



EMPLOYEE BENEFITS REPORT - London based Fund Administrators

JULY 2020

Introduction

Whilst receiving a top salary is naturally a big driver for employees, having a highly competitive benefits package is as important for a lot of individuals. As people are crucial to an organisation's ability to grow and thrive, the benefits which employees receive can go a long way in helping a company achieve its goals and objectives.

Offering a compelling selection of benefits to your team shows your company cares for their overall health and future, and **a solid benefits package is proven to help attract and retain talent**. From an employee's perspective, having a competitive benefits package helps foster loyalty and improves employee retention.

A compelling benefits package can be integral to ensuring the following:

- **An increase in focus and productivity** by easing employees' stress in their personal lives by assisting with childcare, illness or financial challenges.
- **An increase in attendance** by reducing potential employee health issues through the provision of screening services through health insurance programmes.
- **An improvement in recruitment efforts**; employees are more likely to accept a job offer if they have access to relevant benefits as part of an attractive overall package.

A company's benefit scheme can be crucial when it comes to recruiting and retaining employees. During the recent lockdown period the team at OCR were busy compiling data on the various benefits which London based Fund Administrators offer.

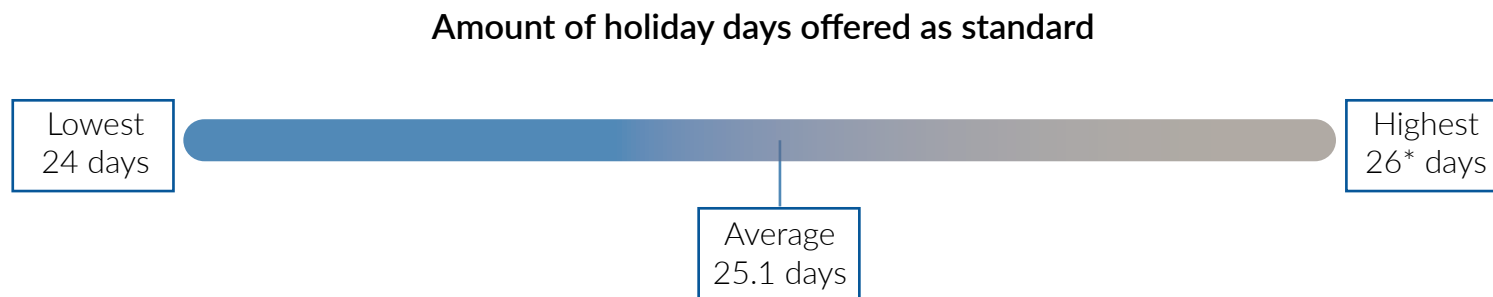
We hope you enjoy our latest report!

Holidays

It is always beneficial for employees to take a break to ensure their work-life balance and well-being is not neglected. Not taking annual leave can lead to staff burnout, increased sick leave and staff turnover.

In the UK, **all workers have the right to at least 20 days'** paid holiday per year (plus bank holidays). Although in some sectors, notably fintech, unlimited holiday allowances are becoming ever more popular, the more traditional model is still the most prevalent within the fund administration industry.

The average holiday allowance across the sector is 25.1 days (excluding bank holidays), with over 80% of clients surveyed offering this number. There wasn't any obvious correlation between company size and the amount of holidays being offered as standard.



Over half of clients surveyed offer staff additional holidays upon their reaching a specified number of years in service. The average is **one additional day of holiday for every 3.5 years of service**.

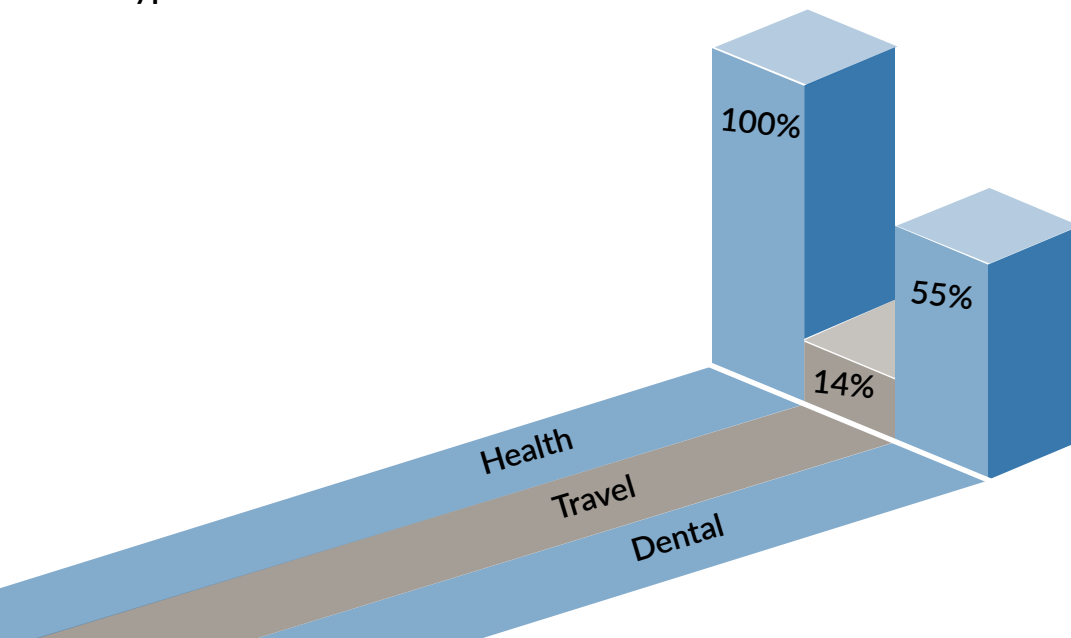
*This figure increased to 30 days when employees were allocated extra days due to tenure or their level of seniority within the business

Insurance

Unhealthy employees are not productive employees! Sick days can cumulatively cost a business thousands of pounds a year, making health insurance a sensible investment when considering overall employee wellness.

Health insurance is the second most sought after benefit for employees (just behind flexible working) so it's no surprise most companies offer this as their primary company benefit and then add on additional benefits over time. **100% of companies surveyed offer health insurance as standard.**

Types of insurance offered as standard



Dental insurance as a company benefit is less common but is a highly valued perk by employees. Our report shows it is becoming increasingly popular as a standard benefit with **just over 55% of companies offering dental insurance** as part of their core benefits package.

Travel insurance tends to be a lot less common, with fewer than 15% of companies offering this benefit.

Most commonly selected insurance companies

(Note: This top three selection is based on the London Investment Management industry as a whole)

Health	Travel	Dental
1. Bupa 2. AXA 3. Vitality	1. Bupa 2. AXA 3. Allianz	1. Bupa 2. AXA 3. Aviva

Additional insurance companies named include:

Health: Aviva, BCBC, Cigna, WPA-BIK, Now Health, Allianz

Travel: Crispin Speers, Howdens, TravelEx

Dental: Cigna, Denplan, Simply Health, Unum, Vitality, Guardian

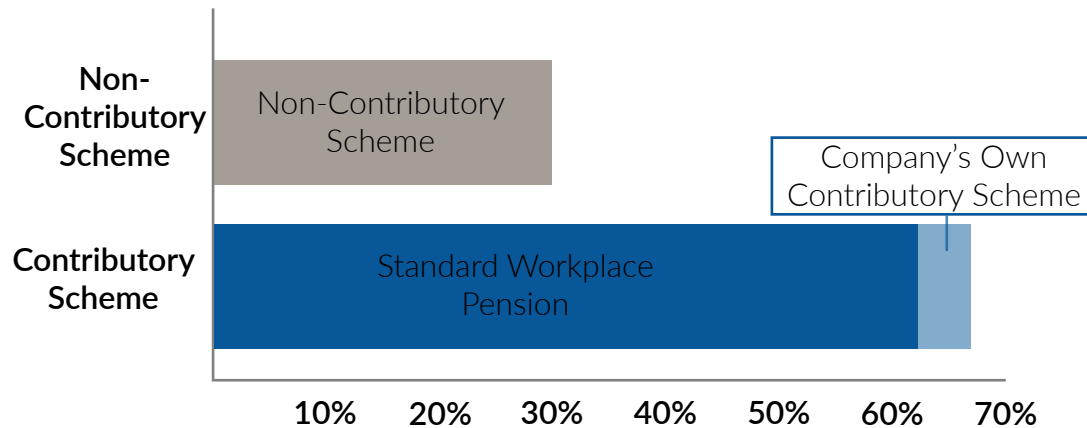
Pensions

Contributory pension schemes tend to be the most common (70%) amongst companies surveyed. **Almost all of those who offer contributory schemes provide the standard workplace pension** whereby an employee pays in 5% of their salary and the employer pays in 3%.

Non-contributory schemes were offered by 30% of the companies surveyed in our report.

Interestingly, we found less than **5% of businesses offer their employees the option to top up their pension pots** using a **salary sacrifice scheme**.

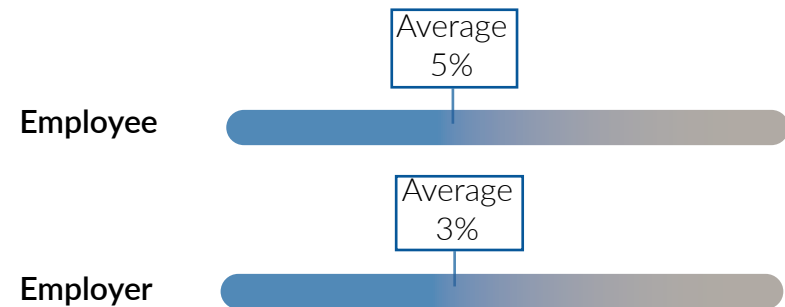
% split of companies offering either a Contributory or Non-Contributory pension scheme



Most commonly selected pension providers across the wider Investment Management industry in London

1. Scottish Widows
2. Aegon
3. Royal London

Contributory Pension Schemes



Non-Contributory Pension Schemes

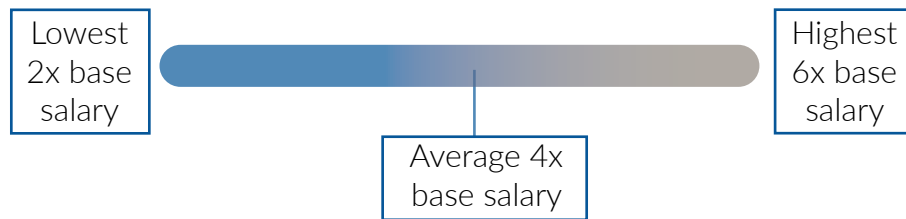


Additional Health Benefits

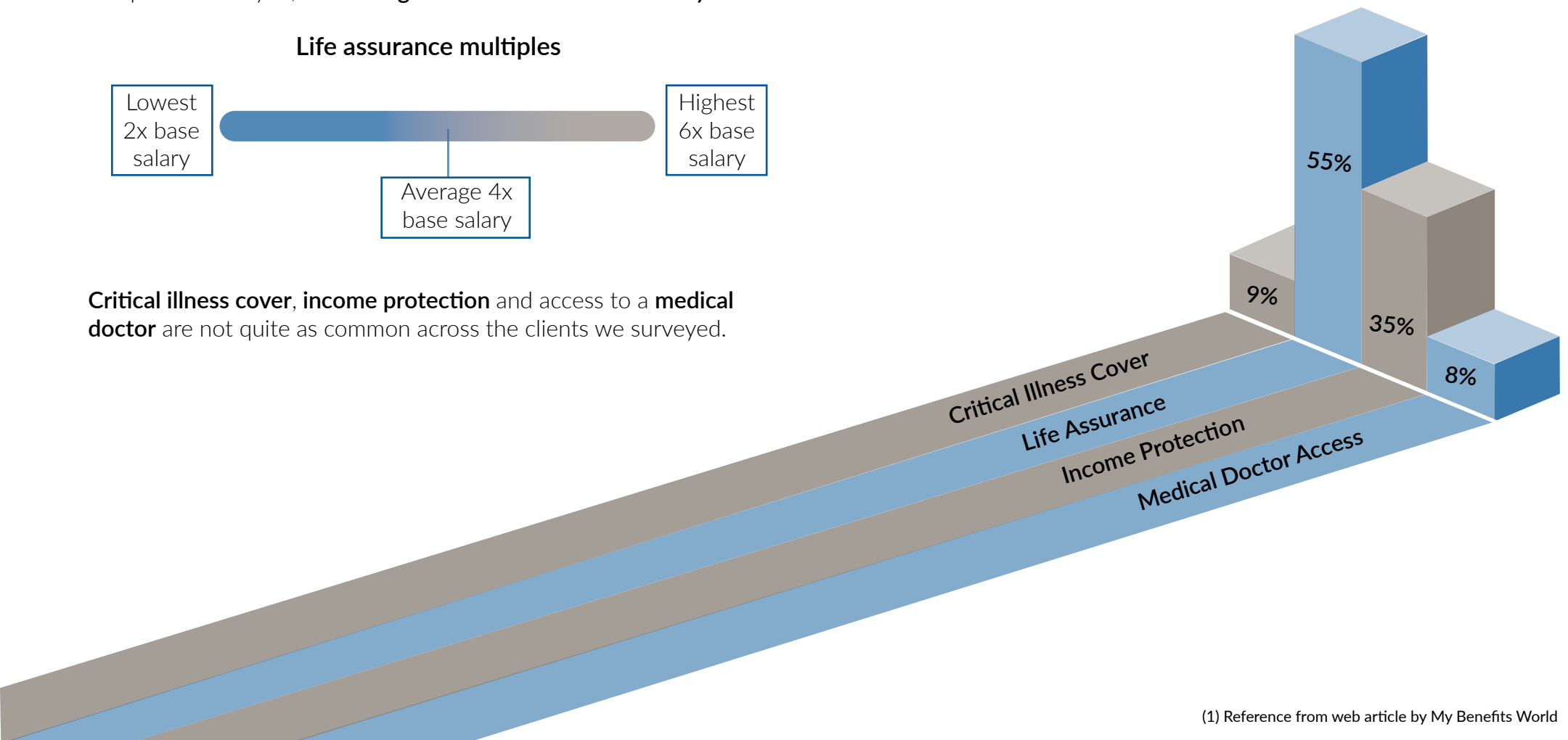
Life assurance is something most employees now expect to see in their benefits package.¹ **55% of the businesses included in our findings offer this as part of their standard benefits package.** The most common scheme is based on a multiple of the employee's salary. Across the companies surveyed, **the average was 4 times the base salary.**

Additional health benefits offered as standard

Life assurance multiples



Critical illness cover, income protection and access to a **medical doctor** are not quite as common across the clients we surveyed.



(1) Reference from web article by My Benefits World

Wellbeing Benefits

In excess of 60% of companies surveyed offer a 'Cycle to Work' scheme, making it the second most popular 'wellbeing' benefit.

In the current climate, it is a benefit which more companies are now offering to encourage staff who may be wary of using public transport to return to the office.



Candidates are increasingly asking about the availability of both health and fitness perks in benefits packages. We found just **25% of companies offer either subsidised gym membership or access to an on-site gym facility**.



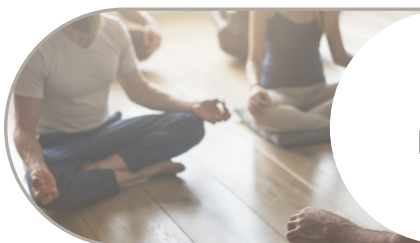
Less than **5%** of clients offer to **pay the cost of a black taxi** should employees be required to **work late** into the evening.



Additional Benefits

The sponsoring of further study or upskilling is an increasingly common question which candidates ask us when we discuss new career opportunities with them.

We found almost all Administrators **have specific programs in place covering these needs**. Those who prioritise such offerings typically pay for exam fees and appropriate textbooks, along with allowing several study days p/a.



Additional wellbeing perks such as yoga, meditation and pilates are also popular amongst businesses, showing that company-wide **wellbeing programmes are becoming increasingly common**. A number of businesses offer in-house massages as an employee treat from time to time!

Flexible working is a highly sought-after benefit for employees. We would have liked to document what companies offer in this regard, but unfortunately current circumstances prevent us from providing any sort of accurate analysis.



'Giving as you Earn' or charitable contributions schemes are also on the rise. These allow employees to make donations of their choice and give each company the option of matching the employee contribution. A growing number of companies are also encouraging their team to partake in volunteer days and evenings at charities, schools, shelters etc. during the year.

Thank you to all who participated in our survey over the last few weeks.

Should you have any feedback or ideas for future reports, please do get in touch.

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