

A group of four business professionals are gathered around a table in a meeting. In the center, a woman with short grey hair and black-rimmed glasses, wearing a black blazer over a white top, is speaking and gesturing with a pen. To her right, a woman with long dark hair, wearing a light blue button-down shirt and a silver necklace, is looking down at a document on the table. In the background, a man with a beard and a blue shirt is looking on. In the foreground, the back of a man's head and shoulder is visible. The overall atmosphere is professional and collaborative.

Employee Savings White Paper

May 2022

Foreword



“ Employer-sponsored savings plans are easy for employers to provide and easy for employees to understand. They create opportunities for employees to build up significant savings, complete with attractive terms (negotiated with the employer) and tax advantages. By providing these ready-made group plans, companies support employees in planning for their future.

Through their respective investments, employers and employees can also contribute to funding the green economy and reducing environmental risks.

To present all these benefits in a clear way, we interviewed companies, employees and AXA's retirement savings experts. We share their experiences and insights in this white paper.

We hope that it will help you better understand company savings plans and how they can work for you.

Enjoy! ”

Yann ILLOUZ

Head of Group Retirement Savings

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A must-have for every company

Introduced over sixty years ago, employee savings plans have become a fixture of France's investment landscape and employee benefits policy. Recent legislative changes have shaped a clear framework for these plans. The next step is to promote their uptake, especially in SMEs.

We conducted a survey on employee savings, reaching out to companies in July, with Kantar, and to the AXA customer panel in September. Throughout this white paper, we present key figures resulting from this survey.

What are employee savings?

Employee savings are a very attractive group savings solution that companies in France can offer their employees. Employees in France are paid a bonus that represents a portion of the company's profits, called *participation* in French – a profit-sharing bonus. They may also receive another bonus, called *intéressement*. The amount of this bonus is calculated based on the company's performance. When the amounts of these bonuses have been determined and are ready to be distributed, employees can choose to receive them immediately, in which case they are included in their taxable income, or to invest them tax-free in an employee savings plan.

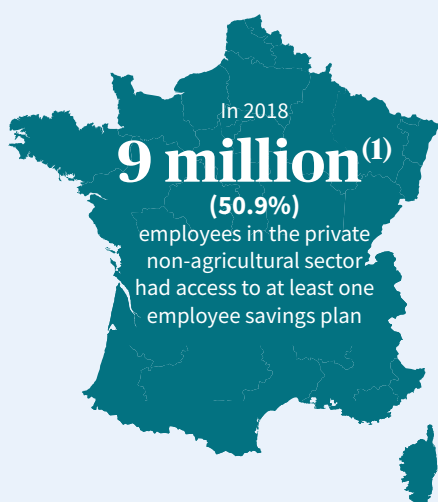
These employee savings plans in France include the *plan d'épargne entreprise*, or PEE, which employees can use to save toward long-term goals, and the *plan d'épargne retraite d'entreprise collectif*, or PERECO, which employees can use to save for their retirement.

With employee savings plans, companies help employees build up savings toward a major life project, such as purchasing a primary residence, or their future retirement.

About half of all employees in France already participate in an employee savings plan. Uptake has increased significantly in recent years. Employee savings originated in France, and in many ways France's approach is still unique. Governments, businesses and trade unions have all contributed to expanding employee savings. Other than helping employees prepare for retirement, which may seem a distant or uncertain prospect for some, employee savings plans are a way to achieve major life projects or cope with unexpected events.

“The foundational principle of employee savings plans is to share the value created from the collective work of everyone in the company,” said Yann Illouz, head of group retirement savings for AXA. “They are pivotal in the relationship between shareholders, employers and employees because they include employees in the company's profits and performance.”

Employee savings in numbers



(1) According to Dares (French Directorate for Research, Studies and Statistics).



+66%



Including **15%** invested in group retirement savings plans (+12.5% in one year)

(2) According to AFG (French Asset Management Association).

Made in France

Employee savings plans address two complementary issues with significant social impacts, both for individuals and the overall economy.

- Encouraging the French to save toward their major life projects and retirement.
- Increasing employees' engagement in their company's growth and financial and operational performance.

An early form of employee savings was pioneered in France. As told by Anne Stevenot, management sciences professor at the University of Lorraine, the entrepreneur, Edme-Jean Leclaire, was the first to imagine a profit-sharing system for employees, back in 1842. **“It was a way to build loyalty among employees and reward them for their hard labor,”** she said. The innovation inspired the development of similar plans in the United States, but the true prototypes of employee savings plans date from postwar France. Under the presidency of Charles de Gaulle, two orders were signed, one in 1959 introducing voluntary profit-sharing (*intéressement*) and one in 1967 establishing a mandatory form of profit-sharing (*participation*). Several laws were later enacted – in 1986, 2001 and 2006 – setting out additional rules for employee savings.

These laws aimed to promote the growth of employee savings while also establishing a clear legal framework. All are based on the same founding principles:

- Contributions to employee savings plans are not a substitute for salary
- The terms of employee savings plans must be negotiated in the company, thereby promoting worker-management dialogue
- Employee savings plans must include all employees, with no exceptions.

This legal framework is specific to France, whose socially progressive action in this area is very much ahead of other countries.

Employee savings today

France's Business Growth and Transformation Action Plan Act of 22 May 2019, known as the Pacte law, overhauled the employee savings system. The main measures it introduced include the following:

- Raising the limit for the amount of the company performance-based bonus paid to each employee
- Ensuring the continuity of agreements pertaining to company performance-based bonus if the company changes legal form
- Introducing an obligation for each industry grouping to negotiate an agreement on company performance-based bonuses, profit-sharing bonuses, or an inter-company employee savings plan adapted to companies with fewer than 50 employees, by the end of 2020.

The Social Security financing bill published earlier that year had already eliminated the fixed-rate contribution previously due

“ The Pacte law has truly simplified employee savings plans and made them easier to implement ”



on performance-based bonuses paid by companies with fewer than 250 employees and on all payments into employee savings plans (performance-based bonuses, profit-sharing bonuses and matching contributions) by companies with fewer than 50 employees.

The French “Asap” law of 7 December 2020, aiming to simplify administrative procedures, made it possible for companies with fewer than 11 employees and no elected employee representative to set up an employee savings plan.

How employee savings plans work

Employee savings accumulate from the pre-tax investment of funds paid to employees in the form of profit-sharing bonuses (*participation and intéressement*). These bonuses can be invested in a PEE employee savings plan or a PERECO group retirement savings plan. Employees may also make voluntary contributions to either plan, which can be matched by the employer (PERECO). Additionally, days of paid leave that employees have saved in their time-saving account (*compte épargne temps*, or CET) can be converted and added to an employee savings plan.

Funds saved in a PEE savings plan can be withdrawn after five years, or earlier if certain conditions are met. Funds saved in a PERECO retirement savings plan can be withdrawn as a lump sum or an annuity upon retirement, or earlier if certain conditions are met. Early withdrawal situations include the purchase of a primary residence, the death of the employee or their spouse, and overindebtedness. These plans can also be transferred, to follow the employee to a new company, for example. This avoids situations where former employees lose track of old savings plans.

Close-up on employee savings in France

- ▶ **341,000 companies** offer an employee savings or a group retirement savings plan.
- ▶ **11.2 million** employees have an employee savings plan.
- ▶ **3.2 million** employees have a group retirement savings plan.
Of these, **1.15 million** are holders of plans set up since 2019, with a total of €8 billion in assets.
- ▶ **€147 billion** are currently invested in employee savings and retirement savings plans.
- ▶ **€13,140** in savings are held, on average, by each beneficiary.

Source: AFG (French Asset Management Association), March 2021 .



A guided tour of employee savings

Interview with **JACKY TACHON**,
Deputy Chief Executive Officer of AXA Epargne Entreprise

► **Employee savings plans are governed by different laws and regulations, which are constantly evolving. Isn't that a deterrent?**

Jacky Tachon: It's true that when you dive into the various laws and regulations, the rules governing employee savings plans can seem complex. But, in fact, these rules are evolving to ensure that employee savings plans are no longer just for large companies with the financial and human resources and skills to manage them. **The Pacte law and the Asap law were both designed to make employee savings plans accessible to all, especially for micro companies**, for example by promoting inter-company solutions so that micro to medium-sized companies can access ready-made plans. And now it's also up to us, in our role as a partner, to simplify these plans, to bring solutions to smaller organizations and to help them communicate the benefits of these plans to their employees. **From now on, there is really an employee savings plan for everyone. Furthermore, the fact that these plans are strictly governed by laws and regulations can also be seen as a plus – as added security.**



► **Following the recent legislation that you mentioned, can we expect the rules on employee savings plans to stabilize?**

J. T.: The stabilization of regulations on employee savings plans will necessarily depend on the outcome of political elections in France. However, for many years now, we have witnessed regular changes to legislation on employee savings, such as the Fabius law in 2001 and the Fillon law in 2003. As a result, employee savings plans are even more attractive than before.

Key takeaways from the survey:

1/3 of SMEs offer an employee savings plan.

30% of companies without a plan consider that regulations make it too complicated to set up.

► **An abundance of acronyms – like PER, PEE and Perco – does not make it very easy to understand these plans. Can you explain them briefly?**

J. T.: Yes, it can be difficult to keep track of the different terms. Since the Pacte law, PER plans, which are either individual or employer-sponsored retirement savings plans, are available through an insurer or a bank. Beneficiaries can make new contributions or transfer funds from an existing savings plan. **A PEE is an employer-sponsored savings plan.** It is a savings account opened by the company on behalf of its employee, where the employee can opt to invest the profit-sharing bonus (*participation*) and the company performance-based bonus (*intéressement*) paid by the company according to criteria that are always determined collectively. Alternatively, the employee can choose to cash in either or both bonuses immediately, in which case they

“**The Pacte law and the Asap law were both designed to make employee savings plans accessible to all, for example by promoting inter-company solutions and ready-made plans**”

“ We offer ready-made solutions with predefined models that gradually place funds in safer investments as the time horizon for retirement or their project goal approaches ”

are subject to income tax and social security contributions. The PEE enables employees to build up savings for various projects, over a period of at least five years – unless early withdrawal is warranted due to life events, some happy and some less so. **The PERECO, which is the new name for the Perco since the Pacte law was introduced, has been designed for retirement savings and has a longer investment horizon.** Both types of employee savings plans can be funded with matching contributions from employers, voluntary contributions from employees, and converted hours of paid leave not taken by the employee.

► What happens to the funds invested in these plans?

J. T.: The funds put into PEE or PERECO employee savings plans are placed in eligible collective investments. Most often, these are “FCPE” funds – funds that have been created specifically for this purpose. More rarely, they are Sicav mutual funds. All plan providers offer a range of funds enabling employees to choose among different types of investments:

- Stocks in companies (through funds focusing on a specific theme, such as supporting small business in a specific region, supporting environmentally friendly companies with a low carbon footprint, or supporting business with progressive social policies)
- Bonds (issued by companies, local governments or the state government) or short-term money market instruments It can be tricky for savers to decide between stocks, bonds, or a mix of each. We offer ready-made solutions with predefined models that gradually place funds in safer investments as the time horizon for retirement or their project goal approaches. When the time comes, the

savings are withdrawn as a lump sum or a life annuity.

► How can companies develop an employee savings policy?

J. T.: A company that wants to offer its employees a savings plan where they can invest their profit-sharing bonus (mandatory in companies with at least 50 employees) and company performance-based bonus (optional) must negotiate the terms of an agreement with unions or employee representatives. It then chooses a provider, possibly with the help of an advisor, based on selection criteria defined in a call for tenders. The company also has the option of signing up for a ready-made inter-company plan.

► There has been talk about industry-wide agreements in this area...

J. T.: **Public policymakers have understood that it is has not been easy for small businesses to set up employee savings plans.** Each industry grouping in France was asked to begin negotiating an employee savings agreement by the end of 2021. If one industry grouping successfully negotiates an agreement, it will be applied to all companies in that sector. These negotiations and agreements should boost the uptake of employee savings plans.

► How have employee savings plans been trending?

J. T.: **All signs point to growth for employee savings, which seem to satisfy the needs of both employers and employees,** who are all stakeholders in the company’s results and performance. French trade unions have created a label called CIES (Comité Intersyndical de

l’Epargne Salariale), which recognizes whether a company’s selected investments meet environmental, social and governance criteria. AXA is an innovator when it comes to theme-based financial solutions with ambitious goals for governance, gender equality and environmental protection, for example. This is a strong demand from employees as well as companies that want to align their employee benefits policy with their corporate social responsibility (CSR) goals.

► Is there not a risk that the CSR criteria will lower yields?

J. T.: Employee savings solutions must generate positive yields: CSR cannot easily grow at the expense of performance. But recent analyses have shown that the two are not mutually exclusive. **In fact, it has often been observed that performance is boosted when CSR standards are high.** Big companies blaze the trail by setting ambitious CSR goals while maintaining high workplace standards (measured by quality of working life indicators) and financial performance (measured by financial indicators). That’s why CSR criteria must be increasingly applied to financial decision-making, especially in the case of employee savings, which can enhance the employer brand and the attractiveness of an employee’s overall compensation package.

“ Currently, all signs point to growth for employee savings, which seem to satisfy the needs of both employers and employees ”

Employee savings and insurance

Interview with **MARIE-PIERRE RAVOTEUR**,
Sales Director, Retirement Savings, France and international, AXA

► Are people sufficiently aware of the benefits of employee savings, do you think?

Marie-Pierre Ravoteur: About 36% of companies now offer employee savings plans, so they are beginning to be more widely known and appreciated. Initially, these plans spread because they were a regulatory requirement in companies with more than 50 employees. Large groups set them up, with labor representatives playing a significant role, since trade unions took part in defining the terms of the plans. Employee savings plans are excellent tools for companies to foster employee engagement. They offer employees a significant source of additional income from profit-sharing and performance bonuses, which can amount to a considerable sum. This income is exempt from income tax after five years, and early withdrawal is possible in certain circumstances, such as the purchase of a primary residence.

► What are the downsides of employee savings?

M.-P. R.: There are none! Employee savings legislation and the need to engage in dialogue with employees are sufficient to demonstrate its value. No one objects to profit-sharing, to participating in a company's performance, to opportunities for smart reinvesting, or to increasingly responsible, certified investments.



Key takeaways from the survey:

36% of companies with fewer than 250 employees offer employee savings plans.

► What legitimacy do insurers have to offer employee savings plans?

M.-P. R.: The insurance business also requires financial skills: insurance premiums need to be invested in order to guarantee that insurance commitments are met. And insurers by nature

tend to foster a more long-term approach that combines protection and growth. Insurers therefore have as much legitimacy as banks, with a different, more holistic attitude toward long-term savings.

► How would you sum up the benefits of these plans?

M.-P. R.: The PERECO plan offers employees crucial support in their retirement planning. It's an effective solution for relieving some of the pressure on retirement pensions. The PEE is an excellent way to create new savings opportunities, including for voluntary contributions. It offers attractive tax advantages, much better yields than a traditional savings account, and lower costs than investing through a bank. Once you open a PEE, you can choose the best way to invest based on your situation: safer, very defensive money market funds, when you are nearing retirement or wanting to withdraw funds relatively soon, or riskier, diversified funds that include stocks to target higher yields.

► What needs to be done to get people on board?

M.-P. R.: We must continue to spread information about employee savings, especially in companies that have no legal requirement. The tax incentives are a strong argument for both companies and their employees. But beyond that, employee savings plans significantly enhance a company's human resources policy and perceived fairness. All of this promotes a goal shared by all, including governments, which is for companies to support individual savings more broadly, and not just retirement savings, and for employees to play a bigger role in supporting businesses.

“ We foster a more long-term approach that combines protection and growth... with a different, more holistic attitude toward savings ”

Employee savings and SMEs

Interview with **SYLVAIN GIRERD**,
Sales Director, Group Insurance, AXA Santé Collectives

“ For employees, it’s a way to protect their savings. For companies, it’s a way to build employee loyalty and motivation ”

► How can SMEs offer employee savings plans?

Sylvain Girerd: For micro, small, and medium-sized enterprises, and even intermediate-sized companies, there is a lot of overlap between different insurance products in a very broad, diverse range that includes property & casualty (fire, accidents, and miscellaneous risks), health, retirement, employee savings, and more. Businesses focus on their most pressing needs first, and usually include employee savings as part of a more global approach when they hold multiple policies. It’s often in this situation that we can increase the uptake of employee savings solutions. **Our role is to identify the needs of the customer – which includes the company and its employees – in a context where customers are generally becoming increasingly demanding.**

► What motivates them?

S. G.: Employees and employers alike understand the value of employee savings, so there are no difficulties in that respect, especially since the recent legal changes that have enhanced the attractiveness of employee savings – for example, by adding to the situations in which early withdrawal is possible. Tax incentives are, of course, a fundamental benefit of employee savings. **But for employees, employee savings plans are also a way to protect their savings, no matter what direction their career may take.** During the Covid-19 pandemic, the amount of individual contributions to employee savings plans was significant.

► Are there still obstacles to overcome?

S. G.: Yes, there are still obstacles that we need to view as indications of where we need to develop further. The first area is **simplifying employee savings plans** in a way that eases decision-making and sign-up procedures. Another area is **providing digital solutions** that facilitate the day-to-day management of employee savings. There are already applications for employees to make voluntary contributions, select funds, make partial or full withdrawals, and keep track, in real time, of their savings and the amounts that are available or locked-in. We also need easier-to-use applications for employers, so they can calculate, for example, the exact amounts of profit-sharing and performance-based bonuses. A last area is **opening up to third-party placements**, which means being able to include a bigger range of attractive funds to optimize the available investment choices for employee savings.

► Do you see further growth for employee savings?

S. G.: Employee savings plans clearly have a bright future, and the market will continue to grow. But we need to do a better job explaining the plans, because many people still do not understand them. **For companies, employee savings plans are a way to build employee loyalty and motivation.** Employers can develop an attractive employee benefits policy with this type of indirect compensation.



Key takeaways from the survey:

89% of companies offering employee savings plans seek to build employee loyalty and motivation.

However, we must keep in mind that for companies with some 50 or 100 employees, their priority is to keep the business going, to win over new customers and to turn a profit. Those whose financial situation is healthy are naturally more interested in employee savings plans. Likewise, certain industry groupings are structurally more likely to offer employee savings plans, such as those with a higher proportion of manager-level staff, since their profit-sharing and performance-based bonuses have a higher absolute value. Nevertheless, all companies and industries can benefit.

Manon Journoud, Human Resources Manager



Employee savings in a financial services consulting firm specializing in the banking sector

“Our company set up two employee savings plans in 1998: a PEE for general savings and a PERECO for retirement savings.

The PEE is especially attractive, because **the company matches 200% of employee contributions for the first €785 per year, and then matches 88% of additional contributions up to €2,300 per year.** The maximum matching contribution made by the company each year is approximately €2,600 net. About half of our 130 employees participate in the plan.

“ **Our PEE has obvious appeal: with such generous matching contributions, we have a real edge over our competitors** ”

Contributions to our retirement savings plan – which became a PERECO after the Pacte law was introduced – are mandatory. The amounts are deducted from salary and exempt from the fixed-rate social security contribution usually paid by the employer. Employees can also make voluntary contributions, which are partly tax deductible. In addition, **we set up a time-saving account for each employee to which up to ten days can be added each year.** Employees can access the savings before retirement – for the purchase of a primary residence, for example.

We have selected seven types of investments that cover a range of risk levels, so that everyone can participate in a way that corresponds to their investor profile. The available investments include solidarity funds and green funds.”

What our plans offer

“Our PEE has obvious appeal: **with such generous matching contributions, we have a real edge over our competitors.**”

On the retirement front, not everyone feels a sense of urgency to plan, despite the effort to raise awareness with the Pacte law. But many employees nevertheless chose to activate their time saving account.

Let me add that when employees join the company during the year, they are always given the opportunity to make a full year’s contribution to the PEE.

This is a real plus compared to other companies, since only about half even offer supplemental retirement plans. And by doing so, we are also helping to address important future challenges. Alongside supplemental health insurance, employee savings plans are one of the most important elements of our HR policy.”

Our HR policy

“We inform our employees about our employee savings plans when they join the company, at the end of their trial period, and at regular intervals, through internal communications.

We strive to improve our HR policy whenever possible. We will work to improve our retirement savings plan, for example by diversifying our funds or increasing the company’s matching contributions, but without increasing the cost for employees. We will take advantage of new opportunities brought by legislative changes, just as we did in 2020 after the Pacte law came into effect.

Despite belonging to an international group, our Paris office, like our other offices, takes local particularities into account and, if relevant, aligns with advantages offered in individual countries. Because we are a small organization, we can be ambitious with our employee benefits policy. Our management is very attentive to the needs of employees and improving their lives.”



Jean-Baptiste Touche, Manager



“When I joined Capco in November 2018, I was immediately interested in the company’s employee savings plans, especially since the terms were attractive: a significant matching contribution for the PEE and the option of converting untaken paid leave into retirement savings.

As far as investments go, **it would be hard to find a better deal on the market:** I don’t know of anything as profitable for risk levels that low. With these well-built products, you can adapt your savings portfolio to your risk tolerance. Personally, I plan to use my savings for a real-estate purchase. I save the maximum allowed each month, in order to make the most of the investment opportunity and the accompanying tax advantages.

At first, I chose a relatively high level of risk, but then during the Covid-19 pandemic, I opted for a little more security and adjusted my allocation of stocks and bonds. But in 2022 I may very well change that allocation again.

I grew up in the United States, where there is hardly any state pension. So I act as though there were none, and I try to build my retirement savings with some higher-risk investments over the long term. In fact, I think that **the future generations will focus on these products even more**, if only to gain some independence from political, social and economic trends.”

“ **The future generations will focus on these products even more** ”



UPM Raflatac is a French company based near Nancy, in the northeast, specializing in label materials and solutions for consumer packaged goods, wine and spirits, and beverages. To learn more: <https://www.upmraflatac.com/fr/>

Christian Haentjens, Human Resources Director



“ We introduced the PERECO plan in response to a request by some of our employees ”

“In addition to the Article 83 retirement savings plan, which was set up for management-level employees after the working week was reduced, we have a PERECO plan and a PEE plan for all employees.

The PEE is the mandatory plan used to place employees’ profit-sharing bonuses. Most employees have chosen to participate, mainly because they know that the circumstances allowing for early withdrawal have been expanded.

We introduced the PERECO plan in response to a request by some of our employees a few years ago, but it is open to everyone. In

Christophe Lucas, Project Engineer

“I chose both of the plans offered by Raflatac, where I have worked for 25 years: the PEE and the PERECO. But I’m still uncertain about the yields I can expect – the explanation is not very clear. That’s why I decided against voluntary contributions, even though that means giving up the tax advantage.

I’m more at ease managing my savings with the “life insurance” investment products we have here in France. Another problem I have with the plans is that the various tools available to keep track of them are not user-friendly enough, although the new applications are better. In France, I feel like we don’t get any help

a manufacturing company like ours, with 195 employees, many people – in jobs categorized below management-level in France – have not necessarily begun saving individually for retirement. The PERECO plan enables them to invest the equivalent of untaken paid leave that has been saved in their time saving account. Furthermore, the fees are covered by the employer.

Right now, our company does not offer matching contributions, but when we can make that decision, we may consider it. We have set up these tools and they are progressing at their own pace. The cost of the plans is reasonable, and our employees are satisfied. **We are open to doing more in the future, when it becomes possible.**”



in making financial decisions. There is **a lack of information and support from the financial sector**, and that’s too bad.”

“ There is a lack of information and support from the financial sector ”

Dialogue at the core of employee savings

Employee representatives play an important role in shaping and steering collective employee savings in companies. The issue of employee savings was included in 41% of new collective agreements and amendments to agreements negotiated in 2019, up 10 points from 2018. In companies with fewer than 50 employees, as many as 66% of negotiated agreements and amendments dealt with employee savings. This strong focus on employee savings was probably related to the end, as of January 1, 2019, of the employers' fixed-rate social security contribution on profit-sharing bonuses, company performance-based bonuses, and contributions to PEE plans, inter-company employee savings plans, and PERECO paid by companies with fewer than 50 employees, and on performance-based bonuses paid by companies with 50 to 249 employees.

Source: 2020 annual report on collective bargaining, by the French Ministry of Labor.

The attitude of the main trade unions regarding employee savings reflects their history, choices and values. Some, at the national level, remain staunchly opposed to the plans and prefer to negotiate general wage increases. However, in companies, all unions play a role in shaping collective employee savings plans. About half of the agreements reached involved negotiations

with a trade union, employee representative body, or appointed employee.

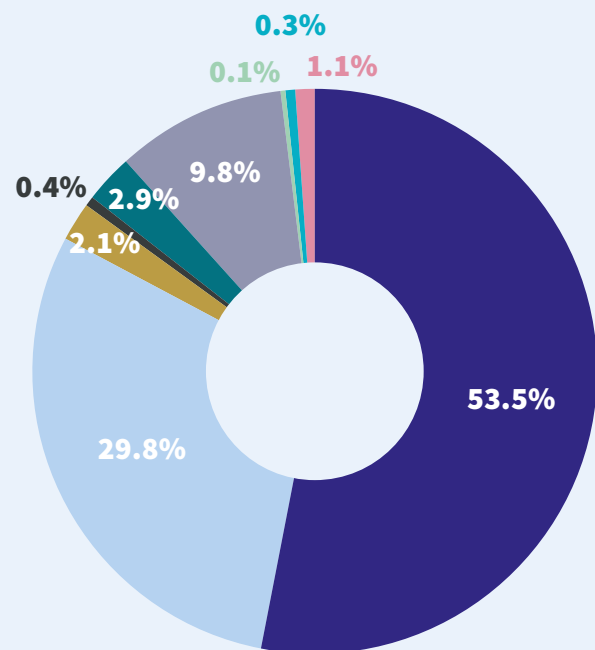
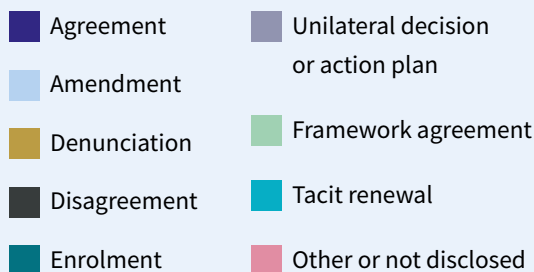
Source: 2019 annual report on collective bargaining, by the French Ministry of Labor.

Some trade unions consider employee savings plans to be drivers of a more sustainable economy, because they can be used to promote ESG criteria.

Dialogue with worker representatives in the company is an important part of employees' uptake of these saving plans designed for them. Union delegates and employee representatives are local contacts who can answer employees' questions and help them understand the issues so they can make informed choices. There can never be too many people providing employees with information and advice. Communicating through both channels – the “employer” and “employee representatives” – is essential.

Recent research has demonstrated the correlation between the engagement of trade unions and the positive impact of collective savings plans on company performance (see, for example, “Financial Participation and Organizational Climate: An Analysis

Reference documents governing employee savings, by type



In 2019, 53.5% of reference documents governing employee savings consisted of collective agreements.

Source: French Ministry of Labor - Dares (French Directorate for Research, Studies and Statistics) data on company agreements.

of Managers/Employees Compared Perceptions,” Anne Stévenot and Loris Guery).

Union delegates and employee representatives are familiar with employees and their daily lives and can show them how to use employee savings plans to achieve major life projects as well as cope with difficulties (for example, early withdrawal is possible in cases of domestic violence).

The calculation method for profit-sharing bonuses is prescribed by regulations, but the criteria used to determine the amount of company performance-based bonuses or the matching percentage for employer contributions are open to negotiation.

Trade unions also participating in selecting the characteristics of funds in which employee savings will be invested, such as their different risk levels and their integration of CSR criteria.

Four representative trade unions, at the national level, have joined to form CIES (an “inter-union committee for employee savings”) and create a label (see inset) to promote socially responsible investing (SRI). This innovation has set an example for other sustainable finance fund labels and certifications (such as French finance ministry’s SRI label or the Greenfin label).

Key takeaways from the survey:

42% of decision-makers think that socially responsible savings would have an impact on their company.

Industry-level negotiations to make collective employee savings accessible to employees of micro enterprises

In 2019, industry-level negotiations led to eight new agreements and amendments on employee savings, including five specifically on company performance-based bonuses. Although there were fewer agreements signed than in 2018 (18 in all), the significant share of new industry-level agreements on company performance-based bonuses is a sign that trade unions have a strong interest in the topic.

The Pacte law renewed the obligation for industry groupings to negotiate a profit-sharing bonus or company performance-based bonus system by the end of 2020 and also extended this requirement to employee savings plans. It also encourages the inclusion of CSR criteria in industry-level negotiations, to be applied to company performance-based bonuses. Five agreements were signed by industry groupings, enabling their companies, in particular those with fewer than 50 employees, to benefit from a ready-made company performance-based bonus agreement.

The CIES label

The CIES label distinguishes employee savings funds or ranges of funds that meet its ESG specifications. It is valid for a renewable four-year period. In 2020, the label was awarded to 11 ranges of funds and 100 individual funds, for a total of €19 billion in assets. In 2021, a new set of specifications was defined and a call for tenders was launched. **Purpose:** ensure that employee savings are invested in funds meeting strict social and environmental criteria, with respect to employee representation, quality of worker-management dialogue, taking all stakeholders into account, inside and outside the company, the quality of employment, reducing inequality, fighting discrimination, fighting corruption and tax evasion, and reducing the environmental impact of business activities. The CIES also encourages asset management companies to create SRI funds focusing specifically on the themes of real estate, local development, health and responsible employment. Each fund or range of funds with the CIES label is monitored by a committee that meets twice a year. The CIES questions representatives of the fund management companies to verify that the label’s specifications are still being met. If not, it can strip the fund of the label.

The three other agreements negotiated by industry groupings in 2019 introduced an industry-wide employee savings plan for the first time or updated an existing plan.

From the perspective of trade unions, the expansion of employee savings to include micro enterprises is an important step toward reducing inequality.

Training for all stakeholders to promote the uptake of collective employee savings

Companies can appoint representatives to participate in the committees supervising the funds in which their employee savings are invested. It is important that these meetings be attended assiduously in the course of the next few years. In this way, chief executives, human resources teams and employee representatives can learn the ins and outs of investing and managing collective savings together.

These stakeholders are entitled to training that will help them build their technical expertise and clearly express their needs when drafting calls for tenders. They will be better equipped to understand the financial mechanisms, analyze fund management fees, and monitor the selected funds.

The new outlook for employee savings

Employee savings plans have a bright future in France. They are widely appreciated, but still need to be expanded to cover all companies and their employees. Having been integrated first and foremost into the HR policies of large groups, now these plans must be made accessible to businesses of all sizes. “The Pacte law has truly simplified employee savings plans and made them easier to implement,” said Yann Illouz. “We need to continue to spread information and raise awareness about employee savings plans, through worker-management dialogue.”

Employee savings tools are in place and will be increasingly supported by digital technologies and simplified administrative procedures. As corporate social responsibility moves front and center of economic activity, “**employee savings contributes to positive social change,**” said Yann Illouz. Commenting on SRI (socially responsible investing) and ESG (environmental, social and governance) labels, he added, “They provide an added layer of security to facilitate decision-making and develop savings supported by socially responsible businesses.”

“Employee savings tools are in place and will be increasingly supported by digital technologies and simplified administrative procedures”



Kantar/AXA survey on employee savings

A quantitative survey of a sample of 300 companies with 5 to 250 employees, conducted by Kantar from July 6 to 28, 2021, by telephone, and enriched with six qualitative interviews with companies from the same sample.

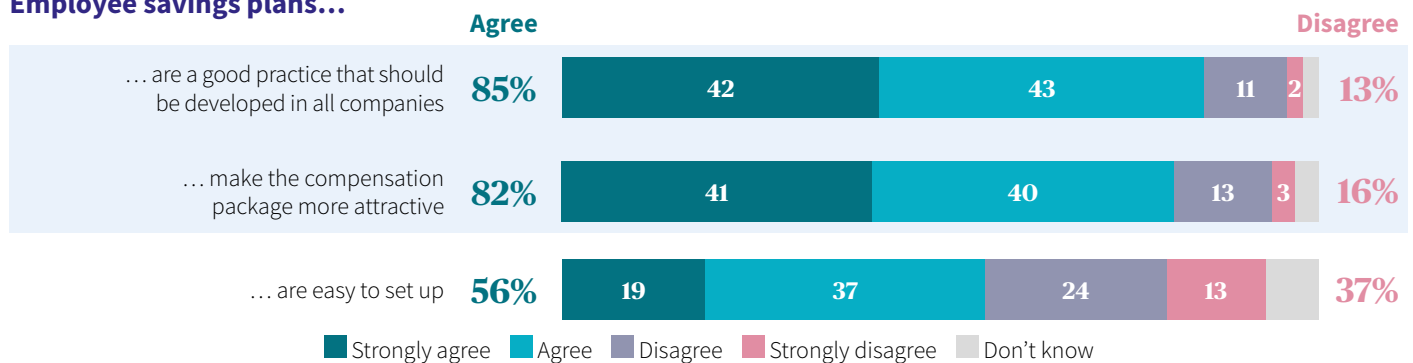
A quantitative survey conducted online through the AXA Client Panel from August 27 to September 2, 2021, involving 250 employees who are also AXA customers, including 150 with an employee savings plan.

What we learn from the Kantar/AXA survey

SMEs and employee savings

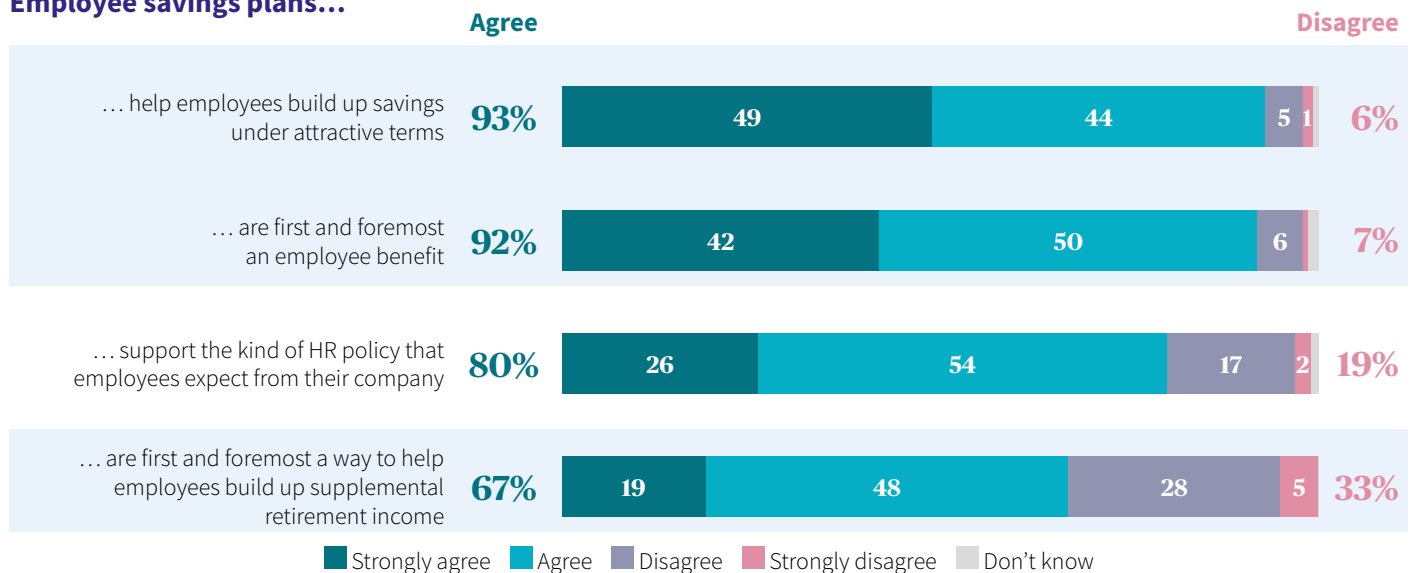
More than 80% of SMEs think that employee savings are a good practice that should be developed further

Employee savings plans...

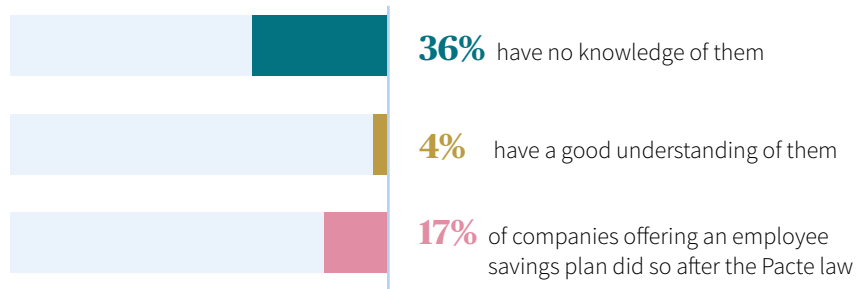


CEOs also place a high value on the benefits for employees

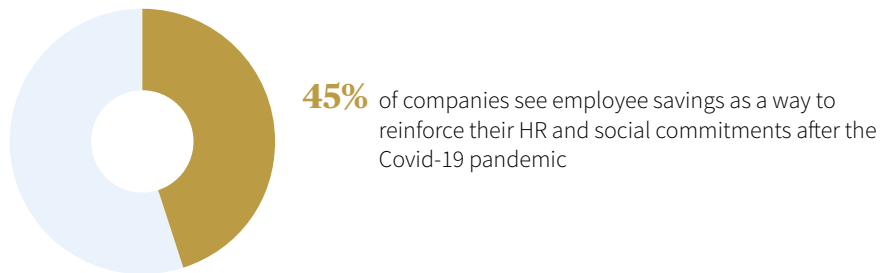
Employee savings plans...



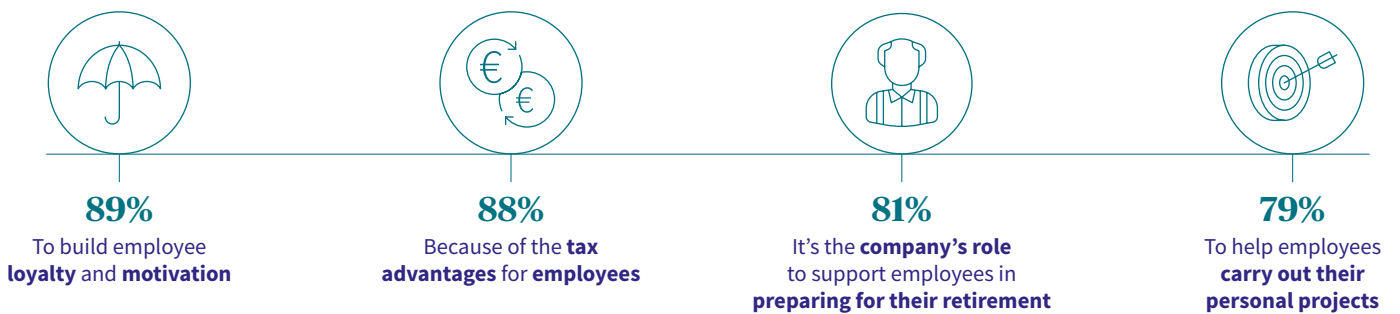
Companies are still unclear about the provisions of the Pacte law



The Covid-19 pandemic could encourage companies to set up employee savings plans



Why do companies offer employee savings plans?



Key takeaways from the qualitative survey

Employee savings plans are particularly difficult for companies to understand:

- It's hard to calculate the budget for profit-sharing bonuses before setting up the plan.
- The continuous updating of applicable legislation is a deterrent for companies.
- The savings products involved are complicated and overly technical.

Companies mainly expect the following:

- Better communication and continuous support.
- Clear explanations without technical jargon.
- Clear information about investment funds.

Employees feel insufficiently informed about employee savings:

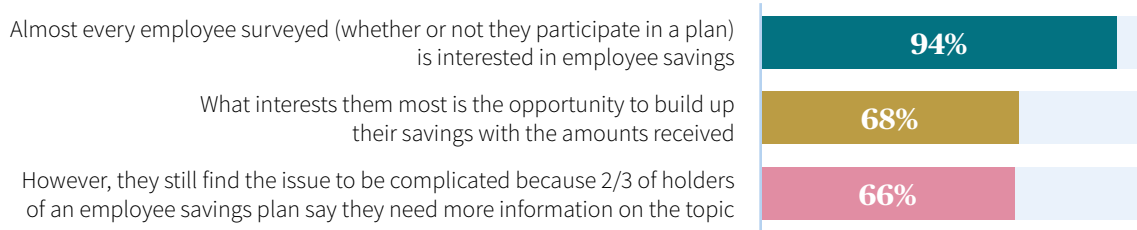
- Very little quality information is available.
- The information provided is dense and technical.
- The information given is too general and does not always apply to the situation at hand.

Multiple benefits for employees:

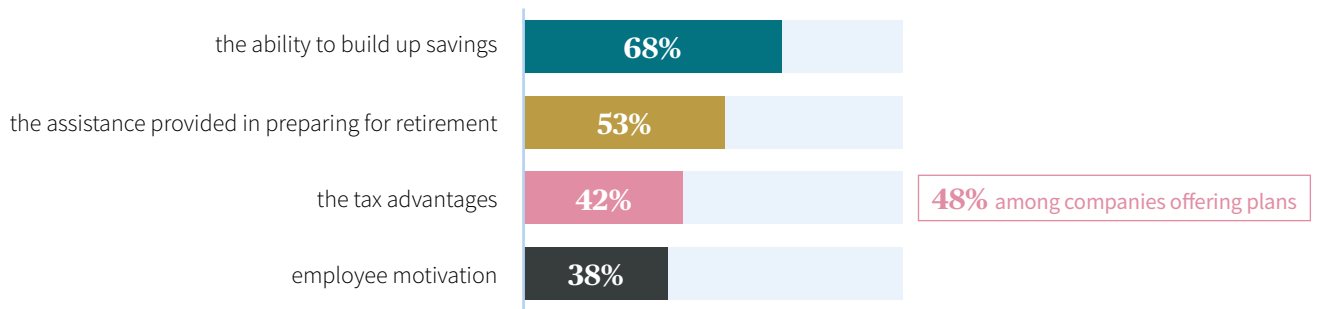
- A safe investment for savings that generally produces good yields.
- Tax and social security contribution optimization.
- The ability to build up medium-term or long-term savings and benefit from matching contributions.

What employees think

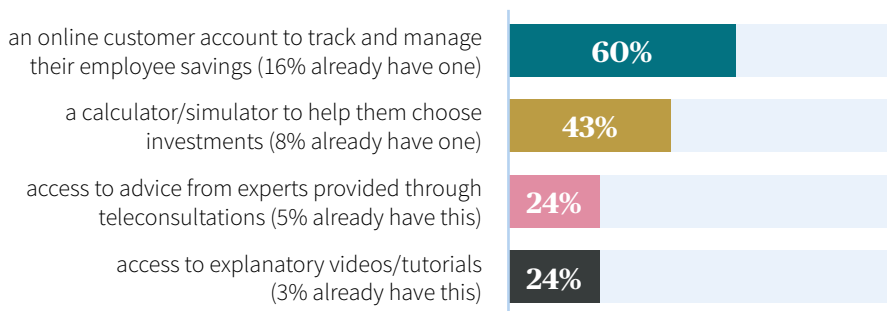
Strong interest in employee savings, but diminished by a lack of understanding



An interest in employee savings plans that is mainly based on the following (base: 243 interested employees):



Employees savings management would be ideal with the following (base: 151 holders of an employee savings plan):



Survey of companies and employees

Kantar/AXA survey

Survey of a sample of 300 companies
and 250 employees, conducted in July 2021.



QUANTITATIVE SURVEY OF COMPANIES

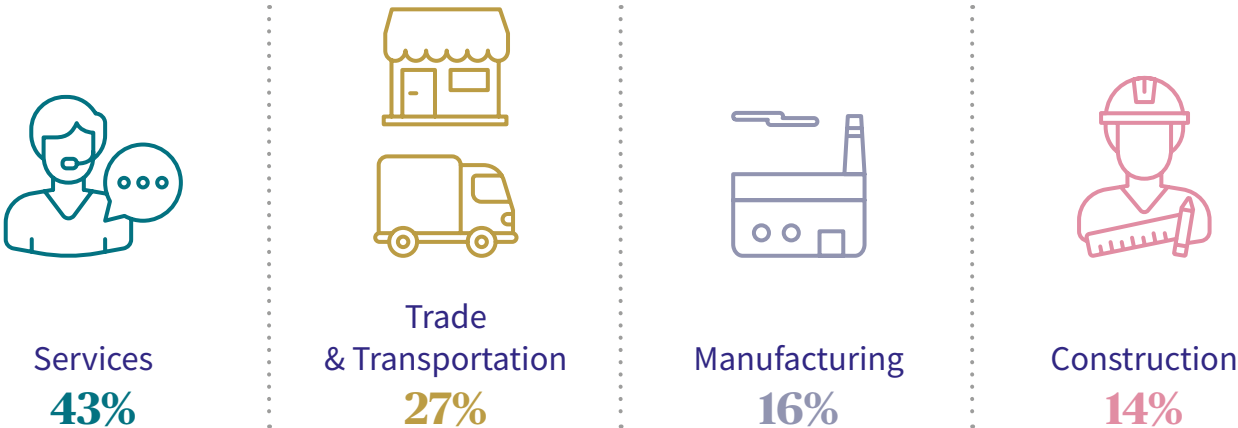
Snapshot of the companies surveyed: with or without employee savings plans

A representative sample of companies with 5 to 250 employees

WORKFORCE SIZE

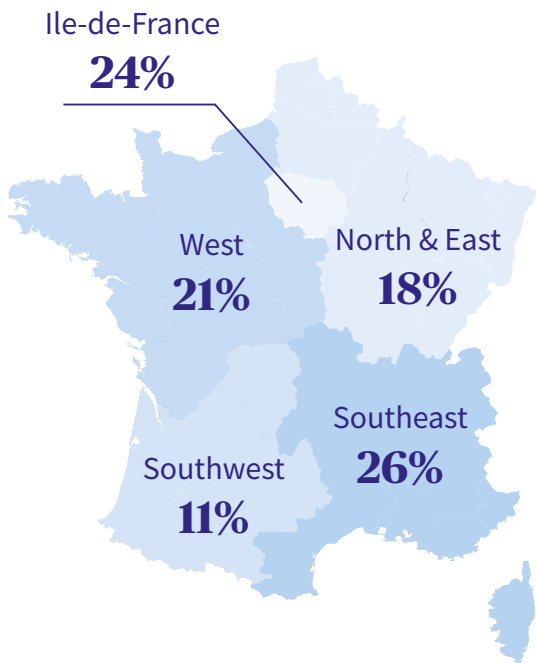


INDUSTRY SECTOR

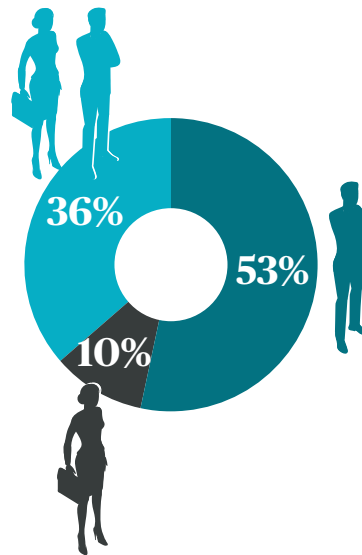


Key characteristics

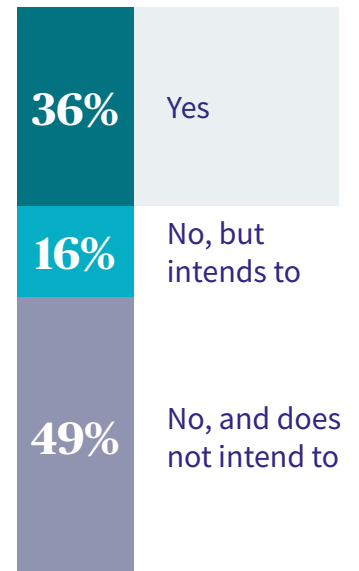
LOCATION



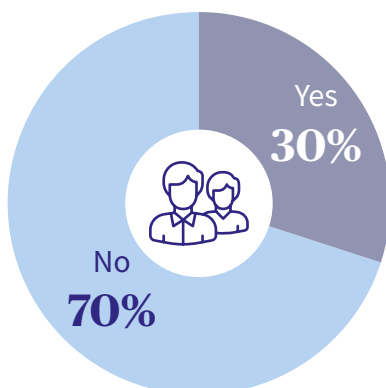
CHAIR/CEO GENDER



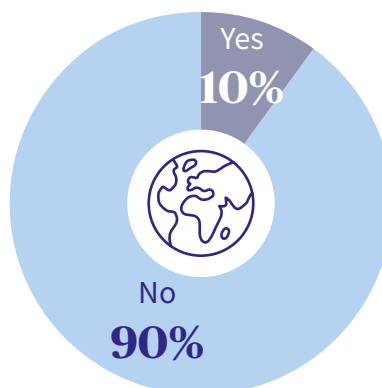
DOES THE COMPANY HAVE AN EMPLOYEE SAVINGS PLAN?



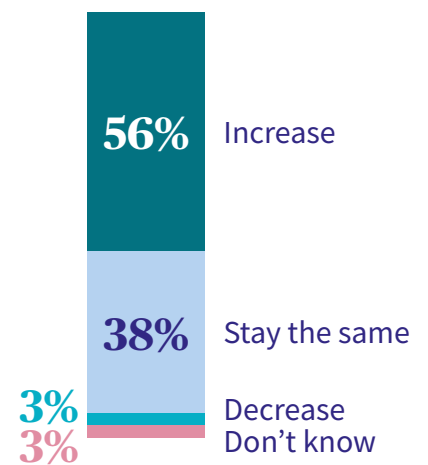
DOES THE COMPANY BELONG TO A GROUP?



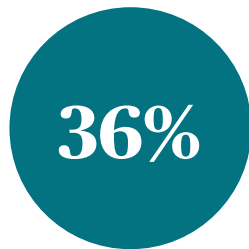
IS THE COMPANY INTERNATIONAL?



HOW DOES THE COMPANY EXPECT REVENUE TO CHANGE IN THE NEXT TWO YEARS?



36% of companies with fewer than 250 employees offer an employee savings plan



- + Companies with 100 to 250 employees (64%)
- 10 to 19 employees (25%)

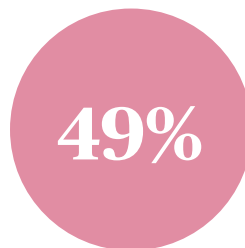
Already offer
an employee savings plan



- + 10 to 19 employees (23%)
- 5 to 9 employees (7%)

Intend to offer
an employee savings plan
(but do not currently offer one)

Half of SMEs have no intention of offering an employee savings plan



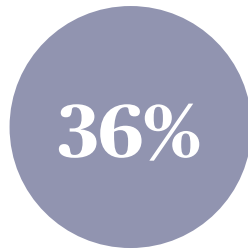
- + Fewer than 20 employees (53%) - Services (60%)
- 100 to 250 employees (25%)

Do not offer a plan and do not intend to

- + Significantly higher than the overall sample.
- Significantly lower than the overall sample.

1 out of 3 SMEs offer an employee savings plan

COMPANIES OFFERING AN EMPLOYEE SAVINGS PLAN



+ Trade/Transportation (57%)

Already offer an employee savings plan

81% offer a **PEE, PEI** or **PEG**

59% offer a **PERCO**

40% offer **both**

Contributions to the plans come from...



68%

Employer's matching contributions



56%

Company performance-based bonuses



32%

Profit-sharing bonuses



+ 10 to 19 employees (23%)

Intend to offer an employee savings plan (but do not currently offer one)

80% intend to offer a **PEE, PEI** or **PEG**

83% intend to offer a **PERCO**

63% intend to offer **both**

“ The PEE is offered most often, but the PERCO is frequently considered. ”

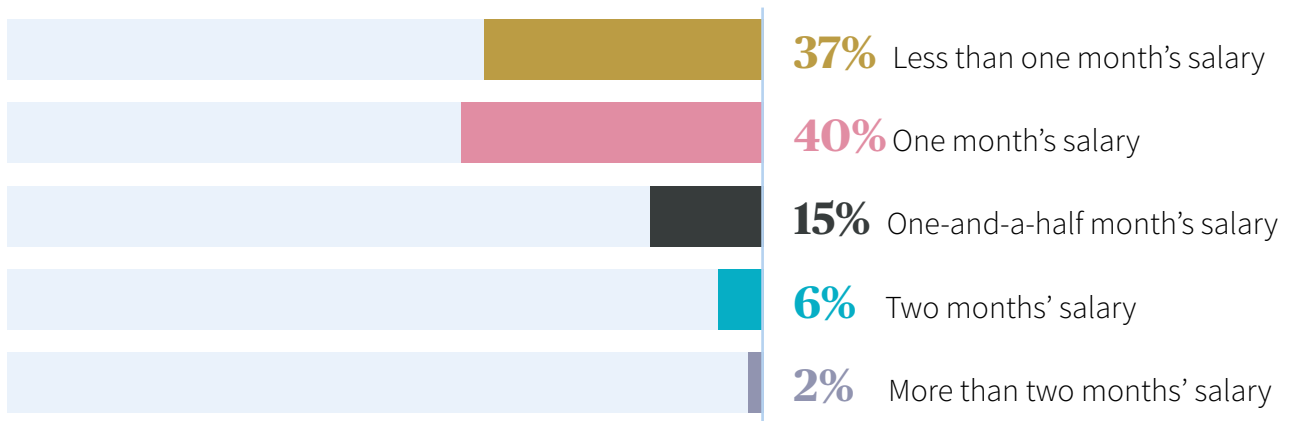
+ Significantly higher than the overall sample.

58% of SMEs offer matching contributions



58% of SMEs offer a matching contribution for employees' voluntary contributions

EMPLOYEE SAVINGS COMPARED TO MONTHLY SALARY

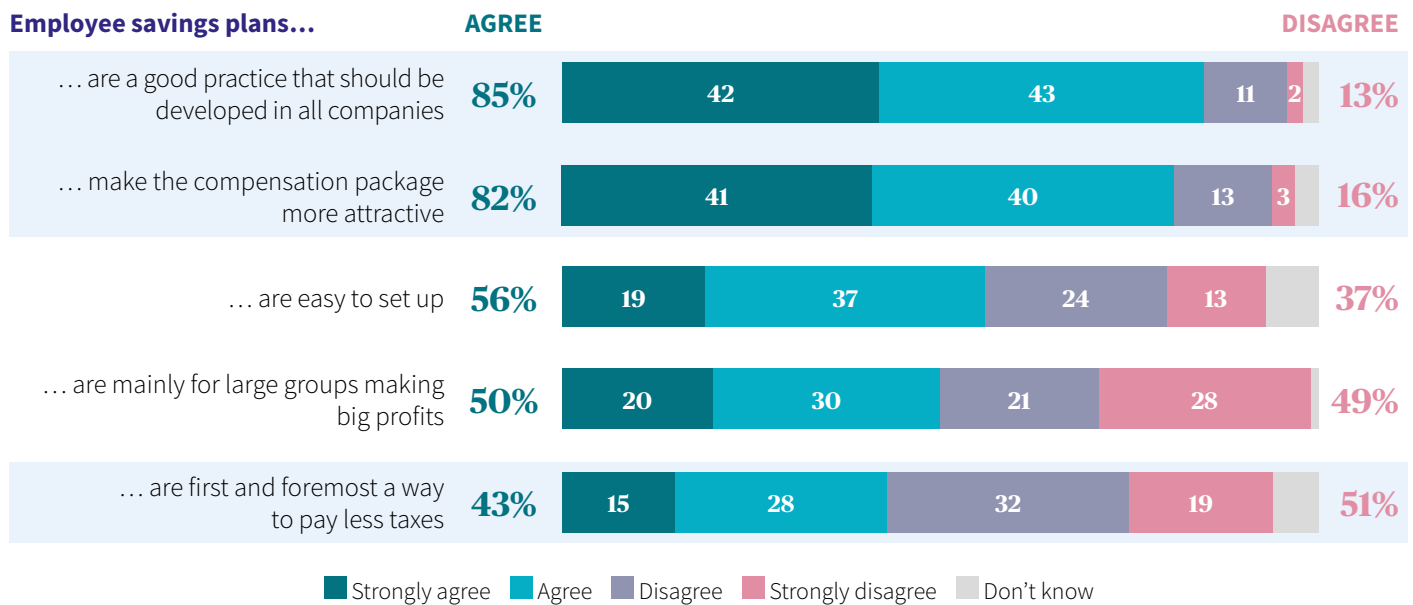


No significant difference from average figures.

General attitudes toward employee savings

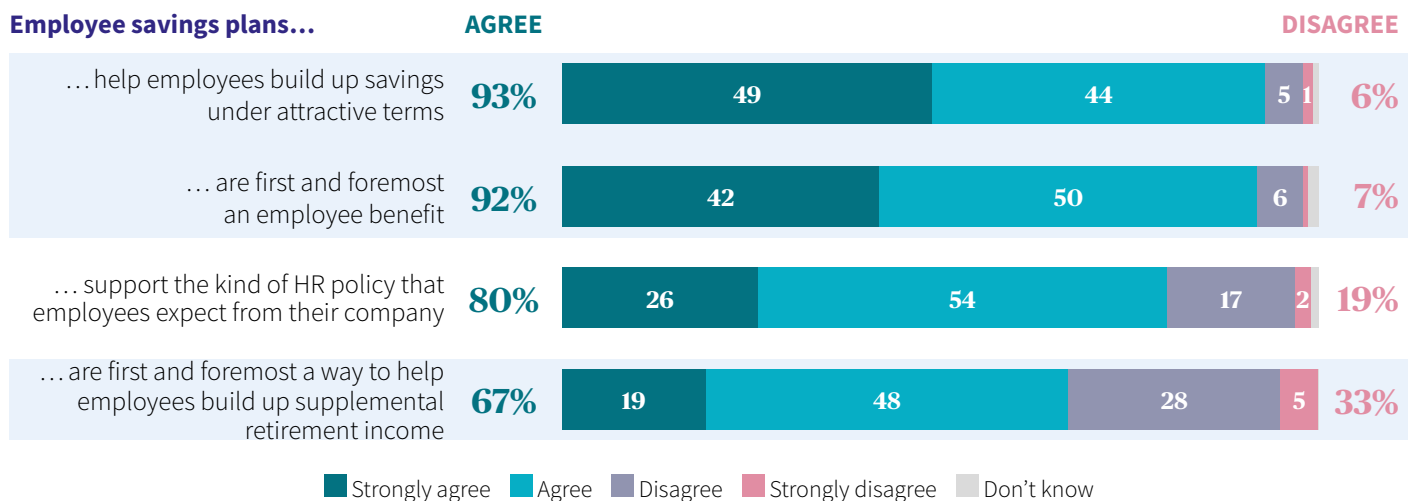
85% of SMEs think that employee savings are a good practice that should be developed further

FOR THE COMPANY



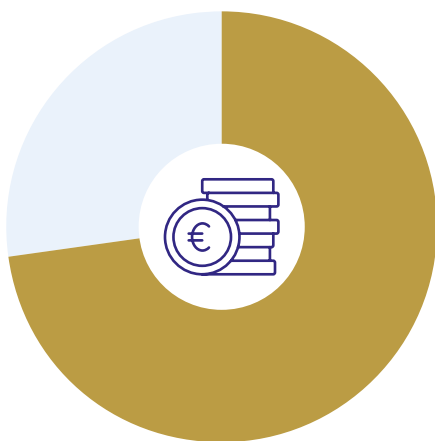
CEOs also place a high value on the benefits for employees

FOR EMPLOYEES



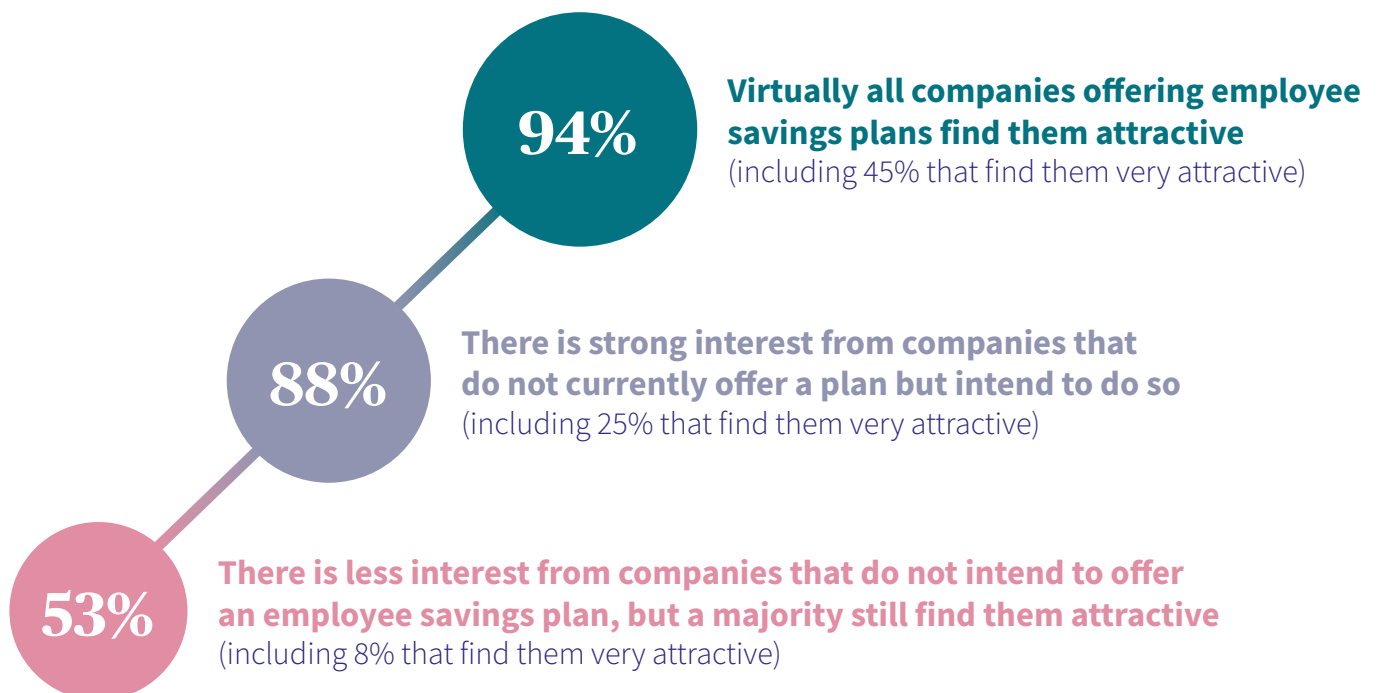
+ Significantly higher than the overall sample.

3 out of 4 SMEs are interested in employee savings plans



73% think that **employee savings plans are attractive** (including 24% that think they are very attractive)

“A majority of the companies not offering employee savings plans nevertheless perceive them as attractive.”

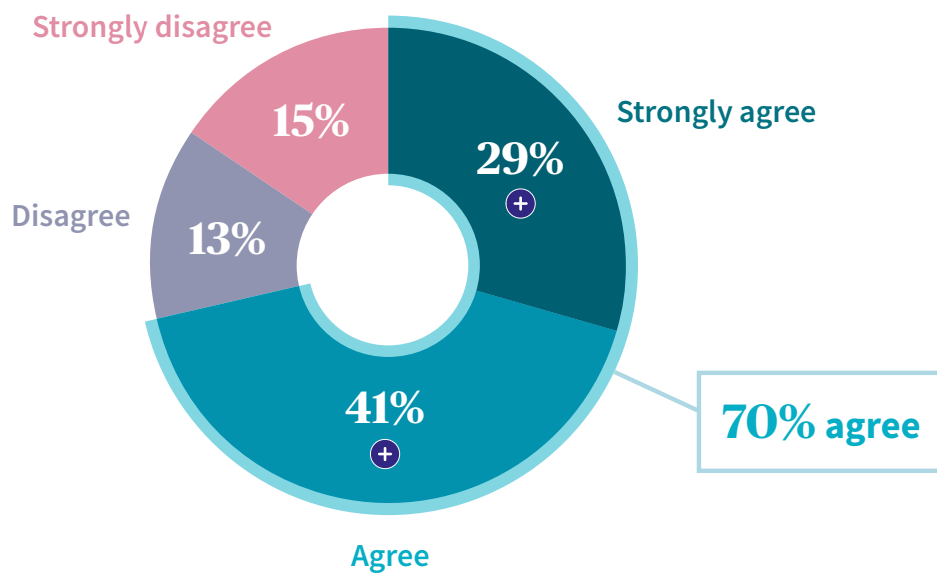


70% of SMEs without employee savings think that these plans are not for them

Among the 49% of companies that do not intend to offer a plan

70%

agree with this statement



+ Significantly higher than the overall sample.

“ The SMEs that don’t already offer employee savings think that these plans are mainly for large groups. ”



Close-up

Employee savings plans are perceived as a privilege that can be afforded by “big” companies:

- in strong financial health
- with the human resources needed to set up and manage these plans
- while still making a profit.

However, the latest tax and regulatory changes are helping to correct this misconception.

Close-up on motivations for employee savings

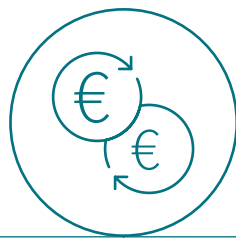
Companies offer employee savings for similar reasons

Companies offering an employee savings plan



89%

To build employee **loyalty and motivation**



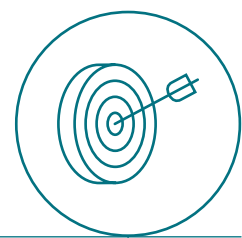
88%

Because of the **tax advantages** for **employees**



81%

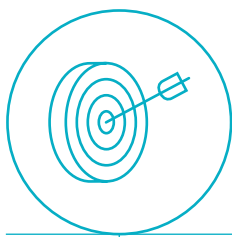
It's the **company's role** to support employees in **preparing for their retirement**



79%

To help employees **carry out their personal projects**

Companies intending to offer an employee savings plan



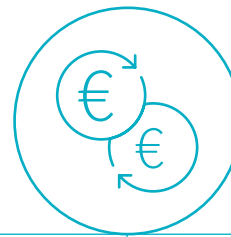
94%

To help employees **carry out their personal projects**



93%

To build employee **loyalty and motivation**



93%

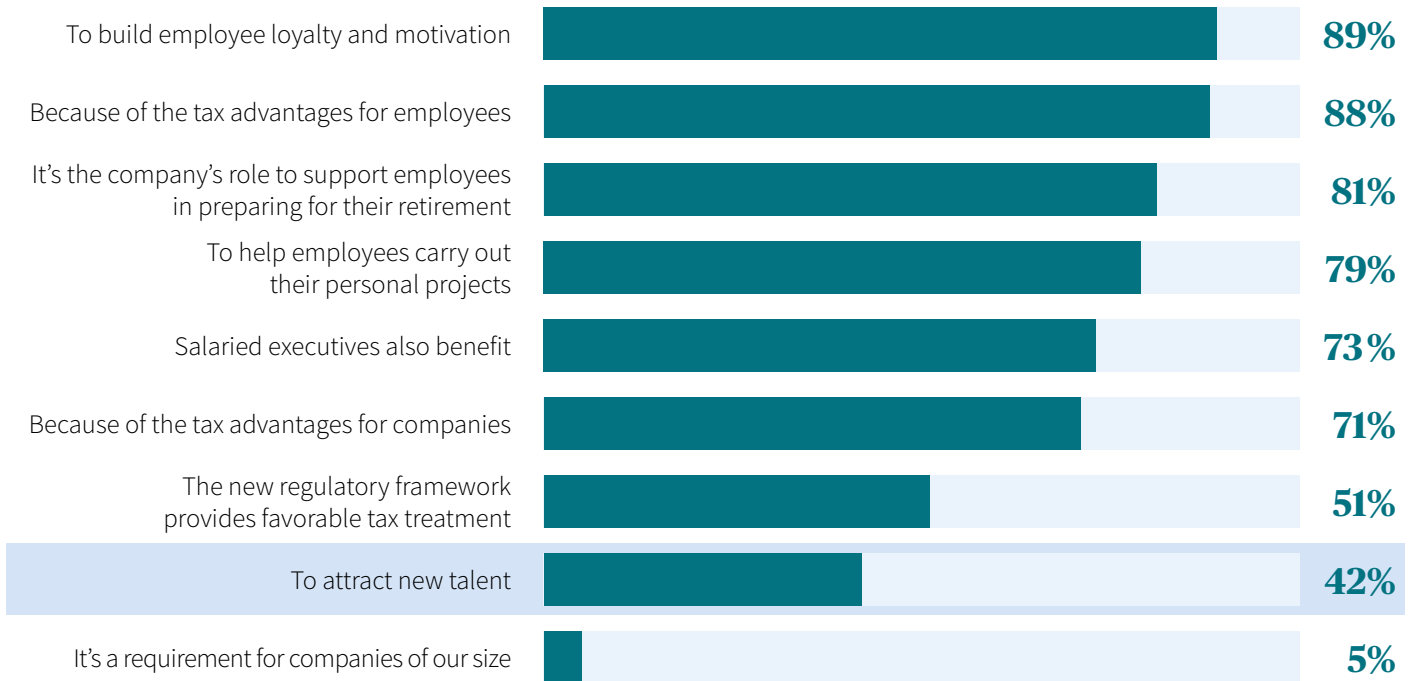
Because of the **tax advantages** for **employees**

“ Companies that offer or intend to offer an employee savings plan highlight employee motivation as a goal. ”

Most SMEs see employee savings plans as a way to build employee loyalty and motivation

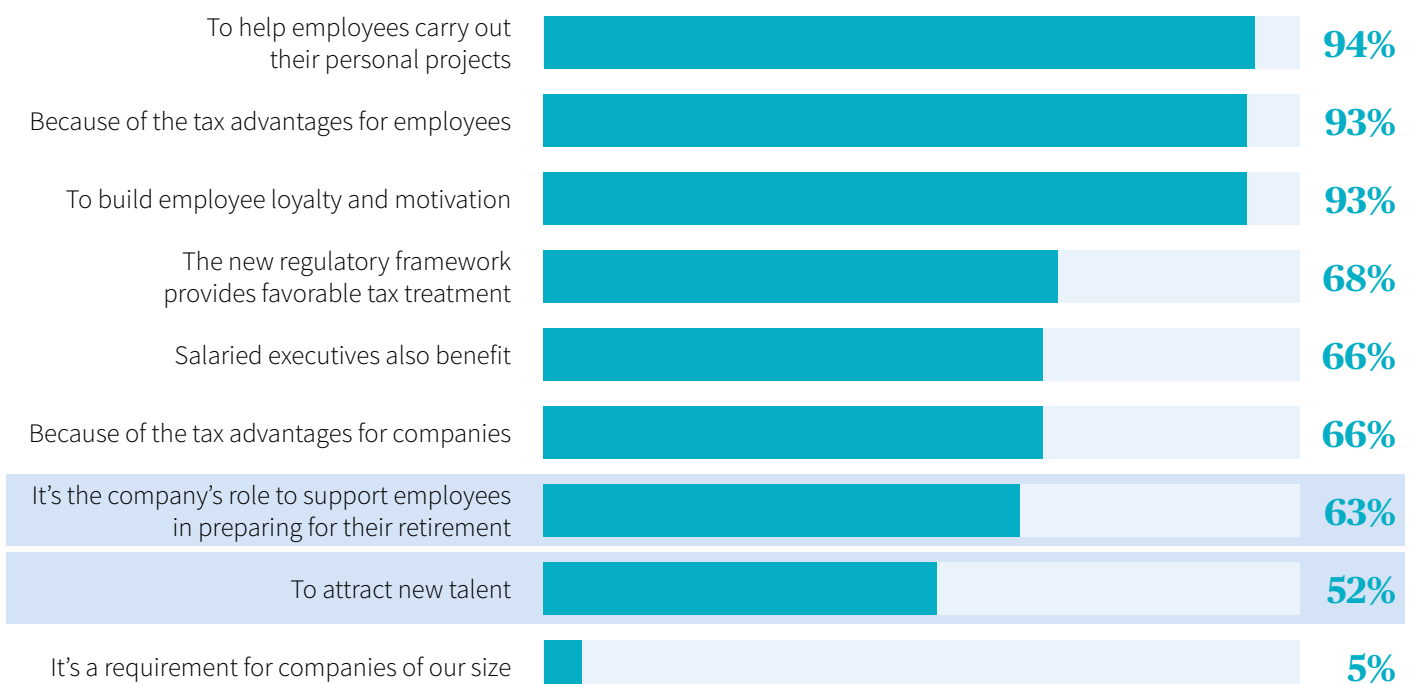
Companies offering an employee savings plan

REASONS FOR OFFERING EMPLOYEE SAVINGS



Companies intending to offer an employee savings plan

REASONS FOR PLANNING TO OFFER EMPLOYEE SAVINGS

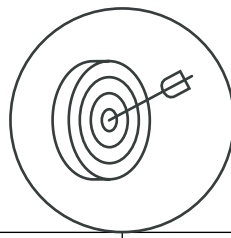


For companies without employee savings plans, the associated time and cost investments are major deterrents



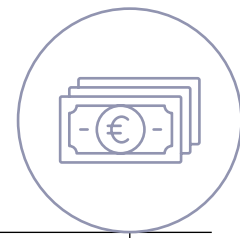
78%

The company prefers other means of building employee loyalty (pay, bonuses, etc.)



71%

It's not the company's priority

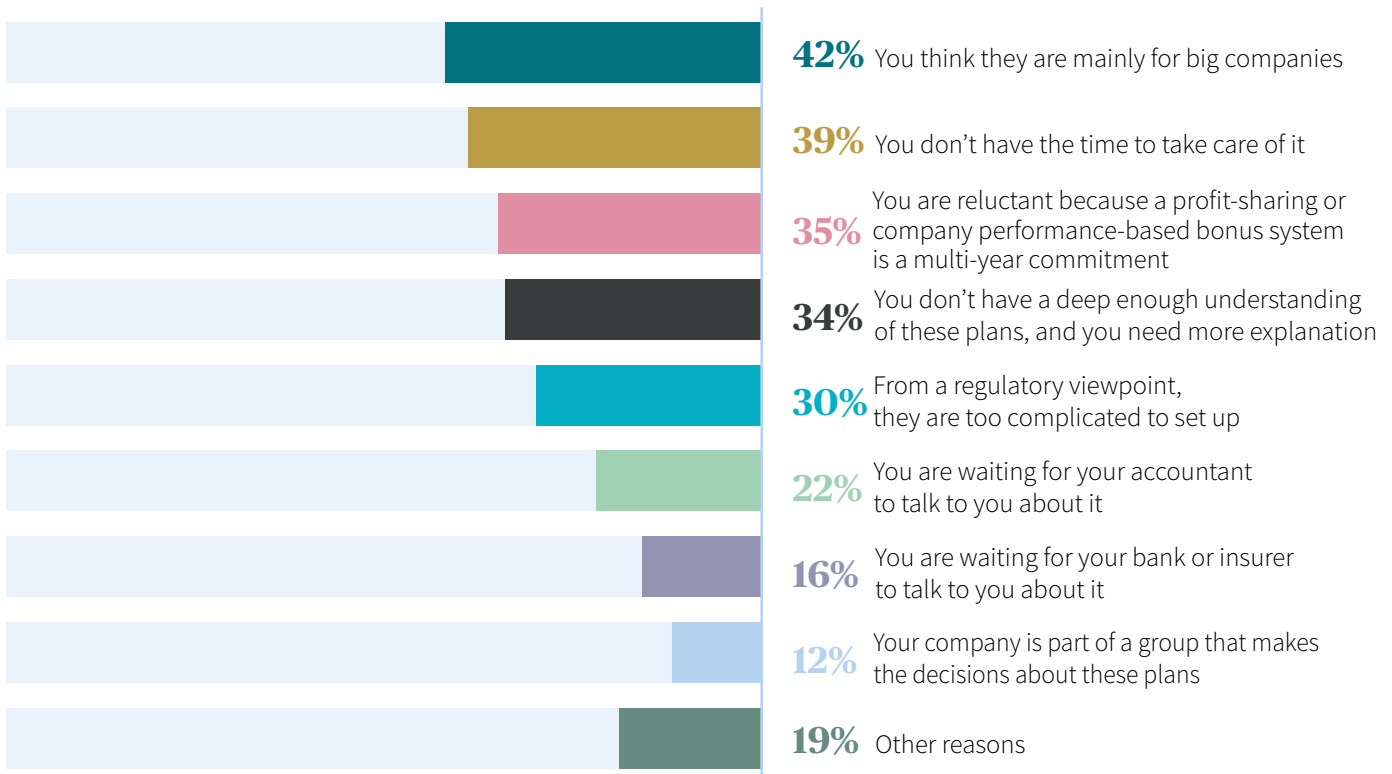


47%

The plans cost too much for the company

.....

Other deterrents...



+ Significantly higher than the overall sample.

Companies tend to take a wait-and-see attitude: what do they have to say?



Close-up

Respondents say they were **especially hard at work during the pandemic**, putting together furlough policies, arranging remote working, and so on.

A **perceived lack of media coverage and fast-moving news may have pushed companies to postpone thinking** about the potential impacts of new employee savings legislation.

SMEs point out that the measures are optional – except with respect to profit-sharing – and/or that companies are free to adapt them.

“ We have been in a state of such urgency these past few years since the pandemic. It has slowed everything down. ”

“ And I’ll admit that I don’t have much time for it, anyway: in the current climate, there have been other things to worry about. ”

“ These **situations are financially complex, but employees consider them to be the norm and forget how privileged they are to benefit from such a favorable situation**, with exceptional matching contributions. **So it’s no longer a benefit, it’s an entitlement.** ”

Financial health is a factor in choosing a plan administrator

REASONS/CRITERIA FOR CHOOSING A PLAN ADMINISTRATOR



64%

Administrator's long-term financial health



64%

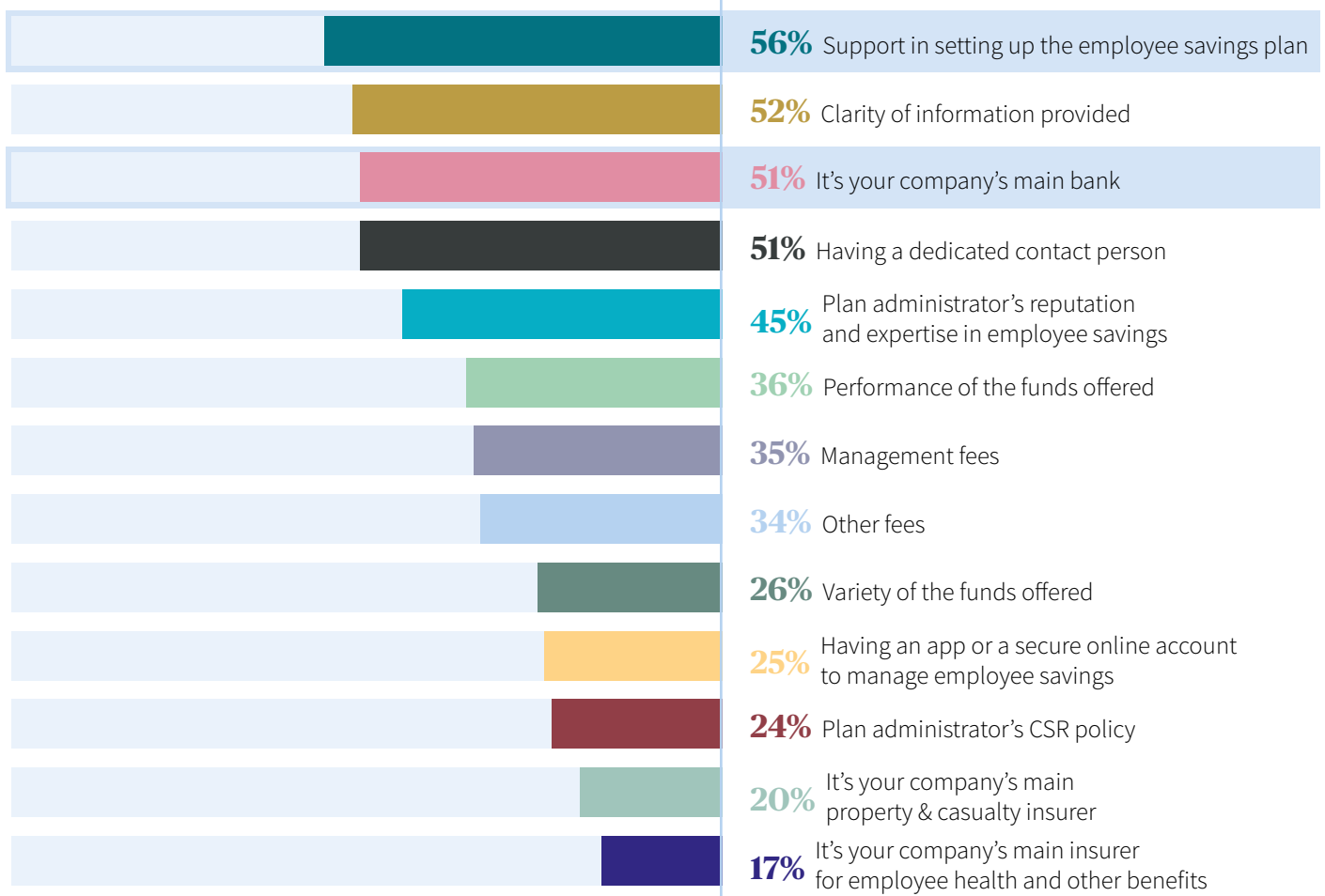
Skill of advisors



56%

Safety of the funds offered

Other criteria



“ Skilled advisors, safe funds and support in setting up the plans are also key criteria. ”

What SMEs want most of all is a partner to assist and support employees

SMEs expect their future partner to be:

- **Empathetic:** able to see things from the company's perspective.
- **Unbiased and available:** a partner of the company as well as its employees, ready to visit the company in person when they sign up.
- **Transparent:** keeping all stakeholders fully informed.
- **Easy-to-understand:** able to explain the plans in ways that are suited to different audiences, using clear and simple language.
- **Communicative:** able to get employees on board.
- **Reassuring:** responsive to any employee concerns (in particular, about the funds).

The interviewed CEOs highlighted the **need to communicate about the plans using clear and simple language**, because they are still not well understood.

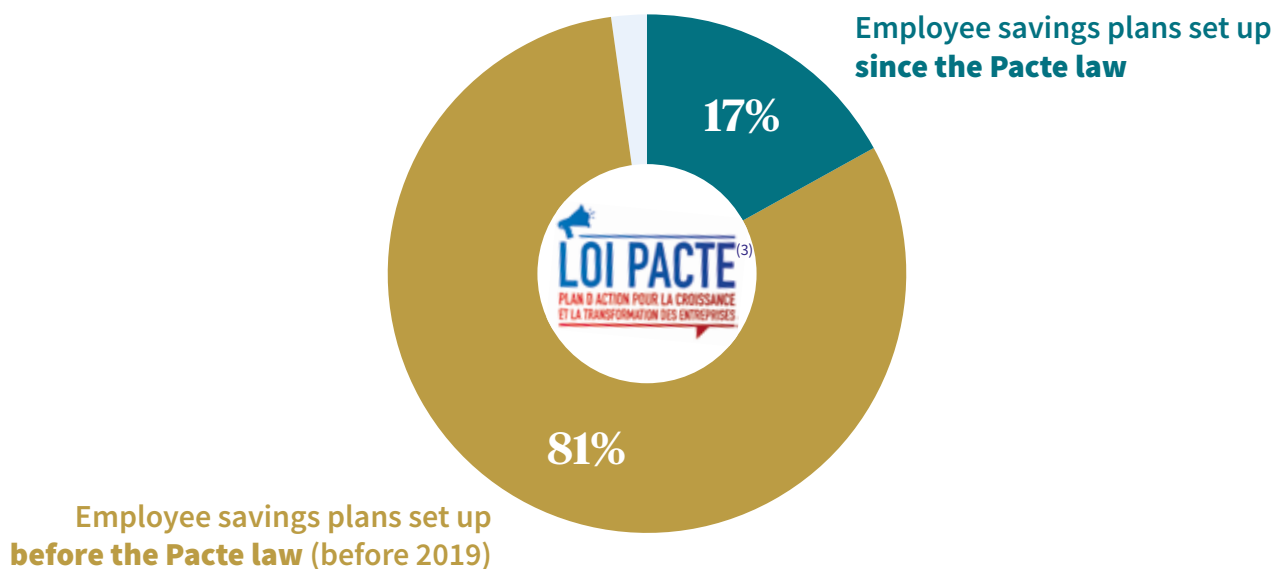
SMEs sometimes feel that they **cannot communicate legitimately about the plans**, since they themselves are not sure of all the facts.

“ Yes, of course it's important for the plan administrator to support us in **helping employees to grasp all these aspects**. I hope they can do so in a way that is easy to understand and not too technical. **What I expect is plain language.** **”**

Employee savings in the context of regulatory changes and the current climate

17% of companies offering an employee savings plan did so after the Pacte law

IMPACT OF THE PACTE LAW ON EMPLOYEE SAVINGS PLANS

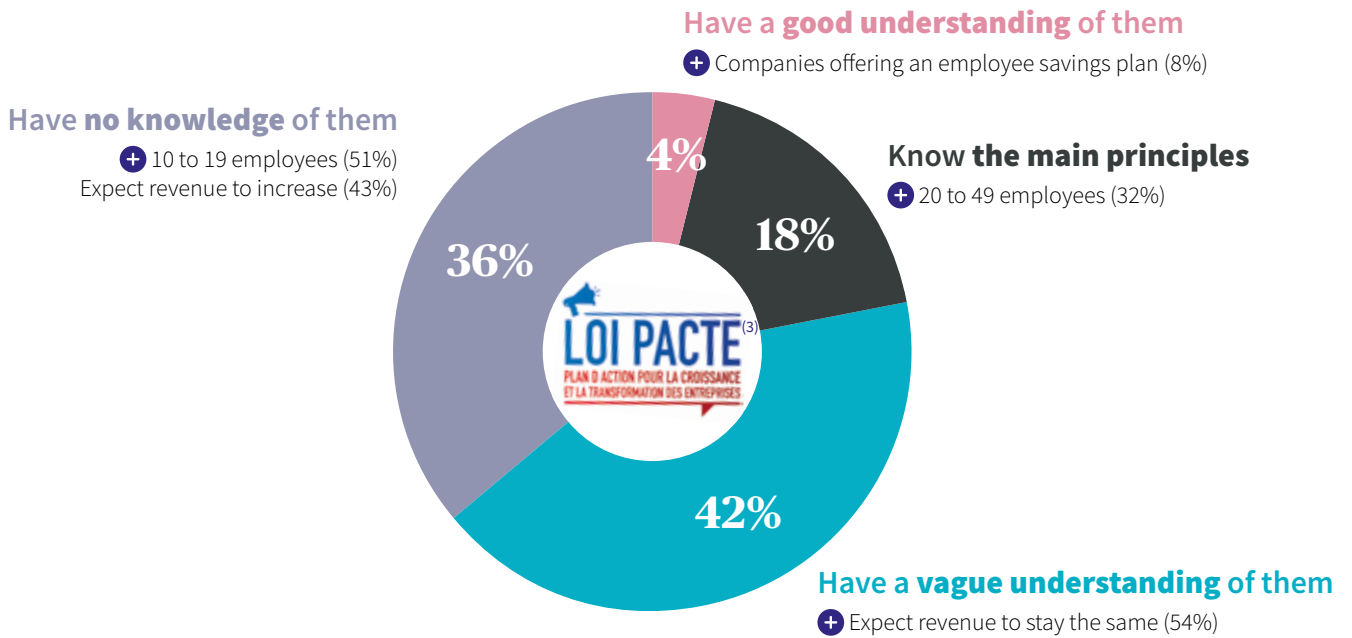


38% – Not offering or intending to offer a plan (26%)
of companies with or without a plan agree that the Pacte law was an incentive or could be one in the future (including 7% that strongly agree).

(3) Pacte law – Business growth and transformation action plan act.

36% of SMEs say they have no knowledge of the recent legislative changes!

KNOWLEDGE OF THE PROVISIONS OF THE PACTE LAW



Close-up

Although all of the interviewees had heard about the Pacte law, they felt that because its provisions covered a broad range of issues, **it lacked credibility**. In addition, they had a hard time obtaining clear, specific answers to their questions.

“ I had a quick look but I really don't know much. I just know that it's about overhauling employee savings plans and simplifying them by merging with the Madelin plans but, no, I haven't explored it in detail. ”

(3) Pacte law – Business growth and transformation action plan act.

+ Significantly higher than the overall sample.

The pandemic has boosted interest in employee savings plans

WOULD YOU SAY THAT THE FOLLOWING REASONS FOR EMPLOYEE SAVINGS HAVE BECOME MORE IMPORTANT SINCE THE PANDEMIC?

... to enhance the company's **HR and social commitments**



45%

(45% just as important as before)

... to **attract new talent**



35%

(50% just as important as before)

... to enhance the company's **environmental commitments**



34%

(50% just as important as before)

... to **build employees' loyalty and financial participation** in the company's performance



31%

(57% just as important as before)

The new tax advantages are not widely known

TAX INCENTIVES



74%

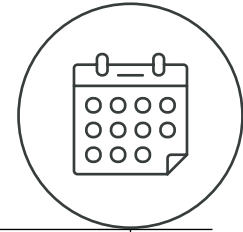
No social security contributions on company performance-based bonuses⁽⁴⁾

+ Belonging to a group (87%)



66%

No social security contributions on profit-sharing bonuses, company performance-based bonuses, or matching contributions



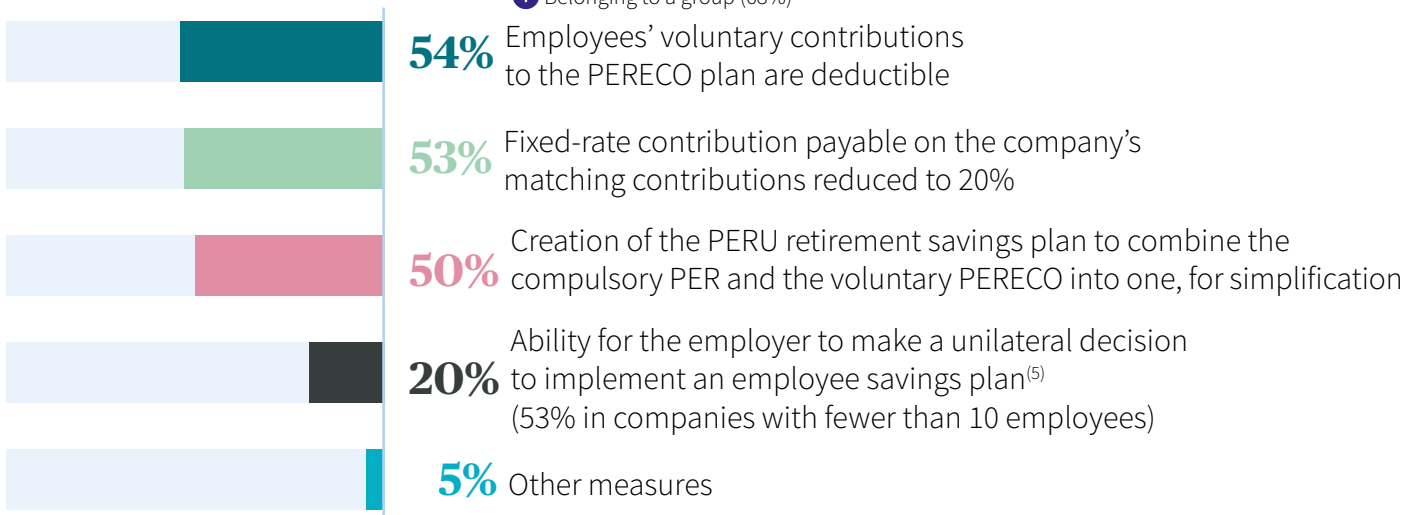
61%

Ability to set up an employee savings plan for less than three years

+ Belonging to a group (78%)

Other incentives

+ Belonging to a group (68%)



(4) Item included only for companies with fewer than 50 employees.
 (5) Item included only for companies with fewer than 10 employees.

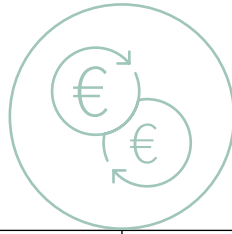
+ Significantly higher than the overall sample. Companies not offering an employee savings plan.

All companies want access to more information!



75%
The **cost**
for the company

+ 20 to 49 employees (86%)
Belonging to a group (91%)



71%
Tax
treatment

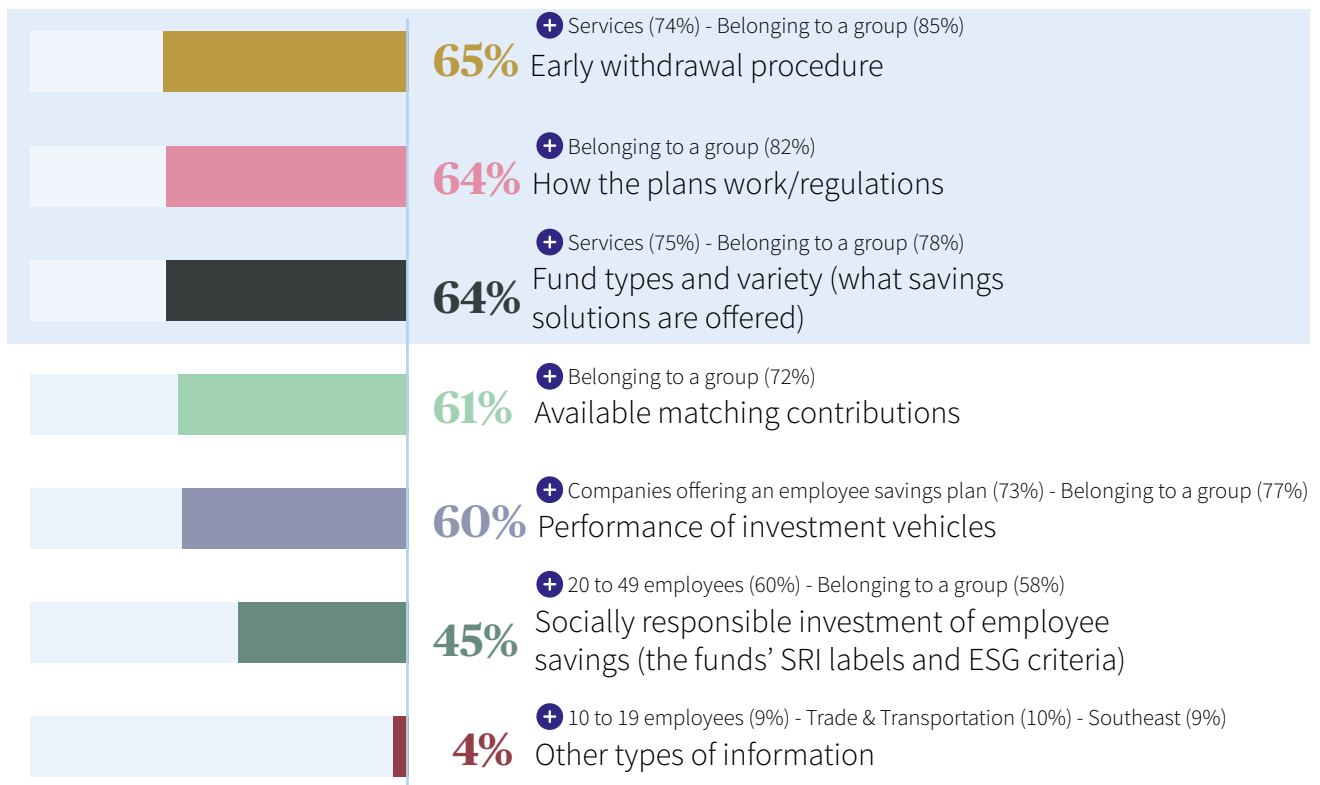
+ Belonging to a group (81%)



66%
How to **set up**
a plan

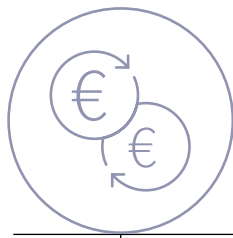
+ Belonging to a group (83%)

Other desired information



+ Significantly higher than the overall sample.
All companies (with or without an employee savings plan).

A robust need for all types of information in companies with employee savings



77%
Tax treatment

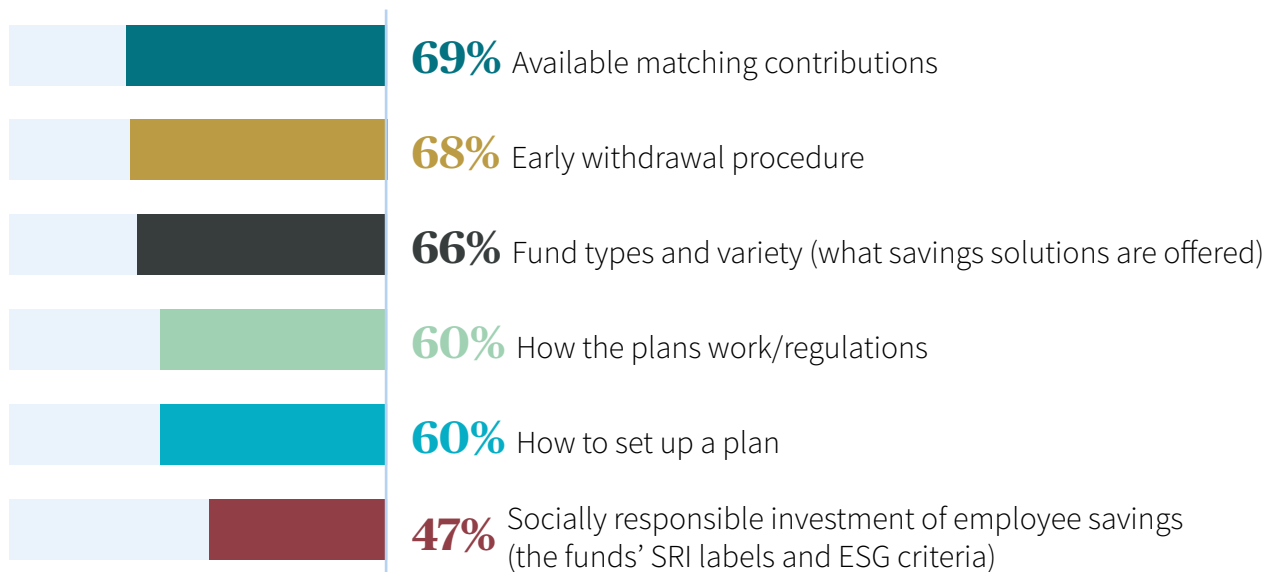


74%
The cost for the company



73%
Performance of investment vehicles ⁺

Other desired information



⁺ Significantly higher than the overall sample. Companies offering an employee savings plan.

Companies intending to offer a plan mainly want to know the cost and how-tos



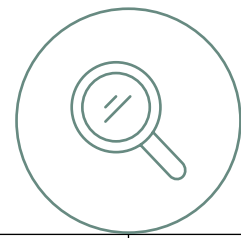
83%

The **cost** for the company



83%

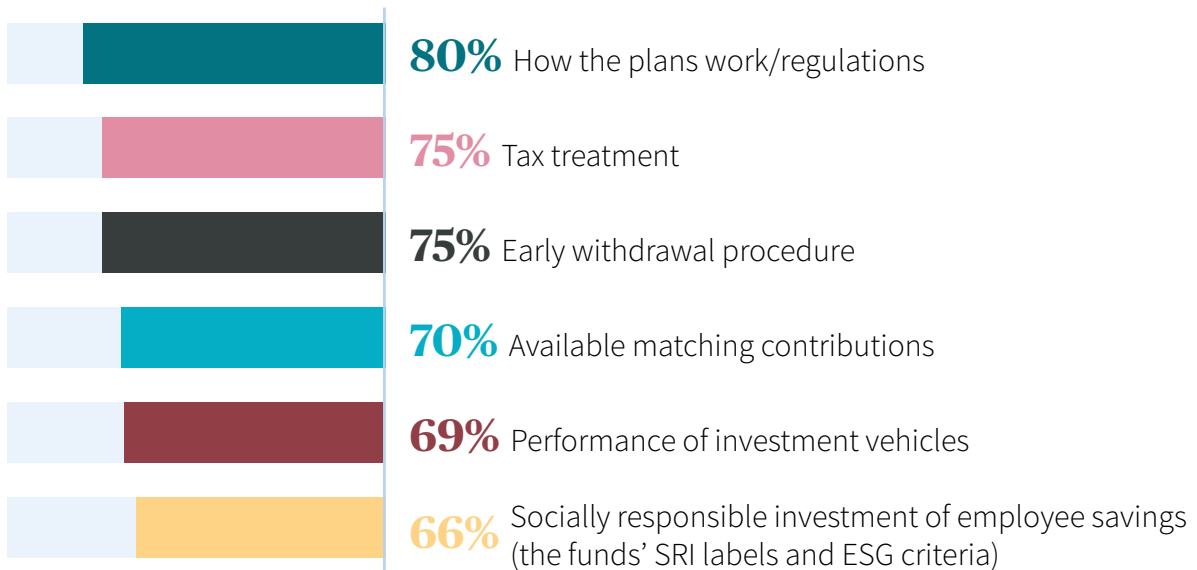
How to **set up a plan**



82%

Fund types and variety (what savings solutions are offered)

Other desired information



42% of decision-makers see the positive impact of socially responsible savings for the company

SOCIALLY RESPONSIBLE SAVINGS ARE MORE ATTRACTIVE THAN OTHER SAVINGS PRODUCTS FOR THE FOLLOWING REASONS

Communicate a **socially responsible image** of your company



42%

27% just as attractive

+ Companies offering an employee savings plan (55%)
North & East (70%)

Provide a **safe** investment for capital



39%

34% just as attractive

+ Belonging to a group (49%)

Performance of the investment vehicles offered

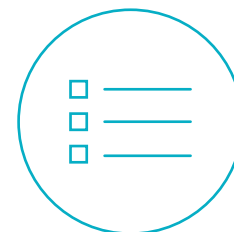


38%

36% just as attractive

+ Trade & Transportation (50%)
Expect revenue to stay the same (48%)

Diversity of the funds offered



34%

37% just as attractive

+ Belonging to a group (48%)

+ Significantly higher than the overall sample.

QUALITATIVE SURVEY OF COMPANIES

How do companies perceive employee savings in general?

A win-win product

Generally, the SMEs that were interviewed describe **employee savings plans as an asset, both for the company and for employees.**

- First of all, because it **engages employees in the company's performance** (company performance-based bonuses) and **rewards them when the company is profitable** (profit-sharing), but without penalizing them in the opposite scenario.
- Next, because it is a **value-sharing** system that **builds employee loyalty** and can also **attract new talent** – often a key benefit for SMEs, which sometimes “compete” with large groups and/or do business in a highly competitive environment.
- Employee savings plans also come with **social security contribution and tax incentives** for the company and employees alike.

A virtuous mechanism that benefits all stakeholders.

“*It's a way to share added value across the company. The plans might be compulsory, such as for profit-sharing bonuses in companies with more than 50 employees for a certain number of years, once they cross the threshold, or optional, such as for company performance-based bonuses.*”

Still difficult to understand

Not only are employee savings plans sometimes difficult to set up, there are several deterrents:

- First, before deciding to set up a plan, the CEOs of SMEs generally want **a clear idea of the budget** it will involve. This is not always easy to calculate, especially in the case of profit-sharing bonuses, which are based on the company's taxable profit... and therefore cannot be determined in advance.
- Second, **these products are understood to be complex**, and the information that is available is often found to be overly technical and difficult to understand.
- Third, the CEOs that were interviewed deplored the **constant updating of the legal framework**. SMEs do not necessarily have the human and/or financial resources to easily cope with these continuous changes, and experience:
 - Difficulty keeping up with updates to laws and regulations
 - Fear of suffering the consequences of an unintentional breach of an obligation or an error in implementing applicable measures.

“*The main deterrent would be the overall cost. **You need to do the math.** You also have to consider the time spent. There would have to be real benefits to make it worthwhile.*”

A company without an employee savings plan

Interviewees deplore a lack of quality information

Overall, the shared sentiment is that there is **not enough quality information available on employee savings**, despite it being a complex and strategic issue for the company.

- Some interviewees **receive information from their company** (for example, subsidiaries of groups with their own regulatory intelligence department or monitoring tools).
- Some go **to the organization administrating their employee savings plan** for more information, or – if they do not have a plan yet – approach a prospective partner, by visiting their website, consulting the documentation provided, reaching out to a direct contact and/or contacting the legal department.
- Others browse the **Internet/specialized websites** or **sign up for notifications/newsletters** (for example, from the French Ministry of Labor).
- More rarely, some report having consulted **a lawyer**, for example, for advice regarding a very specific issue. However, the cost of a consultation is strongly dissuasive.

In general, interviewees **feel uninformed and on their own, because the information provided is dense, technical and often too general** (not adapted to their particular situation).

The SMEs that were interviewed underscored the fact they were **especially hard at work during the pandemic**, having to deal with an unprecedented crisis (for example, by putting together furlough policies, arranging remote working, etc.) and **did not always have the time required to read the information**.

“ The company sends us some info, but it’s not a lot, either. And I must say I don’t have much time for it, anyway. In the current climate, there have been other things to worry about. ”

A company with an employee savings plan

Experience-based feedback

CEOs want support from plan administrators in handling communications

SMEs do not always feel that they can communicate legitimately about the plans, since they themselves are not sure about every detail. In this area, **they appreciate being able to rely on the organization administering the employee savings plans** and expect them to provide the following:

- Information meetings
- Brochures
- Webinars, online information sessions and other learning tools
- Telephone hotline.

However, SMEs deplore that **the information obtained through these channels or from these sources is not always adapted to non-specialists, particularly those who are new to the topic.**

SMEs also point out that these employee savings plans are optional – except with respect to profit-sharing – and/or that companies are free to adapt them. **They deplore that employees often end up seeing the plans as an entitlement and no longer as an advantage offered by the company.** Because of this sense of entitlement, once a plan has been set up, it is often very difficult to end it, even if the company is performing poorly or going through a rough patch.

*“ I asked for brochures to be sent but, to be honest, you should see what they look like, because **when I got them, I knew it would be useless to distribute them. They are far too technical** and use terms like ‘allocation by asset class’ or ‘category of allocation by maturity’ that are really not understandable by everyone. ”*

A company with an employee savings plan

Some **ADVANTAGES** of employee savings for employees

For employees

- A safe investment for savings that generally produces **good yields**.
- An opportunity to **build up medium-term or long-term savings** toward a major life project (such as buying a home) and/or retirement.
- For those that benefit from **matching contributions**: the guarantee of a good yield (much higher than a basic savings account, even if it means that the savings are locked in for a while).
- The ability to **“stay in control”** and decide whether or not to make voluntary contributions and also how much to invest (up to the allowed limits).
- A way to **optimize tax and social security costs**:
 - When funds are invested: the amounts are exempt from tax and social security contributions other than the minimum “CSG” and “CRDS” in France.
 - When funds are withdrawn: the capital is exempt from income tax.
- In addition, up to **10 days of untaken paid leave** per year can be converted and invested – whether or not the employee has a time-saving plan.

“*Building employee motivation, loyalty... and it’s a form of additional pay that doesn’t have the same cost for the company.*”

Some ADVANTAGES of employee savings for the company

For the company

- An opportunity to engage employees in the company's performance, enhancing **motivation, accountability and awareness**.
- Amounts paid into employee savings plans are **exempt from social security contributions and tax deductible**.
- The ability to **set its own rules**. Employee savings plans are not a mandatory benefit (except for profit-sharing bonuses). However, SMEs pointed out that **it is very difficult to end a plan** without creating ill will among employees.

“*Employee savings plans are a way for companies to distribute pay based on the achievement of certain results. This is truer for plans based on company performance-based bonuses – where companies choose how to calculate them – than for profit-sharing plans. They enable employees to share in the company's results, especially after a good year. So, everyone has a role to play, because if profitability increases, employees reap some benefits. And it's also a way to distribute pay that is not subject to social security contributions. For example, with company performance-based bonuses: when we give an employee 100, they take home 100, which is not at all the case if the 100 is gross pay. There's a definite advantage.*”

A company with an employee savings plan

Close-up on companies without an employee savings plan

Portrait of the ideal partner

The micro enterprises that were interviewed mainly expect their future partner to be:

- **Empathetic:** able to see things from the company’s perspective and understand its needs.
- **Responsive:** able to handle a problem quickly (to lighten the burden for the company).
- **Unbiased and available:** a partner of the company as well as its employees, employees, ready to visit the company in person when they sign up, for example.
- **Transparent:** keeping all stakeholders fully informed.
- **Easy-to-understand:** able to explain the plans in ways that are suited to different audiences, using clear and simple language.
- **Communicative:** able to get employees on board.
- **Reassuring:** responsive to any employee concerns (in particular, about the funds).

“ We want **a partner that listens and is responsive**, and that quickly settles any issue that comes up. As chief executives, our daily work consists in finding solutions to problems. **This isn’t something I want to lose a day over. There aren’t 40 days in a week. So I expect my partner to be responsive and able to handle any problems** that may arise. If there is a complicated interface and the employees have a hard time and I have to deal with that – that won’t work. I would go bananas. **Things needs to be seamless and stress-free.** And it’s important to have a dedicated contact person who can answer questions quickly, so that problems don’t go untreated. ”

A company without an employee savings plan

Summary

What SMEs expect

What SMEs mainly expect from their partners is **BETTER COMMUNICATION and BETTER SUPPORT AND FOLLOW-UP.**

SMEs want a partner that is:

- **Proactive and takes initiatives:** for example, a partner that will inform them of an upcoming change to applicable laws or regulations, but that will also suggest ways to optimize their plans (and not forget about them once they have been signed).
- **Easy-to-understand:** using clear, easy-to-understand language, not technical jargon.

They also want more information:

- About the **Pacte law:** although many know that it affects employee savings plans, for the moment, they are not able to explain how.
- About the various investment vehicles.

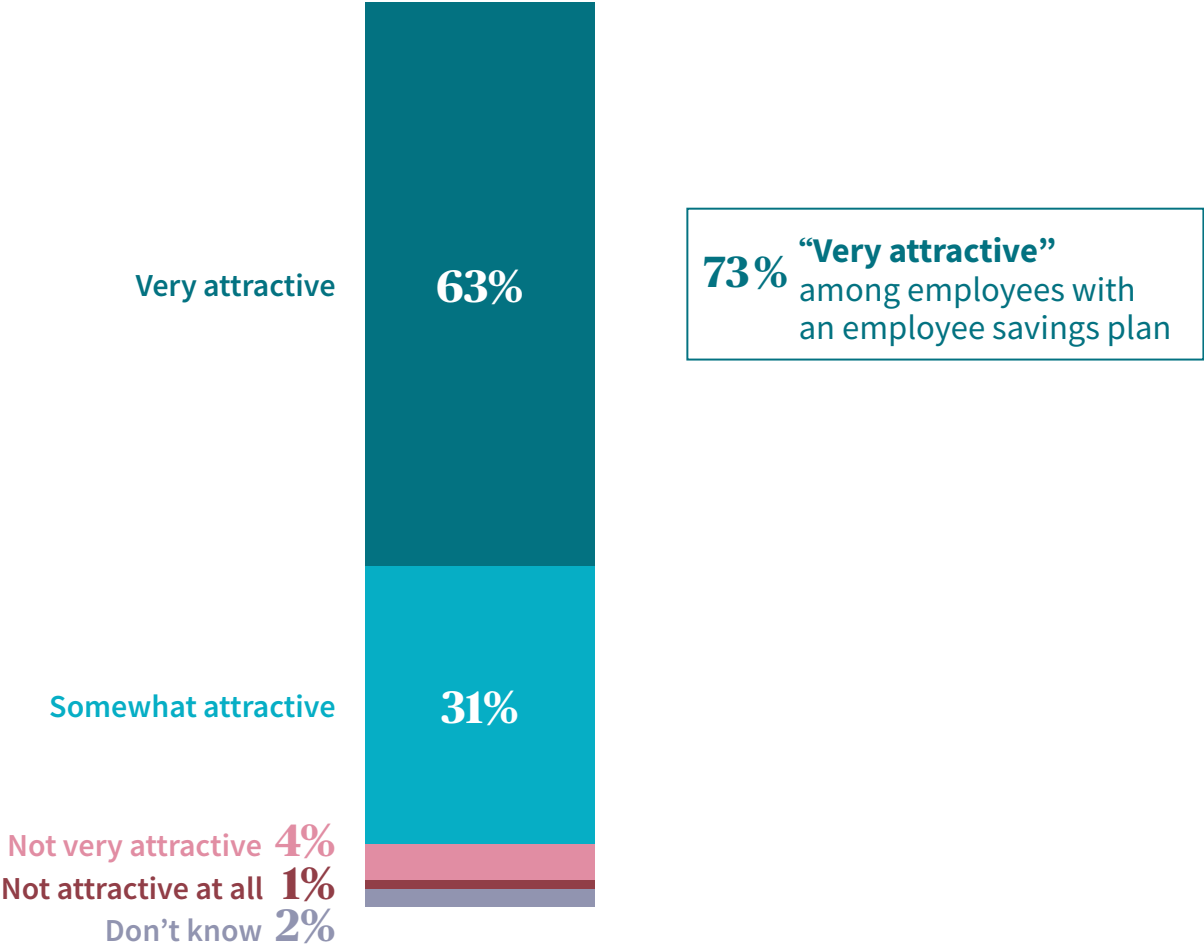
QUANTITATIVE SURVEY OF EMPLOYEES

A quantitative survey conducted online through the **AXA Client Panel** from August 27 to September 2, 2021 (involving **254 employees** who are also AXA customers, including **151 employees with an employee savings plan**)

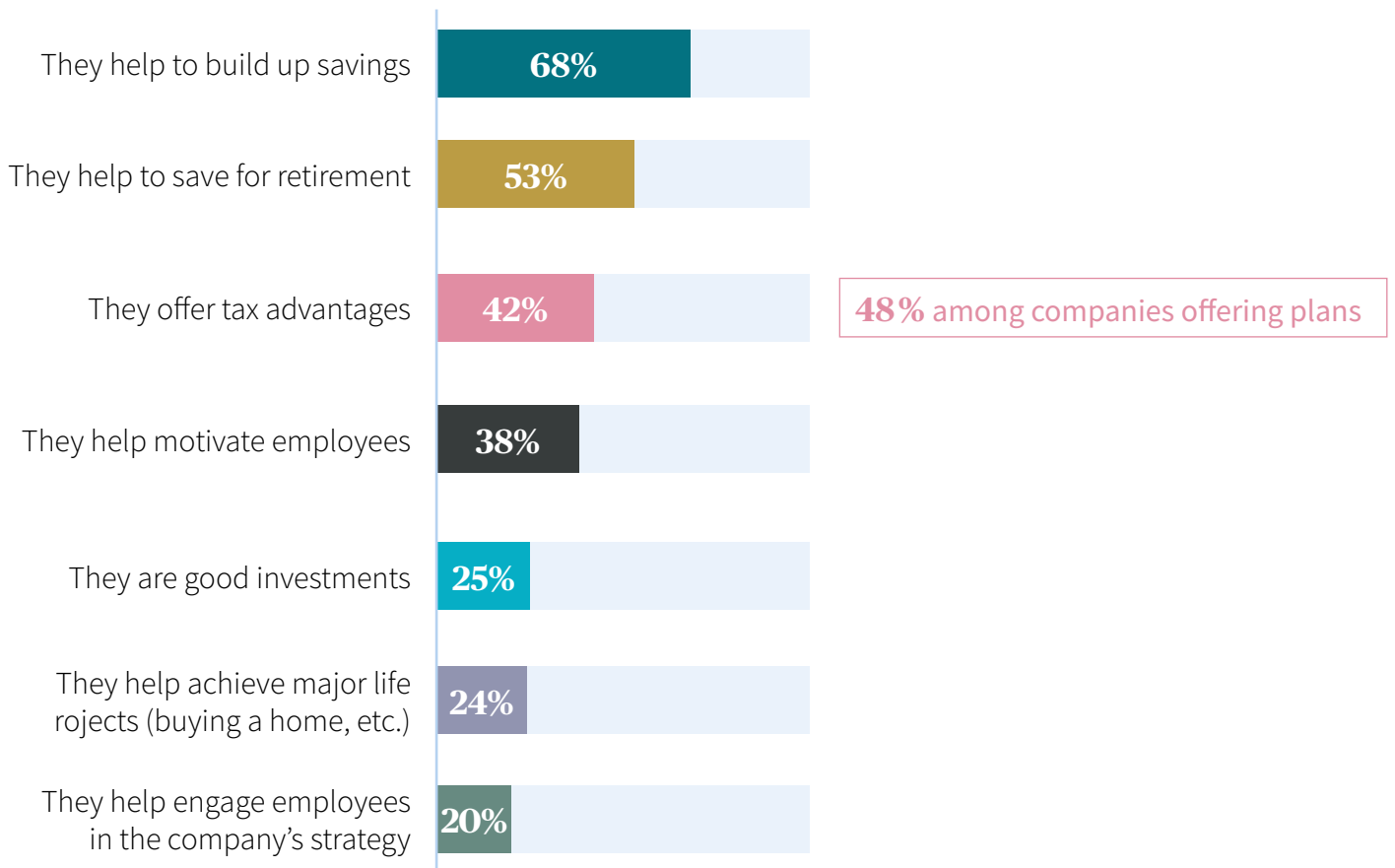
Nearly all employees surveyed are interested in employee savings!

How interested are you in whether a company has an employee savings plan? Is it a measure that you consider “very attractive,” “attractive,” “not attractive,” or “not attractive at all”?

Degree of employee interest
(Base: 254 employees)



The attractiveness of the plans is mainly due to the company's matching contributions

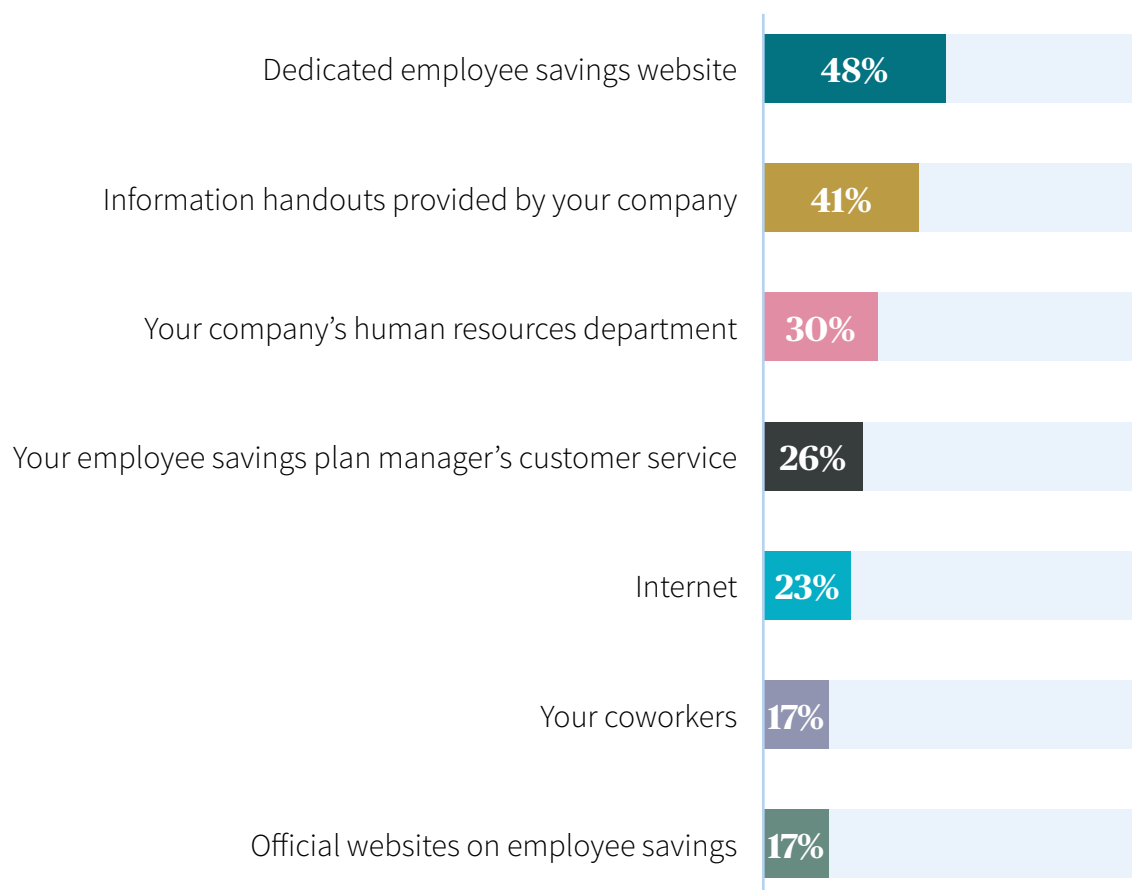


Online customer accounts are the preferred source of information for plan holders

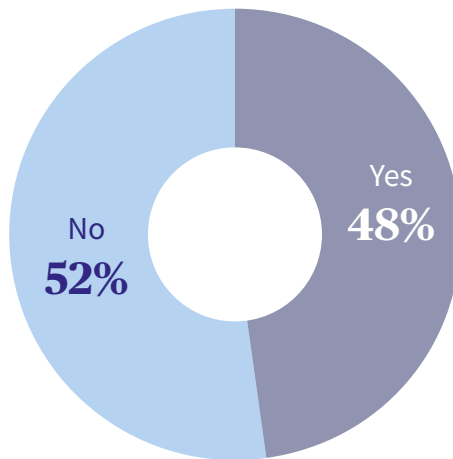
Where do you go for information when you have a question about employee savings?

Sources of information for holders of an employee savings plan

(Base: 151 holders of an employee savings plan)

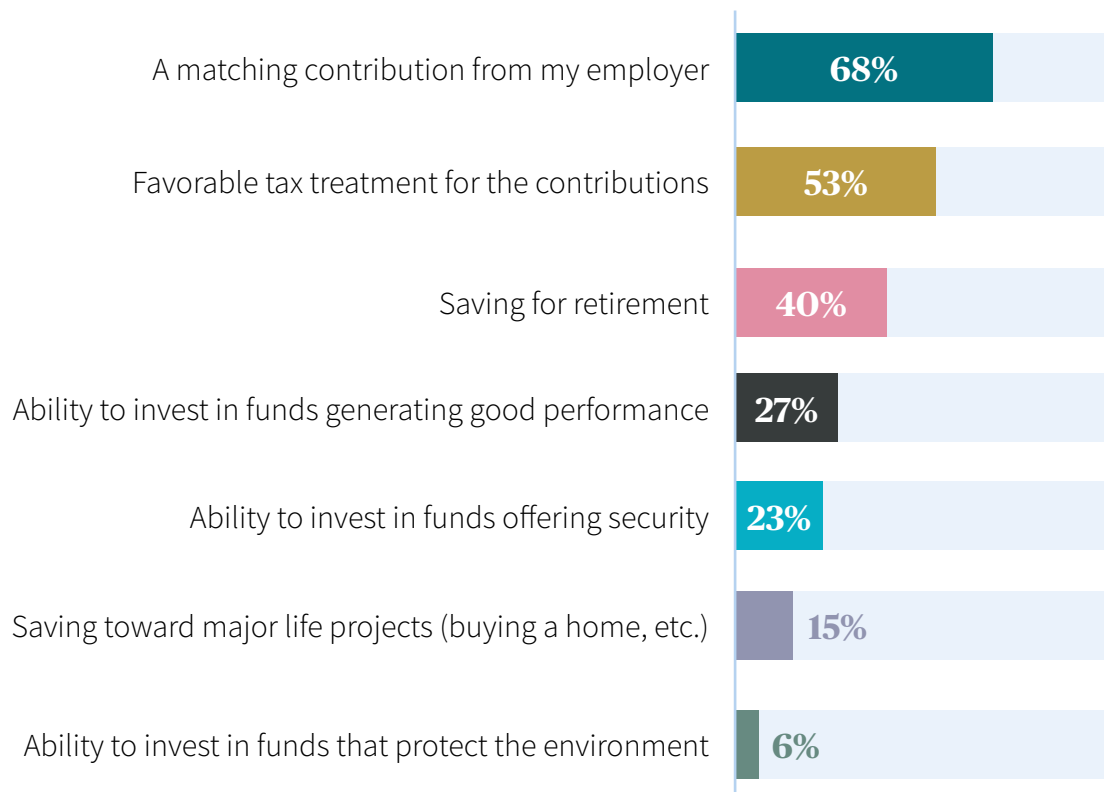


48% of plan holders make voluntary contributions



What motivates you – or could motivate you – to make voluntary contributions?

(Base: 151 holders of an employee savings plan)



KEY TAKEAWAYS

Employee savings plans are a virtuous mechanism that benefit all stakeholders:

- The mechanism is a **“win-win”** for companies.
- Employee savings plans are seen to be a **real asset**.
- They build employee **loyalty** and **motivation**.

Kantar/AXA survey from August 27 to September 2, 2021

A quantitative survey of a sample of 300 companies with 5 to 250 employees, conducted by Kantar in July 2021, by telephone, and enriched with six in-depth qualitative interviews with companies in the same population.

A quantitative survey conducted online through the AXA Client Panel, involving 250 employees who are also AXA customers, including 150 with an employee savings plan.

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