

ABSENCE MANAGEMENT MODELS

Which model is best for your organization – now and in the future



INSOURCING

- **Employer** handles all absence management components, using internal staff, processes and technology.
- **Advantages:**
 - Greater **control and visibility** into day-to-day management
 - Alignment with **company culture**
 - No administrative fees
- **Things to consider:**
 - Direct cost of HR resources
 - Requires in-house expertise to stay on top of complex regulatory environment.
 - Challenge to maintain cross-site, cross business consistency



CO-SOURCING

- **Employer** shares responsibility of managing absence with a **service provider**. Common example is when HR staff leverages **third-party leave management software**.
- **Advantages:**
 - **Maintain internal administrative control** but supported by vendor technology
 - **Compliance expertise** built into leave software
 - **Flexibility** to choose which aspects of administration to outsource
- **Things to consider:**
 - Software cost in addition to internal HR resource cost
 - Implementation and change management less complex than outsourcing
 - Common software does not necessarily mean consistent administration



OUT-SOURCING

- **Administrator** handles all absence management components including intake, communications, adjudication, intermittent absence tracking and 2nd/3rd opinions.
- **Advantages:**
 - Administrator's **expertise, scale and history** managing leave
 - **Claims experience** enhanced with technology -- web portals, IVR, 2-way texting, HR dashboards, email/text updates, reporting
 - **Consistency** of administration and **privacy** of employee leave details
- **Things to consider:**
 - Per Employee Per Month (PEPM) fees
 - Reduced control and visibility
 - Implementation complexity and change management required

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1091208-00001-00

