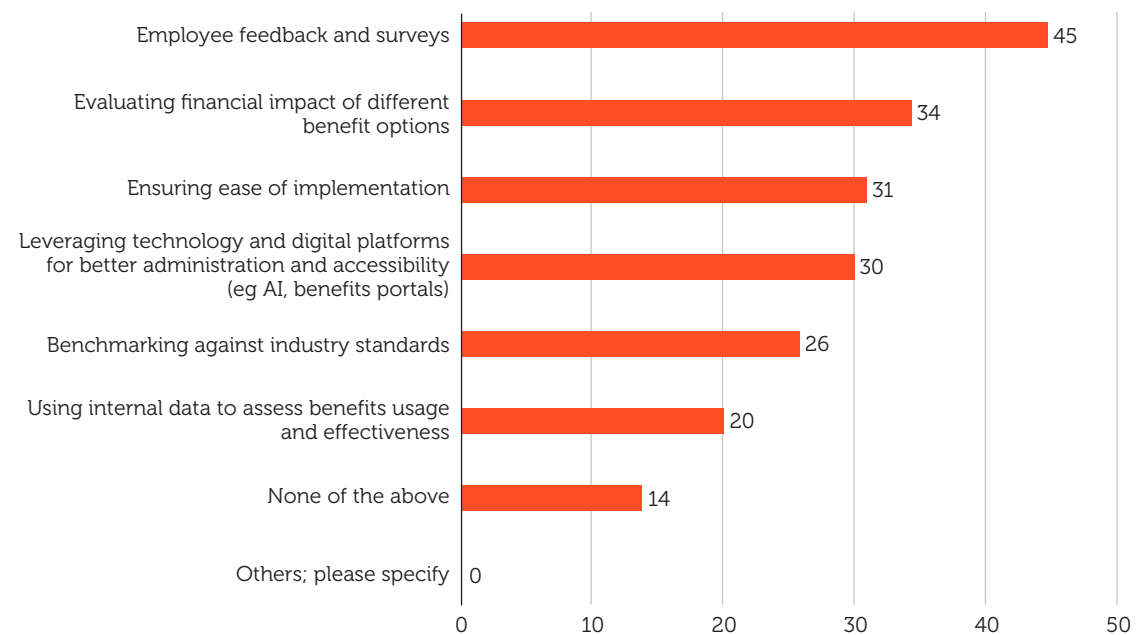
## Which factors are important when designing the benefits offering?

**Employee feedback is the most important method for Singapore organisations when designing the benefits offering (45%).**

Around a third of employers said evaluating the financial impact of benefits is a key method (34%) (Figure 57), which reflects the priority placed on cost considerations in the market. Meanwhile, organisations in Singapore are less likely to rely on internal

data to assess benefits usage and effectiveness (20%) compared with those in Hong Kong (46%) and Malaysia (30%). The proportion of respondents who indicated that they do not use any metrics when designing a benefits package to meet their goal is 14%. Taken together, this could reflect our earlier finding that two-fifths of Singapore employers find lack of information or resources to make informed decisions (including internal data) to be a key challenge (41%).

**Figure 57: Most important methods when designing benefits package (%)**



**A quarter of organisations do not measure the effectiveness of their employee benefits offering (24%).**

A significantly higher proportion of Singapore employers said they don't currently measure the effectiveness of their benefits package, compared with those in Hong Kong (3%) and Malaysia (11%). This mirrors our data indicating that 14% of respondents in Singapore do not use any metrics when designing the employee benefits offering, compared with only 4% in Hong Kong and 8% in Malaysia who stated this.

Consistent with other markets, the main metrics used in Singapore companies that do measure the effectiveness are employee experience data (32%) and employee wellbeing data (31%). This reflects our other findings in this market that employee feedback is prioritised when it comes to designing the benefits offering, as well as health and wellbeing benefits being the most commonly provided non-insurance benefit (47%).

### Recommendation

Organisations should prioritise embedding meaningful metrics to assess whether their approach to employee benefits is delivering against objectives to identify where changes need to be made.

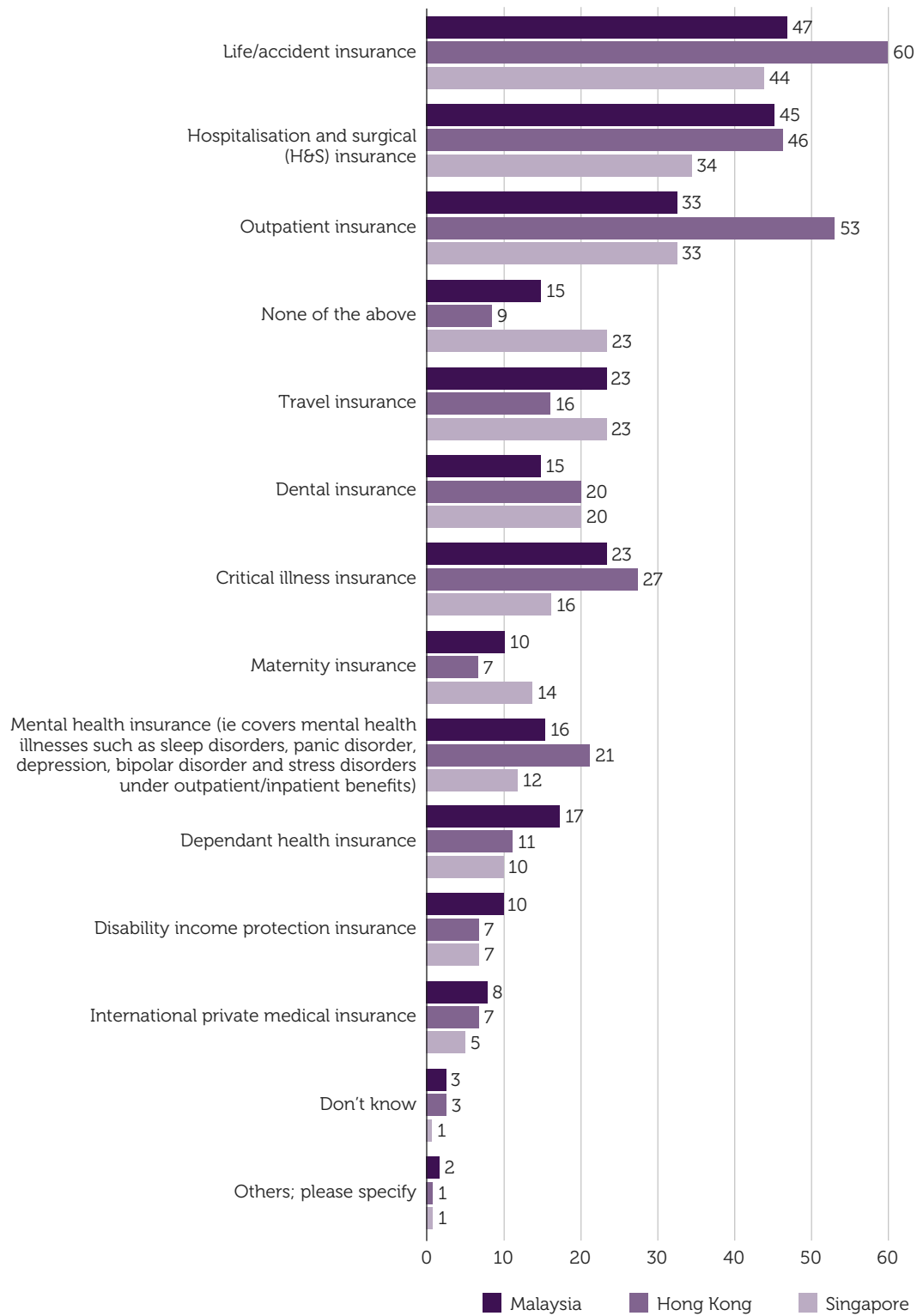
### Case study

Global digital payments platform CleverCards discovered that their staff wanted the freedom to choose how to use their benefits. Based on this employee feedback, the company implemented a universal gift card that employees could use however they wished – whether covering medical expenses or leisure activities.

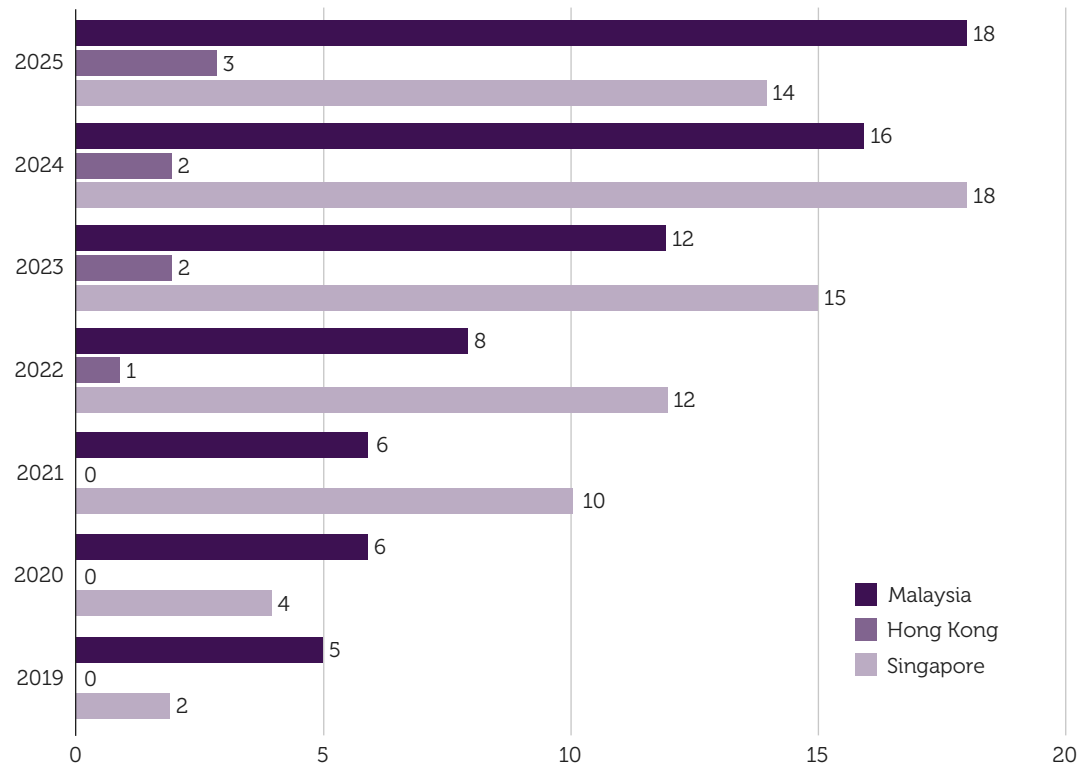
## Which insurance benefits are organisations currently providing, and which are most requested by employees?

**Nearly a quarter of employers do not currently offer any insurance benefits (23%), similar to 2024 (20%).**

Singapore organisations are the most likely of the three markets to offer no insurance benefits, compared with 9% in Hong Kong and 15% in Malaysia (Figure 58). This could be due to the provision of MediShield Life, a government-subsidised health insurance plan for all Singapore citizens and permanent residents, which reduces the burden on employers. The lowest proportion of employers also currently offer mental health insurance in Singapore (12%) compared with Hong Kong (21%) and Malaysia (16%). This contrasts with AIA's client data which highlights Malaysia as having the lowest prevalence of mental health insurance (currently at 3%, compared with 18% in Hong Kong and 14% in Singapore) (Figure 59).

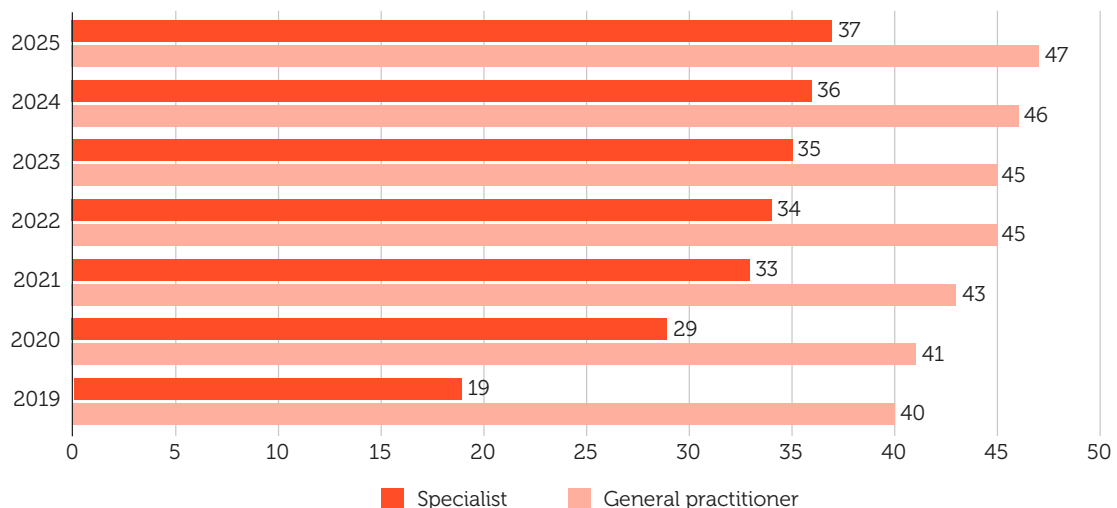
**Figure 58: Insurance benefits currently provided to employees (%)**

Base: Malaysia: n=115; Hong Kong: n=117; Singapore: n=116.

**Figure 59: Prevalence of mental health insurance policies (%)**

Base: Malaysia: n=c.13,500 corporate policies; Hong Kong: n=c.10,300 corporate policies; Singapore: n=c.14,600 corporate policies.

As seen in our 2024 data, the top insurance benefits being provided in Singapore organisations are life/accident insurance (44%), followed by H&S (34%) and outpatient insurance (33%). However, similar to other markets, there is a declining trend in the provisions of these benefits in Singapore: life/accident insurance has decreased by 8 percentage points since 2024, while H&S and outpatient insurance have both decreased by 13 percentage points. In contrast, AIA's client data shows an increase in the proportion of employers providing GP and specialist insurance (by 7 percentage points and 18 percentage points respectively) between 2019 and 2025 (Figure 60).

**Figure 60: Prevalence of outpatient insurance policies (%)**

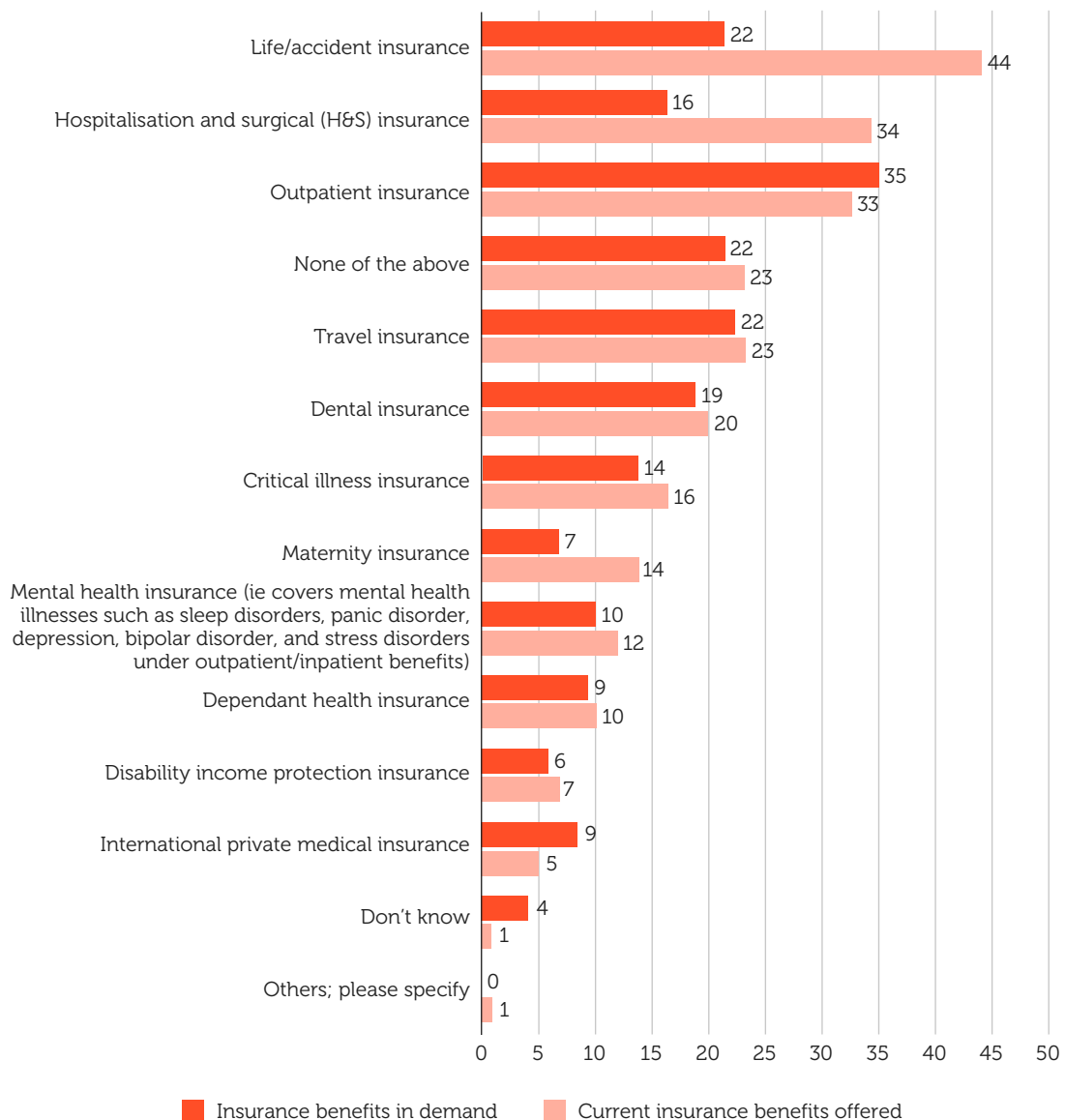
Base: n=c.14,600 corporate policies.

There has been little change in the provision of other insurance benefits compared with 2024 among Singapore employers.

**Life/accident and H&S insurance are being much more frequently provided in organisations than they are requested by employees.**

As we've seen in other markets, a lower proportion of organisations said staff are most frequently requesting life/accident (22%) and H&S insurance (16%) compared with those in which they are currently being offered (44% and 34% respectively) (Figure 61). However, outpatient insurance is the most in demand in Singapore (35%), and this is similar to the proportion of employers providing it (33%).

**Figure 61: Current insurance benefits provided versus most frequently requested (%)**



Base: n=116.

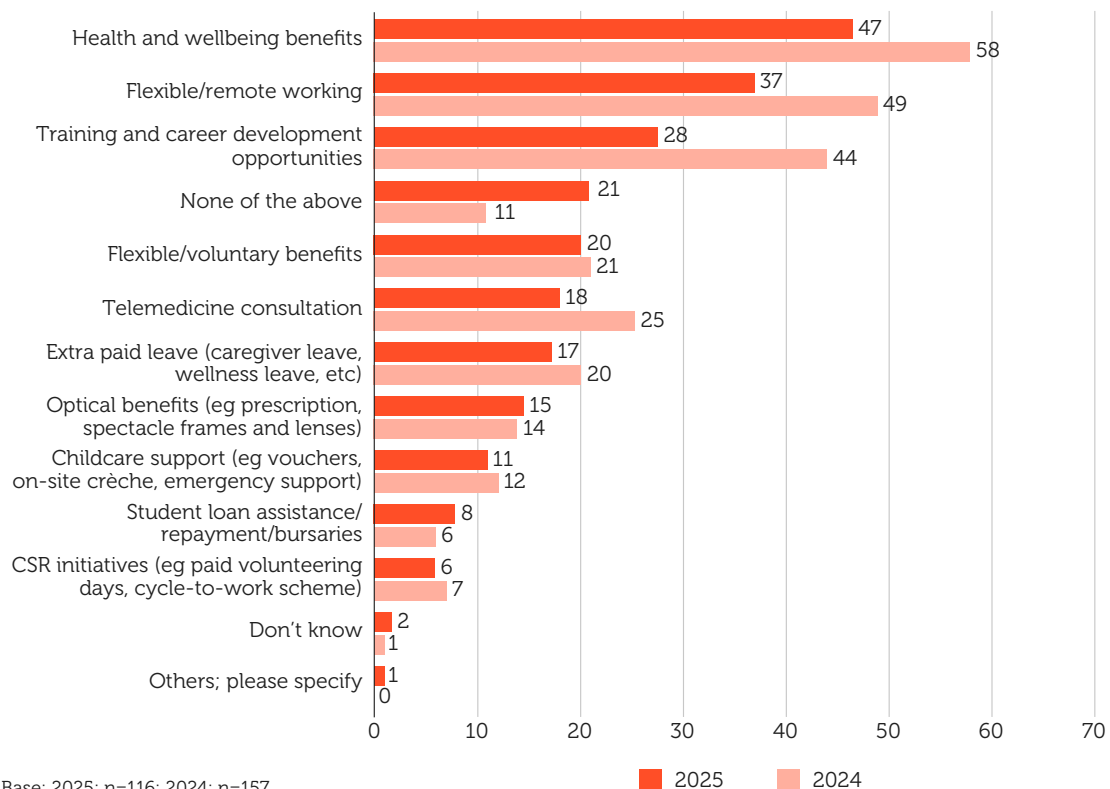
Travel insurance is most likely to be requested by staff in Singapore companies (22%) compared with in Hong Kong (8%) and Malaysia (17%). Meanwhile, over a fifth of employers in Singapore said none of these insurance benefits are frequently requested by employees (22%). This could be partly explained by the relatively high proportion of companies that do not currently measure the effectiveness of their benefits offering (24%), making them less aware of employees' views on benefits.

**Health and wellbeing benefits (47%) and flexible/remote working (37%) are the top non-insurance benefits being offered, but these have decreased by 11 percentage points and 12 percentage points, respectively, since 2024.**

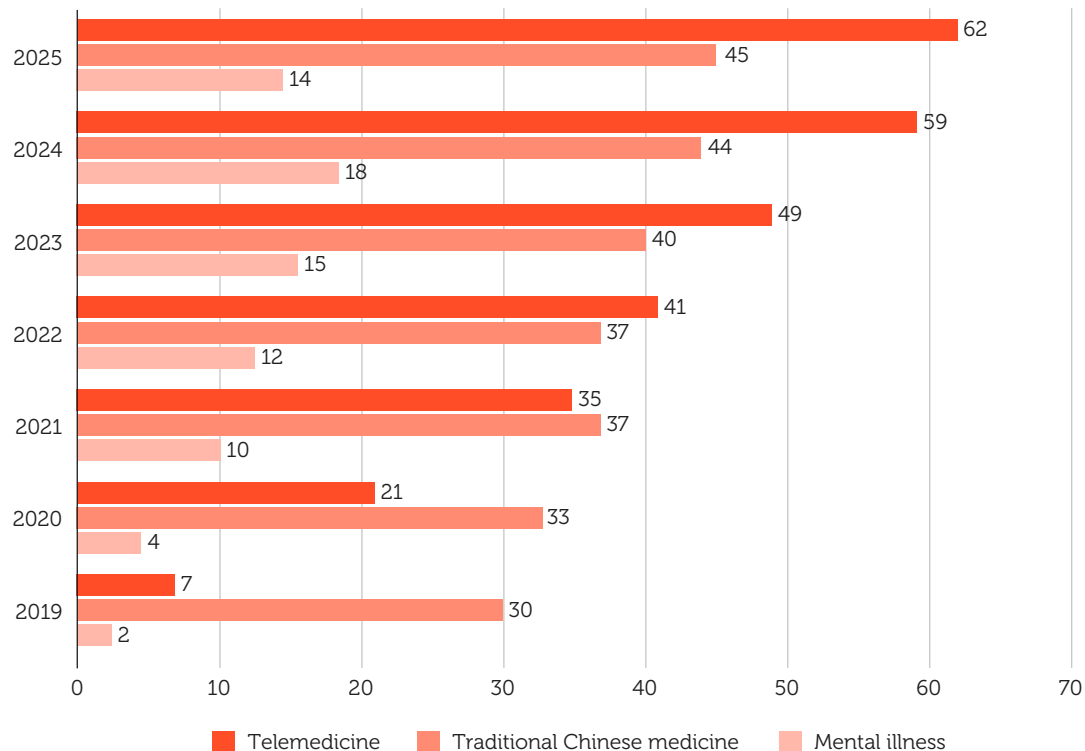
This mirrors the trend observed across markets, although the provisions of these benefits have declined by a greater percentage in Singapore – despite being the two most frequently requested by employees. With government guidelines formalising workplace flexibility as a long-term strategy for productivity and retention,<sup>5</sup> it is somewhat surprising that this benefit is being provided less often in the region compared with last year.

As Figure 62 shows, there has also been a small decrease in the proportion of Singapore companies offering telemedicine consultation this year (18%) compared with 2024 (25%). These findings contradict the observed trends from AIA's client data, which show a consistent increase in the provision of health and wellbeing benefits from 2019 to 2025. This has been most notable for mental illness coverage (from 2% to 14%), traditional Chinese medicine (from 30% to 45%), and telemedicine (from 7% to 62%) (Figure 63).

**Figure 62: Other employee benefits currently provided (%)**



<sup>5</sup> Tan, J. [New FWA regulations in Singapore aim to foster workforce retention](#). HRM Asia, (25 April 2024).

**Figure 63: Prevalence of health and wellbeing insurance policies (%)**

Base: n=c.14,600 corporate policies.

Of the three markets, Singapore organisations are the least likely to provide training and career development opportunities (28%), decreasing from 44% in 2024. However, only 17% of respondents in Singapore said this benefit is most in demand among staff.

## What are employers' plans for their future employee benefits offering?

**Nearly three in 10 employers plan to add or enhance mental health insurance in the next two years (28%), despite this only being requested by staff in 10% of companies.**

Similarly, among AIA's clients (and as observed in Hong Kong), there has been a gradual rise in ancillary wellness-related benefits since 2019 among Singapore organisations, including mental health insurance (which has increased by 12 percentage points) and telemedicine (increased by 55 percentage points) (Figure 63). However, our current survey data reflects a decline in the provision of telemedicine consultation since 2024, from 25% to 18% – although a fifth of companies plan to add or enhance this benefit in the next two years (19%).

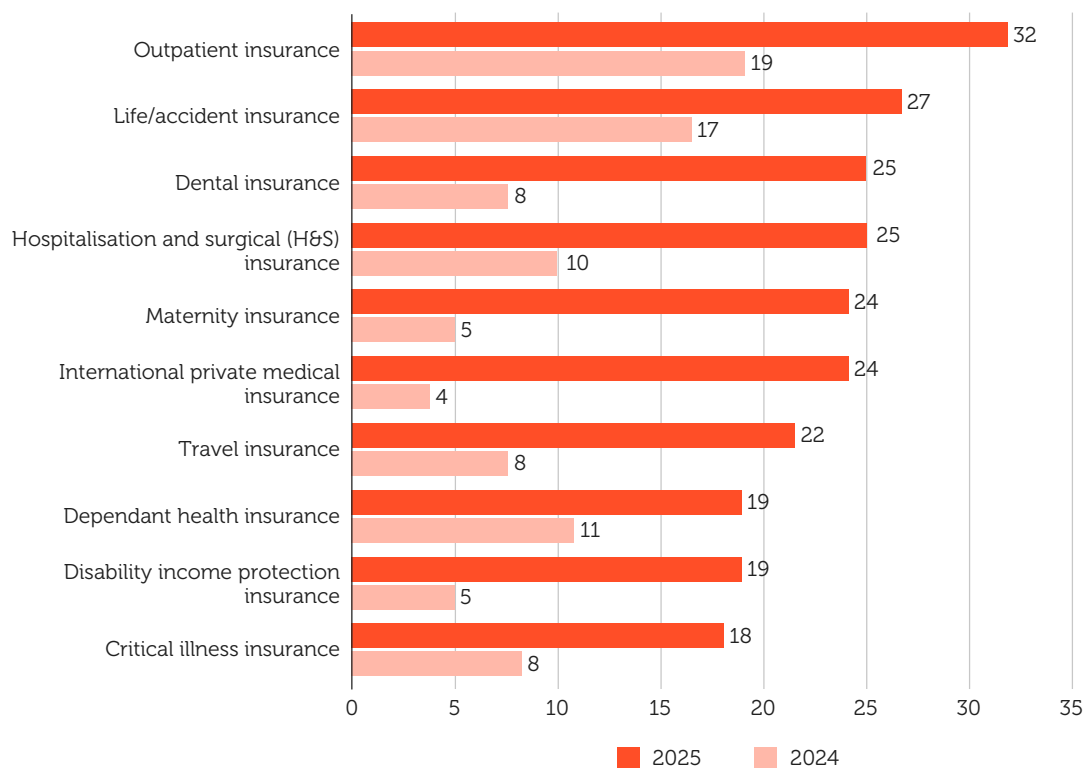
Organisations are prioritising outpatient insurance to be introduced or enhanced in the future (32%), which has increased by 13 percentage points since 2024 (Figure 64) and is aligned with current employee demand (35%). In keeping with this finding, AIA's historical trends data indicates that the prevalence of outpatient insurance has



increased year-on-year since 2019 from 40% to 47% (Figure 60). Dental insurance has also seen a gradual growth of 7% per annum since 2019, while the dental benefit limit has seen a strong uplift of 7% on average (see [Appendix](#)). Similar among our current survey respondents, the proportion of those planning to add or enhance dental insurance has increased from 8% in 2024 to 25% this year.

Across all other insurance benefits, there has been a rise in the proportion of Singapore employers that plan to add or improve them compared with 2024: for example, over a fifth plan to add or enhance travel insurance (22%, up from 8% last year), which also matches employee demand (22%).

**Figure 64: Which insurance benefit is your organisation looking to change? (%)**



Base: 2024: n=157; 2025: n=116.

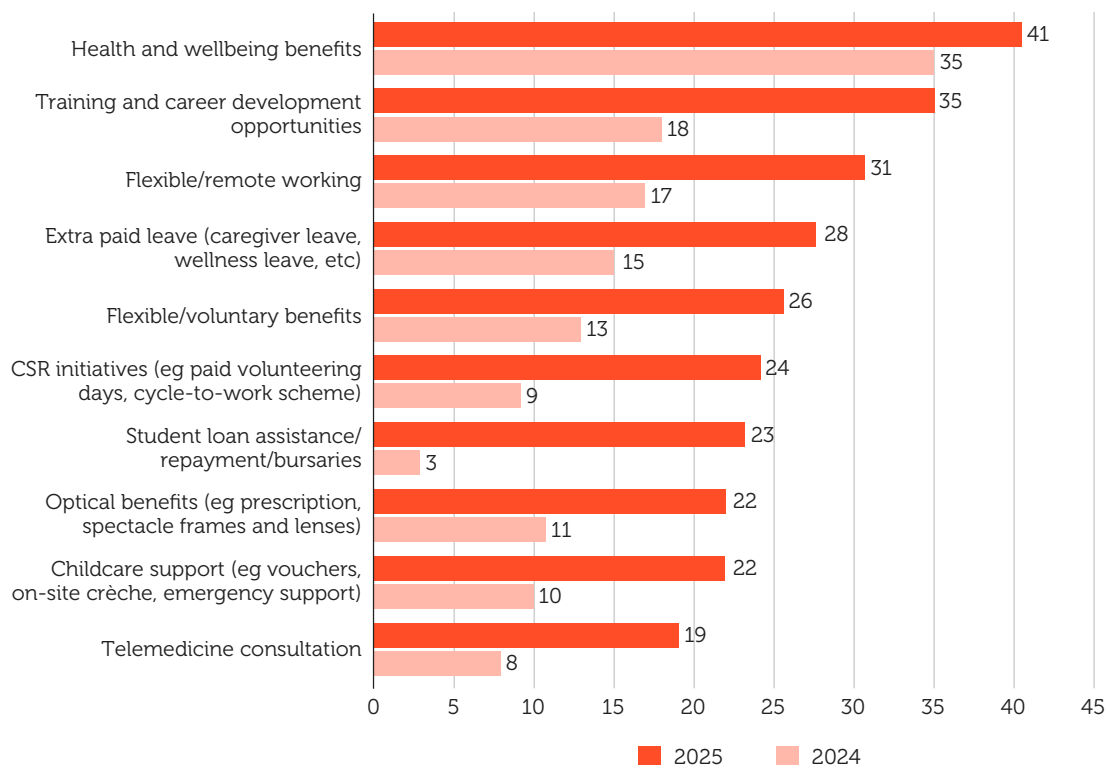
**There are significant increases in the proportion of organisations that plan to add or enhance all non-insurance benefits, compared with 2024.**

Consistent with last year's data, health and wellbeing benefits are the top priority when employers are considering future additions or enhancements, with two-fifths targeting these (41% vs 35% in 2024) (Figure 65) – which matches current demand among staff (41%).

Organisations' prioritisation of health and wellbeing benefits reflects the Singapore Government's strategic long-term initiatives to improve the healthcare of the population and ensure the sustainability of its healthcare system (as outlined in the [Minister for Health's 2023 speech](#)). Furthermore, investing in holistic wellbeing is critical in addressing [talent shortages](#).

Training and career development opportunities (35%) and flexible/remote working (31%) are the next most commonly targeted non-insurance benefits to be added or enhanced, and these have seen an increase of 17% and 14% respectively since last year. While these plans for flexible/remote working are aligned with employee demand (30%), a much higher proportion of companies are aiming to improve training and career development opportunities compared with current demand (17%).

**Figure 65: Other employee benefits being changed (%)**



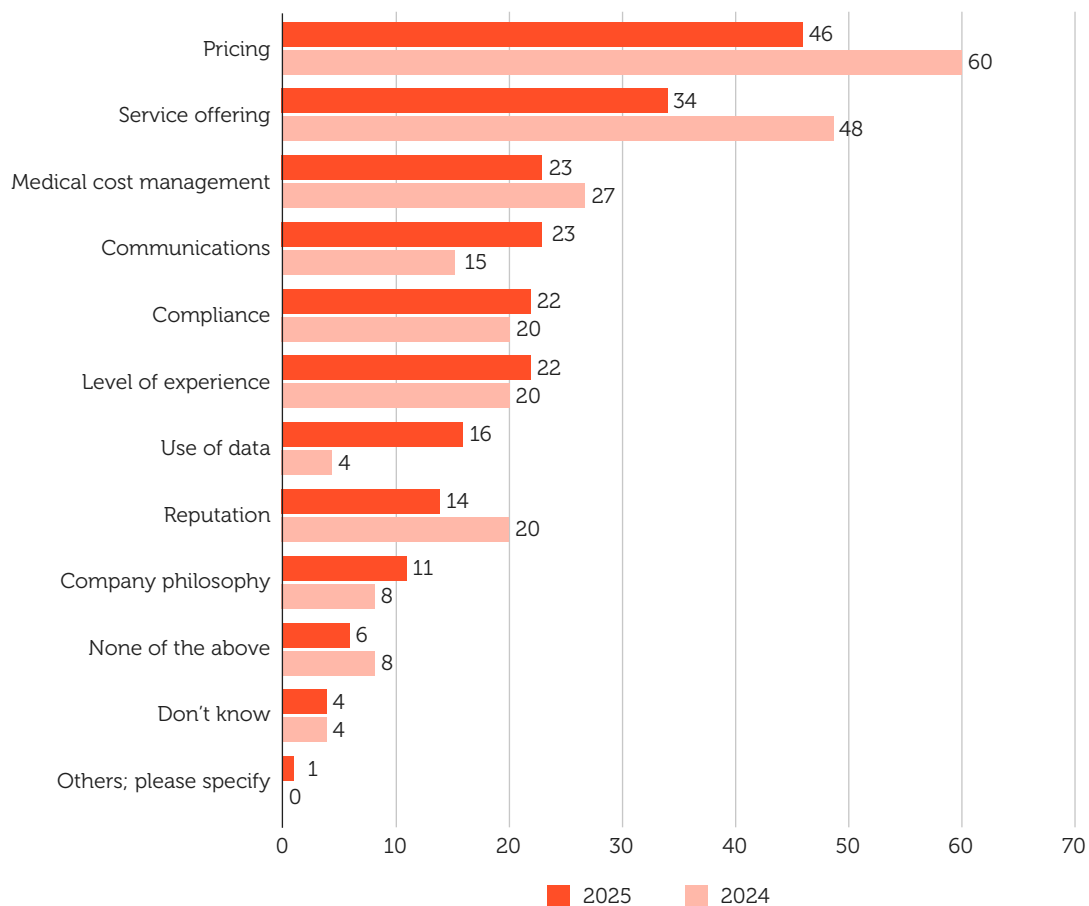
**The main reasons for employers to plan changes to their benefits offering are alignment with employee expectations (46%) and budgetary considerations (40%).**

These trends reflect our earlier findings that budget and understanding/meeting employee expectations are the main challenges being faced by Singapore employers when designing their benefits offering.

**Pricing is the most important consideration for choosing the organisation's main employee benefits provider (46%), but this has decreased by 14 percentage points since 2024.**

As shown in Figure 66, the second most important factor among Singapore employers is service offering (34%), although this is also less of a priority compared with last year (48%). Meanwhile, the benefits provider's use of data has increased in importance by 12 percentage points (from 4% in 2024).

**Figure 66: Most important factors for choosing main employee benefits provider (%)**

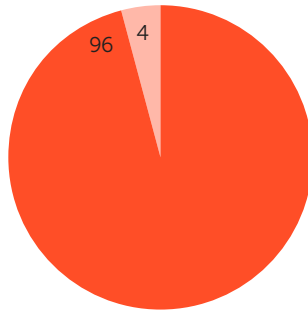


Base: 2024: n=157; 2025: n=116.

Over a quarter of Singapore organisations said ease of submission is among the key concerns (26%), compared with only 13% in Hong Kong and 12% in Malaysia. This could be partly due to the nature of making insurance claims in Singapore, which requires coordination between the first-level medical coverage provided by the government and the second-layer private medical insurance coverage.

## Singapore sample demographics

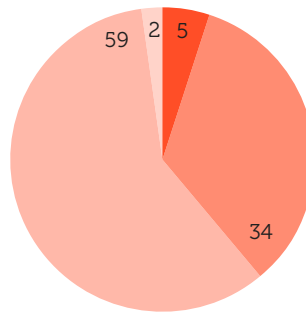
Figure 67: Organisation size, by number of employees (%)



■ Small – fewer than 200  
■ Large – 201 or more

Base: n=116.

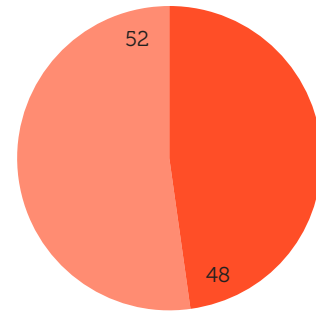
Figure 68: Number of years organisation has been in operation (%)



■ Less than 2 years  
■ 2–5 years  
■ 6 years or more  
■ Don't know

Base: n=116.

Figure 69: Job role of respondents (%)



■ HR practitioner  
■ Business owner

Base: n=116.

# 10

## Conclusion

As the employee benefits landscape continues to evolve, employers across the region are under increasing pressure to balance rising costs with growing employee expectations. While health and wellbeing remain top priorities, there is a clear shift towards more personalised, flexible and digitally enabled benefits that align with workforce needs. The integration of technology – particularly AI and data analytics – offers a valuable opportunity to enhance benefits design, improve communication, and drive greater engagement and uptake within the workforce. However, with limited budgets, organisations must be strategic in identifying which benefits deliver the greatest value and impact. By aligning benefits strategies with business goals, leveraging employee feedback, and measuring outcomes effectively, employers can ensure their offerings remain relevant, competitive and sustainable.

Below we outline some key recommendations based on our research:

- **Organisations can take advantage of new technologies to optimise their employee benefits.** AI and digital tools provide opportunities to personalise the benefits offering, generate actionable insights from data, reduce administrative workload, and improve communication with employees.
- **Aligning the benefits package with organisational goals and employee needs is key** to driving the most value. Employers should set clear outcome-based goals for their benefits strategy and implement strong metrics to evaluate the effectiveness of the benefits they are providing.

- **Gathering employee feedback and experience data** is the main way companies are measuring the impact of their benefits approach and ensuring it meets the business goals. Using tools such as pulse surveys and sentiment analysis can help to understand employee motivations and tailor the benefits offering accordingly.
- **Employee benefits centred around wellbeing and career development continue to be a priority for organisations**, and are most frequently requested by their people. Employers can focus on cost-effective benefits such as flexible working and mentoring programmes to balance budgetary constraints with meeting workforce expectations.

## 11

## Methodology

Commissioned by the CIPD, the data was collected by YouGov between 11 March and 18 April 2025 via an online survey. The survey was also sent out to AIA's database of organisations in Singapore, Hong Kong and Malaysia. It was translated into traditional Chinese for Hong Kong respondents to ensure the questions were accessible and correctly interpreted. The data analysis was conducted by the CIPD. We surveyed a total of 348 professionals; the sample sizes for each country are shown in Table 1.

**Table 1: Sample sizes of the countries surveyed in this report**

Country	N
Singapore	116
Hong Kong	117
Malaysia	115
<b>Total</b>	<b>348</b>

There are different definitions of SMEs in Hong Kong and Singapore (in Hong Kong it is companies with fewer than 100 employees, whereas in Singapore it is fewer than 200). The survey questions accounted for this by including different groupings of number of employees for participants to select:

- fewer than 50
- 50 to 99
- 100 to 150
- 150 to 200
- 201 or more.

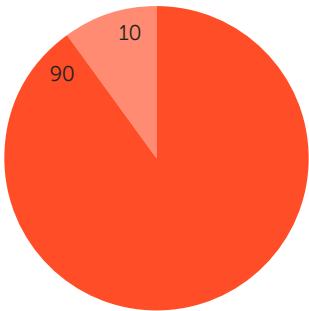
Since we gathered data from a small number of respondents in Malaysia in last year's survey, only comparisons between the current data and 2024 are included for Hong Kong and Singapore findings.

We supplemented the survey findings with the extensive historical data from AIA's client portfolio of organisations that have corporate insurance. This is based on actual observed data from approximately 38,000 corporate policies per year over the period 2019 to 2024, covering approximately 2.9 million individual employee members and their dependants. Note that this data was subject to selection bias, since it is based on organisations that have decided to provide insurance benefits to their employees.

12

# Survey sample demographics

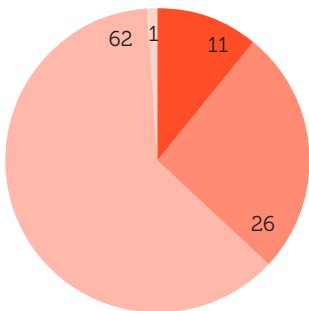
Figure 70: Organisation size, by number of employees (%)



- Small – fewer than 200
- Large – 201 or more

Base: n=348.

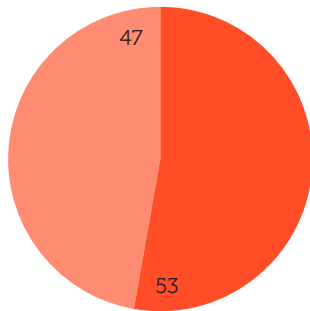
Figure 71: Number of years organisation has been in operation (%)



- Less than 2 years
- 2–5 years
- 6 years or more
- Don't know

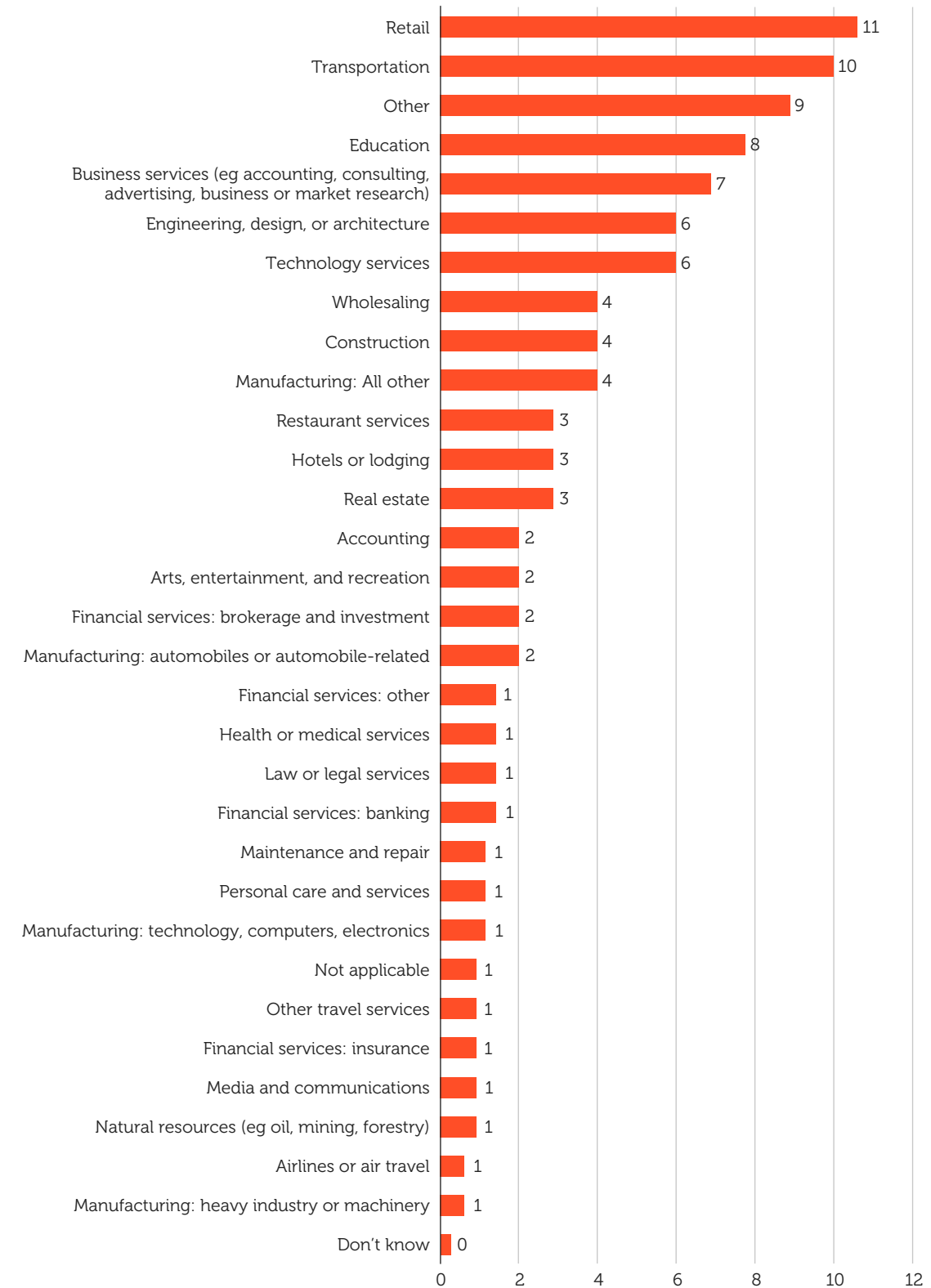
Base: n=348.

Figure 72: Job role of respondents (%)



- HR practitioner
- Business owner

Base: n=348.

**Figure 73: Industry (%)**

Base: n=348.

Question: Regardless of the particular job that you do, in what industry does your company work?



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