

NEAT EVALUATION FOR ALIGHT:

Benefits Administration

Market Segments: Overall, Health & Welfare Focus

Introduction

This is a custom report for Alight, Inc. (Alight) presenting the findings of the 2026 NelsonHall NEAT vendor evaluation for *Benefits Administration* in the *Overall* and *Health & Welfare Focus* market segments. It contains the NEAT charts of vendor performance, a summary vendor analysis of Alight for benefits administration services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering benefits administration services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific focus on health & welfare benefits, total benefits outsourcing (TBO), digital transformation, marketplace capability, and geographic reach.

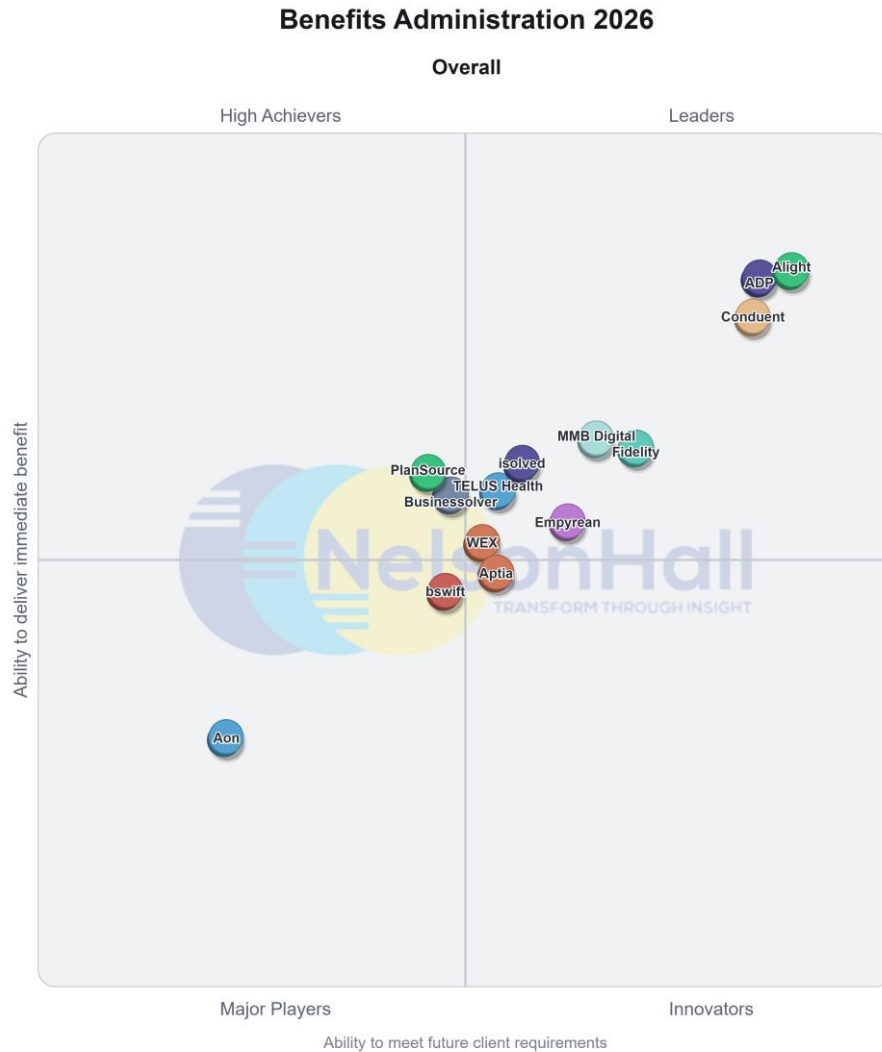
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: ADP, Alight, Aon, Aptia, bswift, Businessolver, Conduent, Empyrean, Fidelity Investments, isolved, MMB Digital, PlanSource, TELUS Health, and WEX.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Overall



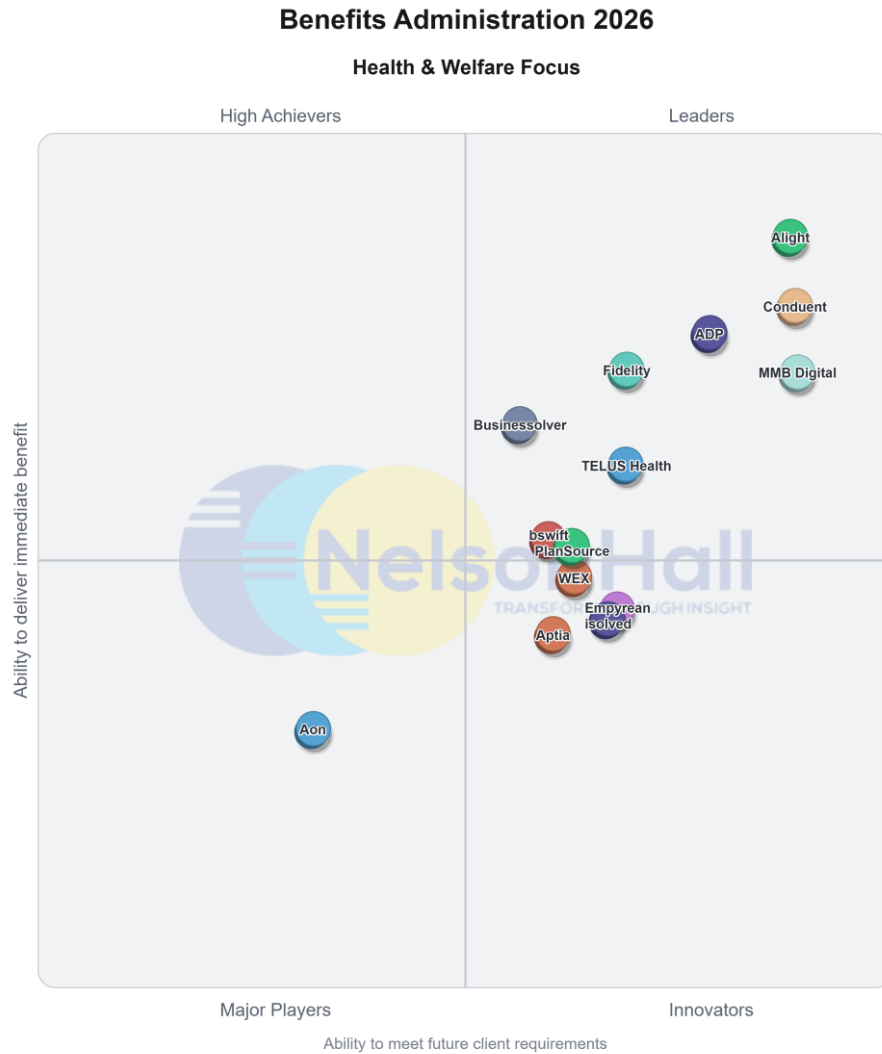
NelsonHall has identified Alight as a Leader in the *Overall* market segment, as shown in the NEAT chart. This market segment reflects Alight’s overall ability to meet future client requirements as well as delivering immediate benefits to its benefits administration clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Benefits Administration* NEAT tool [here](#).



NEAT Evaluation: Health & Welfare Focus



NelsonHall has identified Alight as a Leader in the *Health & Welfare Focus* market segment, as shown in the NEAT chart. This market segment reflects Alight’s ability to meet future client requirements as well as delivering immediate benefits to its benefits administration clients with specific focus on health & welfare benefits capability.

Buy-side organizations can access the *Benefits Administration* NEAT tool [here](#).



Vendor Analysis Summary for Alight

Overview

Alight delivers integrated human capital solutions spanning health, wealth, wellbeing, absence management, and healthcare navigation. The company has ~10k employees across North America, EMEA, and APAC, supporting HR technology and cloud-based service delivery. Alight originated from the acquisition of Aon Hewitt's benefits outsourcing business and has operated in the benefits administration and HR service market for several decades. Its offerings are delivered primarily through the Alight Worklife platform, supported by integrations with a broad ecosystem of carriers and third-party systems.

In July 2024, Alight completed the divestiture of its professional services, payroll, and HCM outsourcing businesses to an affiliate of H.I.G. Capital for ~\$1.2bn. These divested operations now function independently under the Strada brand. The transaction reflects a strategic shift toward technology-centric capabilities and expanded investment in cloud-based digital platforms.

Following the divestiture, Alight has repositioned itself as a technology-enabled services company. The Alight Worklife platform now serves as the company's primary operating foundation. Recently, Alight announced an expanded multi-year collaboration with IBM to integrate watsonx capabilities across its platforms. The partnership is intended to embed AI into core workflows, supporting enhanced benefits engagement and improved operational efficiency for enterprise clients.

Currently, Alight is focused on sustaining differentiation of its benefits platform and offerings amid increasing competition from broader HCM suites that continue to bundle overlapping capabilities. Recent product development has emphasized AI-enabled insights, expanded analytics and reporting, deeper integrations, a modernized enrollment experience with holistic decision support, and a broader vendor partnership program.

Of Alight's ~10k employees, ~8.5k are supporting benefits administration services, including ~6.1k H&W delivery personnel (including shared services/COEs and Customer Care). Alight uses a global team, which flexes based on client needs.

Financials

Alight's full-year 2025 guidance projects total revenue of ~\$2.3bn, which would reflect a y/y decline of ~3.5%.

The great majority of Alight's benefits administration revenues (~98%) are generated in the U.S.

Strengths

- Alight Worklife provides integrated solutions across health benefits, 401(k), pension, wellbeing, leave administration, and retiree exchange through scalable solutions, enabling employers to manage multiple programs within a single ecosystem
- Alight LumenAI leverages AI, ML, and predictive analytics to deliver personalized guidance, automated decision support, and actionable insights across benefits solutions. It also supports conversational AI, chatbots, and internal applications such as voice-based IVR, document processing, and health and wealth guidance



- Strategic technology partnerships, such as the recent collaboration with IBM to integrate watsonx across Alight’s offerings
- AI-driven Health Navigation, wellbeing guidance, and personalized communications support year-round engagement, moving beyond event-based interactions to continuous, context-aware experiences, bolstering employee engagement and client ROI
- Expertise in benefits administration as an established provider; also, legacy experience in pension recordkeeping services
- Focus on agentic AI and automated workflows to guide benefits enrollment, leave administration, dependent verification, claims processing, and other HR tasks, with integration across internal and third-party systems
- Alight Healthcare Total Guidance Solution provides AI-enabled health navigation, clinical guidance, and advocacy delivered through dedicated Health Pro consultants, as well as a multidisciplinary team of Medical Allies with clinical expertise
- Alight Well offers digital wellbeing solutions, including the Alight Wellbeing Marketplace, and features a health dashboard, wellbeing journeys (tools and resources for individualized wellness planning), health coach, and rewards
- SmartSelect MD (SSMD), Alight’s provider search engine, uses proprietary data and analytics that include 33bn+ data points and care journeys to enable recommendations based on quality/outcomes as well as cost and efficiency
- Alight Partner Network (APN) provides a continuously growing ecosystem of vetted partners for complementary services across health, wealth, career, and life. Core components of these partnerships include preferred pricing, simplified contracting, and pre-built integrations with the Alight Worklife portal and customer care.

Challenges

- Recent executive turnovers may disrupt strategic initiatives, create uncertainty for clients and investors, and affect operational continuity
- Perceived financial instability, driven by falling revenues, may weaken confidence among investors, current clients, and prospects
- While Alight offers a broad suite of solutions, integrating these tools for clients with legacy systems can be complex and resource-intensive and can also be difficult for clients to fully adopt or navigate, increasing reliance on implementation support and potentially slowing time-to-value
- Alight’s Cloud HR business is not 100% HR-dedicated as it also offers Workday Finance system integration services.

Strategic Direction

Alight’s current strategy focuses on integrating advanced technology and AI with its H&W offerings, supported by strategic partnerships with Microsoft and IBM.

At the core of Alight’s approach is a unified platform that spans health benefits, retirement programs, wellbeing, leave administration, and retiree exchange, positioning the company as a strategic partner capable of addressing the evolving needs of medium and large enterprises. Alight positions its platform as a year-round engagement tool, moving beyond transactional



interactions to provide continuous, personalized guidance. The company emphasizes responsible AI deployment, strong governance, and a human-in-the-loop approach to ensure practical, compliant, and empathetic solutions.

Central to this strategy is the deployment of its AI Assistant and agentic AI capabilities to enable conversational interactions, orchestrate actions across ecosystems, and integrate with third-party agents to support tasks such as enrollment, leave management, dependent verification, and claims processing. These capabilities will enable employees and retirees to interact with benefits as an intelligent, proactive assistant that anticipates needs, offers guidance, and routes users to human support for complex or sensitive decisions. Health Navigation and wellbeing solutions will be further enhanced with AI-driven personalization, provider search, and workflow integration, creating a seamless experience across programs and devices.

Alight also leverages AI to drive operational efficiency and service excellence internally and for clients. AI agents automate routine workflows, translate natural language requirements into configuration, generate and execute test cases, and identify opportunities for process improvement. By integrating its AI capabilities with domain expertise, Alight seeks to amplify employer outcomes, optimize benefits ROI, and create a connected, holistic ecosystem for employees, retirees, and HR teams.

Outlook

In 2026, Alight is focusing on advancing its Alight Worklife platform and deepening AI-enabled capabilities to meet rising client demand for unified, intelligent benefits and HR solutions. Expect the company to expand its GenAI functionality, moving toward broader general availability in 2026 and reflecting a shift from traditional digital interfaces to context-aware, personalized support at scale.

A key component of Alight's future direction is the continued maturation and deployment of Alight LumenAI. By leveraging LumenAI, Alight intends to drive more advanced personalization, predictive guidance, automated workflows, and actionable insights, enabling clients to address complex workforce needs and reduce administrative burden, responding directly to market pressures for intelligent, more efficient, and automated HR and benefits operations.

Alight's strategic focus should include refining AI-powered personalization and expanding ecosystem integrations (including third-party applications and partner technologies) as market dynamics continue to demand year-round employee engagement, continuous benefits guidance, and tools that help translate data into strategic workforce insights. These initiatives, combined with iterative Worklife releases in 2025 and planned 2026 enhancements, will help to drive deeper integration of health, wealth, absence, and wellbeing within the Alight Worklife platform. The goal is to deliver contextual employee experiences and actionable workforce insights, addressing evolving client demands for continuous engagement, benefits guidance, and data-driven HR operations.



Benefits Administration: Market Summary

Overview

Benefits administration services are delivered through cloud-based platforms that support the design, enrollment, and administration of employer-sponsored benefits programs. These platforms manage processes such as eligibility, enrollment, life-event changes, consumer-directed account administration, claims and reimbursement processing, compliance, and employee communications, supported by services including implementation, operations, participant support, and outsourced administration. Increasingly, platforms incorporate analytics, automation, and AI-enabled capabilities to improve decision support, streamline workflows, and enhance engagement as organizations address growing benefits complexity, regulatory requirements, and evolving employee experience demands.

The vendor landscape includes full-service providers offering integrated platforms and administrative services, HCM vendors with embedded benefits functionality, and specialist providers focused on consumer-directed healthcare accounts, payments infrastructure, and reimbursement management. Additionally, technology-enabled service providers deliver outsourced administration through proprietary or third-party platforms, while an expanding ecosystem of analytics, navigation, and engagement vendors provides capabilities such as decision support, benefits guidance, and AI-powered virtual assistants that integrate with core administration platforms.

Market demand continues to evolve as employers seek to manage rising benefits costs, regulatory complexity, and changing employee expectations. Benefits programs are expanding beyond traditional H&W offerings to include lifestyle benefits, financial wellbeing, preventative care, mental health support, and broader wellness initiatives. As a result, platforms are increasingly designed to support personalized experiences, intuitive user interfaces, and mobile-first engagement. Providers are investing heavily in platform modernization, API-based ecosystems, and intelligent technologies to enable real-time insights, automated workflows, and more personalized employee guidance. These trends reflect a broader shift toward benefits administration models that combine scalable technology with service delivery capabilities to support complex, distributed workforces and improved employee experience.

Buy-Side Dynamics

Benefits administration buyers are increasingly focused on solutions that can manage complex benefits programs while improving employee engagement and H&W administrative efficiency. Key customer requirements include:

- Intuitive, mobile-first platforms that support self-service enrollment and omni-channel support, benefits navigation, and year-round engagement for employees and administrators
- Embedded analytics and intelligent technologies, including AI and GenAI, to support decision-making, personalization, and benefits utilization insights
- Automation of administrative processes such as eligibility management, life-event changes, claims processing, and compliance reporting
- Integrated management of diverse benefit offerings, including health and welfare plans, consumer-directed accounts, lifestyle benefits, and wellbeing programs



- Seamless integration with HRIS, payroll, carriers, and third-party providers to enable consistent data exchange and coordinated workflows
- Capabilities that support regulatory compliance, data privacy, and secure management of sensitive benefits and financial information.

Adoption of benefits administration technology remains strongest among mid-market and enterprise organizations with complex benefits environments and large employee populations. However, uptake is increasing across smaller organizations as employers seek scalable platforms and external support to simplify administration and provide competitive H&W offerings.

Demand is particularly strong in industries with large or distributed workforces, such as healthcare, manufacturing, retail, education, and the public sector, where employers are prioritizing technology-enabled benefits administration to manage regulatory requirements, control costs, and improve the employee experience.

Market Size & Growth

NelsonHall estimates the global benefits administration market to be worth ~\$30bn in 2026, driven by rising benefits complexity, growing adoption of outsourced and technology-enabled administration, and increasing investment in digital platforms, automation, and expanded benefits offerings.

With a projected CAGR of ~4.5%, the market is expected to grow to ~\$35bn by 2031, supported by continued demand for scalable administration platforms, deeper integration across HR and benefits ecosystems, and expanding employer investment in employee wellbeing, personalized benefits experiences, and data-driven decision support.

Success Factors

Key competitive differentiators for benefits administration providers include:

- Demonstrated expertise in delivering high-touch, participant- and client-focused administration with proactive account management and ROI-driven engagement
- Proven capability in leveraging AI, predictive analytics, and intelligent technologies to optimize decision-making, automate workflows, and personalize benefits experiences
- Established strength in providing seamless platform integration through open APIs, ecosystem partnerships, and comprehensive solutions
- Recognized ability to expand offerings with new benefit services, including virtual health, voluntary benefits, and financial wellness tools, enhancing holistic employee wellbeing
- Track record of continuous investment in technology roadmaps, mobile applications, and user-centric portals with virtual assistants, omni-channel support, and interactive educational tools
- Focus on data security, regulatory compliance, and client retention while supporting scalable growth.



Outlook

In 2026 and beyond:

- Middle-market organizations will remain primary adopters of H&W technology, while large enterprises and SMBs will increasingly outsource benefits administration to reduce costs and leverage provider expertise
- Focus on plan design optimization, provider network performance, and targeted health interventions will increase to manage rising healthcare costs
- Peer benchmarking and industry-wide analytics will increase as organizations seek data to inform talent and benefits strategies
- Innovative employee engagement solutions and diversified voluntary benefits will be key differentiators in addressing turnover and retention challenges
- Deeper integrations with carriers, resellers, and HR systems will support automated workflows and two-way data interchange
- Growth in U.S. retiree populations will drive demand for specialized people resources, technology, and tailored benefits offerings
- Customizable user interfaces and branded digital experiences will increase in importance for communication and engagement
- Expanded price transparency solutions and investments in preventative, virtual, and holistic well-being programs will enhance cost management, employee health, and productivity
- Continued emphasis on compliance, data security, and financial wellness support will remain critical as benefits offerings evolve.



NEAT Methodology for Benefits Administration

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> TBO Offerings Range of H&W Offerings Global benefits services Digital process offerings Benchmarking and analytics capability
Delivery Capability	<ul style="list-style-type: none"> Level of integration Application of digital tools (AI/GenAI/ML/bots) Maturity and breadth of partnerships Overall scale of service delivery teams Delivery capability in North America Delivery capability outside North America Overall presence Small Market (<500) Mid-Market (>500 to 15k) Large Market (>15k)
Benefits Achieved	<ul style="list-style-type: none"> Improved employee experience Leveraging intelligent platforms Agility and ability to scale



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Service Innovation Culture	Perceived suitability to meet future client needs Caliber and consistency of client facing team Proactivity Service culture
Commitment and Level of Investments in Benefits Admin	Plans to extend offerings in the next 18 months Investments in retirement services Investments in H&W services Level of focus/investment growing geographic footprint
Market Momentum	Benefits admin market momentum
Ability to Deliver Innovation	Client perception of innovation Client perception of analytics Innovation in benefits engagement Client perception of cost transparency impact Client perception of future suitability Client perception of flexibility Client perception of digitalization & technology leadership

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
Darrin Grove at darrin.grove@nelson-hall.com

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