



LifeSEARCH

**GENDER PAY**

Report



# Does gender matter to what you are paid?

2021 is our fourth year of reporting gender pay data. This summary details our current figures and what we're understanding from them.

There remains a similar level of difference between the total reward women and men receive. We're still confident that the difference is not because of unfairness or discrimination. Our approach to reward is driven by job families which means that regardless of gender (or any other characteristic), people are paid fairly against others in roles similar to them.



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\*

The table below shows our reported pay difference between men and women, both for hourly rates of pay (as of April 2020) and annual bonus pay (over the 12 months prior to April 2020)

	Mean (Average)	Median (Middle)
Difference in hourly pay	25.79%	19.18%
Difference in bonus pay	68.14%	58.02%

**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 2020 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 four 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 2020. 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%.

**95%** 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 115 (36%) of the total LifeSearchers that were reported on.

In April 2020, 78% of our 115 advisers were men. So, proportionately their variable pay had a bigger impact on not just the average hourly rate (as of April 2020) but also the annual bonus pay that our total men received when compared with the remaining 22% of female advisers on the hourly rate and bonus pay that we pay our total women.

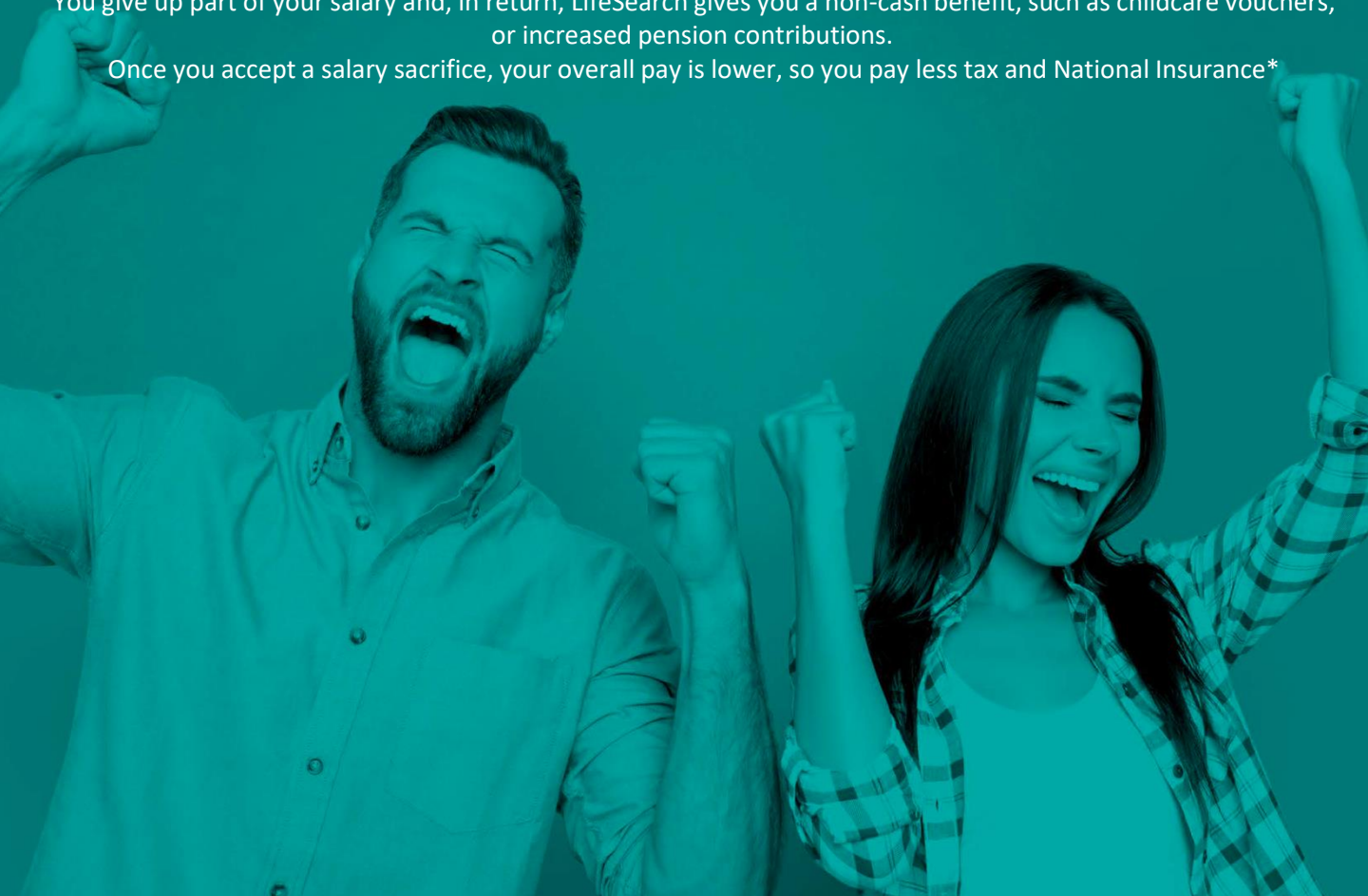
Our recruitment plans are aligned to our goals and our multi-strand approach to recruitment will see us continue to grow a diverse and successful team around us. We have more Protection Advisers than in any other team with attrition rate of just 13.1% meaning that it will take time to shift the gender 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 24.5% 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.

We then 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 there was a huge difference compared to our published numbers.

	Median (Middle)
Difference in hourly pay	2.3%
Difference in bonus pay	-21%

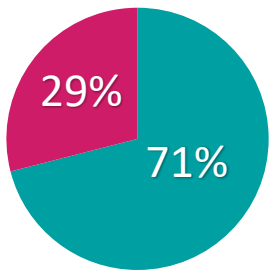


The Government assumes that our men will be paid more than our women so a percentage represents how much less women are paid than men. A minus % happens when women are paid more.

# Understanding our pay segments

In April 2020 our gender split was 54% male & 46% 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.

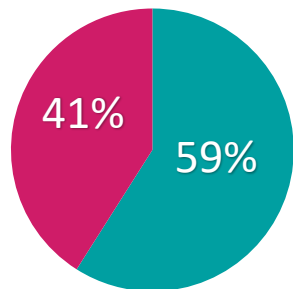
From the charts below you can see that males dominate our upper segment. This has already been partly explained because we know that many of our advisers (with variable pay structures) are men. As the data is pulled from April 2020 alone, we'll find advisers in each segment and as you'll notice, the 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 2020) 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?

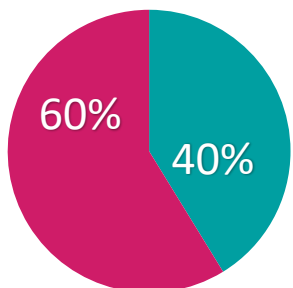
- This segment includes our Leaders & Influencers family right up to our Strategists as well as many advisers.
- This segment has 26% of women who earn £4.09 more per hour, on average than the 71% of men.



## Upper middle

What do we know about this?

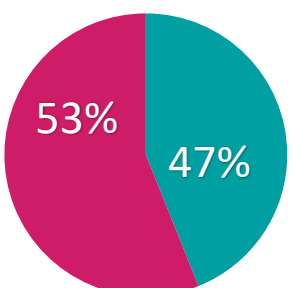
- This segment is home to our Client Heroes and our Groundbreakers as well as some advisers.
- There is a more even split of males and females in this segment and on average, the women earn £1.67 more than the men per hour



## Lower middle

What do we know about this?

- This segment holds our Senior Client Champions up to and including some of our Client Heroes
- There are more women than men in this segment and they earn 33p more than the men per hour on average in pay



## Lower segment

What do we know about this?

- Client Carers up to Client Champs sit here as well as some of our newer advisers
- There are more females in this segment and they earn 19p more on average each hour than the men.

Male



Female



# SUMMARY

The data is pulled from April 2020 alone. Just to remind you, we put everyone in numerical order of highest hourly pay to lowest then split into four 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’ve reported previously. This is the case because of the uniqueness and idiosyncrasies of our business model and is not an issue of unfairness or discrimination. As we’ve identified historically, 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, as well as salary sacrifice (which reduces women’s pay more than men’s), our gap reduces to just over 2% for hourly rate and women actually earn 20% more than in their bonus.

Our approach to reward is driven by job families which means that regardless of gender or any other characteristic, people are paid fairly against others in similar roles.

We hope that overall this paper reassures you that 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.”



Paula Bertram-Lax  
Chief Customer Officer