Medal winners

What lessons can reward professionals learn from sport?

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Sporting life is a rich repository of lessons

The political unrest in Brazil is currently overshadowing preparations for this year’s Olympic games for many. Yet, when the curtain rises on the opening ceremony, eyes around the world will be on Rio to support and cheer on their national teams. The link between sporting prowess and performance means there is a number of lessons that translate from sports into people management and reward strategies.

With many Olympic athletes relying on sponsorship for funding, rather than lucrative pay deals, there are a number of other factors motivating individuals and driving both personal and team performance. And in sports, such as football, where money is less of an issue, just what is it that motivates and boosts team performance? Bosses at Leicester City Football Club, for example, have, over the course of the season, turned the team around from near relegation to a strong contender (at the time of writing) to win the Premier League. So, what lessons can HR and reward professionals take from this, and how can these be applied in their own organisations?

While no employer would ever dream of expecting their workforce to invest the same amount of time and dedication in their health and fitness, there are a number of tangible business reasons for employers to invest in employee health and wellbeing, for example, through healthy eating initiatives. Find out more about the lessons HR and reward professionals can take from the sporting world in Peak performance on page 12.

Poor sleep quality or habits can greatly impact an employee’s concentration, productivity and mental wellbeing, which can prove damaging to their motivation and engagement. Sleep management could be the next big thing in workplace wellbeing programmes. Find out how in Blowing out the candle on page 19.

Employers that are leading the way in benefits strategies and provision are celebrated on the shortlist for the Employee Benefits Awards 2016, which we announce this month. Find out who made the shortlist at www.employeebenefitsawards.co.uk.

The winners will be announced at the Employee Benefits Awards and Summer Party on 3 June at the HAC, London.

Debbie Lovewell-Tuck
Editor

“THERE ARE A NUMBER OF KEY LESSONS THAT TRANSLATE FROM SPORTS INTO REWARD STRATEGY”

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Gender pay gap reporting takes shape

Louise Fordham | Deputy editor
Employee Benefits

In February 2016, the government expanded its plans to require organisations with more than 250 employees to publish gender pay gap data.

In addition to publishing average gender pay gap and bonus pay gap data, under the draft regulations, firms will also have to publish the number of male and female staff in each pay range. This information must be reported each year and signed off by senior management. Employers will also be required to share gender pay gap data on their websites.

The government will publish league tables of the gender pay gap by sector in order to facilitate comparisons between sectors and to ensure employers take action to address their gender pay gap. The government will also publish a report to recognise those employers that are trailblazing in this area.

Employers may be required to calculate their pay gap from April 2017, and the government is expected to publish league tables from 2018.

To help employers with the gender pay gap reporting regulations, the government has proposed a £500,000 support package, including free online software, conference events across the UK, and targeted support for traditionally male-dominated sectors.

Jo Broadbent, counsel at law firm Hogan Lovells, said: “At the moment, this is just a draft regulation so there are still quite a number of uncertainties that need to be ironed out. Employers can, and should, start thinking about what they are going to do to comply, but they probably can’t take detailed steps until [the regulations] are clearer.”

This could include: liaising with payroll departments or external payroll providers about what data is already collected and how easy it would be to use existing systems to generate the data required under the proposed requirements; considering resourcing issues; and looking at whether mechanisms are in place to support gross hourly pay rate calculations. “It’s really about having a high-level overview of what [employers] are going to need to do and where the challenges are going to come up,” said Broadbent.

Employers could conduct a trial run to gain a better overview of these potential issues, as well as a clearer idea of what their gender gap looks like, which would then enable them to take proactive steps. “Employers should think about these things even if they don’t go through a trial run: what do they think their gender pay gap is going to look like, what are the causes of that, and what can they do to try to correct it?” added Broadbent.
The latest information on legislation and tax issues affecting benefits, including a comprehensive overview of how the decisions announced in the 2016 Budget will impact employee benefits and reward

Assessing the impact of the 2016 Budget

Louise Fordham | Deputy editor

Chancellor George Osborne delivered the Budget 2016 on 16 March. It included a number of key announcements impacting reward and benefits:

- The government is considering limiting the range of benefits offered through salary sacrifice arrangements. It intends to continue to allow pension saving, childcare and health-related benefits to attract tax and national insurance (NI) contribution relief when they are provided through a salary sacrifice arrangement.
- The government confirmed it will phase in tax-free childcare from early 2017, with parents of the youngest children able to enter into the scheme first. All eligible parents will be brought into the new scheme by the end of 2017. The existing childcare voucher system will remain open to new entrants until April 2018.
- The government will consult on how to extend shared parental leave and pay to working grandparents. The consultation will launch in May 2016 and will consider options for streamlining the system and making better use of digital technology.
- The standard rate of insurance premium tax (IPT) is to rise from 9.5% to 10% from 1 October 2016.
- The tax-free personal allowance limit will increase from £11,000 in 2016-17 to £11,500 in 2017-18. The higher-rate tax threshold will rise from £43,000 to £45,000 in April 2017.

- The rate of fuel duty will remain at 57.95p per litre for 2016-17.
- The government is implementing an individual lifetime limit of £100,000 on gains eligible for capital gains tax exemption through employee shareholder status. This applies to arrangements entered into from 17 March 2016.
- From April 2017, the government plans to increase income tax and NI relief for employer-sponsored pension advice from £150 to £500.
- Employer pension contributions are to increase in the public sector from 2019-20. This follows a review of the discount rate used to set employer contributions to unfunded public service pension schemes; the discount rate is being set at 2.8%.
- The government is to consult on the introduction of a single, clear definition of financial advice and on the introduction of a pensions advice allowance. The latter would enable savers to withdraw up to £500 tax-free from their defined contribution pension scheme to redeem against the cost of financial advice. The pensions advice allowance would be available to under 5s but the exact age at which savers could make withdrawals will be determined following the consultation.
- The government is to restructure the Money Advice Service, The Pensions Advisory Service and Pension Wise into two financial guidance providers.
- The government has committed to ensure that the industry designs, funds and launches a pensions dashboard by 2019.
- The government will launch the Lifetime individual savings account ( Isa ) in April 2017. Individuals between the ages of 18 and 40 will be able to open an account and save up to £4,000 a year with a 25% government contribution until their 50th birthday. The savings and government contribution can be used to buy a first home or withdrawn as retirement income after the age of 60.

For more information visit: bit.ly/1pETujH

Expert advice

Neil Emery is associate solicitor at Cavendish Employment Law

Taking a holiday does not mean taking a break from commission

In the case of Lock v British Gas Trading, the Employment Appeal Tribunal (EAT) has confirmed that an employee’s holiday pay should include an element in respect of commission.

Lock was an energy trader for British Gas Trading, earning commission on the sales he generated, equating to around 60% of his basic pay.

When he took holiday, he received basic pay and commission from sales made before his holiday. In subsequent months however, Lock’s commission payments were lower because he made no sales while on holiday.

Lock brought an employment tribunal claim, arguing that he had suffered an unlawful deduction from wages relating to a period of annual leave.

In the earlier case of British Airways v Williams and others, the European Court of Justice (ECJ) held that holiday pay should reflect the income workers would usually receive, had they been working.

Lock argued that future pay should be enhanced to reflect commission he would have earned, had he not been on holiday.

The tribunal referred the case to the ECJ, whose preliminary ruling was that commission must be included when calculating four weeks’ holiday pay under the EU Working Time Directive (incorporated into UK law by regulation 13 Working Time Regulations 1998).

The case went back to the tribunal, which upheld Lock’s claim and said that the Working Time Regulations should be interpreted to include commission payments for these four weeks’ annual leave. British Gas appealed, but was unsuccessful.

Under regulation 13A of the Working Time Regulations, workers are entitled to an additional 1.6 weeks’ holiday (more than under the EU Working Time Directive), but it does not appear that the obligation to include commission in holiday pay currently extends to these days. Nevertheless, employers will now have to take commission into account when calculating employees’ holiday pay.

Read also

More advice from tax and legal experts bit.ly/218Molw
All the fun of the fair at the Summer Party

Reward and benefits professionals set to gather for awards ceremony

Don’t miss your chance to attend the 14th annual Employee Benefits Awards and Summer Party, taking place on 3 June at the Artillery Garden at the HAC in London.

The awards will see reward and benefits professionals gain recognition for the outstanding work they have undertaken over the past year.

Winners will be announced across 23 categories recognising employers’ achievements in areas ranging from health and wellbeing to financial education and flexible benefits, and everything in between.

The winners of the prestigious Grand Prix and Benefits professional of the year awards will also be unveiled at the ceremony, celebrating the best of the best in the industry.

The awards ceremony will be followed by the much-anticipated summer party, complete with the ever-popular dodgems, carousel, big wheel and fairground games.

Table bookings for the event are limited, so make sure you do not miss out on the biggest industry gathering in the employee benefits calendar.

The Employee Benefits Awards and Summer Party will provide the perfect opportunity to come together as a community to network, learn and celebrate the successes of the last 12 months.

The shortlist for the Employee Benefits Awards 2016 has now been decided and the line-up will shortly be available at www.employeebenefitsawards.co.uk.

More than 25 HR, benefit, reward and compensation professionals took part in the judging process. The judging panel drew on their collective experience from a range of industries, locations and workforce demographics to select the shortlist across the categories open for entry.

The winners will be announced during a lunchtime ceremony at the Employee Benefits Awards and Summer Party on 3 June at the Artillery Garden at the HAC, London.

The winner of the prestigious Grand Prix award will also be announced at the event. This award could not be entered, but is designed to celebrate the best of the best from all of the category winners.

We would like to congratulate all of the Employee Benefits Awards 2016 finalists and hope to see you all at the awards ceremony and summer party.

We would also like to say a big thank you to all of the 2016 sponsors and judges.

For more information on the Employee Benefits Awards 2016 and to book your table, visit www.employeebenefitsawards.co.uk
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The hub...

People moves

DLA Piper hires Vaughan
Ellie Vaughan has taken up the role of UK reward manager at global law firm DLA Piper. She joins DLA Piper from the Alzheimer’s Society, where she was reward manager. Prior to this role, Vaughan held the position of reward and recognition advisor at Cancer Research UK.

EAPA names Cooper
The UK Employee Assistance Professionals Association (EAPA) has named Professor Sir Cary Cooper as its first honorary member. Cooper is president of the CIPD and professor of organisational psychology and health at Alliance Manchester Business School.

Co-op Group appoints Russell
The Co-operative Group has appointed Seth Russell group head of reward. Russell has extensive experience in reward and benefits roles, including director of reward at Three UK, global reward manager at BP International and interim head of reward UK and Ireland at Dixons Carphone.

Louise’s lowdown

Osborne unveils new Lifetime Isa saving mechanism in Budget 2016

Before Chancellor George Osborne delivered his Budget 2016 speech to Parliament on 16 March word had spread that this Budget would not herald further radical reform to the pensions tax system.

There had been “no consensus”, said the Chancellor, around potential changes; namely a move to a flat rate of pensions tax relief or to an individual savings account (Isa)-style system that follows a Taxed-Exempt-Exempt model rather than the existing Exempt-Exempt-Taxed model.

Osborne did, however, unveil a new savings mechanism in his Budget speech: the Lifetime Isa. Designed to encourage younger people to save, individuals will be able to save up to £4,000 a year into a Lifetime Isa and the government will make a 25% contribution. The Lifetime Isa can be opened by those under 40, although individual and government contributions can be made up until the age of 50.

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Social media

We can make saving and investment easier and more accessible to people through better education offering to ensure staff are fully aware of this.

Yet, the Lifetime Isa does provide a further incentive to save, particularly for those who are in a position to use it as an additional savings vehicle. According to research by Mercer, published in November 2015, a third (33%) of employee respondents are worried about getting on the property ladder and 48% are concerned about saving enough for retirement. Worryingly, the research also found that these concerns are contributing to stress levels (78%), lowering motivation (57%), negatively impacting employees’ energy levels (51%), and affecting their overall health (46%).

Considering the significant impact financial worries can have on employees’ wellbeing, it is perhaps no surprise that employers’ financial education is becoming increasingly holistic. So will the Lifetime Isa go some way to alleviating financial concerns, by encouraging employees to save and providing another way in which they can do so? Will it ultimately detract from pension saving or will it complement it? Or will it, as some have speculated, serve as a bridge to an Isa-style tax system for pensions? Only time (and perhaps the next Budget) will tell.
Louise Fordham rounds up some of March’s key facts and figures relating to employee benefits

77% of UK respondents only measure staff engagement once a year (Source: Deloitte)
bit.ly/1Uq1gfv

76% of employer respondents feel that frequent changes to pensions regulation are a burden (Source: Barnett Waddingham and Standard Life)
bit.ly/1QYfgr2

23% are yet to review their pension scheme investment strategy since the introduction of the pension freedoms in April 2015 (Source: Willis Towers Watson)
bit.ly/1QNOyOP

15% of employer respondents feel that frequent changes to pensions regulation are a burden (Source: Barnett Waddingham and Standard Life)
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27% of managers feel more comfortable discussing employees’ physical health than their mental health (Source: Axa PPP Healthcare)
bit.ly/1V6YW6e

77% want their financial education programme to support employees’ personal finances (Source: Nudge)
bit.ly/1JQ5WyT

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This month’s big question...

How influential are staff in driving benefits strategy?

Employees are driving benefits strategy in a number of ways: as talent; as employees without borders; as interest groups; as collaborators; and as consumers. Employees are more mobile, educated, technologically enabled and focused on the short term than ever. They want recognition of their needs, involvement, participation and transparency.

Employees view work differently: changing jobs frequently and developing portfolio careers. Traditional corporate offerings no longer fit. Benefits need to be shorter term and fluid, providing support for today and development for tomorrow. As growth in the global workforce slows, employers will look wider for talent. Technology enables employees to work across borders. Benefits strategies will have to adapt.

Many organisations have increasingly gender-, age- and ethnically-diverse populations, and each group has particular needs. While not mutually exclusive, the importance of particular benefits differs. Barclays’ Talking about my generation: exploring the benefits engagement challenge report, published in September 2013, found that health provision is valued by all but viewed differently: older workers want traditional insurance, whereas younger employees value gyms and wellbeing.

Employees are connected and they collaborate: they expect transparency, Glassdoor and social media sites mean that benefits strategy is public. This will inevitably influence how organisations design, package and communicate benefits.

Finally, employees are consumers of their employer’s brands, culture, pay and benefits and development plans. Many organisations are turning to consumer marketing and big-data analysis to gain insights into the needs and wants of employees. The outcomes are driving benefits choices and strategy.

With more than 30 years of working in people management, I believe that there are several key factors that influence and drive performance levels within a business. One of these, without a doubt, is putting employees at the core of what they do, ensuring that they know they are being listened to and know that, ultimately, their input will be heard and considered and have a direct bearing on the decision-making process. This, to my mind, is a key ingredient for business success.

So, in answer to the question ‘Are employees becoming more influential in driving benefits strategy?’ I would like to think that the answer is indeed yes and, more to the point, I would see this as a positive thing.

In organisations where employees are provided with the opportunity to make it clear what they want, and, in this case, what they would like to see within a benefits strategy, then the easier it is for the organisation to ensure that a suitable return on investment in terms of staff attraction and retention rates is made.

The trick, of course, is to ensure that any such feedback from employees by way of upwardly influencing is facilitated by an effective internal communications strategy, thus ensuring that it is conducted in a fair and meaningful way and not just left to chance with the most vocal staff, irrespective of what they have to say, being allowed to have the most influence.

In my experience, this approach will then go a long way to ensuring that employees are both considered and realistic in giving their input and, in the main, will look to influence the decision makers by providing thoughts and ideas that will generally be deemed to be relevant and valid, in this case, in the context of building a meaningful benefits strategy.

Wendy Choyce
is HR and training director at Carter Law Solicitors

Any self-respecting director of reward will say: ‘Of course. We offer them a flex plan, don’t we (even if take-up is often low); and do lots of interesting generational analysis of our staff engagement survey results (even if we rarely do anything in response).’

There is a long history of research, from the Hawthorne studies in the 1920s onwards, demonstrating that employee involvement has a huge influence on the performance of employers, and the acceptance and outcomes of their reward plans. Michael Armstrong and I found that the success of pay and benefits changes was closely related to levels of employee communications and involvement.

Yet, responding to those couple of questions on pay and benefits in the annual staff survey and undertaking the horrendous annual flex enrolment process is as involved as most employees get in their reward strategy. The decline of union bargaining influence in the private sector has not been replaced by any alternative involvement vehicles in most cases. Indeed, I generally find employers resistant to my suggestion to run focus groups to canvass staff views on benefits and rewards, fearing that it might ‘set hares running’.

I like Ed Lawler’s definition of incentive plans as ‘pay schemes designed to involve employees in improving performance’. He advocates employee groups to design plans, and letting employees decide how to share out any payments earned. It goes very much against the modern grain of over-engineered, multiple-objective and measures-based plans.

Yet, in cultures where employees suggest measures to improve performance and get told to shut up and get on with their work, then no incentive plan is going to work. We all need to genuinely open up our reward and benefits strategies to our employees if they are ever to realise their potential.

Duncan Brown
is head of HR consultancy at the Institute for Employment Studies

Join the discussion by searching for the EmployeeBenefits group on LinkedIn.
Peak performance
The world of sport can offer enduring lessons for reward professionals

Marianne Calnan | Reporter
Employee Benefits

Need to know
• Transferable lessons from sports professionals can help shape benefits strategies.
• In some instances, motivational benefits can be as significant as pay when it comes to engaging and retaining employees.
• Workplace healthcare programmes inspired by the sporting world can boost productivity and motivation.

@ Read also
How to incorporate fitness into the workplace
bit.ly/1XPyIs0

The 2016 Olympics kick off in Rio de Janeiro, Brazil, in August with sports professionals at the top of their game gathering from all over the world to compete, and when it comes to corporate health and wellbeing, motivation, and people management policies, there are several skills and attributes that reward professionals can take from the world of sports to help shape their benefits strategy.

Former competitive swimmer and Olympic gold medal winner Adrian Moorhouse, now managing director of management consultancy Lane 4, believes that pay builds a bridge between managing sports professionals and employees. "Unless a sportsperson is one of the lucky handful who has really good sponsorship, most are not in it for the money, because the pay really isn't great," he says. "But there is meaning and a purpose behind what they do, which is something employers need to establish to retain and motivate their staff."

Self-determination theory, which supports people’s natural tendency to behave in an effective way, focuses on the motivations behind the choices people make without external influence and interference. This theory illustrates that pay and benefits are intrinsic to motivating employees to an extent, but employers have to connect with their employees’ personal values and strengths to truly engage them, says Michael Brooke, head of innovation at banking firm BNP Paribas.

Employers need to communicate with their workforce, whether face to face, through email campaigns, engagement surveys or otherwise, to ascertain what it is that motivates and engages them beyond pay. This could range from extra days of holiday, team-building days, vouchers or a simple thank you for a job well done.

"Many sports people are also really motivated by the possibility of competing at an international level at somewhere such as the Olympics, so employers need to motivate employees with something that is meaningful for them as an individual and team," says Moorhouse.

For example, if an organisation has a collective goal, employees who have helped to reach it could be given a personal reward or bonus. Moorhouse adds: "[Employers] can’t presume something is meaningful for employees just because it will help the organisation."

Unusual and individual recognition initiatives can go a long way in creating long-term motivation that is memorable for recipients. Moorhouse says: "I trained in the US and was competing for the finals of a competition. Through the process I wore a yellow cap and when I made the finals I was given a blue cap in front of other competitors. I’ll never forget that feeling of recognition and pride."

"The ultimate way to motivate workers is to figure out what keeps them going day to day when there isn’t an Olympic medal at the end."

This illustrates that employers also need to understand their employees on a more individual basis to establish what drives and engages them. Working as a team is often considered a key element of a successful business and can help
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Chiswick Park gets staff moving into activity

Chiswick Park hosts wellbeing programmes throughout the year to encourage activity among 8,000 employees that work across various organisations in the park, including Paramount Pictures, PepsiCo, Starbucks, Tallow Oil and Walt Disney Company. Between June and September 2015, the business park hosted wellbeing events as part of its Enjoy Work programme, including crazy golf, tennis, a zip wire, and volleyball. The activities were designed to boost employees’ wellbeing, motivation and productivity.

Throughout the year, Chiswick Park also offers employees sporting events and clubs, including a running club, basketball club, and football and netball leagues. Gareth Bain, head of brand at Chiswick Park Enjoy Work, says: “These sports activities are not only motivating for those who compete, but also boost the morale and camaraderie of their colleagues. “In today’s fast-paced work environment, it is difficult to attract and retain good employees. Employees’ physical wellbeing is just as important as their mental wellbeing, and fun sporting activities play a big part in this.”

Off the back of this year’s Olympics, the organisation has created an international events theme to run alongside its regular events, including a big screen for employees to take time out of their day to support Team GB.

In previous years, Chiswick Park has hosted guest-speaker events with cyclist Victoria Pendleton and the paralympian cyclist Jody Cundy, to show how the sporting and business worlds are aligned. Joe Wicks, who is a fitness and nutrition author and blogger, is Chiswick Park’s first guest speaker for 2016.

Case study | Chiswick Park

Viewpoint

Dr Katherine Bond is performance expert at K2, chief executive officer of The Performance Room, and consultant performance psychologist for Paralympics GB

The worlds of high-performance sport and business are both obsessed with results, and there is often great reward that comes with producing great results.

Potential Olympians choose to put themselves forward for the ‘reward scheme’ that the International Olympic Committee created, and they choose to see if they have got what it takes to receive the reward. That is interesting when you think of other reward schemes designed to motivate that result in people feeling entitled to get the reward.

Once the athletes have signed up for the scheme, they have to keep hitting qualification standards along the way to stay in it, so many athletes achieve enormous growth as a result of the possible reward, without ever actually getting to compete for it.

The ultimate reward is given to the person or team that has grown beyond all others and delivered their best when it matters most. So, the Olympics is ultimately a competition of preparation, growth and execution. The Olympics does not reward potential, it rewards the product of long-term development and repeated delivery of best practice.

A reward scheme in a business promoting control, confidence and connectedness, is one that is hitting all the right notes of motivation. So many reward schemes reduce motivation because the focus becomes about the reward and not about how to achieve it. With some fine-tuning you can think about the quality of the motivation, not the quantity of people you are working to motivate.
Sports professionals have to take care of themselves in terms of what they eat, how much they exercise, and the amount of sleep they have, and employers should be looking to follow suit for their staff. Sally Gunnell OBE, a former British track and field athlete who won the Olympic gold medal in 1992 for the 400m hurdles, says: “Benefits professionals need to look after themselves and their employees just as a sports person would. Watching what you eat and how much you sleep and exercise affects you on a day-to-day basis more than you might think.”

Nutrition is also something that sports professionals have to take seriously because without a balanced diet, their body cannot function at its best and they will not be able to perform to the best of their ability. Diet is also something that employers have started to focus on, with businesses such as Fruit Drop, Snack Nation and Graze offering options for employers to provide employees with healthier food and drinks. Dr Hannah Moir, senior lecturer in health and exercise at Kingston University, says: “Although workplaces can’t really have dedicated nutritionists, employers could offer their employees healthy food.”

This way, employers are not controlling what staff consume, but they are providing convenient healthier choices.

**Happy and healthy**

Alongside nutrition, sports professionals need to take great care of their physical and mental wellbeing, which is a relatable lesson for benefits professionals. Over half (57%) of employers believe business performance and staff wellbeing are connected, according to Morgan Redwood’s Wellbeing and business performance report, published in August 2015. Gunnell says: “Organisations expect a lot from employees these days, and there’s a lot of pressure to constantly deliver, which can affect productivity and energy levels. Employees and organisations can’t afford long-term absences, so preventative healthcare is so important. It doesn’t even have to take too much time or cost too much.”

From team dynamics to healthcare and employee motivation, there are relevant lessons that can be transferred between the sports and reward worlds. These can be implemented into workplaces to boost employee engagement and to inform benefits strategies.
...is for **Flex**, a health cash plan that fits into flexible benefit platforms

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New light on bedtime

Sleep management is an important route to tackling underlying health and productivity issues

Mark Winwood, clinical director, psychological health, at Axa PPP Healthcare, says: “A decent night’s sleep has a huge impact on productivity and overall brain health.”

Poor sleeping habits can also take a toll on mental wellbeing. “Lack of sleep produces tonnes of cortisol hormone, which is associated with stress; it hijacks the frontal lobe of the brain so you can’t think positively,” explains Winwood.

In fact, employees with below-average sleep quality are 54% more likely to experience higher stress levels than those with average or above-average sleep quality, according to Global Corporate Challenge’s Insights study, published in December 2014.

Employers can support employees by educating them about the importance of sleep and communicating information about what can be done to improve sleep quality and quantity, says Nick Boyton, client relationship director at Broadstone Corporate Benefits. “Sleep management could help employers understand the potential underlying health issues in their workforce,” he adds.

Sleep management programmes

Employers can introduce sleep management programmes into their current health and wellbeing strategies, which will complement other elements such as healthy eating and exercise promotion. Winwood says: “Employers should be promoting sleep just as they would any other health and wellbeing benefit; by getting the most senior employees involved first, and modelling behaviours from the top down.”

It is best for employers to have a health and wellbeing strategy in place before implementing a sleep management programme, says Beate O’Neil, head of wellness consulting at Punter Southall Health and Protection. “Sleep management is next on the agenda for employers that already have strategies,” she says.

A sleep management programme can include a number of elements. These can range from sleep pods in the workplace to seminars, data analysis and even the introduction of sleeping pods in the workplace. Angela Steel, director, employee wellness and nutrition at Super Wellness, says: “A lot of people go to bed late and get up early, which can influence a lack of work-life balance, especially with how much technology creeps into employees’ lives.”

However, sometimes technology can also provide a need to know

- Lack of quality sleep can affect employee productivity, engagement and stress levels.
- Employers must gauge how to tackle employees’ sleep problems to best suit their needs.
- Sleep management programmes could include seminars, data analysis and even the introduction of sleeping pods in the workplace.

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answers. The increase in the use of wearable technology within health and wellbeing programmes means that employees are also able to easily track their sleeping patterns. Data mined from health and wellbeing programmes, including sleep management, is also a valuable information source from which an employer can form its approach. Data such as employees’ resting heart rate, how much rapid eye movement (REM) sleep they get, blood pressure, amount of exercise and diet can be collated to get an overall health picture.

Jay Brewer, professional head of clinical wellbeing at Nuffield Health, says: “People are becoming walking, talking data machines, and wearable technology has become so popular and affordable, and data-collection policies are so easy to opt out of should employees want to.”

Data collection can be completely anonymous and analysed at an organisational rather than individual level. Tom Gaynor, employee benefits director at Metlife, says: “Employers could monitor the collective weight loss of the entire workforce and the amount of sleep the whole workforce had through a week.”

Employers could then offer a reward for the entire workforce for the amount of weight lost or sleep gained.

Educating staff about the importance of healthy sleeping habits is beneficial to both the individual and the business as a whole. As Nuffield Health’s Brewer says: “Better sleep hygiene means improved productivity.”

Employers can help staff to improve sleep quality by educating them about the lack of it. “Employers need to educate workers about the dangers of sleep deprivation, for instance, higher risk of stroke and breast cancer,” says Gaynor.

When implementing a sleep management programme, employers need to carefully consider the needs of their workers and address the many myths concerning sleep and productivity, such as the idea that long hours equate to high performance. As Brewer says: “Benefits for a better work-life balance are growing, and in the next five years sleep management will become bigger.”

Top-flight athletes make sleep a priority in training routines. As Usain Bolt once said: “Sleep is extremely important to me; I need to rest and recover in order for the training I do to be absorbed by my body.”

If this is normal operating procedure for sporting professionals, we can expect to see more initiatives introduced for our own weary corporate athletes.

Viewpoint

**Dr Bridget Juniper is director at health data consultancy Work and Wellbeing**

Ask any hard-pressed employee how they are feeling and there is an 80% chance they will tell you they are tired and never seem able to catch up on their sleep. A third of our life is taken up by sleeping and all the evidence suggests getting enough of it is critical to our health and wellbeing.

While workplace health initiatives that focus on diet and exercise are fairly commonplace in employee wellbeing programmes, interventions to support staff getting better quality sleep are unusual. This is surprising given the strong evidence that staff are less productive and more prone to make mistakes, act unsafely and fall ill if they are sleep deprived.

Sleep management programmes can take a variety of different guises; they can come in the form of educative training made available via workshops or accessed online. Or they can have a physical presence such as sleeping pods or on-site mini-bedrooms where fatigued staff can go for a restorative nap.

Sleep programmes can be cast in both preventative and remedial health camps. However, wherever they sit in an organisation’s health framework, they will only succeed if there is an established wellbeing culture. By this, I mean senior leadership actively supports them, their managers are able to signpost them, they are easy to access, they are evaluated for impact and the actual content is relevant to the workforce in question.

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Case study | Blue Apple

**Blue Apple improves employees’ sleep quality with wellness scheme**

Catering firm Blue Apple achieved a 26% improvement in its employees’ quality of sleep between September and December 2015, throughout which it ran a wellness programme provided by Super Wellness.

The organisation also tracked stress resilience, which improved by 10% over the period, as well as food cravings, which reduced by 16%.

Additionally, Blue Apple kept track of its 330 employees’ concentration levels, which increased by 19%, while overall mood improved by 16%.

The programme focused on healthy eating, and included presentations on digestive health. Employees who took part were given monthly confidential body composition checks, as well as group coaching sessions.

Sarah Prentice, business development manager at Blue Apple, says: “In today’s world, everyone has so much to do and is constantly busy using technology. So sleep is more important than ever, especially considering that it improves productivity and concentration, and decreases stress. We wanted to emphasise good diet; our head office used to be full of sweets and cakes, but now there are avocados and nuts everywhere.”

Blue Apple’s leadership team took part in the scheme, which was a key factor in its success, says Prentice. “We want employees to feel better and live longer, and their welfare is so important to being a successful organisation,” she explains. “If employees can sleep more and get more done, it can only be a good thing for the organisation.”
The growing importance of workplace wellness

The forces driving organisations to adopt wellness initiatives and get today’s workforce fit and healthy

Beate O’Neil | Head of wellness consulting
Punter Southall Health and Protection

As head of wellness consulting, it is interesting to me that 10 years ago jobs like mine were few and far between. But the Employee wellness survey 2016, published by the Reward and Employee Benefits Association (Reba) and Punter Southall Health and Protection in March 2016, revealed that growing numbers of employers are now putting employee wellness firmly on their corporate agenda: 31% plan to implement their own wellness strategy in 2016 and 35% are planning to do so in the next three years.

So, what is driving organisations to adopt wellness initiatives and get today’s workforce fit and healthy? Socio-economic factors clearly have a significant part to play. As a nation, we are living longer than ever before and many of us will continue to work into our advanced years. Developments in medical science mean that we are living through illnesses that would have previously led to our mortality. So ensuring employers are well equipped to care for all employees through each stage of their working career is essential.

The long-term picture of our national health is in decline. Obesity among adults and children is steadily increasing and illnesses such as diabetes are on the rise. The National Health Service (NHS) is at breaking point, and unsurprisingly, the government is taking an increasing interest in corporate health. Many believe it is only a matter of time before employers will be forced to take a more proactive approach to the health and wellbeing of their employees.

Creating a wellness strategy

Creating and implementing a wellness programme for staff is not as daunting as it may seem. Employers can start by understanding the data they have at hand, such as demographic, absence data, claims data from insured benefits and Employee assistance programmes (EAPs), the make-up of the workforce, and enlist employees in surveys or focus groups to assess their appetite. They can then design a strategy that is tailored to the organisation, addresses employees’ needs and aligns with the corporate aims and objectives. The employer should get buy-in from the top, and regularly review and adapt the programme so that it stays on track.

For many, wellness in the workplace has moved from a nice to have to a must have. Employees spend a significant amount of their time at work, which presents a unique platform to promote health and wellness initiatives to them. Educating staff and encouraging them to adopt healthy behaviours, such as better eating and increased activity, can have wide-reaching benefits for all.

Healthy employees tend to be happier and more engaged and, in turn, more productive. For employers, this translates into reduced absence, increased morale and greater employee engagement.

And in the long term, having healthy staff can help to reduce the cost of injury and illness to an organisation, and, ultimately, reduce the burden on the NHS. A healthy workforce is a win-win for all.

Key statistics

- Wellness initiatives in the workplace are gaining pace: 31% of employers plan to implement a wellness strategy in 2016, 35% plan to do so in the next three years.
- Employers offering wellness initiatives do so to increase employee engagement (39%), improve their organisational culture (23%) and retain talented staff (13%).
- The median annual spend of employers with a wellness strategy in place is between £26 and £50 per employee.

(Source: Punter Southall Health and Protection and Reba’s Employee wellness survey 2016, March 2016)
Each year, almost 120,000 people of working age are diagnosed with cancer in the UK, and with survival rates improving and people retiring later, this figure is set to rise. This is why Macmillan has developed workplace training, guidance and resources to support HR and Line Managers with managing cancer in the workplace.

For people with cancer, staying in or returning to work can be hugely positive. However, it can be difficult to know how to support someone with cancer, as there are a number of challenges they may face.

In the workplace, reasonable adjustments are often needed to help deal with the side effects of cancer and its treatment. Fatigue, pain and depression are some of the common side effects, so making reasonable adjustments such as flexible working and time off to attend medical appointments can make a big difference to someone affected by cancer. In addition as cancer is classed as a disability under the Equality Act or Disability Discrimination Act (DDA), employers are required to make reasonable adjustments if the location, working arrangements or a lack of extra support (auxiliary aids) puts someone with cancer at a substantial disadvantage.

It is important to remember that each person may require different support. So how can businesses equip HR professionals and line managers to provide the best individual support for staff they manage, while adhering to organisational policies?

Often one of the biggest concerns can be starting the initial conversation with the individual who has been diagnosed with cancer. Initiating conversations and keeping communication channels open are key steps in gaining an understanding of the individual needs and support required in the workplace. It’s also important to discuss arrangements for keeping in touch with your employee before their absence, and to maintain appropriate contact with your employee during periods of sick leave.

Macmillan at Work

Training or consultancy can help organisations prepare their staff to manage the impact of long term conditions. Macmillan at Work is designed to help workplaces support employees with a cancer diagnosis, or those caring for someone with cancer.

To find out about the expert training, guidance and resources Macmillan provides, visit macmillan.org.uk/atwork

You can also email the team at workandcancer@macmillan.org.uk or call 020 7840 4725.
A toolkit to tackle absence

Which benefits are highly effective in helping to combat absence?

Marianne Calnan | Reporter
Employee Benefits

The average level of absence per employee is 6.9 days a year, according to the Chartered Institute of Personnel and Development (CIPD) and Simplyhealth’s Absence management survey, published in October 2015. The report also found that three-quarters of employers believe it is possible to reduce instances of absence.

Paul Avis, marketing director at Canada Life Group Insurance, says: “Employers must recognise that employees’ absences are complex, so organisations need a strong policy with an array of benefits and services in place.”

The CIPD and Simplyhealth’s Absence management survey also demonstrates that employees may be absent due to a vast range of issues. Minor illnesses, musculoskeletal disorders (MSDs), back pain and stress were the most common reasons for short-term absence, while acute medical conditions, stress, MSDs, mental ill-health and back pain were the most common causes of long-term absence. The benefits employers offer to combat absence must, therefore, reflect employees’ varied circumstances.

Occupational health services

Occupational health services can support healthy workforces by offering impartial health advice, whether face-to-face, by telephone, return-to-work programmes, reasonable adjustments to work, and signposting to additional assistance.

Fiona Lowe, head of HR at Westfield Health, says: “Occupational health schemes, keeping-in-touch days, discussions around GP reports, general rehabilitation, and workplace mentors are great for longer-term absences.”

Employers also need to emphasise that staff should not be returning to work unless they are truly fit and able to, adds Avis.

Group risk products

Group risk products can also be effective against absenteeism and presenteeism. Yet, some employers may not be aware of the additional support available, says Katharine Moeham, spokesperson at industry body Group Risk Development (Grid). “Group risk policies can include legal training for managers and HR departments, general face-to-face and bereavement counselling, talking therapies or physiotherapy,” she explains.

Offering a range of benefits, such as group risk insurances in addition to occupational health services, will help an employer more effectively manage absence, says Rebekah Haymes, senior consultant at Willis Towers Watson. “Employers need to integrate benefits to make sure they work together from day one of employees’ absence from different touch points,” she adds.

Flexible working

A common approach to managing employee absence is offering flexible-working polices, which allow staff to negotiate their working pattern with their employer to better suit both parties.

Need to know

- Mental health and musculoskeletal disorders are common causes of employee absence.
- Occupational health services, group risk products, and employee assistance programmes (EAPs) can support ill or absent employees.
- An effective absence management strategy should incorporate a range of benefits to address different absence issues.

Read also

How employee health data can help inform an absence management strategy
bit.ly/1R4TsKC

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Workplace Savings Guide
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- Understand how employees are making decisions in the run-up to retirement

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Swimming with the tide

Involving employees in the design of a motivation strategy can boost its success

Nick Martindale | Freelance journalist

The UK has an employee motivation problem. Research by Argos for Business conducted for Employee Motivation Day, published in February 2016, found that just 30% of teams feel motivated more than three days a week, with fewer than a quarter of those from the millennial generation saying they are motivated every day. This would suggest many motivation schemes are failing to have the desired impact, for at least some of the time.

One reason for this could be a lack of employee involvement in shaping and implementing schemes and ideas that are supposed to motivate them. Richard Ellis, marketing director at Connected Benefits, says: “We would advise employers to involve staff from the start. In some situations, it may be possible to brainstorm with employees about the types of motivation schemes that they would support, or to survey them and offer a choice of schemes for their feedback.”

Adding authenticity

Getting employee backing for any scheme can in itself be a powerful tool. Tanya Elliott, managing partner at content and communications firm The Moment, says: “We know from our own experience that we are more likely to believe a marketing message if the peer reviews are strong. The same is true in the internal world. Seeing a message that has the support of peers adds authenticity and promotes trust.”

There are a number of ways in which employers can start to involve staff more. A good starting point is to ask staff what would motivate them, says Chloé Port, head of employee communication at Xerox HR Services. “Employees can give vital information on views and sentiments within [an] organisation, as well as from friends and partners on what other employers are doing to motivate staff. Even if [an employer] doesn’t actively invite employees to participate at the conception stage, [it can] reflect on people whose performance and behaviours have stood out in a positive way and build the strategy around them,” she adds.

This is the strategy taken by Lawrence Jones, founder and chief executive officer at internet hosting business UKFast. He says: “I’ve always sought input from everybody; I work with my friends and I employ like-minded people. At the moment I’m looking at doing free breakfasts and lunches for the whole [organisation], but I’m going to do a poll giving [employees] a couple of different options on how that would be presented, and whether they would prefer anything else. That’s genuinely the best way, because your team knows best.”

The organisation has also put on yoga classes in response to feedback from staff who did not want to use the on-site gym. HR consultancy Peninsula Business Services has set up peer-recognition schemes can also make employees feel involved.

Need to know

- Involving staff in motivation schemes can encourage take-up.
- Social events, charitable initiatives and exercise classes are often popular.
- Peer-recognition schemes can also make employees feel involved.

Read also

How can the workplace motivate staff?
bit.ly/1WF2Gim

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Scuba 25
a social committee to help generate ideas and plan a number of events to raise morale. Alan Price, HR director, says: “One of our most successful events is the monthly #fundayfridaypbs, where employees devise activities surrounding a different theme, for example, a day at the funfair, which included traditional carnival-type games, tombolas and fun festival food throughout the day.”

Getting staff involved in charity or corporate sustainability initiatives can also be a good way of motivating people. Domestic and General Group offers these, alongside other staff-led initiatives such as yoga, five-a-side football and massage days. Caroline Huggett, HR director, says: “Each of our four UK offices now has a named local charity of the year, as voted for by our employees. By asking employees who they want to support, we’ve seen a greater level of commitment to the cause and a new energy for fundraising and volunteering opportunities.”

Peer-recognition schemes can also help employees get involved by allowing them to recognise others. This is something London Overground Rail Operations (LOROL) actively encourages. Carol Poole, HR director at LOROL, says: “Through our Thanks to You spot-recognition scheme and our annual Shining Star awards, staff ideas, suggestions and efforts are recognised and celebrated.”

**Record breakers**

Alternatively, employers could look to develop their own unique experience. Guinness World Records has worked with a number of employers to develop teambuilding experiences that could result in world records being set, including helping Kellogg’s employees to topple a record number of cereal boxes and Samsung Electronics to set a record time for typing the alphabet.

For employers, the hope is that getting employees to shape and buy into such initiatives will result in them being more engaged with their day jobs and the business as a whole. As Roger Parry, managing director at Agenda Consulting, says: “If staff are highly engaged and motivated, they will go the extra mile to serve customers. Those that get it wrong will find they have staff who do the minimum.”

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### Case study | Alphabet

**Alphabet sees the benefits of staff involvement in motivation strategy**

Fleet vehicle business Alphabet encourages staff to help shape its social and motivation initiatives through what it calls Alphabet Proactive Experts, or Apes.

Clare Witty, employee engagement manager, explains: “They are essentially volunteers from across the whole [organisation] and they’re my ears on the ground. We have a blackboard that staff can write on, and each month we capture the comments. It could be anything to do with making it a better place to work.

It is not always possible to act on every suggestion, she says, but the business always provides feedback so people do not feel ignored.

One initiative that has been a huge success is the development of a work choir, after Witty was inspired by Gareth Malone’s TV programme The Choir. Witty says: “It’s an emotional and bonding experience, and you have to put an enormous amount of trust in your colleagues to stand on stage in front of your peers and open your mouth. We came together at Christmas to do our first performance and the next day I heard one of the girls from the choir say it was the best day she’d ever had at work.”

The business also has a group where staff can develop their own charitable initiatives, and plans to enter a team into the Three Peaks Challenge to raise money for its official charity. “We can see the benefit of having happy employees,” says Witty. “We have an incredibly low turnover rate and we’re just about to celebrate a record sales year in 2015. All these things are because our staff are motivated and inspired.”
The true impact of reward in the workplace

Reward should be used to maintain engagement, not get staff engaged in the first place

Bill Alexander | Chief executive officer
Red Letter Days For Business

Recognition continues to sit at the bottom of the priorities list. However, stepping outside of the working environment, if we were to help a friend we would expect a thank you, or, if the gesture was the other way around, we would be sure to acknowledge that person for their actions.

So, why does our morale change as soon as we step into the workplace? That is easy. Important targets come with tough deadlines. Employees are stretched for time, and small things, such as saying thank you to a peer, get pushed to the back of the to-do list. It is only a matter of time before teams feel underappreciated, de-motivated and disengaged.

Red Letter Days For Business, The rewards report, published in March 2016, found that in 2015, two-thirds of respondents said they were recognised for a job well done. Breaking the data down by age group it is clear where improvements are required.

The most rewarded age groups were 25-34 year olds (77% were rewarded) and 35-44 year olds (69% were rewarded). These age groups are likely to ambitiously be working their way up the career ladder and learning along the way.

Alarming, almost half (42%) of 18-24 year olds were not rewarded at all in 2015. This age group may be new to the workplace, but they are also the future. If they are not being inspired by great managers who nurture, motivate and recognise, then the management style we can expect from the millennial generation is very worrying.

The research also shows London was the most rewarding city in 2015, with 71% of employees saying they received a reward last year. The least rewarding regions were Scotland and East Anglia which shared the bottom spot.

Board members need to know the investment in a recognition programme will improve engagement, productivity, and, ultimately, the bottom line. These are all difficult to measure in a short amount of time, however The rewards report reveals that recognition for a job well done has a positive impact on staff motivation: 82% of employees who felt motivated in 2015 received a reward, compared to 69% of staff who did not receive a reward and felt de-motivated.

Exploring how rewards make employees feel, 38% said they felt valued and 26% said they felt motivated when they were recognised for their work. However, the surprise result was that 16% of staff said they felt nothing.

The results show that the employees who felt nothing were disengaged at work. The employees that felt a boost from their recognition were, in fact, engaged. It reveals that rewarding disengaged employees will not instantly boost their engagement. Employers need to engage employees first, then reward them regularly with a thank you to maintain motivation and engagement levels.

The rewards report shows that the top five rewards received in 2015 by highly engaged employees were: cash bonus (33%), a regular verbal thank you from a manager (24%), a meal or night out on the organisation (23%), a voucher to spend (18%), and training to help at work (17%).

Employers should ask staff what they want, then go with the most popular second and third options. The top answer is nearly always cash, which is an instant motivation boost, but the reward can be forgotten after a few days because it is likely to be swallowed up in household bills. The second and third options are likely to create memories, such as a night out or a weekend away.

Finally, we must consider gender too when thinking of suitable rewards. More women said they would be motivated by a thank you from a manager than men (24% versus 16%), and overtime pay was ranked higher by men.
Making a good connection

Clarity of communication is needed to effectively plug employees in to CSR policies

Marianne Calnan | Reporter

Employee Benefits

Need to know

- Effective communication is needed to engage employees with corporate social responsibility (CSR) policies.
- Employees involved in CSR initiatives are generally more engaged with an organisation’s culture and values.
- Communication could take a range of forms, for example, highlighting CSR aims through a bikes-for-work scheme.

Read also

How to maximise CSR policies through benefits
bit.ly/1P2zYqB

Corporate social responsibility (CSR) policies can highlight what sets an employer apart from its peers, but for employees to understand what a policy is and what it means to their everyday working lives, clear communication is needed.

Indicating how staff can get involved with a CSR policy, and how it impacts upon them is an effective way to gain their engagement. For instance, 80% of employee respondents who take part in workplace volunteering initiatives are fully aware of the community investment policies put in place by their employer, but this falls to 44% when employees do not volunteer, according to Business in the Community’s (BITC’s) Community Mark holders 2014-15 research, published in July 2015.

Booking.com introduced its Booking Cares programme in 2014 to encourage staff to take part in social initiatives to make a positive social impact. Booking Cares began as a volunteering day for staff to join projects focused on improving destinations they care about, but now the organisation also has an emergency response crowd-funding programme in place. Luke Sondelaki, global manager of compensation and benefits at Booking.com, says: “Our employees are driving the CSR policy with their participation and collaboration.”

Blended into the business

Employers can consistently communicate their CSR policy to their employees by incorporating it into the day-to-day running of the business. Elaine O’Keefe, principal at Mercer, says: “Employers need to keep CSR communications fresh and part of employees’ everyday working life rather than [something along the lines of] a message on the organisation’s website.”
Engage with it
the heart of an organisation’s culture and communication, employees are far less likely to
and staff retention; and thereby save costs on recruitment fees. If CSR is not embedded in
prove to be a powerful form of engagement.
should also draw on employee feedback and data. Employees sharing their experiences can
says Maldonado.
should also make use of existing communication channels to showcase their CSR policy,
engagement from staff, and increase the likelihood of involvement with the policy. Employers
can do this is to demonstrate the values that are important to the business: by talking about
and encouraging staff to do the ‘right thing’ on a regular basis, and actually doing the ‘right
thing’ as a business.
By including CSR initiatives in the daily working lives of employees, they are more likely to
understand why their employer is implementing initiatives and perceive these as both genuine
and tangible. Steve Sykes, client director at communications provider Shilling, says: “CSR policies
demonstrate an organisation’s commitment to sustainability, but you need examples of
organisations practising what they are preaching.”
Communication that stands out
Effective communication strategies need to stand out from the volume of information staff
receive on a daily basis. To achieve good engagement with CSR, employers need to think
outside the box to captivate staff enough to understand and connect with the policy. Tarr says:
“it’s important that employers tie in their CSR policy with interesting ways to communicate. For
example, if an organisation is starting to offer a bikes-for-work scheme, it could host a charity
bike ride.”
By utilising more unusual methods of communication, employers will create memorable
engagement from staff, and increase the likelihood of involvement with the policy. Employers
should also make use of existing communication channels to showcase their CSR policy,
says Maldonado.
CSR communication can be delivered through posters, social media and intranet sites, and
should also draw on employee feedback and data. Employees sharing their experiences can
prove to be a powerful form of engagement.
Engaging employees with CSR policies through effective communication can boost motivation
and staff retention; and thereby save costs on recruitment fees. If CSR is not embedded in
the heart of an organisation’s culture and communication, employees are far less likely to
engage with it.
Viewpoint
Kamel Mellahi is professor of strategic management at Warwick Business School
When it comes to corporate social responsibility (CSR) communication, employers
should complement top-down communication with bottom-up communication.
The communication strategy should reflect employee engagement with CSR initiatives. Employers should encourage their employees
to contribute to the CSR strategy.
Employers must be very straightforward and honest about the motives behind, and
outcomes of, their CSR initiatives. Whenever possible, employers should communicate
tangible outcomes of their CSR initiatives. Internal CSR communication is at the core
of successful CSR strategies. There is strong research evidence that effective CSR
communication has a positive impact on employee outcomes, from attracting and
retaining talent, to employee motivation and commitment and high job satisfaction. Alignment between CSR communication
internally and employee benefits is likely to amplify the positive outcomes. Alignment
between the organisation’s CSR strategy and employee benefits may encourage staff to
become active in CSR implementation, become CSR champions and subsequently increase their
loyalty and commitment to the organisation. This said, excessive CSR communication is
counterproductive and may do more harm than good. Also, employees may view CSR initiatives negatively if they see their benefits packages
deteriorating. CSR should complement rather than compromise employee benefit packages.
Case study | Withers
Withers lives CSR values through benefits portal and staff volunteering
When Withers enhanced its benefits portal, provided by Staffcare, in December 2015, it made its corporate
social responsibility (CSR) programme a prominent part of the carousel on the flexible benefits page.
The international law firm communicated annual salary increases and bonus payment updates to
its UK employees by moving away from paper communications in line with its commitment to
calculating business in a sustainable manner.
Withers uses various communication techniques to ensure that employees understand and engage with the
benefits programme and portal. It also hosts a charity of the year fundraising programme, where employees
are encouraged to nominate and vote for a charity. The aim is to make staff feel part of the programme and to
increase engagement, which, in turn, enables Withers to achieve maximum impact.
The law firm also runs an employee volunteering programme, With…Opportunity, designed to help
members of the local community that are looking for work to enhance their skills and confidence.
Sharon Tebb, compensation and benefits manager at Withers, says: “The intensive programme aims to
gradually build participants’ confidence at work, with week one focusing primarily on training, development
and confidence building and week two on work experience. Each participant leaves the programme
with a supportive mentor, a number of new skills and, most importantly, the confidence and belief that they
have something to offer.”
The main event happens this October.

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Contributions move on up

Auto-escalation of pension contributions can help build up a comfortable retirement income

Auto-enrolment was implemented to seek a solution to the fact that many employees were not saving enough for retirement, and did not have access to a workplace pension scheme. However, since the contribution rates were first set, critics have argued that these alone will not provide an individual with a comfortable retirement income.

Royal London’s Death of retirement policy paper, published in February 2016, found that if an average wage earner starts saving the minimum contribution level when they are 35, they will need to work to the age of 79 for a gold-standard pension (a total pension of two-thirds of their pre-retirement income) with index linking and survivor benefits. The average wage earner will need to work until they are 78 for an index-linked pension, where retirement income is linked to the level of inflation, and to age 76 for a level pension, where they receive a fixed retirement income.

Overcoming low contribution rates

Auto-escalation has been suggested as a means of overcoming the issue of low contribution rates. Working in a similar vein to the concept of Save More Tomorrow in the US, which sees employees increase their contribution rate when they receive a pay rise, auto-escalation requires employees and employers to increase their contributions on a fixed scale at a pre-determined interval. Rona Train, partner at Hymans Robertson, says: “Most pension schemes tend to have a flat rate of pension contribution; most structures [keep] that amount on a consistent basis throughout someone’s life, for example a 5% and 5% match each year.”

Auto-escalation sees that amount increase each year, usually at the same rate, for example 1%, so that contribution rates gradually increase, with a cap set at some future time point.

An ideal date in the year to increase contribution levels is at the time of the annual pay rise. “As people’s salaries go up and they get promotions, their level of contribution goes up at the same time,” says Train. “The argument is that [when an employee gets a pay rise], if that comes off automatically, they won’t really notice what they don’t have.”

Of course, this is reliant on an environment of steady pay growth, and requires an employee to sign up to the scheme. Alan Morahan, managing director at Punter Southall Aspire, says: “There does have to be a process sitting behind that; there needs to be rules built into the payroll system so that it is automatically picked up. It’s appropriate to remind employees that the increase is going to happen, and that they have the opportunity to opt out of future increases, if for whatever reason they feel it is not appropriate to do so.”

Auto-escalation has not taken off to any great extent in the UK as yet, perhaps while employers ensure that their pension schemes are fit for auto-enrolment and the pension freedoms requirements. Andy Parker, principal at Mercer, says: “In the UK, there are very few organisations that do [offer auto-escalation] and that’s typically because the focus has been more on designing the pension plan, getting it up and running and meeting all the new regulations.”

Taking the lead from the way the scheme operates in the US is not a bad thing, adds Morahan. “The wider experience in the [US] is that good numbers of people stick with it. Even if they don’t go through the full process, maybe for five or seven years, they will normally allow some increase to happen and it’s probably more than would have happened had that form of auto-escalation not been in place.”

Auto-enrolment can be viewed as a kind of auto-escalation plan because of its gradual increase to the 8% total contribution rate in 2019. Auto-enrolment could help raise awareness among employees of the importance of effective retirement planning. “The point to make on top of [auto-enrolment] is that we all know that the 8% going in for the vast majority of people is not going to be enough,” says Train.

“Is there a strong argument that once we get to the auto-enrolment rate in [2018/2019], should the system be looking to auto-escalate on a continual basis after that?”

Need to know

- Auto-escalation is a design built into a pension scheme that automatically increases contributions on a set date at regular intervals, for example, in April each year.
- While it is similar to the Save More Tomorrow concept in the US, auto-escalation has not yet taken off to any great extent in the UK.
- Auto-enrolment can be viewed as a type of auto-escalation, but many suggest that the contributions alone will not provide adequate retirement income.

Read also

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Step up to the challenge

How can employers help staff make the most of their options under the pension freedoms?

Nic Paton | Freelance journalist

Former pensions minister Steve Webb may no longer be in government or, indeed, even in Parliament any more, but, one year on from the pension freedom reforms he helped spearhead, his now notorious Lamborghini comment, that people would now have the freedom to blow their pension pot on an expensive car should they so wish, continues to haunt employers wrestling with what has been a massive change in the pensions landscape.

Steve Watson, commercial director at Portus Consulting, says: “Some of us want to work into old age because we’re passionate about what we do, which is great. But if someone is at work almost under duress, because they do not have adequate funds for their retirement, that’s not good for anyone.”

Last October, Willis Towers Watson’s Fit for retirement survey found that UK employers were becoming increasingly concerned about this trend, with nearly half (49%) of respondents professing to be worried about older workers deferring retirement because of inadequate retirement savings. These fears were only compounded by the conclusion by the Commons’ Work and Pensions Committee, also last October, that the government’s Pension Wise website, put in place precisely to help employees navigate these new freedoms, was not fit for purpose, says Watson.

“That really sent shockwaves around all the more paternalistic employers,” he adds. “It was a reality check that, for anyone to have a chance of a reasonable outcome when it comes to retirement and pensions, the financial [support] needs to be provided by the employer. There is the question of what, so far, have employees actually been doing with their new-found freedoms? Are they choosing to take a lump sum to clear debts, pay for children’s university fees, a mortgage deposit or an expensive car, or even just taking it out and then putting it into a bank account?

Graham Vidler, director of external affairs at the Pensions and Lifetime Savings Association (PLSA), says: “We’ve seen a quite distinct group of people taking advantage of the new system. They’re wealthier than most retirees, more likely to be drawing on their pension already and more likely to have an existing relationship with a financial adviser.

“But the couple of a million or so who say they are investigating their options are much less confident, less experienced and have less of a relationship with an adviser. They are struggling to find reliable, credible sources of information.

“It is not that there is a lack of information out there; in fact, if anything, the sheer amount of information can be quite off-putting. It is about trying to cut through it to what is relevant to you.”

A considered response

The PLSA’s research, Pension freedoms: no more normal, published in January 2016, also suggested there was little evidence over the past year of reckless spending or stripping of pension pots by employees. “Most people have not got enough money in their pot to buy a Lamborghini, and the good news is they are taking the decision of what they do very seriously,” says Vidler.

“It should not really be a surprise that people, by and large, are very responsible when it comes to these long-term financial planning decisions. For the vast majority, >>>
Michelle Cracknell is chief executive of The Pensions Advisory Service

The pensions landscape has undertaken a massive rebuild in order to be sustainable in our ageing society. The topping-out ceremony was the pension freedoms introduced from April 2015. Now, we need to make the new pensions infrastructure habitable for members so they can properly plan for retirement, making informed choices on their options.

So what are the new support structures that need to be put in place?

The employer-employee relationship has changed, becoming more transactional as individuals are more likely to have multiple jobs during their career. The pension scheme is no longer an HR tool that manages retention and redundancy exercises. The question is what motivation does the employer have to offer support, but also is the employee receptive to listening? The ability for employees to take control of their retirement plan sits at the heart of a healthy workforce, where employees work because they want to, not because they have to keep on earning. Nevertheless, the cost-benefit analysis of providing workplace support is harder to prove.

This is compounded by workplace changes. Less people ‘go to work’, instead working from home or remotely. The workplace seminar and noticeboard is less applicable, as is the ability to normalise contacting the pensions manager. For some years, information about employment has been put online. But do people use it? Is it tailored to be relevant and capture the imagination?

Providing pensions support needs a makeover to fit the new infrastructure. Here are three things to consider. First, make it about people not pensions: target life events, explaining the pension implications. Second, make the information shorter; our concentration is measured in seconds not minutes. Finally, make use of public services such as The Pensions Advisory Service.

Energy firm Scottish Power has two defined benefit (DB) pension schemes, with some 4,000 members but, since 2006, has required all new employees to join a defined contribution (DC) stakeholder pension, provided by Fidelity.

In February, the organisation introduced a new tool, called Guided Outcomes, provided by Hymans Robertson.

Although the DC scheme offers two default funds with different levels of risk, or the option to self-select funds, the challenge is often much more basic than that, says Anne Harris, UK pensions manager at Scottish Power.

"In reality, the bigger issue is less what investment choices [employees] should be making, taking cash, income drawdown or whatever, and more are they putting enough money in in the first place?"

"Our research has suggested around 80% of our DC scheme members are not putting in enough to give them a decent retirement income. And if [they’re] not putting enough in, it’s not going to matter what extra options or choices [they] have."

The Guided Outcomes tool provides employees with a personalised statement showing how much they are saving and giving them a projection of what this is likely to mean in terms of retirement income. Within days of its launch, nearly a third of the scheme membership had used the site, and more than 10% had made immediate changes to save more money.
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Despite auto-enrolment, there is still much to be done to encourage saving for pensions

Ceri Jones | Freelance journalist

Auto-enrolment and the new state pension will reduce inequality in pension provision, but there is much more to be done, according to the Pensions Policy Institute (PPI), the non-political pension education charity.

In March 2016, the PPI published The under-pensioned 2016 report, exploring differences in pension income between the sexes, disabled people and ethnic minority groups over the last two decades. The study found that once the new state pension has been fully phased in there will no longer be significant differences in state pension income between these different groups. However, some cohorts will continue to have much lower private pension saving, largely because of labour-market characteristics such as low pay, part-time working, caring responsibilities, self-employment and unemployment.

Chris Curry, director at the PPI, says: “We have seen a real improvement for all groups over time, and the new state pension system will have a really positive impact. Its introduction in April [2016] may also have implications for the support employers offer and how they communicate this.

People with less than 10 years of NI contributions will not be able to claim. Curry adds: “If someone has stayed in the UK for their full working life, then it is hard not to qualify because there are credits for childcare, disability and unemployment.”

Much has been said about the impact on people who have been contracted out of the state pension in their employer’s scheme but they will not be worse off than if the current system had continued, and they may be able to build up additional years to qualify for a full state pension, says Curry.

He is also optimistic about auto-enrolment, pointing out that it has enfranchised large numbers of employees who previously were not saving for retirement. Yet, there are still gaps where employees are too young or old, or do not earn enough to meet the enrolment threshold, and they continue to miss out on employer contributions and tax relief.

Critics have often made the case that auto-enrolment simply encourages the less well off to lift themselves off means-tested benefits. However, under the options available through the pension freedoms introduced in April 2015, defined contribution (DC) pension pots can now be taken as cash.

“It is unclear how means-testing is likely to work in practice,” says Curry. “There have always been measures that if a person has a source of income then they will be deemed to have taken it, but it is not clear how that will work in practice.

“The key issue is that while defined contribution arrangements provide more flexibility, such as to work part-time or downsize, the amount going in is pretty low compared to what is needed.”

“Around 14% of band earnings is required across a whole working career to have a two-thirds chance of generating an adequate pension, defined as one where the pensioner’s standard of living will not drop.”

“One of the big unknowns is how the industry can overcome apathy and engage people,” adds Curry. “There are good examples of strategies that work with human behaviour to encourage people to act in a beneficial way.”

Auto-escalation, where employees agree to automatic increases in contributions with an annual pay rise, has enjoyed success in the US, as has matching, where the employer promises to match additional employee contributions.

“Showing employees what their peers are saving can also be a powerful tool, giving people a feeling of safety and making them happier to take action,” says Curry.
Understanding pensions governance

The impact of independent governance committees on ensuring good value

Alan Ritchie | Head of employer and trustee proposition
Standard Life

From April 2015, all firms that operate workplace pension schemes have been required to establish and maintain an independent governor committee (IGC), which has a clear duty to act independently of the business. All IGCs must produce a publicly available annual report setting out information on the schemes’ value for money and how the IGC has complied with requirements. The first of these are due to be published in April 2016.

1. What are the latest developments with IGCs and pensions governance?
   - IGCs have been breaking new ground. This is not something that is well defined in terms of how to go about measuring value for money. So, to some extent, they have been working together to help decide how best to achieve that.

   What would a good outcome be from IGCs being in place? It would be interesting to check against that once the dust has settled on the first reports and see whether we are on track to have that outcome.

   Enhanced trust and confidence in the market is very important. The whole idea of having an independent committee reviewing value for money could, in theory, increase trust and confidence in the market. So if there were any skeletons in the closet, the idea is that the IGC would find them and therefore that should make sure everyone can trust what providers are saying.

   Second, hopefully they will act as a catalyst in shifting focus to member outcomes and not just considering price in isolation. In the absence of really good explanations of whether value for money is being provided or not, it is very easy to believe that all pensions are the same.

   And if all pensions are the same then the only thing to worry about is price, therefore, price becomes the big focal point, whether that is for regulators, for the government, for industry commentators, for intermediaries, for employers, for members. Whichever audience you can think of, price has certainly become very much in the spotlight in recent years. So a great result from IGCs being in place is they help people to consider all the main things that affect the member outcome and not just price.

2. What are the latest developments in the master trust market?
   - Master trusts need to measure whether good value has been provided so it is very subtly different to what value for money is and the IGC’s remit. But, to all intents and purposes, it is the same sort of thing they need to measure to determine that. They also need to publish whether they believe good value is being provided.

   The second thing there has been some discussion about is a nervousness from the regulator and the government that there are so many new master trusts arriving on the scene there is a risk they cannot all provide good value. I think the worry from the regulator and the government is that we have got too many, so they are trying to make sure that the bar is set high enough that master trusts can provide good value.

3. What should employers look for in a master trust provider?
   - The first thing is they have got to decide is whether they are an employer that is looking for the lowest-cost solution because it sees a pension as a cost or an employer that is looking for a solution that will be an asset to its business because it sees its pension as a way to support the recruitment, retention, reward and retirement of the best people in their industry.

   If it is the former, it will be very interested in what is the lowest cost but robust solution it can go for. If it is the latter, it will be much more interested in things that will affect the member outcomes, such as the quality of engagement with members to help them make the right decision.

4. Should employers communicate the quality of their pension scheme in order to boost engagement?
   - It will be important to the organisation and trustees that individuals value the scheme that they are in, especially if they are in the category that sees the scheme as an asset and not just a cost. If they just see it as a cost then they are probably not going to make it an asset to their business, then they will want to make sure people are aware of it and are aware it is better than alternatives out there in the market. Anything they can do to demonstrate it is a quality solution they are providing is valuable.

5. What impact will these reports have on the future of pensions?
   - It will be very interesting to see to what extent those reports help to build increased trust, increased competition and innovation, increased confidence in the market and, ultimately, increased saving.
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Harvesting the knowledge

A broad range of factors is helping employers understand how best to offer financial education

Tynan Barton | Features editor
Employee Benefits

Offering employees financial education in the workplace is a practice that is growing in popularity. According to Nudge Global’s Financial education: the definitive guide 2016 research, published in March 2016, 50% of respondents are considering introducing a financial wellbeing programme, compared to 20% in 2014. Meanwhile, the number of employers that are not supporting employees’ financial wellbeing has fallen from 7% in 2014 to just 1% in 2016.

The research also found that there is a broad range of drivers that are influencing employers’ decisions to introduce a financial education programme, from the number of pension changes that require greater understanding, to a focus on employee wellbeing.

Financial education is a benefit that is both valued by employees and valuable to the employer in the sense that employees are able to gain a better understanding of how to manage their money, or more effectively plan for their retirement, thereby helping to keep the talent pipeline and succession plans moving.

Needs and requirements

But what do employers need to include in a financial education programme to ensure it meets the needs and requirements of a broad range of employees? The employer needs to have a clear plan in mind, says Jo Thresher, head of Money at Work at Jelf Employee Benefits. “There’s still a toss-up of responsibility between employees and employers,” she says. Employees still think it’s down to employers to help them with money, tax, and decisions, mainly with pensions, but that’s not the case. If the employer doesn’t educate the employee that [this responsibility] is up to them, they will be in trouble.

“The employer doesn’t believe it is its responsibility. It isn’t wholly its responsibility but if it educates [employees], perhaps the employee can start to engage. Otherwise, they’ve got the pension freedom and choices, but if they’ve got no money, they’ve got no choice.”

Financial education should, therefore, be about learning to do things differently, adds Thresher.

Prior to implementing a programme, an employer should decide what content to include and how to deliver it. Employers might want to consider what the key financial issues are among staff. This can consist of push and pull issues, says Jonathan Watts-Lay, a director at Wealth at Work.

“Some of the stuff [employers] will need to push out is often around the benefits they offer, for example, if they’re offering a pension, share schemes, salary sacrifice [arrangements] and voluntary benefits,” he explains. “A lot of that employees don’t really understand, but the employer has put in place, presumably for a reason, so the employer needs to have a ‘push’ strategy to make sure all employees understand what is available.”

Need to know

• More employers are recognising the importance of supporting employees’ financial wellbeing in the workplace with education programmes.

• Financial education programmes should cover a broad range of topics.

• Determining the issues that are important among staff can be a sensitive task, so it can be more effective to let employees self-select programmes that are relevant to them.

Read also

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The pull aspect comes from an issue an individual might have, and want to pull on sources for more information. However, employers need to think about how explicit they can be in presenting staff with financial education. For example, individuals might not want their employer to be aware that they have debt problems, so the employer’s responsibility will go as far as blanket communications to all staff informing them of seminars or workshops, for example.

Watts-Lay says: “It’s then down to the individual to make that decision as to whether they think it will be worthwhile them attending. Whereas if it’s at retirement, for example, it can be much more personalised. For example, where a person has reached the age of 55, so they could retire and take their money, it’s quite right to be explicit and say: ‘you’re now at an age when you might want to consider retirement, or taking money out of your pension’. [Employers] can be far more targeted with that second group than with the first because of the [different levels of] sensitivity.”

Financial education providers can see a spectrum of issues among employees and, in turn, for employers that want to offer support.

Looking at various elements of employee data can also give an indication of the financial issues that are important among a workforce. Andrew Woolnough, value proposition director at Willis Towers Watson, says: “At a strategic level, [employers] are mapping out the risks associated with their employees with financial wellbeing. It allows them to start collecting data and joining things up. For example, it could be people are making stress claims on the employer’s liability, income protection or private medical insurance schemes.”

“The forward-thinking employers are now looking at reported short-term absenteeism data, linking that through to their talent, succession planning and age profile. It’s joining the dots together so they can be proactive. Financial wellbeing is split across HR, health and safety, risk, finance and payroll. It’s a corporate risk and impacts the entire organisation from profitability to productivity.”

Deciding on the target audience is a key part of the implementation of a financial education programme, but segmenting the workforce into different demographics is not the only solution. Darren Laverty, partner at Secondsight, says: “Everybody is uniquely different in terms of their financial savvy, their education, their background, their stage of life. It’s too variable to try and segment and to get right. We found [employees] don’t know what they need to know; we’ve had to step right back and say, ‘let’s get people aware of what they need to be educated about’.”

Although financial education in the workplace is a valuable benefit, it can help to exacerbate the advice gap, whereby people want financial advice, but cannot afford it. It could be argued that financial education effectively puts more employees into that gap because they have more information about their financial wellbeing.

However, there are ways to bridge the gap in the workplace, says Laverty: “It might be an online financial education portal, the [employees] might just need a will, or they might just need a query answered,” he says. “The number-one thing is helping people understand what it is they need to learn about.”

Coventry University supports employees’ financial wellbeing with education programmes

Coventry University refreshed its financial education programme to boost employees’ financial understanding.

In June 2015, the university introduced pilot financial education workshops in response to a number of factors: employees were taking more interest in their own financial wellbeing; the pace and complexity of pension changes; and a desire to create greater engagement among employees with its total reward package.

Renu Birla, rewards strategy manager, says: “[This] all led us to the conclusion that we really needed to offer our employees financial workshops that would enable them to take more ownership of their own financial wellbeing. The workshops were intended to offer guidance and support employees in making their own decisions, whichever life stage they were at.”

The university chose a face-to-face workshop style in order to enable open discussion among employees. The content was agreed with the provider because the university wanted to ensure that staff got an independent view, but it also canvassed the views of employees. Birla explains: “As part of the pilot, we sent out pre-evaluation surveys to find out from employees what they wanted to achieve from the workshops. We also asked them after they attended the pilots did they feel they met their objectives. Their responses informed the design of the programme going forward.”

The university introduced a full financial education programme, provided by Wealth at Work, that runs each spring and autumn. It focuses on different life stages: those employees just starting out; those with more commitments that want support in managing finances; and those getting ready for an easier life in the run-up to retirement. “It’s really about [employees’] financial wellbeing and trying to get them into that discipline of looking at it on an ongoing basis from the start of their career,” adds Birla.
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How to beat ballooning costs

Employers have a role to play in combating rising international medical insurance premiums

International private medical insurance (IPMI) is a must for employees on overseas assignments, ensuring they can access treatment if they are ill or involved in an accident. But, with medical inflation rates outstripping those for general inflation, employers are increasingly looking for cost-effective ways to provide cover.

Just how much of an issue medical inflation is can be seen in Aon Hewitt’s 2016 Global medical trend rates report. Published in January 2016, it estimates that the average cost increase for employer-sponsored medical plans will be 9.1% this year, with Latin America and the Caribbean experiencing the highest rate at 20%.

Controlled response

These figures come as no surprise to Lee Thurston, global benefits director at JLT Employee Benefits. “Medical inflation in Brazil is around 30% but even where a client has employees in 60 different countries, the rate can be around 15%,” he explains. “Employers are asking for ways to keep these increases under control.”

IPMI providers deploy a number of strategies to manage medical costs. Many have developed hospital networks or relationships with local providers that enable them to put pressure on treatment costs. Even where there is not a network in place, many will also encourage employees to pre-authorise claims so they can actively manage them. Teresa Wighton, head of international healthcare consulting at Punter Southall Health and Protection, says: “An insurer might challenge the treatment or the length of the hospital stay. This can save thousands.”

As well as the behind-the-scenes activity, insurers have designed policies to enable employers to tailor cover and price. Most now offer modular products allowing employers to pick the level of benefit they require. Claudine Audin, international sales and account manager at Aviva Health, says: “We [offer] four levels of cover and then, subject to the rules in place where the employee will be based, allow employers to add benefits such as maternity, repatriation and compassionate travel and wellbeing.”

Excess behaviour

Excesses are another common add-on to help keep costs down. A £100 excess will shave around 10% off the premium. However, Wighton says: “Employees don’t really want the hassle of having to pay the healthcare provider an excess. It can make the process quite clunky. It’s also just a one-off reduction to the premium rather than something sustainable.”

Yet, Audin has seen growth in employers using them in a more selective way. “They tend to go for a relatively small excess, say £50, and only on out-patient costs,” she adds. “This acts as a deterrent and reduces the premium by around 2% to 5%. We’ve also seen more interest in co-payment, especially where it’s linked to a network. For example, an employee will be fully covered if they have treatment within a network but will pay 20% of the claim if they go outside.”

Rather than tweak a policy, another option could be to offer local cover. Thurston says: “For some employees a local plan will provide a much more appropriate level of cover and be around 20% to 25% cheaper.”

Although going local will not be suitable for every employee, cover can be topped up, with IPMI insurers offering plans to supplement local policies with benefits such as repatriation.
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Staying ahead of the pack

Valuing its employees has always been the essence of DS Smith’s operations

Tynan Barton | Features editor
Employee Benefits

Health and safety is an important priority, and, in recent years, DS Smith has placed a greater focus on the health of employees. In 2013, it began working with Heart Research UK, and introduced health checks for all employees in the UK, which gave them the opportunity to have their blood pressure, cholesterol levels and body mass index checked. Since then, it has implemented further health initiatives. “Sites really embraced the initiative, and they’ve organised football tournaments; there’s now a DS Smith Cup,” explains Card. “There are things such as cycle-to-work days, slimming clubs, and walking clubs.”

Each DS Smith site in the UK works with the charity on various health initiatives as part of the Healthy Heart scheme.

At a glance | DS Smith

Corrugated and plastic packaging manufacturer DS Smith operates in over 36 countries and employs around 26,000 members of staff. It has four divisions: packaging, recycling, paper and plastics. Its UK packaging division employs more than 3,000 employees across multiple sites. Its product range includes retail-ready packaging, transit cases, consumer units, and heavy-duty packaging for industry.

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It is important to us that we are competitive in terms of the benefits that we offer," says Card. "It’s a three-tier scheme that goes from a simple thank-you card to a £25 reward voucher. The employee forum works with us to find who is going to receive those based on the reason they received the £25 reward voucher.”

Saying thanks
The Spontaneous Thanks and Reward Scheme (Stars), which is provided by Red Letter Days for Business, is intended to provide instant recognition to employees that demonstrate the organisation’s values in their behaviour, and to encourage recognition of exemplary behaviour. It offers peer-to-peer recognition because anyone can award a ‘thank you’ to a colleague.

However, one of the most popular benefits among staff is the employee sharesave scheme, which was launched in 2011. Upon its first launch, take-up was over 40%, and when it relaunched in 2014, 60% of the UK packaging workforce joined the scheme. The scheme has now relaunched for 2016. Card says: “The whole thought process behind that is trying to get our employees to invest in the business, and own part of where they work.

As well as giving people ownership of the business, it also incentivises them. If the organisation grows and becomes more profitable and successful, the share price goes up and

each site works to achieve bronze, silver or gold status based on how they have encouraged employees to look after their hearts. All sites have achieved the bronze status, and more than half have achieved silver. Some of the initiatives implemented across various sites include free fruit and bottles of water for employees, smoking-cessation sessions and healthier food choices in on-site cafeterias. DS Smith also works closely with its employee forum, which includes representatives from each site and an elected chairperson. When its 2014 employee survey revealed that the organisation did not recognise employees as well as it could, Card worked with the employee forum in order to design a recognition scheme for the company.

“There was no set scale of what that should look like, it evolved from discussions,” she explains. “It’s a three-tier scheme that goes from a simple thank-you card to a £25 reward voucher, then out of all the reward vouchers we issue throughout the year, we pick out four to receive a superstars reward voucher. The employee forum works with us to find who is going to receive those based on the reason they received the £25 reward voucher.”

**THE PROCESS BEHIND THAT IS TRYING TO GET EMPLOYEES TO OWN PART OF WHERE THEY WORK**

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Offering employees access to a car through their benefits package can serve as a compelling attraction and retention tool, but if staff are to realise the full value of the benefit then car schemes must be communicated appropriately.

Engaging staff ahead of the introduction of a scheme, whether through employee surveys or a pre-launch communications campaign, can help to build anticipation and lay the groundwork for the official launch and future communications. Gary Hull, executive director, people advisory services at EY, says: “It’s important that it’s not just about the big launch and that’s it. It should also be about the preamble to build expectation, and then not letting that fall away immediately afterwards.”

When Danone launched its salary sacrifice car scheme in October 2015, it worked with provider Leaseplan to host on-site roadshows to engage staff with the new benefit. The events showcased a selection of the cars available and gave employees the opportunity to learn more about the car salary sacrifice arrangement, which runs alongside Danone’s existing company car plan.

The roadshow was preceded by a range of communications delivered through the organisation’s internal channels, such as its intranet site and desk drops. John Mayor, head of UK rewards at Danone, says: “It was very much an engagement piece that people were talking about.”

Indeed, word of mouth has played an important role in driving take-up; a significant number of the orders placed thus far have been made by employees at the same site, where the delivery of cars through the scheme has continued to generate interest.
Employers can utilise a range of communication methods to highlight car schemes to staff, but these should take into account workforce demographics in order to reach all employees in an effective manner. “We had to be very site specific,” says Danone’s Mayor.

**Tailored approach**

In partnership with its car salary sacrifice scheme provider, the organisation used on-site communications to engage employees at its Liverpool production facility, which has a largely offline population that carries out shift work. “We engaged that particular group of employees during their break periods throughout the shift patterns, and we also put literature in the canteen area,” explains Mayor.

However, it is not just communication channels that need to be considered, it is also the messaging. For example, many employees in central London commute to work via public transport, so the focus of communications aimed at London-based workforces may need to be tailored in order to convey the potential value that a car scheme can provide to them.

**Constant communication**

A sustained communications strategy can help to ensure employee engagement with company car schemes continues post-launch. “Developing a regular communications plan can be one of the biggest challenges but also one of the biggest areas of opportunity for providers and employers,” says Jonathan Smith, relationship director at leasing and fleet management firm Zenith.

“No everybody wants a car on day one of the scheme, but if an employee’s car breaks down 12 months after the scheme has launched and they are looking for a new one, then you want them to remember that their employer offers a car scheme,” he explains. “Unless you are constantly communicating that message then an employee might go directly to a dealer first rather than thinking to look at the cars available through their benefits package.”

Hull adds: “You need to engage and re-engage. Cars are probably one of the better benefits for re-engaging employees because of the special offers available.”

This could include offers such as ‘car of the month’, which is one of the ways in which Danone highlights its car scheme to staff. Employers could also promote car schemes at milestones throughout an employee’s career, such as the successful completion of professional exams, says Hull.

Arup’s employee benefit offering includes a green car scheme, provided by Hitachi Capital, which it reinforces on completion of professional exams, says Hull. “It fulfils one of our corporate aims of shaping a better world, and our corporate social sustainability [values].”

Before introducing the scheme Arup engaged with staff by conducting a dedicated survey to gain a fuller understanding of employees’ attitudes and perceptions around cars, such as the type of vehicle they had, whether they intended to replace that car, and whether they were looking for a supplementary vehicle. “Interestingly, we discovered that for the people who had a particular interest in this scheme, this would reduce their carbon footprint,” says Davidge.

By capping the CO2 emission levels of cars available through the scheme at 120g/km, Arup could engage staff with its sustainability agenda and communicate the environmental benefits of replacing older cars with newer, greener models. The organisation has achieved substantial take-up levels thus far, with interest across the whole demographic profile of its workforce, says Davidge.

**Added value**

Company car schemes can provide cost savings for employees, whether through corporate discounts or, as in the case of salary sacrifice arrangements, through savings on tax and national insurance contributions.

Clear communication about the added value inherent in company car schemes can help employees to differentiate between the cars available through their benefits package and retail deals. “Even though it’s a corporate lease, it’s a retail product and employees will always compare it to the car they could buy.”

Communication can also be utilised to increase employees’ understanding of how a scheme works, such as what would happen if they were to leave their organisation, or that cars obtained through salary sacrifice arrangements will be liable for benefit-in-kind (BIK) tax.

Toby Poston, director of communications and external relations at the British Vehicle Rental and Leasing Association (BVRLA), says: “[Education] is the most difficult part of the communication; are [employees] fully aware of the implications, do they read the small print, do they know about the effect on take-home pay, do they understand the full BIK implications, and can they afford it?”

Providing an easy-to-read, engaging document that outlines the key facts about how company car schemes and salary sacrifice work, as well as the costs and any potential charges, can help to enhance understanding, says Smith.

A comprehensive communications approach that continues to engage staff and highlights the value of cars as a benefit, while also ensuring they are aware of how schemes function, empowers employees to make an informed choice. As Kathryn Batchelor, manager, employment tax technology, tax and people services at KPMG, says: “Ultimately it’s a choice, people can participate in the scheme or not. But if you want to be an employer of choice going forward, employees are going to expect to have access to a car as standard.”
Taking a calculated risk

The truth about the risks involved with car salary sacrifice schemes

Claire Evans | Head of fleet consultancy
Zenith

Once the risks have been identified, employers need to complete comprehensive scenario modelling to assess the risks that are most likely to occur during the life of the scheme and create a plan of action for dealing with these risks.

Some things to consider when carrying out this planning include: expected take-up rates, planned business strategy and growth, employees’ expected car choices, staff attrition rates, and maternity and paternity volumes, policy and leave duration.

Once all the risks have been identified and assessed it is time to think about the solution. The good news is that there are a few options available. Some leasing firms, including Zenith, offer a risk mitigation solution that covers employers for all major risks. Other businesses choose to take off-the-shelf insurance products, although these can work out to be quite expensive, or to set up a contingency fund.

Any of these options could work, but it is important that employers consider the financial implications of each with their leasing provider before settling on the solution that is right for them.

Post-launch measures

It is important to measure and re-assess the risks continually throughout the life of the scheme as it is here that employers might find a few surprises. For example, although Zenith’s research found that more than 60% of customers considered end-of-contract damage costs as a serious risk prior to launching a scheme, only 18% have seen this risk become a reality since launching the scheme.

While taking the time to do an in-depth analysis of the possible risks involved is crucial, a salary sacrifice car scheme can prove to be a high-value benefit for employers and employees.
All roads lead to synergy

A robust approach could offer significant benefits to employers and employees using company car schemes

Louise Fordham | Deputy editor Employee Benefits

Company car schemes can provide benefits for both employers and employees, but how can the process be streamlined to maximise their value and lower the associated costs and administrative burden?

Linking up data sets, for example, to cross-reference whether employees have a company car or have taken a cash allowance in order to assess whether they are eligible for a hire car, is one way in which employers and providers can work together to control costs. A robust data set that is used in this way can allow eligibility information to be continuously updated, to the extent desired by the employer, which can help to improve efficiency, says Jonathan Smith, relationship director at leasing and fleet management services provider Zenith. “Once that connection is established, what happens afterwards is largely automatic,” he explains.

In the future, predictive analysis of data could also be harnessed to provide greater understanding of the type of car an employee is looking for, and the factors that cause them to proceed with or decide against placing an order after receiving a quote, says Smith. This could help to improve the experience for employees, as well as lead to greater synergies with car manufacturers around the type of deals that are most likely to appeal to staff.

Improved internal connectivity can also enhance efficiency, says John Pryor, chairman at the Association of Car Fleet Operators (ACFO). “There’s the fleet element, the travel element and the expenses element; you have got to join those three elements up,” he says.

The data for each of these elements can often sit in silos in an organisation, adds Toby Poston, director of communications and external relations at the British Vehicle Rental and Leasing Association (BVRLA). Taking a joined-up approach, therefore, can enable organisations to identify areas that can be optimised, and where potential cost savings can be made.

Kathryn Batchelor, manager, employment tax technology, tax and people services at KPMG, says: “Having all the information moves [employees] to put the right type of schemes in place as well.”

Having a well-rounded data set, such as mileage and usage information, can enable employers to ensure that the schemes they offer are best suited to the requirements of the business and their workforce. It could also demonstrate the benefits of a blended approach, such as a combination of a traditional company car plan, car salary sacrifice arrangement and employee car ownership (Eco) scheme.

Taking a broader view of mobility and considering the total journey cost could also enable organisations to help their staff find the best means by which to travel. “It’s about understanding how people travel around,” says Pryor.

Technology can assist by suggesting routes and methods of transport based on criteria such as cost, time or carbon emissions, adds Poston.

Approaching mobility in the round could also allow employers to support their employees’ travel preferences through benefits package. Gary Hull, executive director, people advisory services at EY, says: “A trend we could see is potentially around employees wanting a car for the weekend as opposed to having a car all of the time.”

Bringing together travel-related benefits, such as car hire, salary sacrifice car arrangements, and discounts on products such as insurance, could also provide employees with more comprehensive total mobility support, says Smith. These could be brought together in a flexible benefits offering but would likely require the flexibility of open or regular enrolment windows, adds Batchelor.

By equipping employees with newer, safer, and lower-emission cars, car salary sacrifice arrangements can support employers in their duty-of-care responsibilities, help them manage risk and control their carbon footprint.

There has been some uncertainty about the future of salary sacrifice. However, even if the government acts to limit salary sacrifice arrangements for car schemes, cars will still be a valued benefit, says Smith. “The people who take up car salary sacrifice today want a car. They are currently opting for salary sacrifice because it is the most effective route, but they are still going to want a car even if salary sacrifice doesn’t exist,” he explains.

Need to know

- A joined-up approach to fleet, travel and expenses can identify some potential cost savings and areas for policy optimisation.
- Focusing on mobility and total journey cost can help determine the most appropriate means of travel.
- Data connectivity between employers and providers can enhance efficiency and help to control costs.

Read also

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Gary Hull, EY

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Steer a course for telematics

Technology can have positive effects for users and administrators of car schemes

Louise Fordham | Deputy editor
Employee Benefits

As the technology used
in vehicles continues to advance and telematics systems become more sophisticated, what impact could these developments have upon company car schemes?

Black-box telemetry can alert leasing providers to faults with a car, enabling a more proactive approach to maintenance, says Jonathan Smith, relationship director at Zenith. These cost savings can, in turn, be passed on to employers thereby adding further value to a scheme. “If we can intervene at an early stage rather than relying on the driver to react [to a fault], then we can generally manage it better, and deliver a better fleet management experience for organisations and for drivers,” he adds.

Telematics can also be used to capture mileage data and encourage good driver behaviour, which can help to reduce fuel and other costs, as well as address duty-of-care and risk management issues.

Employee engagement

The way in which such data is captured is also evolving. Toby Poston, director of communications and external relations at the British Vehicle Rental and Leasing Association (BVRLA), says: “Increasingly, you can do basic telematics from your smartphone, and it costs virtually nothing. Major change is coming.”

Ease of use can help to engage employees with telematics. Kathryn Batchelor, manager, employment tax technology, tax and people services at KPMG, says: “Employees aren’t going to want to do something if it’s going to cause issues or extra hassle. You have to make it attractive to a driver so that they want to use it.”

“TELEMATICS IS SEEN AS A FAR LESS INTRUSIVE TOOL NOW THAN IT WAS FIVE YEARS AGO”
Jonathan Smith
Zenith

Interfacing mileage capture data from a telematics system with an organisation’s expenses system could save employees time, thereby incentivising them to use it, says Batchelor.

However, at present, telematics is more commonly used in commercial fleets rather than perk fleets, says John Pryor, chairman at the Association of Car Fleet Operators (ACFO). This could perhaps be partially attributed to concerns around the perceived use of data.

As things currently stand, data concerns could have a negative impact on employee engagement with car schemes that are offered on a voluntary basis, says Evan Davidge, head of reward at Arup. “It’s a difficult message to get across,” he adds.

“It does come down to the fundamental point: for what purpose is the data being used? That’s what people want to know,” says Davidge, head of reward at Arup. “It’s a difficult message to get across,” he adds.

“[Telematics] is seen as a far less intrusive tool now than it was five years ago,” says Zenith’s Smith.

Need to know

• Telematics can enable a more proactive approach to car maintenance.

• Black-box telemetry could also be used to encourage good driver behaviour and capture mileage data, leading to cost savings.

• As technology continues to advance, employers will need to consider how they communicate and engage staff with telematics.

Read also

How can company car schemes meet the needs of a varied workforce? bit.ly/1Rz9yt2

The communication piece around telematics may more easily engage younger employees that have grown up with smartphones and social applications. Furthermore, the younger generations coming into the workforce are more likely to have experience with telematics through black-box insurance policies, which can be seen as a more affordable option for safe young drivers than conventional cover.

More traditional methods can also be harnessed to help employers fulfil their duty-of-care responsibilities, reduce risk and encourage good driving behaviours.

Danone, which has a company car plan and a car salary sacrifice scheme in place, provides drivers with training and education support. John Mayor, head of UK rewards at Danone, says: “Everyone who begins goes on a training course with the AA, we take them through a simulation and we do a licence check, as well as an insurance check for grey fleet.”

It is not just in-built and external technologies that are advancing, the very nature of cars is evolving. Tesla and Google are among those developing self-driving cars; so how will that affect company car schemes? What are the duty-of-care implications? If an employee is involved in an incident with an autonomous vehicle, or if the employee is the one occupying the autonomous vehicle, who will be liable?

“There needs to be (government) guidance for insurance firms, for leasing providers and for end-users that outlines what the future might look like,” says Smith.

“We are going to be there soon. In fact, we are there already.”

Indeed, in the Budget 2016, the government set out its ambition to establish the UK as a global centre of excellence in connected autonomous vehicles. If...
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MyCar Salary Sacrifice
A heightened focus on employee wellbeing has prompted many organisations to include eyecare benefits in their health and wellbeing schemes.

Regular eye tests not only highlight problems in eye health, but in other areas of health as well. For example, a full eye examination can detect early signs of health conditions, including high blood pressure and high cholesterol levels.

Eyecare can be split into four main areas: display screen equipment (DSE) eyecare for screen users; safety eyewear for those working in at-risk roles; driver eyecare; and optical care, which can be offered by employers to staff as a benefit.

Under the Health and Safety (DSE) Regulations 1992, employers have a legal responsibility to provide eyecare for all members of staff who use computers, laptops or similar devices at work, as well as those who wear glasses but need safety eyewear too. Employers also have responsibilities for looking after the eyes of any employees who have to drive on business. Although road traffic legislation places the onus on the individual to ensure they are fit to drive, there is also an element of employer responsibility when the journey is made for work purposes. A fatal accident caused by an employee’s poor eyesight while driving for work can have legal implications for employers under the Corporate Manslaughter and Corporate Homicide Act 2007.

Duty of care aside, research has shown that many working days are lost as a result of employees taking time off for eye-related illnesses. Corporate eyecare plans can help reduce this, while at the same time positioning the organisation as one that is caring and promotes staff satisfaction and loyalty.

Some employers set up and run schemes in conjunction with a local optician based on a system of employee referrals or on-site eye examinations. Voucher schemes have become popular in recent years, and are available from larger chains of opticians, including Specsavers and Boots. By providing vouchers, employers can comply with their legal duty-of-care requirements in a simple and more cost-effective way. Some providers offer both paper and electronic vouchers, which can be pre-paid, with employers handing out the vouchers as employees ask for tests, or operated on a pay-as-you-go basis.

Another option is the health cash plan, which covers a variety of healthcare expenses, including dental, optical, physiotherapy and consultations. The employee pays for the eye test and glasses then claims the cost back from the provider. Broader options include VSP’s Vision Care scheme, which encourages all employees to take a full eye examination every two years, and National Dental Plan, which has extended its corporate optical cover to include employees’ partners.

Statistics

79% of employers believe eyecare policy helps with overall employee health (Source: Specsavers Corporate Eyecare, December 2013)

44% of employers provide display screen equipment eyecare to all screen users (Source: Specsavers Corporate Eyecare, June 2015)

The facts

What is corporate eyecare?
Corporate eyecare is an employee benefit that helps employers meet their duty-of-care requirements for staff who use visual display units (VDUs) and who drive on business. Cover can be provided in various ways, including health cash plans and vouchers, as well as by establishing an arrangement with a local optician.

Where can employers get more information?
Information about employer responsibilities is available on the Health and Safety Executive’s website at: www.hse.gov.uk.

Who are the main providers?
Leading providers include ASE Corporate Eyecare, Boots, Duncan and Todd, Edendreed, National Dental Plan, Optical Express, Smart Employee Eyecare, Specsavers, Tesco Opticians, Vision Express and VSP Vision Care.
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Defined contribution (DC) schemes are pensions that build a monetary pot for the employee, rather than being linked to salary. The employee holds a contractual agreement directly with the pension provider.

In the workplace, these schemes can be a group personal pension (GPP), a stakeholder scheme or a group self-invested personal pension (Sipp).

The attraction of the contract-based DC scheme, when it was first introduced in the 1980s, as now, was their lower cost and oversight requirements for employers compared with final salary schemes.

An annual management charge is applied to members’ funds by the provider, which is higher for actively managed funds and lower for passive, indexed funds.

Following concern that charges were too high, eroding the value of pensions, the government introduced a charges cap on default funds of 0.75% a year in April 2015. The cap includes not just the investment management fee but all deductions, including professional fees, member communications and website development. There is an exception for any charges members incur to switch funds. The charge cap is an annual cap measured over a 12-month ‘charges year’. Charges are deducted directly from the member’s pot.

Re-enrolment process

Under auto-enrolment legislation, employers are obliged to put a compliant pension scheme in place by their staging date, and are then required to re-enrol employees every three years.

Many large employers are now facing the re-enrolment process. They do not have to assess all their employees to identify which ones are eligible, but only those who have opted out, ceased membership or reduced their contributions below the minimum level. This makes the re-enrolment process quite distinct from the ongoing assessment process run in each pay reference period. Employers must re-register with The Pension Regulator within two months of auto-re-enrolling their schemes.

A duty to provide information such as generic guidance and risk warnings whenever a member considers a transfer, takes a lump sum, or puts benefits into a drawdown plan or an annuity, is expected following a Department for Work and Pensions (DWP) consultation on the Occupational and Personal Pension Schemes Miscellaneous Amendments Regulations 2016, which closed on 15 January.

In the Budget 2016 documentation, the government announced plans to increase the limit on income tax and national insurance relief on employer-arranged pensions advice from £150 to £500. This will come into effect from April 2017.

The government also plans to consult on the introduction of a pensions advice allowance, which would enable DC pension scheme members below the age of 55 to withdraw up to £500 from the scheme to cover the cost of financial advice. The exact age at which the pensions advice allowance can be accessed will be determined following the consultation process.

The market has been adapting to auto-enrolment and the new freedom and choice regulations, but there is much work left to complete these twin revolutions.

In the November 2015 Autumn Statement, Chancellor George Osborne announced that
of employers that already have a workplace pension scheme in place opted to use their existing scheme for auto-enrolment
(Source: Department for Work and Pensions, March 2016)

Statistics

79% of employers that already have a workplace pension scheme in place opted to use their existing scheme for auto-enrolment
(Source: Department for Work and Pensions, March 2016)

53% of contract-based DC schemes offer drawdown at retirement compared with 5% of trust-based schemes
(Source: Willis Towers Watson, March 2016)

23% of employers have yet to review their pension scheme investment strategy since the pension freedoms were introduced in April 2015
(Source: Willis Towers Watson, March 2016)

Furthermore, that is for someone who has been saving consistently since the age of 22; for someone in their 40s it is less than one-third of the amount they would need to put aside.

The auto-enrolment market seems to be consolidating around six or seven large master trust arrangements including National Employment Savings Trust (Nest), Prudential, Legal and General, and The People's Pension. As master trusts, these offer the benefits of economies of scale and good governance.

The facts

What are contract-based defined contribution (DC) pension schemes?
DC schemes are pensions that build a monetary pot for the employee. They are referred to as contract-based because the employee has a contractual agreement with the pension provider.

What are the origins of contract-based DC pension schemes?
DC schemes were introduced in the 1980s, initially for individual pension arrangements and subsequently for workplace schemes.

Where can employers get more information and advice?

What are the costs involved?
An annual management charge is applied to members' funds by the provider. The government introduced a charges cap on default funds of 0.75% a year in April 2015. The cap includes not just the investment management fee but all deductions, including professional fees, member communications and website development.

What are the legal implications?
Employers are obliged to put an auto-enrolment-compliant scheme in place by their staging date, and are then required to re-enrol employees every three years.

What are the tax issues?
Tax breaks are currently available to both employers and employees. If employees pay above the basic rate of tax, they have to claim additional tax relief via their tax return.

What is the annual spend on contract-based DC schemes?
HM Revenue and Custom's (HMRC's) statistics show that £20.3 billion was paid into personal pensions in 2014-15, of which £11 billion was employer contributions, a substantial rise on 2013-14 when £18.4 billion was paid in, of which £10.3 billion was contributed by employers. Employers' contributions have been rising since 1990-91 from around 9% in the early 1990s to 56% in 2013-14. This fell to 54% in 2014-15, as auto-enrolment reduced the average.

Who has the biggest market share?

Who has increased their market share?
Most insurance providers are targeting the mass auto-enrolment market and, because large employers have already staged, providers such as Legal and General, Prudential, The People’s Pension and Nest have grown their books substantially.

the next two phases of minimum contribution rate increases will be aligned to tax years, so the planned contribution increase from 2% to 5% due in October 2017 will be postponed to April 2018, and the planned increase from 5% to 8% due in October 2018 will be postponed until April 2019.

So far, auto-enrolment has been a success, with opt-out rates of around 8%, well below the 30% expected. However, this number might rise when larger contributions become mandatory.

But, even when contributions rise to 8% in April 2019, this will only be half the amount actuaries say is required to fund a pension of two-thirds of pre-retirement income.

Furthermore, that is for someone who has been saving consistently since the age of 22; for someone in their 40s it is less than one-third of the amount they would need to put aside.

The auto-enrolment market seems to be consolidating around six or seven large master trust arrangements including National Employment Savings Trust (Nest), Prudential, Legal and General, and The People’s Pension. As master trusts, these offer the benefits of economies of scale and good governance.
Compliance is a foreign affair
Candid picks up the pieces as her boss gets in a flap over compulsory health plans in France

Big Bad Boss had been reading one of those benefits bulletins again. All our consulting friends send us these little updates to tell us what is happening in the world of benefits. Smarmy Consulting is the worst; it sends us not one but three newsletters, all pretty much saying the same thing. The first is a glossy brochure on international benefits trends. Then there is a monthly online global newsletter and, finally, an emailed alert any time any government even thinks about changing policy on benefits.

I don’t bother reading them anymore. I used to waste a lot of time wading through pages of detailed explanations of pension changes, only to find in the fine print that they didn’t apply to our particular scheme or it hadn’t been properly enacted yet anyway. It is a much more productive use of my time to simply ask Oily Oliver, the account manager, if there is anything we need to know about compulsory health plans and is worried about pension age changes in the Netherlands that are still in consultation.

This time it is France. He has read something about compulsory health plans and is worried about the impact on our benefits budget. He orders a complete review of the benefits in France. I point out that we only just conducted an international pool as part of the review?!

Well, no, because we hadn’t been involved in the change at all, I have to confess. We have a list of the local benefits on our new portal. So I enter the benefits portal to print off a report in preparation. We haven’t collected data on local statutory provisions, but the database does contain a report of legislative requirements from Smarmy’s own surveys. We have relatively few benefits in France, and I realise why: we are already paying a fortune in social taxes. French organisations pay a separate social tax for every possible need. UK national insurance seems positively straightforward by comparison, although obviously not so transparent.

I ask about the compulsory health plan changes in Smarmy’s alert. Okay, that’s not a problem, the local HR office says airily. It has already accounted for that and it is covered by a new policy. New policy? I am a little piqued. Is it on our database, I ask? Oh no, it was arranged after the new portal went in. But, all new policies must come through our team now, I point out. We have to approve everything centrally and enter it on the database to keep it up to date. I can almost hear a Gallic shrug. I get them to send me the market review so I can see which vendors were considered. At least the one selected was the cheapest and at least they had looked at all the major suppliers. I get back to Big Bad Boss with the good news. We already have a compliant health insurance policy, so there will be no additional costs. I was going to gloss over the fact that it was not approved centrally, but Big Bad Boss seems to have a spooky intuition and he starts firing out questions. When was the policy taken out? Who is it with? Had we considered the international pool as part of the review? Well, no, because we hadn’t been involved in the change at all, I have to confess.

Next time... Candid makes a presentation.
Healthcare and wellbeing

Employee benefits

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Employee benefits

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