Employee benefits in the legal sector

Survey 2025/26

People in Law

People in Law is a network consisting of over 100 law firm members, united by our common goal: to advance people management across the legal sector. We welcome HR, L&D, Recruitment, DE&I, Reward, Senior Partners, Managing Partners and other professionals with an interest in the people agenda.

Our mission is clear, we aspire to be thought leaders in our industry, a source of innovative ideas, valuable insights, best practices, and a hub for generating collaborative solutions. Through our diverse range of events across the country and online, we foster connections, share knowledge, and inspire change.

We're delighted to have partnered with Howden Employee Benefits to deliver this second survey on employee benefits and wellbeing in the legal sector. The biennial survey continues to build insight across the industry and to serve as a valuable source of benchmarking data and strategic insight for the sector. Following our inaugural survey in 2023, we've welcomed strong engagement from the sector once again, with responses from HR professionals across a growing number of firms. Thank you to everyone who took part – your contributions have provided us with a robust understanding of the trends and challenges shaping our sector today.

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Foreword

Two years on from our last research conducted in partnership with People in Law, the world of work has continued to evolve at pace and so too has the challenge of supporting and rewarding people in the legal sector. HR and reward professionals find themselves navigating an increasingly complex environment, shaped by rising costs, healthcare pressures, growing mental health concerns, and ever-changing employee expectations.

This year's survey set out to explore how firms are adapting their benefits strategies in response, where priorities are shifting, what's working, and where more needs to be done. The results show a sector that's thoughtful and ambitious, but also under increasing strain to balance cost control with the need to remain competitive.

We're seeing firms take a more strategic and insight-led approach to benefit design. Benchmarking, market insight and employee feedback are starting to play a greater role in those conversations, even if the use of data is still developing. There's a recognition that benefit design can't stand still; it needs to reflect how people work and live today. The firms that keep listening and evolving their approach will be the ones that stay relevant and competitive in a fast-changing market.

Our goal is that this research will provide valuable insights and shape new thinking. As the legal sector continues to evolve, those firms that stay agile, connected and proactive in how they support their people will be best placed to succeed, now and in the future.

James Clowser

Client Director

Legal Sector Consulting,
Howden Employee Benefits

Introduction

The legal sector remains one of the UK's most attractive and economically significant professions, employing more than 360,000 people and contributing billions each year to the national economy. It continues to offer diverse career opportunities, strong international connections, and a vital role in supporting business and society.

But behind that strength sits a clear talent challenge. While the official roll of solicitors has reduced following recent regulatory changes, the number of practising solicitors and wider legal professionals remains stable and demand for skilled people is rising. Firms are competing harder than ever to attract and keep talent, at a time when expectations around flexibility, wellbeing and career development continue to shift.

Our latest Benefits Benchmarking survey, delivered in partnership with People in Law, explores how firms are responding to these pressures, and how the landscape has evolved since our 2023 findings.

At a glance, most firms are holding firm on core benefits such as pensions, Private Medical Insurance (PMI) and life assurance. But we're seeing greater divergence in areas like family leave, wellbeing support and flexible benefits; areas increasingly linked to engagement, loyalty and employer reputation.

The big question remains: are today's benefits keeping pace with tomorrow's expectations? And how can firms design strategies that are both sustainable and compelling in a sector where top talent has never been more in demand?

Key findings
Pensions and Financial Wellbeing

Pensions remain a cornerstone of the legal sector's benefits offering, but the firms making the biggest impact are those that see it as an opportunity to support long-term financial wellbeing, not simply to meet their auto-enrolment obligations. With an ageing workforce and a widening savings gap, the need to help Partners and employees prepare for later life has never been greater.

The sector is doing well in many aspects of workplace pensions: average employer contribution levels are above statutory minimum; there's wide use of salary sacrifice; and examples of good member engagement. But there's still more to do to help people understand what good looks like for their financial future. Empowering employees to make informed decisions about their retirement, and linking pensions to wider financial wellbeing, can transform understanding and outcomes.

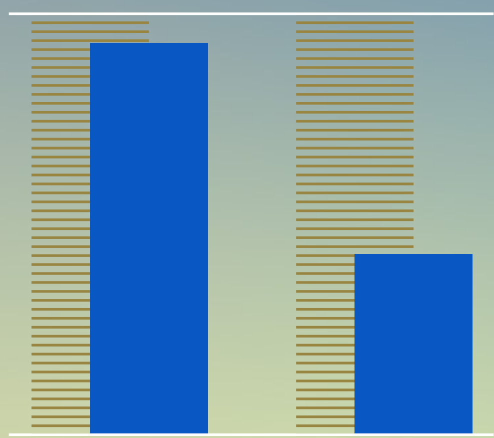
Sharing National Insurance (NI) savings with employees is an easy and visible way to add value. Yet the real change comes from making pensions feel personal, relevant and part of everyday financial confidence. Firms that embrace this approach will not only improve member outcomes but strengthen loyalty and trust in the process.

In short, pensions are more than just a legal requirement, they're a chance to show real care for people's futures.

Average employer contribution:

6.6%
Fee earners

6.4%
Non-fee earners



93% offer salary sacrifice, yet only

43% share NIC savings with employees

Small and mid-sized firms: 1-249 employees
Large firms: 250+ employees

Large

Small & Mid-Sized

Large firms are more likely to pay above statutory minimum than small & mid-sized firms

93%

78%

88%

of firms pay more than statutory for Fee Earners (2023: 85%)

Maximum employer contributions:

11%

of firms contribute up to

7%

14%

of firms contribute

8%

13%

of firms contribute

9% or more

Key findings Health and Protection Benefits

Health and protection benefits remain at the heart of the legal sector's employee offer. This is a reflection of the duty of care that many firms feel towards their people. But behind that stability lies the challenge of increasing cost pressures and tough choices.

Rising healthcare costs, continued lengthy NHS waiting times* and growing demand for mental health support are testing even the most well-intentioned reward strategies. While most firms have protected core benefits, some are having to review how they offer them to their population in the long term, particularly where family cover or optional top-ups to life assurance are concerned.

The risk is that, over time, cover that feels comprehensive today could start to feel thinner tomorrow. As the workforce ages and wellbeing expectations grow, ensuring access to timely healthcare and wellbeing will be critical to sustaining productivity, engagement and trust.

Firms that take a longer-term view, balancing cost with genuine employee value, will be best placed to maintain loyalty and resilience. That might mean using data and claims insight to target spend more effectively, integrating health and protection into broader wellbeing strategies, and communicating benefits in a way that helps employees understand their real-world impact.

In a sector built on its people, protecting health isn't just a benefit, it's an investment in the profession's future.

* www.bbc.co.uk/news/articles/c3dr52l1j3yo

Life Assurance:

Offered by 98% of firms (2023: 96%), with average cover continuing at 4x salary

Flexible top-up options are declining, signalling a lack of employee awareness or understanding.

Income protection:

Offered by 90% of firms (2023: 87%), typically at 75% of salary.

Small and mid-sized firms are more likely to limit benefit claim payment term to 3–5 years, while large firms continue to offer longer-term coverage through to state pension age.

Private Medical Insurance (PMI):

Offered by 96% of firms (2023: 94%), with a 76% take-up rate.

While PMI remains a core benefit, the depth of employer funding has narrowed. Only 9% of firms now fund cover for employees plus dependants (down from 16% in 2023), showing how rising premiums are forcing firms to scale back scope rather than commitment.

It continues to be offered by all UK regional firms, large London firms and all firms headquartered in North America,

while 88% of small and mid-sized London firms provide it.

Key findings

Wellbeing and Voluntary Benefits

Wellbeing is now a fixture in almost every firm's benefits strategy, but not all programmes are delivering meaningful impact. The legal sector has made impressive progress in expanding support, from mental health and menopause to neurodiversity and family wellbeing. Yet in some cases, the range of benefits has outpaced the understanding of what employees genuinely use or value.

Effective wellbeing comes from knowing your people, understanding what really matters to them and shaping support that makes a difference. Access to an EAP or a virtual GP is positive, but without awareness, communication and visible leadership support, utilisation often remains low. The same is true for newer initiatives: they look progressive on paper but risk becoming underused if they're not embedded into culture and everyday working life.

The biggest gap is financial wellbeing and education. With rising living costs, mortgage pressures and inadequate retirement savings, this area should be central to any wellbeing strategy. Helping people build financial confidence is one of the most direct ways firms can strengthen overall wellbeing and resilience.

Firms that connect the dots, using data, feedback and engagement insight to shape what they offer, will get far more value from their investment. It's not about how much you offer, but how well it meets the needs of your people.

In a sector that relies on talent, clarity and focus matter: wellbeing works best when it's intentional, inclusive and built around the realities of modern legal life.

EAPs and Virtual GP services are now near-universal, with over

90%

of firms providing virtual GP access

Financial wellbeing continues to develop:

Standalone menopause support is offered by

44% London firms

17% Regional firms

Neurodiversity support through insurance is offered by

39% Large

8% Small and mid-sized

Small and mid-sized:

67% offer no financial **wellbeing benefits**

Large:

68% provide **mortgage advice**

48% provide **will writing**

45% provide **financial advice**

Key findings

Leave and Flexibility

Flexibility is still one of the legal sector's biggest challenges. The traditional structure of many firms can make it hard to adapt policies that reflect how people live and work today. Yet as competition for talent grows, flexibility is fast becoming a differentiator.

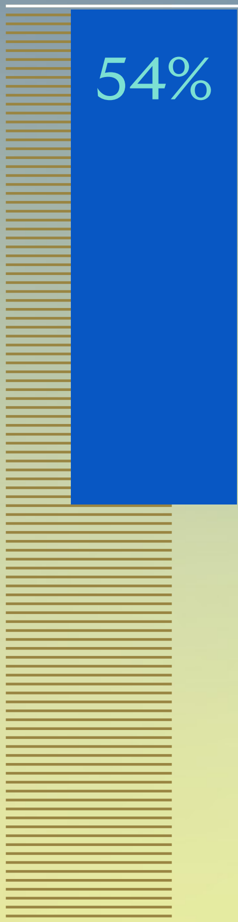
Enhanced paternity leave is becoming more widespread, with many firms offering several weeks beyond statutory levels. Maternity support remains steady but not significantly expanding, suggesting some levelling between the two.

There are signs of progress, with more firms exploring sabbaticals, hybrid working and broader flexibility, but the sector is still catching up with wider market expectations. Introducing more choice and in turn allowing greater personalisation of benefits could help firms appeal to a broader and more diverse range of people.

The firms that lead the way will be those that recognise flexibility as a core part of their culture, not just a policy. In a people-driven profession, showing that you trust and empower your teams can be one of the most powerful benefits of all.

Average holiday entitlement

26 days



of firms offer flexible benefits, but very few provide a specific flex pot to help employees fund benefit enhancements. Flexibility is far more common among

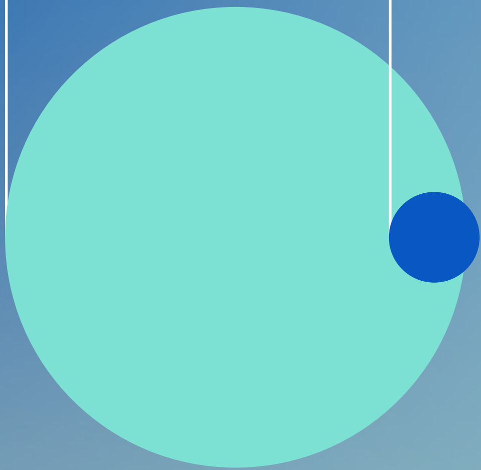
Large London firms **(66%)**

than regional **(19%)**

Enhanced paternity leave outpaces enhanced maternity

61%
Paternity

12%
Maternity



Enhanced paternity leave by firm size

Small & Mid-sized 33%

Large 73%

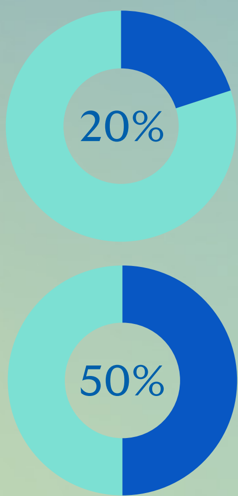
Enhanced maternity leave by firm size

Small & Mid-sized 23%

Large 7%

36%

of firms offer sabbaticals, though most are unpaid



Regional small & mid-sized firms are less likely to offer them

compared to large London firms

Key findings

The future of benefits in the sector

The legal sector isn't standing still. Most firms have growth plans, but the focus is shifting from expansion to effectiveness. Rather than spending more or adding benefits, it's about making them work harder for people and for the firm.

Cost management now dominates the conversation, yet firms are still investing. The difference is that every pound spent needs to show impact. That's driving a move towards evidence-based decision-making, where data, benchmarking and employee feedback play a bigger role in shaping what comes next.

Financial wellbeing continues to rise up the agenda, alongside policies that support families, sustainability and flexibility. These are areas that speak directly to people's real-world challenges and aspirations and that's where the strongest returns are likely to come from.

The firms that will thrive are those that balance ambition with discipline: using insight to guide investment, refining what works and being bold enough to evolve what doesn't. The future isn't about offering more, it's about delivering better benefits that genuinely make a difference to people's lives and to performance.

62% of firms plan to expand their benefits in the next two years.

67% of regional, small and mid-sized firms are the most ambitious compared to larger regional firms.

42% regional large firms.

Top challenges:

- **Cost management (ranked #1)**

  Cost management remains the overriding challenge, shaping how and where firms invest.

- **Benefit communications**

  Communication is a focus for many firms to make sure employees have clear sight of the benefits available.

Priority areas for expansion:

- Financial wellbeing
- Electric vehicle schemes
- Family-friendly policies
- Flexible benefits

Five actions law firms can take to

Audit your spend and prove your value

Start by benchmarking your total benefits spend against peers and your own engagement data. Identify where investment is genuinely improving attraction, retention or wellbeing and where spend is no longer delivering a return. A clear view of cost versus impact is the foundation for smarter decision-making.

Listen to your people and act on what you hear

Go beyond annual surveys. Combine usage data with focus groups, employee feedback and employee listening tools to build a richer picture of what your people really need. The firms that respond fastest to shifting expectations will be the ones that stay relevant and competitive.

Close the gap

Measure more than participation. Track satisfaction, utilisation and cost trends consistently, and use that insight to shape your benefits strategy. Turning data into business cases builds credibility, strengthens ROI and helps secure board-level support for continued investment.

Plan for sustainable growth

Anticipate what's ahead from medical inflation and rising insurance costs to shifting workforce demographics and regulatory change. A forward-looking benefits strategy balances ambition with cost, keeping programmes affordable, compliant and fit for the future. Your consultant should be talking to you about these trends as part of your ongoing relationship, helping you stay informed, make confident decisions and get ahead of the game.

Give people more choice and control

Employees want flexibility and benefits that reflect their lives, priorities and ambitions and law firms that offer genuine choice stand out.

Introducing flexible benefits helps employees feel empowered and valued, while giving firms the tools to manage cost more effectively. It's a practical way to personalise the employee experience and strengthen engagement across an increasingly diverse workforce.

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Firms that take a strategic, data-led approach today will be best placed to balance cost, engagement and competitiveness tomorrow. Success isn't about offering more; it's about smarter benefits that meet the needs of your people, your firm and your budget. Now is the time for benefits that underpin your culture, deliver impact and empower the people who power your firm.

Appendix
Regional and Firm Size Comparisons

The survey was completed by 76 respondents between March and June 2025.

Pensions –
Paying above statutory minimum (Fee Earners)

Regional SMEs:	100%
Regional Large:	100%
London SMEs:	88%
London Large:	100%

PMI –
Employer-funded cover (Fee Earners)

Regional SMEs:	100%
Regional Large:	100%
London SMEs:	88%
London Large:	100%
USA HQ:	100%

Family Leave –
Enhanced paternity

Regional SMEs:	30%
Regional Large:	70%
London SMEs:	70%

Family Leave –
Enhanced maternity

Regional SMEs:	14%
Regional Large:	7%
London SMEs:	13%

Flexible Benefits Offered

Regional SMEs:	19%
Regional Large:	47%
London SMEs:	44%
London Large:	66%

Howden

Today's diverse workforce has different motivations and lifestyles; there's no one-size-fits-all solution. A good benefits strategy begins by balancing the needs of the organisation, its people and its budget. It's about digging into the detail and creating a plan that suits your aspirations, then finding the most cost-effective ways to achieve them.

At Howden, we're energising the world of employee benefits. We offer a different level of service because we're a different kind of business. With employee ownership at our heart, our people are personally invested in delivering exceptional results, ensuring that your success is our success.

Our expert team specialise in advising law firms of all sizes, from boutique practices to global firms, on how to design benefits that attract, retain and protect their people. Our approach is built on data, insight and deep sector knowledge, helping firms make confident, evidence-based decisions about where to invest for the greatest impact.

Contact our Employee Benefits team at employeebenefits@howdengroup.com to start building your tailored benefits action plan.

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Our partnership with People in Law brings together deep sector knowledge with Howden's benefits expertise – ensuring firms have the insight and support they need to stay competitive in a rapidly changing market.

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