

2026 GovCon Benchmarking Highlights

Our Government Contract Benchmarking Summary Report offers strategic insights into the latest trends and programs in employee benefits among government contractors. The data is based on established contractors with 50 or more employees, up to and including large contractors with thousands of employees. Discover how your peers are navigating the evolving landscape and see how your program compares against your competition.



What did GovCons do to control costs in their 2026 employee benefits renewal?

Employee Premium Changes

81% increased employee premiums

7.5% average increase to employee only premium costs

Medical Plan Design Changes

50% modified plan design to control costs

43% increased deductibles and out-of-pocket maximums

Medical Carrier & Funding Change Actions

25% changed medical insurance provider

35% changed medical funding approach

Innovative Actions



adopted advanced strategies to include captive, transparent PBM, or incentive steerage

Funding Method

Self-funded

Fully insured

Alternative Funding

Alternative Funding remains the most common funding method in the 50-500 EE space

2026
Government Contractor cost metrics impacting fringe rates



\$10,340

Average company medical cost per employee per year (PEPY)



6.7%

Average percent of payroll spent by government contractors on benefits (company contributions)



\$580

Average participation adjusted cost per eligible employee (monthly)

OUR OFFER: If you'd like to see exactly how your programs stack up against other Government Contracting firms, email us for your custom analysis.



email: info@kbgllc.com
subject: 2026 GovCon Benchmark