



Institute
and Faculty
of Actuaries

Gender Gap

Alexandra Miles, Senior Solutions Strategy
Manager

Gareth Mee, Chief Financial Officer

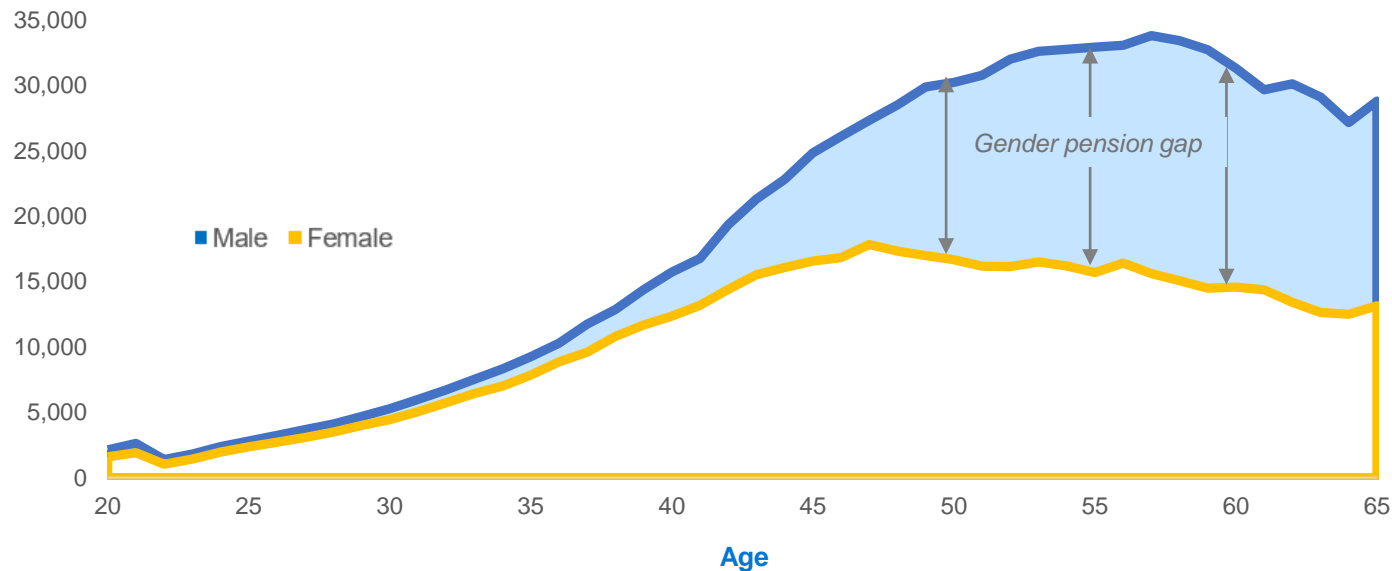


What is a Gender Pension Gap?

% difference between an average male pension pot and an average female pension pot at retirement

56%

Average pot size (£)

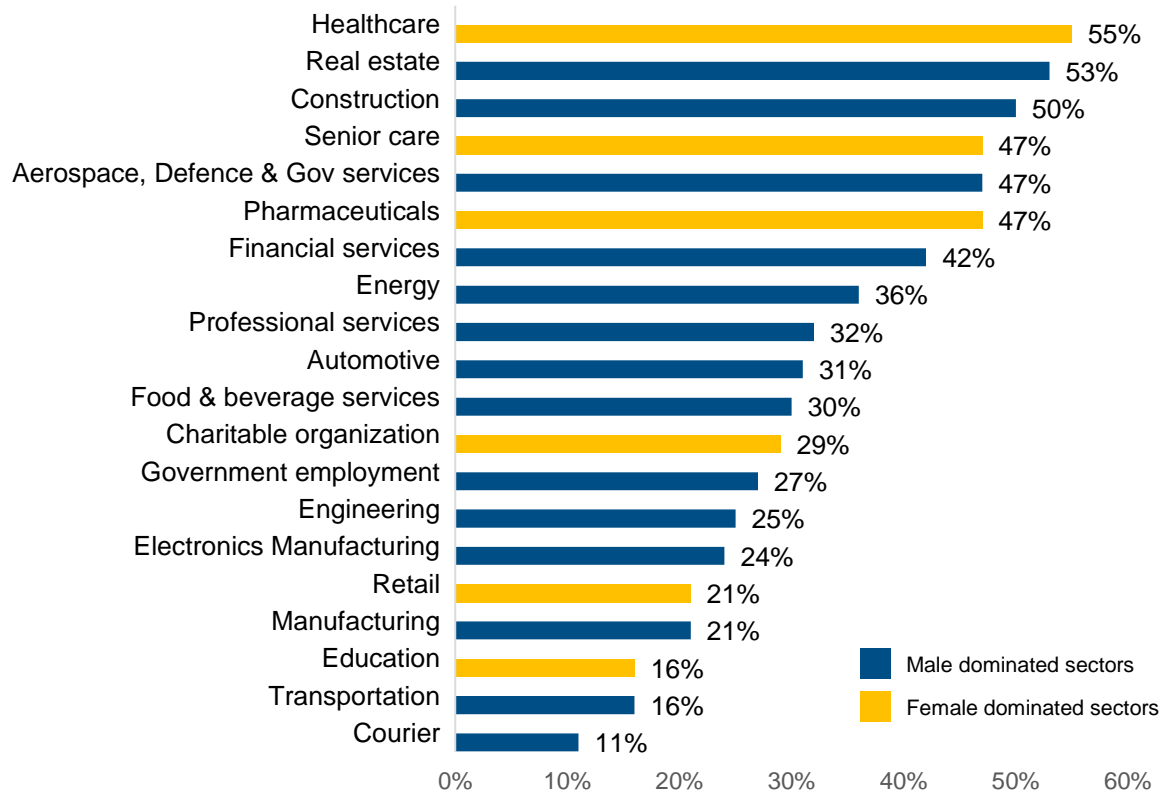


Gender pension gap across age decades

20s	17%
30s	17%
40s	34%
50s	51%
60s	55%
Retirement	56%
Average	39%

Gender Pension Gap across individual sectors

All members (both Active and Leavers)



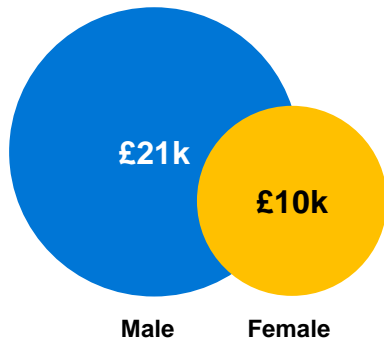
Staggering findings:

- 1 No sector without a gender pension gap**
- 2 Female pots are significantly smaller than male ones across all sectors; the smallest gap is 11% (Courier services)**
- 3 Of the 6 industries with the biggest gender pension gap, 3 of these are top industries for female employment**

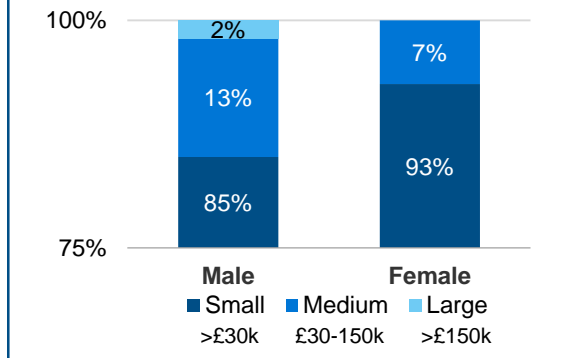
Why is the gender pension gap an issue?

- Women are more likely to face poverty in retirement than men
- Women are left with less opportunities for choices at retirement
- Women live statistically longer than men¹ → we need a positive pension gap for women to reach equality

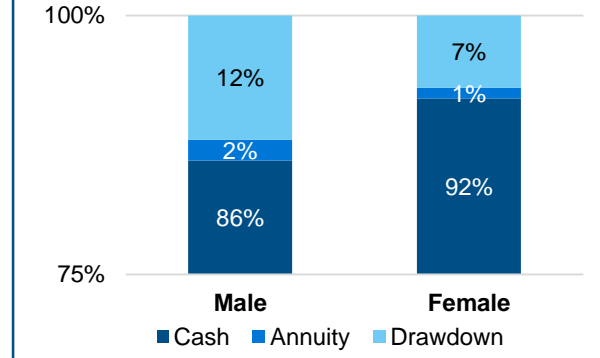
Female current retirees have half the average pot size of men



Statistically there are NO women with large pension pots



Pot size drives the retirement choices made



Source: L&G book data as at 31 December 2020

4 | Life expectancy at birth in the UK: 82.9 years for women vs 79 years for men; Office for National Statistic, 2018 to 2020

Why do you think the gender pension gap exists?

Time for a Slido poll

Join at [slido.com](https://www.slido.com/join/6918941) with #6918941

OR using link below:

<https://app.sli.do/event/iRWiXwJzGD8UCUaeLFXUq3>

OR by scanning QR code to the right



Reasons behind the gender pension gap



**LOWER
SALARIES**



**CAREER
BREAKS**



**PART TIME
WORK**



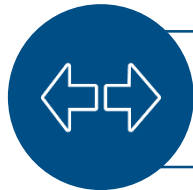
**EARN BELOW
£10K p.a.**



**UNAFFORDABLE
CHILDCARE**



**FINANCIAL
CONFIDENCE**



DIVORCE



**STATE
BENEFITS**



MENOPAUSE

What are we doing about it?

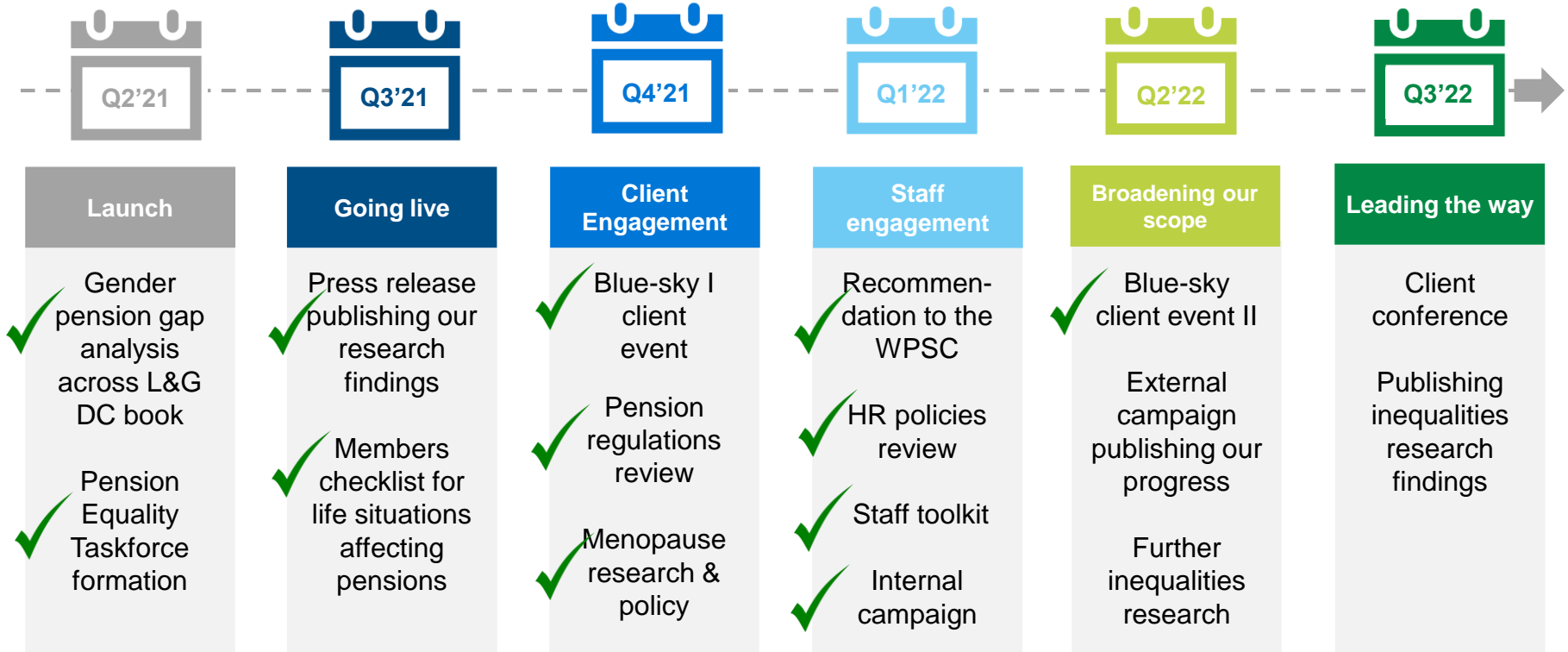
L&G Pension Equalities Taskforce - Objectives

- a. To address inequalities in the pension system
- b. To raise awareness and identify solutions for:
 - i. L&G colleagues
 - ii. DC members investing with LGIM
 - iii. The broader industry
- c. To partner with clients and the wider pensions community to engage with policy/law makers on legislative changes

Workstreams:



Key milestones for the taskforce



Gender Pay Gap

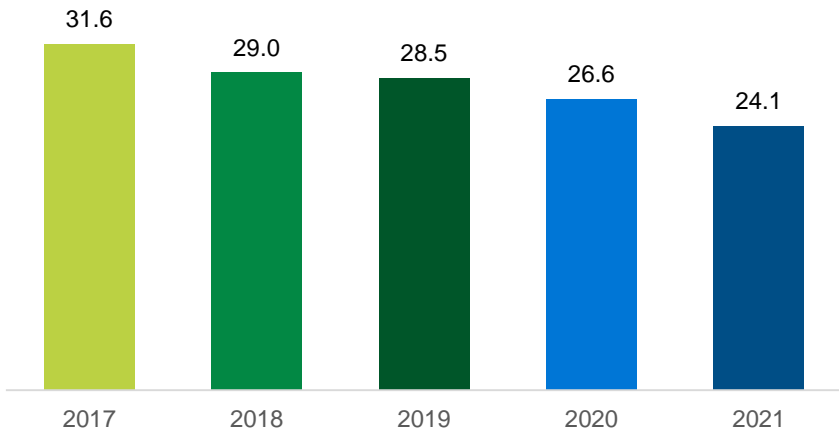
2021 Report

24.1%



(Change vs
2020: -2.5%)

Our median gender pay gap since 2017 (%)



We need to focus on meaningful and **long-term action**, rather than short-term solutions.

Our hiring strategy action areas:

1. Recruiting from a wider talent pool:

- Recruiting in a way that improves female representation, especially at senior levels of the organisation.
- As signatories of the Women in Finance Charter, Legal & General has committed publicly to improving representation.

1. Retaining female talent:

- Demonstrating that Legal & General is a company where people of all genders can build lasting careers
- Creating the conditions to make this a reality

Work & Pensions Select Committee recommendations

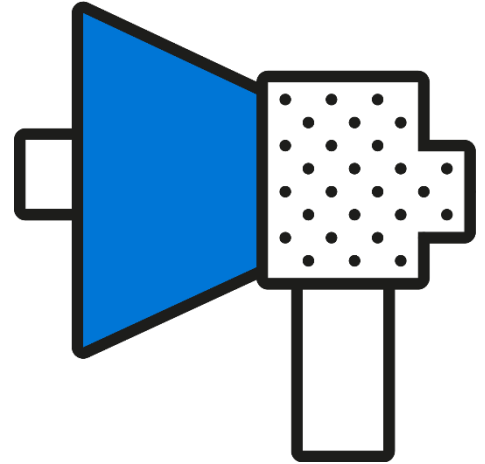
Our response submitted in January 2022

AUTO-ENROLMENT	<ul style="list-style-type: none"> • Reduce the eligibility age to 18. • Ensure that pension contributions are based on the first £1 of earnings by removing the £10k eligibility trigger.
MINIMUM CONTRIBUTIONS	<ul style="list-style-type: none"> • Increase minimum contributions to 12% over a phased period of six years. • Introduce an equal commitment from employers and employees, with each paying 6% of salary.
TAX RELIEF	<ul style="list-style-type: none"> • Assess whether the system is working fairly for all, e.g. should the current tax-relief limit of £3,600 a year for people without relevant UK earnings be increased to incentivise non-working parents to contribute more?
CONTRIBUTIONS FLEXIBILITY	<ul style="list-style-type: none"> • Allow greater flexibility for couples to pay into each other's pensions, increasing the maximum allowed.
PART TIME	<ul style="list-style-type: none"> • Encourage pay and job progression for part-time workers and examine whether eligibility to means-tested benefits acts as a barrier to women seeking to increase their income and savings ability.
DIVORCE	<ul style="list-style-type: none"> • Promote the inclusion of pensions in divorce proceedings.
SHARED PARENTAL LEAVE	<ul style="list-style-type: none"> • Make shared parental leave more attractive.
CHILDCARE	<ul style="list-style-type: none"> • Prioritise the provision of suitable and affordable childcare to encourage women to work more hours.
EDUCATION	<ul style="list-style-type: none"> • Consider national advertising campaigns and making further investment into the school curriculum all through Pension Awareness Day.

Our call to action

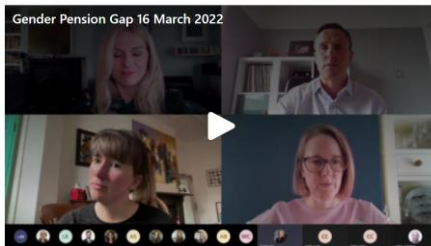
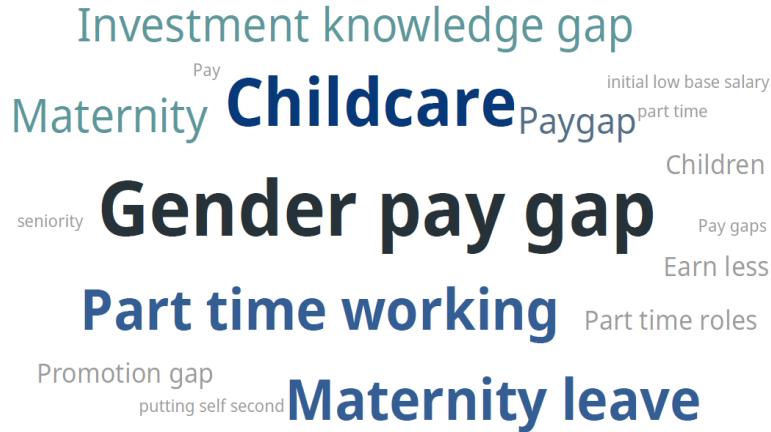
We will

- 1 Review our own gender pension gap and monitor changes in the gap annually to ensure we are making progress
- 2 Review internal support, processes and policies
- 3 Work with the companies in which we invest (D&I ESG criteria)
- 4 Work with regulators, trade bodies & other providers on solutions
- 5 Work with at least 10 of our clients to help them tackle inequality by H1'22, 20 by H2'22 and 30 by end of 2023
- 6 Provide 100% of our clients with tools and toolkits helping them understand and tackle their gender pension gap
- 7 Provide 100% (4.4 million) members with tools and toolkits to help them to better plan and save for their retirement

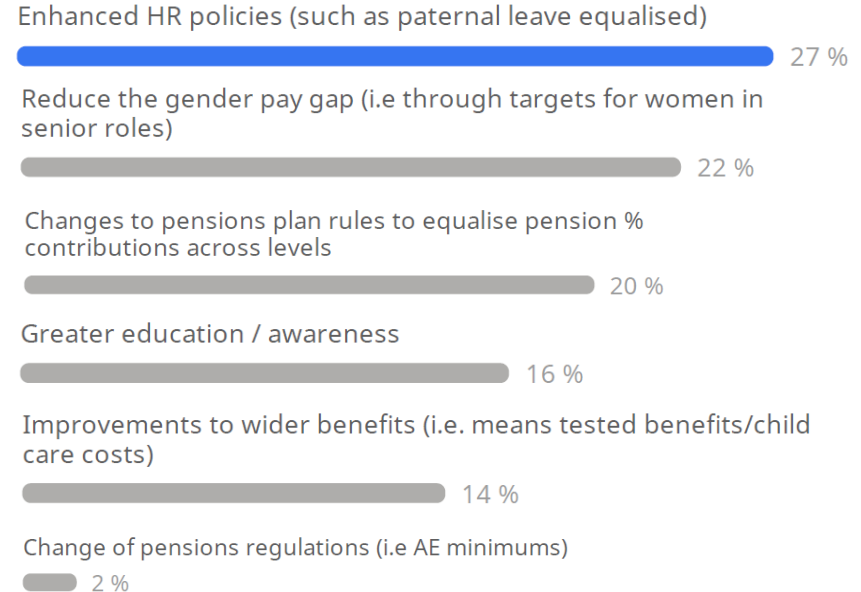


Internal awareness session – live polls

1 Why do you think the gender pension gap exist?



2 What might make the biggest difference for the gender pension gap reduction?



How to bridge the gap?

Understand the importance of saving for later age

Review you pension regularly via MYA or Coll8 app

Use Retirement Planner to project any career breaks

Top up to your pension pot whilst on a career break

Average Male pot

Average Female pot

Anyone can contribute to your pension pot

Shared parental leave, paternity leave

Menopause policy & new medical insurance provider

Pension pot is a sharable asset upon divorce

Members online [toolkit](#)

Members financial essential [checklist](#)

Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.



Thank you

If you have any further questions please contact:
Alexandra Miles, Alexandra.miles@lqim.com



Please scan the QR code to complete the feedback survey



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The IFoA Conference 2022
22-23 June - etc.venues, 133 Houndsditch, London



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