

HEALTH WEALTH CAREER

# BENEFITS BENCHMARKING REPORT

## COMPANY A

MONTH 01, 2017

PREPARED BY:

PEER-REVIEW BY:

# CONTENTS

Executive Summary .....	1
1.1. Positioning .....	2
Benchmarking Analysis .....	3
2.1. Retirement Benefits .....	3
2.2. Medical And Dental Benefits .....	8
2.3. Life Assurance .....	11
2.4. Long-Term Disability .....	12
2.5. Sick Pay .....	14
2.6. Holiday Entitlement .....	16
2.7. Flexible Benefits .....	17
2.8. Other Benefits .....	18
2.9. Company Cars .....	20

SAMPLE

## EXECUTIVE SUMMARY

Mercer has been commissioned by Company A to carry out a high level benchmarking exercise for its current benefit plans in the United Kingdom relative to the general industry market. The general industry market consists of 450 companies. These results should be considered in line with the results of a wider total compensation review before any action is taken.

The following sources were used to show the market figures:

- 2016 United Kingdom Total Remuneration Survey
- Mercer's Worldwide Benefits and Employment Guidelines 2016 Edition.

Values are stated as median, unless otherwise indicated.

Mercer is not a law firm and as such the information provided in this report should not be construed as legal advice.

1.1. POSITIONING

Benefit Details	Positioning	Comments
<b>Retirement Benefits</b>	◀	Company A is in line with the market in terms of retirement benefit provisions. Company A offers group self-invested personal pension plan. Group personal pensions are the second most prevalent Defined Contribution plans in the United Kingdom (after occupational DC plans). Maximum employer matching contribution is below the market practice.
<b>Medical and Dental Benefits</b>	▶	Company A is above the market practice. This is due to the provision of dependant coverage for professionals and provision of employer paid dental cover.
<b>Life Assurance</b>	=	Company A is generally aligned with the market practice.
<b>Long-term Disability</b>	=	Company A is in line with the market practice.
<b>Sick Pay</b>	=	Broadly in line with the market practice. Sick pay is the same for all employees, which is the second prevalent sick policy design that can be seen on the market. Most companies have sick policy which varies by past service.
<b>Holiday Entitlement</b>	=	Annual leave entitlement is broadly in line with the market practice. Above the market practice in terms of number of additional service-based holidays (for employees having more than 5 and less than 25 years of service).
<b>Flexible Benefits</b>	▶	Company A is above the market practice is terms of benefit provision. In line with the market practice with regard to core benefits included in the plan.
<b>Other Benefits</b>	=	Company A is broadly in line with the market for club subscriptions and above the market for meal allowance/voucher amount. Comparison not available for discounts for organization products, loans, and share purchase plan.
<b>Company Cars</b>	◀	Company A is below the market practice in terms of company car benefit provision.

=	Plan aligned with market (= ▶ indicates marginally above and ◀ = indicates marginally below)
▶	Plan above market (▶▶ significantly above)
◀	Plan below market (◀◀ significantly below)

# BENCHMARKING ANALYSIS

## 2.1. RETIREMENT BENEFITS

Benefit Details	Company A	Market Practice	Comments
<b>Overview</b>	Company A provides a group self-invested personal pension (SIPP) scheme which is a Defined Contribution scheme.	<p>87% of companies provide a Defined Contribution plan. Over 90% of DC plans are open to new entrants.</p> <p>41% of companies provide a Defined Benefit plan. 72% of schemes are closed to new entrants.</p> <p>In the following sections, features of Defined Contribution plans are presented in detail.</p>	Company A is in line with the market practice in terms of retirement benefit provisions and a broad category of plan (Defined Contribution).
<b>Type of Plan</b>	DC Scheme Company offers SIPP scheme, which is a type of personal pension scheme	<p>DC Scheme</p> <p>The DC schemes are of the following types:</p> <ul style="list-style-type: none"> <li>- Occupational defined contribution plan – 67% of respondents</li> <li>- Group personal pension (GPP) – 42% of respondents</li> <li>- Group stakeholder pension – 17% of respondents.</li> </ul>	Company A offers the second, in terms of prevalence, Defined Contribution plan which can be observed on the market (group personal pension).
<b>Plan Eligibility</b>	<p><u>Group self-invested personal pension</u></p> <p>All employees are eligible. Employee is eligible after successful completion of probationary period.</p>	<p><u>Group personal pension</u></p> <p>98% of responding companies indicated that employees at all levels are eligible to join the plan. 48% of companies stipulate certain eligibility conditions. If minimum length of service is required, the median value is 3 months.</p>	<p>Company A is in line with the market practice.</p> <p>Market is divided with regard to stipulating eligibility conditions.</p>

Benefit Details	Company A	Market Practice	Comments
<b>Plan Eligibility (cont.)</b>	<u>Occupational defined contribution plan</u> Not applicable.	<u>Occupational defined contribution plan</u> 100% of companies responded that all employees are eligible to join the plan. 46% of companies stipulate certain eligibility conditions. If minimum length of service is required, the median value is 3 months; if minimum age is required, the median value is 16.	Not applicable.
	<u>Group stakeholder pension</u> Not applicable.	<u>Group stakeholder pension</u> 100% of responding companies indicated that all employee groups are eligible to join the plan.	Not applicable.
<b>Normal Retirement Age</b>	<u>Group self-invested personal pension</u> No company data available.	<u>Group personal pension</u> - 65 years old (almost all companies)	Comparison not available.
	<u>Occupational defined contribution plan</u> Not applicable.	<u>Occupational defined contribution plan</u> - 65 years old (almost all companies)	Not applicable.
	<u>Group stakeholder pension</u> Not applicable.	<u>Group stakeholder pension</u> - 65 years old (over 90% of companies)	Not applicable.
<b>Pensionable Earnings</b>	<u>Group self-invested personal pension</u> Pensionable salary definition includes only basic annual salary.	<u>Group personal pension</u> Pensionable earnings usually include annual basic salary only.	Company A is aligned with the market practice.
	No deductions apply.	5% of the companies apply deductions from pensionable salary to calculate contributions as multiple of lower earnings limit, 1% as multiple of basic state pension and 21% – in other form.	In line with the market practice.
	Pensionable salary is limited to annual salary of GBP 210,500.	No market data available.	Comparison not available.

Benefit Details	Company A	Market Practice	Comments
<b>Pensionable Earnings (cont.)</b>	<u>Occupational defined contribution plan</u> Not applicable.	<u>Occupational defined contribution plan</u> Pensionable earnings usually include annual salary only.	Not applicable.
	<u>Group stakeholder pension</u> Not applicable.	12% of the responding companies apply deductions from pensionable salary to calculate contributions as multiple of lower earnings limit, 4% as multiple of basic state pension and 17% in other form.  <u>Group stakeholder pension</u> Pensionable earnings usually include annual salary only. Bonus is included by 37% of respondents and shift allowance – by 29%.	
<b>High Earners' Pensions</b>	No company data available.	5% of companies make provision for earnings in excess of the notional earnings cap.	Comparison not available.
<b>Salary Sacrifice</b>	<u>Group self-invested personal pension</u> No company's data available.	<u>Group personal pension</u> In 64% of companies, employees are allowed to contribute on a salary sacrifice basis whilst a member of the GPP. In 15% of responding companies notional cap is applied.	Comparison not available.
	<u>Occupational defined contribution plan</u> Not applicable.	<u>Occupational defined contribution plan</u> In 63% of companies, employees are allowed to contribute on a salary sacrifice basis. In 13% of responding companies notional cap is applied.	Not applicable.
	<u>Group stakeholder pension</u> Not applicable.	<u>Group stakeholder pension</u> No data available.	Not applicable.
<b>Employee Contributions</b>	<u>Group self-invested personal pension</u> The contributions are variable. Company A matches employee's contributions.	<u>Group personal pension</u> In 62% of companies the contributions are variable (87% of them match employees contributions); in 38% they are fixed. Sometimes, a basic rate is available with additional contributions dependent on employee contributions.	Company A is in line with the market in terms of type of contributions (matching contributions).

Benefit Details	Company A	Market Practice	Comments								
<b>Employee Contributions (cont.)</b>	<u>Occupational defined contribution plan</u> Not applicable.	<u>Occupational defined contribution plan</u> In 70% of companies the contributions are variable (84% of them match employees contributions) in the 30% of companies they are fixed.  If the contribution rate is fixed, median employee contribution to main plan is 4% for professionals and management, 5% for executives.	Not applicable.								
	<u>Group stakeholder pension</u> Not applicable.	<u>Group stakeholder pension</u> Median employee contribution rate is 4%.	Not applicable.								
<b>Employer Contributions</b>	<u>Group self-invested personal pension</u> In order to obtain the comparison with market data, below we consider contributions made via option Without Salary Exchange.	<u>Group personal pension</u> If contribution rate is variable, 87% of companies match employee's contribution, in 10% of companies it varies by length of service and in 13% it varies by age of employee.	Company A is in line with the market practice in terms of offering matching contributions model.								
	Effective April 1, 2016, Company A matches the employee pension contributions to the Company A Group SIPP up to a total of 3% of employee reference salary: <table border="1"> <thead> <tr> <th>Employee rate</th> <th>Employer rate</th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>3%</td> </tr> </tbody> </table>	Employee rate	Employer rate	3%	3%	Median maximum matching level for all employee levels is as follows: <table border="1"> <thead> <tr> <th>Employee rate</th> <th>Employer rate</th> </tr> </thead> <tbody> <tr> <td>5%</td> <td>8%</td> </tr> </tbody> </table>	Employee rate	Employer rate	5%	8%	Company A is below the market practice in terms of maximum employer matching contribution.
	Employee rate	Employer rate									
3%	3%										
Employee rate	Employer rate										
5%	8%										
Not applicable.	If the contribution rate is fixed, median employer contribution is 6% for professionals and 7% for management and executives.	Not applicable.									



Benefit Details	Company A	Market Practice	Comments												
<p><b>Employer Contributions (cont.)</b></p>	<p><u>Occupational defined contribution plan</u> Not applicable.</p>	<p><u>Occupational defined contribution plan</u> If contribution is variable, most employers match employee's contribution.</p> <p>Median maximum matching level for professionals is as follows:</p> <table border="1" data-bbox="981 432 1435 496"> <thead> <tr> <th>Employee rate</th> <th>Employer rate</th> </tr> </thead> <tbody> <tr> <td>6%</td> <td>8%</td> </tr> </tbody> </table> <p>For management:</p> <table border="1" data-bbox="981 552 1435 616"> <thead> <tr> <th>Employee rate</th> <th>Employer rate</th> </tr> </thead> <tbody> <tr> <td>6%</td> <td>9%</td> </tr> </tbody> </table> <p>And for executives:</p> <table border="1" data-bbox="981 671 1435 735"> <thead> <tr> <th>Employee rate</th> <th>Employer rate</th> </tr> </thead> <tbody> <tr> <td>6%</td> <td>10%</td> </tr> </tbody> </table> <p>When fixed, median employer contribution is equal to 6% of base salary for professionals, 7% for management and 8% for executives.</p>	Employee rate	Employer rate	6%	8%	Employee rate	Employer rate	6%	9%	Employee rate	Employer rate	6%	10%	<p>Not applicable.</p>
Employee rate	Employer rate														
6%	8%														
Employee rate	Employer rate														
6%	9%														
Employee rate	Employer rate														
6%	10%														
	<p><u>Group stakeholder pension</u> Not applicable.</p>	<p><u>Group stakeholder pension</u> If the contribution rate is fixed, median employer contribution to plan is 7% for professionals, 8% for management and executives.</p>	<p>Not applicable.</p>												

## 2.2. MEDICAL AND DENTAL BENEFITS

Benefit Details	Company A	Market Practice	Comments
<b>Overview</b>	<p>Company A provides private medical benefits.</p> <p>Medical plan is administrated via combination of insurance and self-administration.</p>	93% of respondents provide private medical benefits, and around 80% of these companies do so via insured plans.	<p>Company A is aligned with the market practice in terms of benefit provision.</p> <p>In terms of plan administration, company practice differs from typical market practice.</p>
<b>Eligibility</b>	All employee groups are eligible for private medical benefits.	Almost 100% of respondents who provide medical benefits offer benefits to management and executives and nearly 80% of respondents – to professionals.	In line with the market practice.
<b>Coverage Type</b>	Company A medical plan covers employee, spouse, and dependants.	<p>For professionals, 41% of responding companies provide cover for employee, spouse, and children, 1% - employee and spouse coverage and 58% provide it for employee only.</p> <p>At managerial level 57% offer family coverage, 9% - employee and spouse coverage and 34% - coverage for employee only.</p> <p>At executive level 71% offer family coverage, 5% - employee and spouse coverage and 24% - coverage for employee only.</p>	<p>Above the market practice for providing dependant coverage for professionals.</p> <p>In line with the market practice for managerial and executive level.</p>
<b>Excess/Franchise</b>	Employee does not pay an excess/franchise.	47% of companies require employees to pay an excess. If the excess payment is required, the median amount is GBP 100 per year.	Market is divided with regard to requirement for employee excess/franchise.

Benefit Details	Company A	Market Practice	Comments
<p><b>Benefit Description</b></p>	<p>Company plan covers:  <u>Out-patient consultations and treatment</u>                      - Out-patient consultations (certain limits apply)                      - Out-patient treatment (certain limits apply)                      - Hospital charges for out-patient tests and investigations on consultant referral (paid in full)                      - MRI, CT, PET scans (paid in full)</p> <p><u>Out-patient surgical operations, day-patient, or in-patient treatment</u>                      - Consultants' fees for surgical and medical hospital treatment (paid in full)                      - Hospital charges (paid in full):                      - Accommodation                      - Theatre charges (paid in full)                      - Nursing care, drugs and dressings, intensive care, diagnostic tests and MRI, CT and PET scans, therapies, prostheses and appliances (paid in full)                      - Accommodation for a parent accompanying a child who is a member of the scheme (paid in full) or cash benefit for NHS hospital in-patient treatment.</p> <p><u>Additional benefits</u>                      - Private ambulance (maximum per trip apply)                      - Home nursing (maximum per year apply)                      - Cancer treatment (paid in full) or NHS cash benefit for treatment for or directly related to cancer                      - Mental health treatment (certain limits apply)                      - Certain optional cash benefits.                      - Certain additional costs related to treatment for residents of Jersey, Guernsey, or the Isle of Man.</p>	<p>Supplemental medical plans typically cover:                      - Specialist consultation fees                      - Out-patient visits                      - Private hospital accommodation and NHS pay beds                      - Theatre, surgeons', and anaesthetists' fees                      - Inpatient drugs and dressings.</p> <p>Some employers cover mental health conditions, such as stress, anxiety and depression, under health management programs.</p>	<p>Treatment available is broadly in line with the market practice. Above the market practice for provision of the following treatments: home nursing, cancer treatment, mental health treatment.</p>
<p><b>Employee Contributions</b></p>	<p>Employee does not pay premium for the standard level of cover.</p> <p>No company data available on financing of dependants' cover.</p>	<p>In 92% of organizations employee does not pay premium for the standard level of cover.</p> <p>If dependants are allowed, they can be either wholly or partially employee-funded if the company does not want to fund dependant coverage. Dependant cost share is typically 100%. There is a 50:50 split between companies who fund dependants and those that do not.</p>	<p>In line with the market practice with regard to employee contributions for the standard coverage.</p> <p>Comparison not available.</p>

Benefit Details	Company A	Market Practice	Comments
<b>Dental Care</b>	Company A provides dental cover as a separate benefit.	56% of responding companies do not provide dental care. 33% of companies provide dental care as a separate benefit. The remaining 11% of companies provide dental care under private medical scheme.	Slightly above the market practice in terms of dental cover provision.
	Employer covers full premium cost.	When provided, dental plans are often available at full cost to the employee as part of a flexible benefits program or voluntary benefits package.	Above the market practice.
<b>Optical Care</b>	Optical benefit is available under Insurance Company optional cash benefit with benefit value up to GBP 115 each 2 year period.	Optical plans typically reimburse up to fixed limits (between GBP100 and full refund), depending on treatment. This type of benefit tends to be under a cash plan arrangement for cost reimbursement, rather than as a standalone plan. Companies have a statutory obligation to provide eye tests and subsidize the cost of corrective lenses where the condition results from visual display unit (VDU) use. Many organizations use voucher systems to cover the cost of this duty of care obligation.  Dental and optical benefits are growing in popularity, often in conjunction with flexible benefit plans.	Broadly in line with the market practice.

## 2.3. LIFE ASSURANCE

Benefit Details	Company A	Market Practice	Comments
<b>Overview</b>	Company A provides life assurance benefits in addition to statutory benefits.	92% of respondents offer life assurance benefits in addition to statutory benefits.	Company A is aligned with the market practice in terms of benefit provision.
	Company A provides a lump sum to the surviving spouse on the death of the member in service.	96% of the companies providing life assurance offer a lump sum for a spouse.	In line with the market practice.
	No company data available for pension to the surviving spouse.	47% of companies provide a pension to the surviving spouse. Pension is typically available in DC plan (36% of companies offering pension to surviving spouse), DB plan (25%), or both DC and DB plans (36%).	Comparison not available.
<b>Eligibility</b>	All employee groups are eligible.	Almost all of respondents who provide life assurance offer death benefits to all employee groups.	Company A is in line with the market practice.
<b>Salary Definition</b>	The salary definition for death benefit payments includes base annual salary.	The following components are included in the salary definition for death benefit payments: basic annual salary (all organizations), shift allowance (15% of organizations), bonus (12%), overtime (10%), other fixed allowances (7%), and commission (7%).	Company A is in line with the market practice with regard to the salary definition for death benefit payments.
<b>Benefit Description</b>	<u>Lump sum</u> The amount of cover is 48 monthly salaries.	<u>Lump sum</u> Lump sum benefits are provided by all companies on a salary-related basis.  The most prevalent amount covered (around 50% of companies) is 48 times monthly salary. In around one-fourth of companies, the amount covered is 36 times monthly salary.	Company A is aligned with the market practice in terms of the amount of cover as a multiple of salary.
	Company A applies a cap to life assurance benefits, which is based on notional earnings cap.	20% of respondents apply a cap to life assurance benefits.	Not aligned with the market practice as most companies do not apply a cap on life assurance benefits.

2.4. LONG-TERM DISABILITY

Benefit Details	Company A	Market Practice	Comments
<b>Overview</b>	Company A provides a long-term disability benefit in addition to statutory requirements.	66% of respondents offer long-term disability cover.	Company A is aligned with the market practice in terms of benefit provision.
<b>Eligibility</b>	All employees are eligible.	In nearly 100% of companies, all employees are eligible to long-term disability benefits.	In line with the market practice.
<b>Type of Benefit</b>	Long-term disability benefits are provided in the form of insured income protection.	90% responding companies provide the benefit in the form of insured income protection scheme and 20% through the pension plan.	Company A is aligned with the market practice in terms of type of offered long-term disability benefit.
<b>Waiting Period</b>	Benefit payments commence after 26 weeks of sickness.	Median waiting period before benefit payments commence is 26 weeks.	Company A is in line with the market practice.
<b>Salary Definition</b>	<u>Insured income protection</u> Definition of the salary includes basic annual salary.	<u>Insured income protection</u> Salary includes basic annual salary. Other salary components are less common: shift allowance (10% of respondents), bonus (6%), commission (5%), overtime (4%), and other fixed allowance (4%).	Company A is aligned with the market practice with regard to the salary definition.
<b>Benefit Description</b>	<u>Insured income protection</u> Benefit level is 75% of salary.	<u>Insured income protection</u> Benefit level is usually 75% of salary (37% of companies), 50% of salary (31% of companies), or 67% of salary (13%).	Company A is in line with the market practice.
	No company data available with regard to deductions.	Benefits may integrate with state benefits. In 62% of companies state benefits are deducted from the benefit. 50% of companies deduct single person's allowance (SLTIB) from the benefit. However, with welfare reform law, there is likely to be a move away from benefits integrated with state benefits.	Comparison not available.
	Benefit is payable until the age of 65.	Benefit is typically payable until the age of 65.	In line with the market practice.
	There are no guaranteed increases in payments.	53% of the responding companies do not guarantee increases.  Among the companies who guarantee increases, the median value of increase is 3%.	Market is divided with regard to guaranteed increases provision.

Benefit Details	Company A	Market Practice	Comments
<p><b>Benefit Description (cont.)</b></p>	<p><u>Provided through the pension plan</u> Not applicable.</p>	<p><u>Provided through the pension plan</u> The median benefit is equal to 100% of member's pension.</p> <p>Among the companies that provide disability benefits through pension plan, 70% base pension on notional service to normal retirement age.</p>	<p>Not applicable.</p>

SAMPLE

## 2.5. SICK PAY

Benefit Details	Company A	Market Practice	Comments
<b>Overview</b>	Company A provides sickness entitlement in excess of the statutory minimum.	86% of respondents provide sickness entitlements in excess of the statutory minimum.	Company A is in line with the market practice in terms of benefit provision.
<b>Eligibility</b>	All employee groups.	All employee groups.	In line with the market practice.
<b>Salary Definition</b>	Salary is defined as base salary.	All respondents base the benefit on annual base salary, 20% also include shift allowance, 6% - other fixed allowances, 4% - bonus, 2% - commission, and 2% - overtime.	In line with the market practice.
<b>Benefit Description</b>	Sick pay is the same for all employees.	For around 70% of employers, benefit varies with the length of service. Second common option is to provide the same sick pay for all employees.	Company A has the second prevalent on the market sick policy design. Most companies have sick policy which varies by past service.
	Entitlement is full base salary for 84 days, followed by 75% of base salary for next 90 days.	<p>When the company applies the same policy for all employees, companies provide full base salary for 180 days (35% of companies having same policy for all employees), 90 days (21%), 84 days (16%), or other period (28%).</p> <p>In around 20% of companies, sickness benefit is offered at the level 50% of salary for next 90 days (median duration of payment).</p> <p>Around 15% of companies provide other salary percentages.</p>	Company A is broadly in line with the market practice. The duration of full salary coverage varies among companies and usually ranges from 84 to 180 days.



Benefit Details	Company A	Market Practice	Comments																										
<b>Benefit Description (cont.)</b>	Not applicable.	When companies apply the policy that differs by length service, the median entitlement for full salary is as below: <table border="1" data-bbox="981 376 1373 906"> <thead> <tr> <th data-bbox="981 376 1184 448">Length of Service Bands</th> <th data-bbox="1184 376 1373 448">Full Pay Base Salary</th> </tr> </thead> <tbody> <tr> <td data-bbox="981 448 1184 485">0 - 6 months</td> <td data-bbox="1184 448 1373 485">5 weeks</td> </tr> <tr> <td data-bbox="981 485 1184 521">6 months - 1 year</td> <td data-bbox="1184 485 1373 521">7 weeks</td> </tr> <tr> <td data-bbox="981 521 1184 558">1 - 2 years</td> <td data-bbox="1184 521 1373 558">11 weeks</td> </tr> <tr> <td data-bbox="981 558 1184 595">2 - 3 years</td> <td data-bbox="1184 558 1373 595">14 weeks</td> </tr> <tr> <td data-bbox="981 595 1184 632">3 - 4 years</td> <td data-bbox="1184 595 1373 632">15 weeks</td> </tr> <tr> <td data-bbox="981 632 1184 668">4 - 5 years</td> <td data-bbox="1184 632 1373 668">16 weeks</td> </tr> <tr> <td data-bbox="981 668 1184 705">5 - 6 years</td> <td data-bbox="1184 668 1373 705">21 weeks</td> </tr> <tr> <td data-bbox="981 705 1184 742">6 - 7 years</td> <td data-bbox="1184 705 1373 742">21 weeks</td> </tr> <tr> <td data-bbox="981 742 1184 778">7 - 8 years</td> <td data-bbox="1184 742 1373 778">22 weeks</td> </tr> <tr> <td data-bbox="981 778 1184 815">8 - 9 years</td> <td data-bbox="1184 778 1373 815">22 weeks</td> </tr> <tr> <td data-bbox="981 815 1184 852">9 - 10 years</td> <td data-bbox="1184 815 1373 852">22 weeks</td> </tr> <tr> <td data-bbox="981 852 1184 906">10+ years</td> <td data-bbox="1184 852 1373 906">24 weeks</td> </tr> </tbody> </table>	Length of Service Bands	Full Pay Base Salary	0 - 6 months	5 weeks	6 months - 1 year	7 weeks	1 - 2 years	11 weeks	2 - 3 years	14 weeks	3 - 4 years	15 weeks	4 - 5 years	16 weeks	5 - 6 years	21 weeks	6 - 7 years	21 weeks	7 - 8 years	22 weeks	8 - 9 years	22 weeks	9 - 10 years	22 weeks	10+ years	24 weeks	Not applicable.
Length of Service Bands	Full Pay Base Salary																												
0 - 6 months	5 weeks																												
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8 - 9 years	22 weeks																												
9 - 10 years	22 weeks																												
10+ years	24 weeks																												

## 2.6. HOLIDAY ENTITLEMENT

Benefit Details	Company A	Market Practice	Comments
<b>Annual Vacation</b>	Company A provides holiday entitlement over and above statutory requirements.	92% of responding companies provide employees with holiday entitlement over and above statutory requirements.	Company is aligned with the market practice in terms of basic holiday entitlement.
	The basic holiday entitlement excluding public holidays is 25 days.	The most prevalent (57% of companies) basic holiday entitlement excluding public holidays is 25 days, 12% offer 26 days and 7% of companies offer 23 days of holiday, 7% of companies offer 22 days. Remaining companies offer other holiday entitlement.	
	Company A provides additional days based on service (5 days after 5 years of service).	54% of responding companies provide additional days based on service. Median maximum number of days allowed above basic holiday entitlement is: 2 days after initial period of service (varying by companies from 2 to 10 years of service), 3 days after 15 years of service, 4 days after 20 years of service and 5 days after 25 years of service.	Company A is above the market practice in terms of number of additional service-based holidays (for employees having more than 5 and less than 25 years of service).
	Unused holidays can be carried over. Maximum number of days is equal to 5.	68% of respondents allow unused days to be carried over with median maximum number of days equal to 5.	Broadly in line with the market practice.
	Employees are not allowed to buy or sell holidays.	70% of companies do not allow employees to buy or sell holidays. When buying or selling is allowed, companies allow an employee to buy or sell maximum 5 days.	In line with the market practice.
<b>Holidays</b>	No company data available.	Companies typically supplement statutory requirements by allowing employees to take public holidays, with pay, in addition to other holiday entitlement.	Comparison not available.

## 2.7. FLEXIBLE BENEFITS

Benefit Details	Company A	Market Practice	Comments
<b>Benefit Description</b>	Company A provides flexible benefits plan to their employees.	42% of participants provide flexible benefits.	Company A is above the market practice.
	All employee groups are eligible.	All employee groups are eligible.	In line with the market practice.
	Core benefits included in flexible benefits plan are: - Life assurance - Pension - Private medical insurance - Long term disability cover/income protection.	Core benefits included in flexible benefits plan are: - Holidays (83% of companies) - Life assurance (81%) - Pension (80%) - Private medical insurance (73%) - Long term disability cover/income protection (62%) - Company cars (33%) - Other (40%).	In line with the market practice.

## 2.8. OTHER BENEFITS

Benefit Details	Company A	Market Practice	Comments
<b>Club Subscriptions</b>	Company A pays for employees' subscriptions to a professional society.	56% of companies pay for employees' subscriptions to a professional society.	Company A is in line with the market practice in terms of subscriptions to a professional society.
	Company A provides partial coverage for employees' subscriptions to a social/sports club.	When social/sports club subscriptions are offered, 89% of companies will partially fund this arrangement and 11% - fully.	Company A is in line with the market practice in terms of financing level of social/sports club subscriptions.
<b>Meals</b>	Meals are subsidized in the form of allowance/voucher. Monthly amount is GBP 145.	Some employees receive tax-efficient luncheon vouchers. Median monthly amount of meal allowance/voucher is GBP 63.  In larger companies it is common to find company canteens/restaurants. Typically 50% of canteen meals are subsidized by organizations.	Above the market practice in terms of allowance/voucher amount.
<b>Discounts for Organization Products</b>	No company data available.	38% of companies allow employees to purchase organization products at a discounted price. Median discount on organizations' products is 50%.	Comparison not available.
<b>Loans</b>	No company data available.	19% of responding companies offer loans to their employees.  84% of those that offer loans offer them for season tickets.	Comparison not available.

Benefit Details	Company A	Market Practice	Comments
<p><b>Share Purchase Plan</b></p>	<p>No company data available.</p>	<p>21% of responding companies provide a share purchase plan. Among these companies, 100% of employees are eligible for the plan.</p> <p><u>One year plans</u>                      Median maximum percentage of basic salary which can be used to purchase shares is 10%.</p> <p>In 79% of responding companies, the amount which can be used to purchase shares is limited. Median maximum amount which can be used to purchase shares is GP 1,500.</p> <p>Interest rate is added to the savings in 9% of plans.</p> <p>When provided, the median discount on market value for purchased shares is 15%.</p> <p>In 83% of responding companies, the plan is approved by the Inland Revenue.</p>	<p>Comparison not available.</p>
	<p>No company data available.</p>	<p><u>Three or five-year plans</u>                      Median maximum percentage of base salary which can be used to purchase shares is 10%.</p> <p>In 85% of responding companies, the amount which can be used to purchase shares is limited. The median annual maximum amount is 3,000 GBP.</p> <p>In 32% of companies interest rate is added to the savings.</p> <p>When shares are purchased, the average discount on market value provided is 25%.</p>	<p>Comparison not available.</p>

2.9. COMPANY CARS

Benefit Details	Company A	Market Practice	Comments
<p><b>Eligibility</b></p>	<p>Company A does not provide employees with company car benefits.</p>	<p>89% companies provide employees with company car benefits.</p> <p>Eligibility for car benefits by employee level:</p> <ul style="list-style-type: none"> <li>- Head of Organization: 98%</li> <li>- Executives: 98%</li> <li>- Management: 94%</li> <li>- Professional Sales: 89%</li> <li>- Professional Non-Sales: 54%</li> <li>- Para-Professional - "White Collar": 23%</li> <li>- Para-Professional - "Blue Collar": 7%</li> </ul> <p>The following criteria are used to determine the provision of company car:</p> <p><u>Status/seniority</u></p> <ul style="list-style-type: none"> <li>- Head of Organization: 89%</li> <li>- Executives: 88%</li> <li>- Management: 80%</li> <li>- Professional Sales: 17%</li> <li>- Professional Non-Sales: 29%</li> <li>- Para-Professional - "White Collar": 11%</li> </ul> <p><u>Business need/essential user</u></p> <ul style="list-style-type: none"> <li>- Head of Organization: 21%</li> <li>- Executives: 21%</li> <li>- Management: 39%</li> <li>- Professional Sales: 94%</li> <li>- Professional Non-Sales: 75%</li> <li>- Para-Professional - "White Collar": 80%</li> </ul>	<p>Company A is below the market practice.</p>

Benefit Details	Company A	Market Practice	Comments
<b>Type of Benefit</b>	Not applicable.	<p>Generally the most popular type of car benefit (among all employee groups) is a choice between company car and cash allowance:</p> <ul style="list-style-type: none"> <li>- Head of Organization: 71%</li> <li>- Executives: 68%</li> <li>- Management: 64%</li> <li>- Professional Sales: 39%</li> <li>- Professional Non-Sales: 48%</li> <li>- Para-Professional - "White Collar": 42%</li> </ul> <p>Remaining companies offer cash allowance or car only.</p>	Not applicable.
<b>Use of the Car</b>	Not applicable.	<p>The majority of companies allow for business and personal use of the car:</p> <ul style="list-style-type: none"> <li>- Head of Organization: 93%</li> <li>- Executives: 93%</li> <li>- Management: 92%</li> <li>- Professional Sales: 81%</li> <li>- Professional Non-Sales: 85%</li> <li>- Para-Professional - "White Collar": 88%</li> </ul> <p>The remainder allows business use only.</p>	Not applicable.
<b>Car Allocation</b>	Not applicable.	<p>The most popular criterion of car allocation is choice from a range of models specified by the organization and free choice up to a maximum cost specified by the organization:</p> <p><u>Choice from a range of models specified by the organization</u></p> <ul style="list-style-type: none"> <li>- Head of Organization: 56%</li> <li>- Executives: 56%</li> <li>- Management: 59%</li> <li>- Professional Sales: 62%</li> <li>- Professional Non-Sales: 65%</li> <li>- Para-Professional - "White Collar": 64%</li> </ul>	Not applicable.

Benefit Details	Company A	Market Practice	Comments
<b>Car Allocation (cont.)</b>		<p>Free choice up to a maximum cost specified by the <u>organization</u></p> <ul style="list-style-type: none"> <li>- Head of Organization: 36%</li> <li>- Executives: 37%</li> <li>- Management: 34%</li> <li>- Professional Sales: 28%</li> <li>- Professional Non-Sales: 23%</li> <li>- Para-Professional - "White Collar": 23%</li> </ul>	
<b>Typical Make and Model</b>	Not applicable.	<p>Typical make and models are follows:</p> <ul style="list-style-type: none"> <li>- Head of Organization: Audi A6, BMW 5 Series, Mercedes E Class</li> <li>- Executives: Audi A4, Audi A6, BMW 5 Series</li> <li>- Management: Audi A4, BMW 3 Series, BMW 5 Series</li> <li>- Professional Sales: Audi A4, BMW 3 Series, Volkswagen Passat</li> <li>- Professional Non-Sales: Audi A3, BMW 3 Series, Volkswagen Passat</li> <li>- Para-Professional - "White Collar": Audi A3, Opel Insignia, Volkswagen Golf</li> </ul>	Not applicable.
<b>Maximum Purchase Price</b>	Not applicable.	<p>Median maximum purchase price (incl. VAT) of the car is:</p> <ul style="list-style-type: none"> <li>- Head of organization: 39,177 GBP</li> <li>- Executives: 33,935 GBP</li> <li>- Management: 30,000 GBP</li> <li>- Professional Sales: 25,000 GBP</li> <li>- Professional Non-Sales: 22,963 GBP</li> <li>- Para-Professional - "White Collar": 20,513 GBP</li> </ul>	Not applicable.
<b>Maximum Monthly Leasing Cost</b>	Not applicable.	<p>Median maximum monthly leasing cost (incl. VAT) per employee:</p> <ul style="list-style-type: none"> <li>- Head of organization: 778 GBP</li> <li>- Executives: 650 GBP</li> <li>- Management: 550 GBP</li> <li>- Professional Sales: 473 GBP</li> <li>- Professional Non-Sales: 440 GBP</li> <li>- Para-Professional - "White Collar": 414 GBP.</li> </ul>	Not applicable.



Benefit Details	Company A	Market Practice	Comments
<b>Replacement Policy</b>	Not applicable.	<p>Typically company cars are replaced after 3 – 4 years.</p> <p>The median replacement distance is 80,000 – 90,000 miles.</p>	Not applicable.
<b>Business Mileage Reimbursement</b>	Not applicable.	<p>Companies usually cover fuel by reimbursement of costs:</p> <ul style="list-style-type: none"> <li>- Head of Organization: 62%</li> <li>- Executives: 59%</li> <li>- Management: 62%</li> <li>- Professional Sales: 67%</li> <li>- Professional Non-Sales: 67%</li> <li>- Para-Professional - "White Collar": 49%</li> </ul> <p>The remaining companies provide mileage allowance.</p> <p>Companies cover 100% of private fuel for head of organization and executives and no private fuel for lower employee levels (median values).</p>	Not applicable.
<b>Cash Allowance</b>	Not applicable.	<p>Companies provide car cash allowance at the following median levels:</p> <ul style="list-style-type: none"> <li>- Head of Organization: GBP 10,285</li> <li>- Executives: GBP 9,000</li> <li>- Management: GBP 7,000</li> <li>- Professional Sales: GBP 6,177</li> <li>- Professional Non-Sales: GBP 6,000</li> <li>- Para-Professional - "White Collar": GBP 5,580</li> </ul> <p>The majority of companies calculate the allowance as a fixed amount for the level of the role.</p>	Not applicable.

SAMPLE

**MERCER**

Aleje Jerozolimskie 98  
00-807 Warsaw  
Poland

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