

BENEFITS AS A PERCENT OF PAYROLL CALCULATOR

Is your benefits spending on track—or out of line with your peers?

Use this worksheet as a helpful resource to get a general sense of how your organization's benefits spending may compare to broader national and industry benchmarks.



1. Gather Your Data

Step 1: Calculate your benefits cost

Add up your organization's employer-paid and employer contribution benefit costs for the year. Include:

- Health insurance premiums (employer portion)
- Retirement plan contributions
- Paid leave (vacation, holidays, sick time)
- Other benefits (life/disability insurance, wellness, etc.)

Step 2: Calculate payroll

Use the total gross wages, along with any additional pay such as bonuses or commissions paid to employees.

Step 3: Compute your benefits ratio

$$\text{Benefits Ratio} = \frac{\text{Total Benefits Costs}}{\text{Total Payroll}} \times 100$$

Your Numbers

- Total benefit costs: \$ _____
- Total payroll (wages only): \$ _____
- Your benefits ratio (%): _____ %

2. Compare Against National Benchmarks

According to the U.S. Bureau of Labor Statistics (2025),¹ average percentage for:

- Private industry workers
Benefits = 29.7% of total compensation
- Government workers
Benefits = 38.4% of total compensation
- Civilian average (all workers)
Benefits = 31.3% of payroll

How Do You Compare?

- My benefits ratio: _____%
- Difference from national average (31.3%): _____%

1 https://www.bls.gov/news.release/pdf/ecec.pdf?utm_source=chatgpt.com

3. Compare Against Industry Benchmarks

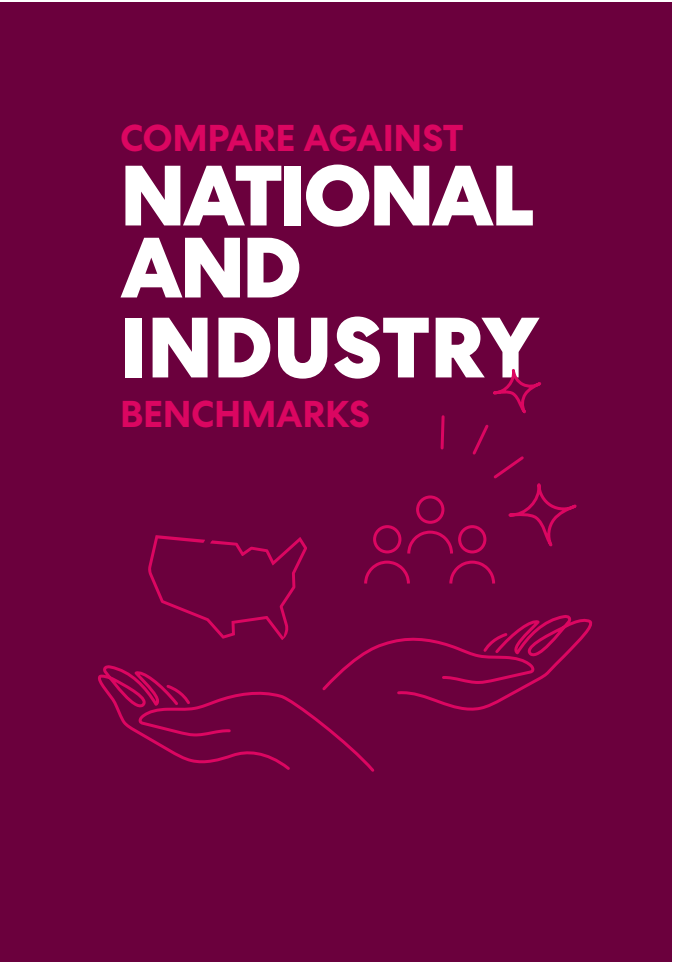
Average Annual Benefit Costs per Employee (2024):²

Industry	Avg. Annual Benefit Costs/Employee
Government / Education / Utilities	\$14,087
Financial / Insurance / Real Estate	\$13,142
Professional / Scientific / Technology	\$13,032
Health Care / Social Assistance	\$13,935
Manufacturing	\$12,598
Wholesale / Retail	\$12,376
Construction / Agriculture / Transportation	\$11,699
Information / Arts / Accommodation & Food	\$12,178

Your Industry Numbers

- Industry: _____
- Avg. benchmark (per employee): \$ _____
- My avg. (total benefits ÷ # employees): \$ _____
- Difference: \$ _____

2 https://bimgroup.us/wp-content/uploads/2024/04/2024-uba-employee-benefits-benchmarking-trends-report.pdf?utm_source=chatgpt.com





FOR SMALLER
BUSINESSES, ACCESS
TO BENEFIT OPTIONS

**CAN
MAKE A
DIFFERENCE.**

4. Interpret Your Results

Within 30–40% of payroll → You're generally aligned with most employers, though benchmarks can vary by industry and other factors.

Above 40% → You potentially may be overspending compared to benchmark—review plan design and cost-sharing.

Below 30% → You potentially may be under-investing compared to benchmark, which can impact retention and recruiting.

Pro Tips for SMBs

- **Options matter**—For smaller businesses, access to benefit options can make a difference.
- **Industry matters**—Certain industries (e.g., healthcare, finance) may naturally have higher costs.
- **Talent strategy matters**—Richer benefits can enhance recruiting and retention but should align with budget realities.

5. Action Plan

Notes for My Leadership Team

- Key Observations: _____
- Opportunities to Adjust: _____
- Questions for My Broker/Advisor: _____

USE THIS
WORKSHEET TO
**START
OPTIMIZING
SPEND**
WHILE STAYING
COMPETITIVE



Looking Forward

Benchmarking is a **starting point**—not the finish line. Use this worksheet to start conversations with finance, HR and benefit advisors about optimizing spend while staying competitive in today's talent market.

Important Note

This calculator worksheet is for informational purposes only and does not constitute financial, tax, legal, or HR advice. Estimates are based on general assumptions only. Actual numbers may vary based on many factors such as employer contributions, plan design and costs, employee demographics, location, tax laws, and pay. Consult your advisors before making decisions. Use of this tool does not create any relationship between you and us, and we disclaim any liability for actions taken based on its output. No personal data is collected or stored.



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