



Institute
and Faculty
of Actuaries

IFoA gender pay gap report



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Background

Since April 2017, organisations with 250 or more employees have been required to publish specific data with regard to their gender pay gap. This is the difference between the average earnings of men and women in the organisation on the snapshot date of 5 April, expressed relative to men's earnings. Due to employee numbers, the IFoA is not required to report on this but we are committed to ensuring the diversity, equity and inclusion of our colleagues and members, and are using this data to form part of our plan in this area. We are reporting on the data as at 5 April 2020.

What is the gender pay gap?

The gender pay gap shows the difference in the average hourly pay between men and women employed by the IFoA as at 5 April 2020.

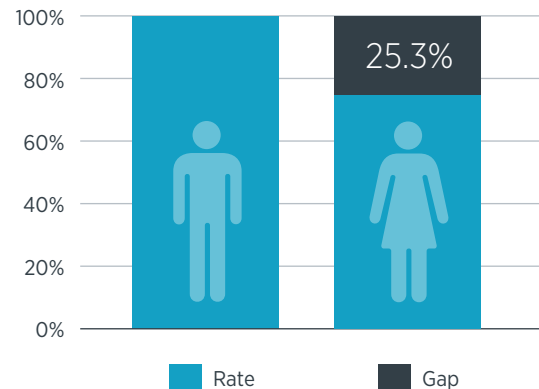
Mean pay gap = 25.3%

This represents an increase of 1.7% from the figures as at 5 April 2019. This is due to an increase in the number of men in certain roles and a reduction of men in more junior roles. In April 2020 the IFoA had a higher percentage of males in the actuarial grades (up from 25% male in 2019 to 40% male in 2020); these grades are more highly paid, as they require jobholders to be qualified actuaries. The number of men also increased in grades 3 and 5 (supervisory to middle management roles) compared to 2019. We also saw a decrease in the proportion of the lower-graded roles that were filled by men.

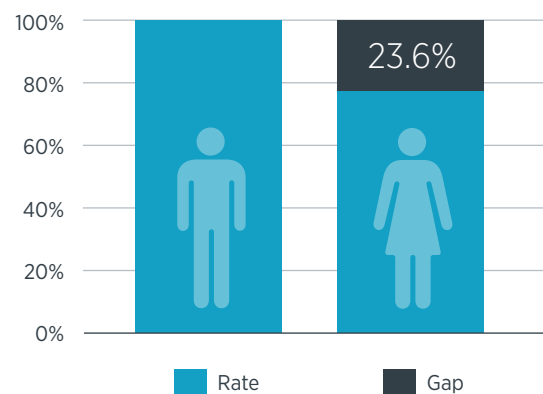
The median pay gap measures the difference in the mid-points of the pay ranges for men and women's pay.

Median pay gap = 24.1%, which is unchanged from the figures as at 5 April 2018. This reflects the fact that the majority of colleagues in a grade, regardless of their gender, will be paid the minimum of the pay range for that grade.

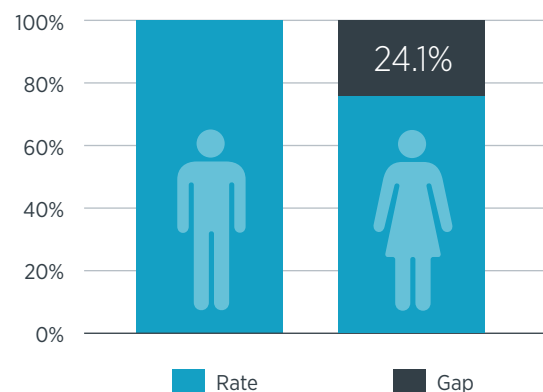
Mean pay gap 2020



Mean pay gap 2019



Median pay gap



Quartiles

Gender pay gap regulations require organisations to report on the difference in representation of men and women in four equally sized quartiles, based on hourly pay. As you will see from the data below, in each quartile we employ more women than men; however, the percentage of men increases significantly in the upper-middle and upper quartiles.

The number of women in the upper quartile has increased again from 59% to 61%. There has been quite a shift in the upper-middle quartile which is now 45% men, from a position of 36% in 2019. The number of men in the lower-middle quartile has also increased, from 20% to 26%. Unfortunately, the number of men in the lower quartile has decreased for the second consecutive year to 15%, as many of these roles tend to attract women rather than men.

Company pay quartiles 2020



Company pay quartiles 2019



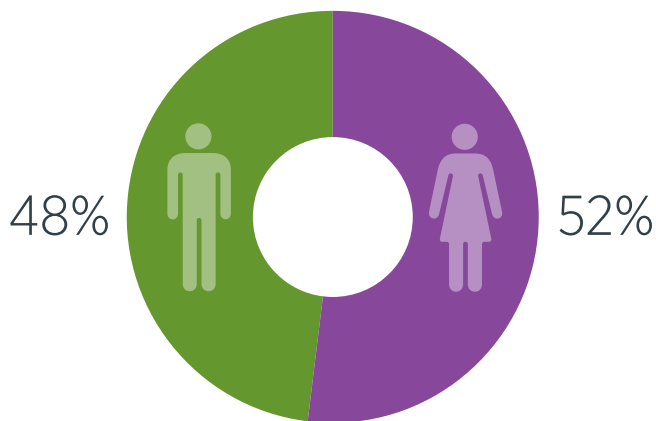
Bonus pay gap

Organisations must also report on bonus payments made during the 12 months prior to the snapshot date of 5 April 2020. For the IFoA, this would cover bonus payments made on 15 April 2019.

52% of bonuses awarded were given to women and 48% to men. 93.9% of male employees received a bonus and 100% of female employees. However, when looking at the mean and median bonus amounts, we see a gap of 35.6% in the mean bonus, which has decreased from 42.5% as at 5 April 2019. The median bonus gap is 25.4%.

These figures are skewed significantly by directors' bonuses, which are based on higher salaries and paid at a higher percentage than other employees.

Bonus recipients by gender



Closing the gap

Unfortunately, the gender pay gap increased slightly between 5 April 2019 and 5 April 2020. This was due to an increase in the number of men in grades 3 and 5 and in the actuarial grade, but a decrease in the number of males in grades 6 and 7.

We are still aiming to attract more men into the roles within the lower quartile in our organisation.

We have reviewed our recruitment practices to ensure there are no inherent biases, as well as providing training for managers on fair recruitment and selection and in the area of unconscious bias. CVs are anonymised during the recruitment process to ensure candidates are selected for interview purely on the basis of relevant skills and experience. Once appointed, we provide mandatory diversity training to all employees as part of their induction process.

As an organisation, we are working on a new Diversity, Equity and Inclusion Strategy for the next five years. This will help to ensure that internal policies and ways of working attract and retain a diverse workforce. We have also introduced a suite of much more flexible working options to accommodate employees' needs.

Through a rigorous job evaluation and grading system, we are confident that we have a fair and consistent approach to paying IFoA colleagues, with fixed pay points for all but the most senior two grades, ensuring equity for employees regardless of gender.

Engagement survey results indicate high levels of satisfaction with pay, benefits and work/life balance. The recruitment strategies we have in place demonstrate our commitment to appointing the best candidate for each role.



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