



Philippines Retirement Benefit Study 2020

The Aon Philippines Retirement Benefit Study 2020 is designed to help employers benchmark their approach to employee retirement benefit provision. 41 participants took part in our comprehensive study covering all aspects of retirement plan design.

Headlines



Providing employees with support around financial wellbeing is an increasing trend and retirement is key in the formula for success.

Prevalence of supplementary retirement plans



44% of participants provide only the statutory retirement benefit to their employees. Of this, **79%** are in the process of setting up a supplementary plan or may set one up in the future.

In line with the global retirement trend towards defined contribution (DC) plans, we observed, that where a supplementary retirement plan is provided:

- **66%** are DC in nature
- **34%** are defined benefit (DB) in nature

Attracting and retaining talent

The workforce in the Philippines is young and growing. The largest group in the work force is the millennials, those aged 25 to 34*. With the well-established Business Process Outsourcing industry and expected increase in headcounts (pre COVID-19), the talent war continues. The two key areas of retirement plan design in attracting and retaining talent are, contribution strategy and vesting schedule.

Under DC plans' employer core contributions range from **5% to 15% of monthly basic salary**. Employer matching contributions may also be provided but are less prevalent.



Under DC plans, the vesting schedule usually starts earlier than DB plans. Accrued benefits start to vest after **3 or 5 years of service**. Benefits become fully vested after as early as **4 years of service, up to 20 years of service**.

The study also covers DB plan benefit accrual and vesting.

Contact us:

Review your retirement benefits to ensure they remain competitive and valued by employees.

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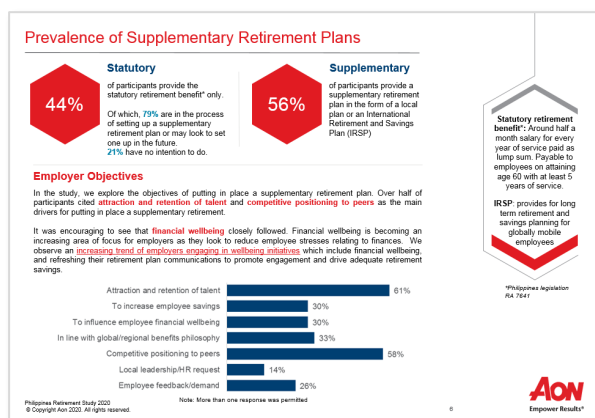
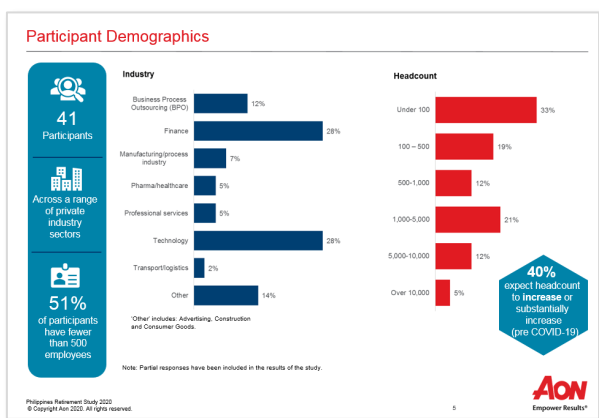
*Source: Philippine Statistics Authority, October 2019 Labour Force Survey

Our comprehensive study can support employers in improving retirement outcomes for their employees by benchmarking their retirement programs with our study analysis. Please contact us if you would like to find out more.

Pricing

Service	Description	Fee (US\$)
Full report and analysis	Standard report of 2020 study findings across DB and DC retirement plans covering: <ul style="list-style-type: none"> Prevalence of supplementary retirement plans Type of supplementary retirement plans and eligibility Accrual factor under DB plans Contribution strategy under DC plans Contribution levels under DC plans Vesting schedule Retirement ages Administration and governance 	Free for study participants Or \$750*
	(Further detailed information may be provided via a tailored benchmarking report.)	
Tailored benchmarking report	Market benchmarking of your firm's retirement program setting out: <ul style="list-style-type: none"> Market median benefits (or another percentile as required) Benefit structure and design of supplementary plans offered by peer/similar companies taking into account your firm's benefit and reward philosophy. Report also includes: <ul style="list-style-type: none"> Background information on the Philippines retirement market; Statutory minimum benefits; and Form of supplementary retirement benefits in general. 	\$3,000*
Other services	We provide a range of other services including (but not limited to): <ul style="list-style-type: none"> Independent advice and support on setting up a supplementary retirement plan Financial education for employees 	Please contact us to find out more

* Excludes any sales tax



About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. For further information on our capabilities and to learn how we empower results for clients, please visit <http://aon.mediaroom.com>.