

AON

Gender Pensions Gap

Global Edition
June 2023



Gender Pensions Gap Analysis

Assessing the scale of the problem and how to address it.

Aon's global gender pension gap analysis enables multinationals to quickly assess the gap between retirement outcomes for their male and female populations on a country-by-country basis.

Why analyse the gender pension gap?

Globally, the gender pension gap varies significantly by country. Understanding and monitoring the gender pension gap ensures actions can be targeted in the areas where they will have the most impact.

In the UK, firms (with more than 250 employees) are required to report on the gender pay gap. A directive has been agreed by the European Parliament which will bring in similar requirements in the EU and this directive contains specific references to pensions. Therefore, many multinationals are now considering their gender pension gap around the world, particularly considering:

- The gender pension gap is expected to be around double the gender pay gap on average.
- Based on analysis to date, up to 70% of the gender pension gap is non-salary related.

Inadequate retirement outcomes could be causing significant retirement planning issues for many employees, which can also lead to problems for the employer related to workforce planning and productivity. Analysing and monitoring your gender pension gap can help provide insight into what is driving it and actions, in addition to demonstrating a commitment to DE&I.

Armed with the output from the analysis, you will be able to implement targeted actions to address any issues such as:



Communications

Targeted communications to particular populations of employees, as well as reviewing existing communications in terms of format/language.



Benefit design

Making it easy to change contribution rates, and to contribute during breaks in service.



Eligibility

Ensuring all appropriate employees have access to retirement benefits to enable them to build up adequate savings.

How can a gender pension gap analysis help?

By understanding where any shortfalls exist, actions taken by employers to optimise the value of pension spend and member outcomes can be focused in the right areas. A high-level analysis can be carried out using fairly simple data that should be readily available in most countries.

You will receive an analysis for each country to illustrate the extent of the gender pension gap and the factors causing it, such as differences in pay, contribution rates and career breaks. This will help you to quickly determine where simple changes can have a significant impact as well as which areas and which countries require more focus, and plan for this accordingly.

What is the output?

The analysis is presented in a series of tables/charts by country, as illustrated to the right. This indicates:

- The overall gender pension gap for each country.
- The proportion of males/females in each fund quartile and the gender pension gap within different age brackets.
- Further metrics such as median contribution by age and gender can help to pinpoint the causes of any gaps.

We will then arrange a follow-up meeting with you to talk through the results, share any particular findings influencing the results and discuss actions that could help to address any areas of concern.

Finally, we will confirm the findings and actions in a short report.

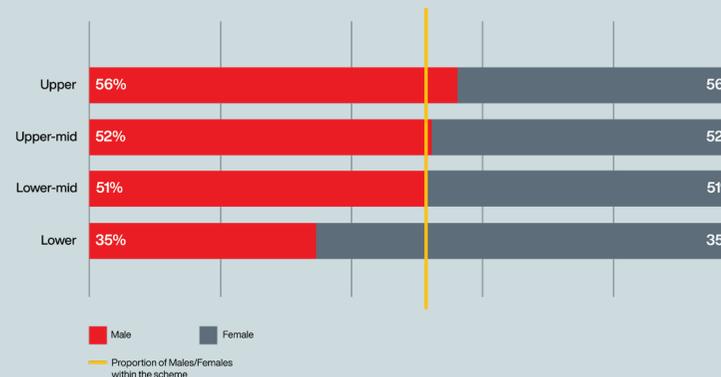
A snapshot of the Gender Pension Gap output:

	Male	Female	Age Brackets	Gender Pension Gap	Gender Salary Gap
Membership	926 (49%)	980 (51%)	<30	22%	0%
Average Age	36	36	30-40	19%	2%
Average term to retirement (years)	28	28	40-50	30%	4%
Average Fund Size (median)	£49,600	£39,700	50+	79%	19%
Average Salary (median)	£35,600	£34,500			
Average contribution % (median)	21%	15%			

Median Contribution by Age

Age Brackets	<30	30-40	40-50	50+
Male	12%	21%	21%	21%
Female	12%	17%	21%	18%
Difference	0%	4%	0%	3%

Proportion of Males / Females in each fund quartile





Contact us

We would be delighted to discuss any questions you have on how Aon can best support your business and the management of your global retirement plans including analysis of your gender pension gap.

Alison Cosadinos

alison.cosadinos@aon.com

Paul Adams

paul.adams@aon.com

Helen Hatt

helen.hatt@aon.com

aon.com

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