

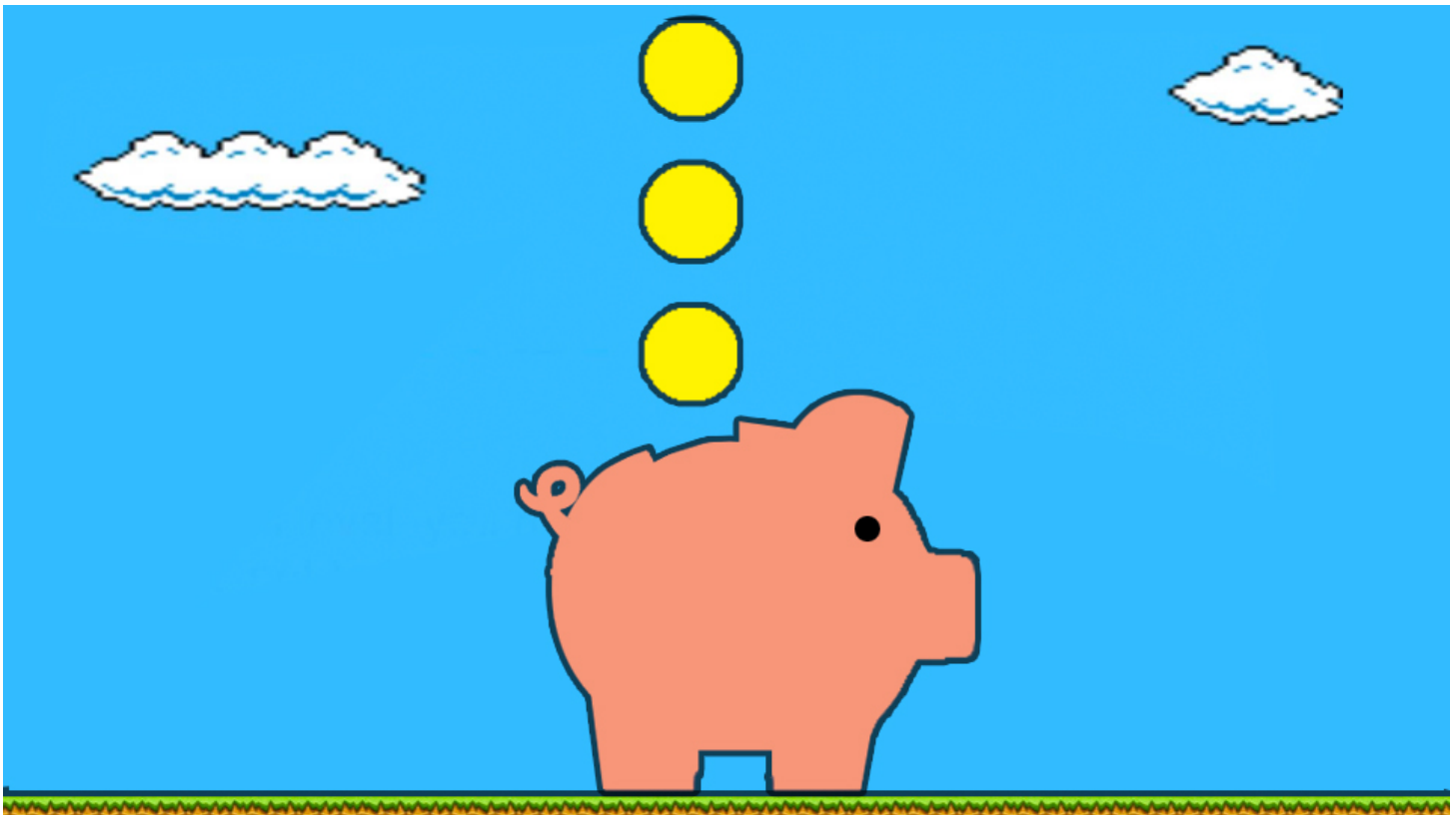
## News

## Pensions 'by far the most valuable employee benefit'

26 Mar 2018

By Annie Makoff-Clark

Study finds saving for retirement is seen as more important than bonuses or private medical insurance



British employees view pensions as overwhelmingly the most valuable benefit they can receive in the workplace, according to new research that also highlighted a 'disparity' between the benefits staff value and those most commonly provided by employers.

In a study by Jobsite of 500 employees 82 per cent said pensions were an important part of their benefits package, ahead of performance-related bonuses (65 per cent), support for mental health and stress (55 per cent) and private medical insurance (51 per cent).

Kate Smith, head of pensions at pension provider Aegon, told *People Management* that the "positive results" indicated that the "tide was turning" for pensions. "Eighty-two per cent is an extremely high statistic, which is great news. It shows that auto enrolment is working and people are hearing the pension-saving message," she

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The research also showed a significant mismatch between what employees valued in their benefits packages and what they actually received. Despite the perceived importance of private medical cover, for example, only 23 per cent of individuals received it as part of their rewards package, the same number who said they had access to mental health support services.

Smith said this disparity was a “cost issue” forcing HR departments to make hard choices over which benefits to provide. “The pension budget is the largest so employers have to provide it by law. But with benefits like PMI, employers either don’t provide it at all or provide it only for those in senior roles,” she added.

Jeff Fox, principal at Aon Employee Benefits, said: “There has always been a balancing act between what the employer deems to be important versus what the employee wants. Will we ever see a complete alignment? Arguably not until we see an employer fully place the employee at the front and centre of the benefits strategy.”

Fundamentally, said Fox, many companies were struggling to see a clear return on investment in funding certain initiatives, although pensions were viewed by many as “literally a life saver”, which employers understood.

“Most employees recognise that they may not want to work for the rest of their lives – that they ‘work to live’ not ‘live to work’. A pension will never be a cool benefit, but we should give employees credit for seeing its importance,” he added.

Matthew Reed, founder of ‘insurtech’ company Equipsme, urged staff to approach employers about benefits such as health insurance if they are not provided already – the organisations may not have had time to look into how feasible certain benefits really are, he said.

The findings come as new data from the Department for Work and Pensions revealed that the **pensions gender pay gap had nearly trebled** over the last 10 years.

Between 2006 and 2007, the average gross income of a retired single woman was £294 per week, while her male peers received £325 per week. By 2016-17, however, the average retired woman earned £316 in comparison to the average man who earned £410, revealing a pay gap of £85.





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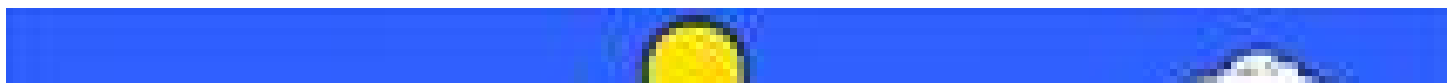
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