

## Next Generation Benefits Administration

# Mercer

### Report Abstract

February 2022

By Elizabeth Rennie

HR Technology & Services Research  
Director

21-pages

### Contents of Full Report

1. Background
2. Revenue Summary
3. Key Offerings
4. Delivery Capability and Partnerships
5. Target Markets
6. Strategy
7. Strengths & Challenges
  - 7.1. Strengths
  - 7.2. Challenges
8. Outlook

## Who is This Vendor Assessment For?

---

NelsonHall's Benefits Administration profile on Mercer is a comprehensive assessment of Mercer offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of Benefits Administration Services and identifying vendor suitability for security services RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the Benefits Administration Services sector.

## Key Findings & Highlights

---

This NelsonHall vendor assessment analyzes Mercer's offerings and capabilities in Benefits Administration Services.

Mercer, headquartered in New York and a wholly-owned business of MMC, is a global leader in redefining the world of work, reshaping retirement and investment outcomes, and delivering health and well-being services. Mercer is one of the MMC businesses, the others being Marsh, Guy Carpenter, and Oliver Wyman. Mercer provides HR and financial advice and services. Mercer has 25k employees across 44 countries and is organized into three business segments: Health, Wealth, and Career. Its businesses are described below (with the NelsonHall estimate of approximate share of Mercer's global 2021 revenues):

- Health (35%): includes benefit strategy and design, individual and voluntary benefits, benefit plan management and brokerage services, specialty health and benefits, benefits administration, and international consulting. Outside the United States, these services are provided under Mercer Marsh Benefits.
- Wealth (49%), consisting of:
  - Retirement Consulting and administration (27%): includes defined benefit risk management, high-performing defined contribution plan, comprehensive plan management including actuarial services, administration, and plan design. Mercer offers mid-market DB pension administration services bundled with its consulting and brokerage services. Mercer has ~110 DB administration clients in the U.S. and 256 in Canada.
  - Investments/Investment Management (20%): includes Outsourced Chief Investment Officer (OCIO) solutions (whereby Mercer takes on the fiduciary role of managing plan assets for a client), defined benefit and defined contribution risk management, and investment services, endowments, foundations, and wealth managers.
- Career (16%): includes leadership and organization performance, technology solutions, workforce analytics and planning, communication, rewards, executive compensation, mobility, and Workday deployment capability.

The Health and Wealth divisions comprise the majority of its benefits administration business. Mercer has offered benefits administration since 1937 and H&W administration since 1996 and one of the largest

brokers in the U.S. with national relationships with most carriers and assigned executive sponsors to manage partner relationships.

Mercer’s US Health Benefits Administration has 331 clients with ~1.3 million employee lives. Mercer’s Wealth Administration has 134 clients with ~600k employee lives. Retiree health administration services been provided by Mercer for around 30 years. Outside the U.S., its health and benefits business services ~4k clients, and NelsonHall estimates Mercer has ~475 global benefits administration clients (excluding the US) with ~2m participants.

Mercer’s acquisitions and divestiture activities over the last few years are shown below:

Date	Type	Description
August 2019	Divestiture to Morneau Shepell of its large standalone market, health market, and DB pension plan administration business in the U.S. \$57m.	73 clients and ~1.9m participants impacted.
April 2019	MMC’s Acquisition of Jardine Lloyd Thompson Group plc (JLT)	Adding insurance, retirement, and benefits broker capabilities with 10k employees across 40 countries and strengthening its data and analytics offering.
2016	Acquisition of Thomsons Online Benefits	Adding global benefits technology and services, Darwin.
2015	Divestiture to Transamerica of Mercer’s U.S. DC administration business	~148 DC admin clients; ~917k DC plan participants, and ~71bn in assets under administration.
2014	Acquisition of Transition Assist	To expand its retiree exchange offering
2010	Acquisition of Innovative Process Administration (IPA)	Adds H&W capabilities for the mid-market.
2004	Acquisition of Synhrgy HR Technologies	Expands H&W capabilities in the U.S.

## Scope of the Report

---

The report provides a comprehensive and objective analysis of Mercer's Benefits Administration Service offerings and capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization including the location of delivery locations.

## Next Generation Benefits Administration Assessments

### also Available for:

ADP

Alight Solutions

bswift

Conduent

Empyrean

LifeWorks

Mercer

PlanSource

## About The Author

Liz Rennie is the HR Technology and Services Research Director with global responsibility for key HR research projects, including Cloud HR Transformation, Benefits Services, and Payroll, as part of NelsonHall's wider HR Technology & Services practice.

In this key role, Liz assists both buy-side and vendor organizations in evaluating opportunities and capability to support HR and benefits transformation through deploying cloud-based services and redesigning HR service delivery to leverage the latest technologies offered by mobile, AI, blockchain and robotics.

Liz can be contacted at:

- Email: [elizabeth.rennie@nelson-hall.com](mailto:elizabeth.rennie@nelson-hall.com)
- Twitter: [@erennie\\_](https://twitter.com/erennie_)



## About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the 'art of the possible' in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall's research is based on rigorous, primary research, and is widely respected for the quality, depth and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at [guy.saunders@nelson-hall.com](mailto:guy.saunders@nelson-hall.com)

### Boston

Riverside Center, 275 Grove Street,  
Suite 2-400, Newton  
Massachusetts 02466  
Phone: +1 857 207 3887

### London

Unit 6, Millars Brook,  
Molly Millars Lane,  
Wokingham, RG41 2AD  
Phone: + 44(0) 203 514 7522

### Paris

4 place Louis Armand,  
Tour de l'Horloge,  
75012 Paris  
Phone: + 33 1 86266

Copyright © 2022 by NelsonHall. All rights reserved. No part of the publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher. The information provided in this report shall be used only by the employees of and within the current corporate structure of NelsonHall's clients, and will not be disclosed to any other organization or person including parent, subsidiary, or affiliated organization without prior written consent of NelsonHall. NelsonHall exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, NelsonHall shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.