



CITY BENEFITS GUIDE 2022

This publication provides information on pension arrangements, benefits, remuneration policy and practice for finance sector organisations based in the City of London. It also covers typical practice with respect to HR-related policies and issues facing Human Resources professionals in City-based organisations. The data used to provide this information was collected from participants in our City Pay and Benefits survey during over 2021 and 2022. Comparisons are given with that published by us in the last City Benefits Guide, in 2020 (during the pandemic year).

A list of participating companies, where we have been given permission to name them, can be found in Appendix II to this report. The terminology and statistical methodology used in this Guide are explained in Appendix I.

The information provided here applies to pensions and benefits, policies and practices which currently apply within the organisations participating in this survey. The majority of these participants are smaller to medium sized firms, with up to a few hundred staff. Many are branches or subsidiaries with overseas parents.

Many policies were in situ prior to the Covid pandemic with few organisations making changes to the available remuneration package as a result, other than alterations in working arrangement, i.e. home vs office-based working. In addition to a formal collection of data via our City Pay & Benefits Survey, completed by participants annually, we maintain regular contact with our clients and keep up to date with their ongoing experience and challenges.

Earlier this year, in June 2022, we ran a mini-survey of our survey participants with regard to the return to the office and the introduction of hybrid or more flexible working arrangements. We have included information from the results of this survey, in this Benefits Guide, having expanded the Flexible and Hybrid Working sections, in the Hours and Leave chapter. We will continue to monitor how organisations and their employees adapt and settle into these new working arrangements and also review other longer-term impacts on pay, incentives and employee benefits.

The aim of this Guide is to provide reliable data on benefits practice in a manner which is both informative and easy to understand. We aim to provide sufficient detail on the range of employee benefits available to finance-sector employees to enable you to make informed decisions about your own company's range of benefits and policies. It is always a compromise between ensuring that our data collection questionnaire is useable and not too cumbersome, and that we are collecting sufficient details on those benefits and policies that you require. However, we encourage survey participants and users of this guide to inform us of additional detail you would like to see included.

This publication is a companion to our widely respected *City Pay Guide* which provides pay market data for around 300 roles in the finance sector and for the London market.

If you are not currently a participant in our survey(s) and would like to find out about the benefits of participating, please contact us. We aim to gain an understanding of your needs for pay and benefits data and work together to ensure we can assist you.

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Statistical Methodology

Where relevant, we use percentage figures as a guide to the ‘popularity’ of benefits provided by participants.

We provide median and quartile values to show the spread of data and the mode, or most popular, value for certain benefits, for example annual holiday entitlement, by number of days.

These are defined as follows:

Lower Quartile	Where 25% of the data points are lower and 75% higher than the figure given.
Median	The middle figure where 50% of the data points are lower and 50% higher than the figure given.
Upper Quartile	Where 75% of the data points are lower and 25% higher than the figure given.
Mean	The average of all data, where each element is added together and the total divided by the number of elements included. The mean value can be ‘skewed’ by very high or very low values.
Mode	The most frequently occurring value in a group of values, i.e. the most popular incidence.

Definitions

In the guide we use several terms relating to remuneration and these are defined as follows:

Base Pay/ Base Salary	Total fixed salary including any fixed annual location weighting. Allowances such as housing loan subsidy, benefits, car allowances, call-out or shift allowance are not included in these figures.
Cash Allowance	A non- pensionable cash allowance introduced by some organisations to enhance their employees’ remuneration packages. These allowances may be offered under various guises, such as market adjustment allowances or, London living allowance; but all have the impact of increasing fixed pay without subsequent additional pension or benefit costs. We do not include these figures in any base salary analysis but do comment on their value and frequency in the Pay and Incentives section of this Guide.
Annual Bonus	Cash bonus payment made within the last 12 months.
Total Cash	Base pay, plus any annual cash bonus awarded in the past 12 months, excluding allowances. Any deferred element of the bonus, the value of share options or share-based incentive awards are not included, nor are employer pension contributions.

Deferred Bonus	Several participating organisations have implemented deferred bonus schemes. These are typically limited to certain key employees only. In a deferred bonus scheme the payment of an element of an employee's annual bonus is delayed, typically for between one and three years.
Total Earnings	Base pay, plus any annual cash bonus awarded in the past 12 months, plus any deferred element awarded in the past 12 months but deferred for future payment. Excludes allowances, the value of share options or share-based incentive awards, and any employer pension contributions.

Categories of Staff by Seniority

Where benefit practice is influenced by the level of seniority or status of staff we indicate this in the tables of data. As all organisations have their own unique management structure we have provided four levels of managerial staff and two non-managerial levels as listed below.

Executive Management

The board or executive committee of the bank/company. This would comprise the local board/executive committee where the UK based company is a branch/subsidiary of an overseas parent organisation. These individuals lead the direction of the organisation and will be covered by the UK regulators' Senior Manager Regime.

Senior Management

This level of management would normally report directly to the executive management, and will have overall responsibility for an area of the business; for example, head of treasury or head of operations. Encumbents are likely to have input into business strategy, and to be included in the Senior Managers Regime.

Middle Management

Reporting to senior managers and likely to be a head of department or function with a reporting line into senior or executive management. The role would typically involve management of the department and implementation of company strategy. For example, head of settlements or IT development manager.

Junior Management

The first tier of management. May be a professional role with little managerial responsibility or an assistant manager or officer with some responsibility for a section of a department.

Supervisory

A clerical (non-managerial) role where the individual will be experienced in their functional area and will have a supervisory role, formal or informal, and will guide more junior staff.

Clerical

A purely clerical role, though levels of experience may vary.

Categories of Staff by Job Type

In the Pay and Incentives section of this Guide we have categorised staff by type of role as well as by seniority so that we may differentiate between pay and bonus arrangements for those in front office/money making roles and those in back office/support functions. The categories used are listed below.

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The board or executive committee of the bank/company. This would comprise the local board/executive committee where the UK based company is a branch/subsidiary of an overseas parent organisation. These individuals lead the direction of the organisation and will be covered by the UK regulators' Senior Manager Regime.

Management, Front Office

Senior staff in the 'front office' are typically those that develop new business, build and maintain relationships with clients and manage the provision of financial services which may include corporate finance, treasury, trading or management of funds. Senior incumbents are likely to have input into business strategy and to be included in the Senior Managers Regime. Staff may have managerial responsibility for a department or team.

Other Roles, Front Office

These positions would encompass non-managerial roles in the front office such as junior traders, fund managers, analysts or client liaison officers.

Management, Back Office

Managerial roles in support functions such as operations, finance, human resources or IT. Responsible for the smooth operation of the organisation though not client facing or money making. Will have responsibility for a department or team of support (back office) staff. Heads of department may be included in the Senior Managers Regime.

Clerical Roles, Back Office

A clerical or supervisory (non-managerial) role typically in a support function. Levels of experience will vary. Posts may include operations or administration clerks, accounts clerks and secretaries.

The following organisations have given us permission to list their names as participants in the *City Benefits Guide, 2022*.

ABC International Bank	ICBC (London)
ADIB UK	Jordan International Bank
Alder Investment Management	Landesbank Hessen-Thuringen
Alpha Bank London	Mitsubishi Corporation International (Europe)
Banco do Brasil	Mitsubishi UFJ Asset Management
Bangkok Bank	Mitsubishi UFJ Trust & Banking Corporation
Bank of Communications	Mizrahi Tefahot Bank
Bank of London and the Middle East	National Bank of Egypt
Big Society Capital	Nordea Bank Finland Plc
British Arab Commercial Bank	Norinchukin Bank (The)
British Steel Pension Fund	QIB (UK)
Chiba Bank	Riyad Bank
Commonwealth Trade Bank (The)	Shinkin International
Credit Industriel et Commercial	Sumitomo Mitsui Trust Bank
Crown Agents Bank	UBA Capital (Europe)
DZ Bank	UK Debt Management Office
Erste Bank	Union Bank UK
Europe Arab Bank	United Bank UK
FBN Bank (UK)	Wyelands Bank
Ghana International Bank	Zenith Bank
GIC (Private)	
Guaranty Trust Bank	
Handelsbanken	