



Employee

research 2020 - guidance
on providing the very best

Benefits



Table of Contents

2020 Employee Benefits Research

Page

3	2020 Employee Benefits Research
4-5	Key findings
6	Methodology
	Part 1 - Qualitative
	Part 2 - Quantative
7 - 8	Section One: Tell us about your company
9 - 16	Section Two: Pension Benefits
17 - 21	Section Three: Financial Education/Financial Advice
22 - 30	Section Four: Employee Benefits
31 - 40	Section Five: Health and Well-being
41	Brexit
42	Quantitative Survey Results
43	Industry Sectors
44	U.K Industry Sector Geographical Spread
45	Benefit Type by Employer
46	Benefit by Eligibility
47	Average Salary by Industry

Sector Overviews

48	Accommodation and food services
49	Admin and support services
50	Arts, entertainment and recreation
51	Construction
52	Financial and insurance
53	Healthcare and social work
54	Information and communications
55	Manufacturing
56	Professional, scientific and technical
57	Service sector
58	Transportation and logistics
59	Utilities
60	Wholesale and retail

2020 Employee Benefits Research

Overview

Welcome to the fifth edition of our annual research report that analyses the pensions and benefits landscape with firms throughout the UK.

Backdrop to this year's research

2020 is proving to be an unprecedented period of time. This year we are seeing enormous influences across the UK and worldwide which are impacting business, trade, the economy, and individuals. These challenges are distinctly different from any that have arisen in previous research.

At the start of 2020, the UK left the EU, whilst for many there was relief, for others this is fearful and uncharted territory and the implications of this change have not been fully realised. Simultaneously, nature and climate are having a huge impact globally. With natural disasters ranging from extreme fires in Australia, California, Brazil and Indonesia to catastrophic flooding in parts of the UK.

Increased upwards pressure and global climate awareness has resulted in movements such as Extinction Rebellion and Fridays for Future. Their narrative is proving challenging for some organisations and it is highly unlikely that the climate concern movements will prove to be a one-off phenomenon. The spotlight is on unethical and environmental supply chains like never before, requiring organisations to rethink their strategies.

At the time of publishing this research, the world is feeling the impact of a catastrophic global pandemic - COVID19. Every industry sector, company regardless of size, village and city has been impacted in some way. There has been inability to trade, company closures, restricted travel and financial hardship for many. The UK government response has been multifaceted in terms of exceptional support for business in the form of tax delays, loans, halting business rates, paying employee wages and help for the self-employed. We are still a long way from understanding the ultimate impact of this pandemic on our world and how it will shape our thinking around workplace practices, benefits and supporting employees in the future.

Undoubtedly many sectors we have included in this research, for example food retail, distribution, logistics and the care sector have been at the very forefront of our response to COVID-19 with their employees working on the front line. Other sectors such as manufacturing, engineering and the drinks industry have responded in different ways; by making ventilators and hand sanitizers. What this means for these sectors and their survival longer term we do not know yet.

What we do know is that impact of the current situation will be long lasting and very likely to influence commentary in reports for many years to come.

Key findings

As you will see 'pension and employee benefits levels', 'health and well-being' and 'financial education' continue to be the main themes of this research. We asked employers some additional questions this year about their readiness to cope with the next stages of auto enrolment. Specifically, how accurate they felt their pensions data is, and their views about including employees who are not currently automatically enrolled in their workplace pension arrangements. (see page 16)

Employers face many business challenges; global competition, multiple financial pulls on scarce resources increasing customer demands and legislation change. In addition, there is a landscape of growing inequality, low economic growth, an increasing aging population, plummeting employee engagement, increasing mental health issues and of course environmental crisis. As ever, in business, there are a number of factors that make investment decisions challenging for all kinds of companies, small and large. Understanding the efficiency and effectiveness of employee benefits, having confidence on the return on investment, and on your investment, and restructuring or investing in benefits packages where necessary is essential.

Increasingly, the impact and cost of wellbeing in organisations is something employers are focusing on. This can be considered in a multitude of ways; in terms of company performance, absence rates, quality/error rates, mental health, retention rates, succession planning, office harmony etc. Employers have a number of financial demands, so ensuring that funding for pensions and employee benefits is well spent is essential.

Employers opinion of the value of benefits

We were interested in capturing employers' views on the value and effectiveness of their benefits package. When we asked employers how confident they felt that their benefits package provided value for money, it is encouraging that just under 50% were confident and a further 20% were very confident that they were of value.

Staff satisfaction

Possibly the most surprising answer of this year's research, is that only 17% of employers ask their employees whether they are satisfied with their employee benefits. Employees are an expensive investment for companies, and it is important that employers engage with them to understand their understanding and appreciation of their benefits.

The accuracy of pensions data

The government is progressing the idea of a 'Pensions Dashboard' – a dashboard where employees can view all their occupational pensions in one place. It was estimated that this will be implemented in 2020. We asked employers "how is your dashboard readiness?" and "how accurate is your AE data?". We know the pension dashboard is something that has been on the government's agenda for a while and we know that employees would like to have one view of all their pension pots for ease.

Having analysed this year's results in detail, we wanted to highlight three key areas.

- The need for review – there is a need now more than ever to review benefits packages to ensure that they are appropriate and cost effective.
- Wellbeing – this unprecedented time has resulted in working circumstances that were unthinkable. Most workers are now working remotely, there are feelings of isolation, fear and uncertainty which can lead to a greater strain on mental health. Both employers and employees are finding ways to navigate through this storm and the need for mental health awareness and support from employers is more important than ever before.

- Financial Advice – We are in a period of global uncertainty. Governments are trying to avoid plummeting into mass unemployment and poverty. Severe downward market trends are forecast, and pension pots may be significantly less than expected when compared to this time last year. Employees in their 20's have a much longer timeframe to stabilise pension savings but those employees in their 50's are in a much more precarious position.

Methodology

Towards the end of each year, we review feedback from the previous year's research, we consider our current research needs, and those of our partners and look at the external macro environment. We use this to build a new questionnaire. Our approach consists of two parts. The first stage is to interrogate our extensive database of UK employers and extract a sample from a wide range of industry sectors to provide the qualitative research. For the second stage we use a custom-made questionnaire as the basis for thousands of phone conversations to gather qualitative feedback.

Part 1 - Qualitative

The first section of this report summarises the qualitative research and is a summary of the feedback from our interviews. We made over 10,000 phone calls between December 2019 and March 2020. As you can see on page 8 we gathered responses from a wide mix of industry sectors. We had in-depth conversations with 300 company decision makers (see page 8 for their roles). The first part of the report summarises this comprehensive analysis on topics such as benefit provision, financial education, and well-being in organisations.

Part 2 - Quantitative

We have several objectives for this research, but the key element is to provide robust, unique and reliable insight. Both the dataset and interviews provide a randomly selected company profile from which we gather initial ideas and start to identify trends. This research enables employers to benchmark their employee benefits against other companies in their own sector and with other sectors.

We aim to understand any underlying drivers and motivation with regards to benefit trends, and we have found conducting research in two distinct parts and sourcing firms across sectors, sizes and geography provides a rich indicative picture. We also compare the insight we gather with the narrative elsewhere, for example from governing or trade bodies to establish what the actual behaviours behind the prevalent trends are.

Section One: Tell us about your company

Your Role

These are the roles of the participants who took part in the 2020 phone survey research. Every contributor is a benefits decision maker in their organisation. Frequently we have to make several calls in order to reach the busy people in our target profile. This is a labour-intensive process but an excellent way to gather rich data on employers' views and opinions.

Owner / Partner	43
Finance Management	71
HR Management	186
TOTAL	300

Size of Firm

We measure the size of firm in terms of the number of employees. Each company size in our segmentation was well represented as you can see below. This year we had just under 50% of larger sized companies in our selection.

Small (1-100)	59
Medium (101-250)	94
Large (250+)	147
TOTAL	300

Average Employee Salary

We gave employers a large number of average salary bands to choose from – between £10,000 and £65,000, and respondents estimated their average salaries. We have grouped salaries into the 5 bands below and the largest salary bracket in this year's sample with 44% was between £25,000 to £35,000.

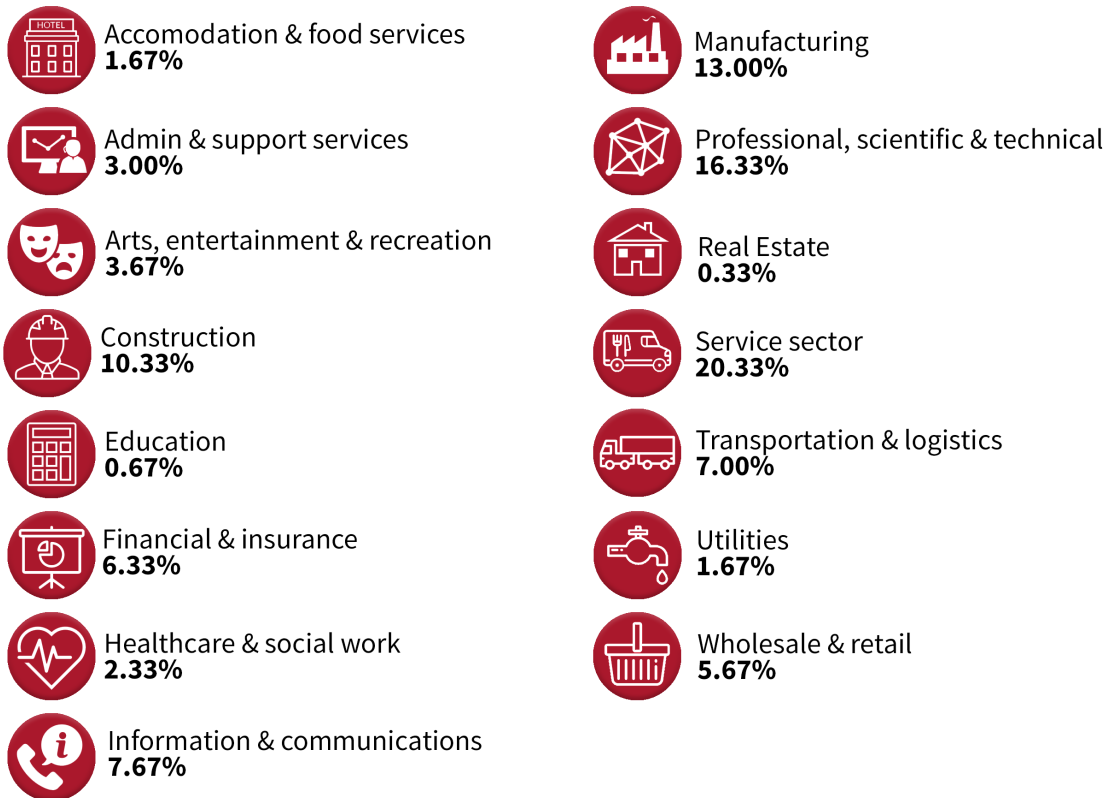
Average Salary	No. of respondents
Below 15K	1
Between 15K - 25K	69
Between 25K - 35K	151
Between 35K - 45K	49
45K +	30
TOTAL	300

Geographic Spread

Our respondents came from England, Scotland, and Wales (Northern Ireland was excluded). All main UK regions were well represented with a concentration spike in London and the South West.

Industry Sector

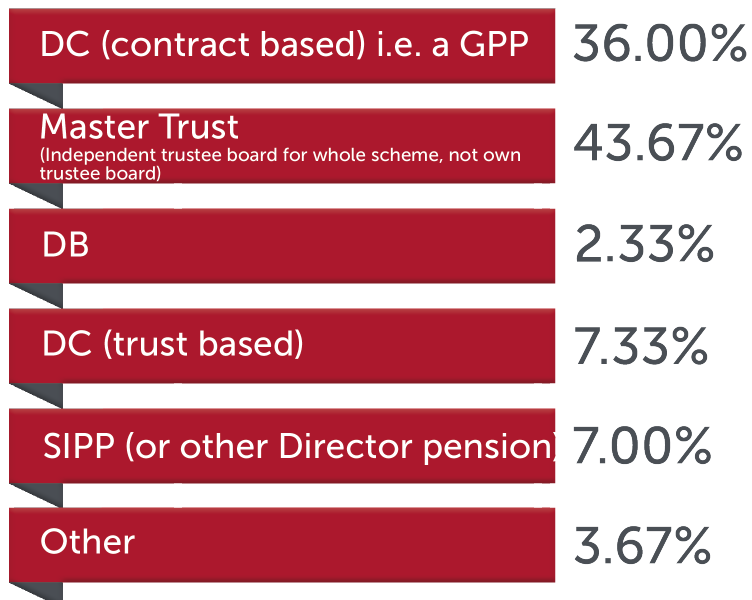
Standard Industry Classifications (SIC coding) groups occupations with similar activities together. Respondents in our survey fell into the following industry sectors. As you can see, we have a wide spread of sectors represented, with the largest UK sectors well represented.



Section Two: Pension Benefits

What type of pension provisions do you offer?

This year we see that Master Trust (Independent trustee board for whole scheme, not own trustee board) proved to be the most popular type of pension (44%) in our sample, closely followed by GPP (36%). This is a drop from last year where we saw 68% GPP (2019) and 64% GPP (2018). We have seen the gradual rise on popularity of Master Trust over the last 3-year period.



For your main pension what number of employees are eligible?

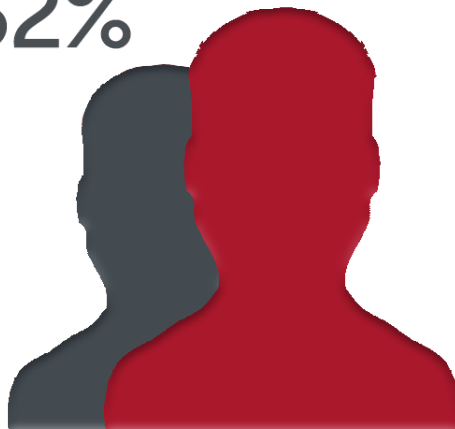
Size of Company	Percentage
1 - 100	90%
101 - 250	94%
250+	82%

How many employees are active members?

Size of Company	Percentage
1 - 100	69%
101 - 250	66%
250+	64%

Do you have a formal review governance process?

NO 32%



It is encouraging to see that just under 70% of the companies we spoke to have a formal governance process in place.

YES 68%

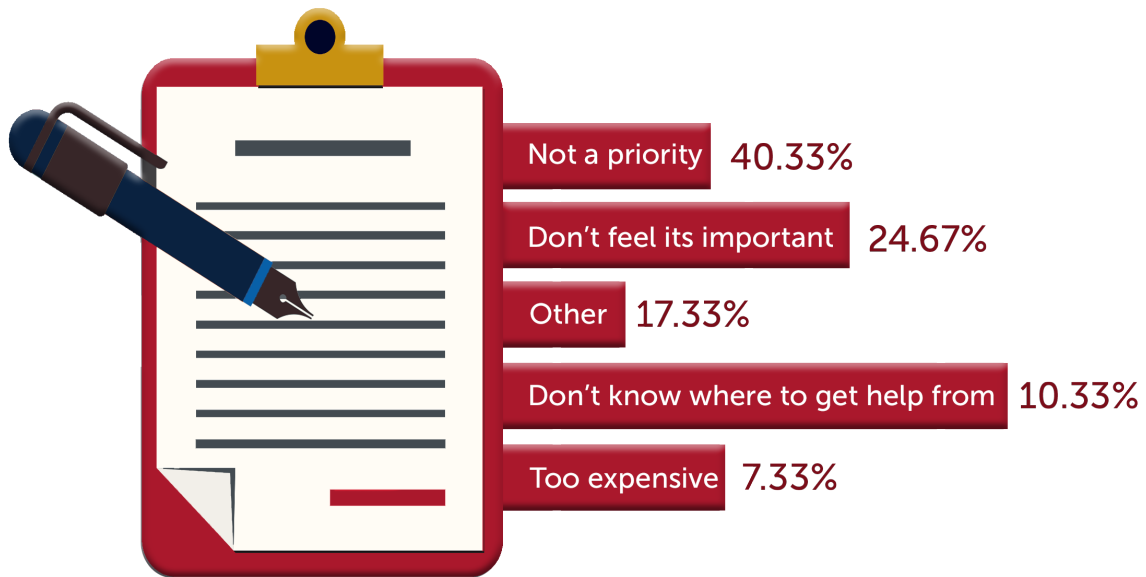
How often do you review your pension benefits?



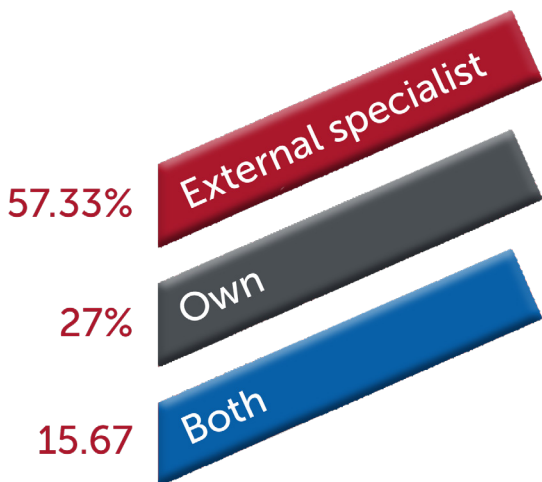
Almost a third of employers surveyed have not reviewed their pension for more than 2 years.

What prevents you from reviewing your pension benefits more often?

The most common reason employers gave for not reviewing their pension benefits more often, was that it was not a priority. If we look at this answer in conjunction with the answer to the previous question, we see that a significant number have not reviewed for more than 2 years, for many, reviewing pensions has not been a priority for quite some time. They risk offering a benefits package that is ineffective, outdated and more expensive than current market standard. It is also interesting that 1 in 10 employers said they do not know where to go to get help to review their pensions package.

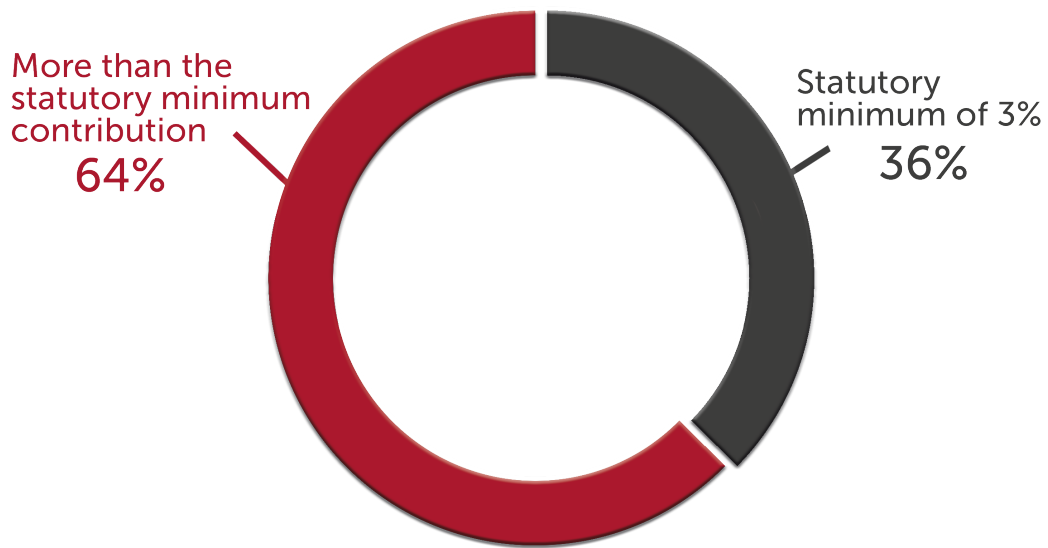


Do you use an external pension specialist to review your pension(s) or your own people?



We see a drop here from 2019 research where 70% of employers said they only use an external specialist to the current level of 57% engaging only with a pension specialist.

What employer pension contributions do you make?

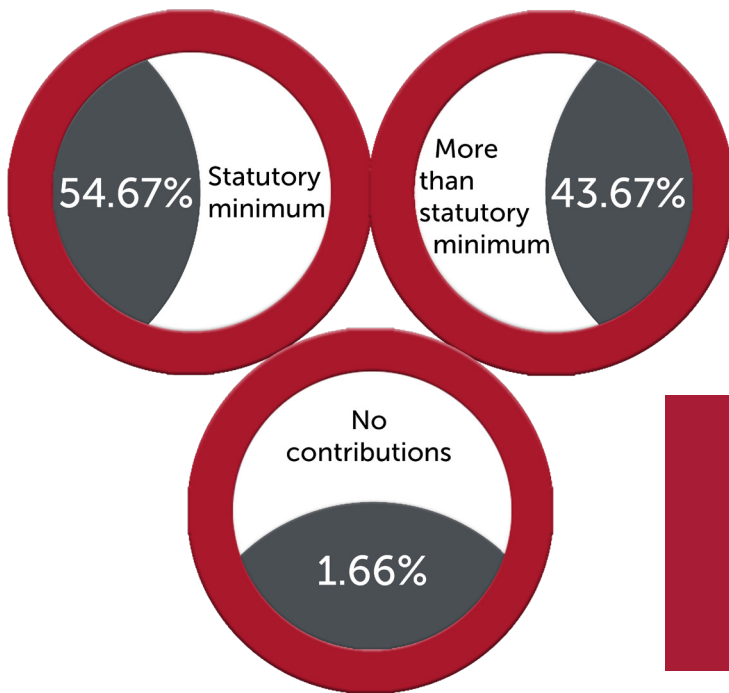


As you contribute more than statutory minimum what % do you make?

Maximum Contribution	% of Respondents
4%	17%
5%	32%
6%	16%
7%	9%
8%	10%
9%	3%
10%	8%
11%	1%
12%	3%
13%	1%
14%	1%
15%	2%

***These figures are rounded up to the nearest decimal point and therefore total more than 100%

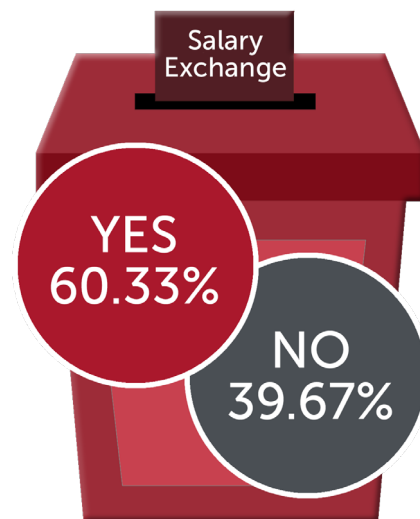
What contributions do your employees make?



55% of employees are only making the statutory minimum pension contribution

Do you offer salary exchange for employee pension contributions?

6 in 10 companies are taking advantage of a tax efficient scheme set up utilising salary exchange. Salary exchange can have significant benefits for both the employee and the employer which the other 40% of employers may be missing out on. From the following table it is clear that 20% of employers were not aware of the benefits available from salary sacrifice.



If No – why not?

Options	% of Respondents
We are happy with what we already provide	46%
We are not aware of the benefits of salary exchange	21%
We do not feel that it would be popular with our workforce	9%
We have no expertise in place to implement this	21%
We intend to in the future	3%

How valuable is your workplace pension in helping you? (1 being low and 5 high)

Retaining existing staff

Rating	% of Respondents
5	0%
4	60%
3	20%
2	16%
1	4%

Recruiting new staff

Rating	% of Respondents
5	0%
4	59%
3	17%
2	16%
1	8%

Succession planning

Rating	% of Respondents
5	0%
4	8%
3	32%
2	28%
1	32%

Managing an ageing workforce

Rating	% of Respondents
5	8%
4	16%
3	36%
2	28%
1	12%

It is encouraging that the majority of employers (60%) thought the pension scheme brought positive value in retaining existing staff and recruiting new staff.

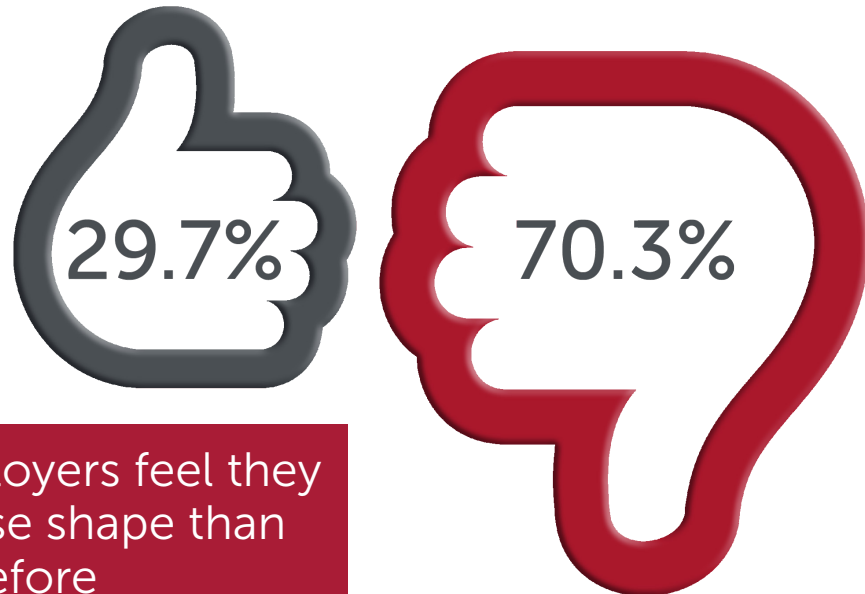
Employers were mostly negative or neutral regarding how valuable their pension scheme is in helping them succession plan.

There was a very mixed result in terms of employer's views on how valuable their pension scheme is in managing an ageing workforce, where the numbers are much more widely spread.

It is also worth reminding here that we have a greater mix of larger organisations with over 250 employees this year compared to last year. On page 8 in the small category (1-100) we had 140 companies 2019 and 59 in 2020. In the large category of (250+) we had 92 in 2019 and 147 in 2020. It is encouraging that even those employers at the much larger end of the spectrum, with perhaps a bigger percentage of staff on low earnings, or with a greater challenge with employee engagement, still see workplace pensions as an effective tool in retaining and recruiting.

Do you feel that your potential budget for pensions and employee benefits is in a better or worse position than this time last year?

This is a new question added for the first time this year. We wanted to ask employers directly whether they felt in better or worse shape this year. Employers told us that 70% felt their budget was worse and only 30% felt that their budget was better than the same time last year. This a red flag from employers, struggling to invest in their existing benefits package at a time when the government agenda is to push ahead and extend pensions savings to a greater number of employees, namely younger people and those excluded groups on fixed or short-term contracts.



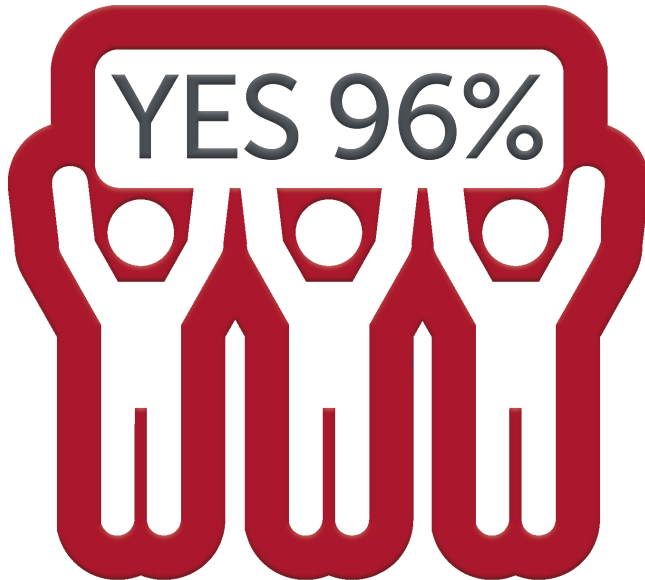
The government plans to roll out auto enrolment further by increasing take up for young people and quasi workers (part time/contractors). What do you think the impact will be on your business?

Rating	% of Respondents
This will be difficult for me to manage and report on because I have a high turnover of contract staff	4%
This will be a concerning financial burden for us	12%
It will not be an issue as we have few contract or younger staff	48%
This is a positive step to include more workers in pensions for their long-term security	32%
Other (explain)	4%

Interestingly, we get the opposite signals in the answers from this question than the one previously. When asked for their opinion on including additional groups of employees into pension savings 32% thought this was a positive step and only 16% expressed any concern for this change.

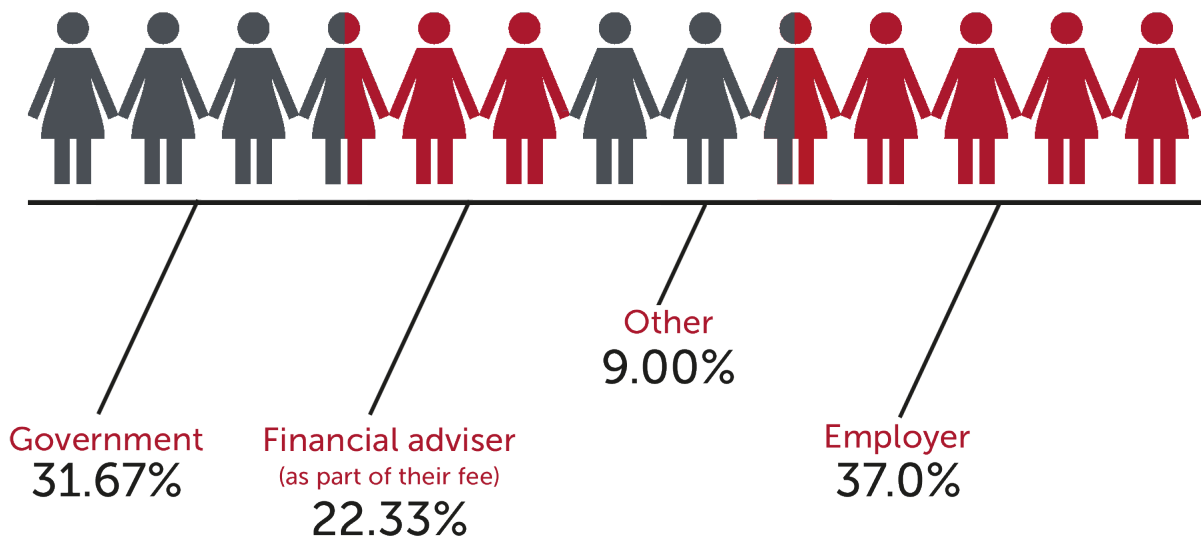
Section Three: Financial Education/Financial Advice

Is financial advice something you feel your employees would value and benefit from?

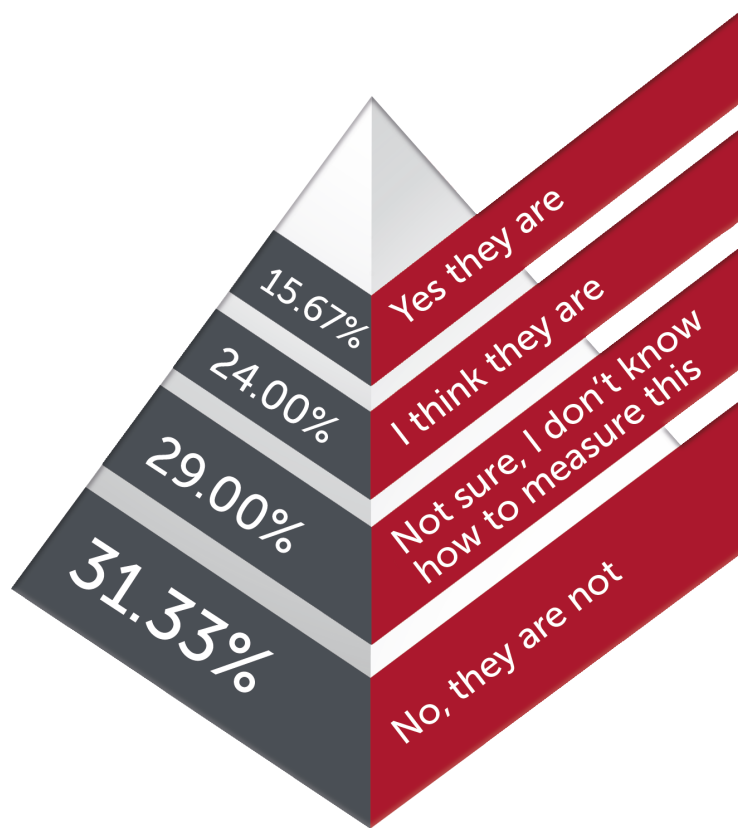


The results here are emphatic, the majority of employers know that their employees would benefit from financial education

Who has the main responsibility to provide financial education for employees?

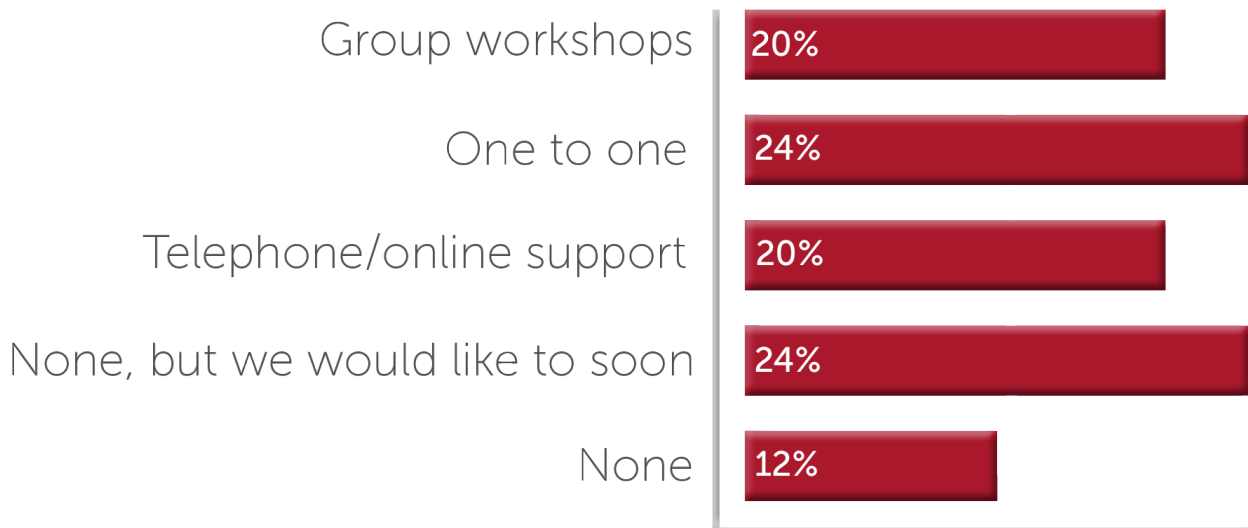


Are your employees making adequate provision for retirement?

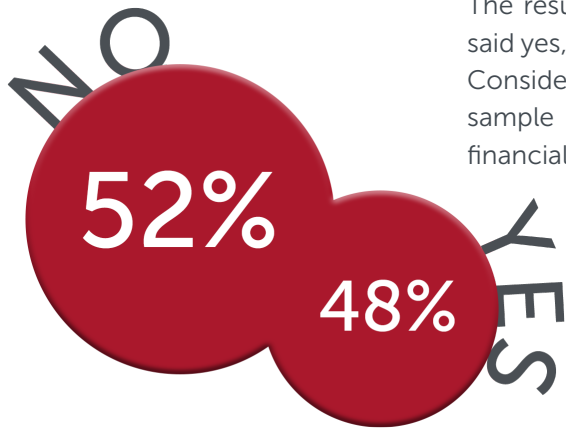


The answers here have been pretty stable for a number of years now, employers are aware that many of their employees are not making adequate provision. Just under 30% of employers said that they were not sure and did not know how to measure this. We had a strong impression from many during our conversations that they had not thought about this before being asked.

What methods do you use to deliver financial education in the workplace?



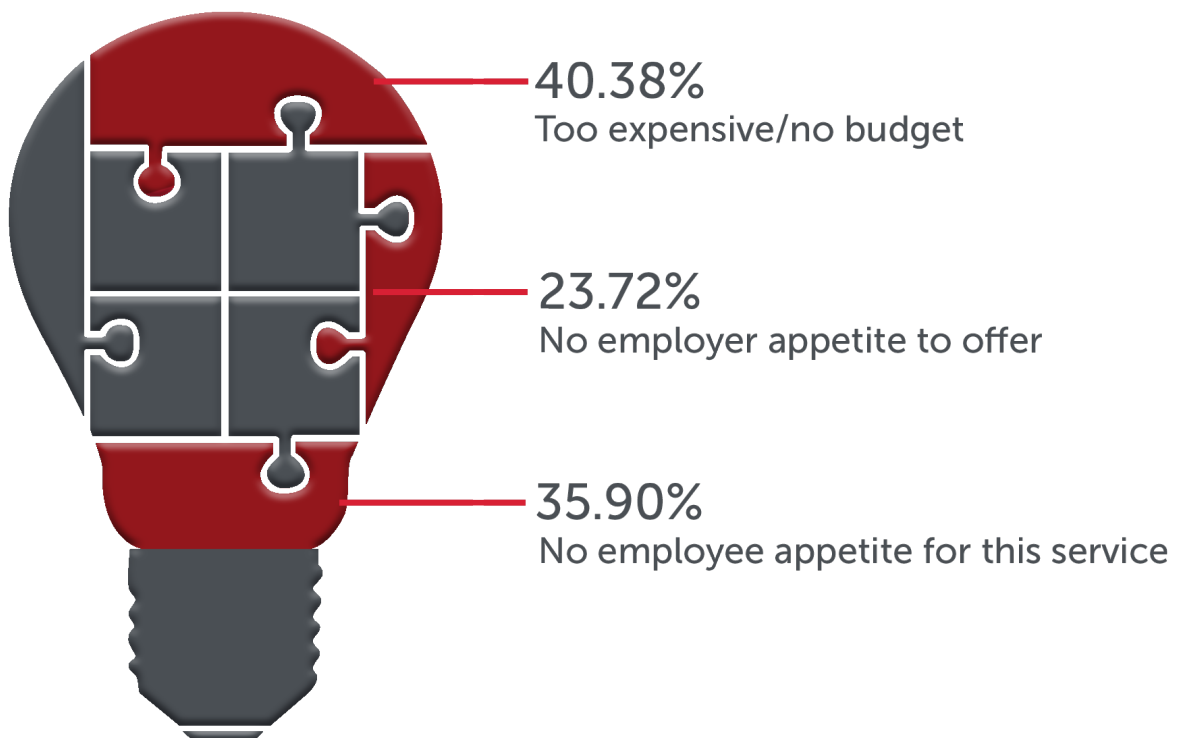
Do you offer employees access to financial advice?



The result to this question surprised us, while 48% of employers said yes, 52% said they did not offer financial advice for employees. Considering the proportion of larger sized companies in our sample this year we were surprised that so many do not offer financial advice at this time.

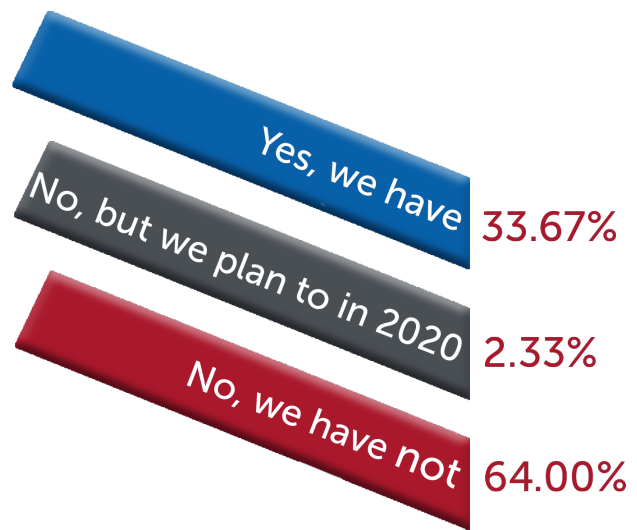
If you do not provide financial advice in the workplace, why not?

When we probed a little further, for the reasons why they do 'not' offer advice, 40% said it was too expensive, 24% said there was no appetite for providing within the company and 36% felt their employees were not interested in it. It is interesting that the majority, 64%, were negative about their ability to provide financial advice. When we look at this in conjunction with Page 18 where 96% of employers said that financial education was something they thought employees would benefit from, where is advice and education going to come from?



Has your company set aside budget to pay for financial advice?

Encouragingly 34% have set aside budget and a further 2% expect to do so this year. The majority however, have no plans to support financial advice.



Do you offer pre-retirement guidance or courses for employees?

Again, this surprised us. The majority of employers, having encouraged employees and paid into their pensions savings do not offer pre-retirement guidance at such a critical time for their employees.



Do you provide specific support for those employees near 55 who can access pension savings?

Similarly to the question above, we were surprised that 64% of employers do not provide specific support for this group of employees at such a critical decision-making time.

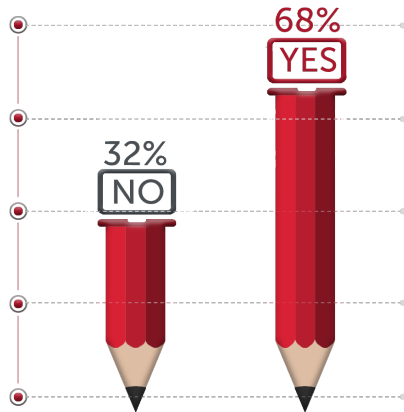


Given the extensive amounts of savings already withdrawn from DB pensions and concern about the growing number of pension scams, do you feel duty bound to provide education and support to those employees in this age bracket?



Section Four: Employee Benefits

Do you provide employees with regular updates on their employee benefits?



It is encouraging to see that the majority of employers (68%) provide regular updates on employee benefits.

If yes, how do you update employees?	% of Respondents
There are regular updates throughout the year in newsletters and on noticeboards	39%
We have staff meetings or seminars	19%
There is an annual review date when all employees are provided with information	30%
Employees can review and change their benefits when they have a life event	12%

Do you know what your Total Reward Value is?



This is a new question this year. We know that increasingly TRV (Total Reward Value) is important for employers to understand in terms of their overall funding for benefits and their return on investment, it is also a communications tool with employees to let them see the investment that is made for them in addition to salary. We were surprised in this sample that 42% were not aware of what their TRV is. Perhaps even more surprisingly was the next result that 72% do not communicate around their TRV.

Do you communicate your Total Reward Value to staff?



Do you ask about satisfaction with your employee benefits in a staff survey?

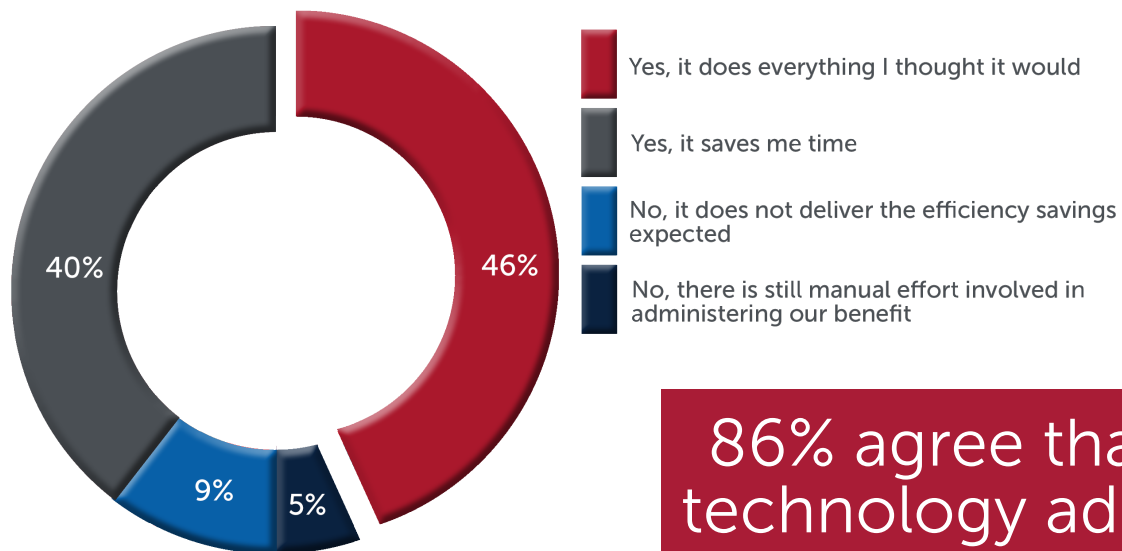
Possibly the most surprising answer of this year's research, is that only 17% of employers actually ask their employees whether they are satisfied with their employee benefits. Pensions and employee benefits are such an expensive investment for companies, it is quite incredible that so few actually ask their staff do they have the kind of benefits that they want.

YES	17%
NO	40%
No, we do not survey our staff	43%

Do you use technology for any of the following? (More than 1 could be chosen)

Area	% of Respondents
Administer payroll	79%
Pension contributions	88%
Auto enrolment	73%
Employee benefits	72%
All employee pension and benefits communication	49%
App functionality	4%
Do not use technology	8%
Other	0%

Do you feel that the investment you made in technology has provided value for money?



86% agree that technology adds value!

How important is it to you to have responsive employee benefits management information?

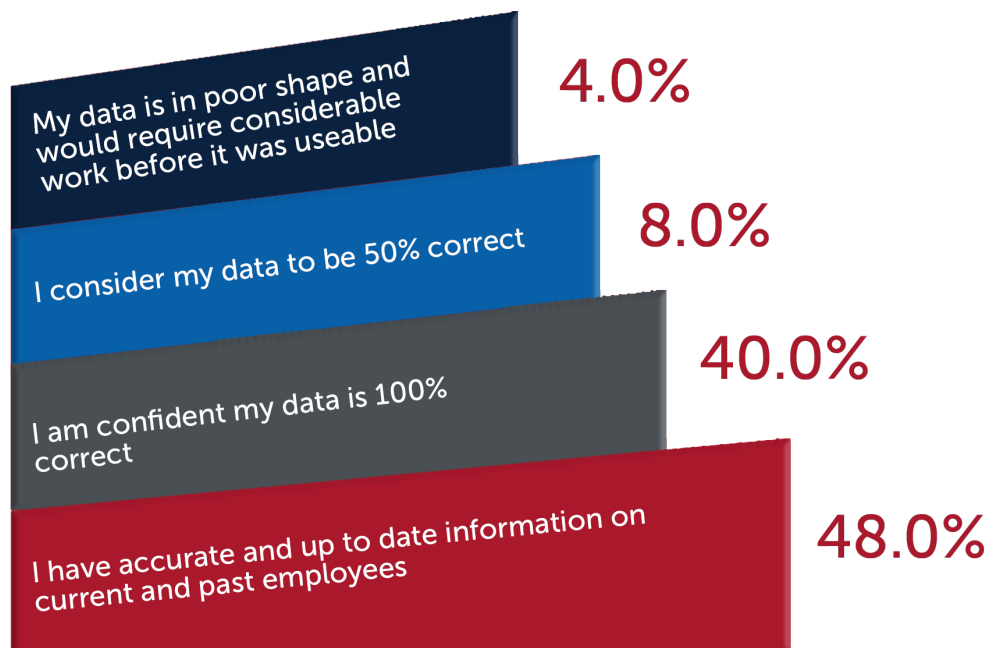
(for example, that shows how many of your staff log on to your EB app, how many request services, or use an EAP, or buy retail vouchers)

The results here would indicate a desire from employers to have more information available on employee benefit usage and take up.

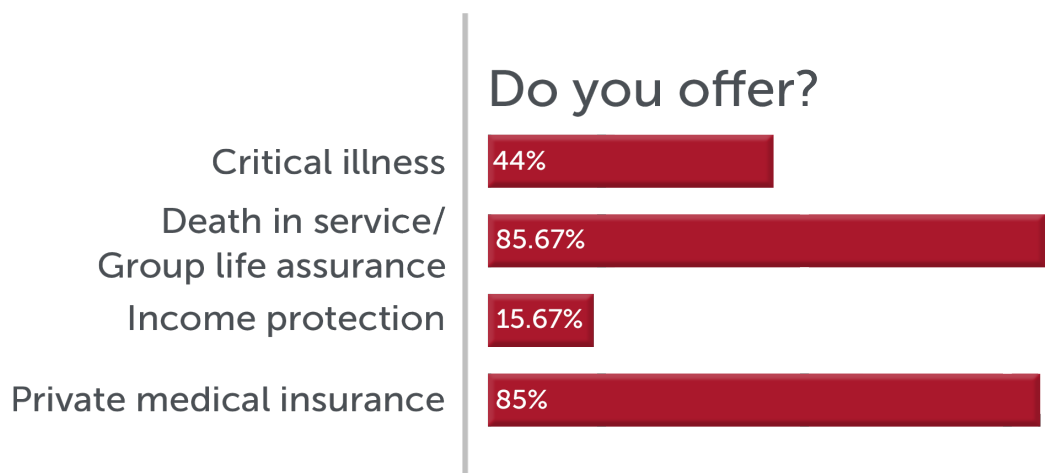
Not important	36%
Very important	34%
Something we want in the future	30%

The government is progressing the idea of 'Pensions Dashboards' – a dashboard where employees will be able to view all their occupational pensions in one place. It is estimated that this will be implemented in 2020. How is your dashboard readiness? How accurate is your AE data?

A really positive endorsement here from employers on the data they hold on their systems regarding pension information on their employees. We know pension dashboard is something that has been on the government's agenda for a while and we know that employees would like to have one view of all their pension pots for ease. It is heartening to know that such a large sample here are confident they are ready to provide accurate information



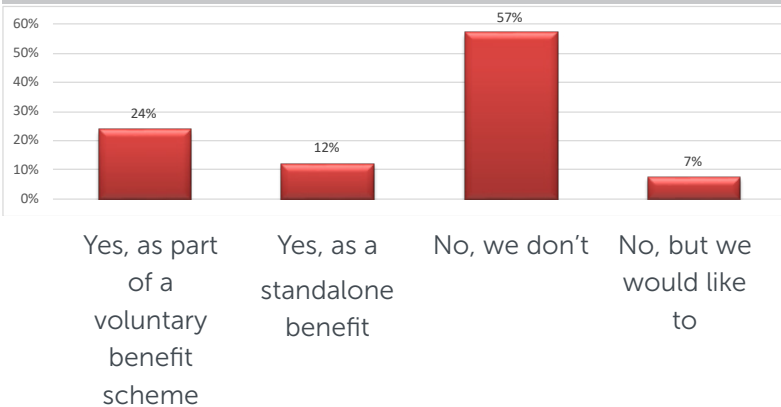
What benefits do you offer?



What additional benefits do you offer?

Many companies have made great efforts to differentiate themselves with their employee benefits offering. Particularly small niche agencies and innovative companies often publicise examples of innovative benefits and perks, such as proud parent's day, wedding leave and duvet birthday days. In this section we asked employers about additional benefits and how they are funded.

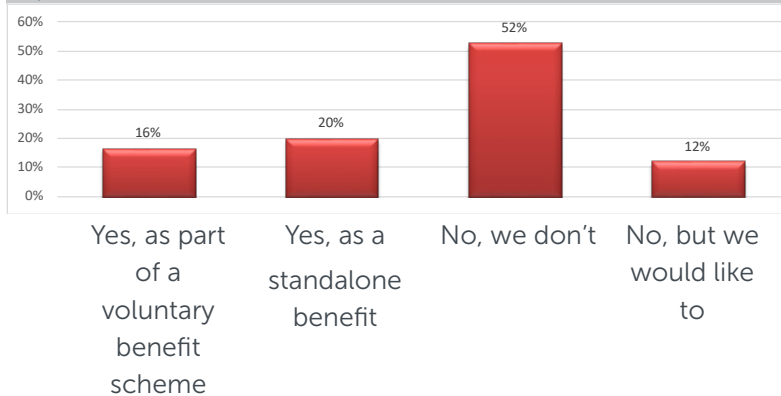
Dental



% who said 'Yes' they provided benefit

Funded by	% of respondents
Employer funded	14.0%
Employee funded	66.4%
Mixed funding	19.6%

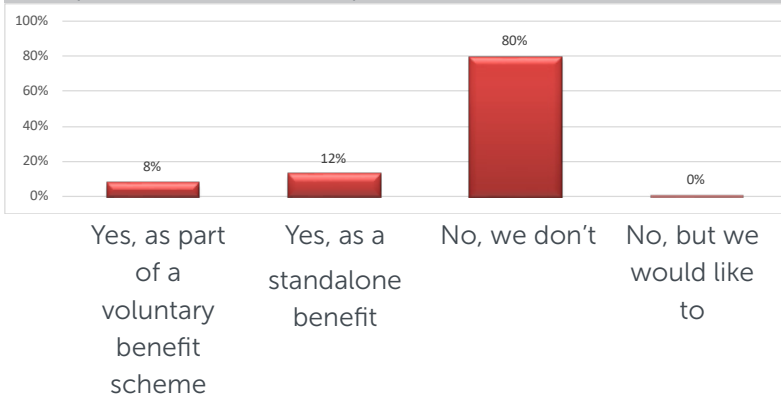
Optical



% who said 'Yes' they provided benefit

Funded by	% of respondents
Employer funded	41.7%
Employee funded	17.6%
Mixed funding	40.7%

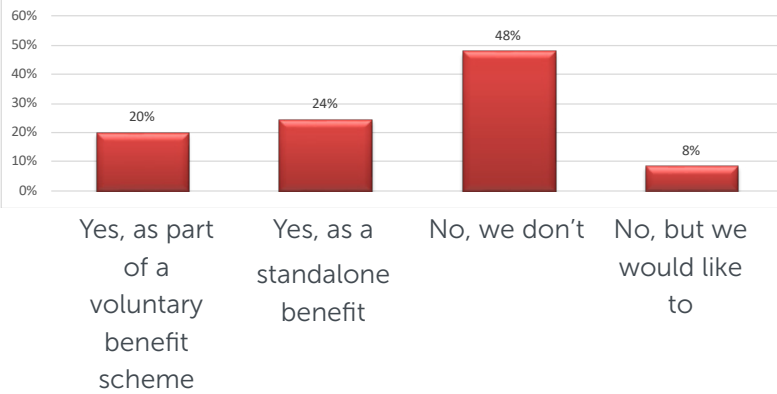
Transport/season ticket/car park loan



% who said 'Yes' they provided benefit

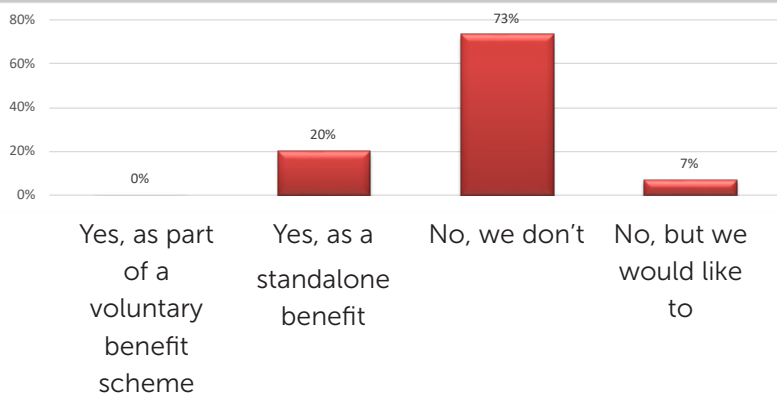
Funded by	% of respondents
Employer funded	45.0%
Employee funded	20.0%
Mixed funding	35.0%

Bike to work



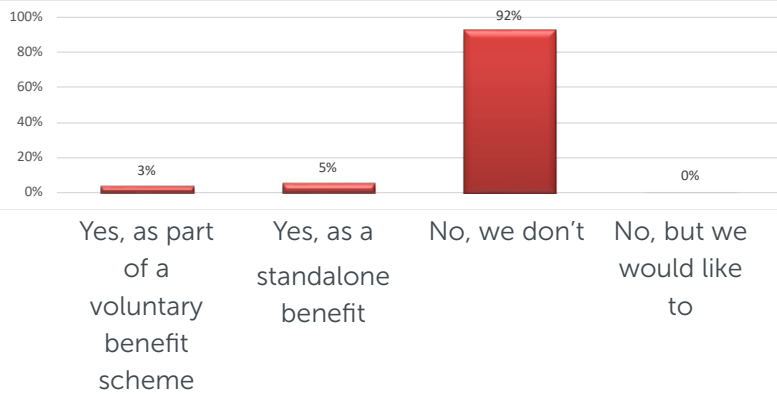
% who said 'Yes' they provided benefit	
Funded by	% of respondents
Employer funded	23.5%
Employee funded	58.3%
Mixed funding	18.2%

Gym membership



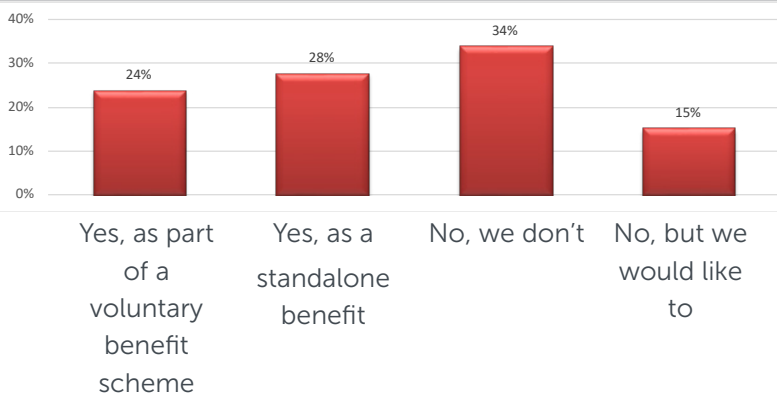
% who said 'Yes' they provided benefit	
Funded by	% of respondents
Employer funded	38.3%
Employee funded	50.0%
Mixed funding	11.7%

Dining Cards



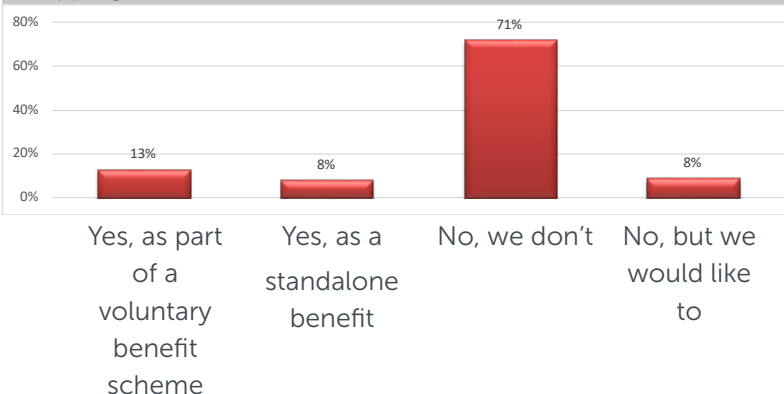
% who said 'Yes' they provided benefit	
Funded by	% of respondents
Employer funded	45.8%
Employee funded	54.2%
Mixed funding	0.0%

Childcare/nursery vouchers



% who said 'Yes' they provided benefit	
Funded by	% of respondents
Employer funded	37.0%
Employee funded	52.6%
Mixed funding	10.4%

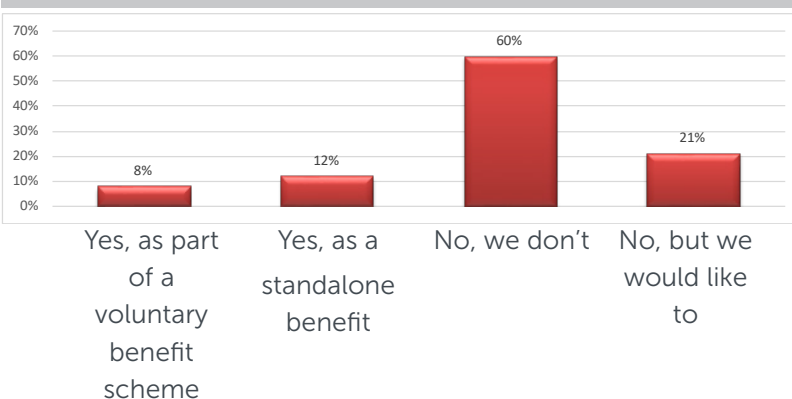
Shopping vouchers



% who said 'Yes' they provided benefit

Funded by	% of respondents
Employer funded	14.8%
Employee funded	85.2%
Mixed funding	0.0%

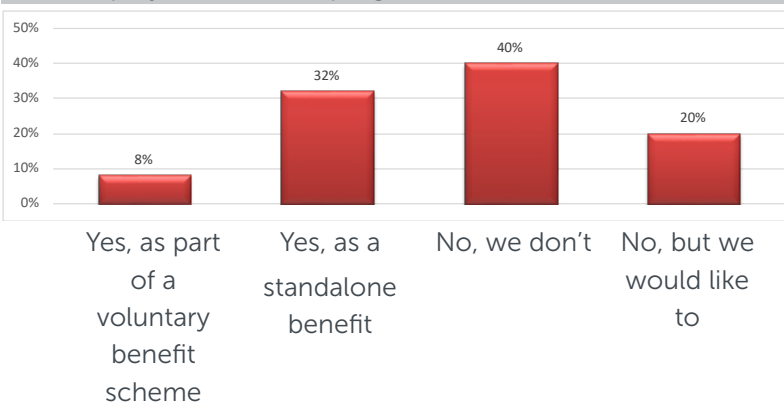
Perks and rewards scheme



% who said 'Yes' they provided benefit

Funded by	% of respondents
Employer funded	36.2%
Employee funded	55.2%
Mixed funding	8.6%

EAP (employee assistance programme)

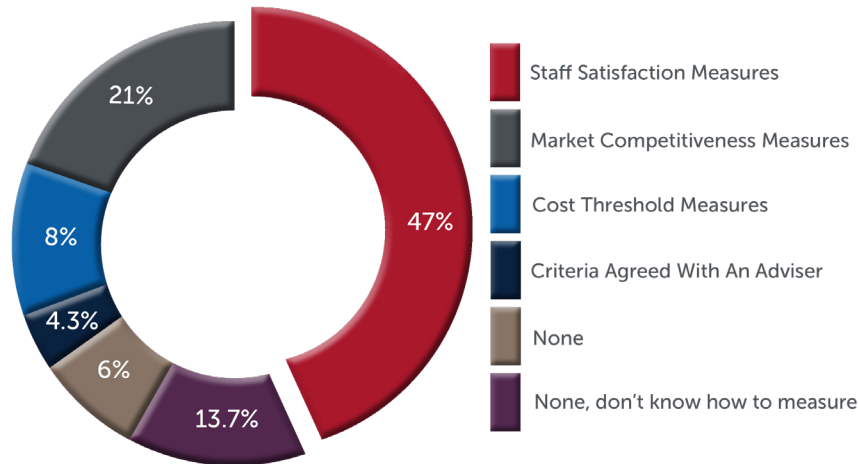


% who said 'Yes' they provided benefit

Funded by	% of respondents
Employer funded	82.5%
Employee funded	14.2%
Mixed funding	3.3%

What criteria do you use to measure the effectiveness of your benefits package?

Staff satisfaction continues to be the key driver for most employers when both measuring the effectiveness and for offering a range of employee benefits. This has been a consistent result across several years of research, showing that employers view employees' opinions as the most important factor.

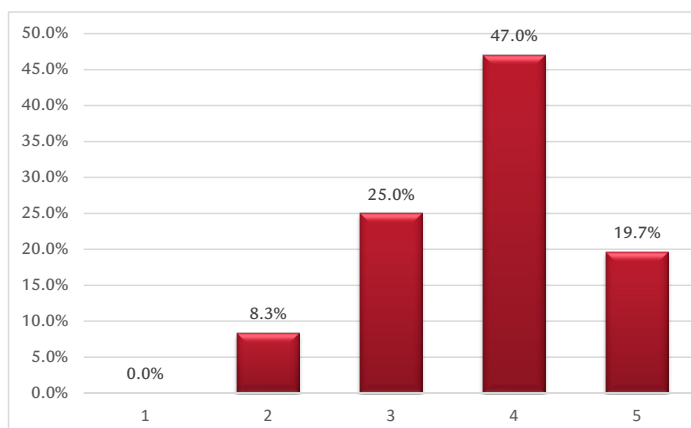


Which is the most important reason for offering the range of benefits you provide?

	2019	2020
Cost	20%	24%
Range of choice	7%	15%
Popularity with staff	35%	29%
Recommended by adviser/accountant	9%	8%
Historical benefits package	25%	20%
Not yet reviewed	5%	4%

How confident do you feel that the benefits package you provide offers value for money? (1 being low to 5 high)

When we asked employers how confident they felt about their benefits package providing value for money, it is encouraging that just under 50% were confident and a further 20% were very confident that they were of value. Very few employers (8%) said they were not confident their benefits were value for money. Looking at this result along with the earlier answers regarding the effectiveness of employee benefits in recruiting and retaining staff then these highlight that benefit packages in our sample firms are delivering a significant return on investment.

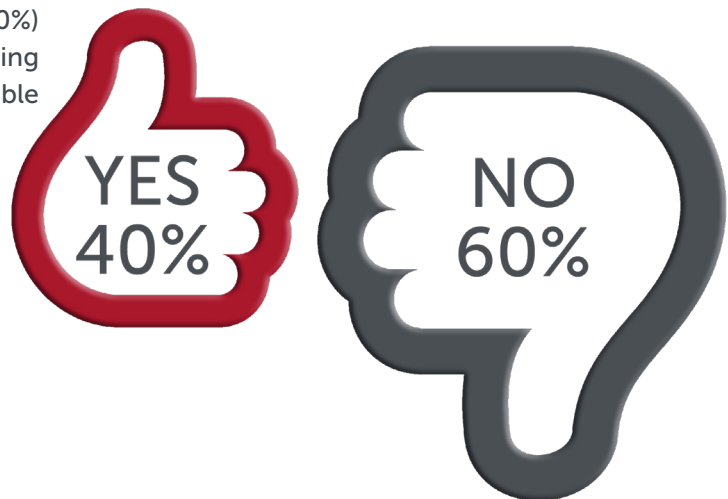


Why do you provide employee benefits?

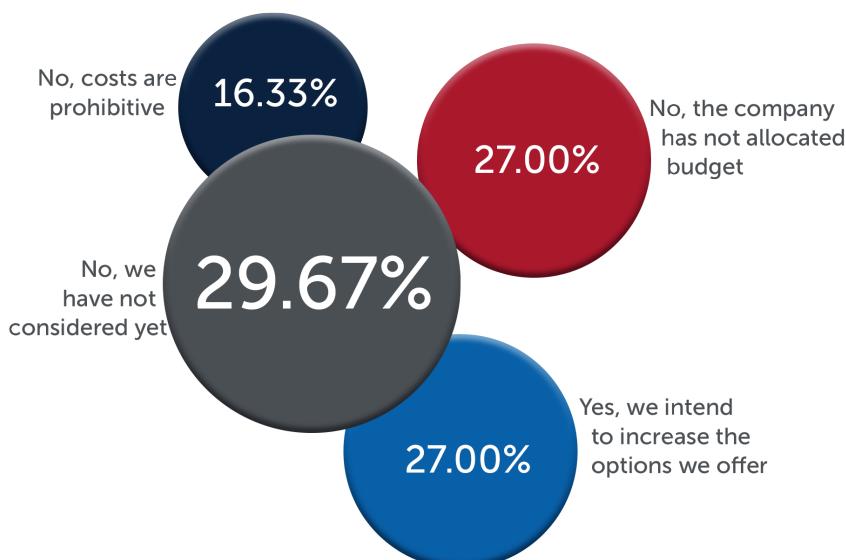
We realise how important providing a competitive package is in recruiting and retaining best quality staff	35%
We want to provide a range of benefits that meet the needs of our diverse workforce	15%
It makes employees feel secure about jobs with this company	14%
Our benefits package is competitive and together with tax benefits it makes it cost effective for us to offer	12%
We feel that providing a good range of employee benefits supports our company goals and strategy	10%
We know that our staff value the benefits and reward package in place	14%

Do you offer a formal flexible benefits scheme with flexibility in the choice of benefits?

The highest proportion of employers (60%) said no, with the remaining 40% confirming that yes they did offer employees a flexible choice in their benefits.



Do you intend to improve your employees benefit package in the next 12 months?



We have seen this figure stay more or less stable for several years. Most employers (73%) do not intend to improve their benefits package in the coming year, with just under 30% intending to increase the options they offer.

Section Five: Health & Well-being

Do you have a specific health and well-being strategy?

YES	57%
NO	43%

43% said no and of those people who said no, we asked a further question. If you do not have a specific health and wellbeing strategy, why not?



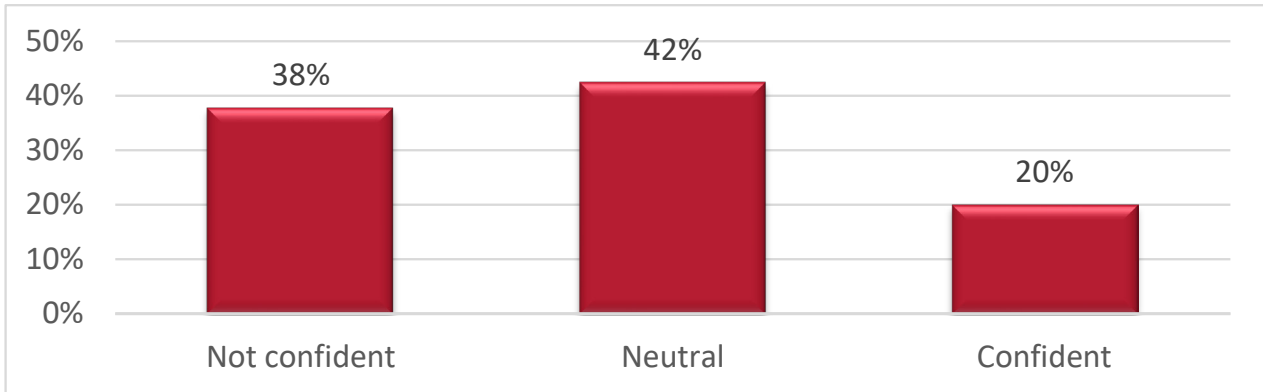
Do you think there is a link between employees financial wellbeing and their physical and/or mental well-being?

YES	90%
NO	10%

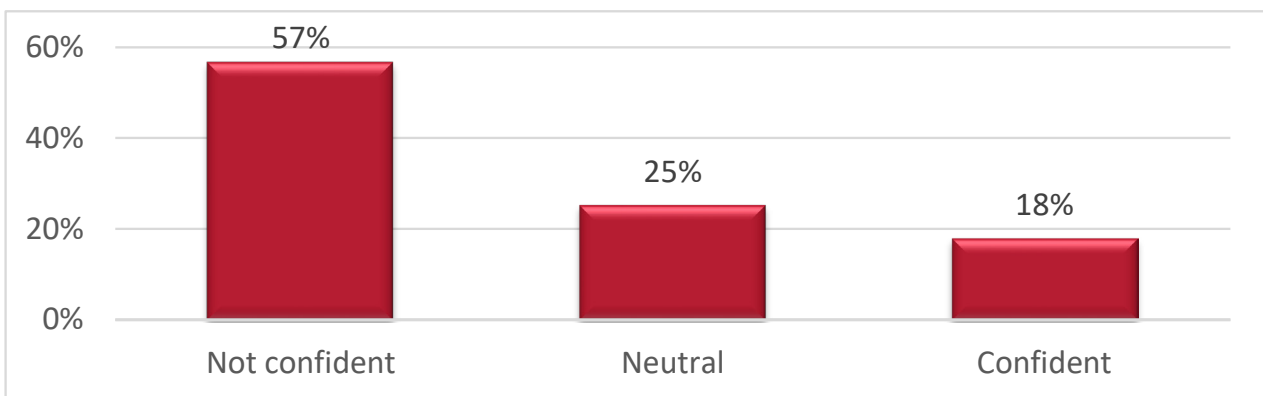
90% of employers said yes and this has been a consistent result for a number of years.

How confident are you about providing employees with support on the following?

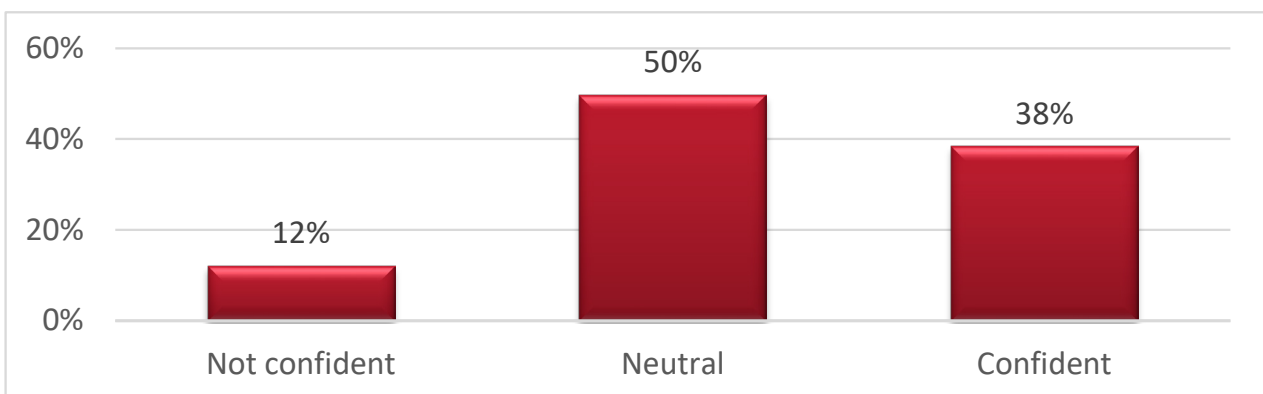
Budgeting



Debt management

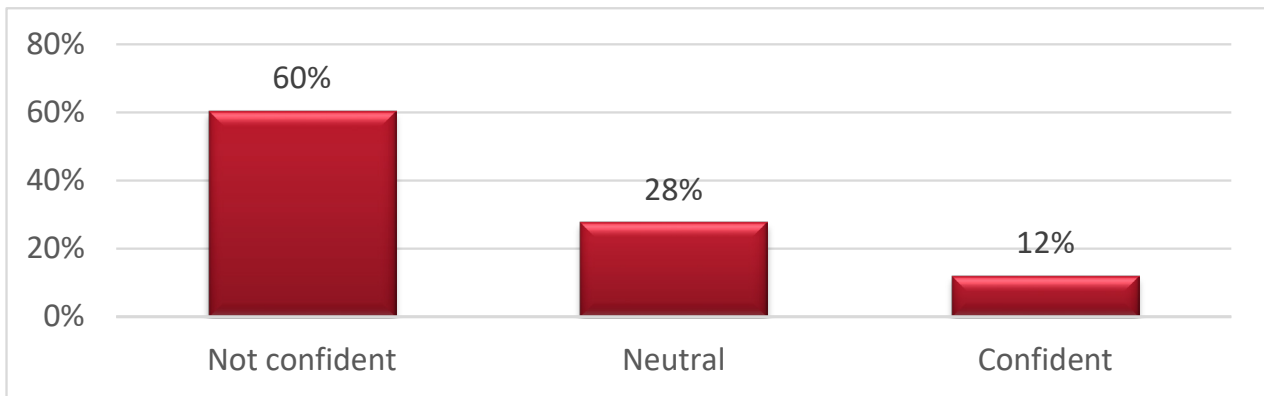


Pensions

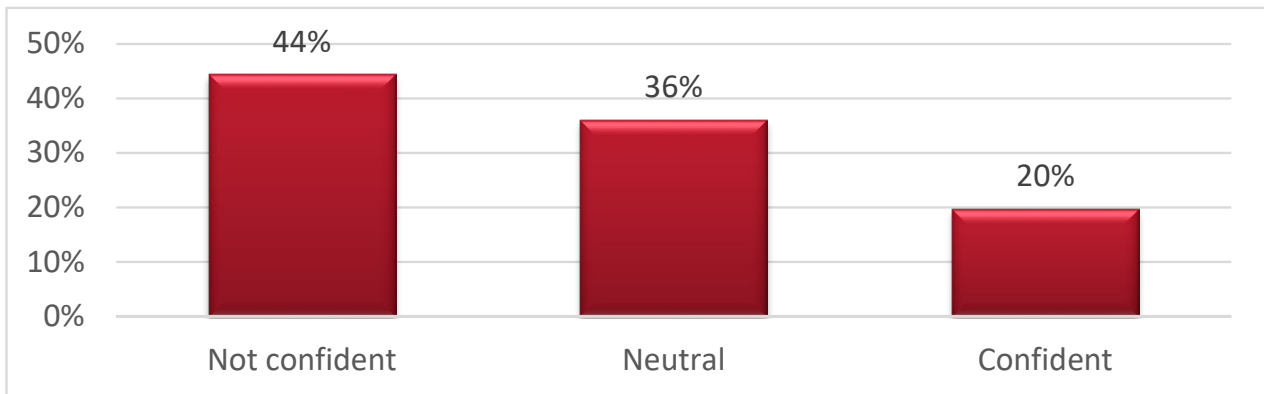


Employers indicate confidence in providing support here

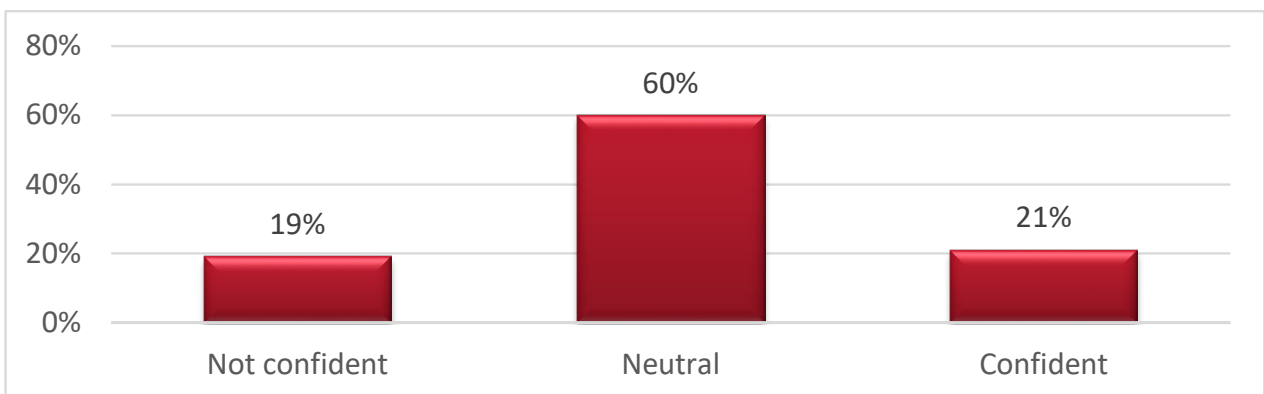
General savings/mortgage



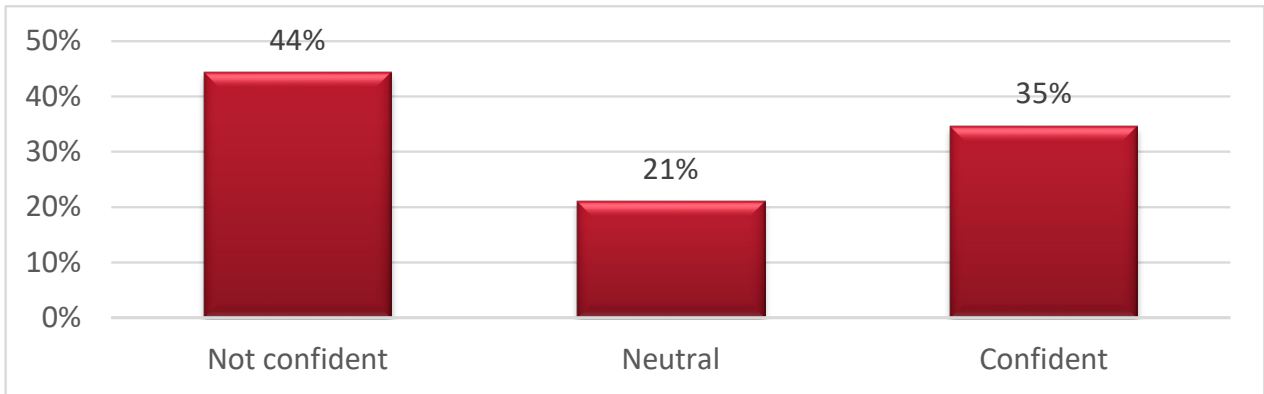
Student loans



Income protection

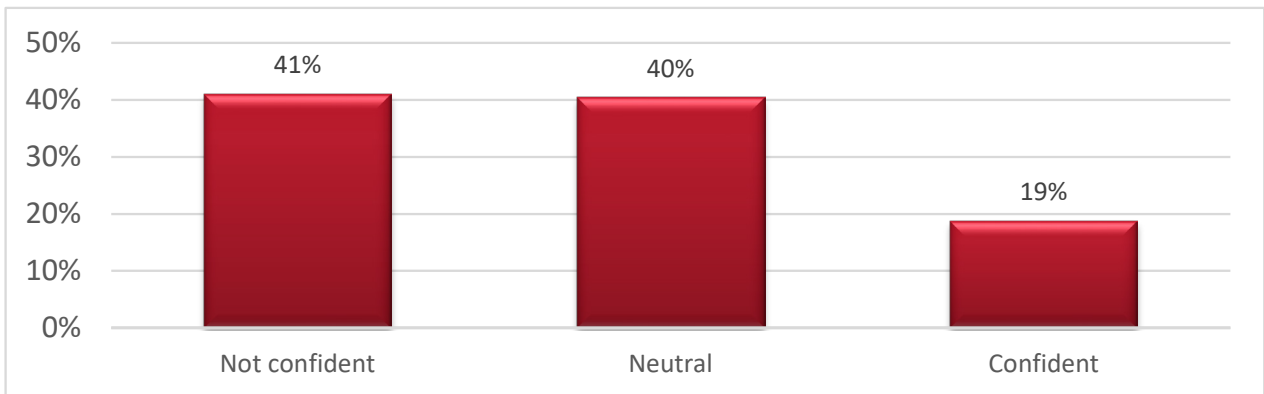


Life insurance

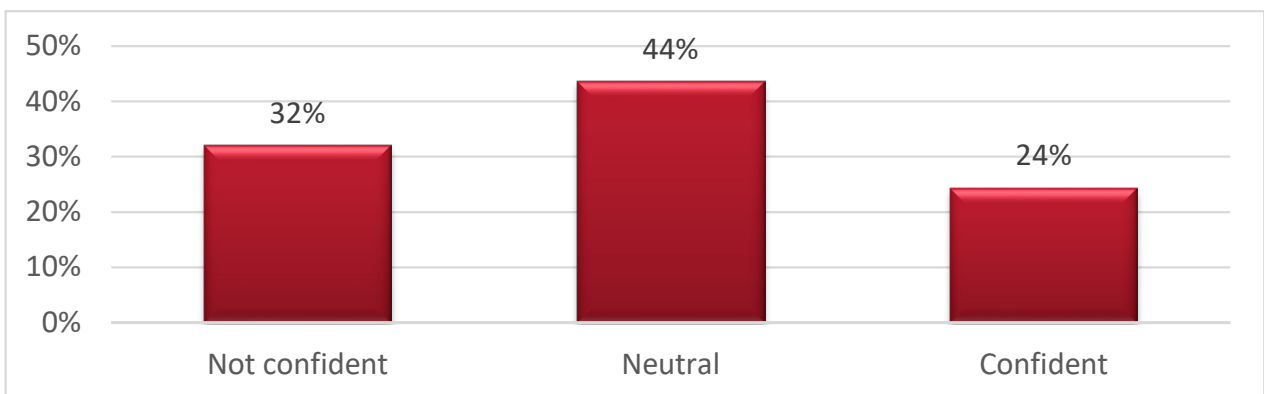


Employers indicate confidence in providing support here'

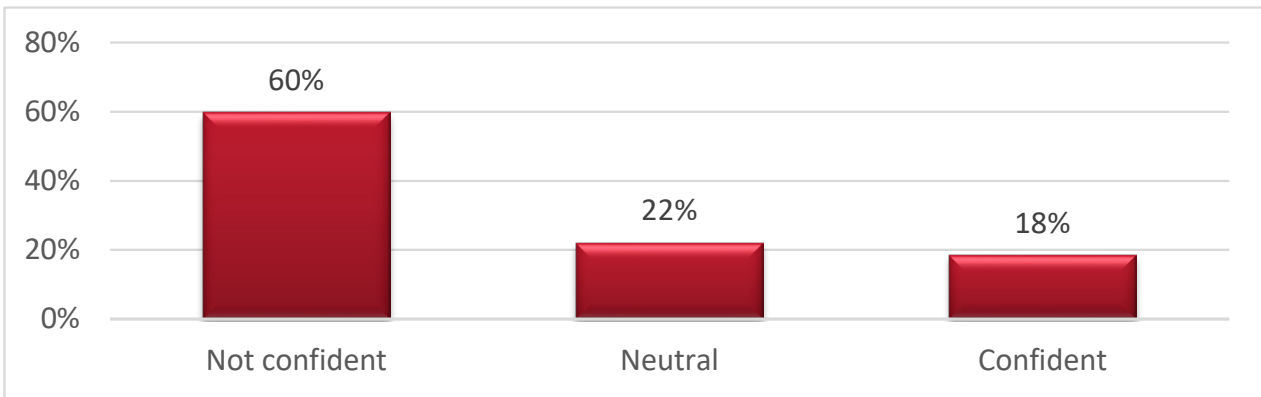
Healthcare



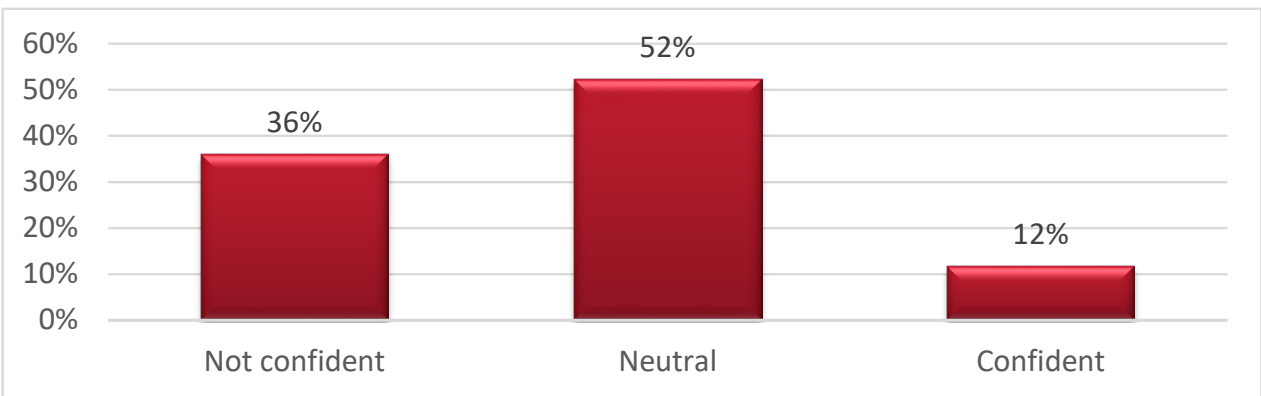
Mental health



Financial wellbeing

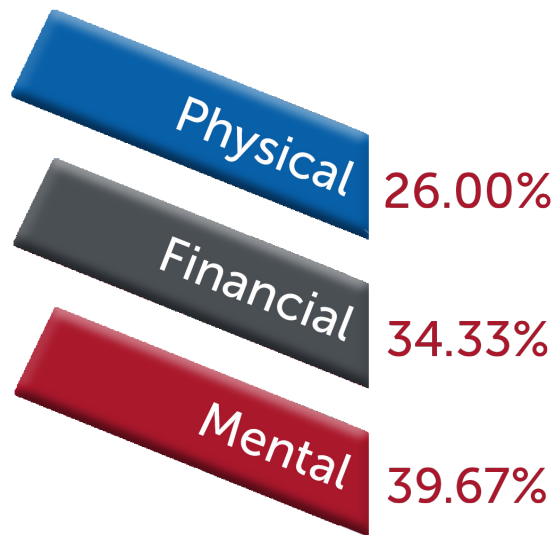


Generic financial information

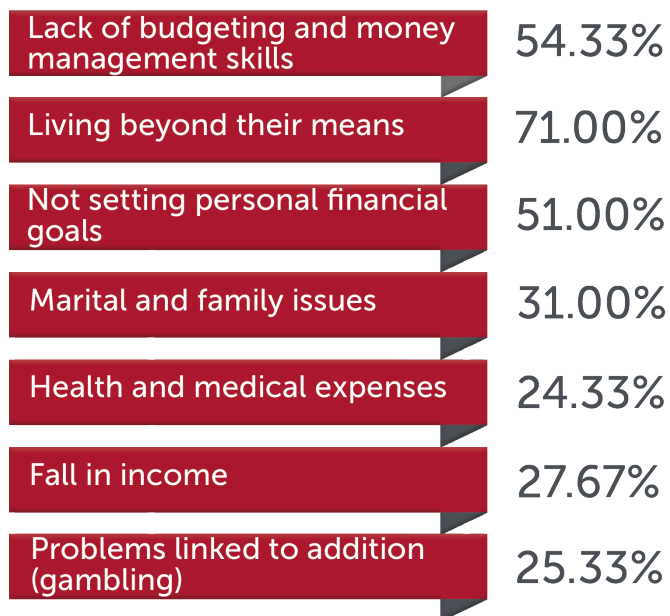


Employers have the lowest level of confidence in providing support here

Which area do you give the most attention to when it comes to employee wellbeing?



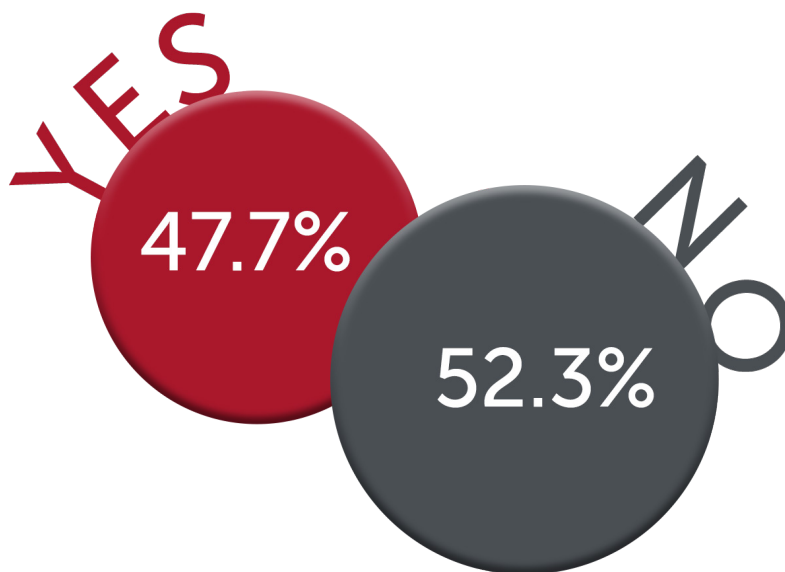
What are your views on the causes of poor financial well-being?
(Please select that all apply)



Moving to employee well-being, what are the most common reasons for absence in your organisation?

Short term illness – flu, backache, sickness	80%
Longer term – Cancer, stroke, MS, heart attack	16%
Mental illness – stress, anxiety, depression	4%

Do you formally measure the cost of absence in your business?



What is the impact of absence on your business?

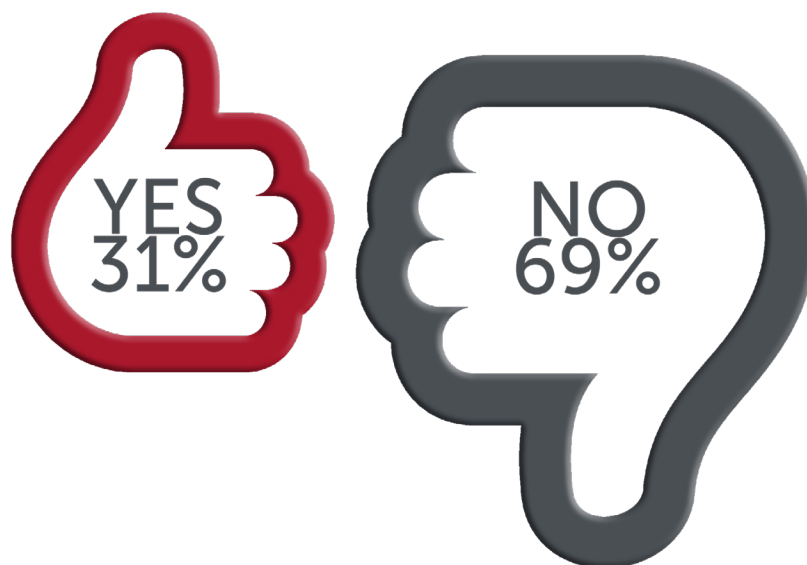
It is a significant financial cost	21%
It impacts on my firm's performance and efficiency	39%
I lose a significant number of working days per year due to absence	11%
It is difficult to replace key staff	9%
It causes delays in our turnaround	12%
It has average impact	4%
No impact	4%

There is a rise of 20% in those employers noting the impacts on their firm's performance and efficiency due to absence.

* In 2019 'it impacts on my firm's performance and efficiency was 19%'

Do you use your benefit package to tackle absence issues?

Interestingly however, 69% do not use their benefits package as a way to tackle absence. Of the 31% that said yes we asked a further question providing options of the different ways, with 25% using a back to work process and 23% offering private medical insurance.

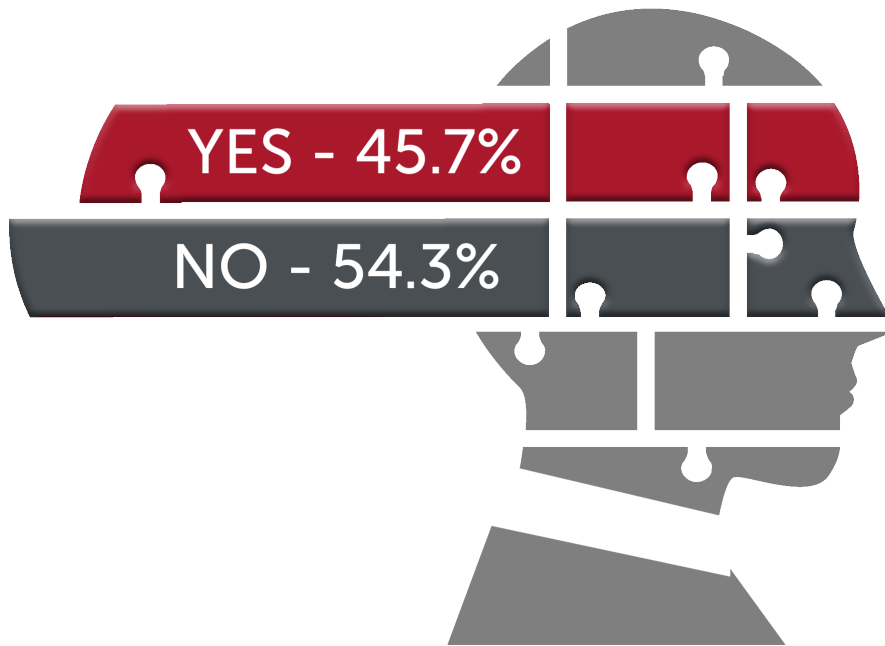


If Yes – in what way?

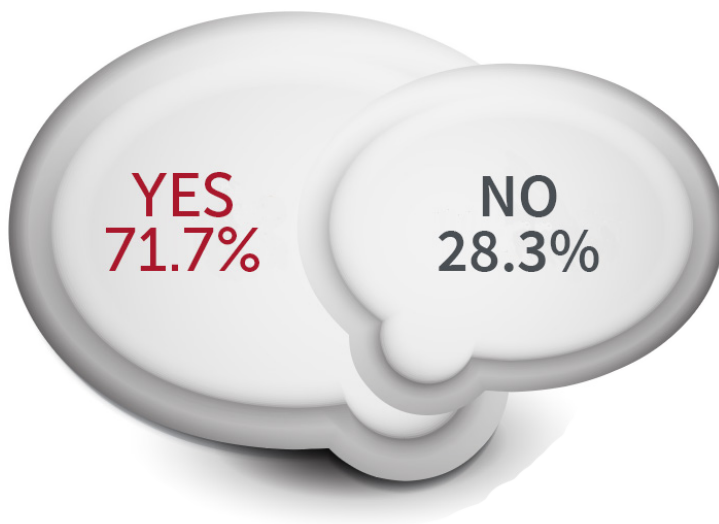
Options	% of Respondents
EAP - medical and counselling advice in-house	0%
EAP - medical and counselling advice helpline	10%
EAP - medical advice from dedicated medical expert	0%
Employees can buy additional holidays	7%
Occupational health support	16%
Back to work process	25%
Health App	10%
Cashplan	11%
PMI	23%

***These figures are rounded up to the nearest decimal point and therefore total more than 100%

Have you seen a rise in mental health issues or mental health related absence in your organisation?

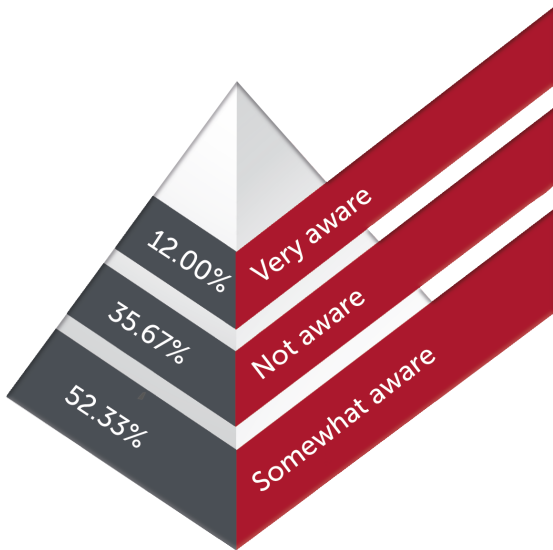


Do you offer employee specific support with mental health issues?



Encouragingly 72% of employers provide some kind of support

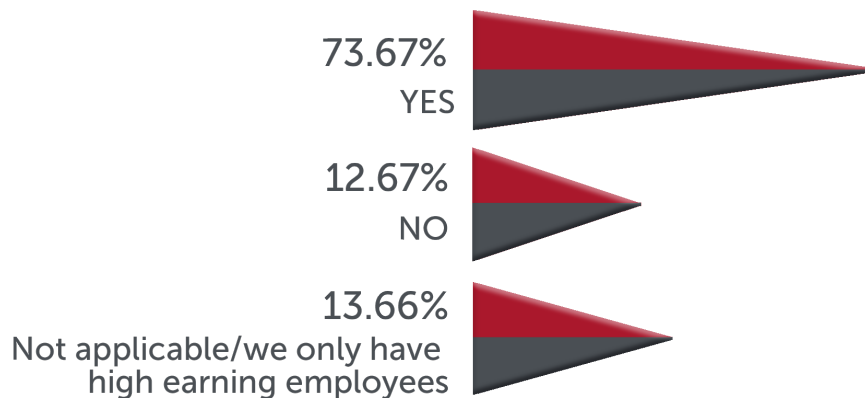
There is a growing trend of financial inequality in society, growing numbers of people in work relying on emergency foodbanks, and an estimated 1 in 5 children in the UK live in poverty. This can have a huge impact on performance, it is embarrassing for workers and research indicates a strong link between debt & mental health. To what extent are you aware of how many of your employees maybe struggling financially?



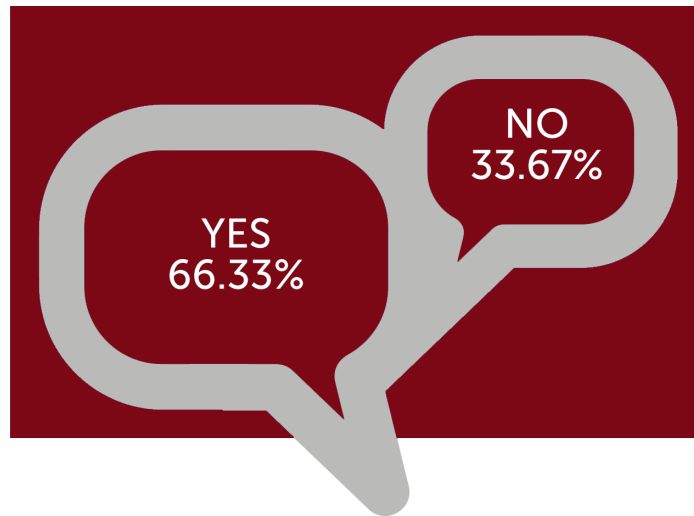
Only a very small percentage (12%) are confident that they are aware of their employees struggling financially. Linking back to previous questions on the connection between debt and mental health, there is acknowledgement that financial education is something that employees would value.

If we take this together with the results to the next question, where 74% of employers expressed that they are motivated to provide support, may mean that employers now feel compelled to provide additional support to employees.

Are you concerned and motivated to support those employees in financial difficulty?



Has the continued uncertainty around Brexit caused challenges for your business?



If yes..... (more than one answer could be chosen)	% of Respondents
We have/will have greater recruitment challenges	50%
Having the right people with the right skills is/will be a problem	21%
We face/will face increased competition	32%
We are losing/may lose significant sales from established customers	29%
We may have to downsize our workforce	23%
It will result in a more hostile economic climate	22%
There will be increased costs for my business	57%
We will be free of restrictive legislation	2%
We will have opportunities to reach out to new customers and new markets	14%

Quantitative Survey Results

Introduction and scope

The second half of this benchmarking report looks at more quantitative data analysing 2,861 UK companies, with a mixed regional spread throughout England, Scotland and Wales who collectively employ 1,105,798 people.

The map diagram on page 44 indicates where the main employer clusters are located, and they provide an excellent spread of the main regions in the UK. The smallest company this year had 15 employees and the largest employer had 54,000. Firms were categorised into the following segments for analysis.

- Small (0 – 100)
- Medium (101 – 250)
- Large (over 250)

We analysed pensions and employee benefits data for over 40,000 UK businesses. The sample here of 2861 employers is comprehensive and up-to-date and provides a strong generalisation of the pensions and benefits landscape.

All industry sectors were included in our research, however some sectors, for example the public sector was omitted as public sector pensions and benefits are out of the scope of this research. The most dominant sectors this year, in order, were:

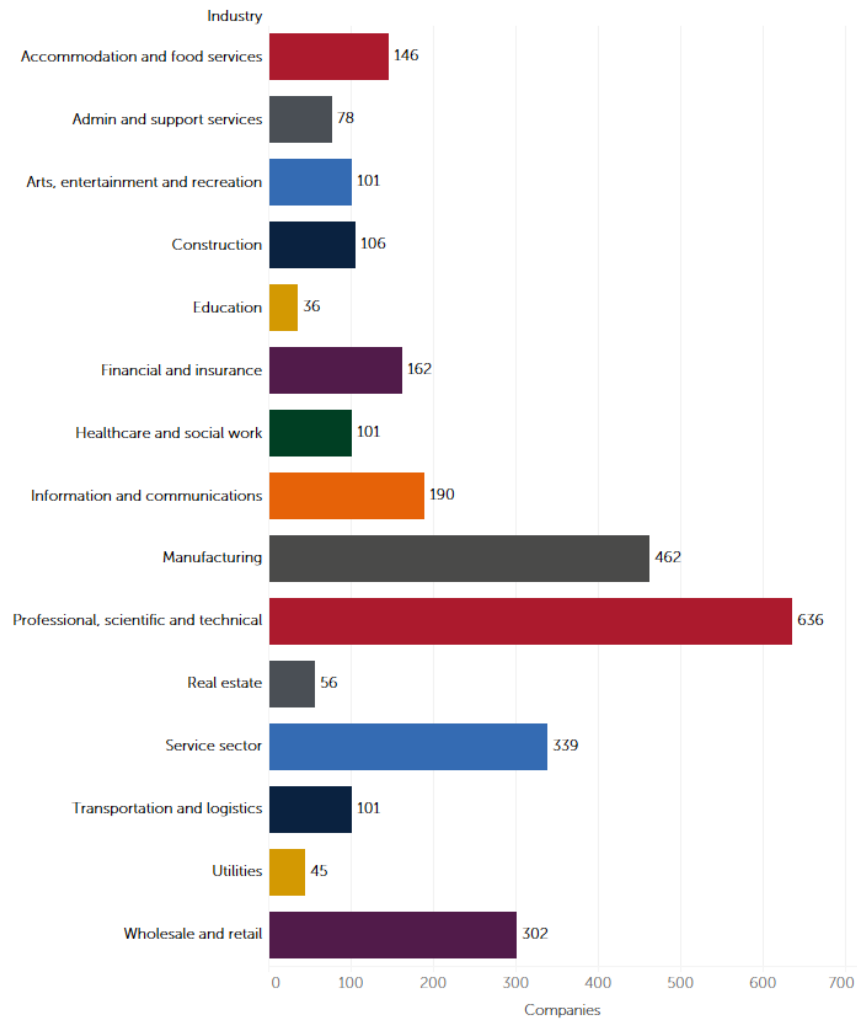
1. Professional, scientific and technical
2. Manufacturing
3. Administration and support services
4. Wholesale and retail
5. Information and communications

We use quantitative analysis to provide a first cut view, to highlight some initial trends which helps form the structural basis of the report and to shape the overall outcomes presented here.

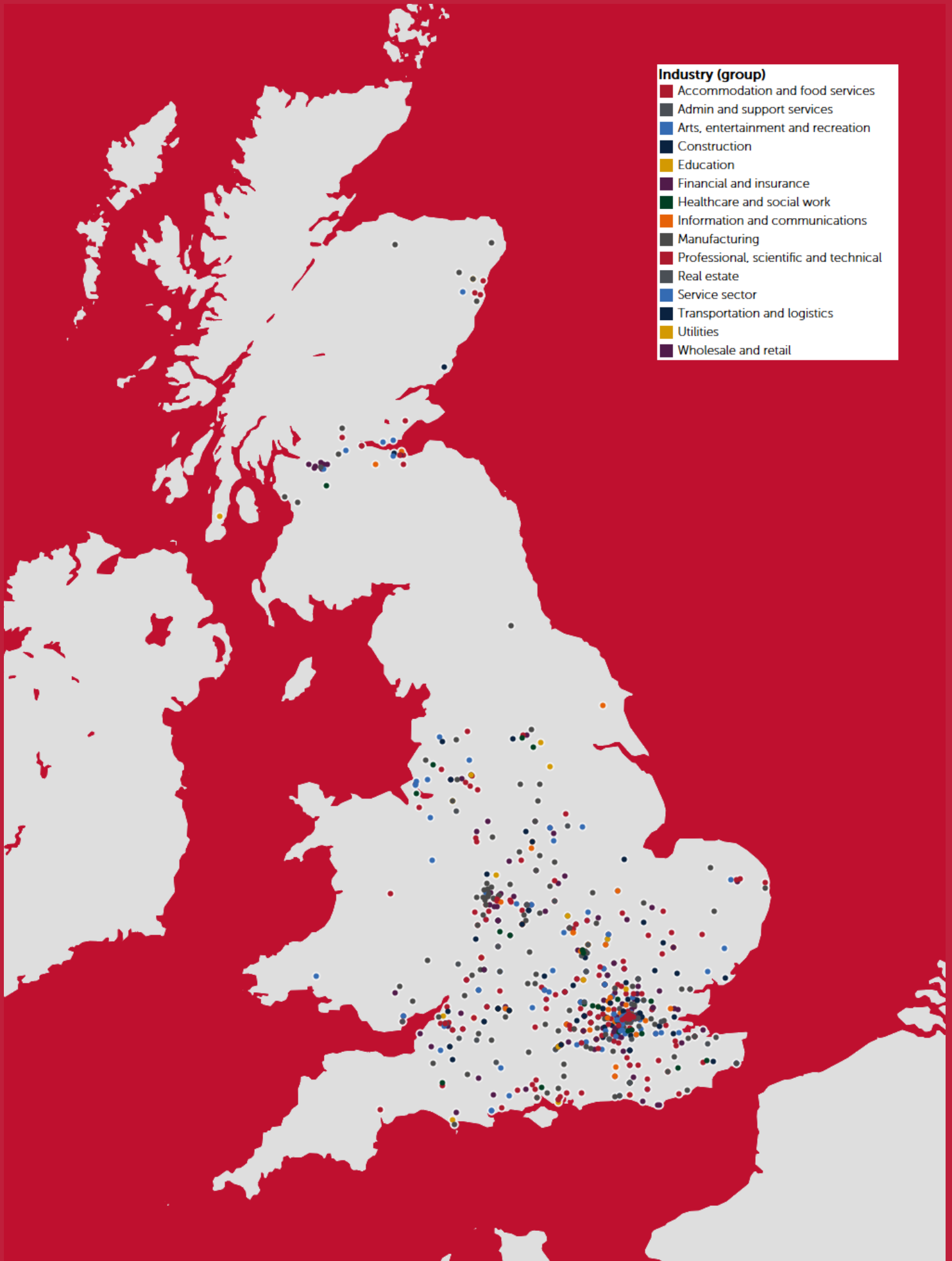
2,861 UK companies were analysed with a mixed regional spread throughout England, Wales and Scotland.

Industry Sectors

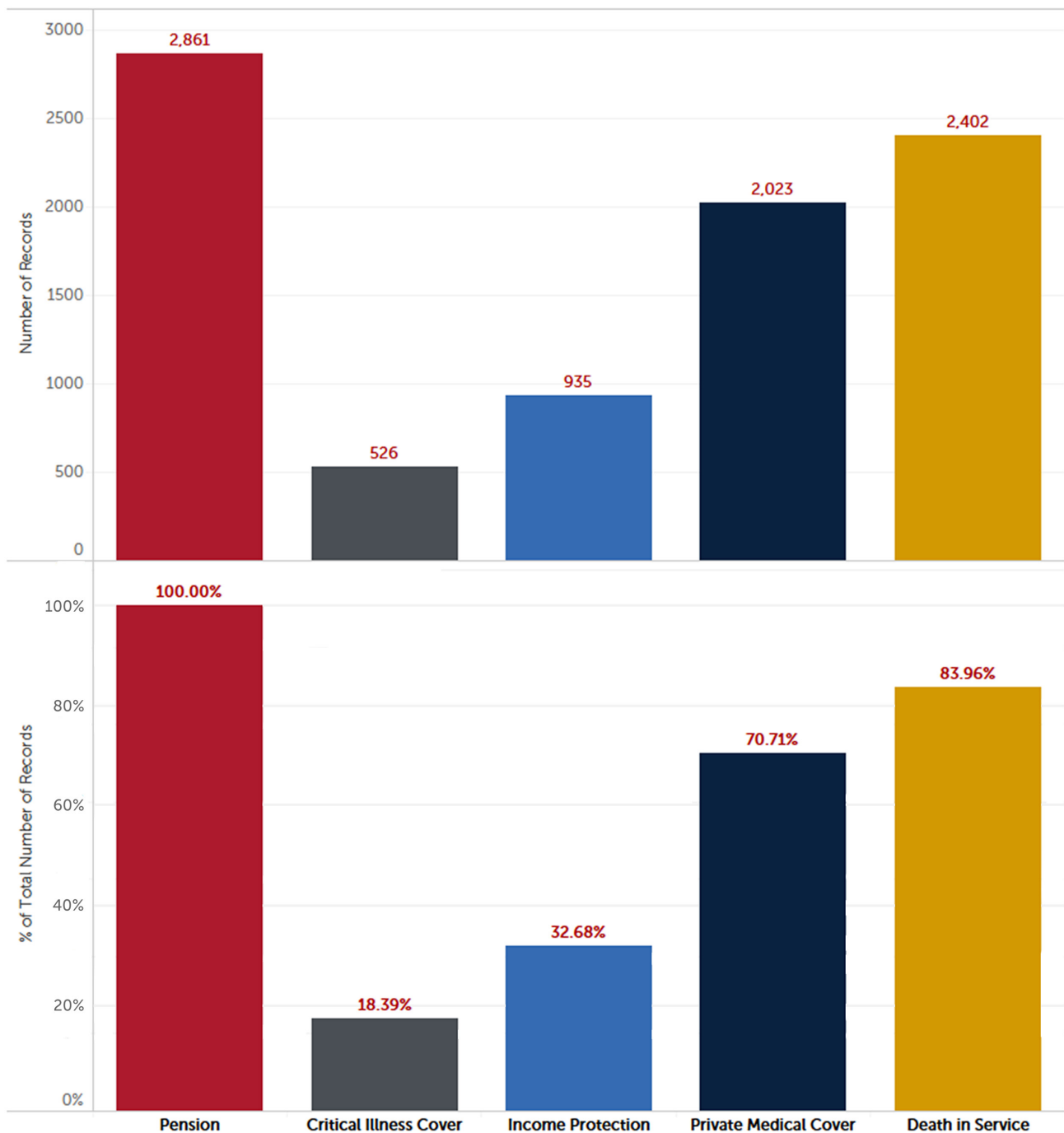
Industry Sectors



U.K. Industry Sector Geographical Spread



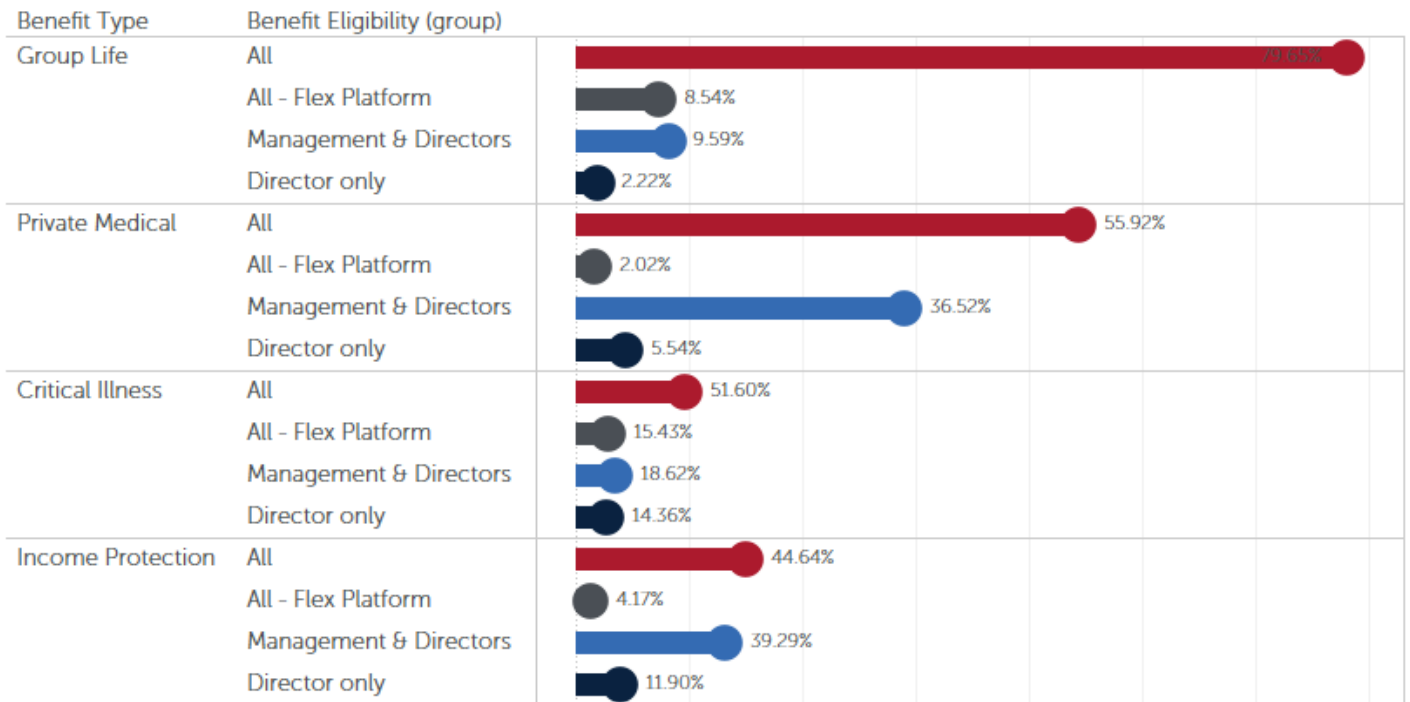
Benefit Type by Employer



Perhaps not surprisingly, 100% of employers offer pension benefits, we have seen that percentage rise over the last few years with the impact of auto enrolment. The next most popular benefit (84%) is Death in Service which employers select as a cost-effective option.

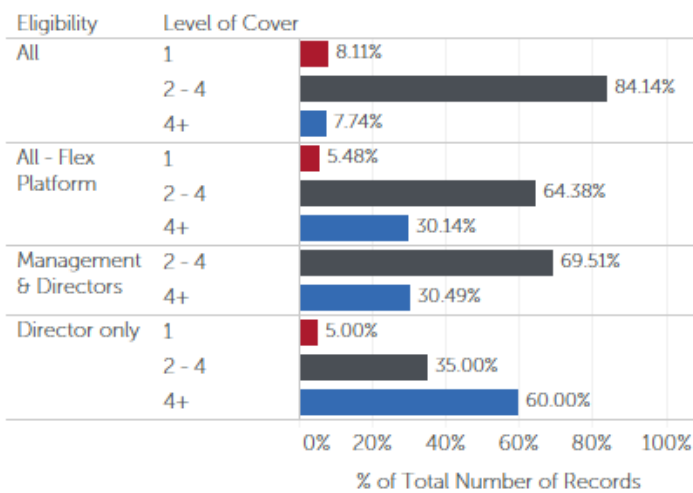
It is reassuring to see that companies in this sample offer a wide range of benefits with an encouraging 71% offering Private Medical Insurance. The table on the next page provides a split of benefit type by eligibility which can stimulate a dialogue with companies on why benefits are offered to specific roles and this can be compared to cost drivers overlaid elsewhere in this report.

Benefit Type (Eligibility)

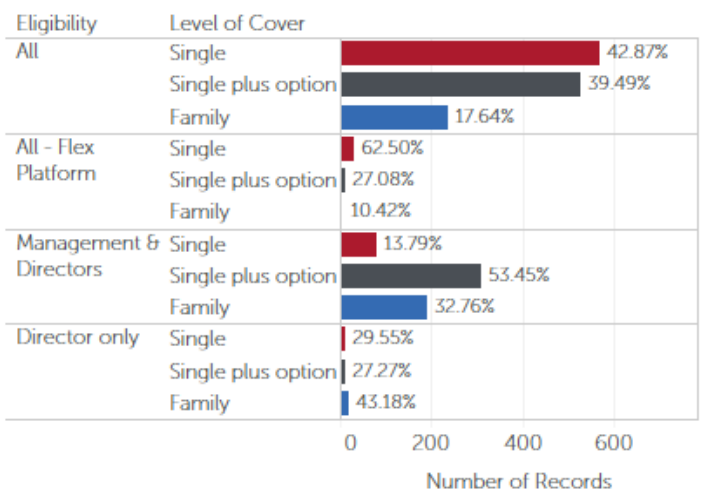


This chart shows the Total Number of Records and % of Total Number of Records for each Benefit Type and Eligibility. The colour distinguishes the Benefit Eligibility. The view is filtered on Benefit Eligibility, which keeps All, All - Flex, Director Only and Management & Directors.

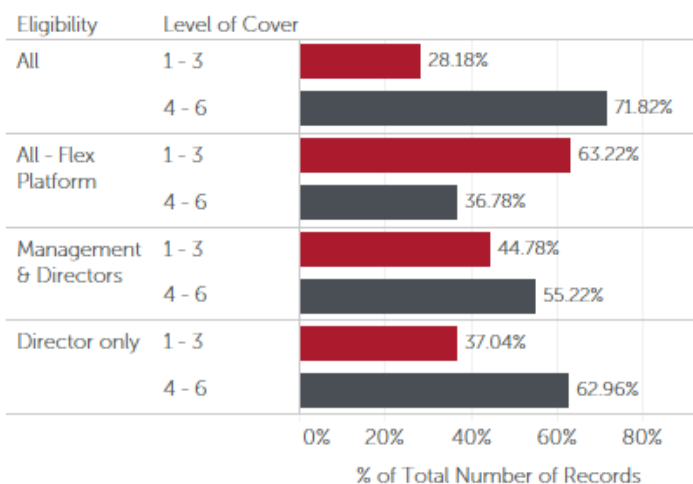
Death in Service - Level of Cover by multiple of salary



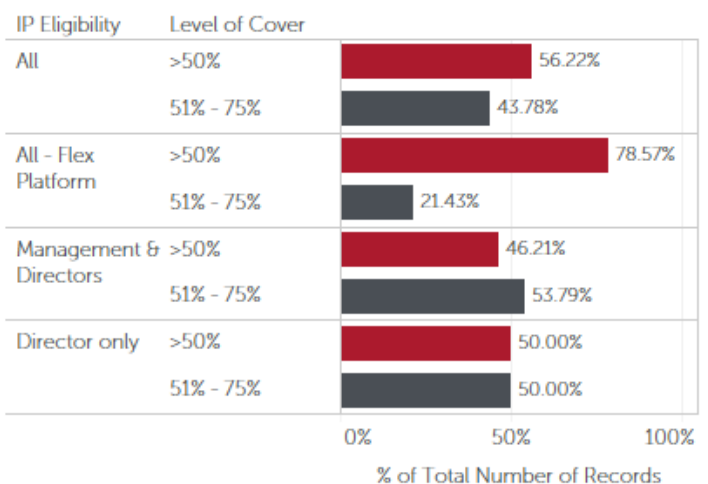
Private Medical - Level of Cover



Critical Illness - Level of Cover by Multiple of Salary



Income Protection - Level of Cover



Average Salary by Industry

The detailed chart below provides a breakdown of the salary ranges in each of the industry sectors we analysed. Overall, we see a slight drop in average salary across all sectors in our research, from £31,405 in 2019, to £31,112 in 2020. This small shift we note as unremarkable in view that the mix of firms changes year on year. This year's research was conducted in a continued period of wage stagnation and after a rise in minimum wage. The current UK average salary is £30,353 at the end 2019*

There is a huge variation in salary levels in the UK, between sectors, between roles, between genders and in different geographic areas. An example of the level of disparity shows the lowest fifth of the population earn £7,900 and the upper fifth earn on average £88,200.

Those working in Health and Social Care in our sample were the lowest paid, by on average £24k

and the Hotel and Food Services the next lowest sector at £25k. Both are extremely large sectors with a variety of different roles and salaries incorporated here. Again, this year, the financial services sector (which includes accountancy and banking) are the highest paying sector in our sample, with a rise from £33k in 2019 to £38k this year.

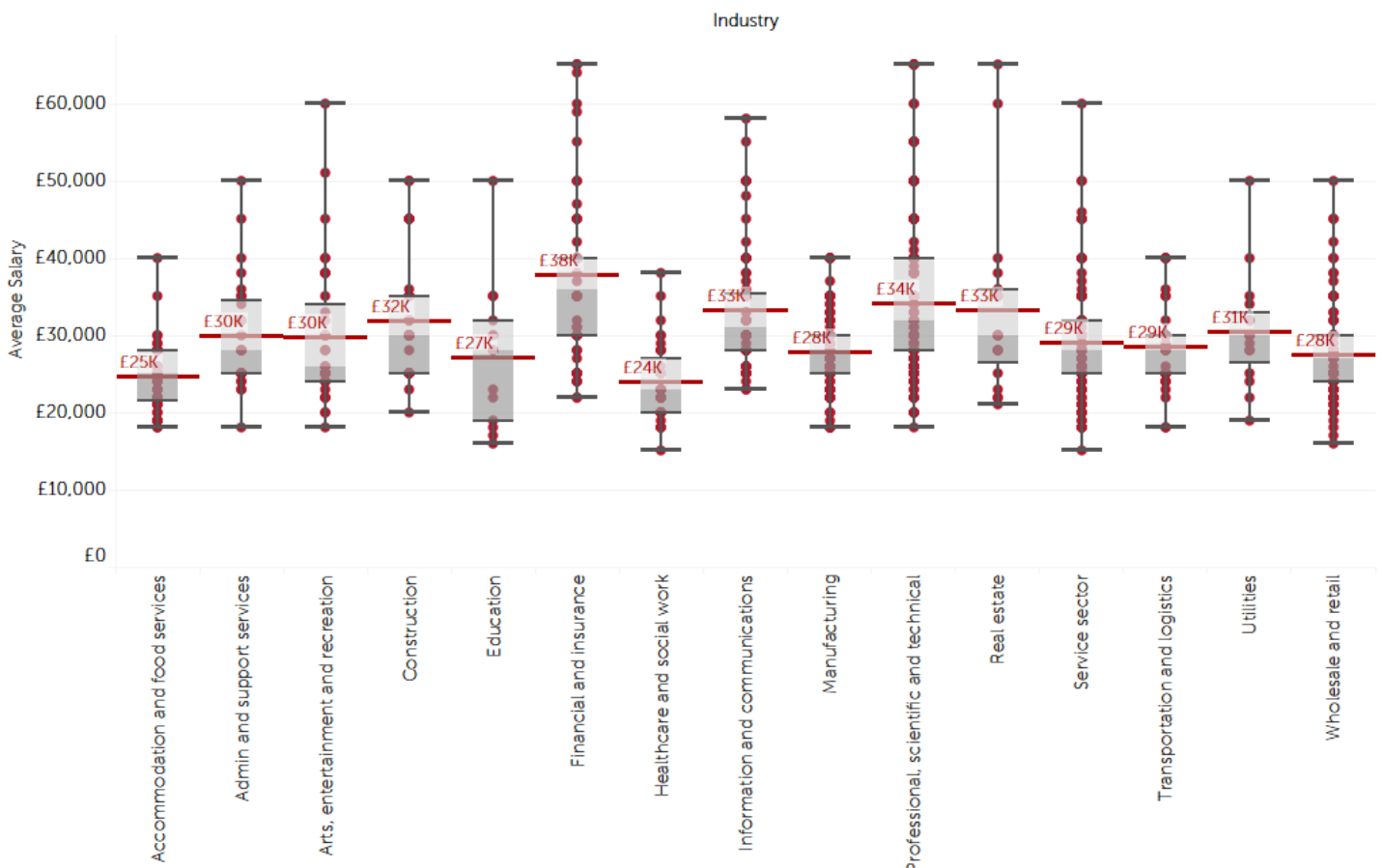
It is essential that employers offer a competitive salary along with a good benefits package that is relevant to their diverse workforce in order to recruit and retain the best possible staff available in the market. Understanding the market wage rate in your local area and sector is an important and ongoing activity.

*source Telegraph

<https://www.telegraph.co.uk/money/special-reports/average-uk-salary-profession-check-earn-less-colleagues/>

<https://www.independent.co.uk/news/business/news/income-tax-top-5-per-cent-inequality-labour-plans-a9213781.html>

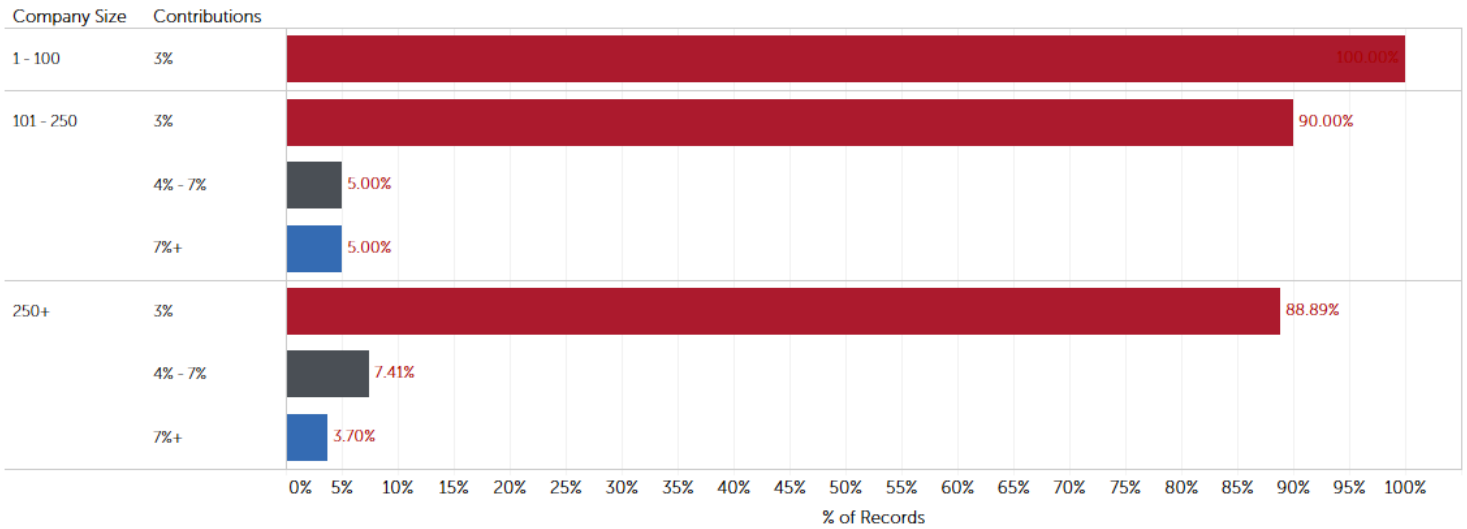
Average Salary (Industry Sector)



This chart shows the average salary of the total number of records filtered by Average Salary. When combining all the values the average salary across all industries is £31,112.

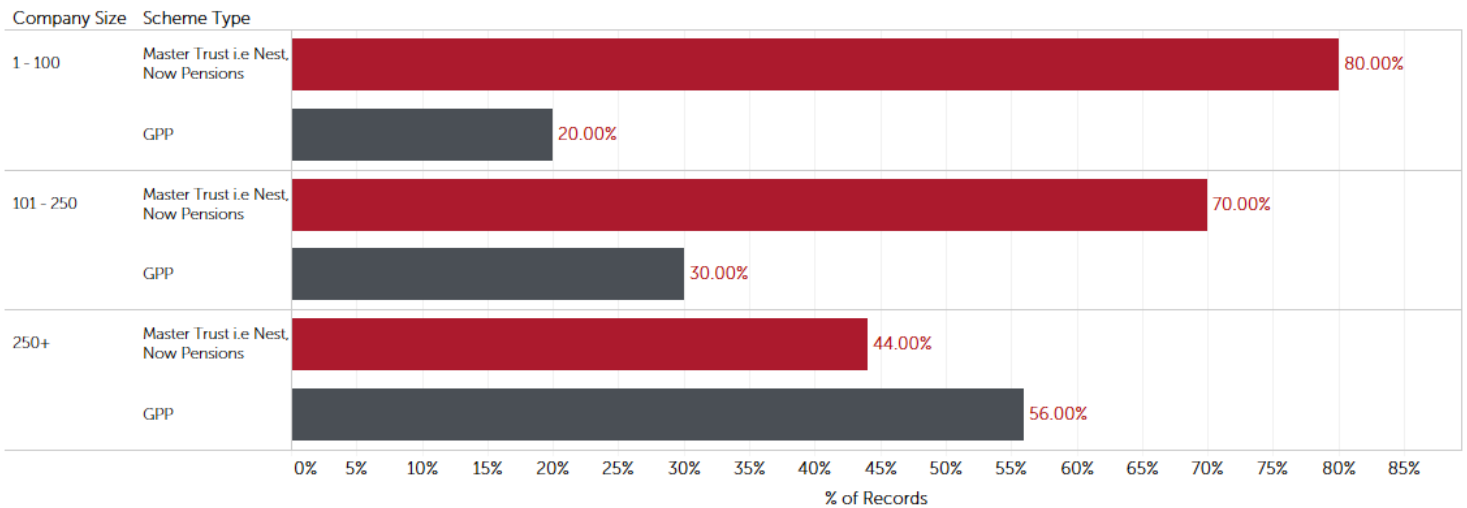
Accommodation and food services - Overview

Pension Contributions (Company Size)



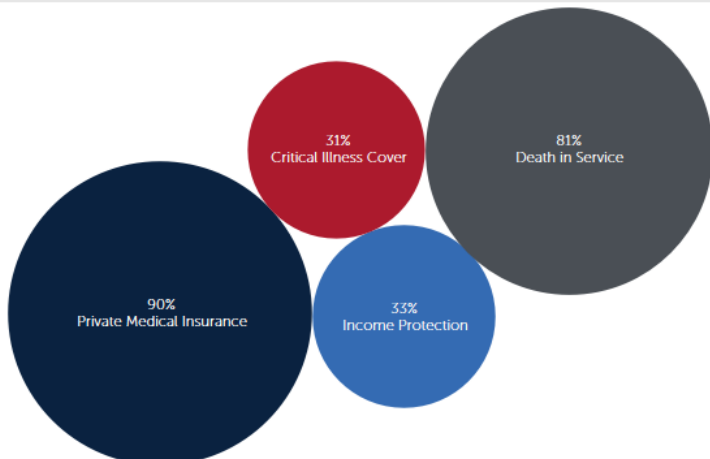
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Accommodation and food services.

Pension Type (Company Size)



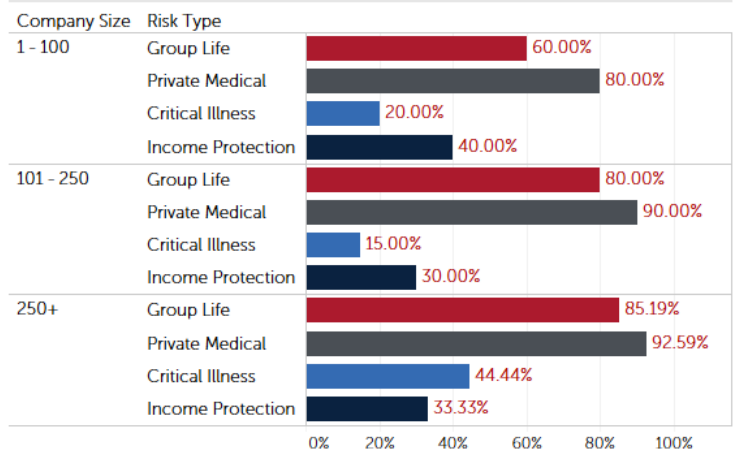
Figures for this chart shown the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Accommodation and food services. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



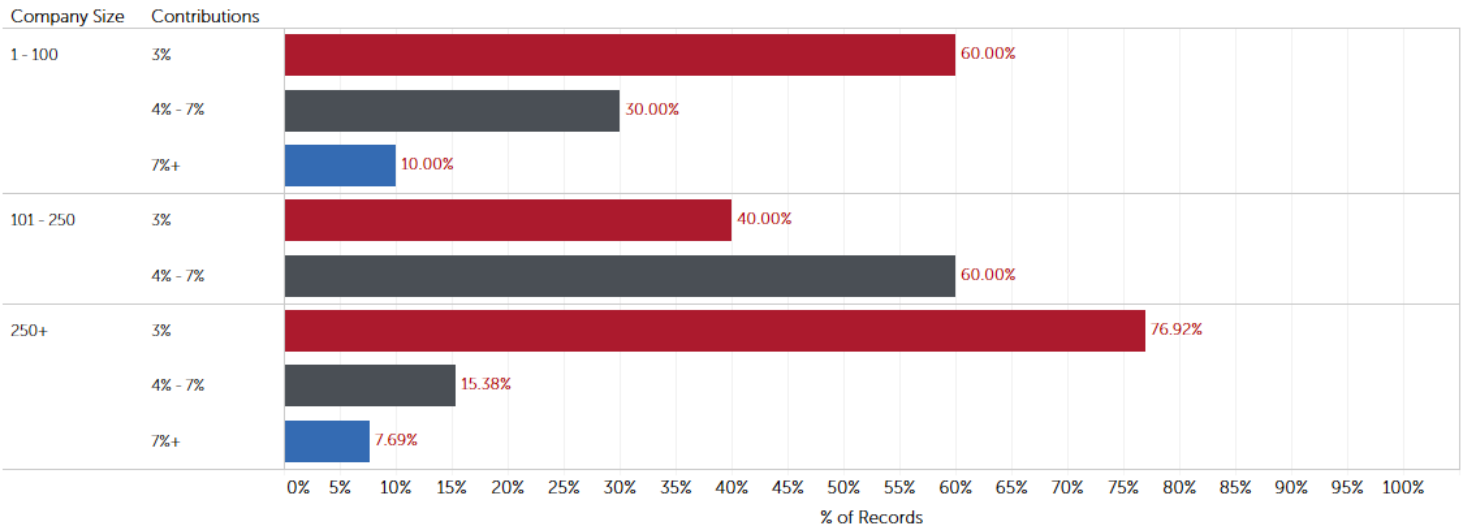
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Accommodation and food services.

Benefit Provision (Company Size)



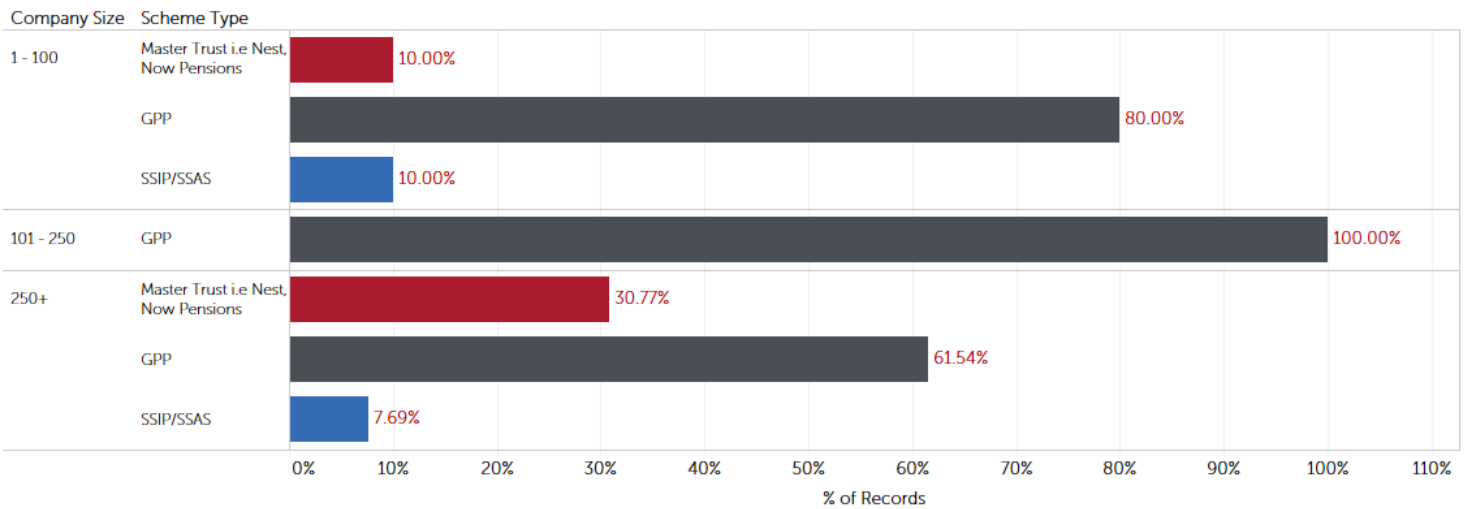
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Accommodation and food services

Pension Contributions (Company Size)



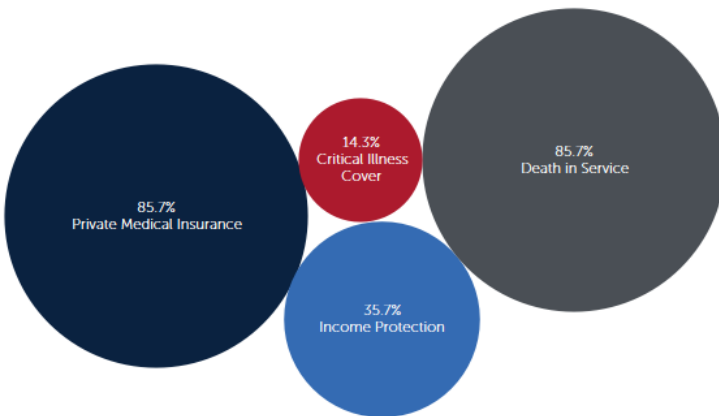
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Admin and support services.

Pension Type (Company Size)



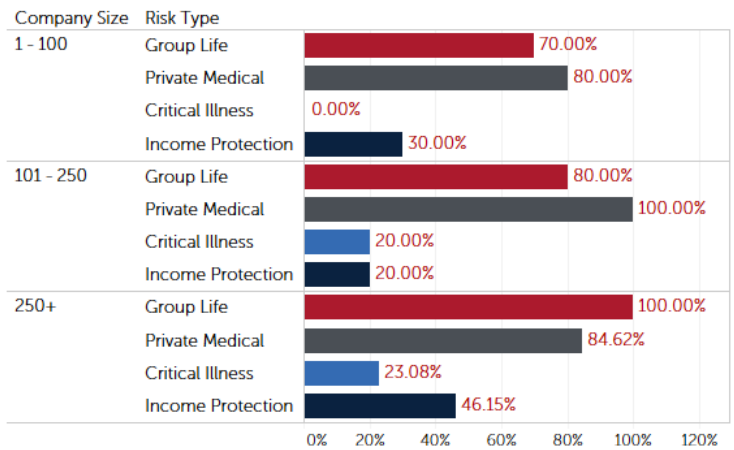
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Admin and support services. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



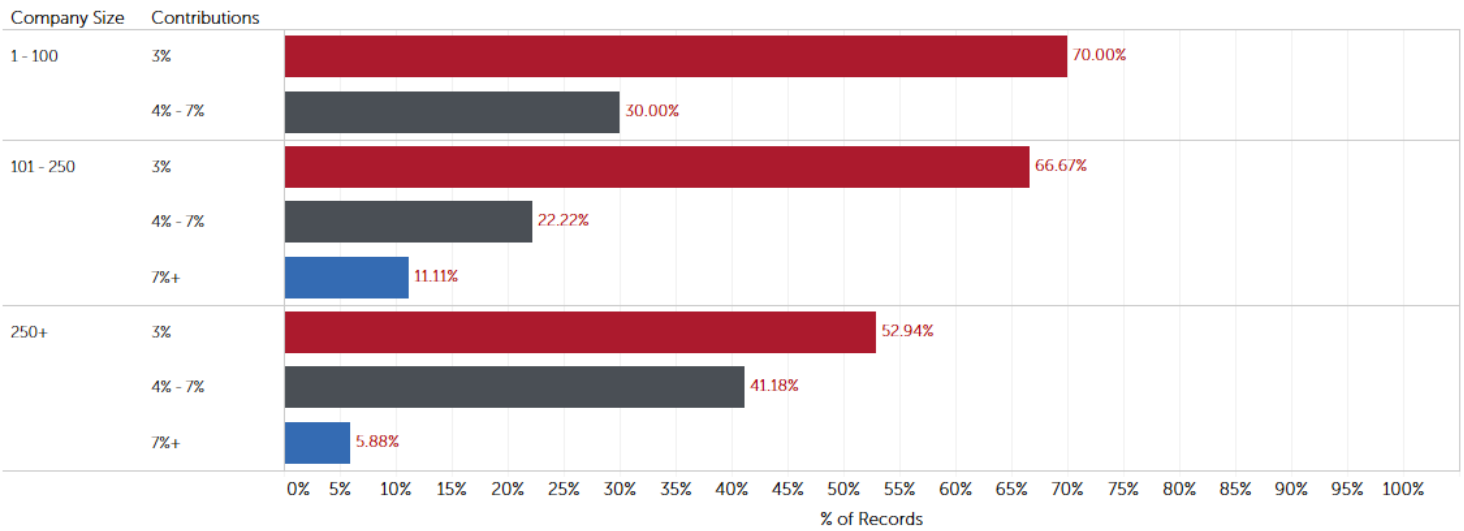
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Admin and support services.

Benefit Provision (Company Size)



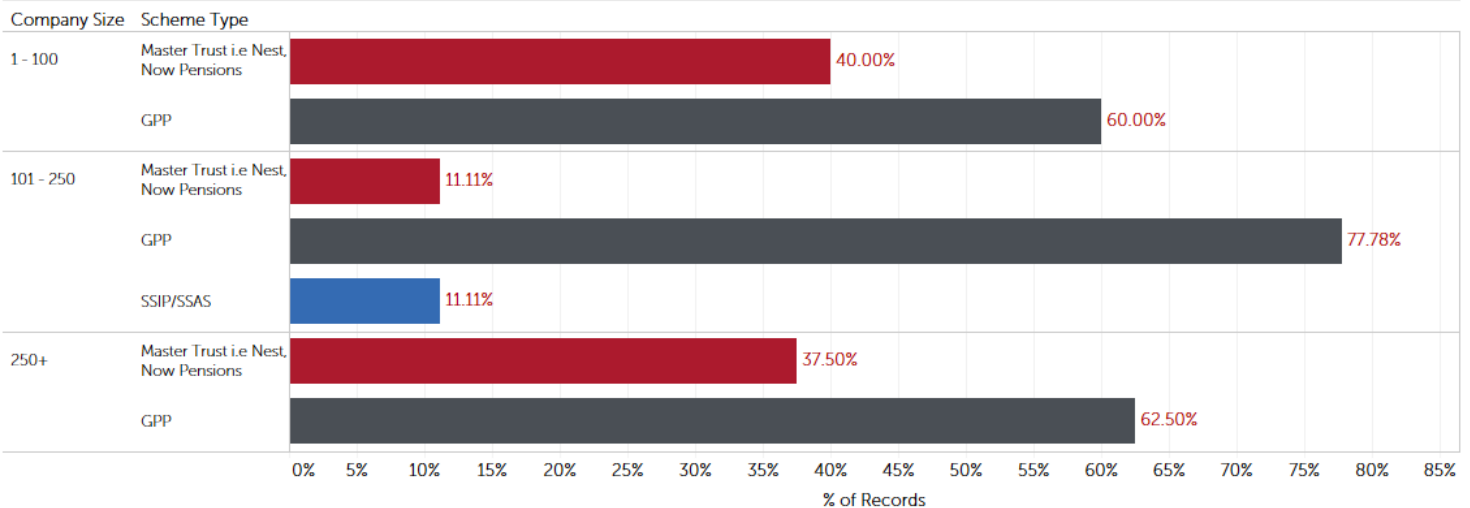
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Admin and support services

Pension Contributions (Company Size)



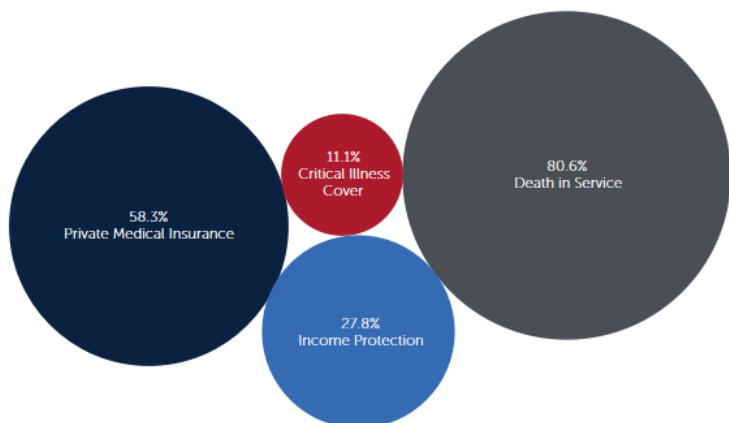
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Arts, entertainment and recreation.

Pension Type (Company Size)



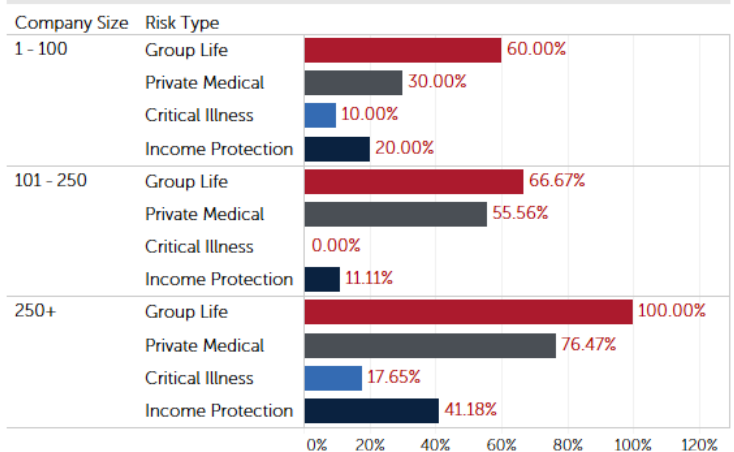
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Arts, entertainment and recreation. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



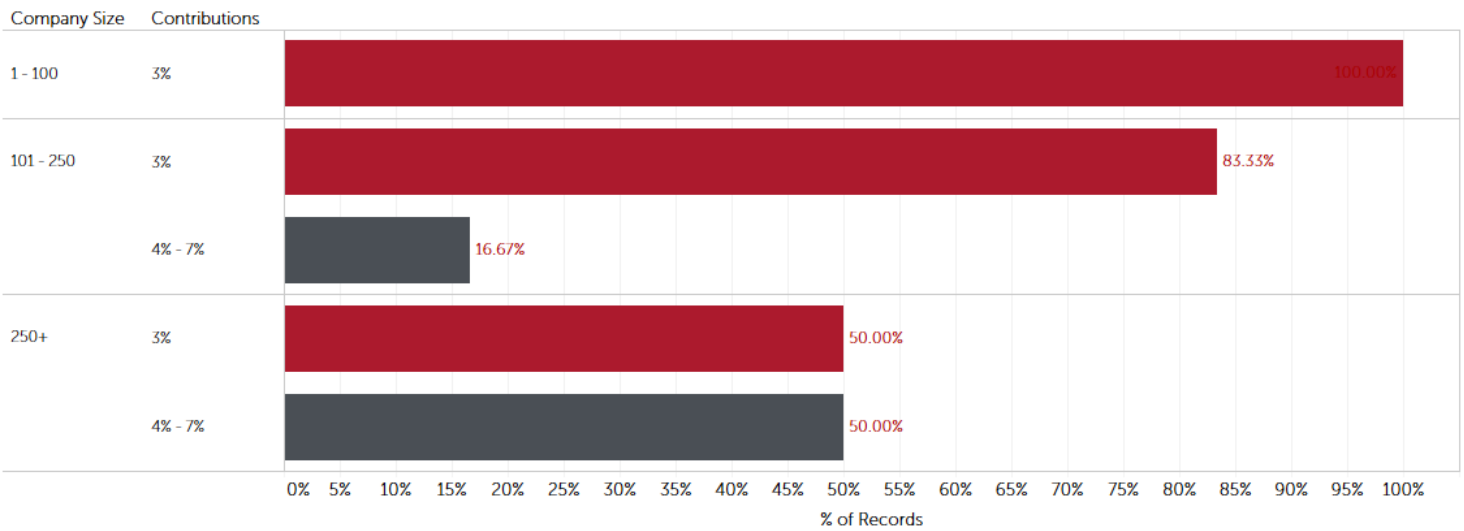
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Arts, entertainment and recreation.

Benefit Provision (Company Size)



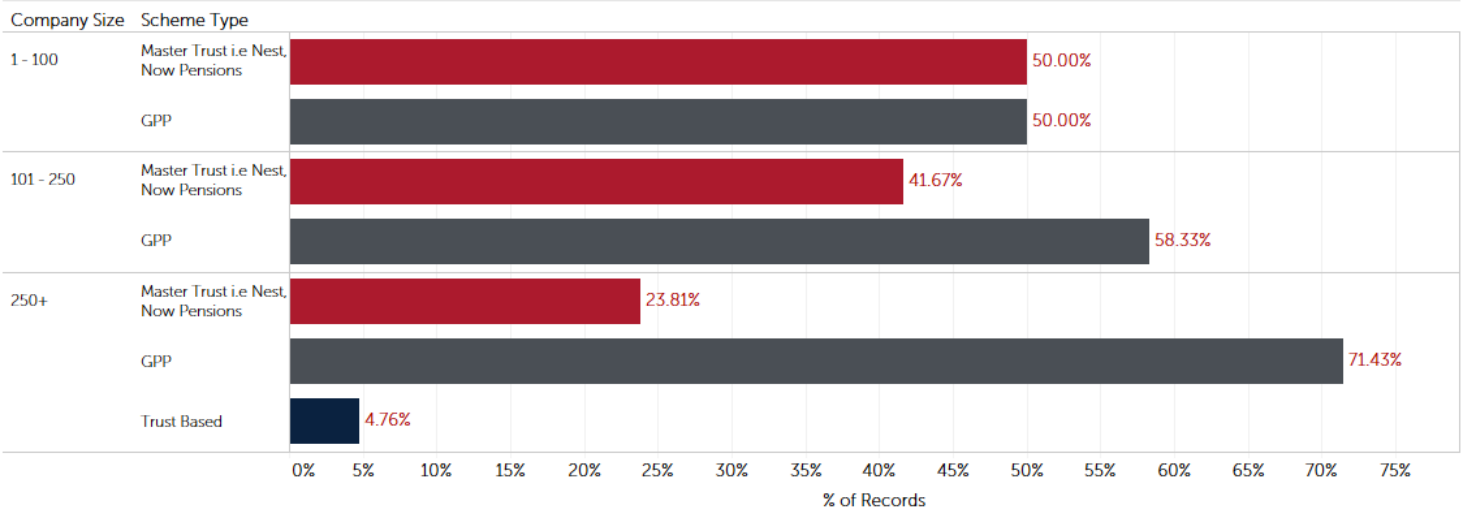
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Arts, entertainment and recreation.

Pension Contributions (Company Size)



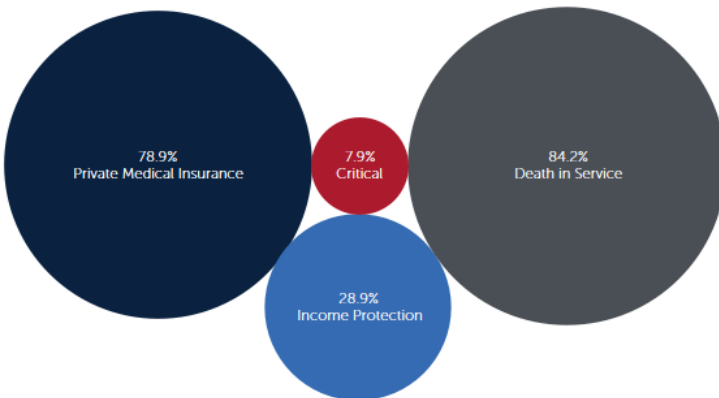
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Construction.

Pension Type (Company Size)



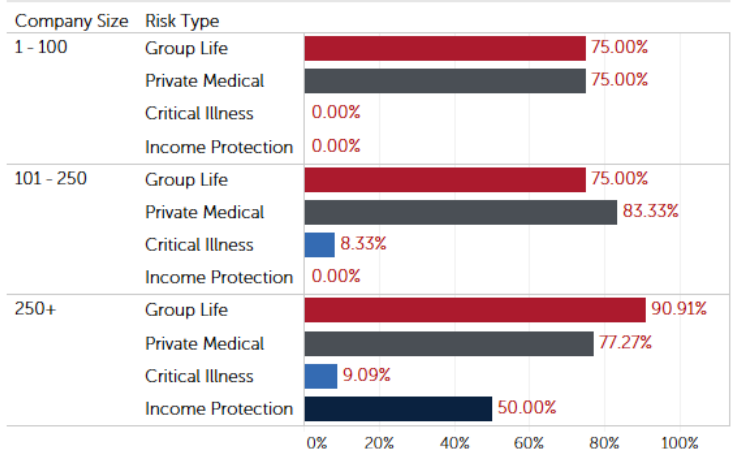
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Construction. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



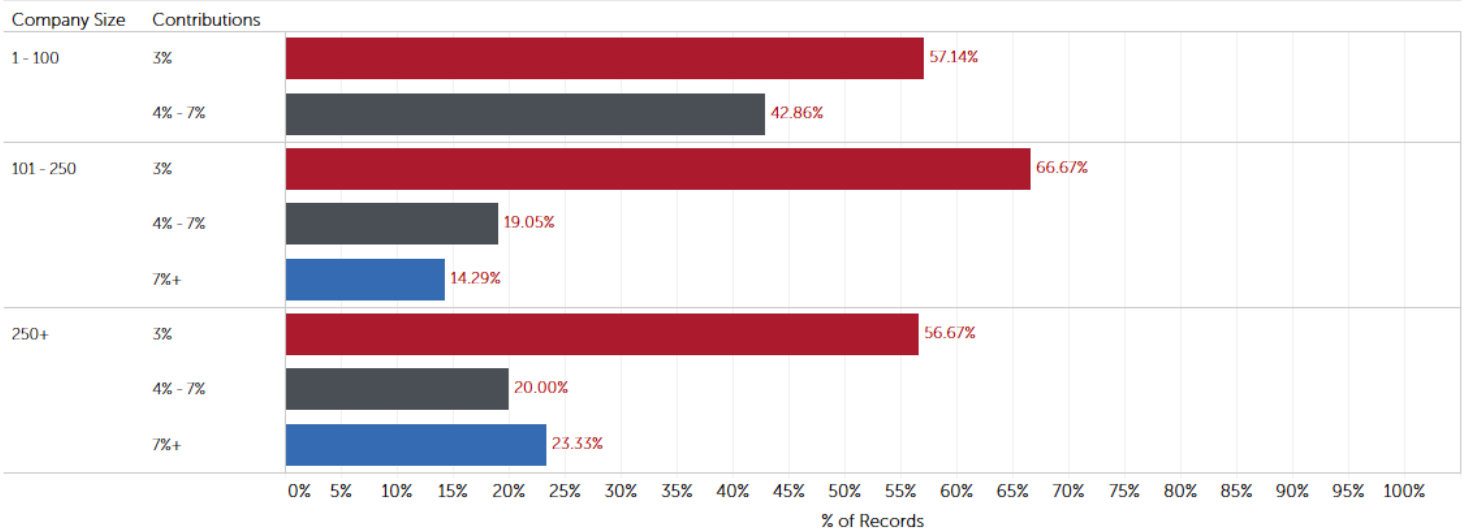
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Construction.

Benefit Provision (Company Size)



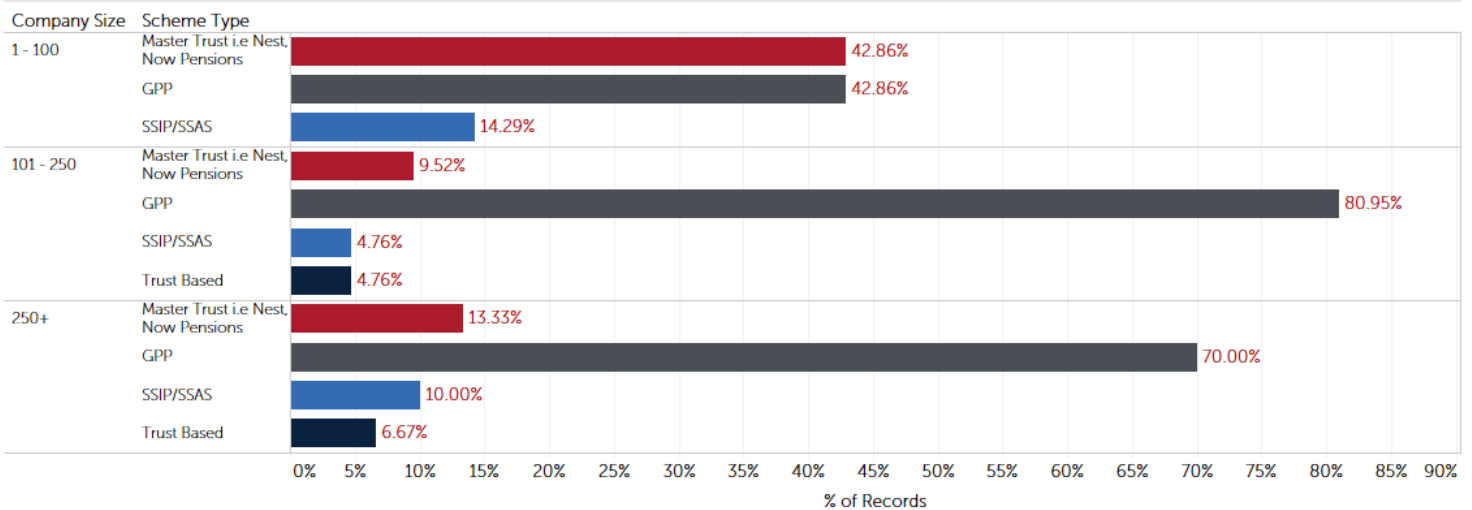
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Construction.

Pension Contributions (Company Size)



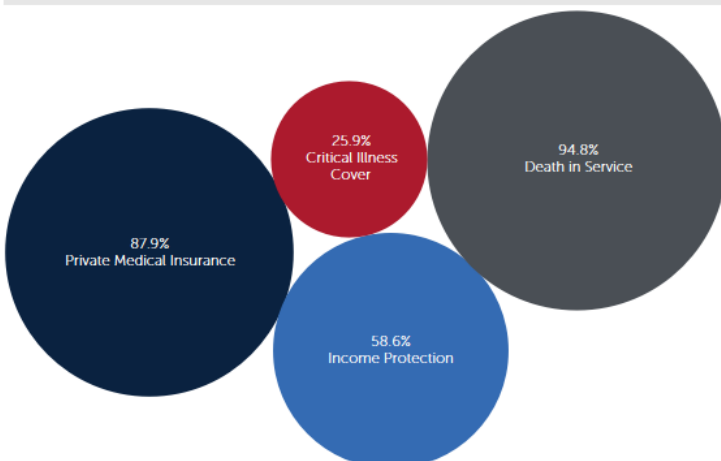
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Financial and insurance.

Pension Type (Company Size)



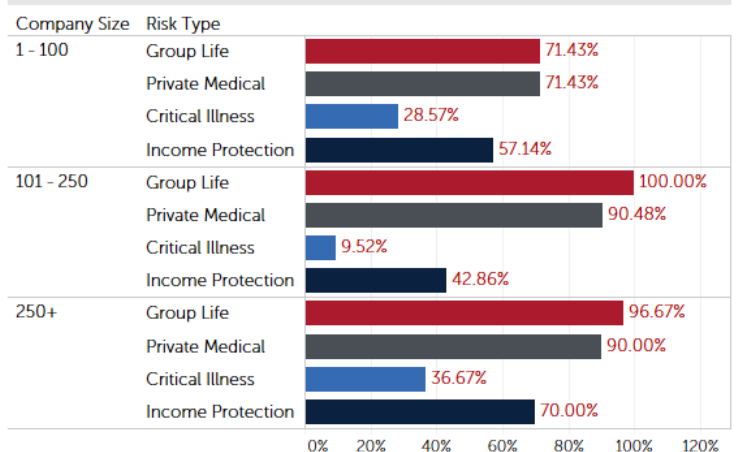
Figures for this chart shown the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Financial and insurance. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



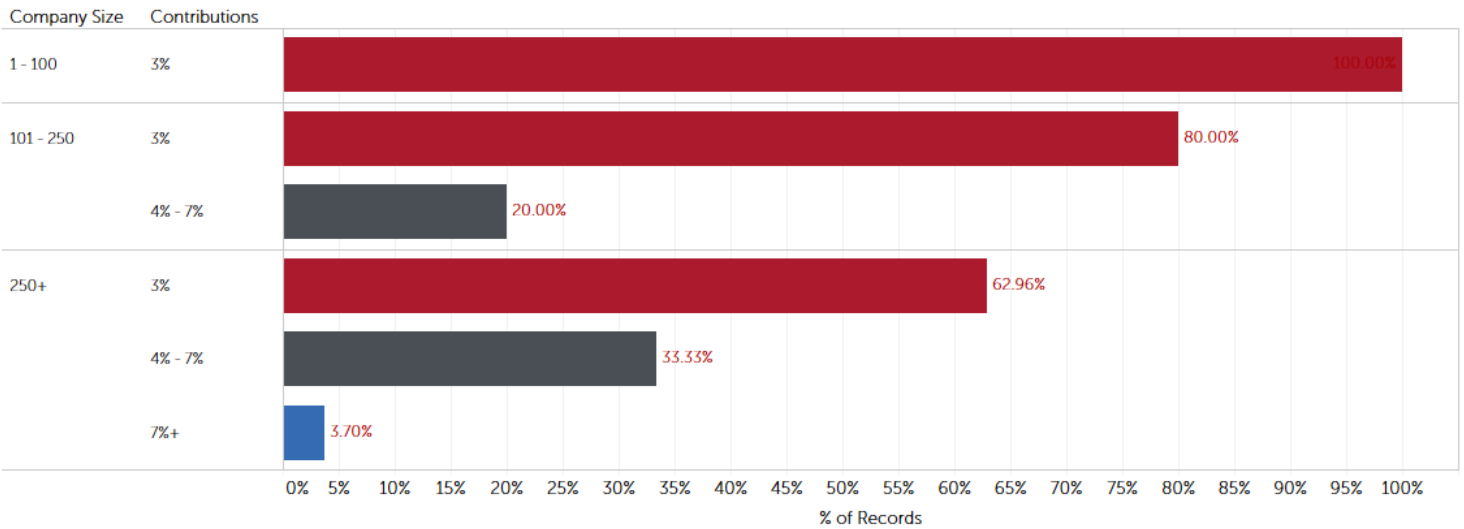
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Financial and insurance.

Benefit Provision (Company Size)



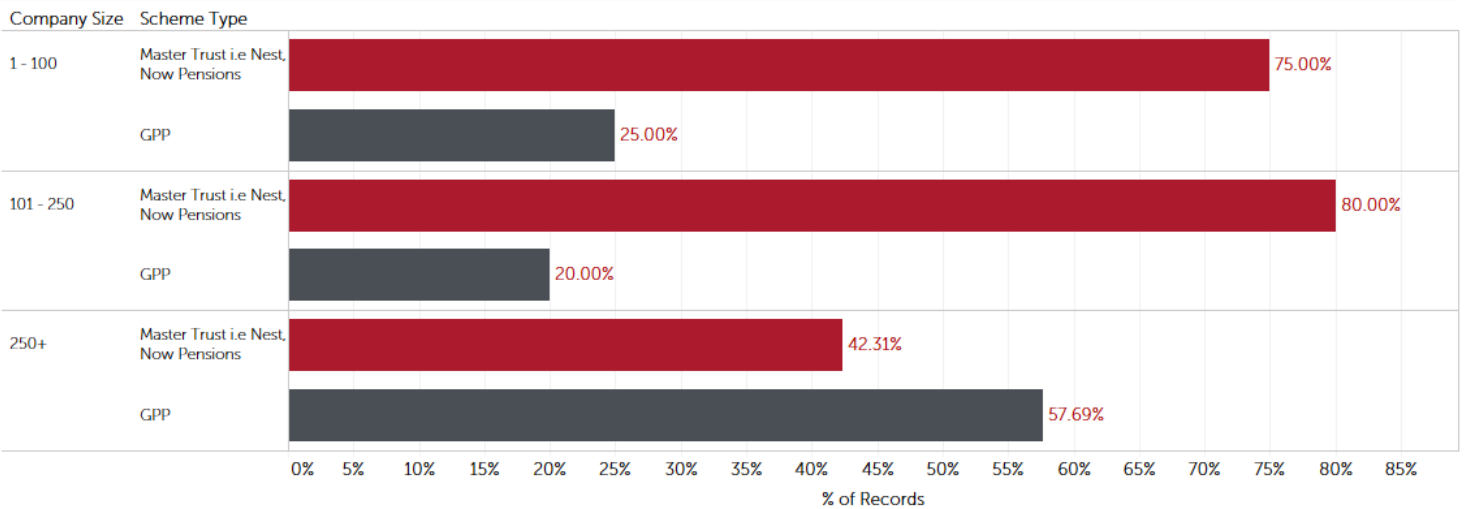
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Financial and insurance

Pension Contributions (Company Size)



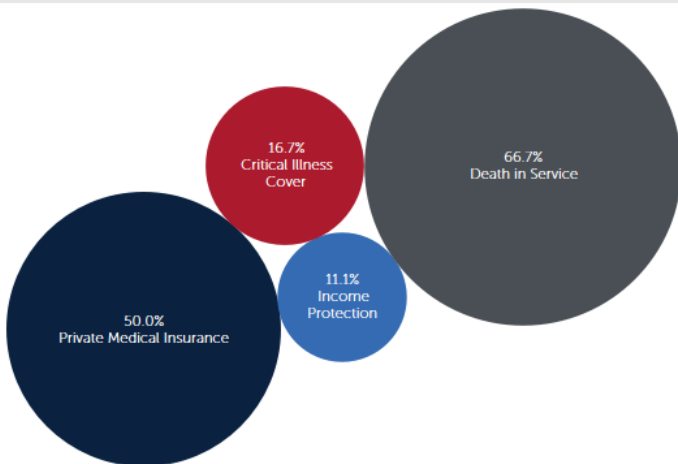
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Healthcare and social work.

Pension Type (Company Size)



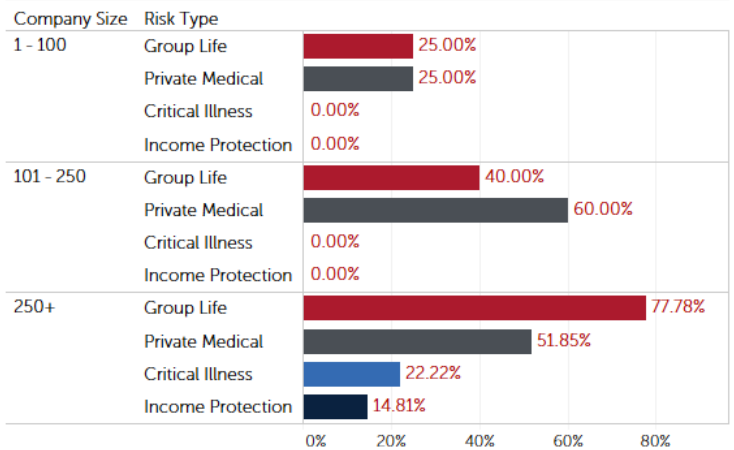
Figures for this chart shown the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Healthcare and social work. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



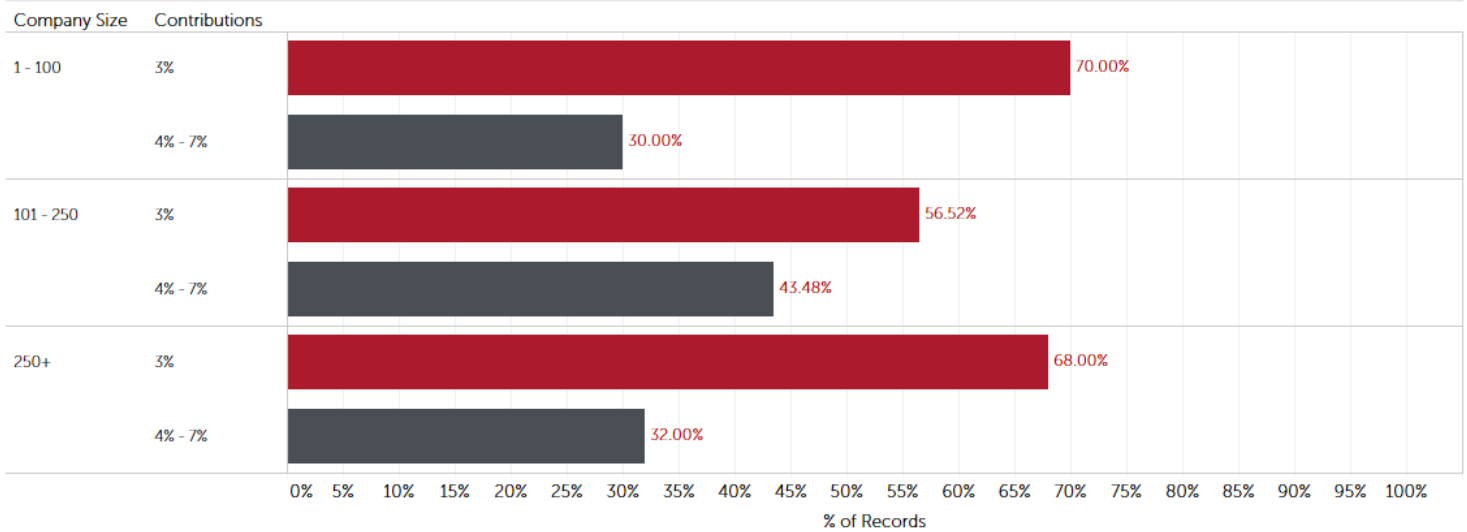
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Healthcare and social work.

Benefit Provision (Company Size)



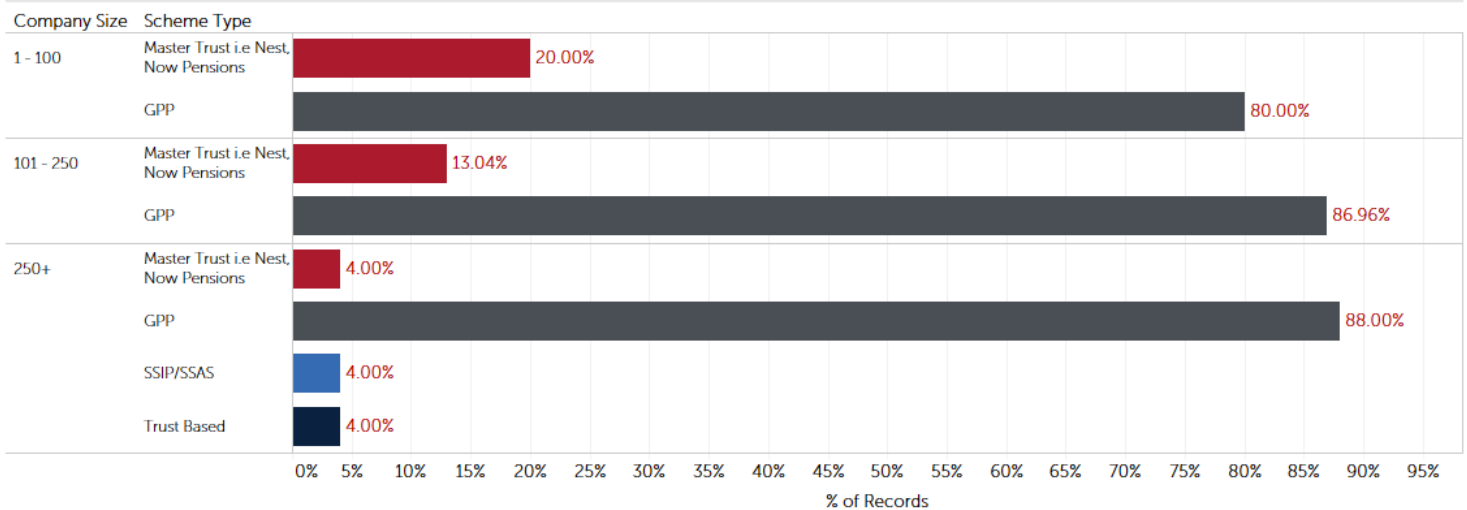
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Healthcare and social work.

Pension Contributions (Company Size)



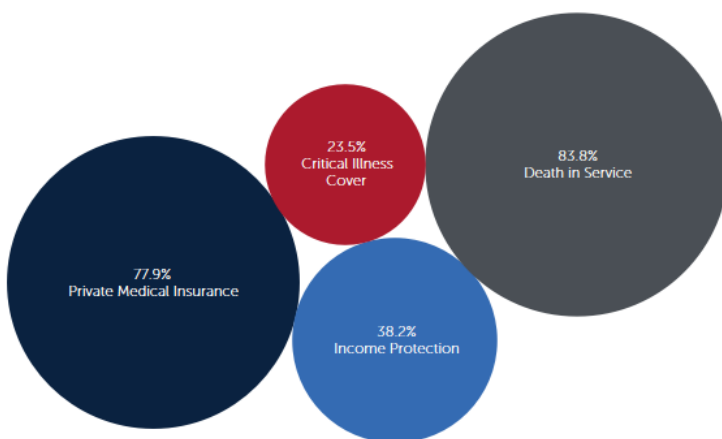
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Information and communications.

Pension Type (Company Size)



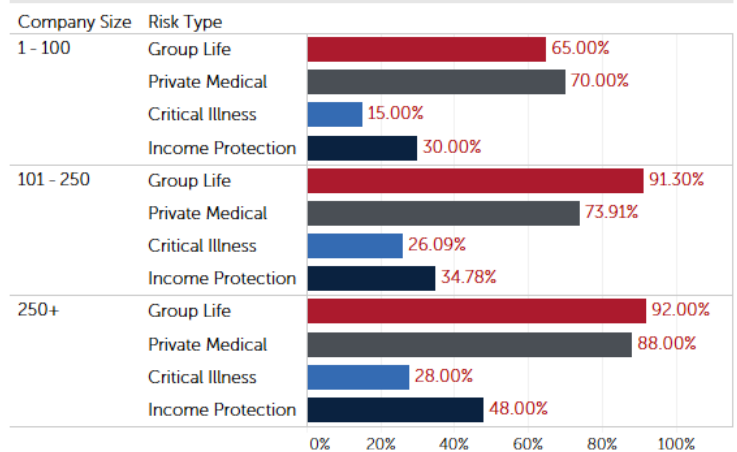
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Information and communications. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



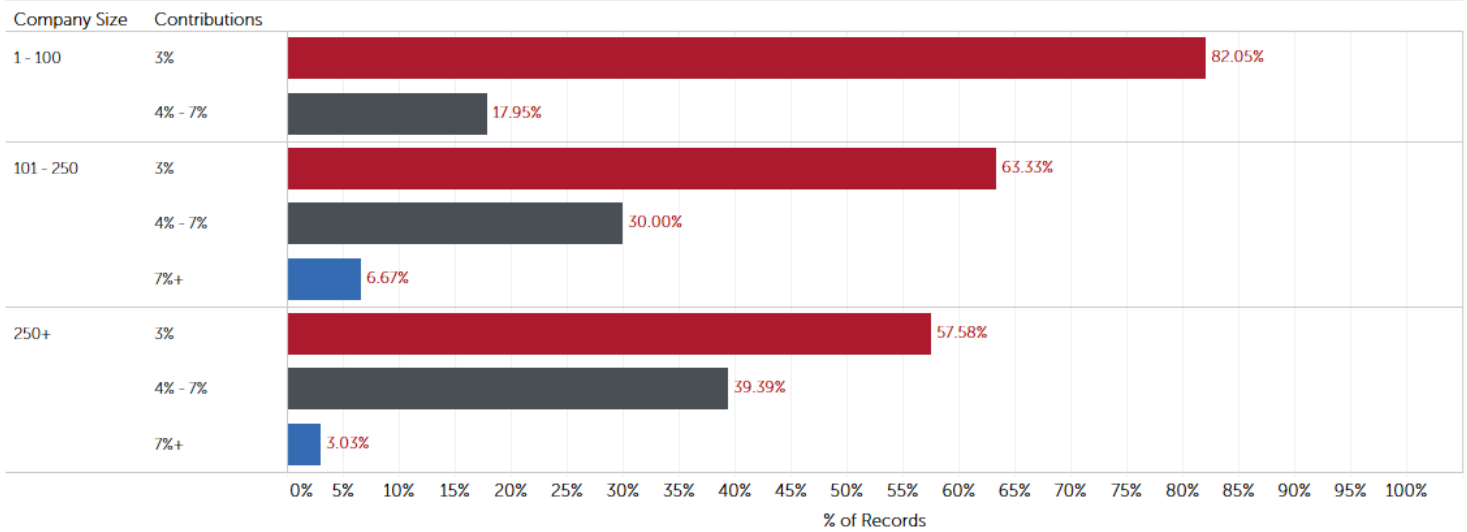
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Information and communications.

Benefit Provision (Company Size)



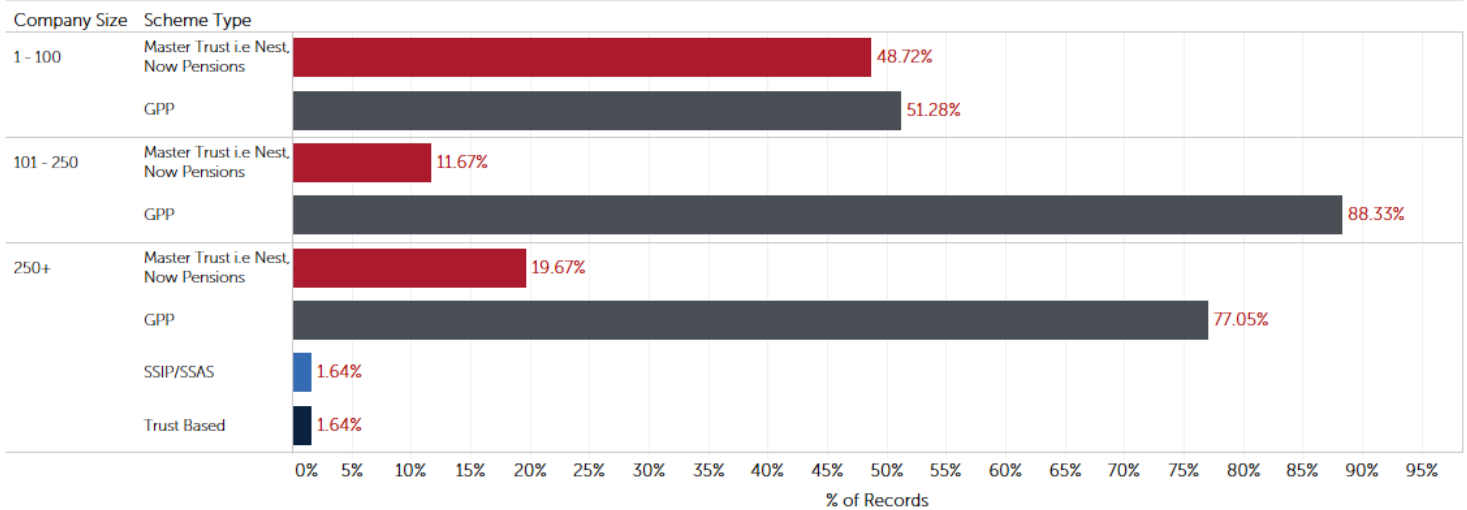
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Information and communications.

Pension Contributions (Company Size)



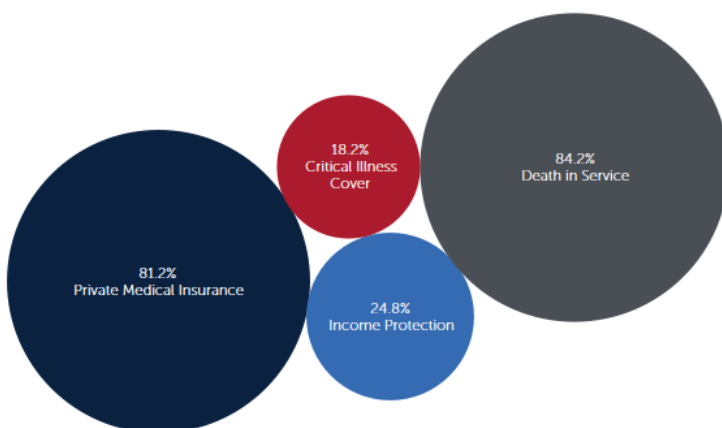
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Manufacturing.

Pension Type (Company Size)



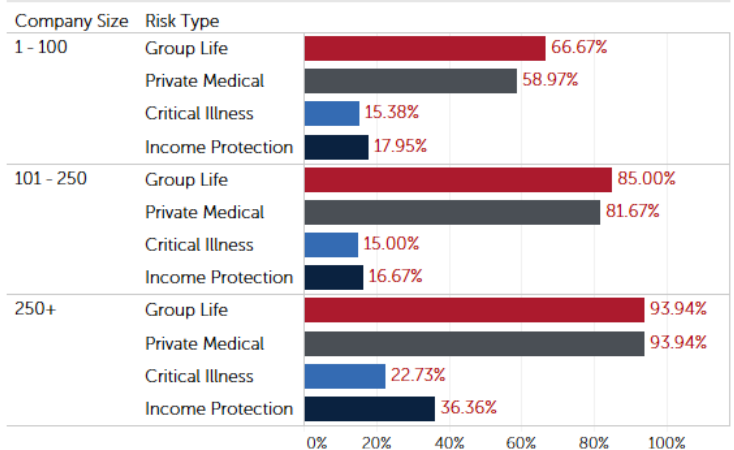
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Manufacturing. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Manufacturing.

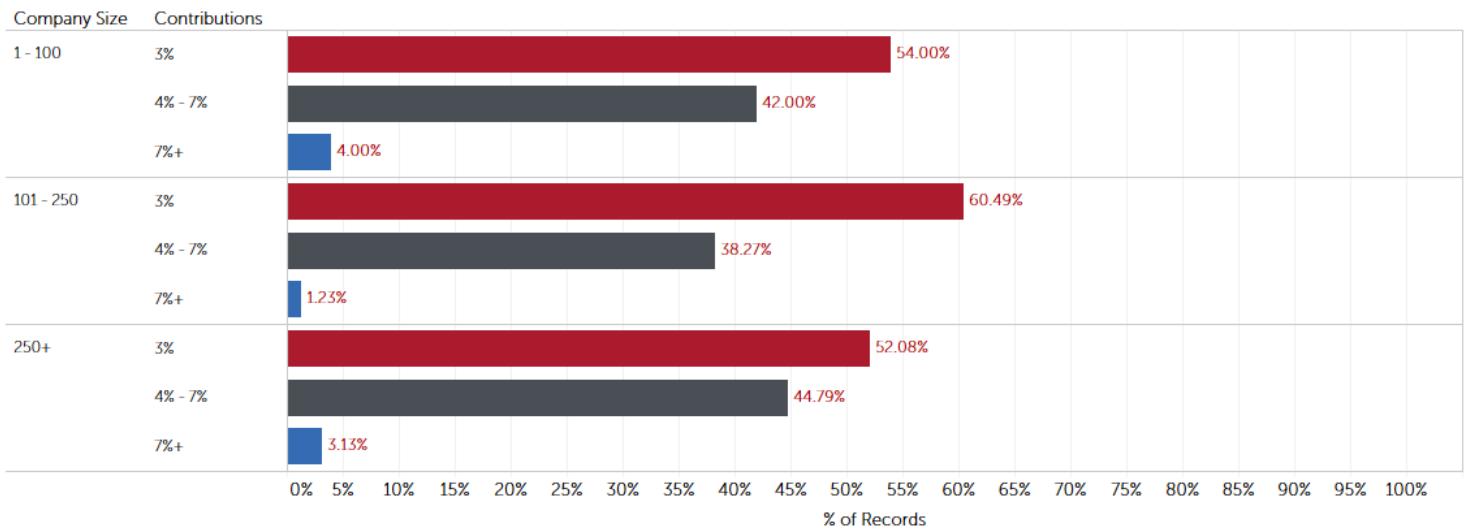
Benefit Provision (Company Size)



Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Manufacturing.

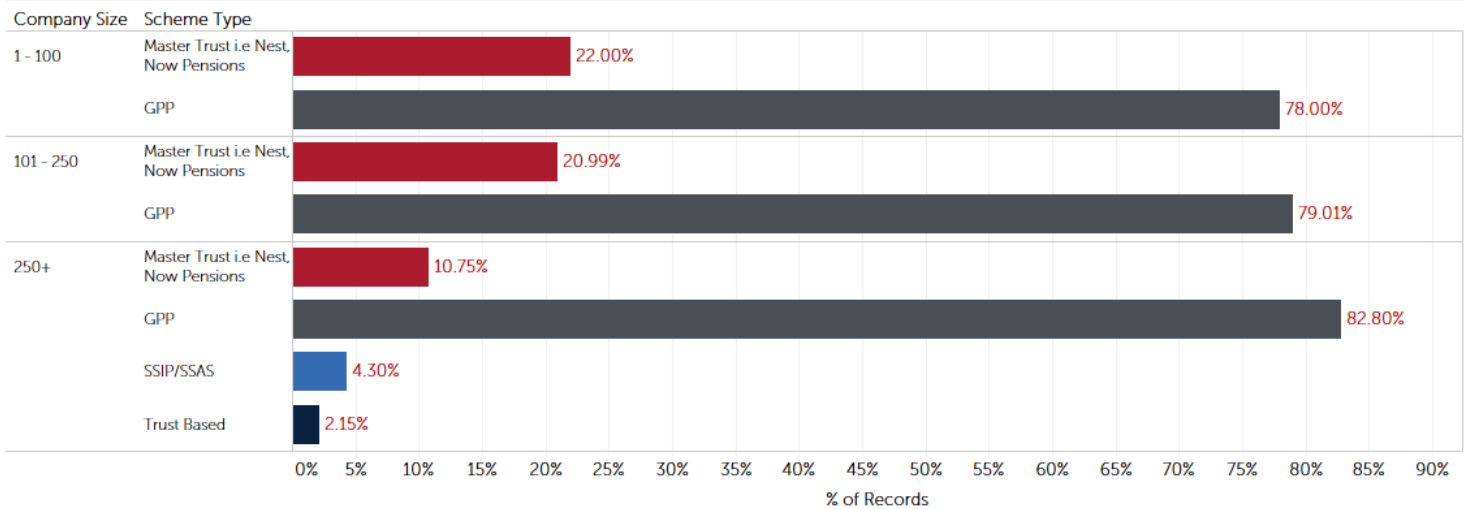
Professional, scientific and technical - Overview

Pension Contributions (Company Size)



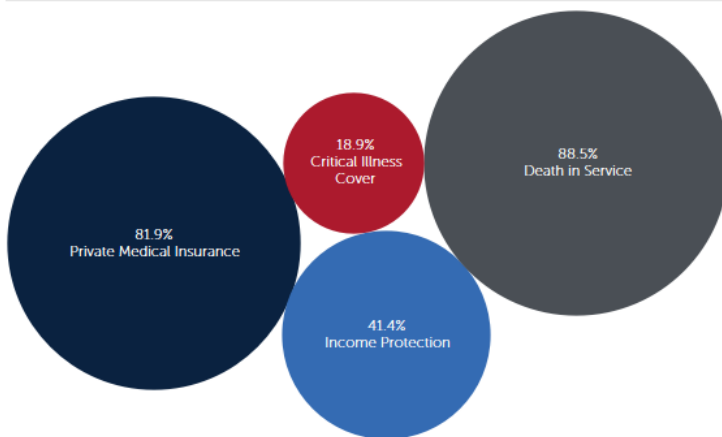
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Professional, scientific and technical.

Pension Type (Company Size)



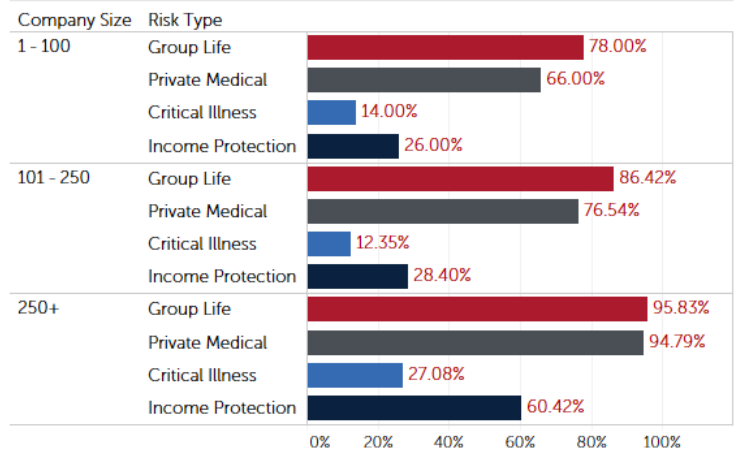
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Professional, scientific and technical. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Professional, scientific and technical.

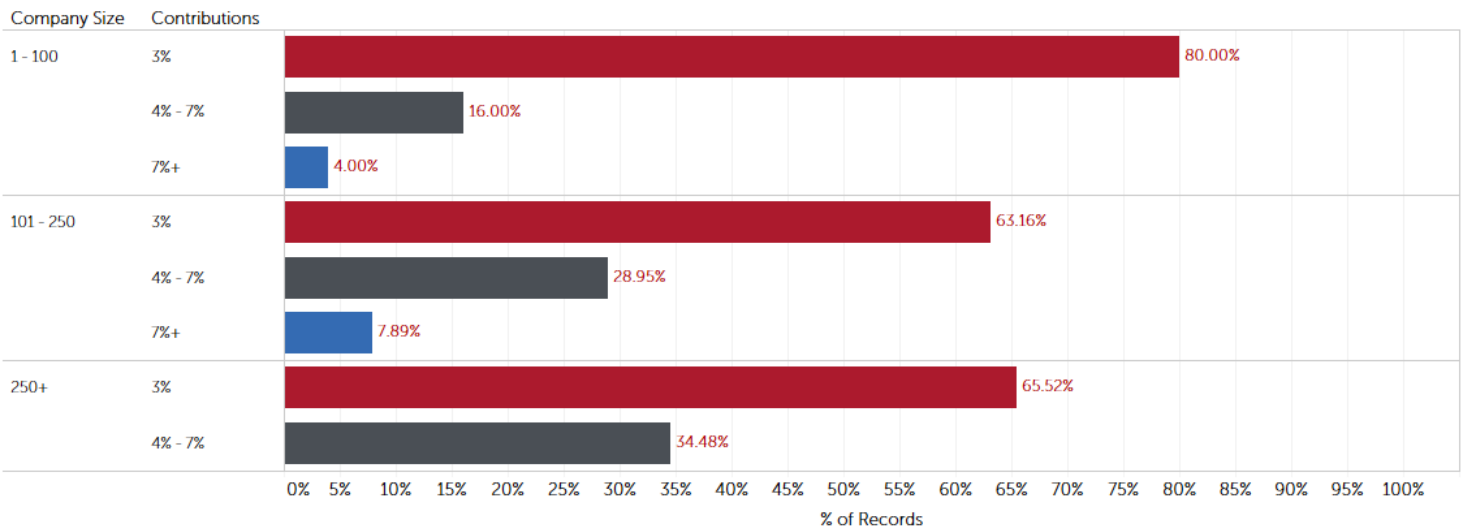
Benefit Provision (Company Size)



Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Professional, scientific and technical.

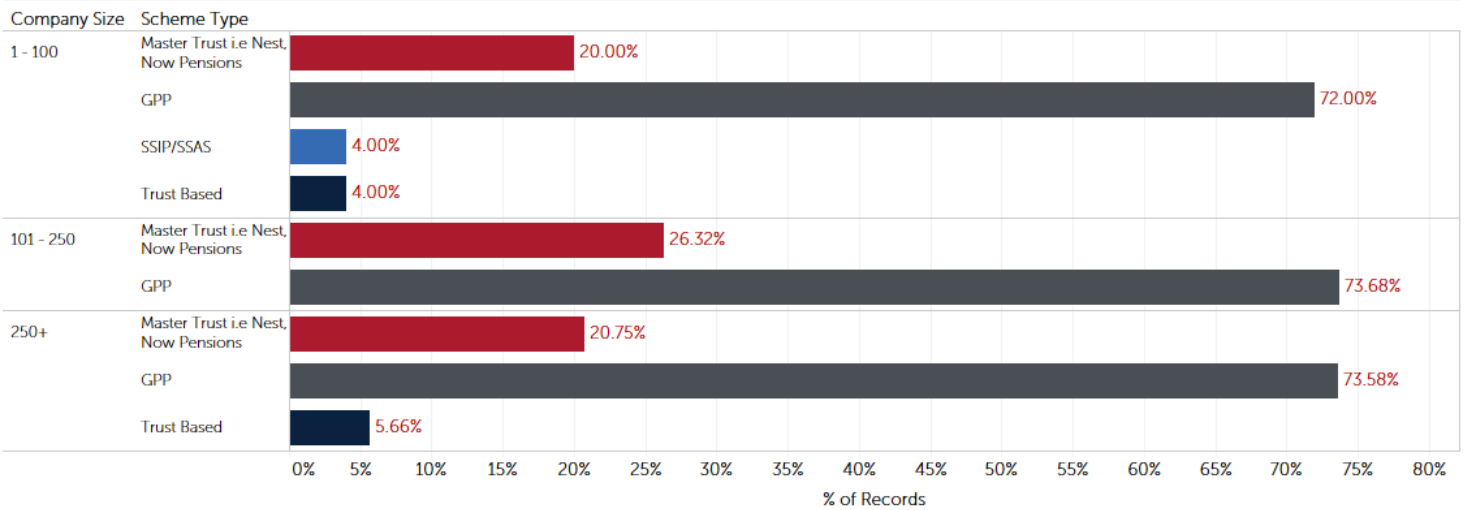
Service Sector - Overview

Pension Contributions (Company Size)



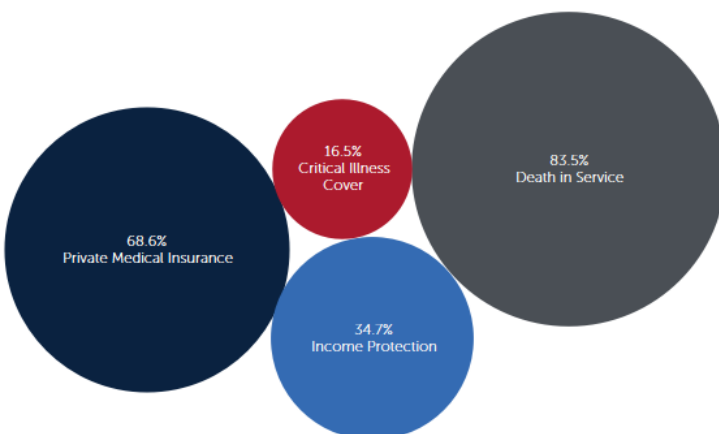
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Service sector.

Pension Type (Company Size)



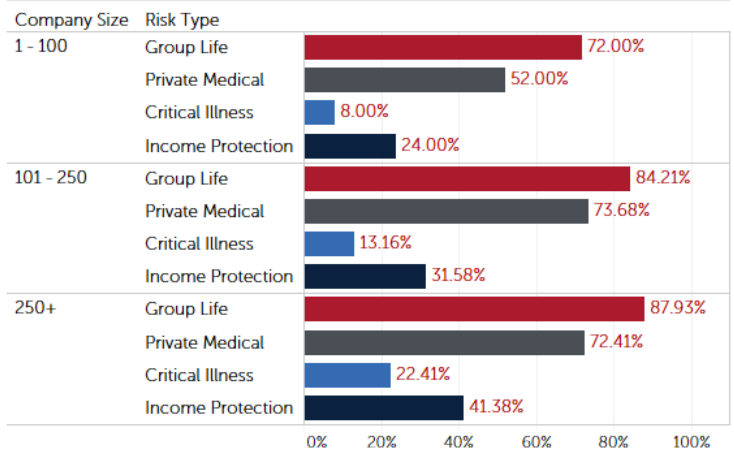
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Service sector. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Service sector.

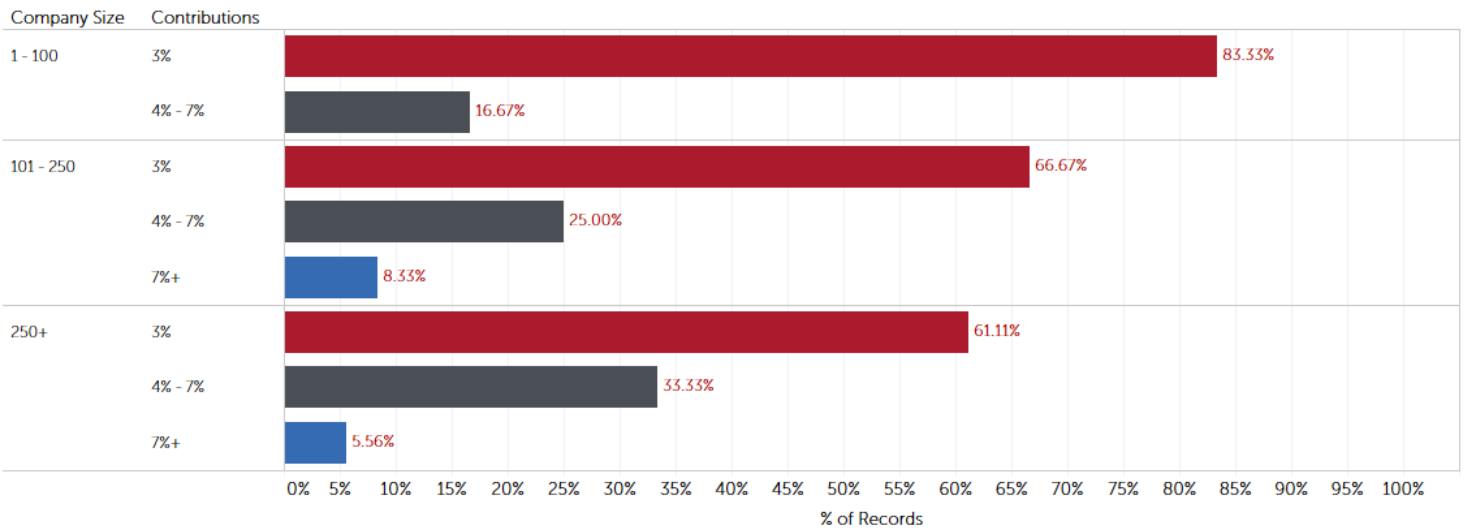
Benefit Provision (Company Size)



Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Service sector.

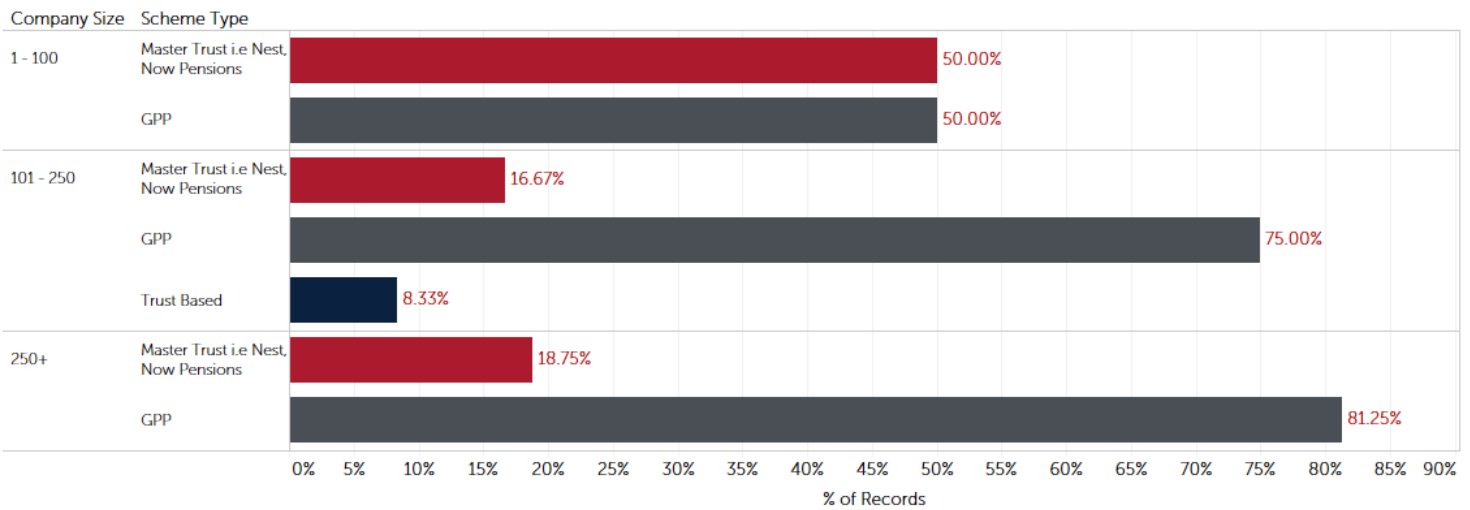
Transportation and logistics - Overview

Pension Contributions (Company Size)



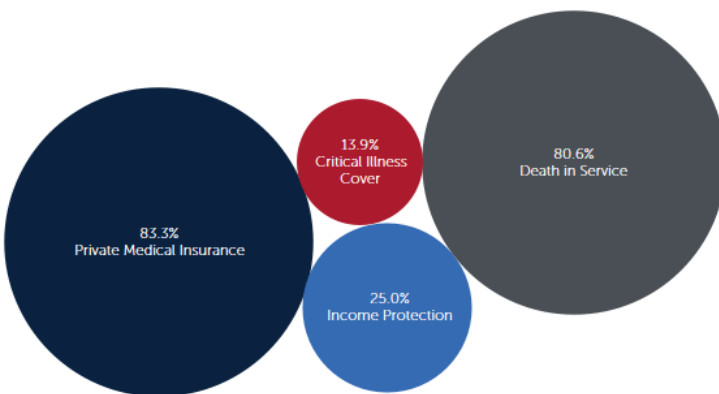
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Transportation and logistics.

Pension Type (Company Size)



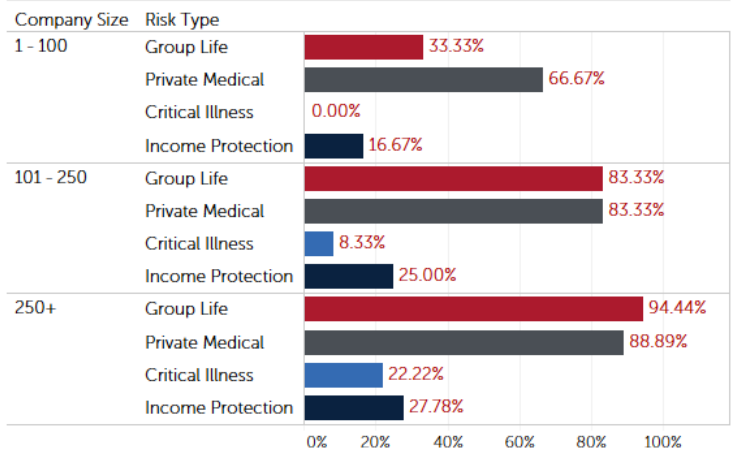
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Transportation and logistics. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



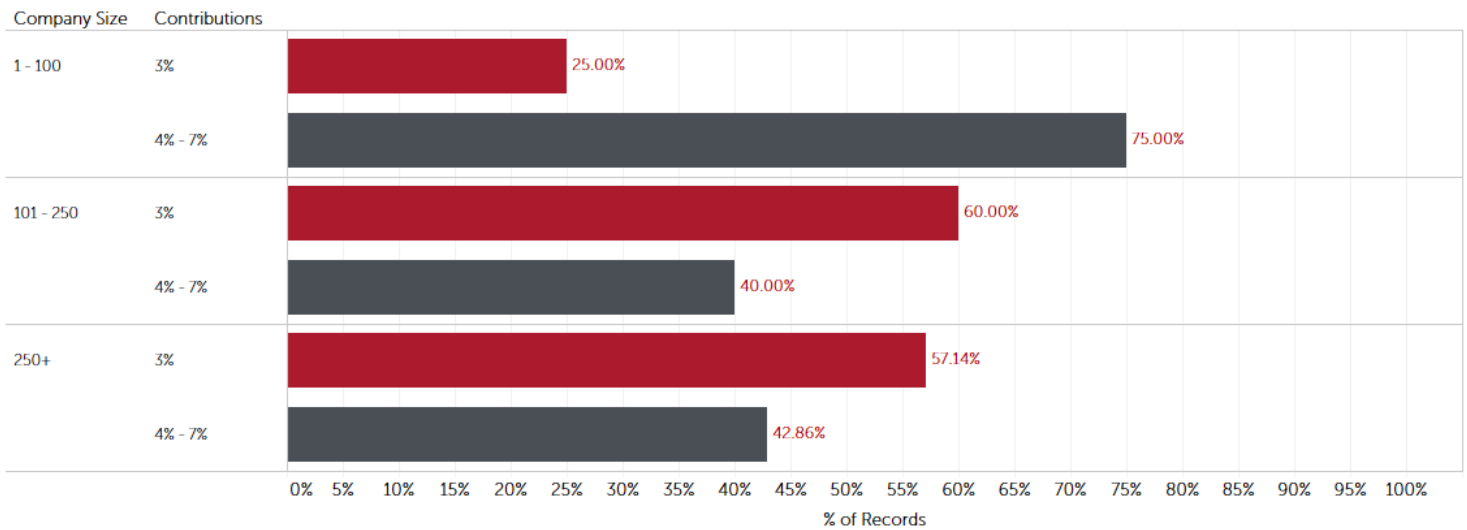
Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Transportation and logistics.

Benefit Provision (Company Size)



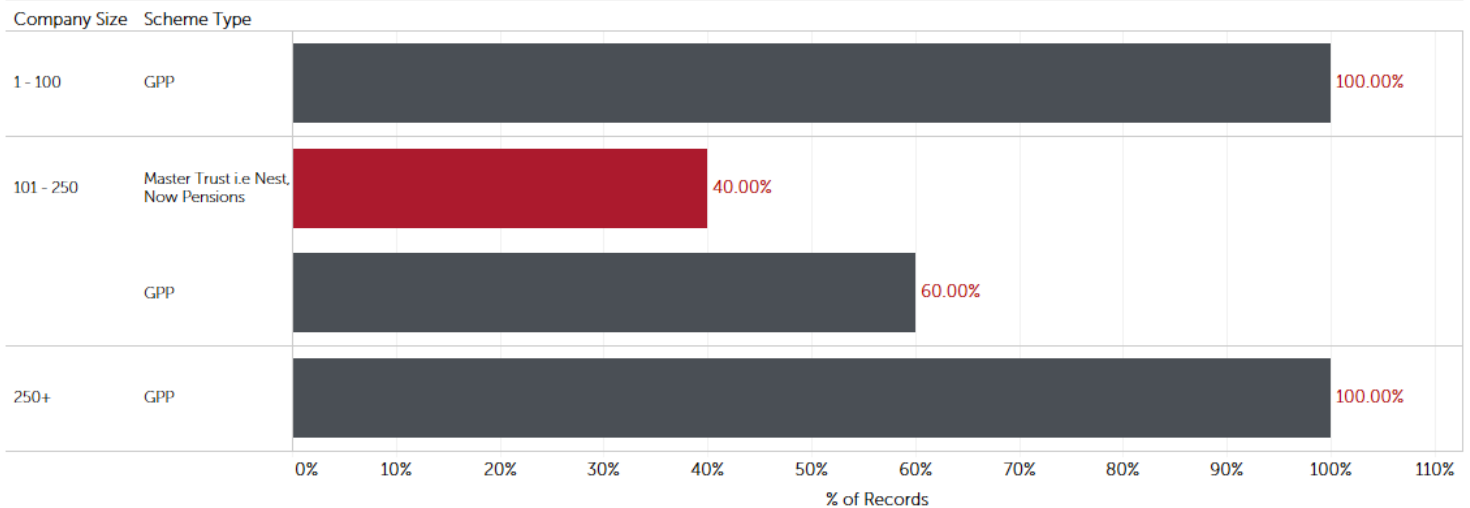
Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Transportation and logistics.

Pension Contributions (Company Size)



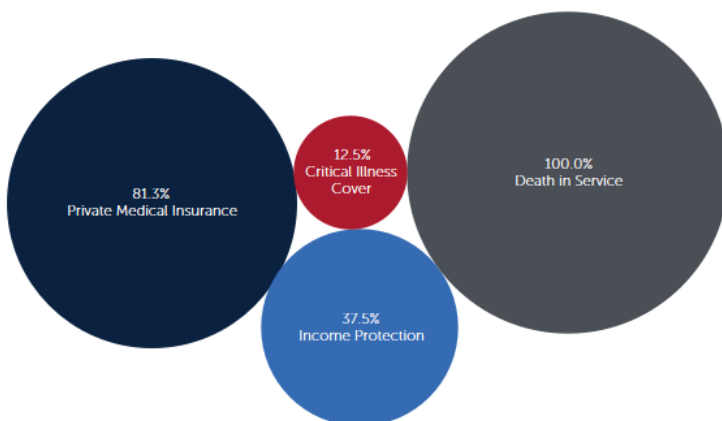
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Utilities.

Pension Type (Company Size)



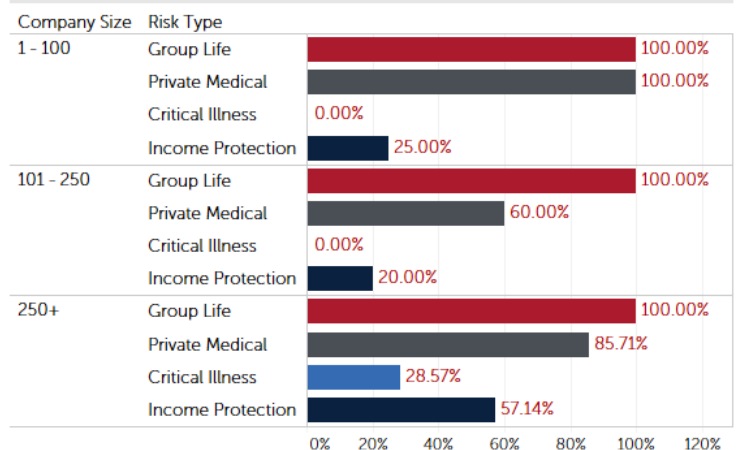
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Utilities. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Utilities.

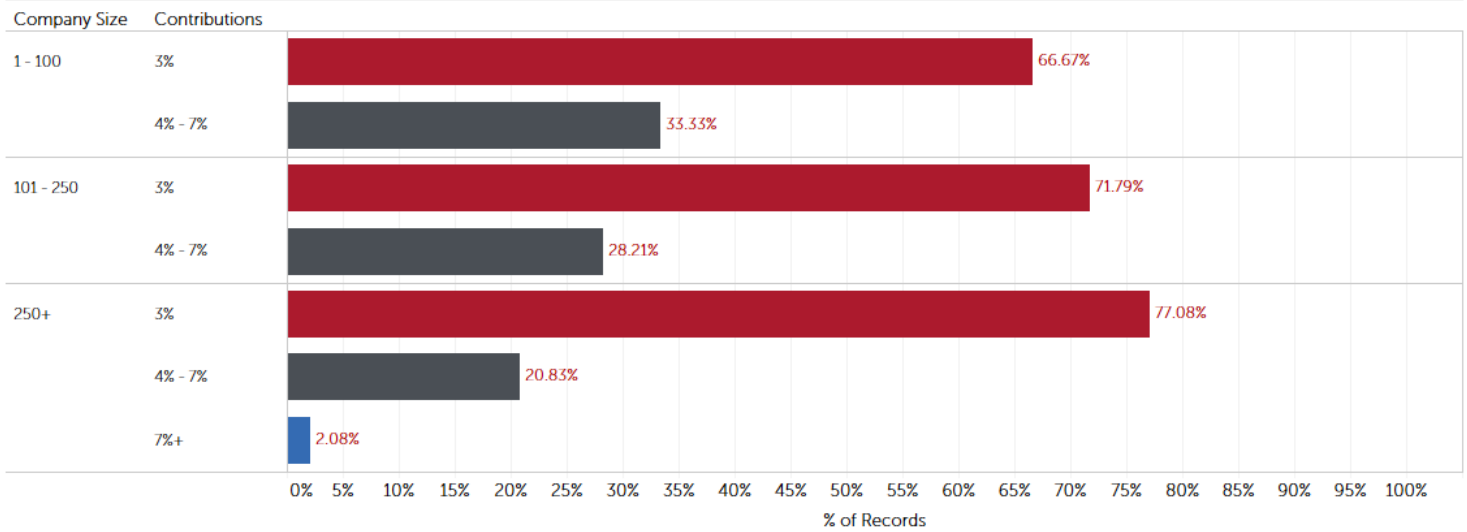
Benefit Provision (Company Size)



Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Utilities.

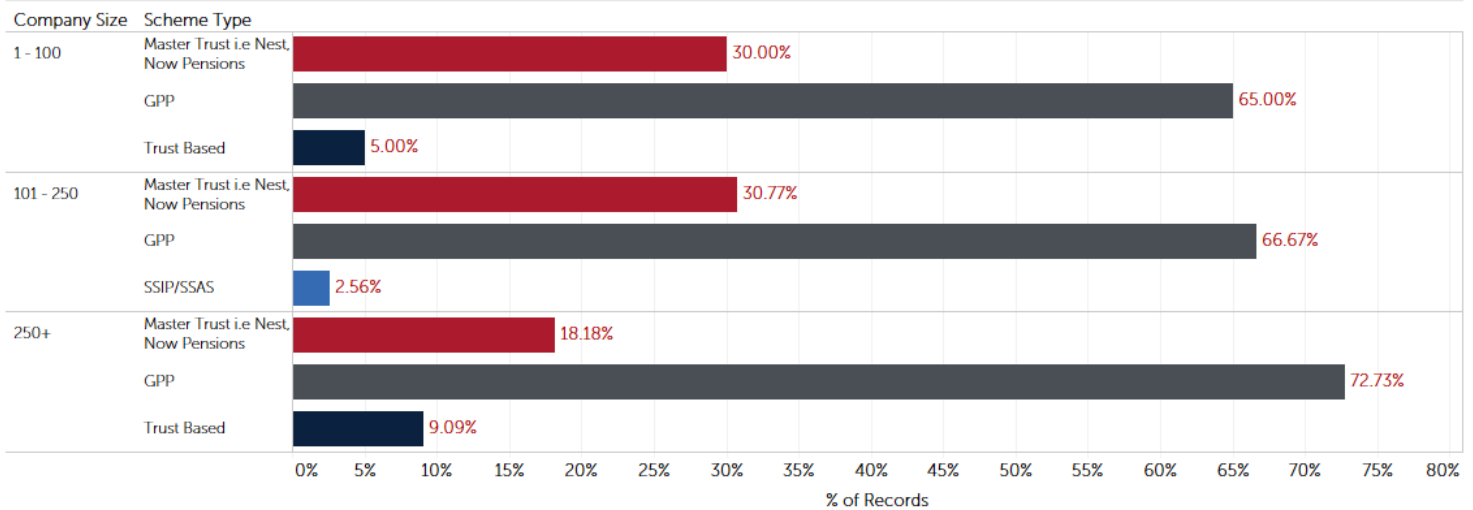
Wholesale and retail - Overview

Pension Contributions (Company Size)



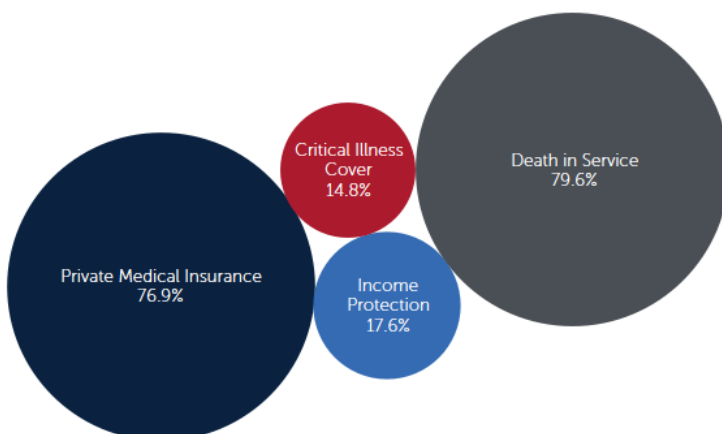
The figures for this chart show total % of the Total Number of Records for each contribution level. All records are broken down by Industry and Company Size. Colour distinguishes the Contributions. The Industry filter is Wholesale and retail.

Pension Type (Company Size)



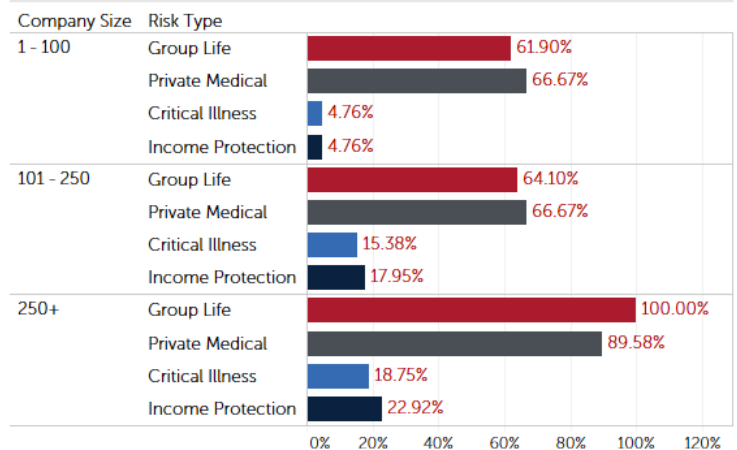
Figures for this chart show the % of Total Number of Records for each Scheme Type broken down by Company Size. Color distinguishes the Scheme Type. The data is filtered on Industry which keeps Wholesale and retail. The view is filtered on Scheme Type and Company Size.

Benefit Provision (Industry)



Benefits are shown as a % of the Total Number of Records for the industry sector. A percentage ratio has been used and this is indicated by the size of the segments. Colour distinguishes the Benefit Type. The Industry filter keeps Wholesale and retail.

Benefit Provision (Company Size)



Figures for this chart show the % of the Total Number of Records for each Risk Type broken down by Company Size as of the 31/03/2020. Colour distinguishes the Risk Type. The Industry filter keeps Wholesale and retail.



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