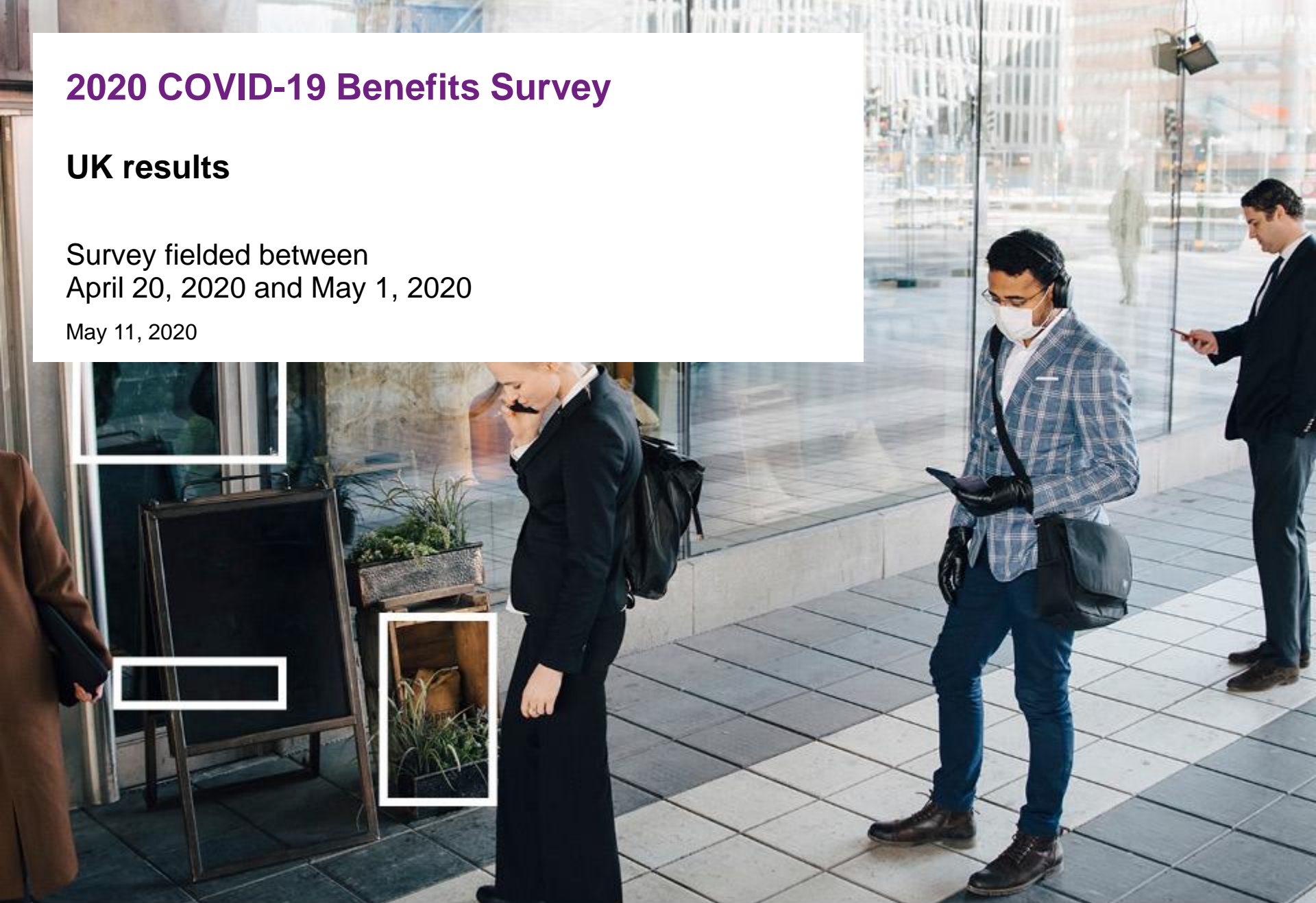


2020 COVID-19 Benefits Survey

UK results

Survey fielded between
April 20, 2020 and May 1, 2020

May 11, 2020



About the survey

177

employers in the UK responded to the survey

61%

located in multiple countries

730,000

employees at responding organisations

34%

Publicly listed

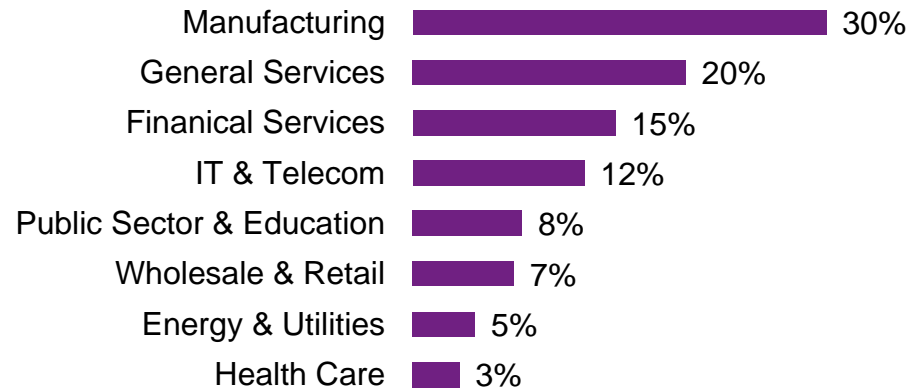
54%

Private

12%

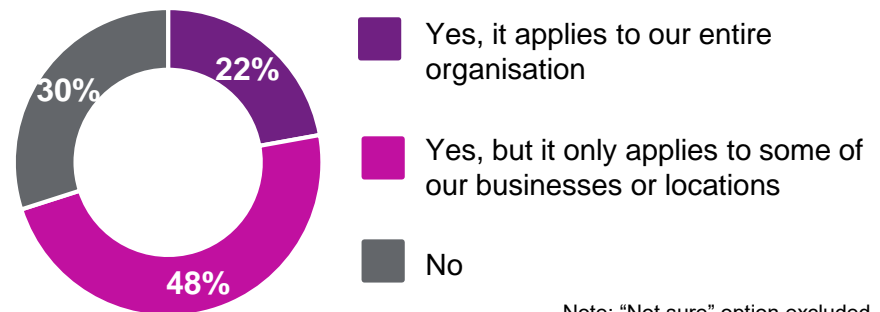
Other

Industry



Has your business been designated by the government as an essential business?

(where employees are allowed to come to work during the crisis)



Note: Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

The employer perspective

Business impact and restoring stability

Business impact

Financial performance

60% expect a material negative impact on their business performance over the next 6 months

Employee wellbeing

Over half of employers believe there will be a moderate to large negative impact on employee wellbeing

Work environment

Employers are protecting employees via mandatory working from home (75%) and alternative work teams (34%).



Restoring stability

Strategy

Few companies have developed protocols or a communication plan for returning to work (as of April 30, 2020)

Employee views

1 in 3 plan to gauge employees views on safety concerns, wellbeing and workplace needs. A further 1 in 3 are considering doing so.

Return to the workplace

A large majority anticipate a phased or gradual return to the workplace and most will start with critical employees.

Benefits strategy

A focus on employee wellbeing

Top priorities

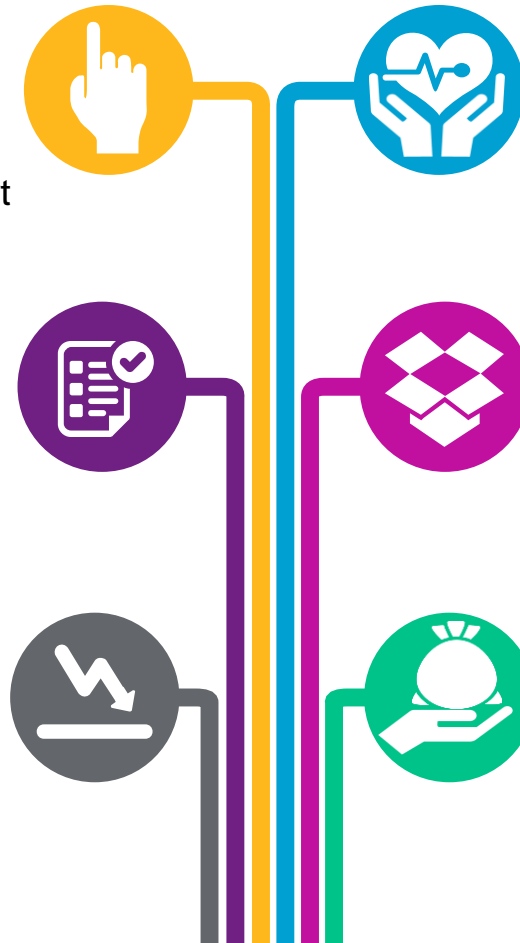
Communicate existing benefits that help employees; enhance mental health services; and, support financial wellbeing

Enhance

Employers are looking to enhance their wellbeing, annual leave and voluntary benefits

Struggling businesses

Are focussed on cutting costs and are more likely to look at cuts to health or retirement benefits



Health benefits

Employers are focussed on promoting telemedicine and online mental health services. Promotion of EAP remains a high priority.

Other benefits

2 in 5 employers think COVID-19 will increase their sick leave cost. 1 in 3 think costs of Group Life Assurance and Dependents pensions will rise.

Retirement benefits

DC: around 1 in 4 employers has taken steps to make it easier for employees to reduce their contributions

Wellbeing

Employers are taking a number of steps to support employees:

01

Support work from home

- Increase video conferencing for work and non-work purposes
- Offer greater flexibility for employees to manage work and home challenges

02

Financial wellbeing

- Promote financial help and guidance services and consider new solutions
- Measure financial stress across the workforce
- Expand role of employees networks

03

Address stress and anxiety

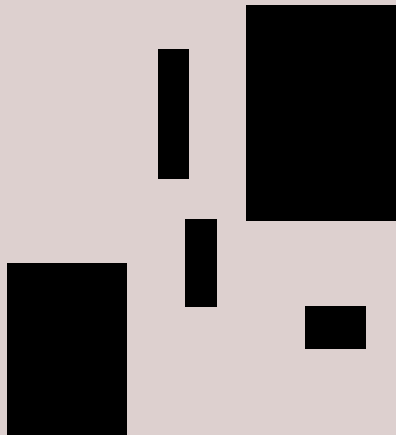
- Expand access to virtual tools for exercise or social gatherings
- Target cohorts most in need
- Promote opportunities for employees to connect for non-work purposes

04

Role of managers

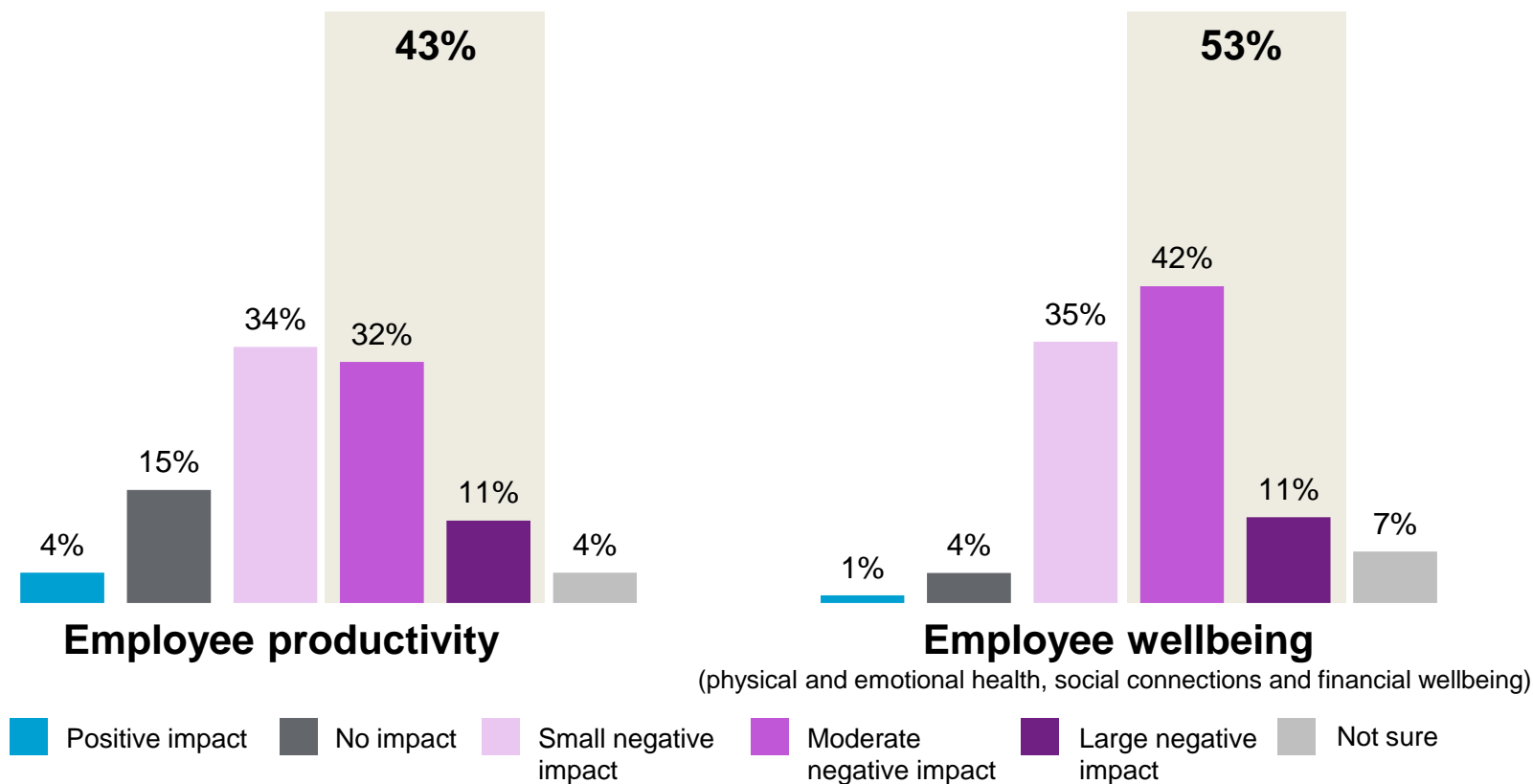
- Equip managers with tools to engage remote workers
- Recognise growing workforce issues – anxiety, burnout and loneliness (and role of managers)

Section 01: Business Impact



Over half of employers believe COVID-19 will have a moderate to large negative impact on employee wellbeing

What level of impact will COVID-19 have on your employees over the next 6 months?



Note: Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Almost all employers choose to continue their benefits for furloughed employees

Please indicate your approach to benefits continuation if you have or plan to furlough employees.

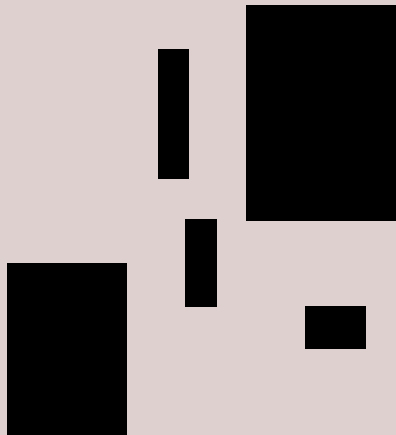
Benefits will be continued



Note: Based on actions taken or planned or considering unpaid leave of absences or furloughs. "Not applicable" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Section 02: Restoring Stability



Actions companies are taking in preparation for when the COVID-19 travel and social distancing restrictions are lifted

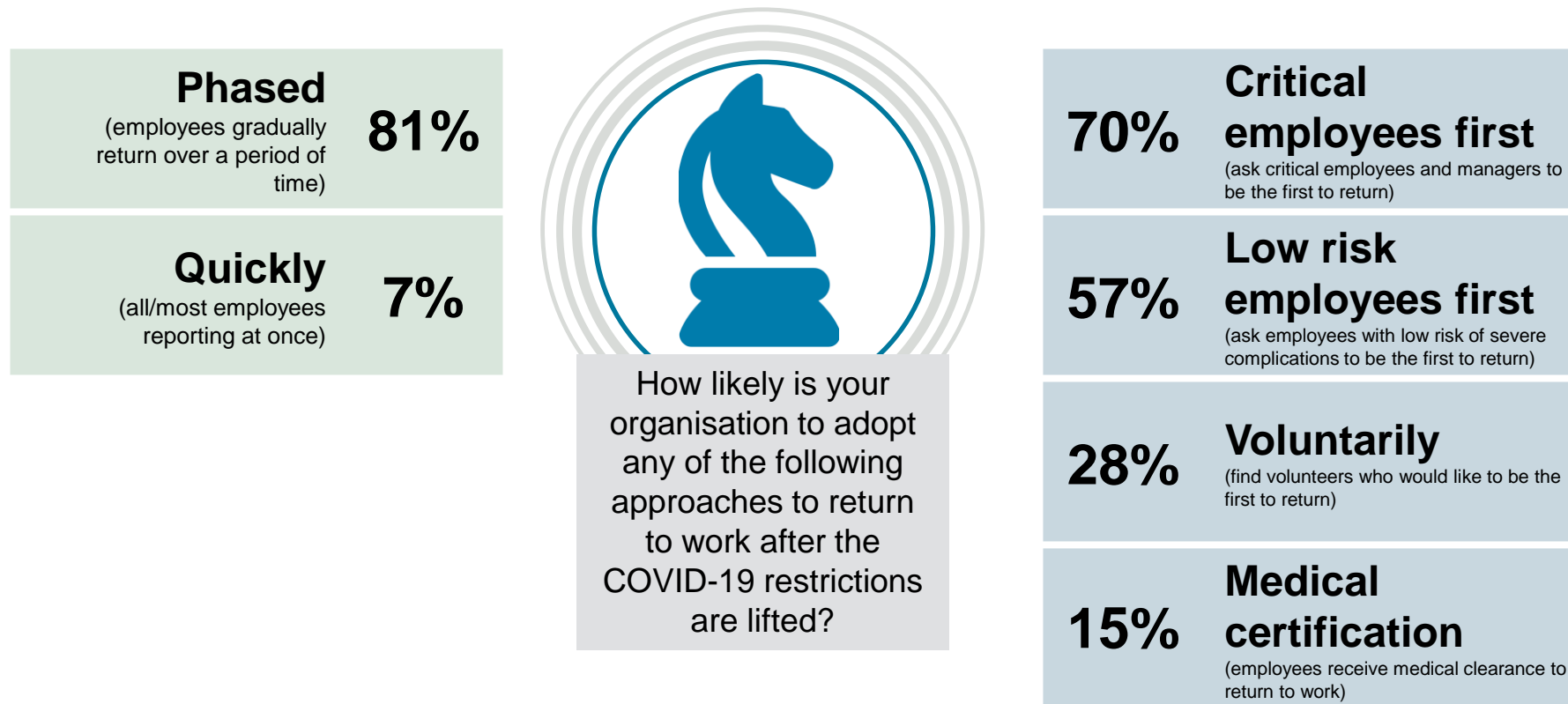
Has your organisation taken or does it plan to take any of the following actions in preparation for when the COVID-19 travel and social distancing restrictions are lifted?



Note: Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom

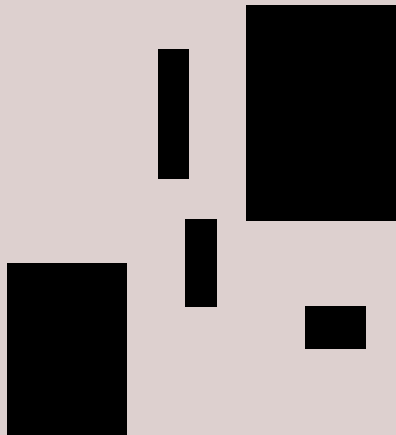
Most employers are looking to adopted a phased return to work

With critical employees asked to return first



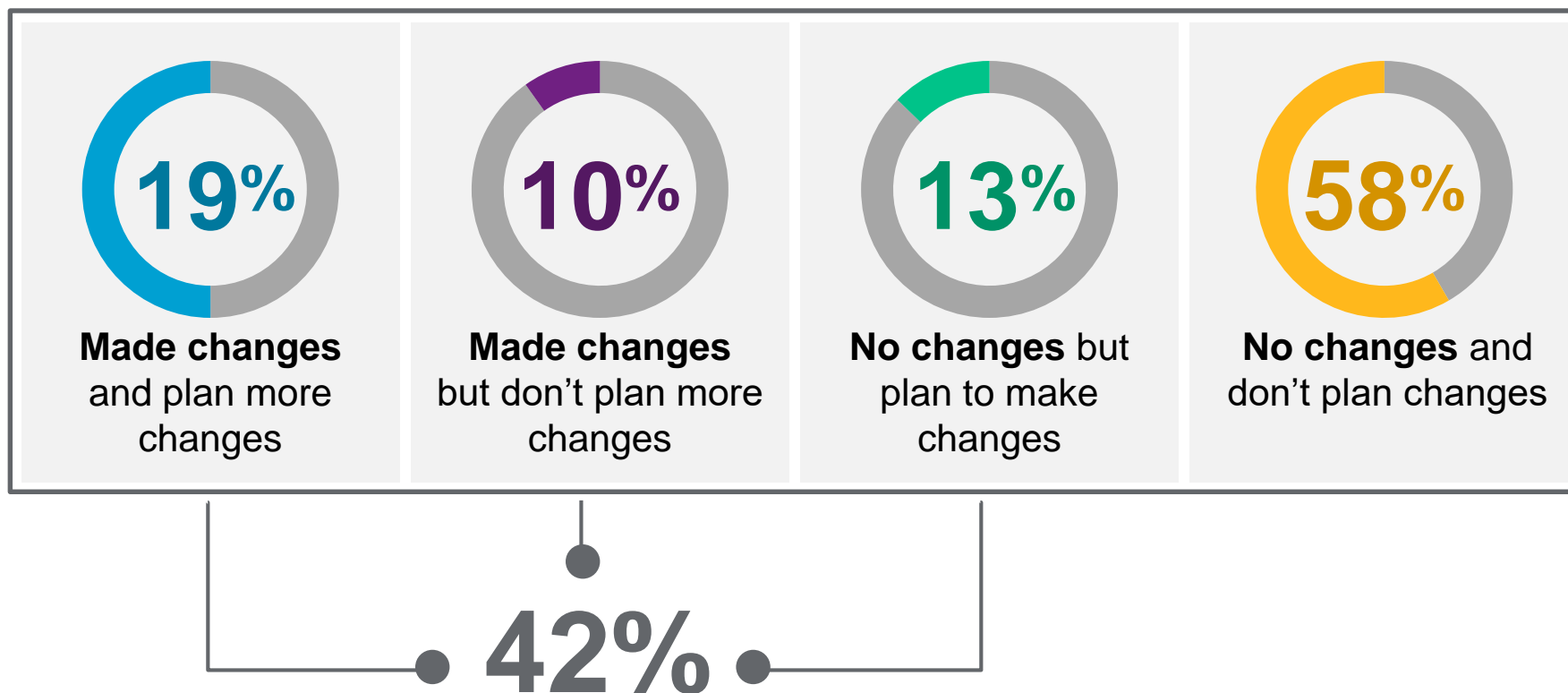
Note: "Not sure" option excluded. Percentages indicate 4 and 5-very likely in 5-point Likert scale.
Source: 2020 COVID-19 Benefits Survey, United Kingdom

Section 03: Broader Benefits Priorities



Two fifths of employers have made or plan to make changes to their benefits programmes as a result of COVID-19

To what extent has your company already made benefits programme changes as a result of the COVID-19 pandemic and economic crisis? To what extent are you planning to make changes over the next 6 months?

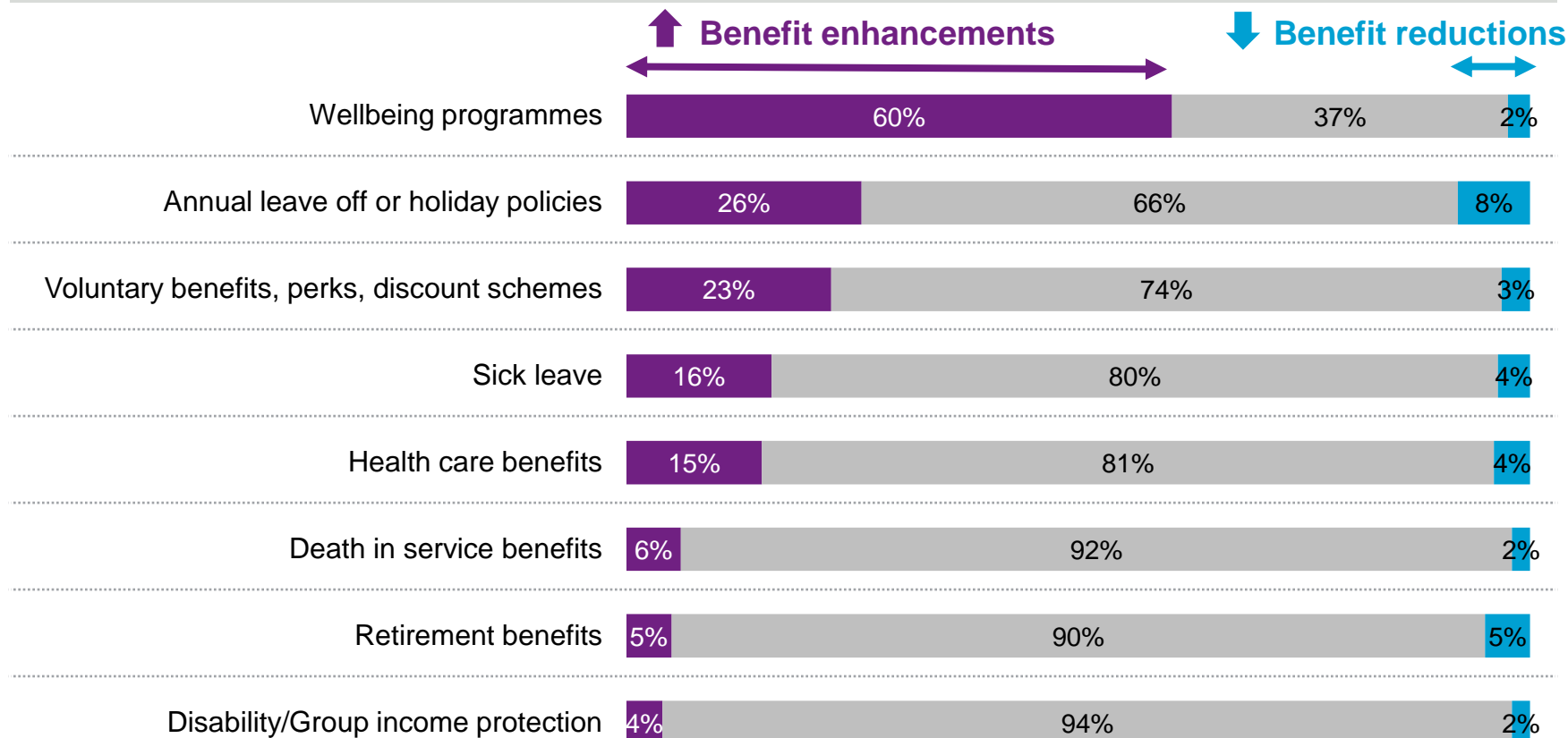


Note: Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Three fifths of employers are looking to enhance wellbeing

1 in 4 are looking to enhance voluntary benefits and perks

Considering the changes your company has already made and is expected to make over 2020, is your company planning to make any benefit enhancements or reductions?

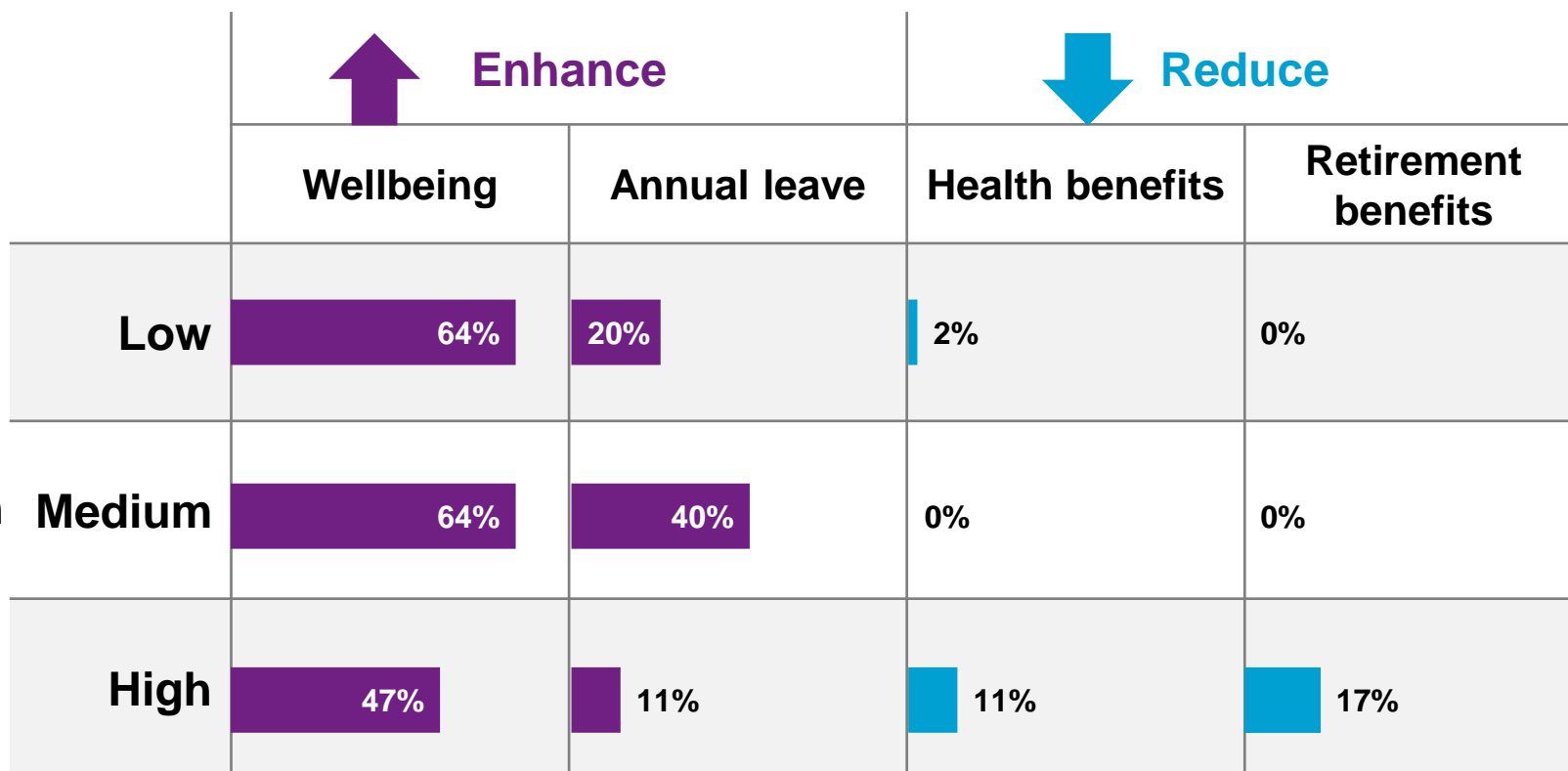


Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Changes to benefits programmes by business impact

To what extent has your company already made benefits programme changes as a result of the COVID-19 pandemic and economic crisis? To what extent are you planning to make changes over the next 6 months?



Extent of impact on business

(financial, productivity, or wellbeing over next 6 months)

Note: "Not applicable" option excluded.
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Companies are looking to communicate to employees about benefits that can support them, especially mental health services



Which of the following do you expect to be your organisation's most important benefits priorities over the next 6 months?

#1	Communicate on benefits and wellbeing programmes	61%
#2	Enhance mental health services and stress management	58%
#3	Support the financial wellbeing of employees	28%
	Ensure business continuity of benefits programmes	27%
	Improve social connections (i.e., reduce loneliness)	23%
	Address benefits for employees not at work (e.g., furloughs, involuntary leave, sick leave)	18%
	Enhance programmes around employee safety	18%
	Provide more flexibility to employees about benefits options	16%
	Improve the physical wellbeing of employees	16%
	Reframing benefits in a post-COVID environment	15%
	Reduce costs of benefits programmes	12%

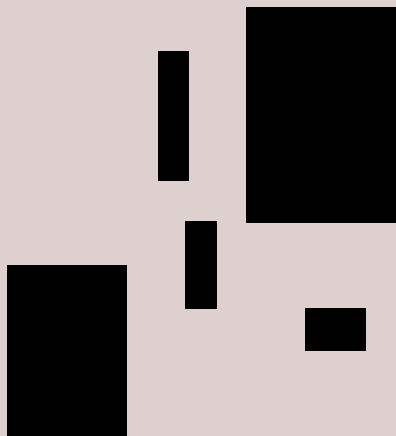
Note: Percentages indicate "being selected in top 3".
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Benefits priorities for select industries

Overall	Financial Services	General Services	IT and Telecom	Manufacturing
Communicate 61%	Communicate 73%	Mental Health 74%	Communicate 82%	Mental Health 51%
Mental Health 58%	Mental Health 62%	Communicate 57%	Mental Health 64%	Communicate 51%
Financial wellbeing 28%	Social connections 38%	Financial wellbeing 31%	Financial wellbeing 27%	Financial wellbeing 28%
Business continuity 27%	Business continuity 35%	Social connections 29%	Reduce costs 23%	Safety 28%
Social connections 23%	Financial wellbeing 19%	Business continuity 20%	Social connections 23%	Business continuity 28%

Note: Percentages indicate the frequency of being selected in the top 3 priorities
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Section 04: Wellbeing Programmes



Nearly three quarters have offered new virtual solutions to support employees

What actions has your organisation taken or plan to take as a result of the COVID-19 pandemic?

Action taken

Emerging focus (Planning or considering)

Offer **new** virtual solutions that are easy to implement to support work from home employees

74%

17%

Assess immediate wellbeing needs for specific cohorts of employees

60%

28%

Promote healthy nutrition / physical activity / weight management for work from home employees

54%

26%

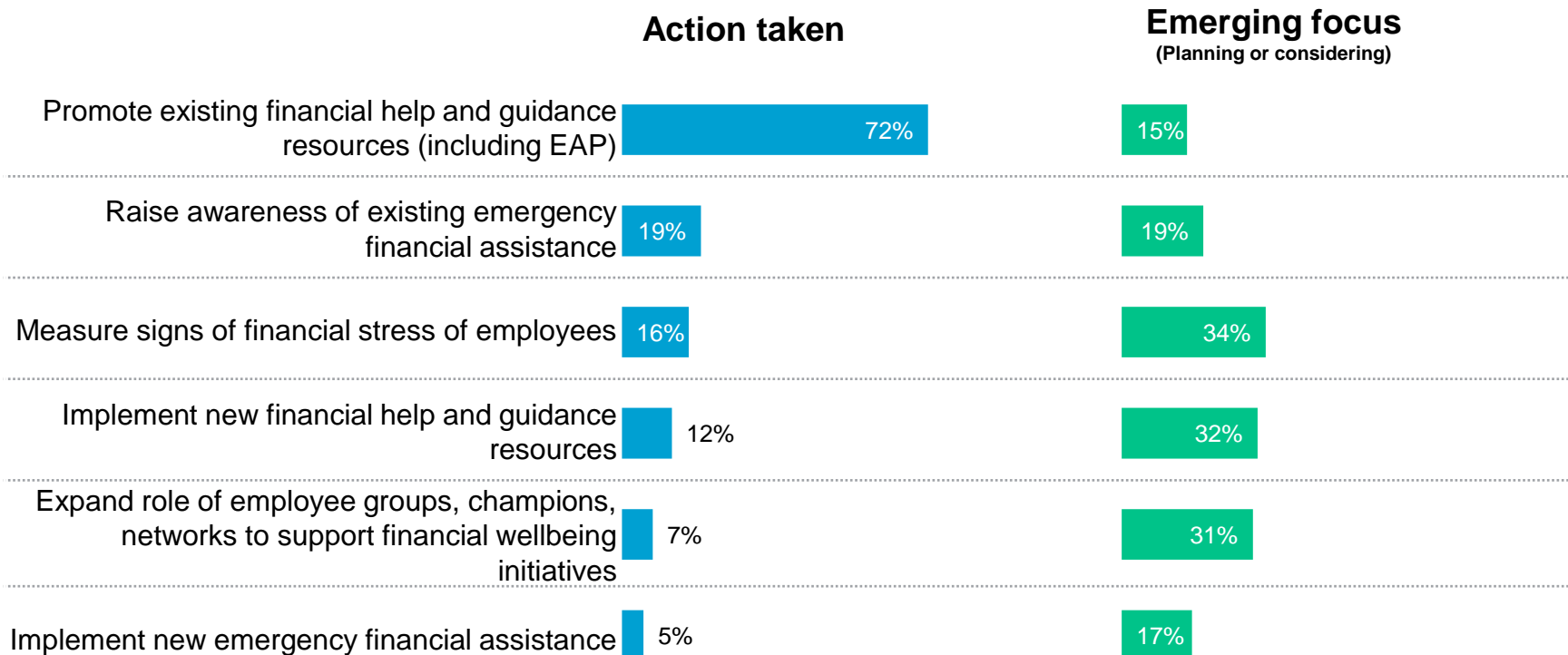
Note: "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

3 in 4 employers have promoted existing financial resources

One third are planning or considering to measure signs of financial stress amongst employees

What actions has your organisation taken or plan to take as a result of the COVID-19 pandemic?



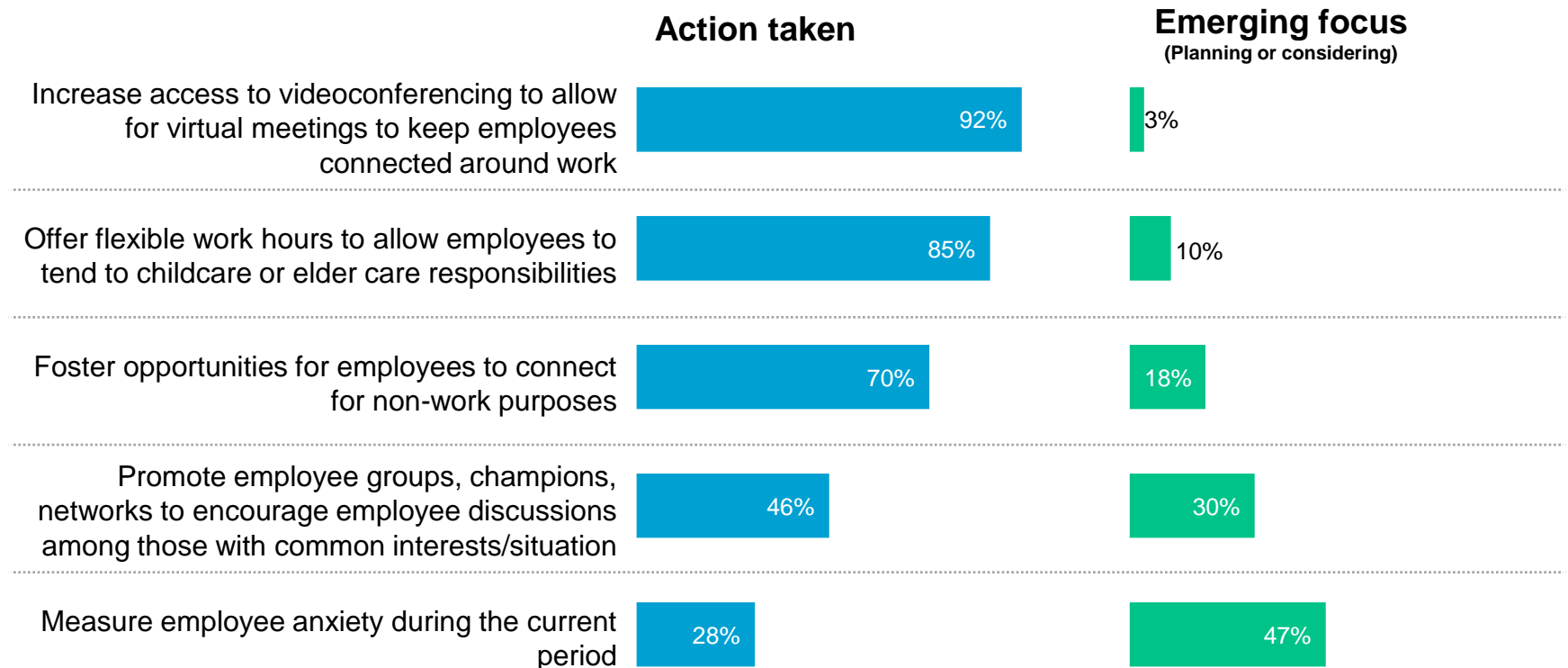
Note: "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Employers are using technology to help employees stay connected, both for work and social purposes

But employee anxiety is a growing concern for employers

What actions has your organisation taken or plan to take as a result of the COVID-19 pandemic?



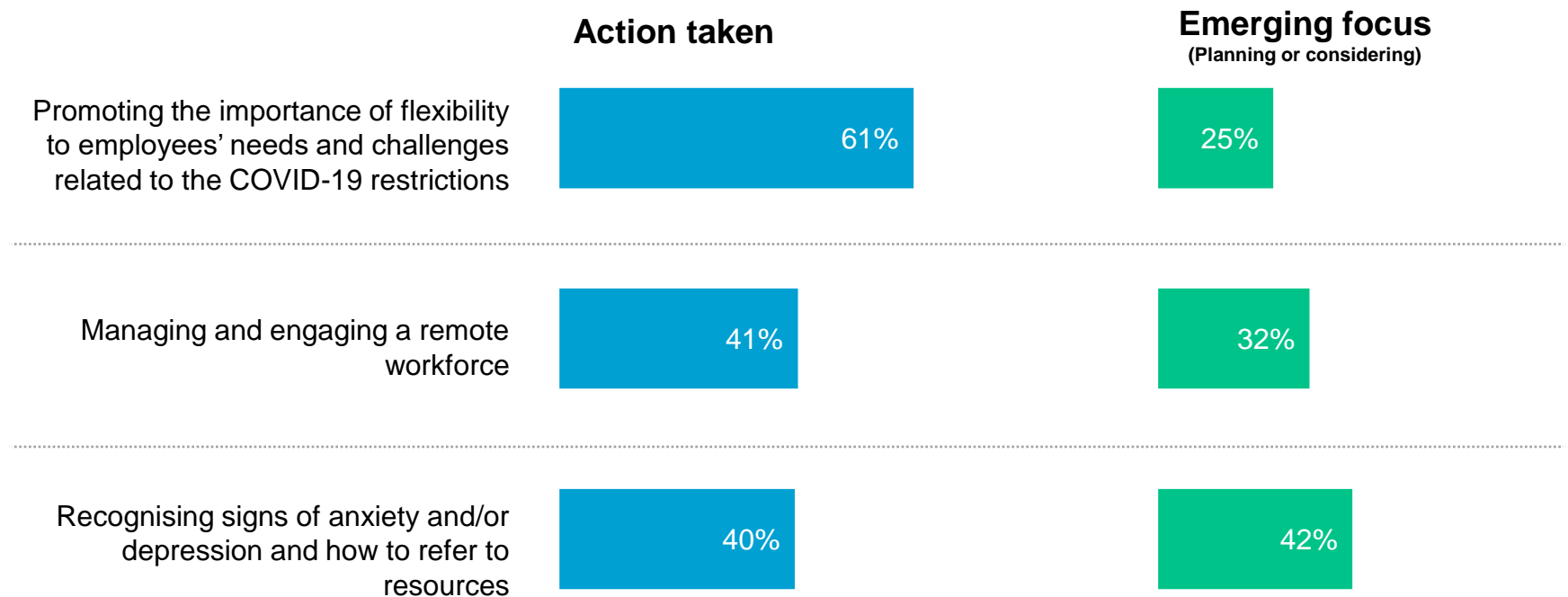
Note: "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

A majority of employers are looking for managers to play a crucial role in managing the challenges employees face

With an increasing focus on recognising signs of anxiety and/or depression

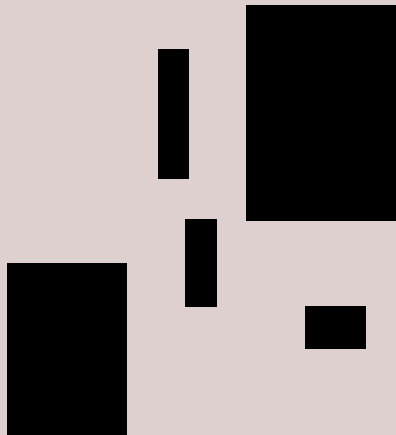
Has your company offered or plan to offer manager training on any of the following?



Note: "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

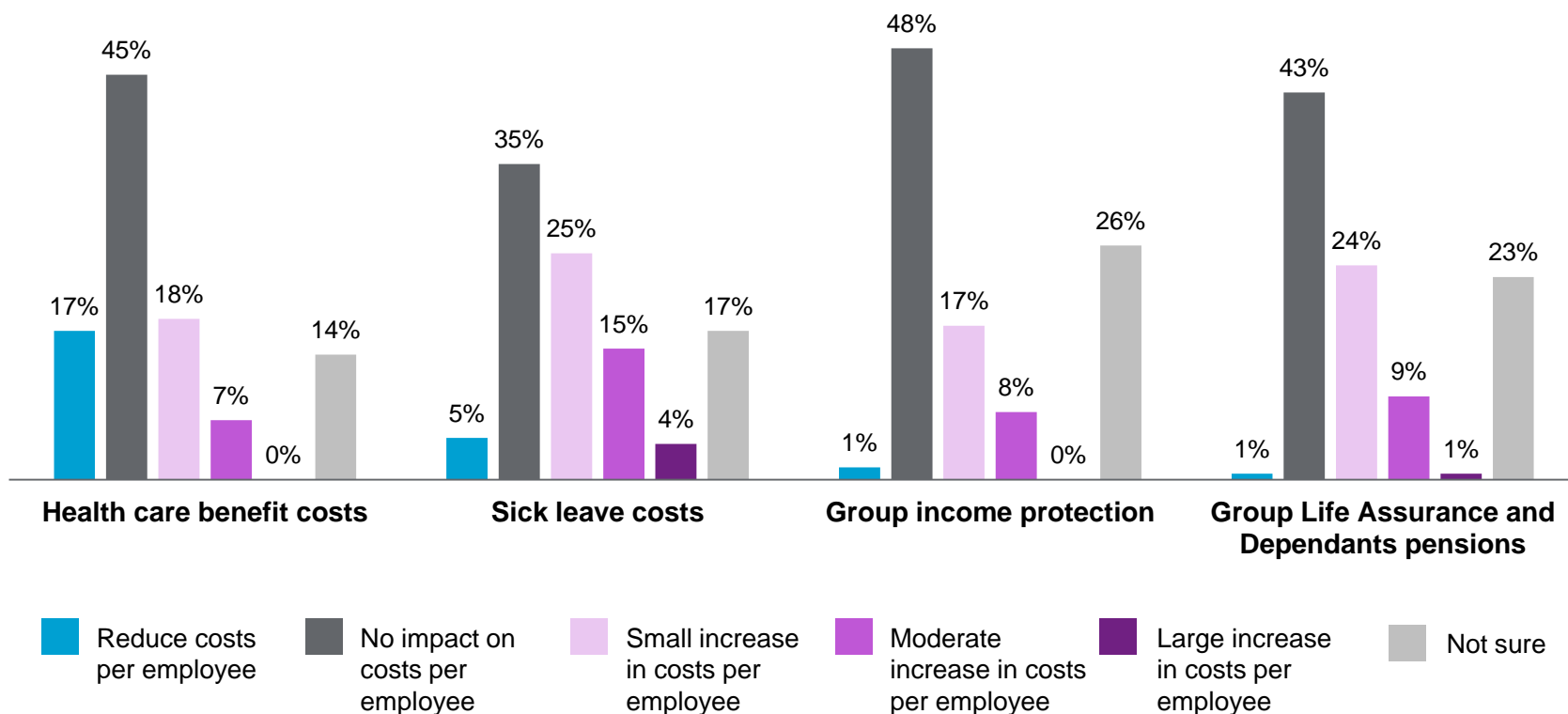
Section 05: Health Care Benefits



Over two fifths think COVID-19 will increase their sick leave costs

One third think Group Life Assurance and Dependants pensions will be impacted

What impact do you expect COVID-19 to have on annual benefits and related costs per employee in the following areas over the next year?

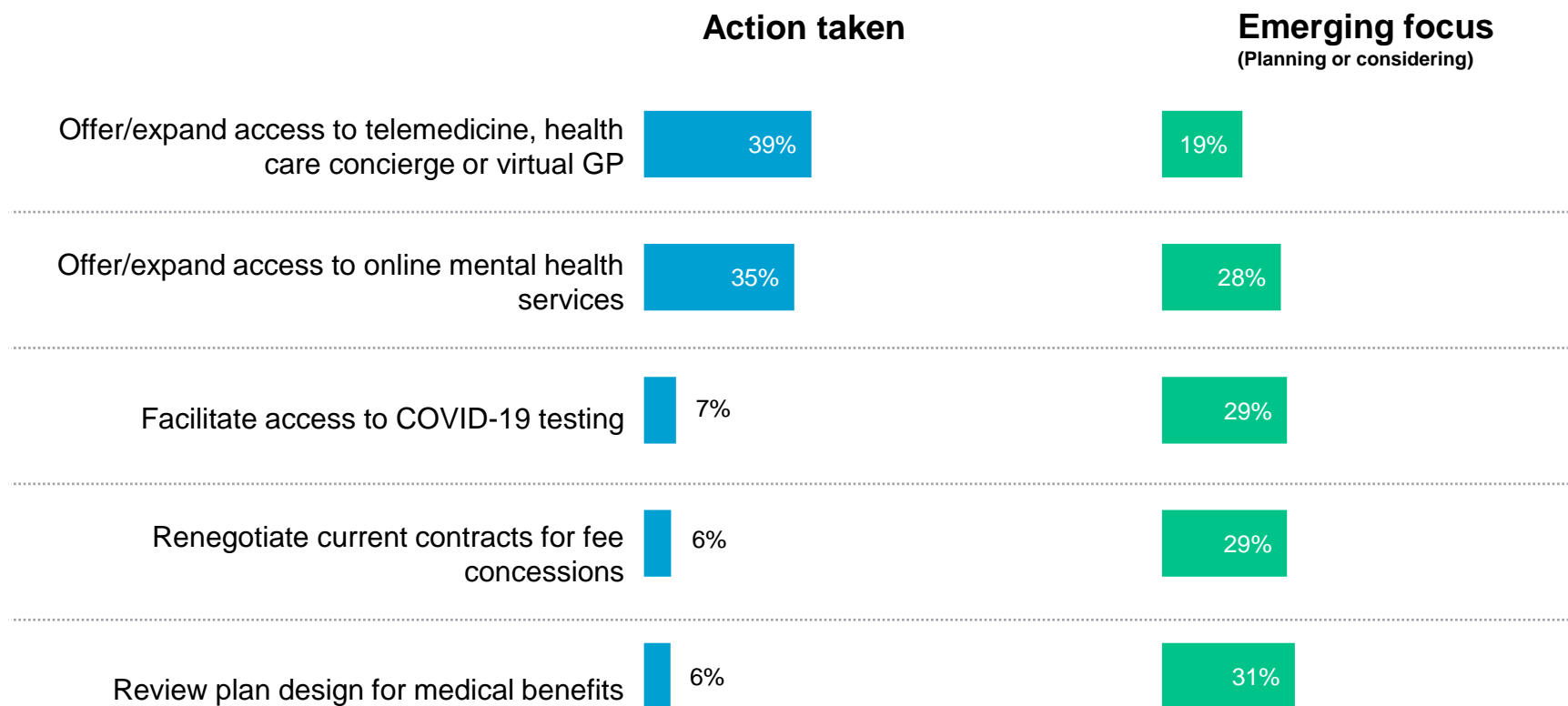


Note: Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom.

2 in 5 employers have offered or expanded access to telemedicine

Over 1 in 3 have offered or expanded access to online mental health services

What actions has your organisation taken or plan to take to with regard your health benefits in response to COVID-19?

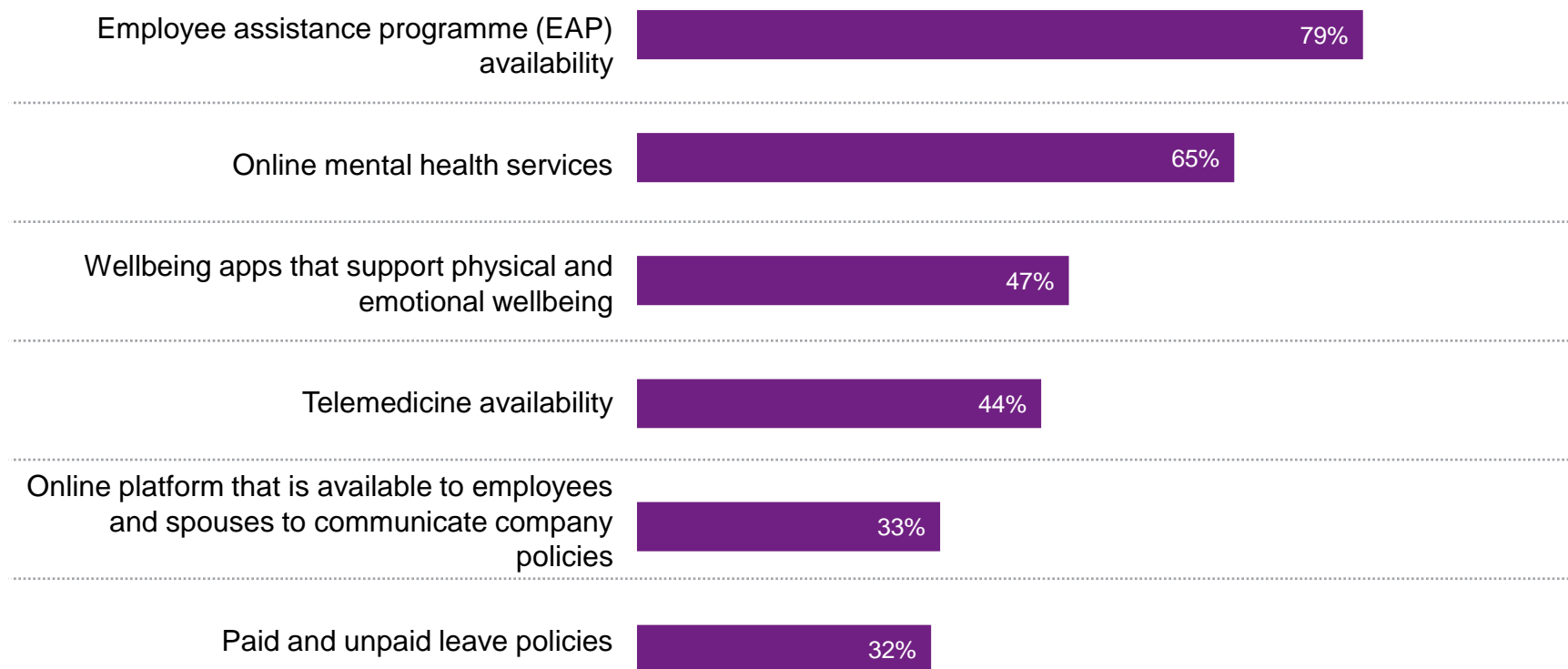


Note: "Not applicable" and "Not sure" option excluded.

Source: 2020 COVID-19 Benefits Survey, United Kingdom.

Employee assistance programme (EAP) availability is the highest priority to promote and communicate about

Which of the following benefits has your organisation made a priority to promote and communicate about as a result of the COVID-19 pandemic?



Note: "Not applicable" and "Not sure" options excluded. Percentages indicate high priority.

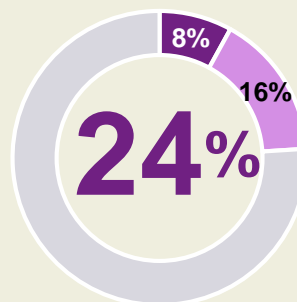
Source: 2020 COVID-19 Benefits Survey, United Kingdom

A quarter of employers delayed implementation of initiatives in 2020

One third are likely to revise their health care strategy for 2021

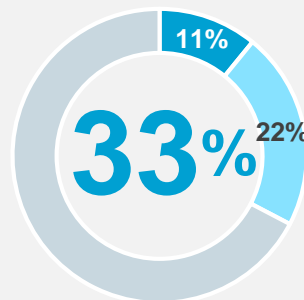
To what extent do the following apply to your company as a result of COVID-19?

Delayed implementation of benefit changes or new health and wellbeing programmes for 2020



■ To a great extent (4 or 5)
■ To a moderate extent (3)

Likely to revise our health care strategy for 2021



■ To a great extent (4 or 5)
■ To a moderate extent (3)

Source: 2020 COVID-19 Benefits Survey, United Kingdom

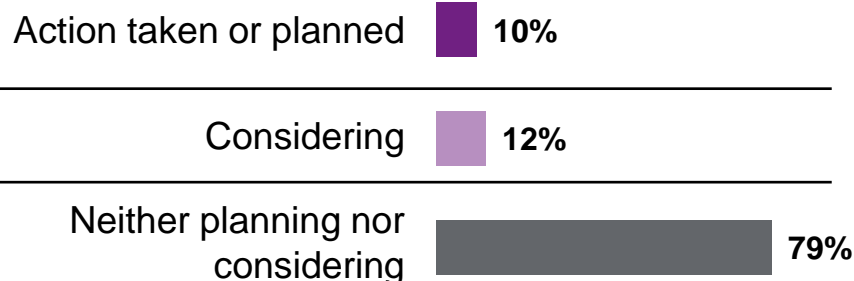
1 in 5 employers are looking to review death in service benefits

1 in 10 are looking to review their dependants pension provision

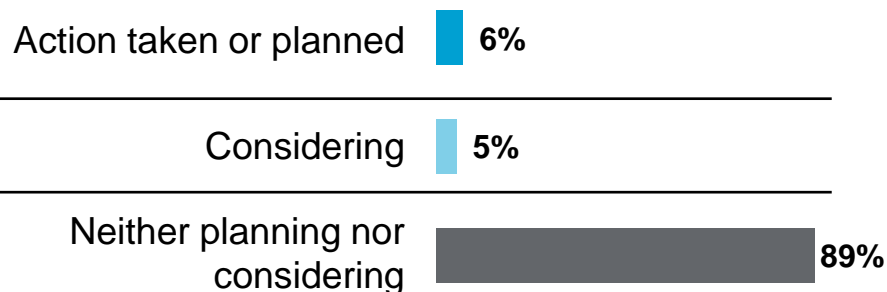
Please indicate what actions your organisation has already taken or is considering or actively exploring taking in 2020 in response to COVID-19 and the economic crisis.

Group Life Assurance and dependants pensions arrangements

Review design / market review for Death in Service benefits

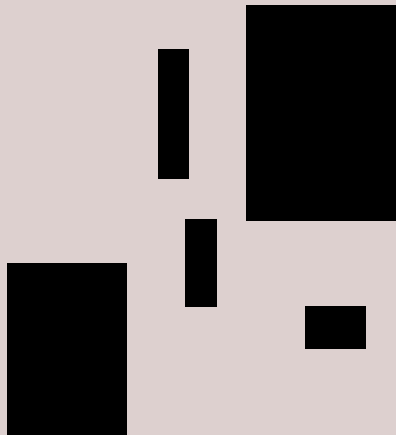


Review Dependants Pensions provision



Note "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.
Source: 2020 COVID-19 Benefits Survey, United Kingdom

Section 06: Retirement Benefits



A quarter of employers have communicated to employees about the potential impact on their retirement plan

Please indicate what actions your organisation has already taken or is considering taking in 2020 in response to COVID-19 and the economic crisis.

Action taken

Emerging focus (Planning or considering)

Communication to all employees, relating to how equity market declines are impacting retirement plans

26%

38%

Communication to employees approaching retirement, relating to the decisions they face in the current environment

18%

40%

Promote independent financial advice for employees approaching retirement

18%

31%

Enhanced tools and educational material for employees approaching retirement

8%

40%

Note: "Not applicable" and "Not sure" option excluded.
Source: 2020 COVID-19 Benefits Survey, United Kingdom

1 in 4 employers have assessed provider/manager ability to support services

Please indicate what actions your organisation has already taken or is considering taking in 2020 in response to COVID-19 and the economic crisis.

Defined Contribution schemes

Action taken

Emerging focus

(Planning or considering)

Assess provider/managers ability to support services throughout this period

24%

25%

Reduce employer contributions to DC plan (furlough employees)**

9%

19%

Change in DC vehicle (e.g., move to Master Trust)

4%

12%

Reduce employer contributions to DC plan (non-furlough employees)

3%

7%

Note: **condition on actually furloughing employees or planning to. "Not applicable" and "Not sure" option excluded.

Sample: Respondents whose organisation sponsors Defined Contribution plan.

Source: 2020 COVID-19 Benefits Survey, United Kingdom

1 in 4 employers have provided more flexibility for employees to opt out/opt-down at any point in time

Please indicate what actions your organisation has already taken or is considering taking in 2020 in response to COVID-19 and the economic crisis.

Defined Contribution schemes

Action taken

Emerging focus

(Planning or considering)

Provide more flexibility for employees to opt out / opt-down at any point in time

25%

16%

Reduce employee contribution rates – make it more affordable for employees

8%

11%

Provide greater flexibility to employees to swap employer pension contributions for cash/other benefits

1%

9%

Note: “Not applicable” and “Not sure” option excluded.

Sample: Respondents whose organisation sponsors Defined Contribution plan.

Source: 2020 COVID-19 Benefits Survey, United Kingdom

Nearly 1 in 10 employers are reducing or suspending their DRCs

A further 1 in 5 are considering what actions to take

Please indicate what actions your organisation has already taken or is considering or actively exploring taking in 2020 in response to COVID-19 and the economic crisis.

Defined Benefit schemes

Suspend or reduce deficit repair contributions (DRCs)

Action taken or planned 7%

Considering 17%

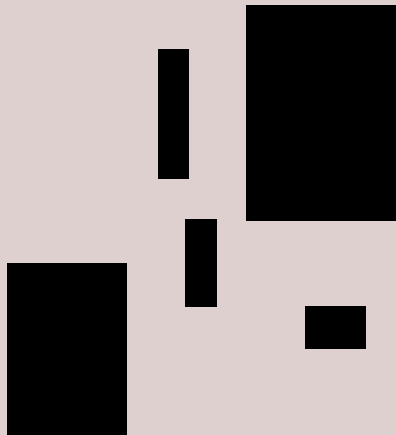
Neither planning nor considering 76%

Note: : "Not applicable" and "Not sure" option excluded. Percentages may not add up to 100% due to rounding.

Sample: Respondents whose organisation sponsors Defined Benefit plan.

Source: 2020 COVID-19 Benefits Survey, United Kingdom

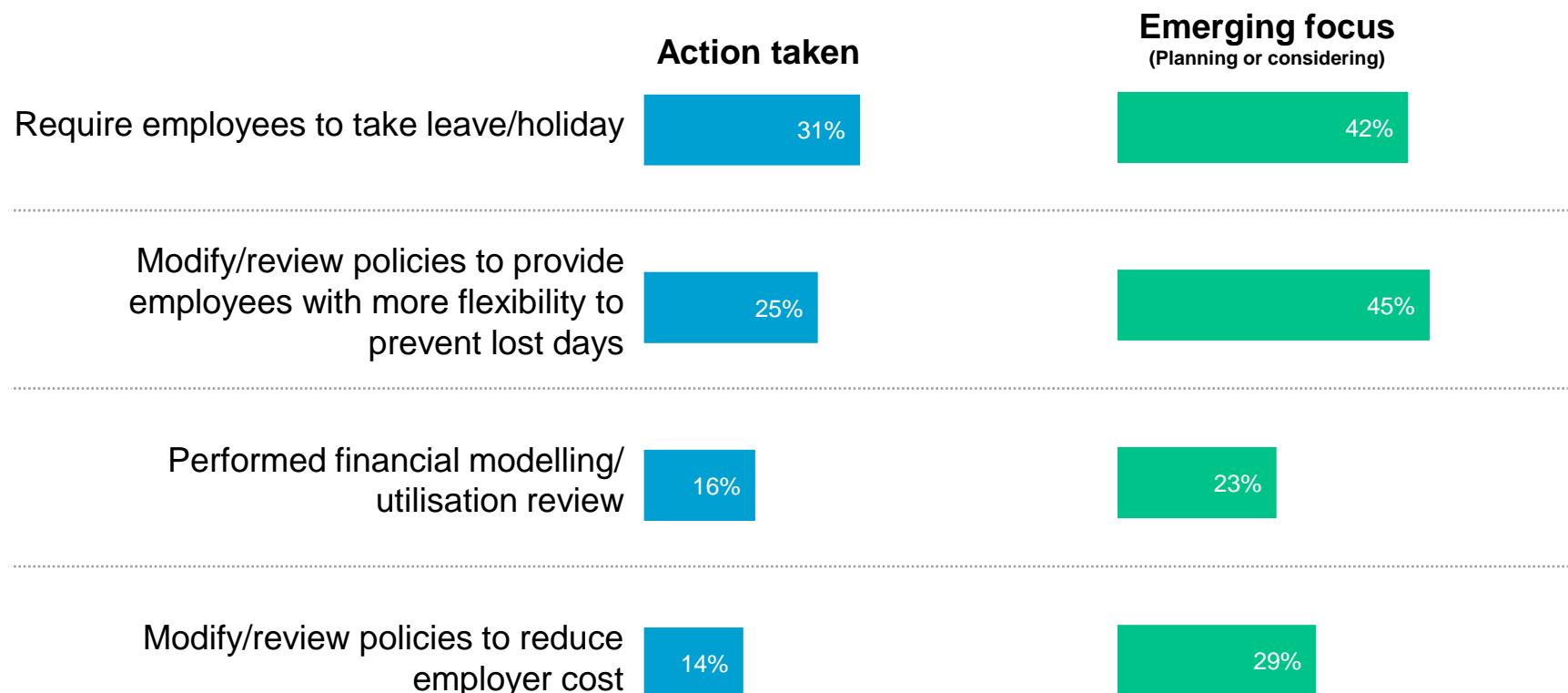
Section 07: Paid Leave



Nearly one third require employees to take leave

Over two fifths are looking at providing employees with more flexibility on how to use their leave

Has your organisation taken or does it plan to take any of the following actions towards your annual leave/holiday policies due to the COVID-19 pandemic?



Source: 2020 COVID-19 Benefits Survey, United Kingdom.