

Benefits Trimming: 2 in 5 UK Employers Have Cut Workplace Perks

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New research by [Robert Walters](#) shows that 43% of UK business leaders admit to scaling back company benefits over the past 12 months. What's more, a quarter (26%) are planning further cuts throughout this year, and an additional 33% are yet to rule them out.

The latest findings from the global talent solutions partner reveal how UK organisations are paring back workplace benefits to manage costs - a move that could put morale, productivity, and retention on the line.

This April, Deloitte and Zoom announced plans to reduce some of their employee benefits including annual PTO, pension contributions, and IVF funding. Meanwhile, research from Indeed Hiring Lab shows that UK job postings offering at least one benefit slipped from 66.7% in 2024, to 64.6% in 2025.

Daniel Harris, Managing Director - Robert Walters UK&I comments: "The shift towards leaner benefits packages has been influenced by years of raised business costs, compounded by domestic tax hikes, wider global volatility, and inflation.

"While this cost-saving approach is more sustainable than direct salary hits or headcount reductions, cutting the benefits that employees value most - or replacing them with lower-cost substitutes - may mean that what is saved on budget, could be lost on engagement, productivity and even loyalty."

Benefits at Risk

62% of UK employees say they've noticed that their workplace benefits have been scaled back over the past 18 months.

Indeed, further data from Robert Walters' annual Employee Benefits Guide reveals that the number of UK employers offering unlimited annual leave decreased by 45% between 2024 and 2025.

During the same period, the number of professionals receiving the following key monetary bonuses experienced drops:

- Annual bonuses (-5%)
- Discounted shares / stocks (-16%)
- Saving schemes e.g. ISAs (-57%)
- Equity (-23%)
- Commission (-22%)

Meanwhile, the number of professionals receiving lower-cost perks grew, for example:

- Free lunches or breakfasts (+57%)
- Discounted gym memberships (+19%)
- Retail discounts (+10%)

“Financial benefits are closely aligned with business performance and the wider economy and, as a result, are usually the first to be pulled back during tougher periods,” Daniel continues. “However, many professionals rely on these benefits forming an important part of their total compensation package. A sudden scale-back is likely to make some workers feel underpaid and could cause them to look for new opportunities.”

Indeed, 43% of UK professionals who stated being unhappy with their bonus also reported that they were actively job seeking.

Morale Debt

UK business leaders are already seeing the negative effects of benefits trimming on workplace dynamics – with 87% of UK business leaders reporting a drop in workplace morale as a result of the reductions.

“Low morale almost always influences job seeking sentiment. By offering alternative, tax-efficient schemes such as salary sacrifice, leaders can help their employees retain the benefits that mean the most to them,” Daniel adds.

Over half (58%) of UK professionals say they'd start looking for a new position if key benefits like healthcare plans, flexible working and bonuses were reduced.

“During times of economic instability, and labour oversupply, businesses often pull back on perks. However, reducing the benefits professionals value will create new retention and productivity challenges. Instead, organisations should focus on building leaner rewards strategies that stop unnecessary spending but allow employees to hold onto the benefits they value most,” concludes Daniel.

The new findings from Robert Walters mark a pivotal moment for UK employers as they reassess workforce approaches. While the talent solutions partner's annual [Employee Benefits Guide](#) outlines key trends in workplace benefits, helping to advise organisations on the most thoughtful and tailored rewards strategies ready for the current hiring market.