

Paying the pensions professionals

Several social trends in recent years may have resulted in changes to the salaries of a range of jobs within the pensions sector, Hoffman Reed finds.

According to its latest *Pensions Salary Guide 2023*, which explores compensation data for 34 different roles within the pensions industry, its findings suggest that lower earners have seen larger percentage pay increases than those in senior leadership roles, something it attributes to the current cost-of-living crisis. For example, on

➤ **Hoffman Reed's *Pensions Salary Guide 2023* considers what might be impacting the salaries of a range of pensions roles**

average, pensions administration salaries have received a 9.7 per cent increase since 2021, versus a 1.9 per cent increase for those in senior leadership roles across the board.

While the aftermath of the Covid-19 pandemic continues to reverberate, the guide finds that the pensions industry has typically been quite robust to its

effects, with fewer job losses than other industries. Hoffman Reed's research sees a circa 20 per cent decrease in average base salaries for administration managers, yet total compensation only fell by 3.1 per cent. "This suggests that we have seen a number of promotions over

the past two years resulting in lower base salaries but similar total compensation packages," the guide states.

According to Hoffman Reed, the pandemic also increased competition between consulting firms to acquire the best talent, with business development professionals within consultancies particularly in high demand, seeing an average increase of 8.8 per cent.

An increased focus on diversity, equality, and inclusion has led to increased salaries for female and ethnic minority candidates, "who have historically been paid less than their white male counterparts", the guide states. This has led "to an increased harmonisation of fees across board directors". The average fee for a director has risen 5.3 per cent since Hoffman Reed's last report.

The rise in remote working may well be the reason why the guide also finds a large rise of pension professionals based outside of London applying for roles within the capital, "because people are more willing to travel further for a hybrid role that only requires them to travel two to three days a week".

Remote working has not only created competition amongst candidates, as companies can attract talent from further away, but has also seen an increase in competition between companies. As such, organisations are offering larger total compensation packages to either retain current talent or attract talent from a more accessible talent pool. All roles within the guide's in-house executive category show the average total compensation rose by 2.5 per cent.



➤ **Hoffman Reed's *Pensions Salary Guide 2023***

Hoffman Reed's *Pensions Salary Guide 2023* provides up to date information for both base salaries and total compensation within the pensions industry, ranging from the highest to lowest, as well as the average.

The salary guide also shows the upper, median, and lower quartiles. The findings from the guide are based on data gathered from public records, external data providers and from Hoffman Reed's own records during the period 1 December 2022 to 28 February 2023.

Hoffman Reed notes that during the research for the salary guide, it collected significantly more data than in previous years. As such, this year's data set is much wider than its previous salary guides. Therefore, this may have affected its total data range, showing larger highest earners and smaller lowest earner figures in many of the roles covered.