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February 2017

salary survey 2017



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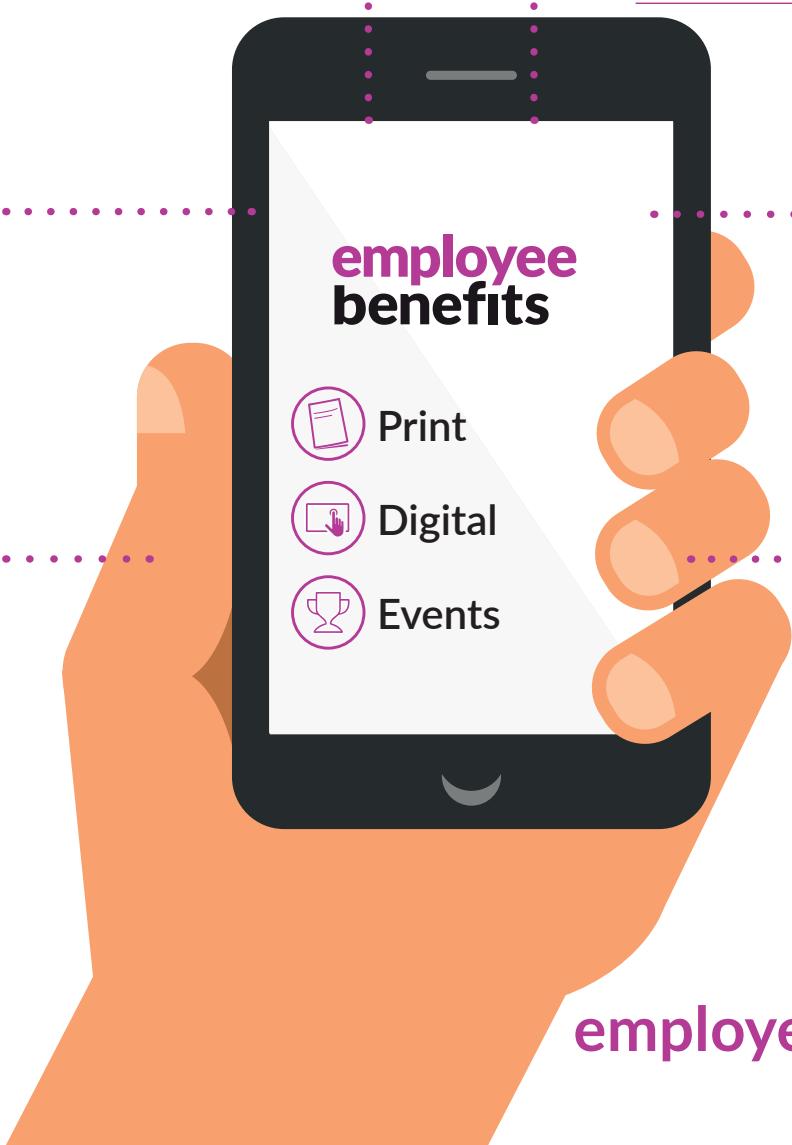
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Contact a member of the team today

Harriet Fuller
Business Development Manager
020 7970 4063
harriet.fuller@centaurmedia.com

Harry Michael
Business Development Manager
020 7970 4045
harry.michael@centaurmedia.com

Editor's comment



Debbie Lovewell-Tuck | Editor
Employee Benefits



When gender pay gap reporting regulations come into effect from April 2017, HR and reward professionals in organisations with more than 250 employees will find themselves tasked with compiling data on gender pay and bonus inequalities in their business. As the people who are often responsible for taking measures to reduce such inequality, I wonder how many will be shocked to discover that gender pay gaps also exist within their own roles.

This year's *Salary survey* found that the average gender pay gap between reward and benefits professionals is currently £24,100. While this, in part, may be due to a lack of male respondents in benefits or reward analyst or administrator roles, this remains a significant gap. This could go one of two ways. Identifying such gaps may either spur reward and benefits professionals on to push for change in their organisation or it could demotivate them.

For the first time, this year's *Salary survey* asked respondents specifically about the mental wellbeing

support provided by their employer. Around three-quarters (74%) said that they receive such support through the workplace, which is encouraging given the rise in profile mental health and resilience has undergone in the past few years.

However, this still leaves 26% who do not receive support in this area from their employer. According to The Health and Social Care Information Centre's *Adult psychiatric morbidity in England* survey, published in 2009, one in four adults is likely to experience a mental health issue in any given year. This means a number of organisations could be missing out by not providing mental health support for their workforce.

Gender pay inequality and mental wellbeing are two of the biggest issues being debated in the benefits arena. So should 2017 be the year that organisations raise these further up the corporate agenda?

Debbie Lovewell-Tuck
Editor

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Key findings

The survey, which was conducted in November-December 2016 among readers of Employee Benefits and www.employeebenefits.co.uk, received 249 responses. Due to rounding, percentages may not add up to 100

21%	74%	85%	23%	26%	74%
of respondents receive an annual basic salary between £70,000 and £99,999	of respondents have had a salary review in the last 12 months	of respondents are an active member of a defined contribution pension scheme	of respondents hold shares or share options in their current employer	of respondents are provided with a car allowance	of respondents have access to mental wellbeing support from their employer

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Editor Debbie Lovewell-Tuck debbie.loowell-tuck@centaurmedia.com **Deputy editor** Louise Fordham louise.fordham@centaurmedia.com **Features editor** Tynan Barton tynan.barton@centaurmedia.com **Reporter** Katie Scott katie.scott@centaurmedia.com **Senior art editor** Phil Gibson, philip.gibson@centaurmedia.com **Director of commercial and events** Juliette Losardo, juliette.losardo@centaurmedia.com **Sales manager** Barry Davidson barry.davidson@centaurmedia.com **Business development managers** Harriet Fuller harriet.fuller@centaurmedia.com Harry Michael harry.michael@centaurmedia.com **Account manager** Luke Roberts luke.roberts@centaurmedia.com **Divisional managing director** Steve Newbold **Production** Wendy Goodbun, Lyndon White eb.production@centaurmedia.com

Employee Benefits Wells Point, 79 Wells Street, London, W1T 3QN
E: eb.editorial@centaurmedia.com
T: 020 7970 4000, Subscriptions 020 7292 3719
W: www.employeebenefits.co.uk

Count it up

Benefits professionals have low expectations of pay rises

Debbie Lovewell-Tuck | Editor
Employee Benefits

01/02 Average gender pay gap between reward and benefits professionals is £24,100

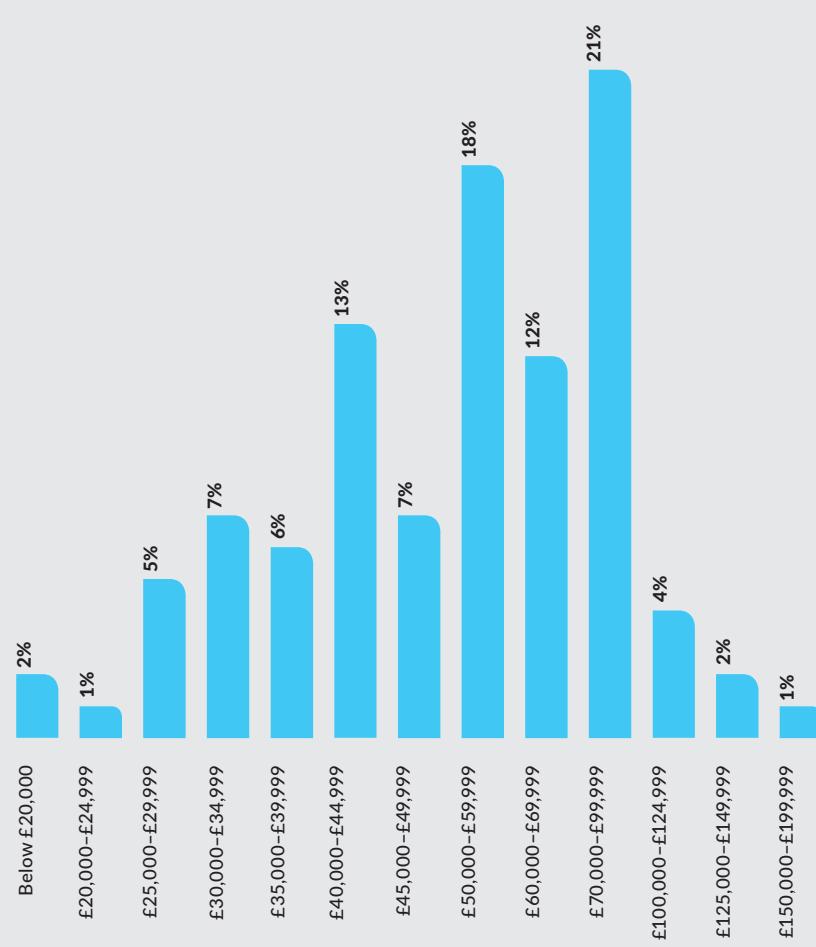
The average gender pay gap between reward and benefits professionals currently stands at £24,100. Male respondents earn an average basic annual salary of £78,600, compared to female respondents' average basic salary of £54,500.

In part, this may be due to the lack of male respondents in benefits or reward analyst or administrator roles, which are lower paid than manager and director roles.

As in 2014, the job with the most pronounced gender pay gap is benefits/reward

director or head with a £21,700 difference between male and female respondents. This is a rise on the £17,461 difference we identified three years ago. Benefits and reward managers have a much smaller, although not insignificant, gender pay difference of £4,000 a year. The overall average annual basic salary for reward and benefits professionals is £62,000.

Respondents' basic annual salary (excluding allowances, bonuses, and so on) Sample: All respondents (242)



Respondents' basic annual salary by gender

Sample: All respondents with a reward/benefits job title

Job title	All	Male	Female
All	£62,000	£78,600	£54,500
Benefits/reward analyst/administrator	£36,000	N/A	£36,800
Benefits/reward manager	£58,000	£61,600	£57,600
Benefits/reward director/head	£95,000	£103,000	£81,300

03/04 No great expectations

The most commonly awarded salary increases to HR and benefits professionals in the last 12 months were between 1.1% and 3%.

More than a quarter (29%) received an increase between 2.1% and 3% of salary, while 26% received between 1.1% and 2%. This is broadly in line with results seen in 2014 when we last asked this question.

Overall, just under three-quarters (74%) received a salary review in the past 12 months.

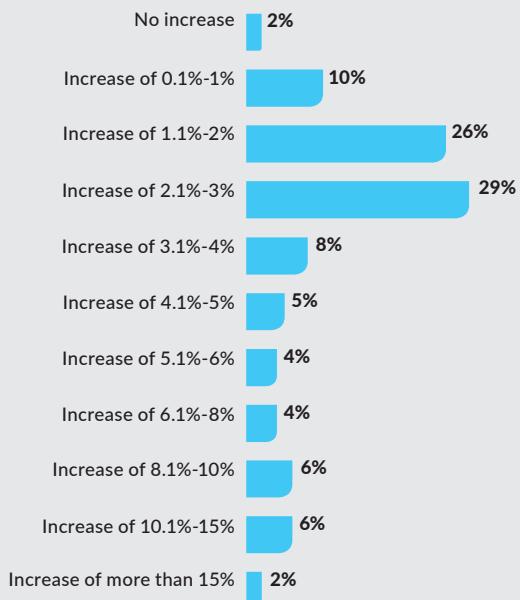
Looking ahead, however, respondents appear to have much lower expectations for the coming year. Nearly a fifth (17%) expect their salary to remain the same over the next 12 months, even though just 2% did not receive an increase in light of a review in the previous 12 months.



03

The percentage increase in their salary respondents have received in the last 12 months

Sample: All respondents who received a salary review in the last 12 months (179)



03

05 Bonus levels remain consistent

Just under three-quarters (70%) of respondents received a cash bonus in the last 12 months.

This figure has remained relatively consistent since we first carried out this research in 2008. That year, 71% received a cash bonus, while 74% did so in 2014.

Where respondents receive a cash bonus, these are most commonly linked to the performance of their organisation (89%), followed by personal performance (82%), and team or departmental performance (12%).

This year, the most common total for bonuses paid was less than £500 or between £1,000-£2,499, both of which were received by 15% of respondents. These are both much lower payouts than in 2014 when the most common bonus stood between £2,501 and £5,000.

It may be that dips in the economy resulting from events such as the result of the EU referendum impacted organisations' performance last year, thereby hitting respondents' bonuses. For example, although 15% received a bonus of less than £500, just 3% said this was their maximum potential bonus. At the other end of the spectrum, while 14% could have earned £25,000 or more, just 7% did so.

05

The maximum potential bonus respondents could receive and how much they actually received

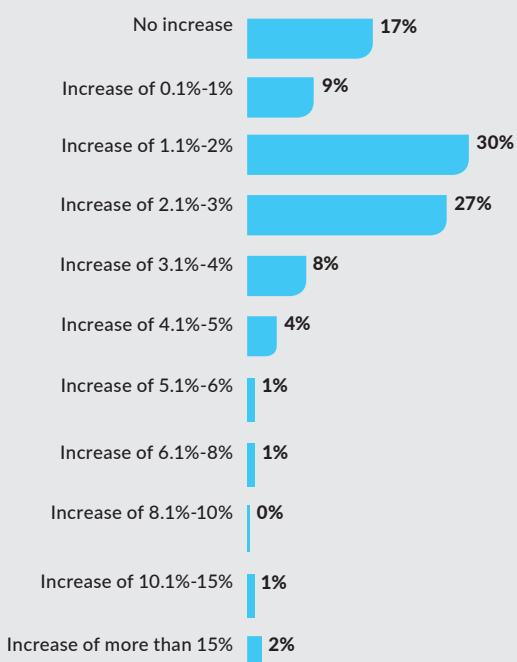
Sample: all respondents who received a cash bonus in the last 12 months (159)

Amount	Maximum possible bonus	Actual bonus
Under £500	3%	15%
£500-£999	1%	3%
£1,000-£2,499	8%	15%
£2,500-£4,999	15%	12%
£5,000-£7,499	15%	14%
£7,500-£9,999	12%	10%
£10,000-£12,499	13%	8%
£12,500-£14,999	7%	5%
£15,000-£17,499	9%	3%
£17,500-£19,999	2%	3%
£20,000-£24,999	3%	5%
£25,000 or more	14%	7%

04

The percentage salary increase respondents expect in the next 12 months

Sample: All respondents (240)





Wheel insight

Car allowances are now outweighing company cars

Louise Fordham | Deputy editor
Employee Benefits

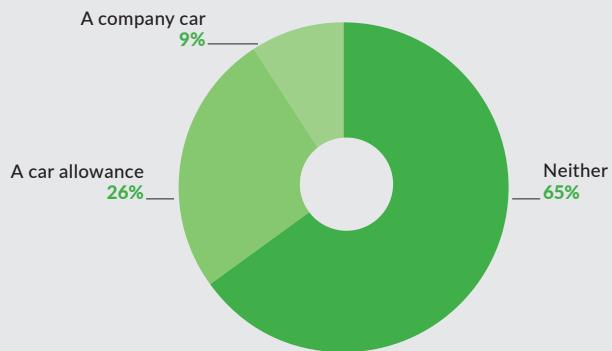


01/02 Slight drop in numbers receiving car benefits

Almost two-thirds (65%) of respondents do not receive a car or car allowance as part of their benefits package, either as a business or perk driver.

This compares with more than a third (39%) of respondents in the *Employee Benefits Salary survey 2009* received a car or car allowance as part of their reward package, revealing a slight drop in the proportion of HR and benefits professionals who do so today (35%).

Proportion of respondents who are provided with a car or car allowance as either a business driver or perk driver as part of their reward package Sample: All respondents (234)



01

The approximate value of respondents' company cars (at new price)

Sample: All respondents that are provided with a company car (22)



02

The annual value of respondents' car allowances Sample: All respondents that are provided with a car allowance (60)

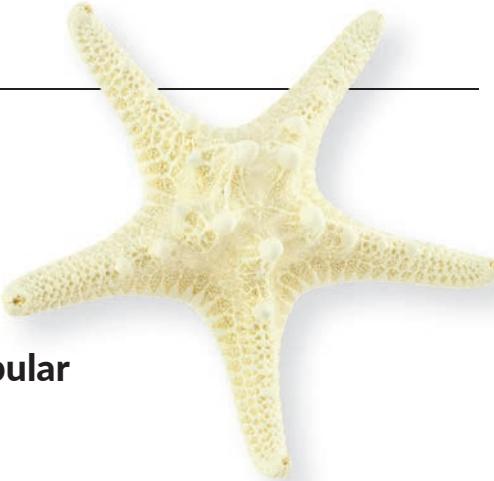


03

Putting a value on a company car

Of the 9% of respondents who are provided with a company car, 41% value the vehicle at between £30,000 and £39,999. More than a quarter (27%) value their company car at £40,000 or over.

While 32% of respondents who have a company car value it in the range of £20,000-£29,999, no respondents value their company car at less than £20,000 when new.



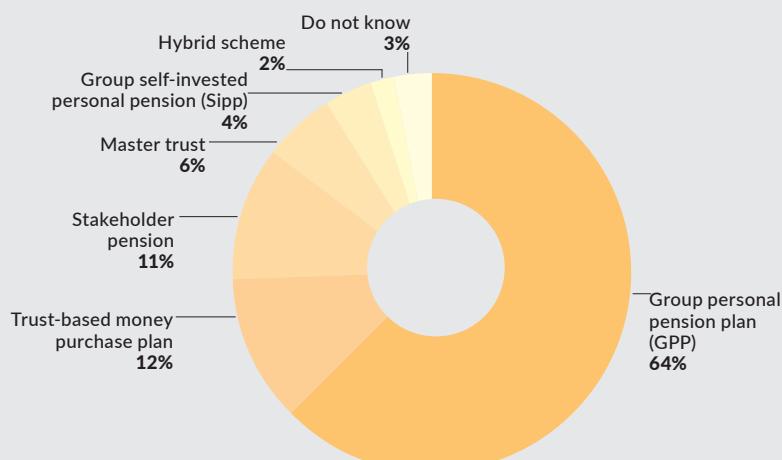
Making plans

Salary sacrifice remains the most popular route for pension contributions

Debbie Lovewell-Tuck | Editor
Employee Benefits

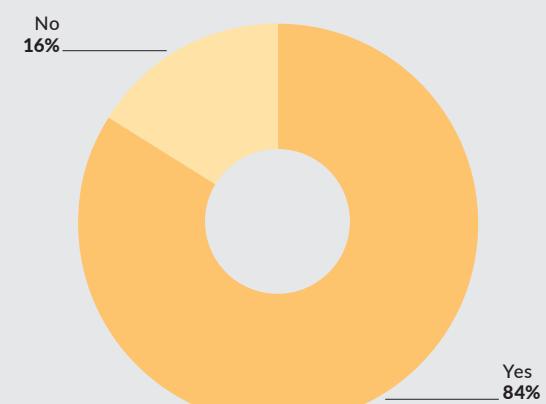
The type of defined contribution (DC) pension scheme respondents belong to Sample: All respondents that are members of a DC pension scheme provided by their employer (189)

01



Do respondents pay their contribution into their DC pension via a salary sacrifice arrangement? Sample: All respondents that are members of a DC pension scheme provided by their employer (184)

02



01/02/03 Almost all HR and benefits professionals belong to a workplace pension

Almost all (95%) HR and benefits professionals belong to a pension scheme provided by their employer.

This is the highest percentage of a sample to do so since we first carried out this survey in 2008, up from 91% in 2014 and 89% in 2008.

Of those that do belong to an employer-provided scheme, 18% are members of a defined benefit (DB) scheme, while 85% belong to a defined contribution (DC) scheme. Just under two-thirds (64%) of this latter group are members of a group personal pension (GPP) plan, while 12% belong to a trust-based money purchase plan, 11% to a stakeholder scheme, 6% to a master trust, 4% to a group self-invested personal pension (Sipp), and 2% to a hybrid scheme.

As in 2014, the most common contribution level for both respondents who are active members of a DC scheme and their employer is 5% of salary. The survey also found that 16% of respondents pay 10% of salary or more into their

pension. More than a quarter (28%) say their employer contributes 10% of salary or more into their DC pension scheme.

Salary sacrifice remains a popular mechanism for making pension contributions, used by 84% of respondents who are active members of a DC pension scheme.

03 Respondents' and their employers' contribution levels in to their DC pension plan

Sample: All respondents that are members of a DC pension scheme provided by their employer (185)

03

	Employer contribution	Personal contribution		Employer contribution	Personal contribution
Nothing	0	3%		8%	5%
1%	5%	5%		9%	1%
2%	4%	3%		10%	7%
3%	7%	12%		11%	2%
4%	6%	10%		12%	4%
5%	15%	25%		13%	2%
6%	8%	10%		14%	1%
7%	11%	9%		15% or more	2%
				Do not know	0

On the rise

More organisations are offering voluntary benefits schemes

Louise Fordham | Deputy editor
Employee Benefits

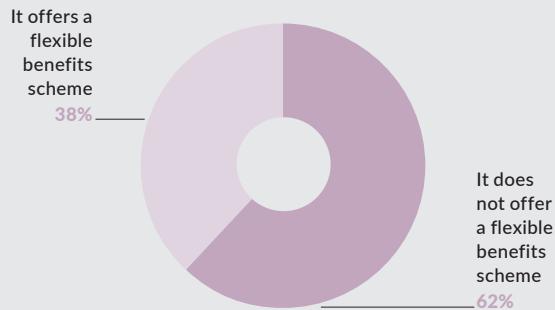
01/02 75% offered voluntary benefits

Three-quarters (75%) of respondents work for an organisation offering a voluntary benefits scheme.

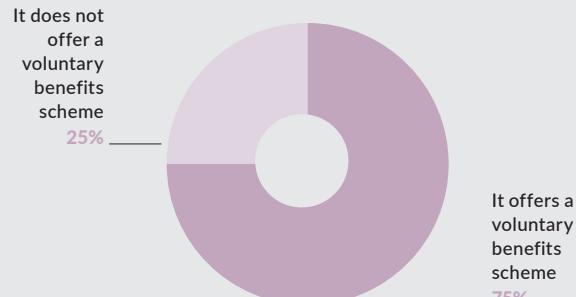
This figure has increased significantly since the *Employee Benefits Salary survey* in 2008 and 2009, when 46% and 59% of respondents had access to a voluntary benefits scheme, respectively.

The number of respondents that are employed by an organisation with a flexible benefits plan in place has also risen, albeit at a lesser rate; 38% of respondents now have access to a flexible benefits programme compared to 21% in 2008 and 25% in 2009.

Proportion of respondents who work for an organisation that offers a flexible benefits scheme Sample: All respondents (231)

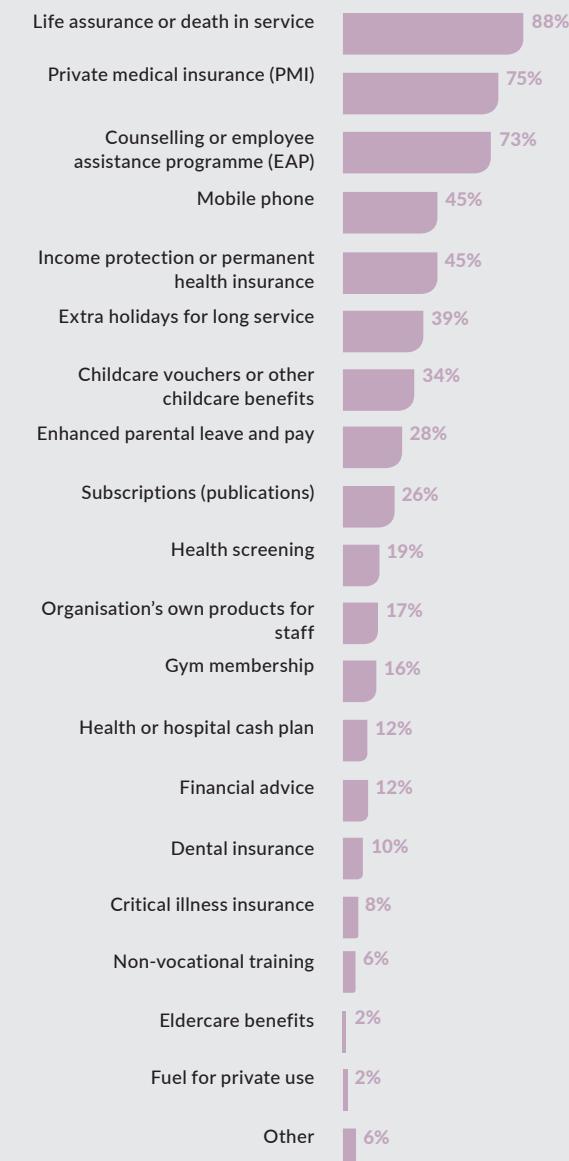


Proportion of respondents who work for an organisation that offers a voluntary benefits scheme Sample: All respondents (233)



Core benefits received by respondents

Sample: All respondents (227)



03



03 Core favourites

Life assurance or death in service is the most common employee benefit offered by respondents' organisations (88%), taking the top spot in 2017 as it did in the *Employee Benefits Salary survey 2014* when 84% of respondents were provided with this benefit by their employers.

Continuing this trend, private medical insurance (PMI) remains in second place, although a higher proportion of respondents receive this benefit now (75%) than in 2014 (59%).

Employee assistance programmes (EAPs) or counselling (73%), mobile phones (45%), and income protection or permanent health insurance (45%) complete the top five benefits received by respondents, outside of pensions, cars and share schemes. These benefits have also experienced an increase in popularity since 2014, when 43% of respondents had access to counselling or an EAP, 32% were provided with a mobile phone, and 28% received income protection or permanent health insurance as an employer-paid benefit.

04/05 Mental wellbeing

Mental health in the workplace has become a more prominent area of focus in recent years as a number of employers, with the support of charities, providers and industry bodies, have taken steps to increase the support mechanisms available to staff and open up the conversation around mental health.

However, more than a quarter (26%) of respondents do not have access to mental wellbeing support from their employer.

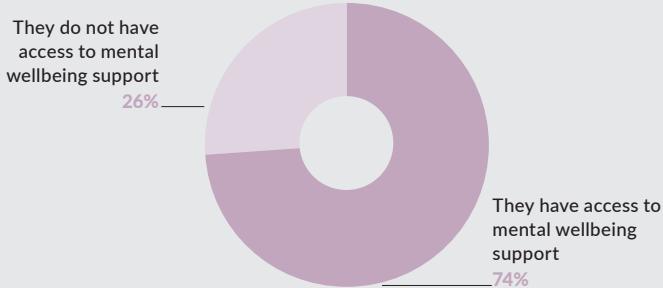
Of the 74% of respondents that are offered support in this area, employee assistance programmes (EAPs) are the most common means of doing so, with 95% of respondents' organisations providing staff with access to these. Flexible-working opportunities (59%) and occupational health support (55%) are also popular ways of helping staff manage their mental health. Somewhat worryingly, however, just 11% of respondents' organisations offer educational workshops on mental wellbeing.

06 Annual leave

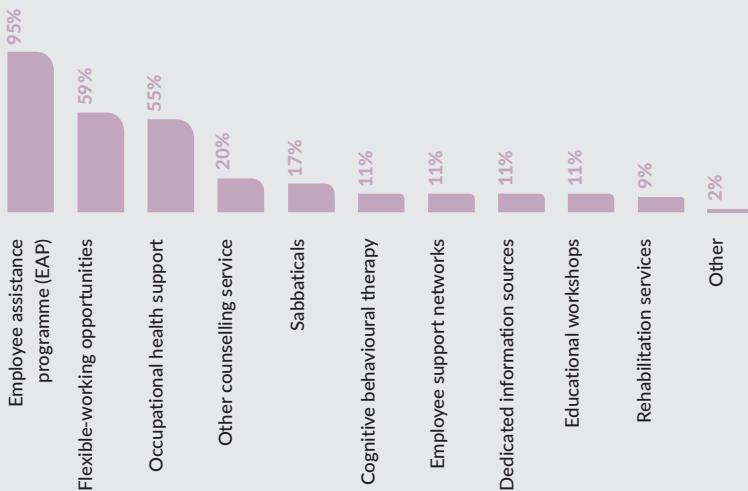
Around half (52%) of respondents receive 25–26 days of paid leave a year, excluding bank holidays, with a further 21% given 27–28 days' annual leave. Just 7% of respondents are offered more than 30 days of paid holiday, and 2% of respondents have an annual leave allowance of 17–20 days.

More than a third (39%) of respondents' organisations also offer extra holidays for long service, up from 30% in 2014.

04 Proportion of respondents who have access to mental wellbeing support through their employer Sample: All respondents (234)



05 The mental wellbeing support provided by respondents' employers Sample: All respondents who have access to mental wellbeing support from their employer (174)



06 The number of days of paid leave a year (excluding bank holidays) that respondents receive Sample: All respondents (248)





Share alike

Proportion of shareholders in their employer is similar to 2009

Louise Fordham | Deputy editor
Employee Benefits

01 Less than a quarter hold shares in their employer

Less than a quarter (23%) of respondents hold shares or share options in their current employer. This figure has changed little since the *Salary survey* was conducted in 2009 and 2008, when 26% and 25% of respondents, respectively, received shares as part of their remuneration package or through an employee share scheme.

In the 2017 survey, there is a slight discrepancy between the proportion of respondents who identify as female who hold shares or share options in their organisation (18%) and the proportion of respondents who identify as male (33%).

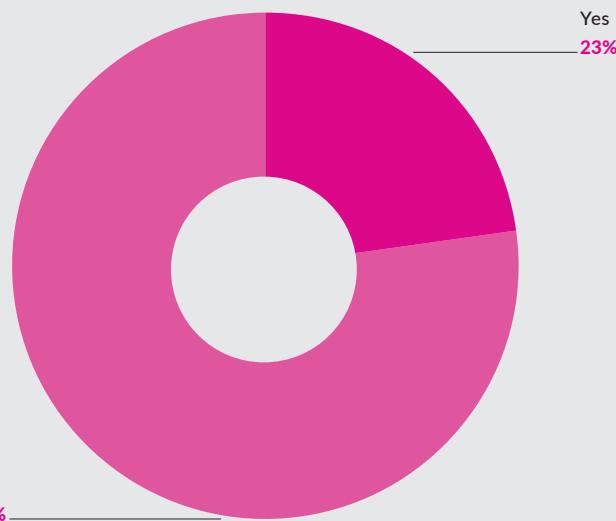
02 Sharesave and Sips come out top

Among all respondents, almost a third (30%) receive shares through an all-employee sharesave scheme, and just over a quarter (26%) receive shares through a long-term incentive plan (Ltip). This figure rises to 42% among male respondents, while 11% of female respondents receive shares through an Ltip.

The most common all-employee share incentive plan (Sip) through which all respondents receive shares is one that offers matching shares (21%). This is closely followed by a Sip offering partnership shares (19%). Just over one in 10 (13%) respondents who hold shares in their current employer do so through a Sip offering free shares.

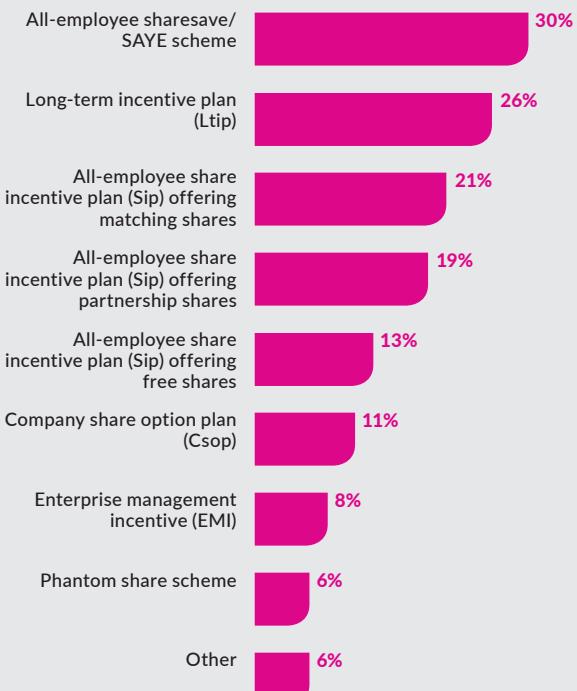
The proportion of respondents who hold shares or share options in their current employer Sample: All respondents (234)

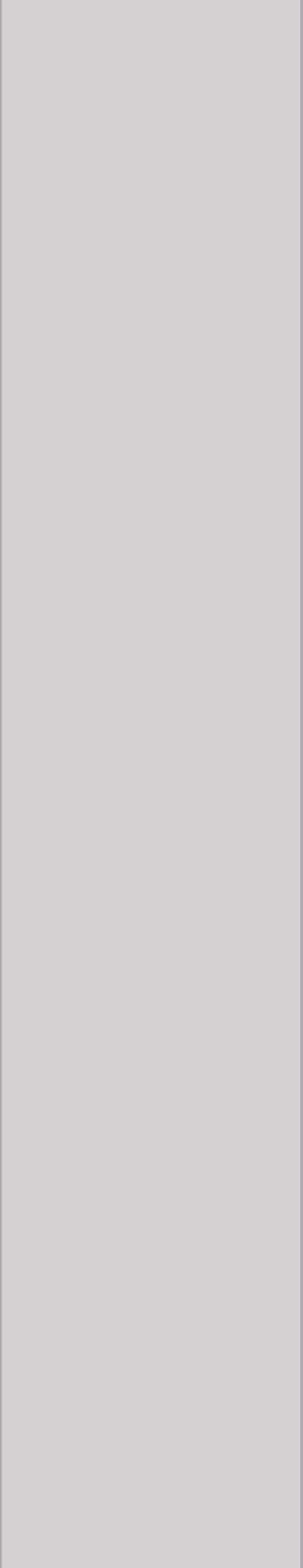
01



The type of scheme through which respondents receive or buy shares or options Sample: All respondents that hold shares or share options in their current employer (53)

02





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