LifeSEARCH

GENDER PAY

Report

Does gender matter
to what you are paid?

Intro

Our third year of reporting our gender pay data and this summary explores our current figures and what we understand about it.

We're still confident that our pay difference is not a pay issue. Our approach to reward is driven by job families which means that regardless of gender, people are paid fairly against others in roles similar to them. Although we believe our pay philosophy to be fair, we recognise that there is a pay difference and our future goal to increase women in our Protection Adviser roles will see this level out in time.

In September 2018 we signed the Women in Finance Charter to show our commitment to gender balance across financial services in the UK. Our gender split in senior roles has increased from 39% in 2018 to 45% and something we're proud to share. A quick reminder;

When looking at our pay difference we sometimes reference both the mean and median figures so let's go back to school
for a moment;
You get the mean figure by adding up all the numbers, then dividing it by the amount of numbers there are. An anomaly (particularly high or low figure) here could throw the overall average off which is why the median figure is often a more reliable number to go by.
You get the median by putting all numbers in value order then
selecting the middle one*

Published Info
The table below shows our reported pay difference between men and women, both for hourly rates of pay (as of April 2019) and annual bonus pay (over the 12 months prior to April 2019)

	Mean (Average)	Median (Middle)
Difference in hourly pay	29.94%	26.98%
Difference in bonus pay	51.48%	58.78%

The criteria, as set by the government, looks at four areas;

1) The difference in men and women's hourly rate of pay
To calculate hourly pay we were asked to use payroll data from April 2019 only. Each person's hourly rate consists of basic salary, any bonus pay received that month, shift allowance, adviser holiday uplift & adviser reward for protecting families.
We were also asked to include salary sacrifices (such as pension contributions or payments for childcare vouchers). As this is a deduction to pay, an individual's hourly rate of pay is less than it would have been if no salary sacrifice took place. The figures in the table above show both the mean and median percentage difference between men and women's pay.

2) The amount of men vs women within 4 equal segments
Using the hourly rates as calculated in our first point, everyone was added to a numerical list from highest to lowest paid, regardless of roles.
We then split the list into four equal segments and reported on the total number of men and women in each. The figures we publish in the pie charts later on show the percentage of men vs women in each of the four equal segments.

3) The difference in men and women's bonus pay
To calculate bonus pay we were asked to use payroll data from the 12 months prior to April 2019. This figure includes those quarterly rewards for achieving objectives(for some this is paid half-yearly) as well as the monthly reward our advisers get for protecting families. It also includes Project Partnership payments.
Again, the figures in the table above show both the mean and median percentage difference between men and women's bonus pay.

4) The percentage of men and women that received a bonus
As with point three, we looked at 12 months of data for this calculation.
Every role has scope to earn some sort of bonus payment (regardless of amount) but there were a few people that joined us towards the end of the reporting year who had not yet had the opportunity to earn any bonus which is why we're not quite at 100%.

98% of women and
99% of men received a bonus

To Consider;

If you haven't noticed already, the figures we published included the reward that advisers receive for protecting families. This reward is significant for many, and advisers account for 132 (38.5%) of the total LifeSearcher's that were reported on.

In April 2019, 77% of our 132 advisers were men and so proportionately their variable pay had a bigger impact on not just the average hourly rate (as of April 2019) but also the annual bonus pay that our total men received when compared with the remaining 23% of female advisers on the hourly rate and bonus pay that we pay our total women.

Our recruitment plans are aligned to our goals and our multi-strand approach to recruitment will see us continue to grow a diverse and successful team around us. We have more Protection Advisers than in any other team with attrition rate of just 13.9% meaning that it will take time to shift the gender balance here.
We also mentioned earlier that salary sacrifices were factored into our data.

What is salary sacrifice?
You give up part of your salary and, in return, LifeSearch gives you a non-cash benefit, such as childcare vouchers, or increased pension contributions.
Once you accept a salary sacrifice, your overall pay is lower, so you pay less tax and National Insurance*
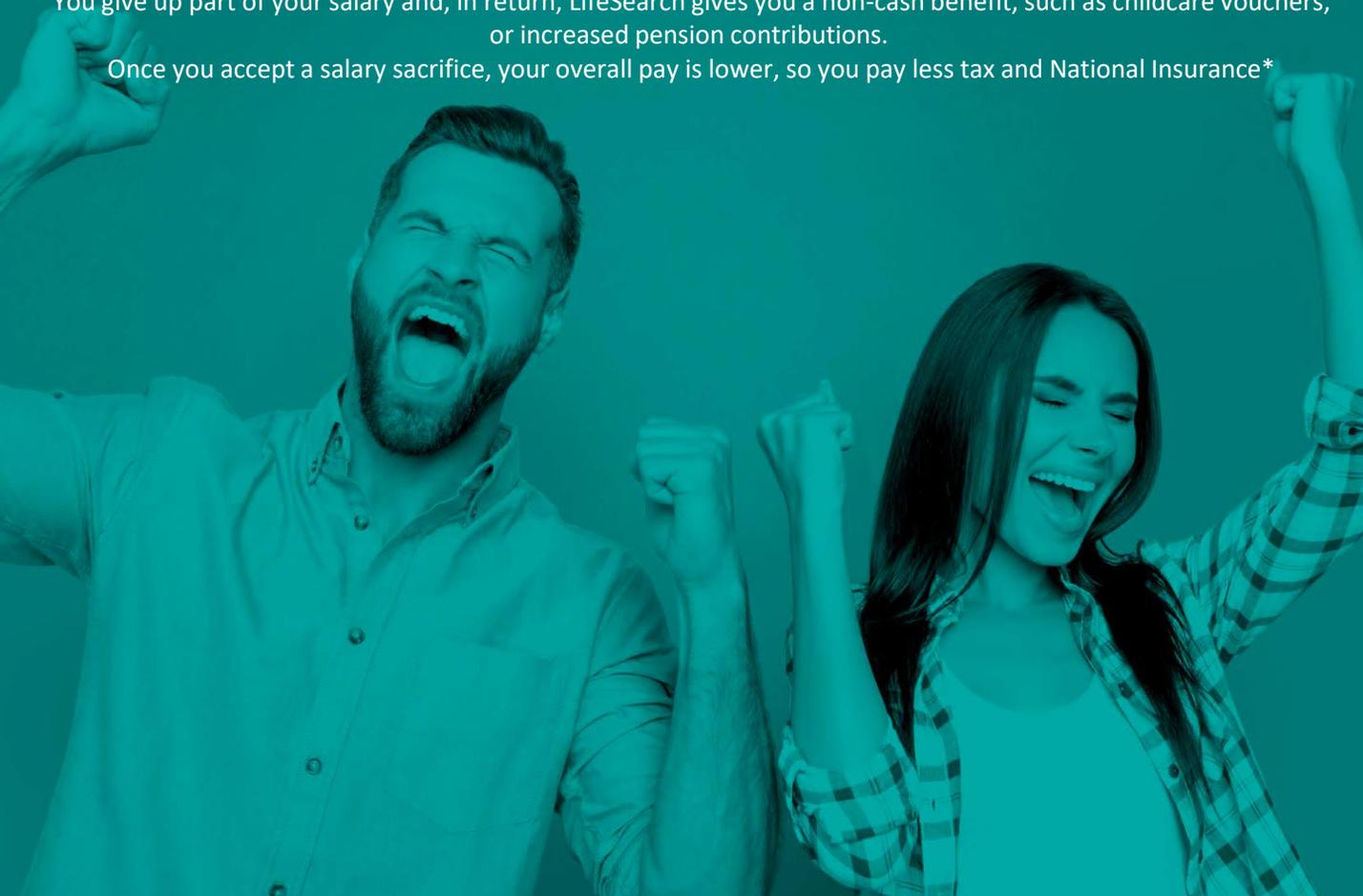
In some respects, the fact that we had to include salary sacrifices is acceptable because deductions for benefits such as pension, affect men and women equally but in the case of childcare vouchers, we see an unfair impact because 28.5% of LifeSearchers that claim childcare vouchers are part-time women. This means that not only do they earn a pro-rata'd salary but often they will have the maximum amount deduction in vouchers, so proportionately they are more negatively impacted.

	Median (Middle)
Difference in hourly pay	1.14%
Difference in bonus pay	20%

We looked to see what our pay difference would be if we left out the adviser reward and salary sacrifice elements from our data and found that the difference was much smaller than our published numbers.

The government assumes that our men will be paid more than our women so a percentage represents how much less women are paid than men. A minus % happens when women are paid more.

Understanding our pay segments

In April 2019 our gender split was 56% male & 44% women, so the ideal would be to have a similar split in each of our four segments. We'll come back to this a little later on.

From the charts below you can see that males dominate our upper segment. This has already been partly explained because we know that many of our advisers (with variable pay structures) are men. As the data is pulled from April 2019 alone, we'll find advisers in each segment and as you'll notice, the average pay for women is equal to, or higher than the males each individual segment.
Just to remind you, we put everyone in numerical order of highest hourly pay to lowest (as of April 2019) then split into 4 equal segments (meaning that we could have people who do the same role sitting within different segments).
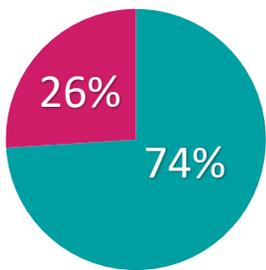
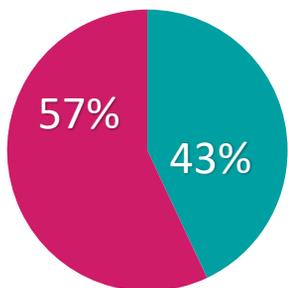## Upper segment
What do we know about this?
- This segment includes our leaders & influencers right up to our strategists as well as many advisers.
- This segment has 26% of women who earn just 25p less than men on average per hour.
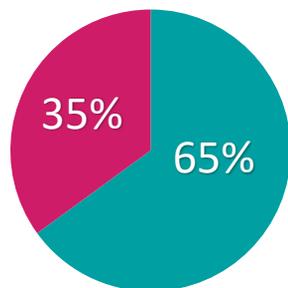
## Upper middle
What do we know about this?
- This segment is home to our client hero's and our Groundbreakers as well as some advisers.
- There is a more even split of males and females in this segment with just a 20p average difference per hour in pay.

Lower middle
What do we know about this?
- This segment holds our senior client champions up to and including some of our client heroes
- Slightly more women than men in this segment and a 13p average difference per hour in pay
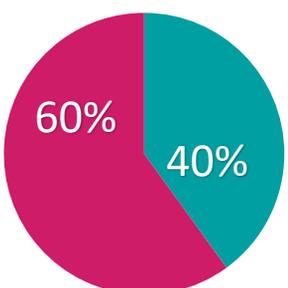
Lower segment
What do we know about this?
-Client carer's up to client champs sit here as well as some of our newer advisers
-There are more females in this segment and just a 3p average difference per hour in pay .

Male **Female**

SUMMARY

The data is pulled from April 2019 alone. Just to remind you, we put everyone in numerical order of highest hourly pay to lowest then split into 4 equal segments (meaning that we could have people who do the same role sitting within different segments)

"Our data is largely similar to that which we reported from April 2018. As we identified last year, the main reason for our pay difference is because almost 80% of our Protection Advisers are men. If we remove the data of reward for protecting families, our gap reduces o just over 1%
Our approach to reward is driven by job families which means that regardless of gender, people are paid fairly against others in roles similar to them.
We hope that overall this paper reassures you our approach to reward is fair, but you can also be assured that where
differences remain, we are committed to achieving equality.
I can confirm that the published information is accurate."

Tamsin Parker
Chief Operating Officer