

**Press release  
4 December 2017**

**Employers need to ensure that group risk benefits don't exacerbate gender pay differences, says GRiD**

While controversy continues to surround the gender pay gap, and with 2018 salaries poised for review, Group Risk Development (GRiD), the industry body for the group risk protection sector, is urging employers to ensure that any group risk benefits they offer (employer-sponsored life assurance, income protection and critical illness protection products) don't exacerbate any pay differences.

**The issue**

The suite of group risk benefits generally offers financial pay-outs as a multiple or percentage of salary. Typically, group life benefits are paid as a lump sum, or as a survivor's pension, group income protection benefits are payable via payroll as reduced salary and group critical illness benefits are paid as a lump sum. Employers need to be aware that any differences in the salaries they pay will be reflected in any financial payments made from the group risk benefits they offer, i.e. if salaries are lower, financial benefits will be lower.

**Katharine Moxham, spokesperson for GRiD says:** We're hearing a lot of debate about the gender pay gap, and we believe that a crucial area that isn't being discussed is the impact on employee benefits, and group risk benefits in particular. Group risk benefits have long been recognised by employers as providing a financial lifeline when most needed, at times of ill-health, disability and death. Many employers are looking hard at how they pay men and women, and it's important they realise that there is generally a direct correlation between salaries and group risk benefits. Any differences don't just affect take-home pay, but any financial pay-outs from these benefits too.

Group risk benefits are some of the most cost-effective benefits that can be offered, with costs from just 0.5% of payroll. However, research\* from GRiD shows that their cost is routinely over-estimated. With some employers doubtless in a situation where they're going to be reviewing, if not increasing, salaries for some of their workforce, providing group risk benefits will be some of the most affordable costs they'll need to budget for.

**Moxham continues:** Group risk benefits are some of the most valued by staff, and it's important that employers that offer them, communicate them effectively to their staff. Remuneration packages are going to be scrutinised, and good-news stories will help engender loyalty and improve engagement.

- Ends -



\*Group Risk Annual Employer Research, conducted in September 2015 among 501 UK businesses with between 5 and 1,000 employees. Research was conducted by Lightspeed Research for Group Risk Development (GRiD).

It typically costs less than 0.5% of payroll to offer Group Life Assurance to an entire workforce, yet 70% of employers believe that it would cost them more than that, with 8% believing it will cost them more than 10%.

Typical costs to offer Group Income Protection are less than 1% of payroll, yet 60% of employers believe it will cost them more, with 9% thinking it will cost them in excess of 10%.

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**Notes for editors**

**About GRiD**

Group Risk Development (GRiD) is the industry body for the group risk protection sector, promoting the value to UK businesses of providing financial protection for their staff, enhancing their wellbeing and improving employee engagement. Our membership includes insurers, reinsurers and intermediaries who have a collective wealth of experience built over years of operating in the group risk protection market. Under the chairmanship of Lee Lovett, CEO of Ellipse, GRiD aims to promote group risk through a collective voice to Government, policymakers, stakeholders and employers.

GRiD works with government departments and regulators involved in legislation and regulation affecting group risk benefits, and with other organisations involved in the benefits and financial protection arenas. GRiD also seeks to enhance the industry's standing by encouraging best practice and by participating in industry-wide initiatives such as the professional qualification in group risk managed jointly with the Chartered Insurance Institute.

GRiD's media activity aims to generate a wider awareness and understanding of group risk products and their benefits for employers and employees.

GRiD's dedicated spokesperson, Katharine Moxham, provides expert media comment on a full range of group risk issues.

[www.grouprisk.org.uk](http://www.grouprisk.org.uk)

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