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employee benefits

ALIGNING REWARD WITH BUSINESS STRATEGY

Toast of the town

How benefits can have a positive impact on corporate reputation

Supporting structure
Helping employees with eating disorders

Building blocks for the future
Travis Perkins brings it all together

Never miss a trick
Using data to define group risk strategy

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May supplement

Workplace health strategies

Benefits can offer a real enhancement

According to Japanese author Haruki Murakami: "Image is everything. You don't spare any expense to create the right image. And word of mouth is critical. Once you get a good reputation, momentum will carry you."

This is certainly true in the corporate world, where reputation can directly affect the bottom line. You only have to look at organisations such as Volkswagen, which, following its emissions scandal last year, posted a loss for the first time in 15 years, with both sales and production declining.

Meanwhile, employers such as Starbucks have attracted a great deal of negative commentary and attention since it was revealed that they pay little or no tax in the UK. Compare this with brands such as Samsung, Johnson and Johnson, and the Walt Disney Company, which often top corporate reputation listings and are typically highly praised by consumers.

Being viewed as a good place to work is a key component in building a strong corporate reputation. An organisation's approach to reward and benefits is an important factor here. Employers that go above and beyond expectations to offer a highly desirable employment package and employee value proposition that staff are unlikely to get elsewhere will inevitably see this pay dividends, not only on their corporate image, but also on factors such as recruitment, retention, productivity and morale. All of these are crucial for business success. Read more about the role of benefits in shaping corporate reputation in *Premium quality* on page 12.

Looking after employees' health and wellbeing can go a long way to creating an image of a caring and supportive employer. Not surprisingly, this has risen up many organisations' agendas. Numerous developments in the market mean employers have more options than ever to consider in a comprehensive health and wellbeing strategy. See the *Workplace health strategies* supplement included with this issue.

> "BEING VIEWED AS A GOOD PLACE TO WORK IS A KEY COMPONENT IN BUILDING A STRONG REPUTATION"

Of course, supporting employees suffering from some conditions is not always easy. Eating disorders can be a particularly sensitive and emotive subject, but it is sometimes a sufferer's employer or colleagues who are best placed to notice their problems and to offer support. So how can employers ensure staff can access the benefits and help available to them? Read more in *Support mechanisms are vital for eating disorders* on page 34.

Debbie Lovewell-Tuck
Editor

This issue

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Making the links for gender diversity

Louise Fordham | Deputy editor
Employee Benefits

On 22 March 2016, HM Treasury launched the Women in Finance Charter, which links senior executive pay to progress in gender diversity.

A number of employers in the financial services sector have already signed up to the charter, including Barclays, Capital Credit Union, Columbia Threadneedle, HSBC, Lloyds Banking Group, Royal Bank of Scotland, and Virgin Money.

The charter aims to improve gender diversity at senior level in the financial services sector and sets out to help implement the recommendations from the *Empowering productivity: harnessing the talents of women in financial services* review, undertaken by Jayne-Anne Gadhia, chief executive at Virgin Money.

The Treasury intends to publish a list of the organisations that have signed up to the charter three months after its launch.

The charter enables employers to set their own internal targets for improving gender diversity at senior management levels, to allow organisations to develop a strategy that fits their business and that provides scope to take into account the current state of play of women in senior roles within their workforce.

Organisations that commit to the charter pledge their intention to link senior executive pay to the delivery of the internal targets set. They will be required to publicly report on their progress in achieving these targets.

When it comes to setting effective targets, organisations will need to consider problem areas and the reasons behind these, says Jon Terry, UK financial services people leader and partner at PricewaterhouseCoopers (PWC). "One way of looking at it is through the lifecycle of an employee; for example, how is the organisation doing in terms of recruiting women into the organisation at all levels, how is it making promotion decisions, and pay and bonus decisions, and so on. Not until an organisation understands the shape and health of gender [diversity] can it say what targets it should be setting.

"Signing up to the charter or not is also a reputational issue, and that's strongly connected with the mandatory gender pay reporting. The big advantage of gender pay reporting is that it forces organisations to address the management of information, and sorting that out allows them greater ability to be able to comply with the charter if they want to."

10 the top 10 most read stories

1 Budget confirms salary sacrifice plans
The government is considering limiting the range of benefits that attract relief on tax and national insurance contributions via salary sacrifice arrangements. **bit.ly/1MDA3Sz**

2 How the Budget 2016 will impact employee benefits
A round-up of the key announcements from the 2016 Budget, as delivered by Chancellor George Osborne. **bit.ly/1SgL0GK**

3 Mercer and Thomsons Online Benefits partner on global benefits
Mercer joins benefits software provider Thomsons Online Benefits to offer global benefits management for multi-nationals. **bit.ly/1Nj0zk5**

4 Tax-free childcare to be phased in
The government has announced that the new tax-free childcare scheme, to take effect from early 2017, will be rolled out throughout the year. **bit.ly/1WBlUaF**

5 Employee Benefits Awards shortlist
The shortlist for the Employee Benefits Awards 2016 has been revealed. Winners will be announced at the Employee Benefits Awards and Summer Party on 3 June. **bit.ly/1NxscB1**

6 Reward Gateway owner acquires Perkz
Parent organisation International Benefits Holding (IBH) has acquired Perkz, an online employee benefits platform. **bit.ly/1VxLrSH**

7 Employer contributions to public sector pensions to increase
In the March Budget, it was announced that employer contributions to public sector pensions will increase from 2019-20. **bit.ly/1WbkLWU**

8 Employee Benefits Connect 2016 speaker slides
Slides can be downloaded for some keynote and conference sessions at Employee Benefits Connect 2016. **bit.ly/26aW81f**

9 Admiral CEO gifts £1,000 to employees
Henry Engelhardt, CEO at Admiral, and his wife, Diane Engelhardt, are personally gifting between £500 and £1,000 to each member of the organisation's workforce. **bit.ly/1XESYNh**

10 Insurance premium tax to rise to 10%
The standard rate of insurance premium tax (IPT) is to rise from 9.5% to 10% from October 2016. **bit.ly/1MDzZlU**

Most read stories online between 15 March and 17 April 2016

The latest information on legislation and tax issues affecting benefits, including rising minimum wage levels in the US, a pay equality claim by the US women's soccer team, and conflicting rulings on childcare voucher use

pay

Minimum wage rates move up in the US

Louise Fordham | Deputy editor Employee Benefits

New York and California have committed to introducing a minimum wage of $15 an hour.

In New York, the minimum wage will rise by between $0.70 and $2 each year, depending on the size of the workforce and where staff are based. People who work for organisations with 11 or more staff in New York City will see their wage rise from $11 an hour at the end of this year to $15 at the end of 2018. Workers in counties such as Nassau and Suffolk will reach $15 an hour at the end of 2021.

In California, organisations with 26 or more staff will be required to pay $10.50 an hour from January 2017, gradually rising to reach $15 in January 2022. Increases for employees at firms with 25 staff or fewer will be implemented a year later.

Charles Thompson, shareholder at labour and employment law firm Ogletree Deakins, said: "These measures can, and will, impact employers in other states. Progressive groups in some cities and states will push for increased minimum wages with renewed vigour. Some states, however, will do what they can to prevent any increase."

New York's $15 minimum wage was announced in its 2016-17 budget, which also included a paid family leave programme which will enable eligible employees to take up to 12 weeks' paid leave to care for a child, seriously ill family member, or to relieve family pressures if someone is called to active military service. This will be phased in from 2018 and will be funded through employee payroll deduction.

Meanwhile, San Francisco is to legislate for employer contributions to fully paid parental leave. At present, eligible staff receive 55% of their pay for six weeks' leave, which is funded through staff payroll contributions.

The legislation will require employers with 20 or more staff to contribute the remaining 45%. This will be phased in from 2017 and applies to birth parents and adoptive parents. It will not apply if an employer already provides benefits equal to, or in excess of, the legislation's contribution requirements.

equality

US women cry foul over soccer wages

Five members of the US women's soccer team have filed a wage discrimination complaint with the Equal Employment Opportunity Commission against the United States Soccer Federation.

Carli Lloyd, Alex Morgan, Megan Rapinoe, Rebecca Sauerbrunn and Hope Solo lodged the complaint in March. They claim the complaint is on behalf of the whole team.

In the 2015 World Cup, the US women's team won the tournament, whereas in the 2014 World Cup, the US men's team lost in the round of 16. The male footballers earned $9m for progressing that far, while the women earned $2m for winning the competition.

As well as equal pay for games, the complaint addresses compensation in other areas, such as ticket revenues and sponsorship duties. US women players are paid $3,000 per sponsor appearance, while men are paid $3,750.

Expert advice

Kathryn Clapp is senior employment lawyer at Taylor Wessing

Should vouchers be used on maternity leave?

The Employment Appeal Tribunal (EAT) has recently raised doubts about HM Revenue and Customs' (HMRC) guidance on the use of childcare vouchers while on maternity leave in the case of *Peninsula Business Services v Donaldson*.

Current guidance is that vouchers should be maintained if provided by way of salary sacrifice because they are non-cash benefits rather than 'remuneration'. The benefit to the employees, when at work and participating in the scheme, is a saving in tax and national insurance contributions (NICs) on the vouchers.

Peninsula's scheme suspended provision of vouchers during maternity leave, and it paid only statutory maternity pay. Its employee, Donaldson, refused to join the scheme on these terms, believing they were discriminatory, and brought a tribunal claim. She argued that childcare vouchers were required to be provided during maternity leave as a benefit and so should be maintained during maternity leave.

The employment tribunal, acknowledging the HMRC guidance, upheld her claim, concluding that Peninsula had subjected Donaldson to unfavourable discriminatory treatment.

On appeal by Peninsula, the EAT disagreed and held that vouchers were not payable on maternity leave. Salary was diverted from earnings to purchase vouchers under a salary sacrifice scheme that amounted to 'remuneration', it said, and suspending their provision during maternity leave was not discriminatory.

Although the EAT did recognise that its conclusions were somewhat tentative, in its view the HMRC guidance had no legal basis. Neither could it have been Parliament's intention to require employers to incur the cost of providing vouchers when there was no salary that could be sacrificed, nor to provide a windfall benefit for the employee.

Amending current procedures may require contractual changes to employees' terms and conditions. If vouchers are currently provided as a benefit in addition to salary, these would remain payable. In any event, existing childcare voucher schemes will be closed to new entrants from April 2018.

@ Read also

More advice from tax and legal experts
bit.ly/218Molw

employee benefits LIVE 16

11–12 OCTOBER 2016

EY and RBS step on the conference stage

EY, Kingfisher, Royal Bank of Scotland and Scottish Power are among the employers that will be speaking at Employee Benefits Live 2016.

Now in its 18th year, Employee Benefits Live offers an extensive conference programme alongside an exhibition featuring leading industry providers, advisers and consultants.

Employee benefits professionals will have the opportunity to hear from their peers and industry experts on the key issues affecting reward and benefits today.

Among those speaking at the event are: Steve Varley, chairman and managing partner UK and Ireland at EY; Bekki Peters, category manager, HR at Centrica and British Gas; Gillian Thomson, reward manager at Scottish Power; Graeme Wyllie, head of pensions UK and Ireland at Royal Bank of Scotland; Evan Davidge, head of reward at Arup; Sarah Miller, director, international compensation and benefits at Verizon; and Dermot Courtier, head of group pensions at Kingfisher.

The two-day conference will cover a range of topics, including: employee engagement; benefits technology; financial wellbeing; global reward; workplace pensions; cost-efficient benefits; and health and wellbeing, among others.

The event will take place on Tuesday 11 and Wednesday 12 October at Olympia National, London.

Leading thinkers provide expert advice and insight

This year's Employee Benefits Live will take place on Tuesday 11 and Wednesday 12 October 2016.

Employee Benefits Live, which is Europe's largest dedicated employee reward and benefits event, will be held at Olympia National, London.

The event's market-leading, comprehensive conference programme will see some of the industry's leading thinkers provide expert advice and insight into some of the hot reward and benefits issues currently facing reward and HR practitioners.

Delegates, including benefits, reward and HR directors and managers, will have many opportunities to meet and network with their peers, reward and benefits providers, advisers and consultants at the event's lively exhibition, which will take place alongside the conference.

A great opportunity to network with providers, advisers and consultants

Delegates at Employee Benefits Live 2016 will have the opportunity to network with providers, advisers and consultants from the reward and benefits industry on the bustling exhibition floor.

This year, Tastecard/Gourmet Society is the headline sponsor of the two-day event, which will take place on Tuesday 11 and Wednesday 12 October at Olympia National, London.

Other sponsors of the show include Zenith, Generali Employee Benefits, Westfield Health, Xerox HR Services and Neyber.

For more information and to register your interest to attend, visit *www.employeebenefitslive.co.uk*

The hub...

People moves

Povey joins Archroma
Debi Povey has joined Archroma as interim head of reward, and will be responsible for delivery of key reward activities. Her experience includes head of reward at bwin.party digital entertainment, where she was previously reward manager, and senior reward analyst at Prudential.

Allianz appoints Cownie
Dot Cownie has joined Allianz Global Corporate and Speciality (AGCS) as global head of human resources. She was previously head of organisational development for global operations and investment bank operations and technology at Barclays Bank. Before that, she held senior HR roles at GE Capital.

Dainty moves to Bloomberg
Bloomberg has appointed Gemma Dainty senior benefits specialist, Europe, Middle East and Africa (EMEA). Previously, Dainty was reward and benefits specialist at telecoms firm TalkTalk, and held reward and benefits positions at Vodafone, Lockheed Martin and Discovery Communications.

Moussa moves to Wealmoor
Chadi Moussa has joined food production organisation Wealmoor as head of talent. Before this, Moussa was global talent and performance manager at Intercontinental Hotels Group (IHG), and global head of people development at UK standards body BSI.

Webber at Cystic Fibrosis Trust
The Cystic Fibrosis Trust has made David Webber head of people and organisation development. He was previously director of HR, finance and services at the Workers' Educational Association, as well as O2's head of change management and employee communications.

BAE Systems appoints Taylor
BAE Systems has appointed Zoe Taylor head of HR, maritime naval ships Type 26 and offshore patrol vessels. Her experience includes group head of HR at Global Energy Group, head of HR at Macphie of Glenbervie, and senior HR roles at Qatar Airways, CHC Helicopter and Quantel.

Louise's lowdown

Ford's green drive highlights the value of environmental elements in the workplace

In April 2016, Ford unveiled plans to transform its Dearborn facilities in Michigan, US, bringing together 30,000 employees working across 70 buildings into two state-of-the-art campuses.

The new campuses will include more green areas, with walking trails, bike paths, and recreational facilities such as a softball field and football pitch. Interior spaces will boast new on-site employee services, workspaces that enable more flexible and collaborative working, cafés, fitness centres, private spaces, as well as sitting and standing desks.

The sites have also been designed to reflect Ford's commitment to sustainability and innovation, incorporating the latest energy- and water-saving technologies. In line with its aim to develop into a mobility as well as a motor organisation, one of the new sites will serve as a pilot location for autonomous vehicles, eBikes, and on-demand shuttles for staff.

Ford is not the only employer to recognise the importance of the physical working environment; organisations across a range of countries and industries have been investing in improving the workspace for staff, albeit not always on the same scale as Ford's project.

In the UK, Sheffield Hallam University this year received the Leesman+ award, which recognises organisations with exemplary high-performing workplaces. The university achieved the accreditation after moving into a new office building, where it opted for workspaces that provided more natural light, more agile working and greater social interaction.

And in Sweden, children's app developer Toca Boca has designed its new Stockholm HQ with employee creativity, flexibility and interaction in mind. The building, which also welcomes children to play with and inform its products, includes a meeting room with oversized furniture, rainbow-coloured walls, secret play spaces for children and life-sized versions of the vehicles featured in the organisation's apps for employees to drive.

While the design of Toca Boca's building aligns with its business aims, with spaces conducive to play and creativity, research suggests the physical workplace can also have an impact on employee wellbeing and productivity.

Interface and Robertson Cooper's *Human spaces report: the global impact of biophilic design in the workplace*, published in March 2015, found that work environments with natural elements, such as plants and sunlight, resulted in a 15% rise in employee wellbeing, and that staff exposed to these elements reported a 15% higher level of creativity and 6% higher productivity than those without natural elements in their workplace.

However, 58% of respondents have no natural greenery in their place of work, and 47% have no natural light. Interestingly, 33% of respondents say office design would affect their decision to work for an organisation.

In light of the increasing focus on staff wellbeing and the growing competition for talent, a workplace environment that supports and appeals to employees could be a fruitful area for development.

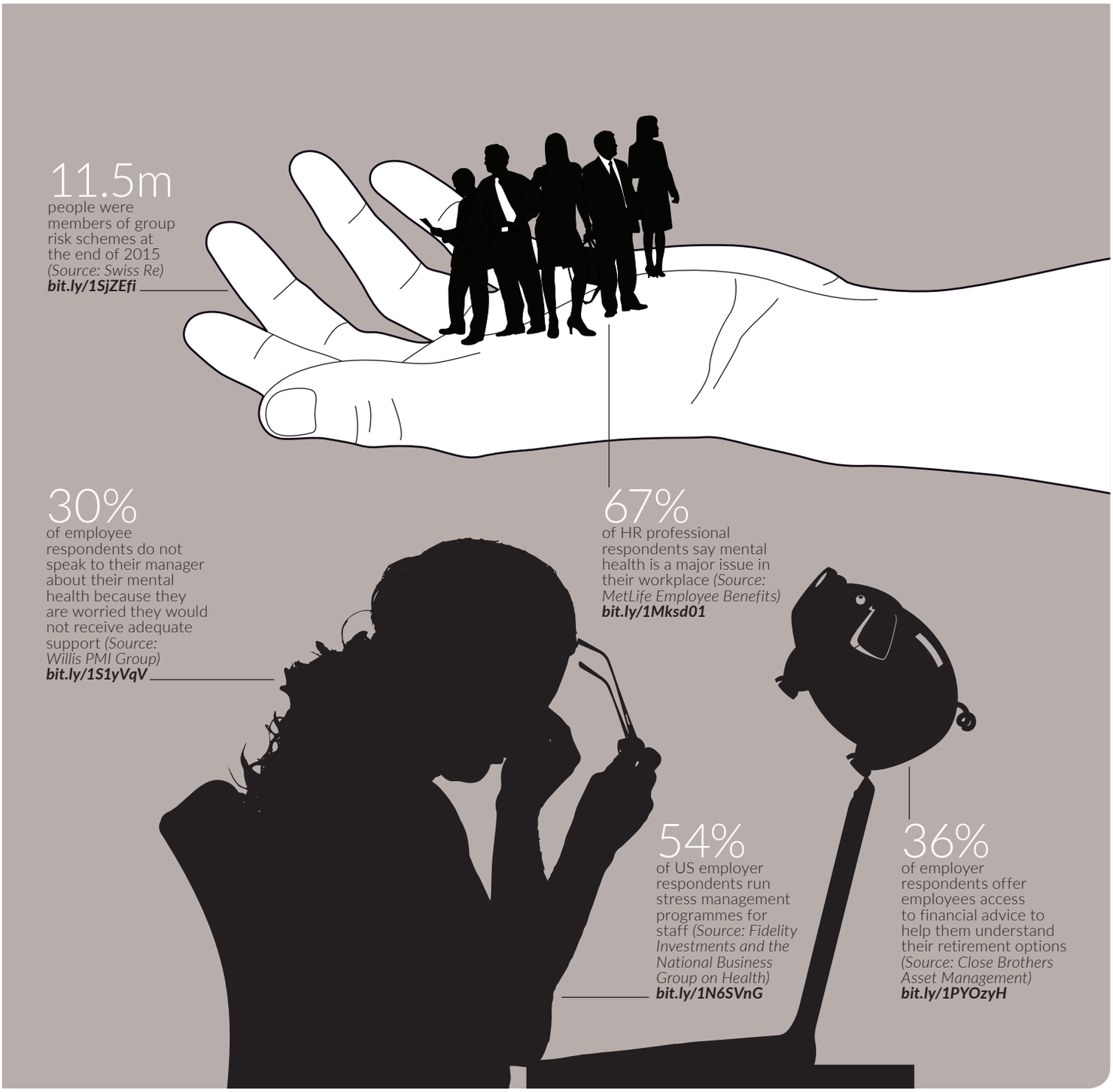
Social media

@employeebenefit

search EmployeeBenefits

The month in numbers

Louise Fordham rounds up some of April's key facts and figures relating to employee benefits



This month's big question...

What is the impact of unlimited leave policies?

do you agree?

Join the discussion by searching for the EmployeeBenefits group on:

LinkedIn

An engaged and motivated workforce is an imperative for most organisations, and at EY we are always exploring new ways to retain and attract high-performing talent.

At first glance, offering unlimited leave seems appealing. It looks to be a statement by the employer of absolute trust in its people, empowering them to make choices tailored to their own needs. It also signals a belief in outputs, not presenteeism.

But on closer analysis, we see a real risk that in offering unlimited holiday, staff in fact become inclined to take less leave. This would be of real concern.

There is a danger that some staff will focus more on producing results and neglect the vital time they need outside the office to recharge their batteries. It could become a perceived way to get ahead.

We can all go the extra mile sometimes, but data suggests that when we repeatedly do so, we face real consequences for our physical and mental health.

In EY's high-performance environment, sustainable delivery and the wellbeing of our staff is critical. We also want to develop people who have other skills and interests outside of work.

So we address the risk proactively. As well as offering a holiday allowance of 27 days, plus eight bank holidays, and the chance to buy a further six days' leave, we offer flexible working at every level of the organisation. Staff are empowered to decide how, when and where they work to help them balance their home and work life.

We have published care pathways, hold quarterly sessions on wellbeing and have 500 trained mental health first aiders, who act as points of contact for staff facing mental health challenges or seeking advice.

Offering unlimited leave may look an attractive benefit, but we think it could be a Trojan horse to employee wellbeing and engagement in the longer term.

Maggie Stilwell
is managing partner for talent at EY in the UK and Ireland

Unlimited paid leave is likely to attract people from the millennial generation who value time off rather than big pay packets. Unlimited leave means that they can go off and have new experiences rather than just buying stuff.

For employers that have to find effective ways to compete for the very best talent, there is a powerful incentive to adopt such attractive benefits.

For example, employers in the digital media sector are experiencing a huge shortage of experienced developers and often have to rely on freelancers to plug the gaps.

The benefit of an unlimited leave policy has been well publicised by organisations such as Visualsoft.

These include better health and wellbeing among their workforce with increased motivation, helping to create a culture of trust.

Last year, LinkedIn announced that it would introduce unlimited holiday from November 2015. Although there was no set maximum limit on leave, under this system, employees would 'work with their manager' to request time off.

This suggests that limitations are in place to ensure that the needs of the business are met over and above the employees' requests for holiday.

We have yet to hear from Virgin and other organisations that led the way in introducing unlimited holiday, as to how unlimited leave policies are working in the long term.

Although rights and responsibilities tend to go together, most employers recognise that some employees are better at taking responsibility than others.

It would be interesting to find out whether these types of arrangement have led to more employees failing their probationary period.

Fiona Martin
is director and head of employment law at Martin Searle Solicitors

In the summer of 2014, Visualsoft introduced a new benefits package that included unlimited paid holiday. Our main aim was to create a culture of trust, empowerment and engagement.

Introducing unlimited leave creates a shift in culture and trust. Employees are given guidelines to work within, but the general principle is that work still needs to be completed. Once guidelines are explained, deliverables measured and communication is clear, this empowers employees to manage their own time and holidays throughout the year to make sure their work-life balance is fair.

Key performance indicators should be implemented to give clear measurables to everyone using the system and allow departments and staff to work as teams to ensure higher-level targets are still met.

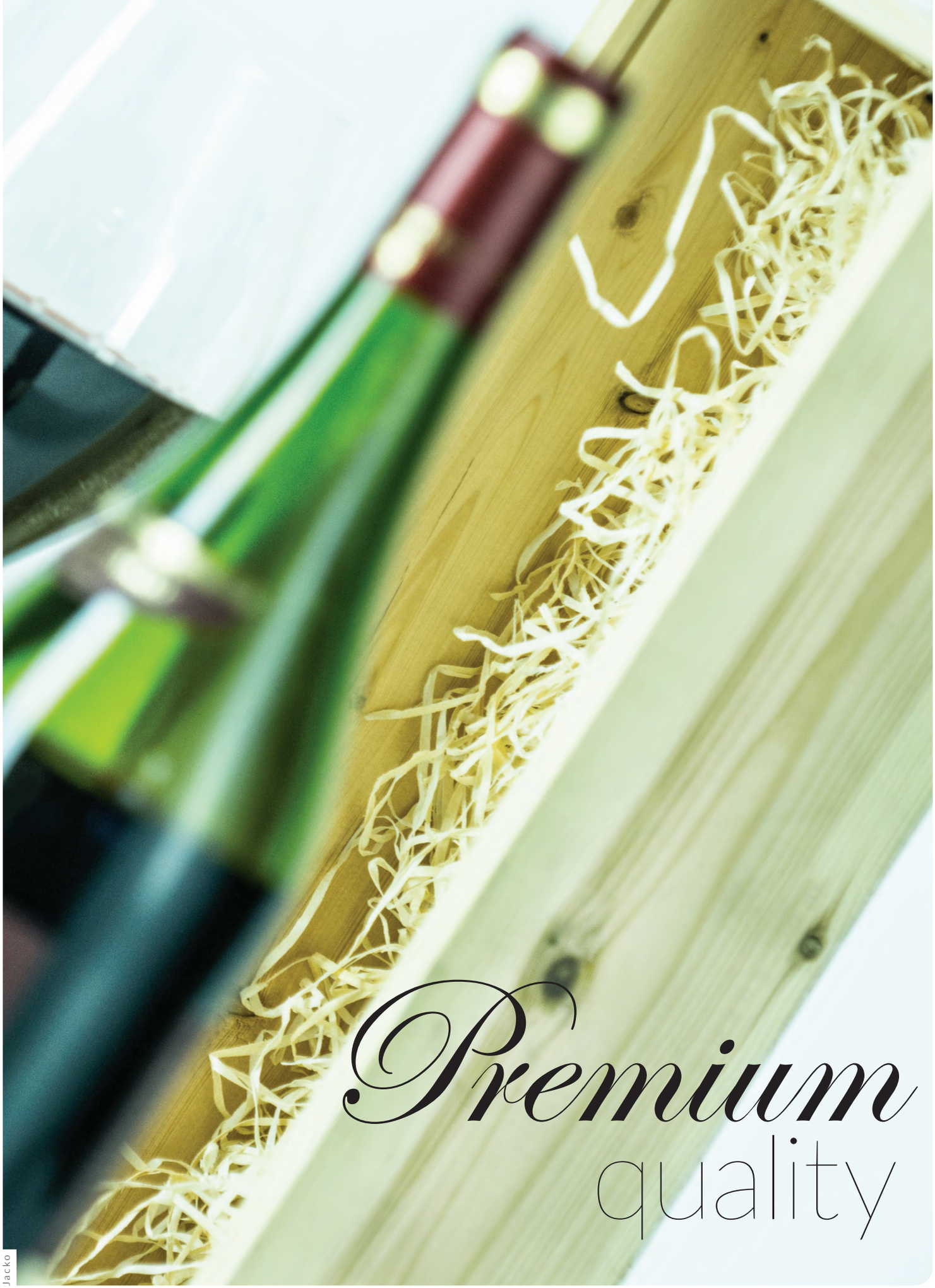
Creating this culture leads to a more engaged, happier workforce and less time needed to micro-manage staff. Happier employees are more productive, loyal and become advocates for the organisation.

Another effect of introducing unlimited leave concerns recruitment. Even though the adoption rate for this approach is increasing, it is still seen to be a rarity and a great benefit to offer. This helps to retain staff within the organisation and attracts much higher-quality applications when recruiting for new roles.

Visualsoft continues to offer, promote and expand its employee health and benefits package and has been recognised nationally by a number of awards bodies.

This is seen to be a further noticeable impact of creating the culture of trust and empowerment within the organisation. It gives the correct impression of a forward-thinking organisation that truly believes its staff are its most important and valuable asset, and that employee wellbeing is vital to business success.

Emma Hart
is HR manager at Visualsoft



Jacko

Quality benefits can have a huge impact upon an organisation's reputation

Louise Fordham | Deputy Editor
Employee Benefits

Need to know

- Engaged employees are more likely to take pride in the organisation they work for and act as brand ambassadors.
- Careful management, particularly around communication and social media, can limit fall-out in situations where benefits are removed or are found wanting.
- Going above and beyond legal requirements or the industry norm can influence perceptions on an employer and commercial brand level.

Read also

Are employers returning to a paternalistic benefits approach?
bit.ly/1MTcL7c

Research by Opinium and the Public Relations Consultants Association, published in June 2015, found that 20% of employee respondents are ashamed of their current or previous employer, and 35% of these say this is because the organisation treats its staff badly. Meanwhile, less than two-thirds (64%) of employee respondents consider the reputation of the organisation they work for as good, of which just 23% consider it very good.

So how could an organisation's approach to employee benefits affect its reputation, both as an employer and as a business? What advantages can a good corporate reputation bring? And what might an organisation need to consider in order to avoid, or best manage, reputational risk?

One way in which employers may be able to strengthen their reputation as a great place to work is by going above and beyond expectations. Scott McKenzie, joint managing director and head of change and employee engagement at Lansons, says: "Be a trailblazer. Essentially, what [employers] want to demonstrate is that they care about employees and they are trying to put the best package together they possibly can based on the type of workplace they want to be and the type of culture they want to foster."

Legal requirements

This thinking could also apply to legal requirements, such as the introduction of the national living wage or gender pay reporting. Although compliance is required, so employee expectation of this may limit the reputation-enhancing scope of going above and beyond the minimum requirements, an employer's approach to such legislation could still affect how the organisation is perceived.

Steve Herbert, head of benefits strategy at Jelf Employee Benefits, says: "Do things early and do things because you can, not because you have to."

But the potential positive impact of voluntary action that exceeds legal requirements will be felt only if it is communicated to staff effectively, says Herbert. "As long as [employers] tell employees in advance that they think this is the right thing to do and explain why they are doing it, then they will get engagement," he says. "And if they get engagement, then they will get improved productivity, and improved reputation as well."

However, in certain circumstances, it may not always be possible to go above and beyond. Legislation, and how employers respond to it, may also be perceived differently across different sectors, says Martha How, reward partner at Aon Employee Benefits.

Also, it may be counterproductive to implement a benefits strategy that is not appropriate to an organisation's particular aims, workforce demographic and operating environment. "Alignment with the business agenda and the business structure is really important," says How.

While an engaging benefits scheme can help to position an organisation as an attractive place to work, certain omissions or changes to a benefits package could damage an employer's reputation in the eyes of its staff, and perhaps those of potential recruits or even customers.

One such area is the closure of defined benefit (DB) pension schemes, says How. However, the risk of fall-out can be limited if such scenarios are well managed. In the case of DB scheme closures, this could include clear and honest communications about the commercial reality behind such measures, alongside a degree of protection for employees approaching retirement age, says How.

The lack of adequate group risk benefits, such as income protection or death-in-service benefits, could also pose a moral and reputational risk if an employee or their dependants are not supported in times of crisis and find themselves in dire financial straits, says John Deacon, head of corporate solutions at Xerox HR Services. This can have an immediate effect on the way in which colleagues of the affected employee or, in the case of death in service, the deceased employee's family, perceive the employer.

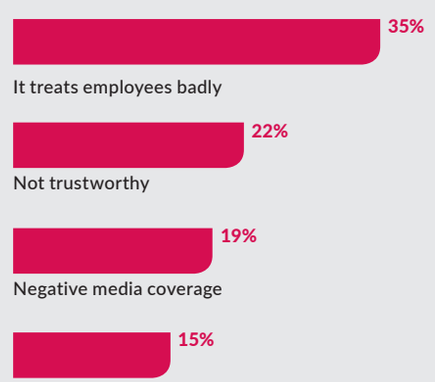
"Then there is also the potential for external damage to an organisation's reputation, because nowadays it doesn't take more than a second for someone to put something on Twitter or any other social media site," says Deacon.

Employers can take steps to prevent ▸▸▸

Statistics

Reasons employees feel ashamed of the organisation they work for

(Source: Public Relations Consultants Association and Opinium research, published in June 2015)



Case study | **John Lewis Partnership**

John Lewis works to ensure benefits add value

Employee benefits are one of a number of elements that have helped to establish the John Lewis Partnership's reputation as a great place to work. The organisation encompasses John Lewis and Waitrose, and all its 90,000 employees are partners in the business.

Rachael Abbott, benefits development manager at the John Lewis Partnership, says: "Benefits are part of the whole; it's also about our history, philosophy and culture."

The retailer works to ensure its benefits are relevant to its workforce, which includes a range of roles, locations and working environments. "It's trying to make sure the proposition has the breadth and depth to be relevant to the vast majority," says Abbott.

The organisation has introduced new benefits over the last year to support workers' everyday needs. These include a salary sacrifice arrangement for mobile devices and a financial education programme, My Financial Choices, provided by a third party.

"Offering some form of financial education now is really important," says Abbott. "It's also about trying to recognise what we think will add value to our partners."

such situations occurring, such as ensuring a minimum core level of cover is provided and educating staff about why these benefits are important, adds Deacon.

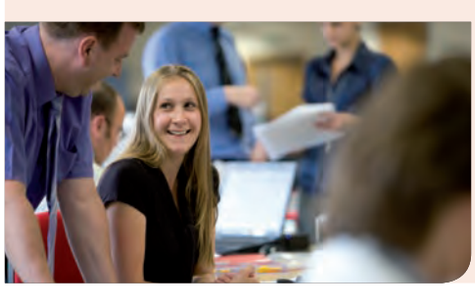
In today's online world, prospective employees and customers can quickly find information and opinions about an organisation, including employee reviews on social media and sites such as Glassdoor. James Gooding, deputy manager at Top Employers UK, says: "People are a lot more empowered and informed about organisations than they used to be. Jobseekers can easily search and see what news has come out about the organisation they are interviewing for."

Although this could be seen as a concern in terms of managing reputation, it can also be viewed as an opportunity. For example, an organisation could bolster its reputation as a caring employer by providing a certain level of information about its benefits package and workplace ethos on its website, or using internal or external online platforms to share real-life examples of when a benefit has helped an employee or where staff have been rewarded through a workplace recognition scheme. "It is important for organisations to mention what is unique about them in the right places, such as recruitment advertising, employer branding, and ensuring recruiters that work on their behalf are armed with that insight," says Gooding. ▸▸▸

Case study | **Bibby Financial Services**

Bibby Financial Services develops total reward proposition to help it stand out from the crowd

Bibby Financial Services came 31st in the 2016 *Sunday Times 100 Best Companies to Work For* list, moving up 19 places from its 2015 ranking. This is the fifth time it has made the top 100.



The organisation, which has 780 UK staff, communicated its achievement via a range of channels, including an email from the global chief executive to all its staff worldwide. It was also communicated via posters, window stickers, at team meetings, and a video blog posted by the chief executive on Bibby's intranet.

Vicky Smith, reward manager at Bibby Financial Services, says: "We are very proud to be a *Sunday Times* Best Company to Work For. The fact that we were 95th back in 2011 and have jumped up to 31st in 2016 is testament to how much we are listening to our employees and providing for them."

The invoice finance specialist refreshed its reward proposition in 2012, which has helped to differentiate it in a competitive industry. In addition to its employee benefits, Bibby's holistic approach to total reward includes professional development and the chance to work at one of its international offices.

"If [someone] is making the decision to come and join us or to stay with Bibby, then we really think reward can be a differentiator," says Smith.

Three new benefits were introduced in 2015: a will-writing service, money-saving tool Money Boost, and subsidised cancer screening provided by Bluecrest. The new perks were available through the annual flex window in November 2015, which achieved a 99% engagement rate.

Employers could also share information about external recognition and accolades they have received, such as Top Employer and Great Place to Work awards, or achieving a ranking on *The Sunday Times*' Best Companies list.

These awards, like the benefits propositions and workplace cultures that can help employers win them, can become one of the many building blocks that establish an employer's reputation. This can help to differentiate an organisation from its competitors, such as when trying to attract a recruit who has the choice between similar roles with similar levels of pay at two rival organisations.

David Dolding, director of consulting at Portus Consulting, says: "Most people want their work to be interesting, and if they see that an organisation has been recognised as a great place to work or that [it has] won a number of industry awards, then they might think there is something more about this organisation [than another]."

Independent recognition can also have a positive impact on current employees, fostering a sense of pride in their employer and demonstrating that the organisation is focused on supporting and investing in its staff. Gooding adds: "Externally, it lets the public know that an organisation is doing something right and is looking after its people, so it can certainly help enhance reputation, both from an employer brand and a commercial brand standpoint."

"GETTING A GOOD REPUTATION TAKES YEARS AND CAN EASILY BE TRASHED IN MINUTES"

However, organisations may want to look at the broader picture when considering how best to communicate such awards. "If times are tough, it might not be prudent for an organisation to make a [fanfare] about winning something," says Gooding. "But then again, used cautiously, it could be a good piece of positive news to help turn the tide on negative feelings in a business."

Lansons and Opinium's 2016 *Britain at work* report, published in April 2016, found that 19% of respondents are employer 'promoters' in the sense that they are very likely to recommend the organisation to others, while almost half (49%) are 'detractors'. This is a particularly concerning figure when considering the significant role that employees can play as brand ambassadors.

Knock-on effect

A comprehensive benefits programme can offer support and value to employees, having a knock-on effect on engagement, loyalty and employees' perceptions of their employer and, potentially, the way they will advocate the organisation to others.

But a continuous communication effort is required if employees are to understand, and get full value from, the benefits available to them.

"If [employers] don't tell people what they've done and why they've done it, then they won't appreciate it," says Jelf's Herbert. "If [employers communicate] well and keep telling employees that they are receiving top-of-the-range benefits and explain why, then eventually that [information] will also start leaking out to the general public.

"At the end of the day, getting a good reputation as an organisation takes years and it can easily be trashed in a matter of minutes if you get it wrong, so it's an ongoing commitment." EB

Case study | **Goodman Masson**

Goodman Masson earns external recognition for approach to reward

In recent years, financial recruitment organisation Goodman Masson has received a significant amount of external recognition for its workplace culture, reward strategy and its innovative approach to employee engagement, including first place in Great Place to Work's UK Best Workplaces 2015, medium category.

Goodman Masson engages its 150 staff throughout the awards process, informing them if it intends to enter a particular award, communicating the entry process and then updating them on any success.

Guy Hayward, chief executive officer at Goodman Masson, says: "The most important thing is that we deliver our ambition to treat our people better than anyone else in the UK, which is remarkably bold, but when you receive a number one ranking, first you feel quite humbled, but second I think it confirms that the uniqueness of what we're doing is working."

The organisation offers its employees a range of benefits through its Benefits Boutique programme, which aims to give staff choice and access to benefits that are relevant to them in different stages of their life. This includes a mortgage fund, student loan fund, exotic holiday fund, knowledge fund, and home improvement and new parent loans.

"When you put all of that together and if I consider why people have stayed with us and why people have joined us, then one of those components has most definitely been our approach to pay and reward," says Hayward.

Last year, 25 Goodman Masson employees went on long-distance holidays through the exotic holiday fund, four people benefitted from the new parent loan, and seven joined the home improvement loan scheme.

The student loan programme has helped three people pay off their student debt, and 34 employees are making use of the mortgage fund, which has helped three of them become homeowners this year.

Put the scores up on the board

A total reward strategy will enable employees to see the full value of their package

Louise Farrand |
Freelance journalist

Need to know

- Lifting total reward off the page and making it meaningful is an ongoing challenge for managers.
- A total reward strategy is a great way to attract and retain a talented workforce, but it is important to ensure that all benefits are included.
- When employees understand the value of their benefits, it can make them less likely to move elsewhere and the short-term pay rise suddenly looks less attractive.

Read also

How to make total reward statements relevant to staff
bit.ly/1U8jWOo

An effective total reward strategy can encourage employees to stay loyal in a competitive jobs market. As Colin Miller, reward manager at Kent County Council, says: "The balance of power moves to the employer in a recession; people don't feel they can up sticks and move on."

But as the economy recovers, power shifts back to employees. However, it is easy for both employers and employees to take valuable benefits for granted. Reward professionals and their advisers are on a mission to ensure they identify and attach tangible values to the many benefits their organisations offer, as well as making sure a clear strategy underpins their efforts.

Total reward strategies are coming of age, but they are experiencing some teething problems along the way. Chris Charman, principal in Mercer's talent business, says: "Organisations aren't particularly great at integrating their total reward. They still struggle to bring that together into something that is meaningful for employees."

David Wreford, European leader of Mercer's workforce rewards practice, adds: "Mostly it's a series of superlatives on a website."

Although an employer may implement total reward, it does not always communicate it sufficiently to get people's hearts and minds behind it, says Jeff Fox, senior benefits consultant at Aon Employee Benefits. "My experience of total reward is that it gets talked about a lot in HR and reward circles, but it hasn't met its potential yet," he says.

Attach value

One reason for this is that it can be difficult to attach a value to everything that could be included in a total reward statement. "Things such as performance management, and learning and development, go into total reward statements much less regularly," says Fox. "Most [employers] want to include things such as that, but the challenge tends to be how you value it and where you get that data from. That is where the disconnect from the strategy and delivery arrives."

Employers increasingly see flexible working as a key part of a 21st-century total reward strategy. Wreford says: "Organisations are more willing to have agile working practices, such as place and time, job-sharing, all those kinds of arrangements."

Again, the challenge is to quantify the value of these arrangements.

Some arrangements, such as voluntary benefits and recognition schemes, are not always included in total reward, says Mike Morgan, chief executive officer at People Value. "Total reward can be, 'Here's your salary, pension, private medical insurance, death in service', with a number at the

images: iStock

Case study | **TalkTalk**

TalkTalk gets the message across on total reward

Telecommunications company TalkTalk introduced a total reward strategy in 2011. As part of the exercise, it introduced banding to achieve clarity and alignment across different sections of the workforce.

Sam Kirk, reward director at TalkTalk, says: "We brought all our benefits together at the same time and with great visibility. It helps people think about it differently. Now they really think of pensions, for instance, in the round as part of their benefits package.

"It allows us greater transparency: everybody knows that if they are in a band D, that is what they get. There is a greater level of trust for people: they absolutely know they have the same as their friends."

Now, data is entered in real time. "It has been relatively easy to bring all the benefits together because with [provider] Capita, it all sits in the same place," says Kirk. "We have a feed between Capita and Workday [Capita's business management software] with files exported so if anyone changes their pension contribution, that is fed in. If someone wants a new childcare voucher structure, that goes into Workday."

And total reward does not have to cost the earth to get big results, says Kirk. "About 80% of our benefits package is employee-funded. We negotiate preferential rates, but all we pay for are pensions, healthcare, income protection and life assurance. The rest of the benefits are employee-funded, and they tell us it's an amazing package. Don't be afraid to rip up the rulebook and talk to staff about a proposition. It helps people to understand, particularly if [employers] engage them from the offset."

bottom," he says. "What it doesn't consider are questions such as how much does that employee save through the voluntary benefits scheme, and how much did they receive as part of performing well in reward schemes? What we are seeing more and more in the voluntary benefits space is interest in how it can feed into a total reward scheme, to say 'This employee saved £1,500 on a new kitchen', for example."

To achieve this, there has to be a proper process that pulls in data from all areas of reward. "More than anything, it's a strategic decision to say 'We are no longer talking about just salary or just bonuses, we want to talk about all the great reasons to work here: pension scheme, life insurance, healthcare, all those things'," adds Fox.

Reach different generations

Another challenge for reward professionals is to ensure that their total reward strategies both reach and appeal to a multi-generational workforce. "[Employers] have to communicate to different generations in different ways," says Fox. "They can show things to employees in many more varied ways. For example, they can access information on tablets. We have seen a strong prevalence towards employers wanting to show the statement on paper, partly because there is a feeling that when it arrives on someone's doorstep, they are more likely to read it."

It is also important for an employer to include a range of benefits within its total reward strategy, to make sure it is appealing to people at different life stages. Scott McKenzie, joint managing director and head of change and employee engagement at communications consultancy Lansons, says: "Candidates are looking at a range of factors when making career decisions, and this will change not just throughout their time with an organisation, but will be life-stage dependent. So, for example, childcare vouchers will be really enticing to some parents, but if [employees] don't require childcare, it's not quite so attractive."

Creating a compelling total reward strategy can be challenging, but most will agree that it can achieve great results. Total reward can help distinguish between employers in the employment

market, says Aon's Fox. "In this age of pay restraint where we are not seeing significant pay increases, focusing on total reward can be a way to differentiate between employers when they can't necessarily pay people more," he says.

When Kent County Council first introduced its total reward strategy 10 years ago, it was seen as a way to distinguish the organisation as an employer, says Miller. Today, traffic to the Kent Rewards website, which includes access to voluntary benefits and discounts, is viewed as an indicator of success.

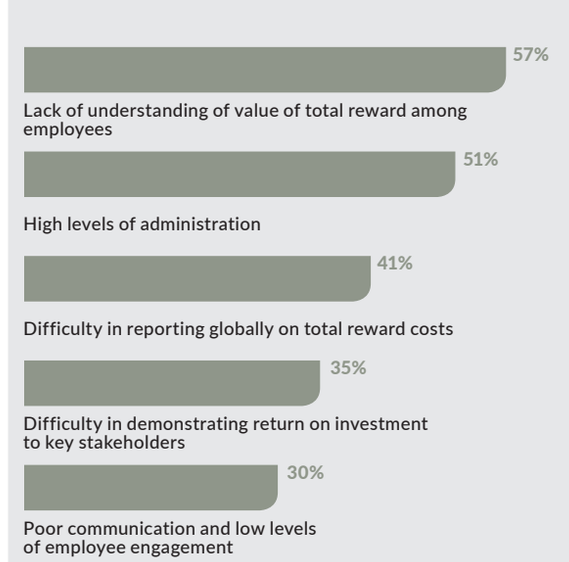
By that metric, the council's strategy is working: 70% of its staff are registered users. "It's trying to help people make the most of what they've got access to," says Miller.

Such a strategy can also help staff retention, says Fox. "If an employee is looking to leave, they need to take into account their total reward figure," he says. "Their new employer may not offer medical insurance, for example. When looked at in the round, their pay increase could dwindle." EB

Statistics

Top five global benefits strategy challenges

(Source: Thomsons Online Benefits' 2015 Global employee benefits watch, published in October 2015)



Need to know

- In the Budget 2016, the government announced the alignment of the national minimum wage and national living wage cycles from April 2017.
- From April 2018, employer national insurance contributions will be payable on termination payments exceeding £30,000.
- Salary sacrifice remains untouched for now. The government may limit the range of some benefits that can be provided through salary sacrifice.

Read also

How will the national living wage impact reward strategies?
bit.ly/1YGVe6U

Get the message on Budget measures

A round-up of employment law and employee-related tax issues affected by the 2016 Budget

Helen Corden | Legal director
Pinsent Masons

Before Chancellor George Osborne delivered his Budget to Parliament on Wednesday 16 March, there had been general uncertainty over whether the government would introduce any significant changes in 2016 in response to a number of consultations on employment law and employee-related tax issues.

On the whole, employers are likely to be breathing a sigh of relief that any potentially high-impact changes have largely been put on the back burner, or at least deferred.

The latest position on some of the more important employment and employee-related tax issues, following the Budget, are detailed below.

Termination payments

Currently, any termination payments (other than amounts that are taxable earnings, for example, holiday pay and contractual pay in lieu of notice) are income tax-free up to £30,000and completely free of national insurance contributions (NICs).

In the Budget, the Chancellor announced that the current rules would be retained for the time being. However, from April 2018, employer NICs, but not employee NICs, will be payable on any amount of a termination payment that exceeds £30,000.

He also announced that the government would 'tighten the scope of the exemption to prevent manipulation', also from April 2018. This aims to ensure that all payments in lieu of notice will be fully taxable, in particular what HM Revenue and Customs calls auto-Pilons, which are damages paid by reference to an unworked notice period where the contract of employment is silent on pay in lieu.

Salary sacrifice

Salary sacrifice remains untouched for now, and the government has committed to not changing the way that salary sacrifice arrangements can be used in conjunction with pension saving, childcare, and health-related benefits such as bikes-for-work. However, it has put down a marker that it might limit the range of other benefits that can be provided through salary sacrifice arrangements.

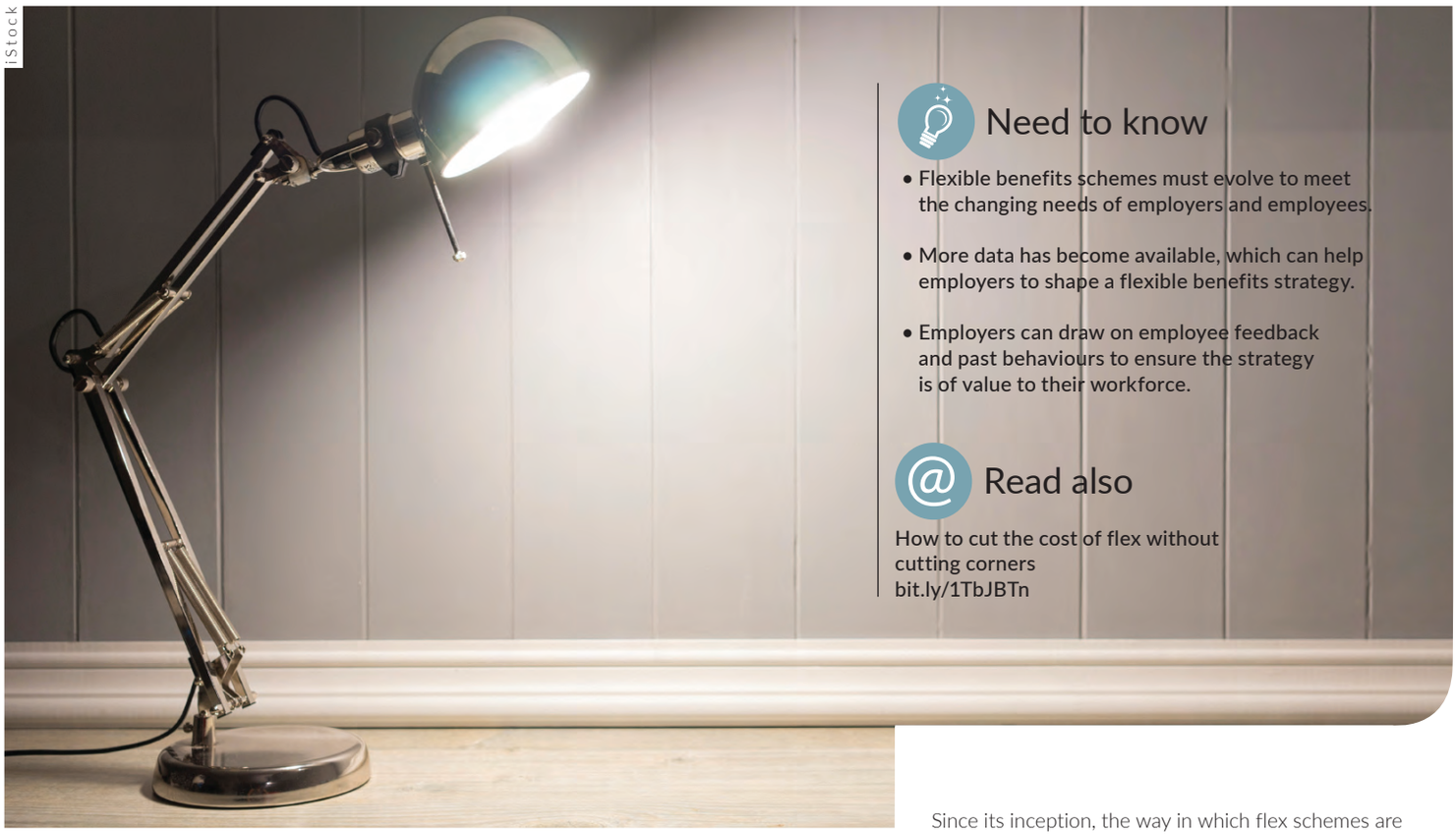
Shared parental leave

The Budget announced employment at a record high, with a rate of 74.1% in the fourth quarter of 2015. Female employment is also at a record high. However, 90% of those who are not working because they are caring for family are women. In light of this, the government intends to launch a consultation in May 2016 on the proposals to extend shared parental leave and pay to working grandparents.

National minimum wage

The government has also accepted the Low Pay Commission's (LPC's) recommendations that the national minimum wage hourly rates should increase in October 2016. The government will also align the national minimum wage cycle with the new national living wage of £7.20 for low-wage workers aged 25, which came into effect in April 2016.

Therefore, the national minimum wage will increase in April of each year and the change in cycle will come into effect in April 2017 EB



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Need to know

- Flexible benefits schemes must evolve to meet the changing needs of employers and employees.
- More data has become available, which can help employers to shape a flexible benefits strategy.
- Employers can draw on employee feedback and past behaviours to ensure the strategy is of value to their workforce.

Read also

How to cut the cost of flex without cutting corners
bit.ly/1TbJBTn

Strategy needs guiding light

An effective flexible benefits plan needs to harness a growing amount of available data

Tynan Barton | Features editor
Employee Benefits

The information that can be used to inform a flexible benefits strategy is never a certain set of data and decisions. As the requirements of both employers and employees change over time, flex schemes must also evolve to meet these needs.

Employers recognise the importance of providing benefits to suit a workforce. Aon's *Employee benefits and trends research*, published in November 2015, found that of the employers that have introduced, or plan to introduce, flexible benefits, 81% did so to address the diverse needs of employees, while 82% wanted the introduction of flex to help increase employee satisfaction with benefits.

Since its inception, the way in which flex schemes are designed has changed somewhat. Clare Sheridan, head of flexible and online benefits at Capita Employee Benefits, says: "When flex was first set up, it was only for the very big [employers]. It was very prescriptive, there were few providers in the market and it had a standardised set-up. As it started to evolve, there was a bit more intelligence around what sort of benefits [to include], more than analytics and demographics, it was looking at a balance between protection, lifestyle and savings benefits; making sure there was something for everyone but in a very broad-brush approach."

As flex schemes have developed, more data has become available to employers that can be harnessed to inform their future strategies. Year-on-year experience can tell an employer which benefits employees valued but also, in using its benefits advisers and consultants, an employer can draw on general take-up figures from its peers and from different industry sectors.

Organisational culture

The data that can be used to inform a flexible benefits strategy can be drawn from a range of sources, but it must always consider the right fit for an organisation and its workforce. Debra Corey, group rewards director at Reward Gateway, says: "Flex has changed so much and data has helped with that. Now there are so many things that can be flexed, [we] really need that data to help: it's a combination of data and the organisation. What is [the] organisation's culture and what are its values? What is its business strategy? What [is it] trying to do with [its] flexible benefits? That should be the framework."

Collaboration among different stakeholders within an organisation can help to provide shared data, from which a flex strategy is just one outcome. A broader range of departments within an organisation now get involved in flexible benefits arrangements, including HR, health and

> "IT COMES DOWN TO NOT JUST DATA, BUT COLLABORATION WITH THE PEOPLE THAT ACTUALLY OWN THE DATA"

safety, and the chief risk officer, says Andrew Woolnough, value proposition director at Willis Towers Watson. "Organisations should be starting to combine their various data sets: absence statistics, engagement surveys and employee claims experiences, for example," he explains.

"It comes down to not just data, but collaboration with the people that own the data. If HR starts sharing data with other [teams] such as health and safety, and risk, it can start joining together other data sets; then it gets better data and better analytics. For forward-thinking organisations, it allows them to design an exciting benefits package to meet the employee risks that the [employer] faces."

Employee input

Regardless of how long flexible benefits plans have been available to employers, a key step in forming a strategy would be to look at the demographics of employees, in terms of age profile, salary profile, and the geography, including whether or not there is a global strategy, says Corey. "Those are data points, not specific data," she adds.

In addition, employees can be a valuable source of information, both in terms of providing input into what they would like from a scheme, or through the choices they have made in previous years. "I always do some form of data collection, whether that's quantitative through questionnaires, or qualitative through focus groups," says Corey. "[As a provider] Reward Gateway uses the management information it has on existing benefits to help understand how that's working right now. For example, employees are saying they want flexibility but nobody is flexing or choosing anything. So [we] help the organisation understand, does it have the wrong things to flex? Are there things that would work better?"

Employers can work with providers and consultants to use that data in order to understand if they are actually getting the most out of the scheme as it currently stands. If, for example, an employer has too many benefits within its flex scheme and employees are not using them, the best thing to do might be to draw on the data to help market the scheme better and to get better utilisation rates. "To me, it's all about balancing the data to have a really robust set so that [an employer] can come up with the most strategic, effective and impactful benefits," says Corey.

Flex has now reached a stage where employers want their benefits schemes to be more intelligent in reflecting the needs of their employees. Drawing on the past behaviour of employees, organisations have a wealth of information from which to form a flex strategy. Alex Tullett, head of benefits strategy at Capita, says: "We have over 13 years' worth of decisions made by people in flexible benefits schemes. Those decisions are almost entirely socio-economic: they are about what point [the employee] is at in their life; and how much they earn. [We] can look at a large number of decisions and get an idea of what types of people appreciate or use certain types of benefits." ▸▸▸

Case study | **RWE NPower**

RWE NPower's flex strategy uses data to help scheme evolve

Energy firm RWE NPower soft-launched its flexible benefits scheme in November 2013 as part of its work on its employee proposition.

Claire Tunbridge, reward manager, says: "The challenge we had was to enhance the benefits package and perception and appreciation among employees, without increasing cost."

The organisation already had a number of fragmented voluntary benefits. "We felt we had very low employee awareness of those existing benefits," says Tunbridge. "We had to duplicate communications, when we spoke about the benefits it was very disjointed and the administration was very labour-intensive. Introducing flex gave us an opportunity, we felt, to give employees a full picture of what they had already."

The scheme, provided by Edenred, is available to RWE NPower's 10,000 UK employees. An online platform allows employees to access their flex accounts from anywhere, which is important because a lot of employees are not office based.

The scheme has achieved part of what it set out to by increasing engagement among employees. "We've seen some big improvements in employees' perception of the benefits, even if they choose not to take some of the benefits that are available. For some people, it's not for them, but we've had comments that say it's great to see all these things that the [organisation] is making available."

RWE NPower is drawing on the data it has gleaned in the scheme in order to shape its future provision. "As the scheme has matured, we've gone to the data more because we've started to develop an understanding of the types of profile of employees that we have around the business, and which particular benefits they are interested in and how to target those," explains Tunbridge. "We're being much more targeted about knowing which types of employees generally will choose certain benefits or are really engaged with the scheme."

> "FLEX AS A CONCEPT ISN'T RELEVANT; IT'S ABOUT ONLINE BENEFITS WITH FLEXIBILITY ON AN INDIVIDUAL LEVEL"

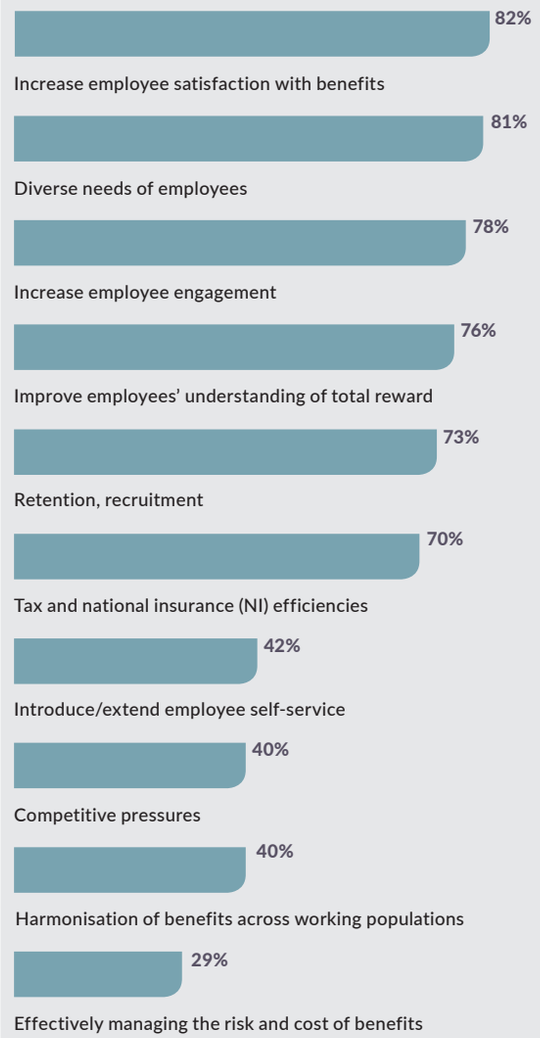
That consumer decision-making data, combined with other employer data such as absence management statistics, enables an organisation to design a customised flexible benefits scheme. "We now see differences in the types of benefits that are available for different types of people, and looking at the way people engage with things like investments," explains Tullett. "Bringing all of that [information] together increases the power of what is available quite materially, and actually allows [an employer] to start to predict and segment a workforce in such a way that it can start to target benefits more effectively, and reduce the unwanted spend. There's no point in giving a benefit for people that aren't going to use it."

Technology has largely dictated the change in the model of flex in recent years, leading it more to an online benefits model, one that is, ironically, more flexible. Jon Bryant, director at Aon Employee Benefits, says: "[The industry] is taking a portal-based approach to online benefits, so the terminology of flex has changed somewhat. Flex is just one product that [an employer] can choose online."

Instead of flex, it will be access to relevant benefits that are targeted, segmented and relevant to individuals, adds Capita's Sheridan. "Flex as a concept isn't relevant anymore; it's [about] online benefits with flexibility on an individual level," she explains EB

Statistics

Of the employers that have introduced flex or have plans to, what are the challenges they are hoping it has or will overcome? *(Source: Aon's Employee benefits and trends survey, published in November 2015)*



Case study | **Holiday Extras**

Holiday Extras built flexible benefits scheme on employee input

The strategy behind Holiday Extras' flexible benefits scheme has largely been driven by employee input and feedback.

Prior to launching its flex platform, My Extras, in 2012, the travel firm asked employees what they wanted from a platform and which benefits they would like to see. Anouk Agussol, head of people, says: "What we found from this, is that there was very little that stood out as the main things people wanted, and that we needed to provide benefits individuals want, not what the team as a group want."

For example, a few employees wanted a payroll-giving scheme to be able to contribute to charity. "We introduced the benefit but the take-up is small," says Agussol. "However, to the people that have it, it is really important to them so we wouldn't take it away regardless of a small take-up. Benefits give value to an individual. If each person feels individually valued and feels the value of their benefits then they are more engaged."

Holiday Extras looked at the organisation's culture and used feedback from the team to help decide which benefits to include. "In addition, we also have an engagement survey called You are Holiday Extras. We get a lot of feedback via this to help shape our offering and we review our benefits each year," says Agussol.

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Getting the message across

Five key pointers for communication around pensions auto-re-enrolment

Nic Paton |
Freelance journalist

Need to know

- Pensions auto-re-enrolment happens at an employer's three-year staging-date anniversary.
- Explain the change early, highlight what employees outside of the scheme have been missing out on but make it clear they can stay opted out, although they must actively say so.
- Keep messages bite-sized, accessible and relevant.

Read also

How to differentiate a pensions offering to attract talent
bit.ly/1XGn7fg

Given the amount of change that has occurred around pensions, benefits and reward professionals might be forgiven for feeling like it was only yesterday that pensions auto-enrolment arrived on to the workplace landscape.

However, pensions auto-enrolment has been in place since October 2012, meaning that, for employers which staged within the first 12 months, this year many will be approaching the third anniversary of their staging date and their first re-enrolment date. This is the point where an employer must re-enrol any eligible employees who are not in the scheme, perhaps because they previously chose to opt out or have ceased active membership. So, what messages should employers be sending out?

Engage with employees early

The Pensions Regulator emphasises that an employer must write to eligible staff individually, within six weeks of the chosen re-enrolment date, to tell them how automatic-enrolment applies to them. The more notice employers can give of what is happening, the better, says Catherine Stewart, head of market development for corporate pensions at Scottish Widows. "This builds trust in the process and creates an early opportunity to talk about the value of pensions, as well as the wider package of employee benefits," she adds.

Show them what they have been missing

Demonstrating the advantages of saving into a workplace pension can be effective. Kate Smith, head of pensions at Aegon, says: "Six million people have been auto-enrolled into a workplace pension and are already building up pension savings. But, around 10% of workers actively opted out of pension saving and have lost out on both their employer's pension contribution and a government top-up.

"Someone on average earnings of £27,000 a year will have lost a minimum of £635 in employer contributions and £127 in tax top-up from the government. Effectively, workers have 'saved' themselves £508 in pension contributions but have lost out on a total of £1,270 in their pension, taking a pay cut."

Roy Porter, director of business development at The People's Pension, adds: "If [an employer] offers enhanced or matched contributions if [employees] contribute more than the legal minimum, it might be worth highlighting this again."

It can also be helpful to explain how pensions have changed, including the pension freedom reforms.

Explain that staff can still opt out

"Auto-re-enrolment encourages people to revisit a decision regarding opting out as part of the process," says Porter. "They will need to opt out again if they still don't wish to be a member, and, like the first time round, they won't be able to do this in advance of being put into the scheme."

Conversely, employers could make it clear to employees that if they are already enrolled or do now want to be enrolled as part of the re-enrolment process, it will happen automatically so they do not need to take any action.

Give employees tools to work with

Many providers offer tools so employees can look more closely at spending habits and see how they compare with their peers. "Sharing what employees' peers are doing can make a big difference," says Scottish Widows' Stewart. "If 95% of [an employee's] colleagues are saving into the [workplace] pension, they might think twice about opting out."

Make it bite-sized

It helps if employers can make any information bite-sized and easily accessible. As Stewart says: "If employees are already switched off to pensions, don't overload them with too much information at once. Breaking the subject down into smaller pieces makes it much more manageable." EB

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Looking after the golden eggs

Employers have an important role to play in educating staff about potential pension scams

Debbie Lovewell-Tuck | Editor
Employee Benefits

Need to know

- A February 2016 High Court ruling has raised concerns around savers' susceptibility to pension scams.
- Employers can play a role by educating staff about scams to help them avoid this risk.
- Signs to look out for include cold calls and pressure to make a transfer, among others.

Read also

Where does responsibility lie for educating staff about their options at retirement?
bit.ly/1Ulv2Ab

iStock

Employers shoulder a great deal of responsibility in helping employees to save for retirement. At times, it can seem a big enough task to educate staff about the need to save and the level of contributions required to ensure they achieve the pot necessary for their desired standard of living in retirement. But should employers also take some responsibility for ensuring their pension scheme members do not fall foul of scammers and hand over significant chunks, if not all, of their hard-saved pension fund?

Following a legal judgment in February 2016, there are concerns within the industry that more pension scheme members could fall victim to pension liberation scams, says Tim Middleton, technical consultant at the Pensions Management Institute (PMI).

He explains that, in the case of *Donna-Marie Hughes vs The Royal London Mutual Insurance Society*, Hughes brought a case against Royal London after it refused to transfer over £8,000 of her pension savings to a scheme investing in property in Cape Verde, on the grounds that it was highly likely to be a scam.

Hughes' complaint was initially dismissed by the Pensions Ombudsman in June 2015, after which she appealed against the decision. At a subsequent hearing in the High Court, a judge ruled that she was entitled to require Royal London to transfer her pension savings.

"The concern here is we now have a very dangerous legal precedent whereby people who are looking to do perverse things with their pension savings, knowingly or otherwise, are within their legal rights to do so," says Middleton. "This has caused a great deal of consternation within the industry. In the immediate future, what we need to look at is making sure people do not get scammed. This is a very serious problem. We probably do not have adequate legal protection to prevent it from happening. That is probably the number one priority. That is an aspect we need to consider going forward in terms of freedom and choice."

Although there is little employers can do to prevent staff from transferring their pension savings into a potentially fraudulent vehicle following the High Court ruling in the Hughes case, they can take steps to educate their workforce about the potential risks of pension scams. For example, the Pensions Regulator's Scorpion campaign includes a number of promotional materials that employers can draw on.

"With so many increasingly sophisticated scammers doing the rounds these days, I think employers could certainly do more to promote the regulator's campaign about scams," says Middleton. "The sort of things that individuals need to look out for are when they get cold called, when they get pressured into making a transfer, or when it is a pension scheme that they have got nothing to do with."

A further challenge for the pensions industry is how to manage longevity risk as many individuals spend longer periods of time in retirement.

"As we get more people with large funds, there are going to be more people going into drawdown arrangements and we need to think about how they can be reasonably assured that they will not run out of money in retirement," says Middleton.

"A few strategies have been proposed. One that is gaining traction is that people consider buying a deferred annuity, which starts payment when they get to, say, 85. The idea is that if they die before then, they do not need the money. But if they survive longer than perhaps they were anticipating, they have got some fallback if they do start to run out of money."

Middleton says lessons can be learnt from other countries, which do not have a system of compulsory annuitisation. "The obvious example for the UK to consider is Australia," he says. "It is worth noting that it has had too many cases of people who underestimate how long they are going to survive and who run out of money, sometimes deliberately because Australia has a means-tested state retirement system.

"So what the Australians are starting to consider is the introduction of some sort of minimum income requirement, which is what we used to have in the UK prior to [the introduction of] freedom and choice. I would expect [to see] over the longer term that, if our experience is comparable to that of Australia, a very similar change in this country and the reintroduction of the minimum income requirement."

As with potential pension scams, employers' role in educating staff on this issue should not be underestimated EB

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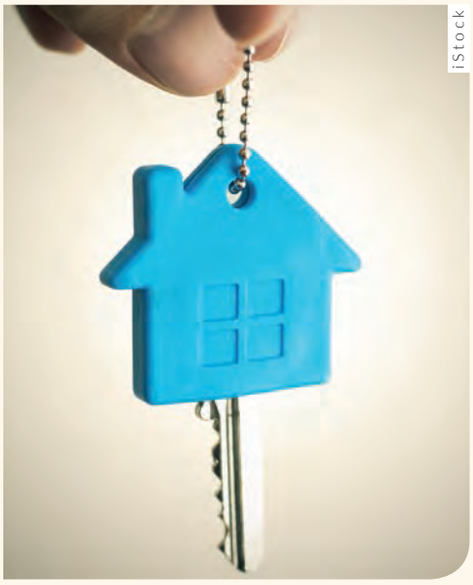
Standard Life

What is in a name?

When the name is Lisa, it could mean a whole lot for employers and employees

Alan Ritchie | Head of employer and trustee proposition
Standard Life



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A Lisa is a lifetime individual savings account (Isa) and it is a new way to save from post-tax income, coming in April 2017. It is aimed at those targeting their first home purchase. It comes with an incentive, similar to a pension, where the government will give a top up of 25% of the investment. This is, incidentally, the same top-up rate as a basic-rate taxpayer receives on their pension. Withdrawals from a Lisa are tax free. It is almost like a hybrid of an Isa and pension.

What are the details?

Like a pension, but unlike an Isa, there are restrictions on how and when an individual can take their money from a Lisa. It is only available to those aged under 40. The only withdrawal that can be made (without penalty) is for funds to purchase a first house with. Otherwise, savers probably need to wait until they are aged 60. There may be other life events that allow money to be accessed without penalty, but no details have yet been announced. And the maximum saving into a Lisa is £4,000 a year, subject to overall Isa limits not being exceeded.

Where salary sacrifice is used there will be an advantage in using a pension, where the employee and the employer save on national insurance contributions. This is not the case with a Lisa.

What is the penalty if money is taken for other reasons?

If money is taken before age 60, not to buy a first home (or perhaps some other specific reasons to be defined) then a penalty will apply. This will be to lose the government top up, any growth on that top up, plus a 5% charge across the value withdrawn.

> "WITHDRAWALS FROM A LISA ARE TAX FREE. IT IS LIKE A HYBRID OF ISA AND A PENSION"

How does it work with auto-enrolment?

For most people who are eligible for a Lisa, staying in the pension and benefiting from employer contributions and tax relief will still be the best form of long-term saving. A Lisa may be a useful addition to this for some, especially those planning to purchase their first home soon.

What type of employers will be interested in a Lisa?

Some employers may like the new concept more than others. For example, those recruiting lots of young graduates each year versus those with a more mature workforce. Employers will need to consider several key questions. Firstly, what role, if any, do employers see for the new Lisa for their workforce? Do employers see it as their role to help save for a mortgage? Would the Lisa appeal to parents wanting to support their children in saving for their first home? And do employers wish to give younger employees a direct choice around where some of their pay is saved (retaining at least a minimum level of pension savings)?

What sort of challenges will employers face with the Lisa?

As more becomes known about Lisas, we will be able to assess the challenges and opportunities in detail. In the meantime, employers will need to be aware of: ensuring members really understand their choices, be it pension, Isa or Lisa; and being alive to the risk that an individual may breach their Isa limit if they also have an Isa or Lisa elsewhere.

What do charges look like on the Lisa?

The Lisa is for relatively small investments, apparently complex to administer, and if intended for house purchase, may be withdrawn quickly. This means the charges may seem high to members when compared to other options.

What's the optimal investment strategy for a Lisa?

This needs to be managed carefully to ensure people are investing in a way that is appropriate for their plans. For example: are they investing for a house purchase in the next five years? Will they be doing it in the next five to 15 years? Will they be investing to age 60?

The optimal investment solution will differ depending on an individual's plans, so helping them choose the right option for them will be important.

In summary, Lisas are seen as a useful addition to the options available for employers to offer to employees. There will be certain groups of employees who will see it as attractive, primarily younger staff who have house buying as a priority. If employers are to offer Lisa savings successfully, then getting the communication right is going to be key ■

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Dig deep for the right tools

Engaging staff with financial wellbeing demands new methods and approaches

Vicki Arnstein | Freelance journalist

Need to know

- Employers are increasingly keen to offer holistic financial education, including around employees' personal finances.
- New providers are offering ways employers can offer help with an employee's personal finances while staying at arm's length.
- Education around personal financial wellbeing can benefit from audience segmentation and using non-static, non-passive communication.

Read also

How can behavioural science engage employees with workplace savings? bit.ly/1VB6iV3

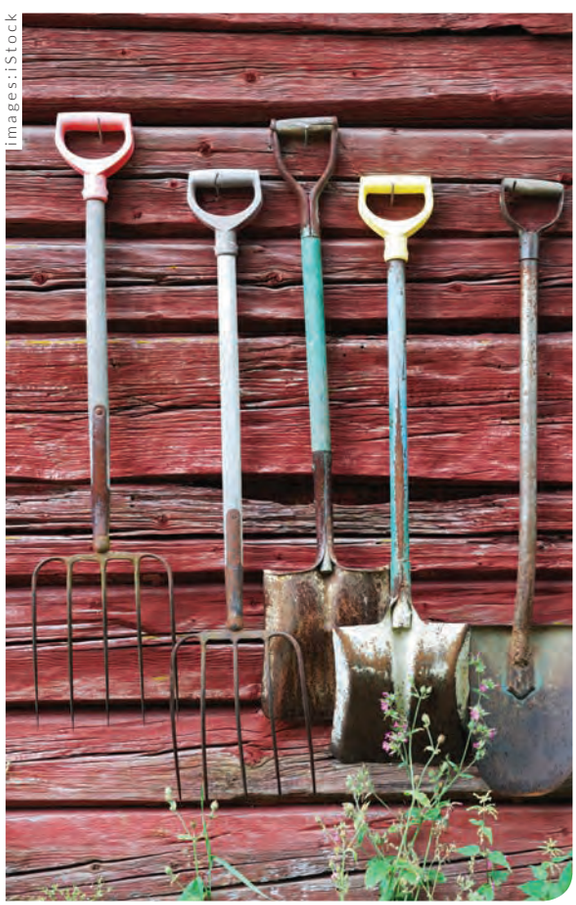
There was a time when financial education centred on pensions and not much else, but the scope has now widened, with employers increasingly playing a role in helping staff improve their financial wellbeing.

Research by financial education provider Nudge, *Financial education: the definitive guide 2016*, published in March 2016, found that the number of organisations now supporting their employees' financial wellbeing increased by 45% in 2015. The level at which employers are prepared to get involved with their employees' finances is also deepening, albeit with a third-party provider between them to keep them both at arm's length.

According to Nudge's research, more than 50% of financial education programmes were limited to the workplace pension in 2013. However, its 2016 research found that 96% of employers would like to provide a more holistic programme that covers pensions, employee benefits and personal finances.

As well as education on personal finance issues, this more holistic offering may also include wider financial support services, such as access to loans that employees can repay through salary deductions. Monica Kalia, founder of Neyber, which provides such a service, says: "It is a new concept and there will be early adopters that are prepared to do something different because they want to have a best-in-class benefits package.

"While it may not be an employer's first inclination to do something about financial stress in the workplace, it is clear that they are starting to recognise, much like mental health, that the problems are at their door so they need to be part of the solution," adds Kalia. "Helping employees with financial wellbeing, outside of just providing them with a pay cheque, can go a long way to helping with engagement."



images: iStock

Another way some employers are offering personal financial wellbeing support is through financial services that help with day-to-day budgeting. Provider Squirrel offers a service that diverts an employee's monthly outgoings, such as bills, into a separate bank account once they have been paid, allowing them to manage their money and save if they want to. If an employee wants to access their savings, they contact Squirrel's call centre and explain what they want it for. Mutaz Qubbaj, chief executive officer at Squirrel, says: "Helping employees manage their money is the last taboo and something employers can do to boost engagement and the wellbeing of their employees."

> "HELP IN MANAGING MONEY IS THE LAST TABOO AND EMPLOYERS CAN USE IT TO BOOST ENGAGEMENT"

Engaging technology

Technology is increasingly seen as part of the solution when it comes to engaging staff with financial wellbeing. Traditionally, employers may have put information about pensions and other benefits on the intranet but many employers are now taking a more proactive approach. This could include targeted support and communication around legislative changes or lifestyle events, such as moving house, having a baby, or reaching retirement, or when there is an organisational change or drive towards a particular benefit.

Providers such as Nudge also enable employees to set their own 'nudges', perhaps to remind them when their ▸▸▸

individual savings account (Isa) rate is going to change, for example. Tim Perkins, director at Nudge, says: "What our clients have in common is that they all recognise the importance of an employee's financial wellbeing and the impact on the employer, and they realise that the traditional channels don't work."

Simply expecting employees to read something on a static site is unlikely to have the desired impact if it is not supported by additional, more interactive, engagement methods and resources, such as financial modelling tools.

Just putting information on an intranet is probably the worst way to do it, says Jonathan Watts-Lay, director at Wealth at Work, which provides financial education in the workplace. "The most effective [method] is face-to-face. That could be seminars or [a] one-to-one [session. In] second place is a webinar, which is live, so it is still quite interactive, and then [there are] a lot of joint third places, things such as animation and pre-recorded webcasts," he adds.

Leaping logistics

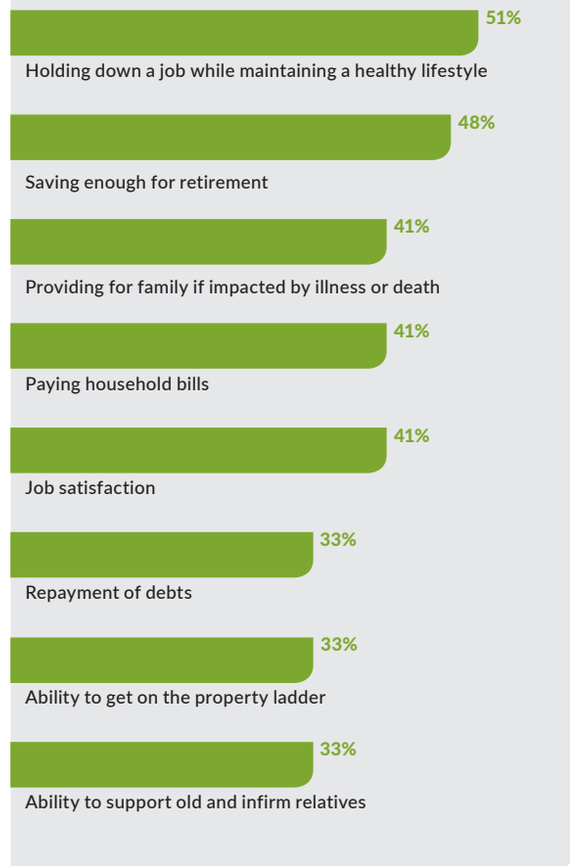
When it comes to engaging staff with their financial wellbeing, workforce segmentation can help to overcome logistical constraints. "[Organisations] might have people in a head office, people on the road, people on a production line or shift working and overseas workers," adds Watts-Lay. "There are two dimensions: what is most effective in that [education] pecking order and marrying that against logistical constraints."

Technology will become increasingly important. However, Watts-Lay says: "We find our helpline really works. On something such as pensions, people like to speak to someone. Technology is great, but it isn't the answer to everything."

Statistics

The worries facing UK employees

(Source: Mercer research, published in November 2015)



Case study | **Police Mutual**

Police Mutual engages staff with loan offering

Police Mutual, an organisation that offers financial services to police and military employees and their families, gives its 500 employees access to competitive loans through Neyber, a service where monthly repayments are deducted straight from their pay packet.

Since introducing the scheme at the beginning of 2015, around 5% of the organisation's staff have taken up the service, typically consolidating existing loans and borrowing an average amount of £10,500 over a four-and-a-half-year repayment period.

Kenny Graves, head of HR at Police Mutual, says: "I think [employers] do have to pay attention to the stresses and strains that people have in their personal life. You have to get the basics in place in terms of feeling safe and being secure financially."

There is no cost to the employer for offering the service. "It is one of the most straight-forward deductions we do, so it is almost a zero overhead," adds Graves.

The organisation utilises a range of channels to engage employees and communicate the benefit, including posters, email and SMS. It also held a roadshow walk-in session attended by the provider.

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Benefex

Finance is a state of mind

Understanding the psychology behind financial wellbeing

Gethin Nadin | Director of ecosystems
Benefex

It has been suggested that economics is a branch of psychology. So it stands to reason that an individual's attitude to financial wellbeing is rooted firmly in their mindset. In 2002 I graduated with a degree in psychology. Although useful at times, never has it become more vital to my work than when looking at employee financial wellbeing.

According to the psychologist Dr Peter Collett, there is a lot of evidence that links people's financial behaviours to their individual psychology. Research tells us that as an employee's financial wellbeing declines, so does their ability to do their job, which costs employers money through lower productivity, absence, and reduced engagement.

Most people find it difficult to save money. Millennials (almost half the workforce) are struggling financially, more than any other generation in the workforce. Young people are fighting to cover urgent expenses associated with rising rents and student loans, meaning future priorities like saving for retirement are falling by the wayside. According to Gallup, people tend to enjoy saving more than spending, so why are we still so bad at it? Author Sendhil Mullainathan and behavioural scientist Eldar Shafir say it is because of scarcity.

Key statistics

- **82% of employers feel a sense of responsibility for the financial wellness of their employees** *Bank of America Merrill Lynch Workplace Benefits Report (2016)*
- **37% of employees say they spend three hours or more thinking about or dealing with issues related to their personal finances while at work** *PwC Employee Financial Wellness Survey 2015 results, April 2015*
- **1 in 5 employees lose sleep worrying about their finances** *Barclays, Financial Well-being: the last taboo in the workplace (2013)*

Scarcity

Scarcity is a new area of social psychology that says people place a higher value on something that is scarce, and a lower value on things that are not. Studies have shown that when people assess their financial wellbeing and this assessment highlights a below-average financial position, they pursue strategies to mitigate the sense of being 'below average'. For most, this results in spending more money on goods and services unavailable to peers in the same position.

Scarcity prevents employees from seeing the bigger picture of what is important and instead focuses them on their present and pressing needs. In essence, the burden of having less money forces people to make worse financial decisions.

Making better financial decisions does not require big gestures. Helping employees to make small steps towards securing their financial future is one of the best ways to improve their financial wellbeing. Having tangible goals is a good way of doing this; people get what is called 'anticipatory happiness' from having savings goals. Perhaps someone is saving for a holiday, so they think frequently about the reward that is about to come. Employers should consider financial wellbeing initiatives that encourage saving, particularly those that help them secure their future, such as pensions. One of the most popular ways of encouraging this behaviour is 'nudge theory'.

Nudge theory

Nudge theory is a modern concept which focuses on creating choices for people in a way that will then encourage a particular decision. By presenting choices in a certain way, people make wiser decisions and, although the decision is still theirs, they get nudged one way or the other. Wearable devices, such as FitBits, operate using a similar principle; at the right time these will 'remind' you to exercise, so you now have a decision to make. Nudge theory can improve an employee's financial wellbeing by giving them personalised information at the right time in their life.

The stress of debt

To maximise their happiness, an employee needs to get out of debt. Financial stress is overwhelming and in fact, debt is often cited as the number one thing that keeps us all awake at night.

There are new financial wellbeing initiatives aimed at reducing or clearing an employee's credit card debt through payroll lending. This can help them press the reset button and focus on future potential, rather than historic debt.

Financial wellbeing means different things to different employees. For some, it is about securing their future, for others it is about solving an immediate need. However, no single solution will meet the needs of a diverse workforce and a combination of financial wellbeing initiatives is the best way to offer staff the personalised and timely help they need towards a more comfortable financial future ■

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Need to know

- Eating disorders affect more than 725,000 people in the UK, with the number increasing by an average of 7% a year since 2009.
- Warning signs include weight loss or gain, changes in behaviour such as an obsession with food or exercising, mood swings and increased absence.
- Recovery strategies can vary hugely, so employers should ask employees what support they need.
- An open and supportive workplace is key, helped by policies on eating disorders, awareness days and employee assistance programmes.

Read also

Is sleep management the next big thing in workplace health and wellbeing?
bit.ly/1OrYJtd

Support mechanisms are vital for eating disorders

A caring workplace environment can help to tackle health issues such as anorexia nervosa

Sam Barrett |
Freelance journalist

More than 725,000 people are affected by eating disorders in the UK, according to *The costs of eating disorders: social, health and economic impacts* report, published by eating disorder charity Beat and PricewaterhouseCoopers (PWC) in February 2015.

But although many of these individuals are employed, further research by Beat, conducted in December 2015 and January 2016, found that stigma and discrimination in the workplace can hinder their recovery.

This latter research found that 32% of respondents felt they were stigmatised or discriminated against because of their eating disorder, and 29% said their employer was not helpful in their recovery. Rebecca Field, head of communications at Beat, says: "There are plenty of myths around eating disorders, so it's not surprising people don't understand what they can do to help. But these are serious mental illnesses, and employers have an important role to play in supporting recovery."

Employers also have a legal responsibility. Under the Equality Act 2010, they have a duty to make reasonable adjustments to accommodate employees with a disability, which includes mental illnesses such as eating disorders.

The PWC and Beat report found that the number of people in England being diagnosed and entering in-patient treatment for eating disorders has increased at an average rate of 7% a year since 2009, so it is an important issue.

Hidden problem

Part of the problem for employers is it is not always easy to recognise an employee has an eating disorder. Becky Brooks, member engagement officer at the Employers Network for Equality and Inclusion, which worked with Beat to produce the employers' guide *Eating disorders in the workplace*, says: "There can be physical signs with anorexia but with the other eating disorders, there is often nothing to see.

"Managers should look for any marked changes in behaviour, such as an obsession with food or exercising, low self-esteem, mood swings and lack of concentration. An employee may also be absent more, either due to the illness or to attend appointments for treatment."

As with many health conditions, early intervention is key to increasing the chances of recovery. Providing a range of support mechanisms, such as an employee assistance programme and occupational health, can be useful. Dr Joanna Livingstone, head of psychological services at Axa PPP Healthcare, says: "Our counsellors can assess an employee for factors that may be suggestive of, or contributing to, an eating disorder.

"We would then direct them to appropriate support, including the NHS, private treatment and charity organisations. We can also support an employer, providing

Case study | **KPMG**

KPMG runs events to raise awareness about eating disorders

Accountancy firm KPMG has more than 13,000 staff across 22 locations in the UK. It set up its Be Mindful network in May 2015 to help improve mental health across the organisation. Jessica Carmody, head of Be Mindful at KPMG, says: "We run regular health awareness events and in February we decided to focus on eating disorders to tie in with Eating Disorders Awareness Week. There is more we can do as an employer to educate ourselves and support colleagues who may experience these conditions."

The event included Sock It day, when staff were encouraged to wear flamboyant socks, posting their #Sockitselfies to Twitter and the firm's intranet to raise awareness.

Carmody also worked with charity Beat and colleague Jack Jacobs, an audit associate at KPMG and former anorexia sufferer, to organise an event focusing on eating disorders in the workplace. This brought together a panel of speakers, including Jacobs, a representative from Credit Suisse whose partner had suffered an eating disorder, Beat's director of fundraising, and a nutritionist from Nuffield Health.

Jacobs says: "We covered everything from challenging perceptions around eating disorders to what someone can do to support a colleague. It was very powerful to talk about personal experiences."

The session also flagged up KPMG's existing support mechanisms, including an employee assistance programme.

occupational health advice and suggesting strategies that might help the employee."

Even more important is an open culture, where employees feel able to ask for help. "If an employer can show it is supportive, this can encourage sufferers to come forward," says Brooks. "Running awareness days, but also talking generally about healthy lifestyles and mental health support can make a big difference in creating the right culture."

As well as offering this understanding, organisations can also provide practical support to employees with eating disorders. Vicky Roberts, head of v-learning at Vista, says: "Employees' needs vary, so start by asking them what help they would like. Organisations should be able to work with them to accommodate their needs, whether this is extra time off for treatment or moving into a less stressful role so they can focus on their recovery."

> "IF AN EMPLOYER CAN SHOW IT IS SUPPORTIVE, THIS CAN ENCOURAGE SUFFERERS TO COME FORWARD"

Workplace changes

Changes can also be made to the workplace. For example, even in recovery, some people will still find eating a major cause of stress, says Field. "Being able to take extra breaks or having a discreet place to eat can make a big difference," she adds. "Speak to the person and find out what they want."

Financial support can be an option, too. Although the NHS provides treatment for eating disorders, private treatment can often be accessed more quickly. Because this can be expensive, employers may want to consider funding or even lending the employee the money to help them access treatment, says Brooks.

Private medical insurance can also help. "Eating disorders often benefit from a multi-disciplinary approach, including a psychiatrist, psychologist, nurse and dietician," says Livingstone. "Elements of this may be funded by a medical insurance policy, but it will depend on the severity and chronicity of the eating disorder."

Other employees can also play an important support role. "The individual with the eating disorder has to decide what information they want shared in the workplace," says Field. "But if the employee is happy to share, colleagues can have a positive impact on their recovery." EB

Viewpoint

Jane Smith is chief executive officer at Anorexia and Bulimia Care (ABC)

In order to help someone with an eating disorder, you need to have spotted the signs, understand something of the nature of eating disorders and why someone develops this particular condition.

Anorexia nervosa, bulimia nervosa and binge-eating disorder are the three main eating disorders. There is still a lot of stigma, judgement and misunderstanding about them, particularly that they are about dieting and vanity or greed or lack of control.

Eating disorders affect all ages and genders. They are essentially coping strategies, helping the person feel more in control of life. Stress, relationship difficulties, gender issues, bereavement, bullying and all forms of abuse are triggers. The disorders are caused by a complex interplay of genetic, social and neurological factors.

Anorexia is easier to notice because food avoidance and sustained weight loss is evident. Binge-eating disorder is evident by weight gain, but there are few signs to see for bulimia nervosa because for those struggling (where self-induced vomiting is the key symptom), weight stays within normal limits.

Secrecy and guilt prevent someone from coming forward, so if employers notice tell-tale signs in the staff toilets, or see someone going there frequently, do not confront them. Consider placing helpline information leaflets there. For all eating disorders, tact, understanding and a thoughtful approach are needed.

Decide who is best to have a discreet and private conversation with the employee to see how they are coping generally. Someone close to them who has their trust is best, but it will take time for them to open up. If the person's health is clearly at risk, for example having difficulty concentrating, feeling faint, complaining of chest pains, then someone senior needs to be involved.

Eating disorders have the highest mortality rate of all mental health conditions, so it is important that staff receive ongoing medical monitoring, therapy and dietetic advice and support.

Find out what is on the cards

Organisations could be missing a trick in failing to use benefits data to define group risk strategy

Alison Coleman | Freelance journalist

Need to know

- Data can be used for internal and external benchmarking, which can identify strengths and weaknesses in a group risk strategy.
- Line management training in workplace wellbeing is key to accurate sickness absence data reporting.
- An integrated approach to data analysis, will deliver the most effective group risk strategy.

Read also

How can providers and advisers help employers to develop a group risk strategy?
bit.ly/1MzGXEB

HR and benefits professionals are coming under increasing pressure to make better use of big data and analytics in order to make better decisions in areas such as talent, reward and engagement.

However, many industry experts believe that organisations are missing a trick in failing to make the most of their benefits data to better understand their population risks and develop a more effective group risk strategy.

Group risk protection products include life assurance, critical illness insurance and income protection, benefits that, in addition to financial protection, provide additional support services, such as employee assistance programmes (EAPs), absence management, online health assessments, mental-health first-aid training, and access to counselling and physiotherapy.

These products are also a rich source of data that can be collated and used to improve workplace wellness strategies and cut costs, yet many organisations are failing to make that connection.

Matthew Lawrence, head of broking and health and risk proposition at Aon Employee Benefits, says: "In our *Benefits and trends* survey [published in November 2015], nearly 40% of employers did not use any data analytics to inform or drive their corporate health and wellbeing approach. Where data was used, just over a quarter used medical, income protection, life and/or critical illness data to drive decisions."

Data sets

Examples of the data sets that employers often have access to include absence data, occupational health data, claims data from medical, life, income protection and/or critical illness schemes and data from EAP services usage.

Effective use of this data can help to identify any problem areas, and also highlight what is working well, which can influence costs, says Katharine Moxham, spokesperson for industry body Group Risk Development (Grid). "If a manufacturing [organisation], for example, has a very good health and safety record, it should be sharing that with its group risk provider," she says. "If an [organisation] has good EAP usage, [it should] share it with [its] group risk provider."

The data can also be used for benchmarking key areas of group risk. Paul Avis, marketing director at Canada Life Group Risk, says: "With aggregated data drawn from health risk ▸▸▸

images: iStock

Statistics

32%

of employer respondents identify acute medical conditions, such as cancer and heart attacks, as a main cause of long-term absence.

(Source: Group Risk Development, February 2016)

36%

of employer respondents are engaging with flexible working to reduce absence levels and improve productivity.

(Source: Group Risk Development, February 2016)

assessments, [employers] have a line in the sand, whether [they] are looking at health issues relating to obesity, heart disease, cancer or stress. Once it is benchmarked [they] can see, for example, how calls to [the] EAP services are affected."

Providers can also help employers make best use of their data by benchmarking to show how their rates of sickness absence, or even specific health issues in the workplace, compare with others in the sector.

The availability of data is also encouraging employers to consider offering wider group risk benefits to staff to help reduce sickness absence. Leighton Churchill, corporate account manager at Jelf Employee Benefits, says: "By implementing these benefits and actively participating and adhering to the early intervention and rehabilitation services that insurers provide with the contracts, employers are beginning to see the benefits of a healthier workforce leading to improved productivity and staff morale."

Understanding the risks

One of the challenges employers face is knowing how to use the various data sets they have to best understand their employee health risks and truly integrate their health and benefits strategy. The key to this is to involve the group risk providers and make it a collaborative exercise, says Avis. "In the first instance [employers] need to get all [their] group risk providers to agree on how they will report back on their data," he adds. "[They] then need to bring them all together to share their data sets. A lot of benefits advisers have developed databases that can pull this data into a health board very effectively."

To produce good data, employers need to have the right tools and the infrastructure in place to record it accurately, and more organisations are recognising this, says Andrew Potterton, head of proposition development at Unum UK. Where they struggle is in maintaining consistent reporting among their line managers. "It is important to provide line managers with training in workforce wellbeing to engender employee trust and ensure consistent reporting practices," Potterton explains.

Making best use of data to join together all of the facets of wellness, including financial protection, delivers tangible advantages for both employers and employees. Understanding the root causes of poor employee health, and making improvements to it requires a truly integrated approach. "That should be an employer's objective," adds Lawrence. "Experience suggests that taking a piecemeal approach often delivers less benefit for the business than might be expected." EB

Case study | **Oracle**

Oracle uses group risk data to inform wellbeing strategy

At technology firm Oracle, the use of data is key to enhancing group risk provision for the organisation and boosting the benefits and workplace wellbeing strategy for its UK employees.

Michelle Bradshaw, compensation and benefits director UK, Ireland and Israel, says: "The data that can be drawn from things [such as] income protection claims, the take-up of certain benefits, and our sickness absence rates enables us to be much more strategic. For example, from a risk point of view, given that most group income protection claims are cancer-related, we decided to target the issue of male cancer through workplace campaigns, which breaks down the stigma that surrounds the subject and also raises awareness of the importance of early detection and intervention."

The organisation's effective use of data relies on the input of all of Oracle's health-related benefits providers, including providers of the employee assistance programme (EAP), life assurance, group income protection and critical illness benefits, which Bradshaw invites to get together on a quarterly basis to analyse the data.

Bradshaw adds: "As well as helping to improve long-term sickness management policies and offer a more focused wellbeing offering, we can use the data to work out which benefits our employees want, whether [this is] income protection or life assurance, and by incorporating choice and flexibility into the offering, make those benefits available to them at a cost level that suits them."

Statistics

42%

of employer respondents cite stress and mental ill-health as a main cause of long-term absence.

(Source: Group Risk Development, February 2016)

Supplied by

Punter Southall Health & Protection.

A matter of prevention

Why wellness in the workplace is changing the face of employee benefits

John Dean | Managing director
Punter Southall Health and Protection

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A revolution is underway. For a long time now, the employee benefits market has been focused on providing benefits that support employees in the event of serious ill-health. Popular benefits, such as life assurance or income protection, form part of most standard remuneration packages and offer employees and their families' valuable peace of mind. But the reality is that employers hope staff will never have reason to use them at all.

Lately, however, a shift in the benefits market seems to be taking place. With growing numbers of employers starting to embrace wellness initiatives among their workforces, the focus is moving to prevention rather than paying for treatment.

Key statistics

- **Wellness in the workplace has undergone significant growth in the past three years (up by 274%). It is estimated that by the end of this decade, we could see wellness strategies within over 75% of organisations.**
- **Nearly 40% of employers that offer wellness strategies do so to increase employee engagement.**
- **The average annual spend on wellness at employers with a defined wellness strategy is £26-£50 per employee.**

(Source: Punter Southall Health and Protection and Reba's Employee wellness survey 2016, March 2016)

On a daily basis, we are inundated with the latest reports that the National Health Service (NHS) is at breaking point, child obesity levels are at a record high, preventable diseases such as diabetes are on the up and that the general health of the nation is in a poor state. Something has to be done and on a huge scale to address our ailing national health. And it is this that is fuelling the wellness movement.

> "WELLNESS PROGRAMMES ARE INCREASINGLY RECOGNISED AS A STRATEGIC IMPERATIVE FOR UK EMPLOYERS"

The workplace offers a unique environment to educate and support employees in the pursuit of adopting healthier and more active lifestyles. We are seeing lots of simple and cost-effective ways that employers are introducing wellbeing initiatives within their organisations, ranging from wearable fitness devices and fitness challenges designed to increase employee activity levels to healthy-eating classes and providing employee assistance programmes (EAPs).

Insurance providers are waking up to this too, bringing new products to market that feature wellbeing elements, such as wearable fitness devices and health screenings for staff, all incorporated within the annual premium. In doing so, they can help to improve wellness in the workplace and, in the long term, reduce the number of insurance claims.

For example, if a health screening programme identifies an employee with a condition such as dangerously high blood pressure, they are able to get the treatment they need early on and avert what could potentially become an income protection or even life assurance claim without this type of early intervention.

The benefits of a wellness strategy are well documented and they provide employers with strategic advantages. By investing money in a wellness programme, organisations expect to see a subsequent reduction in costs, in the form of better-performing workers, lower rates of absenteeism, higher staff retention levels, and reduced insurance premiums and healthcare costs.

Employees are an employer's most valuable asset. By providing them with wellness initiatives, employers can help to improve their individual wellbeing, both mental and physical, and their overall job satisfaction. Happier and engaged staff are more productive and less likely to voluntarily leave an organisation. The welfare of employees has a direct impact on the success of a business.

Interestingly, I was asked the other day if wellness at work is just a fad. Personally, I think it is firmly here to stay. Why? Well, where once wellness programmes were viewed as a nice to have, they are increasingly recognised as a strategic imperative for UK employers. Organisations are starting to embrace wellbeing strategies as a way to maintain a healthy workforce and enhance their existing benefits. Progressive employers know it makes sense. Put simply, healthy employees cost less ■

Building on core values

Travis Perkins has been working to steer its benefits offering in a more holistic direction

Louise Fordham | Deputy editor
Employee Benefits

At a glance | **Travis Perkins**

Travis Perkins is a supplier of materials and professional services for the building and construction industry. Its heritage reaches back some 200 years. Today, the group comprises 21 businesses and it owns 19 brands within these. It operates across more than 2,000 sites in the UK and employs approximately 30,000 people.

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Travis Perkins, which employs approximately 30,000 people across the UK, operates in line with its five core values, known as cornerstones: upholding family values; keeping people safe; working for its customers; being the best; and making decent returns. The latter does not merely refer to financial returns, but also to the creation of value for customers, partners, and employees, a concept that also informs the group's benefits strategy. Paul Nelson, group head of reward, says: "It's about finding ways of engaging and motivating employees in the benefits space where you're being thoughtful in what you're offering, how you're communicating it, how you're positioning it, and how you're funding it."

In 2013, the builders' merchant and home improvement retailer revamped its benefits offering to ensure that employees experienced the full value of the benefits available to them. While the organisation already had a wide portfolio of benefits in place, these were often communicated as distinct elements; the revamp brought all the benefits together into a more clearly defined piece, streamlining communications and the employee experience.

"We started talking about the benefits proposition more holistically, so at that time we launched a new brand called Perks," explains Nelson.

The brand, which has evolved into My Perks, is used across the organisation's benefits hubs. Staff can access flexible benefits via the My Perks Flex hub, which links through to other benefits portals, such as pensions, employee share plans, and health and wellbeing tools and information.

Travis Perkins' voluntary benefits site, provided by Reward Gateway, was rebranded as My Perks Plus and aligned with its staff recognition schemes. Employees can now use their recognition awards within the voluntary benefits portal, enabling them to take advantage of the discounts available, thus driving up the value of the awards.

The group also runs the Getting It Right Awards, where managers recognise employees who have gone the extra mile or performed excellent work and long-service awards. A peer-to-peer recognition scheme is also being piloted.

After bringing its benefits together, the subsequent challenge was getting employees to visit the benefits portal. The Travis Perkins Group operates 21 businesses across 2,000 sites, and has 19 brands within those. With a significant number of employees working at retail sites, workshops and builders' yards, for example, many do not have regular access to a work computer or device, and although they may have a work email address they might not actively use this.

"These days, almost everybody has access to a home computer, laptop or smartphone, and everybody tends to have an email address," explains Nelson. "If we can get staff to log on to the site, we've then got an [active] email address for them, and we can then communicate to them much more

Business objectives

- To be the first choice for the building industry and customers, while ensuring a decent return in terms of value for employees, business partners and customers.
- Developing the employee benefits offering to support business growth.

easily. It was about getting people onto sites because you then start to get the snowball effect."

The organisation uses a range of communication methods, such as including portal log-on details on payslips, and issuing posters and coffee cups with quick-response (QR) codes that take staff directly to the benefits site.

As well as unifying its benefits proposition, Travis Perkins has aligned the branding used across benefits communication for the whole group. "[Our businesses] work together for commercial opportunities and certainly when we look at things such as benefits it makes perfect sense to look at those on a group basis, with a group brand," says Nelson.

> "IT WAS ABOUT GETTING OUR PEOPLE ONTO SITES BECAUSE THEN YOU GET A SNOWBALL EFFECT"

Travis Perkins is also working to ensure the communications used are clear and straightforward. Nelson says: "Well over two-thirds of our colleagues are now active users of our benefits site, which has been a real achievement. It can take a little bit of time to encourage them to go to the [site], but they are now starting to better understand the benefits we have on offer."

Present and future requirements

Travis Perkins is now turning its attention to a new area for the organisation: financial wellbeing. This focus has developed out of a research project with Barclays. "We thought that we had exhausted the traditional flexible benefits that we needed to have, so we thought we should maybe stop listening to the conventional wisdom about what our benefits should be and instead go and ask," says Nelson. "So we tied this in with Barclays looking at the financial health of the organisation, demographics, particularly age demographics, and looking at what benefits appeal to what groups."

Approximately 1,500 employees took part in the survey, which provided a clearer overview of the financial concerns among staff. Travis Perkins is now in the process of developing a programme that will better support the financial health of its employees, which will likely include pensions education as part of a broader financial wellbeing offering.

The survey also provided the organisation with a snapshot of the changing demographics within the workforce and the concerns, aspirations and benefits expectations of different generations. "We're working our way through the research and that will help to form the basis of our benefits structure going forward," adds Nelson.

Benefits

Pension

- Defined contribution scheme, master trust. Contribution levels vary according to seniority and length of service. Salary sacrifice option.
- Legacy defined benefit schemes.

Healthcare and wellbeing

- Employer-paid private medical insurance according to seniority, and also available as a voluntary benefit.
- Employer-paid health checks according to seniority, and also available as a voluntary benefit.
- Employer-paid income protection scheme according to seniority.
- Life insurance at minimum of one-times salary with the option to flex up to 10-times salary available to all employees.
- Employee assistance programme (EAP).
- Health cash plan offered via flexible benefits.
- Cancer support through the Sarah Cannon Research Institute.

Share schemes

- Sharesave and buy-as-you-earn schemes, open to all employees.

Travel

- Car salary sacrifice scheme.
- Company car scheme and cash allowance according to seniority.
- Bikes-for-work scheme.

Family-friendly benefits

- Childcare vouchers.
- Enhanced maternity scheme.

Motivation and recognition

- Offers and discounts through voluntary benefits hub My Perks Plus.
- Employee recognition schemes.

Career history

Paul Nelson, group head of reward, Travis Perkins

Paul Nelson joined Travis Perkins as group head of reward in 2013. Prior to that he spent 12 years at Ceva Logistics, previously known as TNT Logistics, where he began as UK compensation and benefits manager at TNT Logistics before becoming the global reward lead at Ceva Logistics. Nelson also has experience in the financial services industry, including as remuneration manager at Barclays.

One of the projects that Nelson is most proud of during his time at Travis Perkins is the launch of the My Perks brand, which helped to bring together the group's employee benefits offering.

Ensuring that the benefits on offer continue to appeal to all members of the workforce, both now and in the future, will also help to support attraction and retention, and thus the business' growth trajectory.

In April 2016, the organisation began to undertake a refresh of its health and wellbeing programme. Travis Perkins' health offering includes a virtual GP service and access to cutting-edge cancer treatment at the Sarah Cannon Research Institute. Many of the insurance and health and wellbeing benefits have been facilitated through Travis Perkins' partnership with Aviva.

In March 2016, Travis Perkins introduced a green car salary sacrifice scheme, provided by Car Salary Exchange. The organisation ran a teaser communications campaign in the build-up to the launch and will continue to engage staff with the new benefit via a series of roadshows, presentations and drop-in sessions conducted in partnership with the provider.

More than 180 orders were placed in the first few weeks since its launch, and 4,000 employees visited the site.

The introduction of the national living wage has posed an additional challenge in terms of its impact on the number of staff eligible to take up salary sacrifice arrangements. Travis Perkins wants its benefits programme to benefit as many employees as possible, so it has set up alternatives where it can. This could be through discounts arranged via affinity schemes and corporate partnerships or via its suite of voluntary benefits. "With all our benefits where we have a salary sacrifice arrangement, we try and have an alternative that's not salary sacrifice. That's our aim, to always have an alternative," says Nelson

Private road to a healthier workforce

Private medical insurance can provide cost-effective healthcare cover for employees

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Tynan Barton | Features editor
Employee Benefits

images: iStock

Private medical insurance (PMI) has evolved significantly since it was first introduced in the form of weekly savings clubs. The creation of the National Health Service (NHS) in 1948 caused PMI to develop further into a formalised product. Some smaller associations merged to form organisations such as Bupa, while others operated as standalone bodies, such as the Bristol Contributory Welfare Association (BCWA), which became Simplyhealth in 2009.

Traditionally, PMI did not cover existing medical conditions, and was not designed to cover long-term medical problems or chronic conditions. However, some corporate plans do allow staff to join on a medical-history-disregarded basis to cover pre-existing conditions.

Some of the most common conditions claimed for through PMI are skin disorders, back pain and musculoskeletal problems.

Employers are continuously seeking ways to manage the cost of benefits provision, and the ability to limit benefits or manage treatment through selected hospitals can help to control the cost of healthcare perks.

Just as important is that a PMI scheme offers the best value to employers to ensure their workforce is fit and healthy, and that employees return to work as soon as possible after an illness or injury. Therefore, a PMI scheme that provides a range of benefits is a key requirement for employers. Some providers, such as Aviva and Bupa, offer tailored or flexible policies, which allow an employer to change its cover options and excess levels to control the cost of providing the benefit.

For example, Aviva offers its Solutions package, which covers between two and 249 staff, and its Optimum package, designed to cover 250 or more employees. The Optimum package allows employers to select which options best suit their employees, or offer different levels of cover to different sections of their workforce.

Another way of achieving cost efficiency is to offer staff private medical treatment only when there is a wait of at least six weeks for the same treatment on the NHS.

Open-referral treatment is another option, whereby the provider offers a choice of two or three consultants rather than allowing the employee to choose their own, or using those suggested by their doctor.

Statistics

63%

of employees have access to private medical insurance through their employer
(Source: EEF and Jelf Employee Benefits, June 2015)

27%

of employers offer private medical insurance to help manage long-term absence
(Source: Chartered Institute of Personnel and Development and Simplyhealth, October 2015)

25%

of employers offer private medical insurance to help manage short-term absence
(Source: Chartered Institute of Personnel and Development and Simplyhealth, October 2015)

Open referrals can benefit staff because the insurer has to approve the consultant, and there is no risk of a shortfall with employees having to pay some of the treatment costs themselves.

There is now greater awareness among employers of the importance of ▸▸▸

workplace wellbeing, including prevention and rehabilitation, as well as the key role that PMI has to play in offering more diverse options.

Psychiatric treatment

For example, Axa PPP Healthcare covers psychiatric treatment, treatment of conditions relating to alcohol and substance abuse, and up to £200 a year for out-patient drugs and dressings.

Meanwhile, Bupa's Business Fit scheme offers three levels of cover, aiming to tackle mental health and musculoskeletal conditions by providing early intervention to help employees get diagnosis and treatment quickly. It also offers self-referral for mental health conditions.

The insurance industry has seen two increases to insurance premium tax (IPT) announced in the past 12 months. In his Summer Budget last year, Chancellor George Osborne said IPT would rise from 6% to 9.5% from November 2015.

Many insurers said they would not apply the higher IPT rate until policies came up for renewal after November, rather than automatically raising the rate.

The second IPT rise, of 0.5% to 10%, was announced by the Chancellor in his March 2016 Budget and is due to take effect from October 2016. Most insurers have not yet announced how they will handle this increase.

Provider development

Axa PPP Healthcare has made a number of acquisitions in the past year, which has reduced the gap between itself and Bupa in terms of market share. In May 2015, it announced it would be acquiring Simplyhealth's PMI business, as well as The Permanent Health Company. It has also acquired Universal Provident's PMI business.

Aviva Health and VitalityHealth announced a joint venture in October 2015 with the aim of procuring hospital treatment on behalf of their PMI and trust customers. The joint venture, Healthcare Purchasing Alliance (HPA), will buy health services from UK private and independent hospitals.

Competition with the other main players in the market, Axa and Bupa, for the best hospital rates will no doubt have an impact on the price charged to customers EB

Statistics

11%

of the UK population had private medical cover at the start of 2015, compared with 12% at the start of 2009

(Source: LaingBuisson, August 2015)

1,400

the decrease in the number of employer-paid private medical insurance policies in 2014

(Source: LaingBuisson, August 2015)

The facts

What is private medical insurance (PMI)?
PMI is health insurance covering employees for treatment of curable, short-term medical conditions or accidents.

What are its origins?
The roots of PMI can be traced back to the late 19th century, when weekly savings clubs allowed workers to save small amounts towards medical treatment. The corporate PMI market saw considerable growth in the 1970s, when employers sought to offer more employee benefits rather than pay rises, because of high inflation.

Where can employers get more information?
Information is available from the Association of British Insurers (*www.abi.org.uk*), the Association of Medical Insurance Intermediaries (*www.amii.org.uk*) and the British Insurance Brokers Association (*www.biba.org.uk*).

What is the cost?
PMI typically costs an employer between £200 and £1,500 a year per employee depending on a worker's age, the employer's claims experience, the scheme size, whether the employer excludes existing medical conditions, and any excesses.

What are the legal implications?
PMI is usually a contractual obligation of employment, but it can be withdrawn or altered significantly with due notice or negotiation.

What are the tax issues?
Employer-paid PMI is a benefit in kind, so employees pay tax and national insurance (NI) on premiums. However, it is regarded as an allowable business expense, so employers can get corporation tax relief on premiums.

What is the annual spend?
Employers' spend on PMI in 2014 was £2.78bn, according to LaingBuisson's *Health cover UK market report 2015*, published in August 2015.

Which providers have the biggest market share?
The five providers with the largest market share in 2014, according to LaingBuisson's figures are Bupa, followed by Axa PPP Healthcare, then Aviva, Vitality Health and Simplyhealth (now acquired by Axa). They account for an estimated 91.5% of UK medical insurance premiums. Other providers include ALC Health, Benenden and Cigna, among others.

Which providers have increased their market share?
Axa PPP Healthcare strengthened its share with various acquisitions, but Bupa still holds the largest share.

Shaping up now and for the future:

How a positive wellbeing strategy drives better physical and mental health

Contributions from AXA PPP healthcare experts, including: Dr Chris Tomkins, Chief Operating Officer – Proactive Health and Sarah Taylor, Head of Pathways Development

There's much more to managing wellbeing at work than simply knowing what makes employees happy. Employees today are coping with a vast range of physical, psychological and social factors – all of which can have a huge impact on their performance. What can an employer do to help?

Driving healthy behaviours and providing support when needed

Wellbeing isn't just about avoiding illness. When employees are in better physical and psychological shape, they have better levels of commitment and performance – as well as better health.

On the other side, unhealthy behaviours – inactivity, smoking, poor diet – drain energy and performance from your business. And there may be more serious concerns in store – 40% of lifestyle related cancer diagnoses can be avoided through adopting healthy behaviours[1].

So you may be dealing with employees who aren't ill but who aren't truly well either. A proactive approach woven into the fabric of your health and wellbeing strategy, can help employees identify and address issues before they become serious.

'People often ask me "how can health risks affect productivity?" At a high level the biology is simple: health risks affect our everyday physiology, and that in turn governs our energy, creativity and sharpness – our productivity. For example, increased blood pressure will affect our cognitive performance long before someone would be diagnosed as 'ill'. Obesity, physical inactivity, poor sleep and other unhealthy behaviours diminish productivity. The good news is this is solvable now.'
Dr Chris Tomkins, Chief Operating Officer – Proactive Health

Integrating services to achieve your wellbeing strategy

Through understanding your organisation's health risks and developing a strategy to address your business goals you can guide employees to a healthier life, speed their access to support and help them maintain their physical and mental health.

A well developed programme may combine: healthcare cover, that includes clinically led healthcare pathways, a proactive health approach, employee assistance programmes, occupational health services and virtual private GP services. These elements contribute to a faster, smoother, more holistic support by:

- empowering employees and line managers to be proactive with their health
- increasing their awareness and understanding of the issues
- focusing equally on attainable psychological and physical health, with support at every step.

Employees with good psychological and physical wellbeing have higher levels of commitment and performance than those of less healthy staff. Healthy workers are engaged workers - and engaged workers are more productive.

Getting employees back to health – and back to work – faster

Despite your best efforts to promote wellness, illness and injury will inevitably affect some employees. When an employee needs help with, for example, a musculoskeletal problem, mental health concern or cancer diagnosis, they need support - now. But NHS waiting lists can be long – so how can employers speed things in a cost-effective way while having confidence they're getting the right route to treatment?

In addition to private healthcare cover, leading healthcare providers offer clinically led healthcare pathways to help with these key business health risks. These pathway services get employees to the most appropriate care fast, without needing to see their GP first. When employees can access treatment earlier, they're back at work sooner – or may not need to take time off in the first place.

"By adopting a clinically-led, approach to musculoskeletal conditions, mental health support and cancer, employees can access expert support immediately for the most appropriate treatment and care. It provides employees the reassurance of a fast, seamless service while better managing claims costs. Our Fast Track Appointments service is a great example where on average, our members are seen twice as fast as those members with a GP named referral[2]."
Sarah Taylor, Head of Pathways Development

Healthy, happy, fit employees promote a productive business

Do these strategies work? In recent research, over two thirds of businesses that had invested in a health and wellbeing strategy said it was having a positive impact on their workforce and business[3]. And in recent Australian studies, there was a clear link between health and wellbeing programmes and huge increases in market value[4,5].

For your own business, it's vital to build measurement into your strategy from the outset, so you can target investment effectively in future. It's also helpful to establish a flexible programme that you can tailor to your business needs as you grow, depending on the results you're seeing.

An integrated health and wellbeing strategy goes further than 'duty of care'

It aims to help employees get and stay physically and mentally fit to work. In turn, this supports your business objectives, helping your employees to live life well while reducing employee absence and maximising productivity.

Sources: [1] Cancer Research, 2015: http://www.cancerresearchuk.org/about-cancer/causes-of-cancer/can-cancer-be-prevented [2] AXA PPP healthcare Fast Track Appointments service data, 2015 [3] AXA PPP healthcare health and wellbeing survey, 2016 (251 corporate decision makers) [4] Goetzel, Ron Z. et. al. The Stock Performance of C. Everett Koop Award Winners Compared With the Standard & Poor's 500 Index, Journal of Occupational & Environmental Medicine: (2016), Volume 58(1): p 9–15 [5] Grossmeier, J. et. al. Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard; Journal of Occupational & Environmental Medicine: January 2016 - Volume 58(1), p 16–23

So young, so rude and so fired

Candid is relieved as the frightful tenure of a new head of customer services comes to an abrupt end

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Big Bad Boss has asked me to take his place at the annual Big Wig conference. Every year, our top 100 executives are holed up in a fancy hotel and indoctrinated in the latest leadership buzzwords.

Big Bad Boss was asked to present on reward but he happens to be away that week. I'm a bit surprised he didn't cancel his holiday because the executive conference is one of those things you are not really allowed to miss. Big Bad Boss is very career conscious so I have to assume he is more afraid of his wife than of the CEO.

So, lucky Candid gets to go in his place. On the upside, there will be lots of good food and wine; you can be sure the Higher Beings will enjoy a good spread. On the downside, I will have to make a presentation to the top 99 people in the organisation. No pressure then.

On the day, the presentation goes fine. I have to stand on a stage with a microphone, which is unnerving to say the least, but with the lights in my eyes I can't see anyone's face to see if they are disagreeing with anything I say. In some ways, it is easier than presenting in the boardroom, as I am too far away for anyone to heckle or ask awkward questions. Or so I thought.

At the end of the meeting, we gather for cocktails in the lounge. I had considered holding a party for one in my room instead, but that won't enhance my career so I mingle with the big wigs. Most of them I know quite well anyway; you can be sure of Higher Beings keeping a close eye on their benefits. I am talking to the head of sales and his sidekick when a young guy pushes in. He has acne on his cheeks, and I am inclined to think he must be a minion from the hotel. I find out later that he is the new head of customer service. I know I am getting old when the Higher Beings start looking like teenagers. You might think a new guy would give his name and ask mine. No, he just started asking pointed questions about my job. Nice to meet you too, matey.

After five minutes I've had enough already. The little creep has criticised the international mobility plan (something I consider a personal triumph) and he has picked apart the last auto-enrolment communications developed by yours truly.

He has a catalogue of 'suggestions' for improvements to our plans that range from the ill-informed (our pay ranges are all wrong) to downright ridiculous (we should quadruple the pension contribution match). Not only do I feel personally attacked, I find myself defending the plans that even I think need improving. Whoever he is, it seems I am the face of all the frustrations he has ever had with HR.

I look for an escape, but he has me pinned between the bar and the wall. To my horror, my friendly sales guy joins in and starts complaining about the commission plan. Eventually, feeling a coward, I make a move to the ladies room and stay in there a full five minutes to be sure he will be talking to someone else by the time I emerge. Sure enough, he has my sales guy cornered. I slink over to the other side of the room and when I see him coming towards me again, I lose myself in a clump of executives, before heading to my room.

How can someone so young and so rude get so far? And you would expect someone in customer service to be a bit more socialised.

Back at base, I am still upset. What if this guy gets Big Bad Boss all stirred up to make me rework everything I've ever done and felt good about? He knows nothing about what we have achieved so far; nothing about anything.

> "I EVEN START TO DEFEND THOSE PLANS THAT NEED IMPROVEMENT"

Big Bad Boss does get wound up. He comes back from a meeting quivering with indignation. It seems customer service boy did a smear campaign on him too, and in front of the whole board. Later, the head of sales shuts himself up with Big Bad Boss. Geez. Don't tell me they are all on our case.

Cameron Law

Our whole team is shaken and defensive. Even Lazy Susan has put her magazines away and is looking intently at her screen as if she is actually working for a change. I'm keeping my head down too, but I don't like working from a position of fear; I like to be proud of what I do.

Only a few days later, Big Bad Boss comes back from lunch with a spring in his step. I am intrigued and risk asking him: anything new? Yes, he tells me. Customer service boy has got himself fired. Not only did he tell the head of sales how to motivate his team, and the head of communication that he should be using social media more effectively, but he even made the mistake of telling the Highest Being that the board were guilty of spending too much money.

One thing about our Higher Beings: they act fast and without mercy. For once I am grateful EB

Next time... *Candid has one too many conference calls on her hands.*

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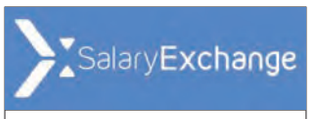
Employee benefits



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Switch on to financial wellbeing

We deliver financial wellbeing programmes to many top companies through financial education, aiming to create a deep and lasting understanding. Offering a complete service, we can help your employees get switched on to financial wellbeing by:

- Developing programmes tailored to each company and employee segment
- Offering a range of topics from retirement and flex windows through to debt management and share scheme launches and maturity
- Providing multiple delivery mechanisms from seminars and webinars to animation and interactive games

Flexible benefits

Incorpore & GymFlex
The Old School House
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T 0845 300 6474
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Our mission is to dramatically increase the uptake of gym memberships among the UK and Ireland's working population. We passionately believe that gym memberships play a huge part in creating a healthier and more active workforce.

Our discounted gym network helps HR and Reward teams engage with employees on the health benefits of a more active lifestyle and we offer the choice of gyms to suit all organisations. The large number of health clubs, leisure centres, yoga studios and fitness camps ensure all employees are catered for no matter where they live or work.

International private medical insurance

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Aetna International is part of Aetna, a US fortune 50 company and leading provider of health care benefits for the past 160 years.

Today, Aetna International provides IPMI for more than 700,000 members worldwide. Aetna combines the local touch of on-the-ground support teams with one of the world's largest medical provider networks of over 1.1m facilities in the US and a further 125,000 globally to provide exceptional care to members wherever they are.

Contact us now to find out how we can provide the right healthcare solutions for your clients.