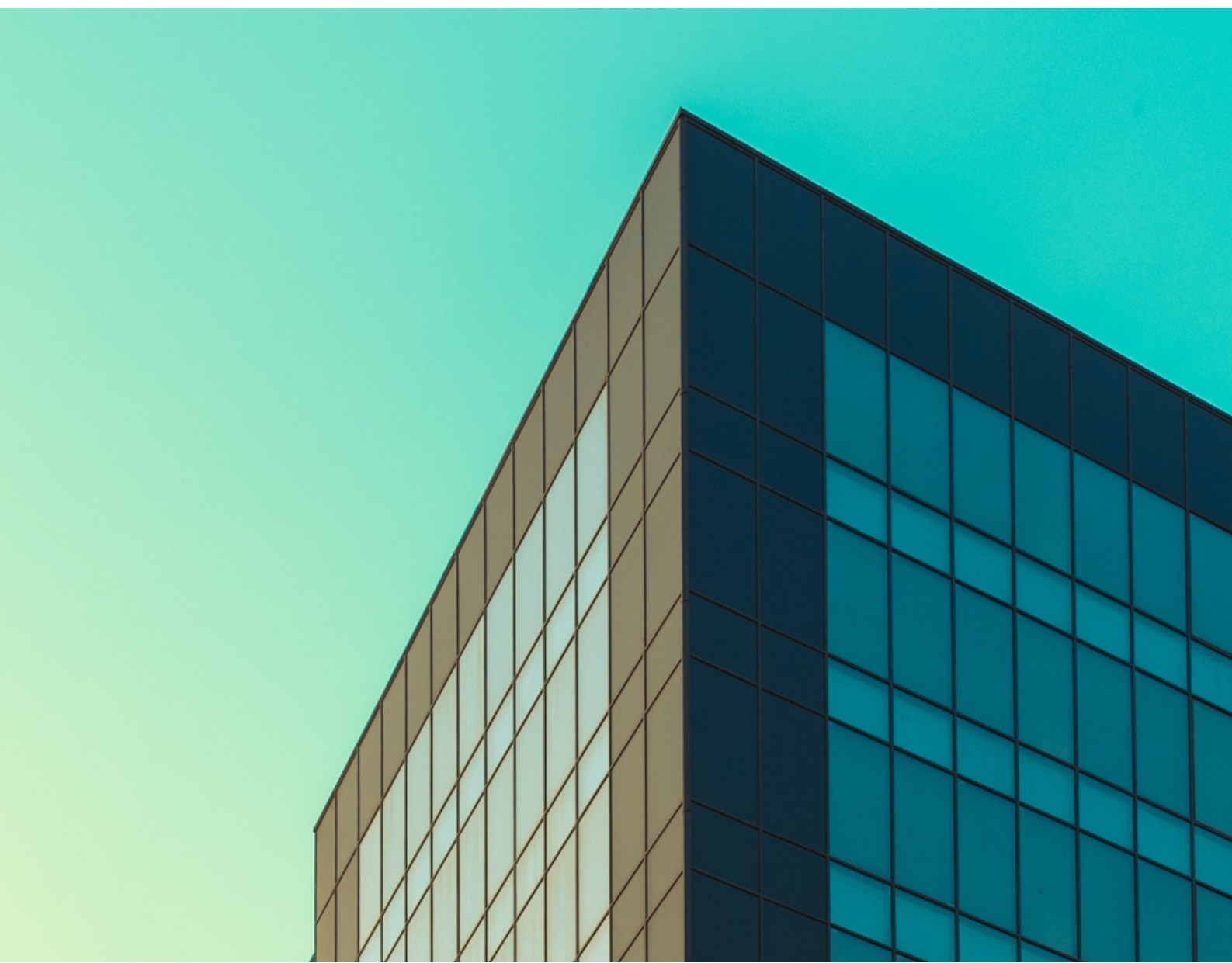


GOODMAN
MASSON

2022

Pensions Salary Survey Results



Introduction.

I am delighted to present the results of my brand new salary survey for UK Pensions Actuaries in 2022.

You are likely to have seen my original survey which I published last September, based on data collected between July to September 2021. For consistency, I collected my 2022 data during the same three-month period.

Little did I know that during this time, we would see out-of-cycle pay increases awarded in their hundreds, coupled with higher than usual annual pay reviews reflecting inflation and the rising costs of living. So it's safe to say that quite a few of the participants will already be on a higher salary than when they took part, and I will ask you to please keep this in mind.

However salaries are always a moving feast, and I want to present the data exactly as it came in, in order to give an accurate snapshot as possible of how people are being rewarded.

This year I also asked some broader questions designed to give some insight into how people are feeling. Do Actuaries in the UK feel fairly paid for the job they do? How many hours per week are consultants really working? Should salaries still be closely linked to where you choose to live?

I hope you find this useful, and as always, I welcome any feedback or suggestions for next time.



James Turner 

✉ james.turner@goodmanmasson.com

☎ +44 (0)20 7019 8861

Contents.

Please feel free to use these links to jump to the most relevant section:

[Part-Qualified Actuaries](#)

[Qualified Actuaries](#)

[Stopped Studying / Given Up Exams](#)



Part-Qualified Actuaries.

I'm frequently asked questions such as "I have three years of experience, what should my salary be?" or "What is the market rate for someone with 5 exams remaining?" they're incredibly difficult to answer, mainly because years of experience and exam progress can't really be looked at in isolation. Yet creating a formula to adequately include both is, at best, extremely difficult.

When I look at the data for the number of exam passes vs years of experience, at first glance there are no major surprises here. These numbers are broadly in line with my experience of talking to people at these levels in various locations, though I believe many are now on higher salaries as of Q3/Q4. UK economy aside, part-qualified actuaries with anywhere from just 1-2 years of experience up to the fairly recently qualified level are in unprecedented demand and have been since early 2021. A combination of efforts to attract & retain people in a competitive market, with wanting to do the right thing by employees to tackle rising costs of living, has led to a number of scheduled and unscheduled pay increases.

It's becoming increasingly common (September onwards) to talk to nearly qualified actuaries who have had both their job title and pay increased to reflect a 'newly qualified' level (£60k - £70k) despite still having a few exams remaining – people are starting to be paid more for the job they do rather than purely their exam status. The average for those with one exam to go was still slightly below 60K based on my data, but I suspect in reality it is now above 60 due to the timing of the survey. This will surely be good news for those on track to qualify in the future.

Part-Qualified Actuaries.

Number of Exam Passes	Average Salary
0	£32,813
1	£35,613
2	£35,262
3	£37,149
4	£38,820
5	£43,136
6	£42,327
7	£44,060
8	£47,032
9	£48,356
10	£52,666
11	£55,632
12	£59,877

For those who take longer to qualify, exam progress often becomes a limiting factor in your pay when compared with your work experience. When you compare years of experience (for those still studying) with the average salary you can start to see the impact of this. It's a lot less consistent, ceilings start to appear, and if you compare these numbers with the previous table, you can see how you could easily be paid less than someone who has less work experience than you if they pass exams more quickly.

A lot of study support schemes have traditionally been designed in such a way that there's a theoretical 'benchmark' which dictates how high your salary can realistically go before you qualify. I've never been privy to exactly how these numbers are calculated, nor exactly how much variation there is from one company to another, but the general consensus is that this benchmark has remained broadly the same for quite some time.

Part-Qualified Actuaries.

One respondent also noted, 'exam pay rises have not increased in many years, equating to a real pay cut'. These factors tend to be less impactful/noticeable to those who qualify quite quickly. In a competitive, talent-short market, people with slower exams but great experience should be rewarded appropriately, or they will find better packages elsewhere.

Years of Actuarial Experience	Average Salary
1 - 1.5	£37,077
2 - 2.5	£40,173
3 - 3.5	£46,759
4 - 4.5	£50,522
5 - 5.5	£53,776
6 - 6.5	£62,970
7 - 7.5	£57,262
8	£84,000
9	£59,693
10	£63,000
11	£53,550
14	£63,000
15	£63,525

Please keep in mind that some of these figures are likely to have increased and that these refer to people actively working towards qualification.

Part-Qualified Actuaries.

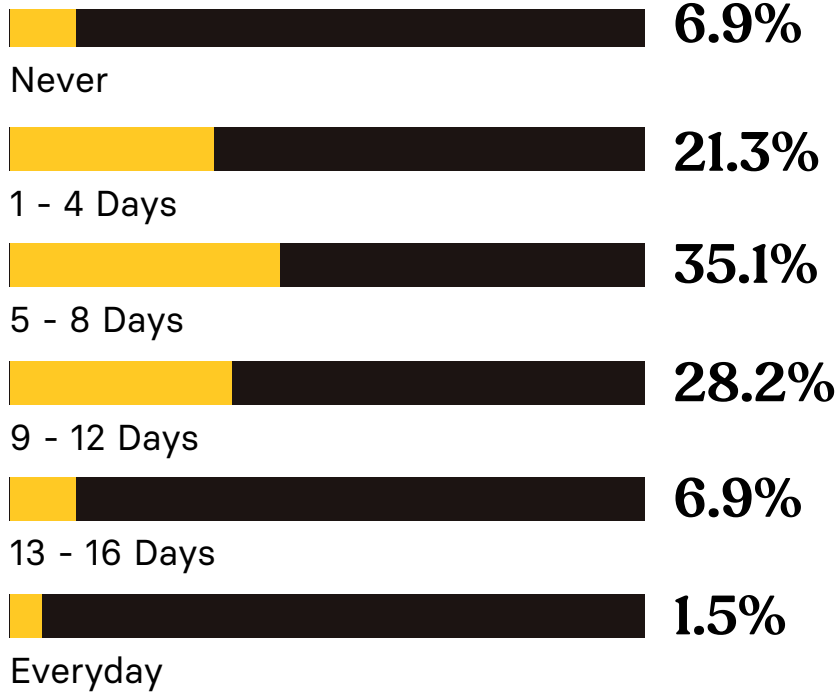
A number of respondents commented that graduate salaries are increasing which will have a similar effect – one suggesting new graduates are now starting on the same salary as those with two years' experience, and another citing increases in grad pay of between 7 and 14% depending on location. We're still seeing very competitive salaries being offered to new hires. I hate to say it, but I'm already looking forward to repeating the survey in 12 months' time.

Contracted Office Location	Average Salary
Hampshire/Berkshire/Oxfordshire	£52,206
Home worker	£46,767
London	£53,282
Midlands	£42,864
North	£43,155
Northern Ireland	£37,013
Scotland	£43,457
South West	£43,313
South East (Excluding London)	£44,532

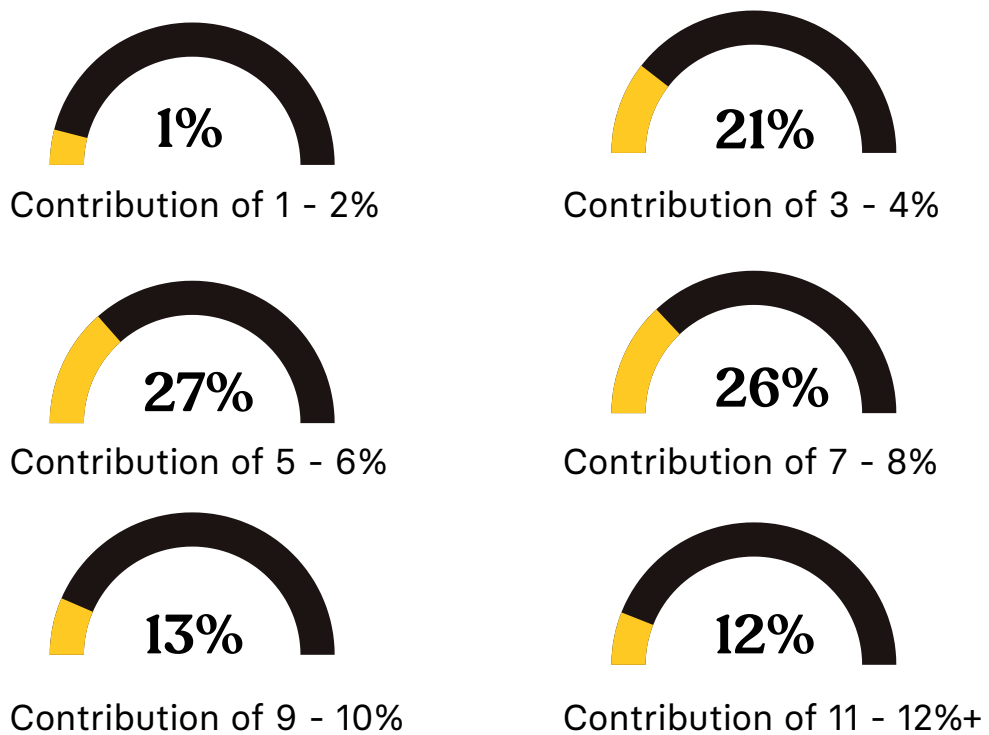
Job Role	Average Salary
Doer	£38,796
Checker	£50,068
Reviewer	£65,310

Part-Qualified Actuaries.

How many days do you go to the office per month?



What does your employer contribute to your pension?

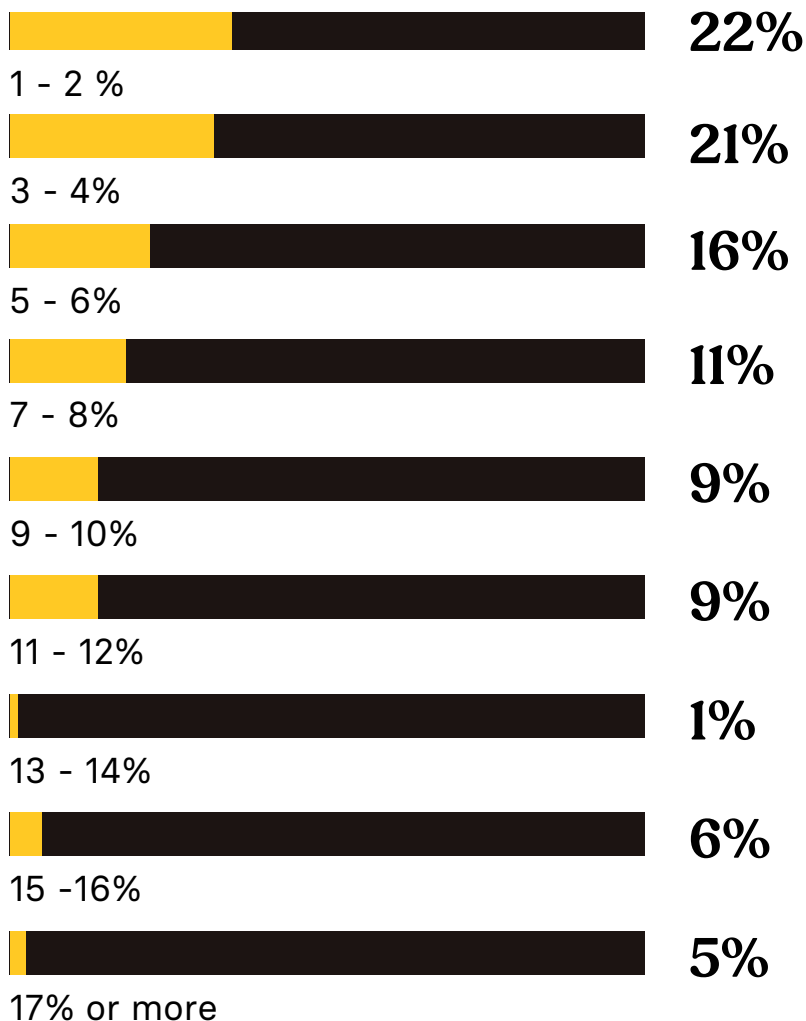


Part-Qualified Actuaries.

What is your typical bonus?

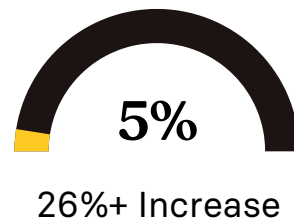
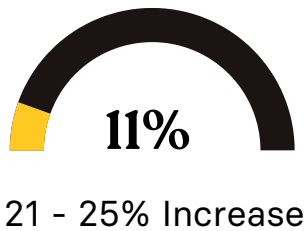
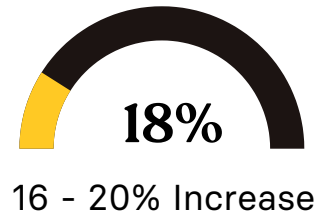
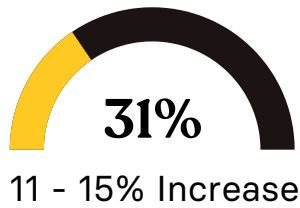
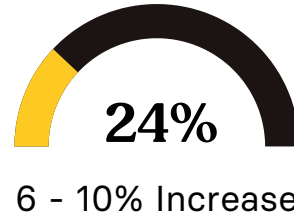
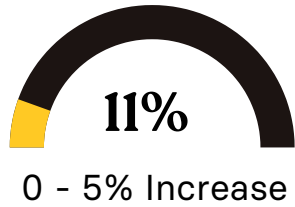
Typical Bonus	% of People
None	8
Less than 5%	38
5 - 10%	38
11 - 15%	11
16 - 20%	3
21 - 25%	1
61 - 80%	1

What was your pay increase in your most recent review?



Part-Qualified Actuaries.

What was your pay increase when moving jobs externally?



Do you think new employees are paid better than longer term employees?



Have you relocated since the beginning of the pandemic?



Part-Qualified Actuaries.

Do you think salaries should be lower in more affordable places to live?



I live in London and No



I live in London and Yes



I live outside London and No



I live outside London and Yes

Part-Qualified hours worked:

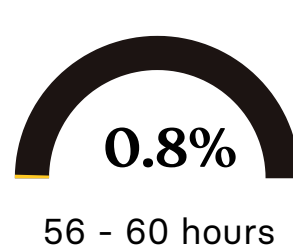
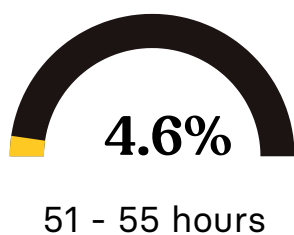
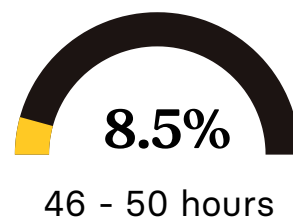
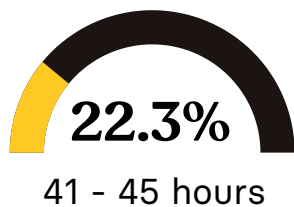
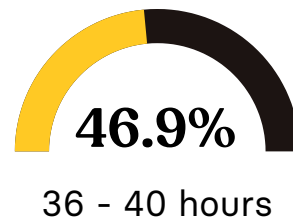
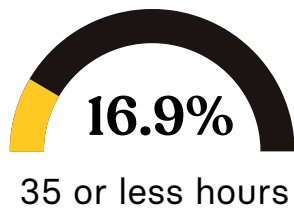
Contracted Hours	Actual Hours	% of People
35	35	29.3
35	36 - 40	43
35	41 - 45	16
35	46 - 50	5.3
35	51 - 55	4
35	56 - 60	1.3
36	36 - 40	57
36	41 - 45	29
36	46 - 50	14
37	36 - 40	47
37	41 - 45	37
37	46 - 50	11
37	51 - 55	5
38	36 - 40	64
38	41 - 45	18
38	46 - 50	9
38	51 - 55	9

Part-Qualified Actuaries.

In the table above, I asked participants how their contracted hours compared with their actual hours worked. Next year I will repeat this with the option to input exact numbers rather than using bandings, but this is still a pretty good indication of what 'normal' looks like to many people.

As you can see below, the majority (47%) of respondents are typically working 36-40 hours per week. 22% work 41-45 hours, and 17% work 35 hours. This will include those working in the public sector where any overtime worked is given back to you via additional holidays, and those working in-house. I've certainly spoken to a number of people who feel like 50-hour weeks are the norm – hopefully, this helps to give an idea of how your own typical hours compare with the rest of the market.

Weekly hours worked on average (Full-time workers)



Part-Qualified Actuaries.

To go into a little more detail, here is what the data shows when comparing hours worked to average salary and to bonus percentage:

Hours Worked	Average Salary
35 or less	£41,625
36 - 40	£45,449
41 - 45	£52,941
46 - 50	£50,547
51 - 55	£50,694

Hours Worked	Typical Bonus	% of People
35	None	13.6
	Less than 5%	54.5
	5 - 10%	22.7
	11 - 15%	4.5
	16 - 20%	4.5
36 - 40	None	0.5
	Less than 5%	40
	5 - 10%	46.7
	11 - 15%	0.5
	16 - 20%	0.3
41 - 45	None	0
	Less than 5%	28.6
	5 - 10%	35.7
	11 - 15%	32.1
	16 - 20%	3.6
46 - 50	None	27.3
	Less than 5%	36.4
	5 - 10%	18.2
	11 - 15%	9.1
	21 - 25%	9.1
51 - 55	None	16.7
	Less than 5%	16.7
	5 - 10%	50
	61 - 80%	16.7

Part-Qualified Actuaries.

Finally, here is how part-qualified actuaries feel about their pay:



In summary, I believe steps have already been taken by a number of firms in the last three months to address pay issues at the part-qualified level, which were not fully captured in the data due to timing. Some people have had out-of-cycle pay rises (some say due to inflation, others say to improve retention) and some have had recent annual reviews pushing up their salaries by 10% or more. With the recruitment market being as competitive as it is, companies won't be able to afford to underpay their part-qualified pensions actuaries vs their competitors and will have to catch up. Outside of salary, other things to think very carefully about when seeking to be competitive include bonus levels, pension contribution levels, working hours and agile working.

Then of course there is the work itself. Being a pensions actuary can be hugely rewarding. It offers the opportunity to combine both technical and interpersonal skills to build a fulfilling career; the opportunity to develop a broad skillset which will have a positive impact in all areas of life. Consulting actuaries will adapt as the retirement landscape evolves in the next 10-20 years and will continue their work in new and exciting areas alongside traditional DB pensions. But I think where things most often go wrong is if the work is not allowed to align with each individual's interests as they evolve over time. It's down to employers, leadership teams, hiring managers, operations and HR teams to ensure every part-qualified actuary realises their own potential and has access to all things a career in pensions can truly offer them, whilst also recognising that there is more to life than work.

Qualified Actuaries.

For qualified actuaries, first let's look at what the data shows when comparing qualification year with average salary. Given the timing of the survey, someone who qualified in 2022 will have up to around 6 months of exam-qualified experience. I asked respondents to include any car/grade allowance in the salary figure, but to exclude bonus.

For anyone who skipped straight to the Qualified section, please bear in mind that the data was collected between July-September 2022. In July we started to see some of the out-of-cycle pay increases take place, and those who's regular pay review fell during Q3 may have seen a significant uplift in pay either shortly before or shortly after taking part in the survey. It's therefore very possible that some of these averages will already be slightly higher.

Years PQE	Year Qualified	Average Salary
0	2022	£61,312
1	2021	£64,442
2	2020	£70,733
3	2019	£72,733
4	2018	£79,704
5	2017	£90,195
6	2016	£85,345
7	2015	£91,193
8	2014	£90,423
9	2013	£91,951
10	2012	£98,438
11	2011	£102,588
12	2010	£106,633
13	2009	£117,976
14	2008	£118,650
15	2007	£120,506
16	2006	£119,429
17	2005	£118,500
18	2004	£120,845

Qualified Actuaries.

These figures broadly correlate with my experience. From a recruitment perspective, most movement in the market occurs at part-qualified and recently qualified level – e.g. up to around 4 years PQE, or people who are looking for up to around 85K in their new role. These are the levels at which most consultancies are frequently aiming to hire, meaning finding new roles, securing larger salaries and changing specialisms are relatively straightforward. Once you go much beyond this, and when your start to look for salaries in excess of 90K, the landscape changes. Above 90K, employers will typically only hire someone if they have something 'above and beyond' to offer. This could include exceptional BD/Sales skills, being an industry expert in a niche area, being a great people leader, or something else where you'd be bringing in something they don't already have in abundance.

The salaries for those with 0-4 years PQE appear to give plenty of room for people to move around in the market, or to be made attractive counter-offers to retain people at this key level. We then see the average for people with 5-9 years of experience all hovering around the £90k level. It's harder to move externally, and minimal annual pay rises (pre-2022) could lead to people being on a fairly static salary. In fact, the most frequent anonymous comment left by qualified actuaries in the survey this year was along the lines of 'there should have been an option for having received a 0% pay increase' This was in relation to another stat further below, where I had incorrectly assumed everyone would get at least a 1% increase each year when providing options to choose from. It was interesting to see how many people mentioned this - commenting was completely optional and could be on any topic, but 24% of those who left a comment did so in order to make this specific point.

Qualified Actuaries.

So it's certainly possible to fall into a 'comfort zone' a few years after qualifying, whereby you start to service the same handful of clients, with similar advice, using similar techniques, year after year. Your role can potentially stop evolving at this point, which can then lead to a lack of progression both in terms of salary and seniority. With this in mind, I wanted to provide some insight into the trends we can see among those who have gone on to earn larger salaries. The following stats relate to people earning £100k+ and may be helpful to some of the more recent qualifiers when planning their own career progression.

Are you a scheme actuary?



Do you manage people?



How many people do you manage?



Qualified Actuaries.

Are you responsible for generating new business?



What is the nature of your new business generation?

£110,328

Mainly pitching for and winning brand new clients

£97,155

Mainly selling to existing clients

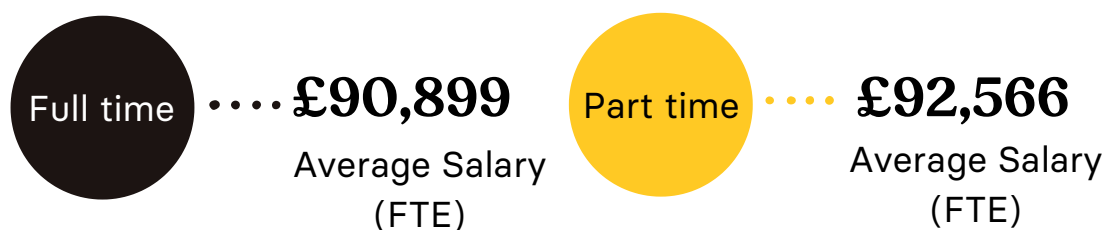
£112,658

Roughly equal between the two

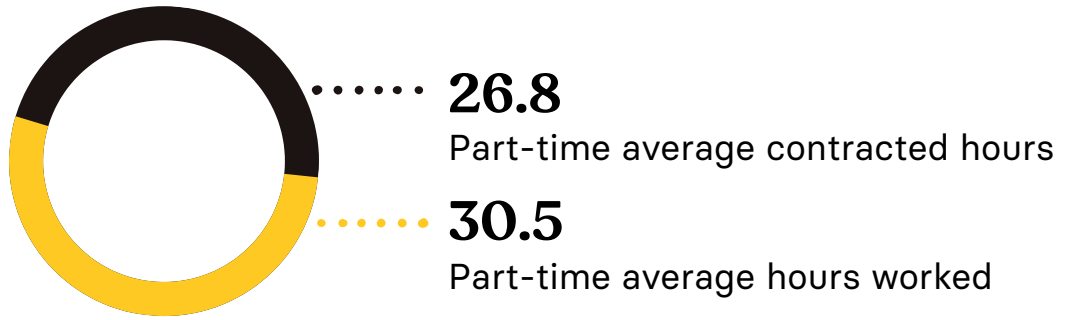
I'm Responsible For:	Average Salary
New business and people management	£108,318
New business, no people management	£98,646
People management, no new business	£96,772
No new business, no people management	£80,308

Qualified Actuaries - Part-time vs full time

At the qualified level, 19.9% of respondents said they are part-time workers, so I was able to make some comparisons between part-time and full-time which I hope you find useful.



Qualified Actuaries.

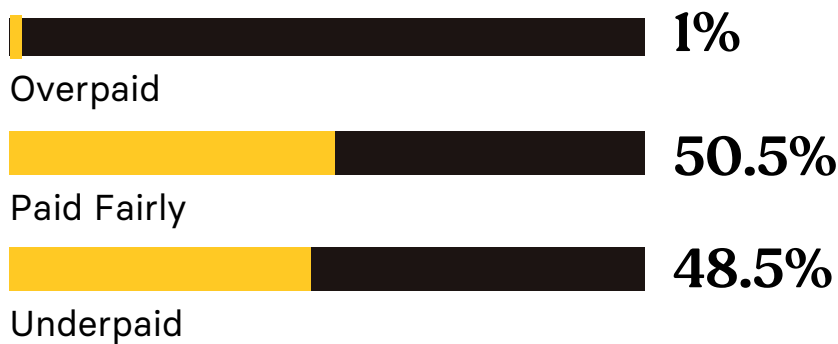


How do you feel about your pay?

Part-Time

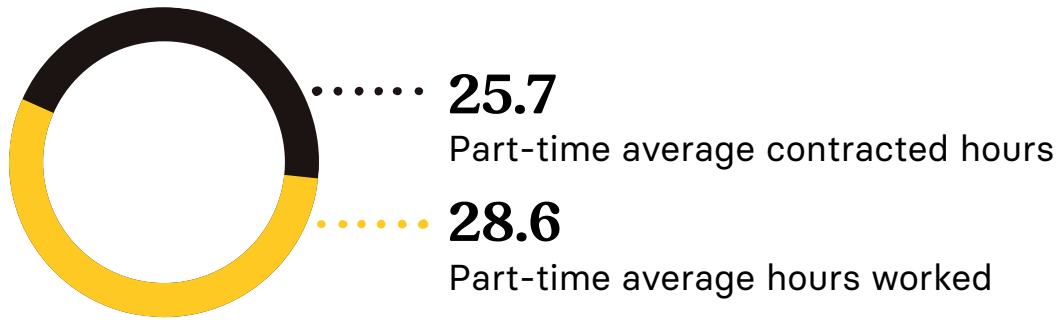


Full-Time

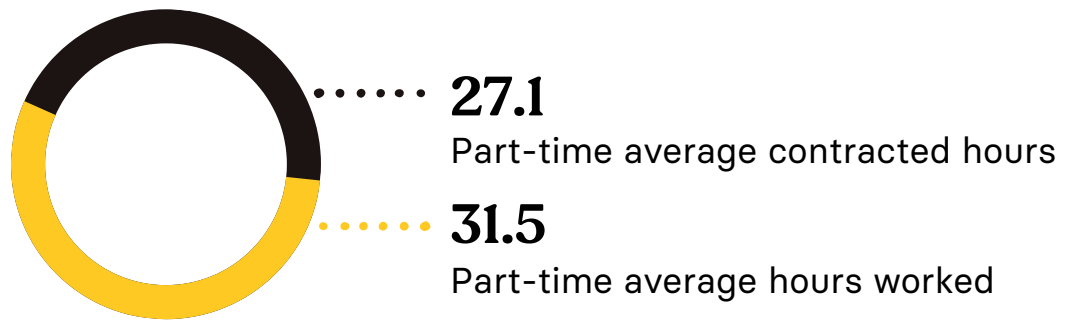


Qualified Actuaries.

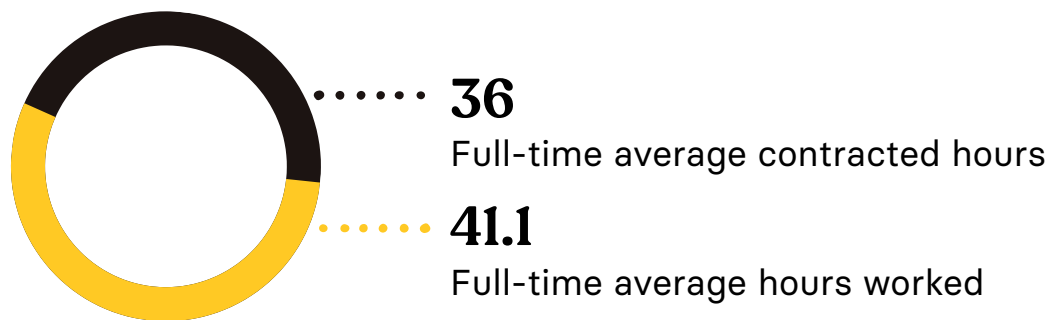
Part-Time (Paid fairly)



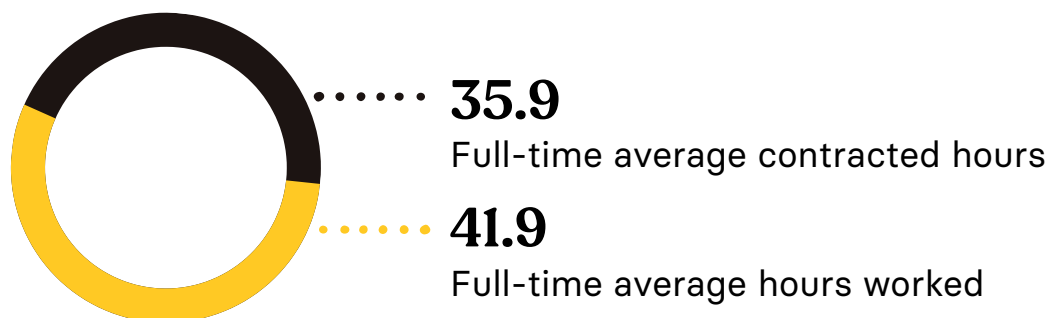
Part-Time (Under paid)



Full-Time (Paid fairly)



Full-Time (Under paid)



Qualified Actuaries.

Above, I was interested to see whether there is any potential link between how satisfied people are with their pay vs how many hours they work. As you can see, part-time workers who said they were paid fairly tend to work 2.9 hours per week on top of their contracted hours, while those who feel underpaid typically work 4.4 extra weekly hours. The numbers for full-time workers hint at a similar pattern, though for this I had to use the mid-point of the range they could choose from, which isn't necessarily accurate. Next year I'll adjust the survey so that full-time workers can also input an exact number of hours rather than choosing from a set of options, to improve the results. Of course this doesn't prove a link between hours and satisfaction with pay, but I do think it's a worthwhile discussion to have if you are a people leader.

In the table below I looked at typical hours worked vs the type of company working for. From my perspective, I feel I had fewer conversations around lengthy working hours in 2021, while most people were still enjoying full flexibility to work from home as much as they wanted. Now that an increasing number of firms are encouraging people to spend a couple of days in the office, it seems to come up more frequently when people are exploring their options. This is possibly because commute times combined with longer hours are something we've not had to battle with for some time or that we're simply more aware of the benefits of a healthy work/life balance. I'll leave the reader to form their own views on the data here for the different company types, other than to note that those working more than 46 hours/week are in the minority, and can probably take steps to improve things.

Qualified Actuaries.

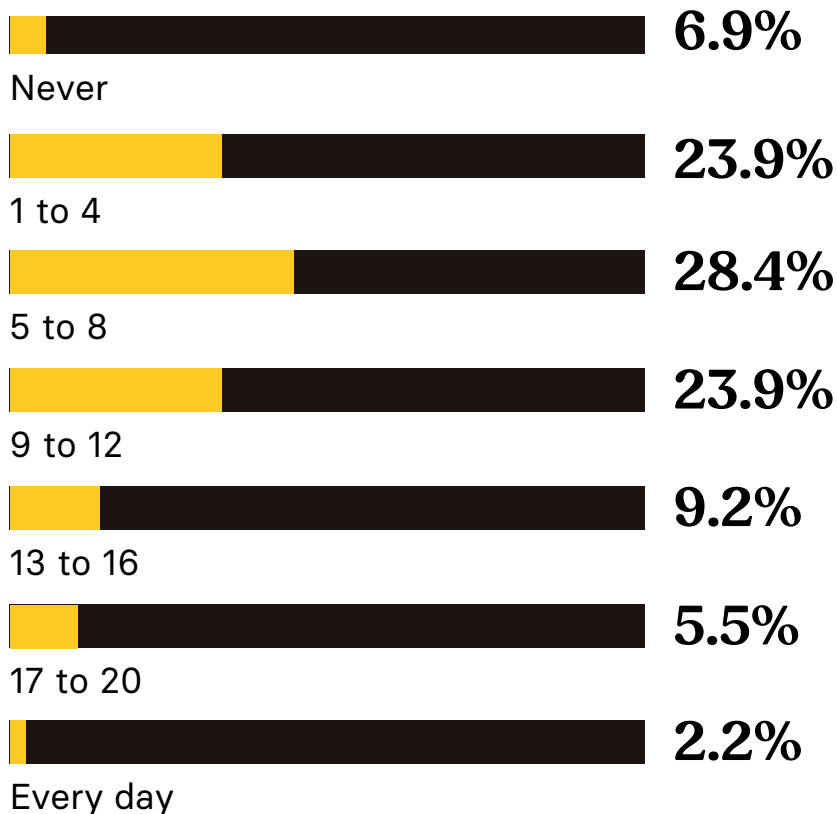
Company Type	Typical Hours	% of People
Big 4	35	8.6
	36 - 40	34.3
	41 - 45	37.1
	46 - 50	17.1
	51 - 55	0
	56 - 60	2.9
Large Consultancy	35	5.1
	36 - 40	36.5
	41 - 45	34.7
	46 - 50	17.8
	51 - 55	5.1
	56 - 60	0.8
Medium Consultancy	35	7.4
	36 - 40	44.6
	41 - 45	37.2
	46 - 50	7.5
	51 - 55	1.65
	56 - 60	1.65
Small Consultancy	35	5.9
	36 - 40	52.9
	41 - 45	23.5
	46 - 50	17.6
	51 - 55	0
	56 - 60	0
	Over 60	0
Life (Re) Insurance	35	24.1
	36 - 40	34.5
	41 - 45	24.1
	46 - 50	10.3
	51 - 55	3.4
	56 - 60	3.4

Qualified Actuaries.

Company Type	Typical Hours	% of People
Public Sector	35	14.3
	36 - 40	71.4
	41 - 45	14.3
	46 - 50	0
	51 - 55	0
	56 - 60	0
Regulator	35	0
	36 - 40	100
	41 - 45	0
	46 - 50	0
	51 - 55	0
	56 - 60	0

Here are some other stats relating specifically to Qualified Actuaries:

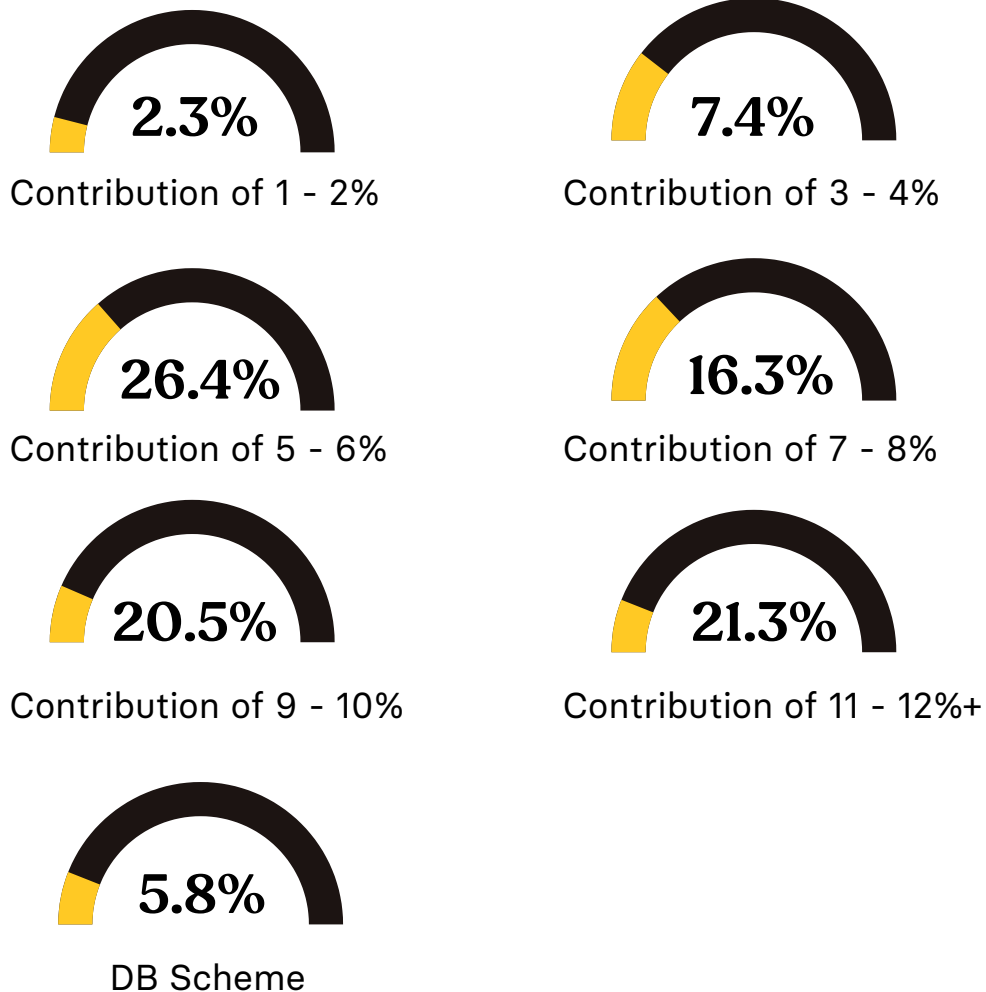
How many days do you go to the office per month?



Qualified Actuaries.

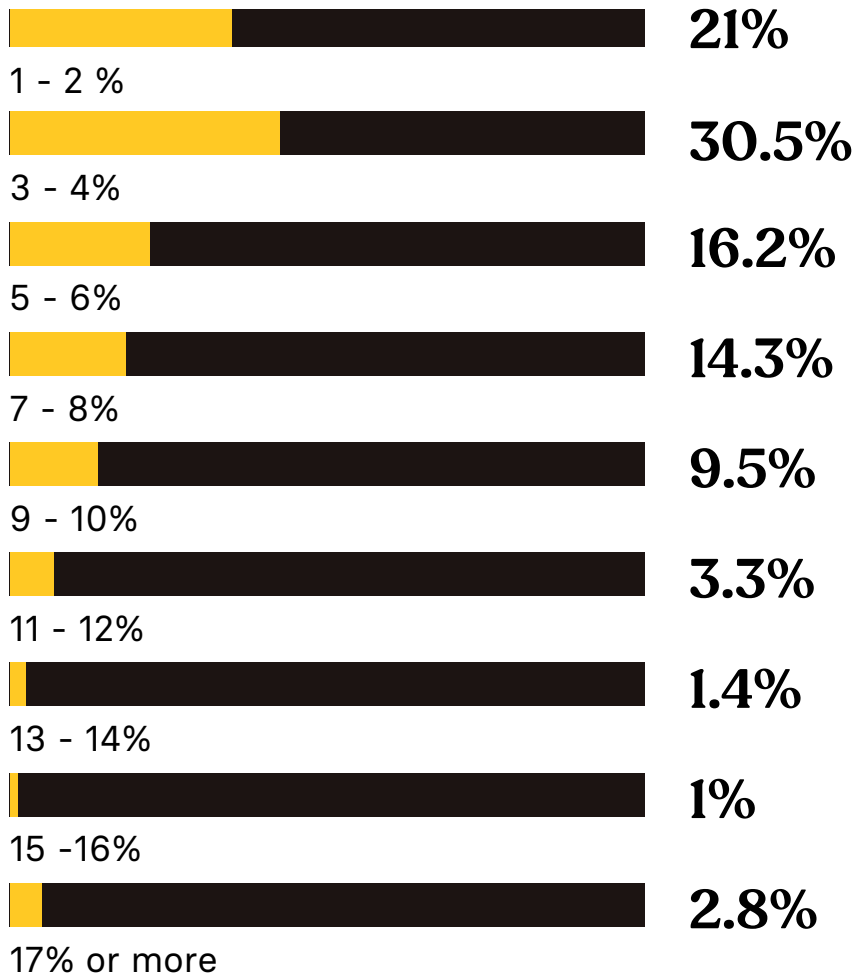
Typical Bonus	% of People
None	1.6
Less than 5%	11.2
5 - 10%	23.3
11 - 15%	21.3
16 - 20%	16.6
21 - 25%	6.8
26 - 30%	8.8
31 - 40%	5.2
41 - 50%	3.6
61 - 80%	1.6

What does your employer contribute to your pensions?

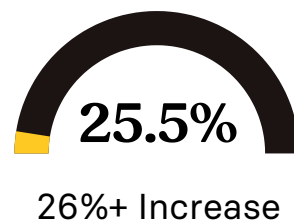
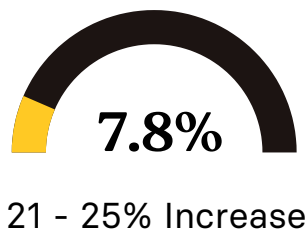
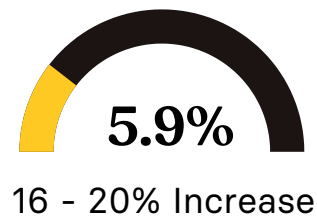
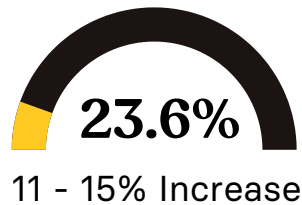
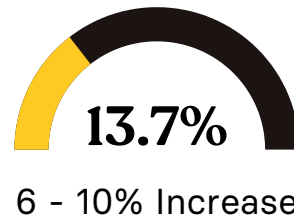
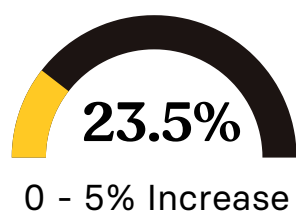


Qualified Actuaries.

What was your pay increase in your most recent review?



What was your pay increase when moving jobs externally?



Qualified Actuaries.

Do you think salaries should be lower in more affordable places to live?



I live in London and No



I live in London and Yes



I live outside London and No



I live outside London and Yes

Do you think new employees are paid better than longer term employees?



Have you relocated since the beginning of the pandemic?



Qualified Actuaries.

Finally, here is how qualified actuaries feel about their pay:



In summary, the data for qualified actuaries shows an increase vs the 2021 numbers for most people. This number will hopefully be a little higher for a lot of respondents by the time they read this, due to further pay increases taking place across the market from Q3 onwards. The most interesting points for me, are when we look at the differences in role between those earning up to around £80-£90k, and those who push beyond that.

When you are part-qualified or newly-qualified, its pretty easy to make an external move if things aren't progressing in the way you'd like internally. You can quickly get yourself a new role, a change of focus and a larger salary at those levels. But once you have built up a number of years PQE, and when you start asking employers to pay upwards of £90k to hire you, it becomes more difficult. Beyond £90k, they will only tend to hire people if they have something fairly unique to offer.

Typically this might include exceptional new business skills, the ability to lead and grow a team or expand a business area, having an amazing relationship with a portfolio of clients who would follow you to your next role, or having significant expertise in a niche area which can be leveraged. So using the data from this salary survey will hopefully help some of you to plan your future career development accordingly, and allow you to work with your manager to ensure you develop the skills which will take you further.

Qualified Actuaries.

I began recruiting in the actuarial pensions market in September 2005. Within my first week, before I knew what a valuation was, two people told me they were uncertain about the future of DB pensions. In November 2022, I still hear the same thing at least a few times a month from more junior candidates. So it's nice when I have the opportunity to hear senior leaders in the market speaking about the future of pension actuaries in a reassuring way. But when I reflect, I sometimes can't help feeling that in the nicest possible way, some of the people answering these questions may not be all that dependent on how things look in 15+ years' time. I think it's the future leaders – today's recently qualified actuaries, managers and senior managers – who have not just a vested interest, but an amazing opportunity to genuinely shape the future for all those who follow them.

Pensions actuaries have an advantage over most insurance actuaries - you are consultants. You build relationships with clients, you understand the challenges their businesses are facing, and then you come up with innovative ways to help them. You work in the perfect environment to collaborate with some of the best minds, generate new ideas and put them into practice very quickly. It's really important to position yourself in a business which provides the right levels of encouragement and support to turn your ideas and interests into new revenue streams and services. But if you get that right, and you want to make a difference, you absolutely can.

Stopped Studying/ Qualified by Experience.

I really enjoy working with people who have either given up the exams, or who have put them on hold for various reasons. They have great skills and experience to offer, and it's quite refreshing to put clients in a position where offers have to purely be based on their assessment of this experience, rather than being based primarily on a number of exam passes or years of PQE.

What is your exam status?

 **48%**

I've stopped the exams and do not intend to take them again

 **52%**

I've put the exams on hold and may take them up again in the future

Years of Experience	Average Salary
5	£59,693
6	£68,250
7	£55,700
9	£66,675
10	£67,725
11	£68,250
12	£54,600
13	£66,150
14	£63,000
15	£69,011
16	£43,050
17	£70,175
20	£89,250
22	£58,380
30	£120,750

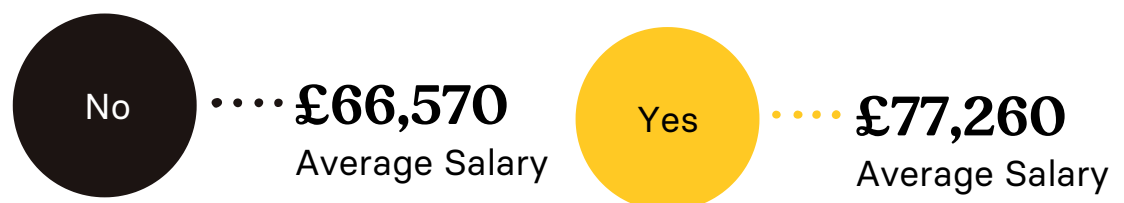
When you look at the data for years of experience vs salary, it would be easy to jump to the conclusion that giving up the exams will limit your earning potential to around the £70k level for most people.

Stopped Studying/ Qualified by Experience.

There are two things to keep in mind – firstly out-of-cycle pay increases and Q3/Q4 pay reviews will likely have pushed these numbers up for some people after they took part in the survey. Also, these are averages, meaning some people have certainly progressed beyond this.

As you can see below, those people who progress their role to involve people management or new business generation can earn considerably more. The same applies to the nature of your role. Those who described themselves as 'doers' (only a handful of people in this sample as most had 5 years+ experience) earned the least, with 'checkers' averaging £62k and 'reviewers' £73.5k. Those who ticked the 'other' box included Directors, Principals, Senior Managers and Lead Consultants. They averaged £85k and the top earners in the group exceeded £120k. So if you stop the exams, your level of reward and seniority very much depends on the role you take on, and good longer-term career progression is certainly possible. You just need to ensure you continue to develop new skills and proactively seek opportunities to add increasing value to your organisation over time.

Do you have people management responsibility?



Are you responsible for generating new business?



Stopped Studying/ Qualified by Experience.

Job Role	Average Salary
Doer	£38,168
Checker	£62,344
Reviewer	£73,689
Other / More Senior	£85,136

Finally, here is how people who have stopped studying or are qualified by experience feel about their pay:



As mentioned in the intro and throughout, I collected this year's data between July and September 2022. It just so happened that this is also a period in which some of the major firms decided to award much needed pay increases to help with the rising costs of living, but also to enhance their ability to retain their best people. Whilst there will have been some movement since then, these numbers are still a very good indication of where salaries for UK pensions actuaries have been sitting as we make our way towards the final few months of 2022. I'm grateful to everyone who took time out of their days/evenings to take part, and look forward to doing it all again next time!

If you'd like to discuss any of the content in more detail, ask me any questions which were not covered in my analysis or to speak about anything else, please do get in touch. If you have found this useful, please let me know and feel free to share it with friends and colleagues.

GOODMAN
MASSON



James Turner 

 james.turner@goodmanmasson.com

 +44 (0)20 7019 8861

