



# Caution prevails, but employers confident in improved business prospects this year



Sarah Bergin-McCarthy  
Director  
Sammons Pensions  
Recruitment

**O**ur 2016 Annual Salary Survey, now in its 15th edition, provides detailed insight into current market trends, with invaluable contributions from employers and employees providing both specific data and views on salaries, bonuses and benefit packages, as well as recruitment issues and challenges the pensions industry presents. We draw on this data, coupled with our own industry knowledge and experience, to provide bespoke advice to companies on market rates to attract the right candidates, and to individuals to benchmark their current salary and how to pitch themselves when considering their next career move.

## Market overview

In December 2016, the Recruitment and Employment Confederation (REC) reported “Candidate shortage intensifies as intent to hire remains strong” and in January 2017 “Caution prevails as employers prepare for an uncertain year”.

76% of employers state that UK economic conditions in 2017 will be more challenging than in 2016, but 74% also think their business will perform better in 2017 than in 2016. 24% of employers plan to increase permanent headcount, 58% increased pay in the last 12 months. The Confederation of British Industry’s Employment Trends Survey shows business prospects looking bright for 2017 – despite the uncertainties surrounding the UK’s relationship with the EU. This should equate to more employees being able to join the ranks of the automatically enrolled. The effect of the National Living Wage (NLW), pay rises in general, staff engagement and diversity highlighted in the report could all have a direct impact on pensions.

Government legislative changes continue to impact on employers, with recent announcements such as the removal of tax savings from aspects of salary sacrifice schemes. The National Living Wage is impacting on many businesses, with the CBI reporting 16% of respondents to their survey

planning to offset costs through changes to reward packages. Gender pay gap reporting requirements have also been introduced for organisations with 250 or more employees. This information will have to be accessible to both employees and the public. The pay gap between full-time male and female employees fell to 9.4% from 9.6% in 2015, TUC's general secretary Frances O'Grady commenting it was disappointing that the gap was closing at a "snail's pace". Korn Ferry Hay published a recent report on this issue, commenting "The real gap is caused by the scarcity of women at the highest and best-paid levels of industries such as oil and gas, technology and life sciences".

### Why change role?

Employees are increasingly confident about making career moves, with salary, new challenge and career progression cited as key motivators. Speed of recruitment process has featured more highly this year, which needs to be a priority for potential employers, with increasing levels of opportunities for candidates to consider. Comments include "availability of specialist roles", "lack of part-time opportunities", "not receiving honest and useful feedback". Employers in turn again reported "Shortage of suitably experienced candidates presented" as the key issue when recruiting, with "candidate salary" being the next most frequent challenge to overcome.

### Is your salary in line with the market? 39% responded "yes", an increase of 4% compared to last year's survey

The average pay rise reported, as for the past four years, was 2-2.9%. Comments made by respondents included: "Feel underpaid for the role covered", "Low increases since qualification several years ago, despite significant changes in role and responsibilities", "Pay rise given due to offer received elsewhere".

The majority of employers do not share salary information internally or externally, but the benefits of a greater level of transparency could include increased trust between employer and employee; more accurate benchmarking when reviewing salaries; reduction in gender pay gap. 50% of respondents agreed with the question "Do you feel your employer could be more transparent with salary information externally/internally". Comments made included "It is regularly stated by line management that it is gross misconduct

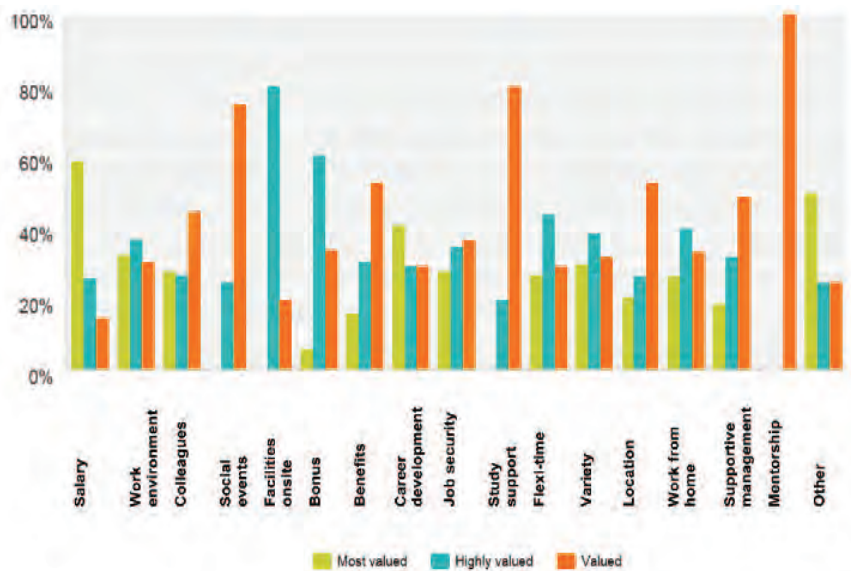
to discuss salaries internally", "They share no information, I have no idea what my colleagues earn and whether my pay compares favourably", "Extreme variation with new employees often hired on higher salaries than existing employees", "We've made steps to explain the basis of the increases, so the recipient has a better understanding of the numbers and why it may change from year to year".

In-House	London	South East	Midlands & South West	North & Scotland
Junior Pensions Administrator	£16-22k	£16-22k	£16-22k	£16-22k
Pensions Administrator	£20-41k	£20-45k	£18-35k	£15-30k
Senior Pensions Administrator	£30-47k	£25-45k	£25-40k	£20-40k
Team Leader	£40-45k	£30-48k	£28-45k	£27-42k
Administration/Operations Manager/Director	£40-110k	£40-110k	£35-90k	£35-100k
Assistant Pensions Manager	£40-70k	£35-65k	£30-60k	£30-60k
Pensions Manager	£40-130k	£49-90k	£38-105k	£45-110k
Group Pensions Manager	£55-135k	£49-170k	£55-150k	£66-145k
Pensions Director (UK wide)	£120-400k			

Consultancy/Third Party	London	South East	Midlands & South West	North & Scotland
Junior Pensions Administrator	£18-22k	£17-22k	£15-22k	£15-19k
Pensions Administrator	£18-30k	£16-36k	£19-27k	£17-26k
Senior Pensions Administrator	£26-35k	£28-40k	£24-35k	£21-35k
Team Leader	£32-45k	£30-45k	£30-40k	£30-40k
Administration/Operations Manager/Director	£40-90k	£30-110k	£40-85k	£30-120k
Trainee/Assistant Consultant	£24-40k	£25-40k	£25-40k	£22-35k
Consultant	£40-70k	£33-65k	£35-65k	£28-60k
Senior/Lead Consultant /Partner	£60-185k+	£65-160k+	£50-135k+	£32-140k+
Client Manager/Director	£40-100k	£30-90k	£35-80k	£36-80k
New Business Consultant	£30-100k OTE £100k+	£30-80k OTE £100k+	£30-95k OTE £80k+	£30-80k OTE £80k+

\*note Salary range in each category due, in part, to varying benefits packages, bonus structures; as well as the wide-ranging responsibilities typically categorised by relatively few job titles.

### What factors do you value most highly in your current employment?





## How could your benefits package be improved?

58.6% of respondents feel their benefits are competitive.

We also asked what benefits respondents would like to receive, that they are not currently offered. Analysis of the survey responses shows a range of opinions in answer to this question.

A key trend for the past three years has been flexibility, whether flexible package, ability to buy/sell holidays, or flexible working. Financial Advice has featured much more frequently than in previous years. See Figure 1 below.

## What are the most popular qualifications to hold?

Pensions is ever evolving with new demands made on those involved whether they are new to pensions, pensions managers, consultants, administrators, trustees, HR professionals, or accountants.

Each year APMI is the most popular qualification to hold, or be studying towards, along with FIA, Trustee Toolkit, Certificate of Essential Pensions Knowledge and DipPFS, demonstrating the high regard in which professional qualifications are held in this industry.

## Study supported?

In 2012 42.6% advised "yes", increasing each year to 61% in 2015, although only 50% in 2016. Incentives ranged from £75-2500 per exam.

**"It has never been more vital for individuals to focus on their own personal development. Whether it's the development of knowledge, skills or the achievement of qualifications, those who grow their capability will be successful in our industry in the future".**

*John Hutton, National UK Sales Learning & Development Manager at Friends Life, Inside Careers*

## Major challenges facing the industry, your views

As with previous years, respondents are clearly passionate about the industry they work in. For the most common themes see Figure 2.

## Conclusion

Uncertainty in the UK business sector has had an impact on both the volume of job vacancies and the level of scrutiny over headcount levels and hiring decisions. For the Pensions industry it has been another busy year of activity, from high profile company mergers to the ongoing developments in legislation, to the challenging post-US presidency/ Brexit economic climate for pension scheme funding and investment strategy. The need for talented individuals in this industry continues to grow.

We had a fantastic response to our annual survey, and would like to thank everyone who participated. For further information on our findings or for specific benchmarking please contact the Sammons Pensions Recruitment team. 🇬🇧

Figure 1



Figure 2

