

16. Employee Benefits Package

1 OVERVIEW

Employee benefits are non-wage related benefits provided to employees in addition to their normal salary.

Employee benefits offer a way to attract and retain employees, contribute towards improving wellbeing, improving staff engagement and enhancing the employer’s reputation.

The introduction of an employee benefits package will have an impact across other areas of employment. Therefore, your other HR policies and practices should be taken into consideration if you are looking into implementing an employee benefits package.

2 WHAT COULD A BENEFITS PACKAGE INCLUDE?

A benefits package often includes a number of different initiatives, which can be beneficial to the employee and employer. For example, health and wellbeing initiatives help to ensure that employees are diagnosed, treated and back to work in the minimum amount of time.

Employers should consider employee wellbeing and mental health within the benefits package. This can have a positive impact on all areas of the business, from productivity and innovation to profitability and the reputation of your business. Initiatives such as mental health awareness, first aid training, an employee assistance programme and flexible working can help employees to manage their wellbeing.

Here are some ideas of benefits you can implement for employees, which you can tailor to meet the requirements of your business and employees.

- **Option to work from home.** With technology making it easier for some roles to be performed anywhere, enabling home working can help an employee better manage their personal lives.
- **Flexible working.** Employees have the legal right to request flexible working and it is recognised that there are benefits to the employer also by giving employees flexibility about when and where they work.
- **Employee Assistance Programme.** Access to a 24 hour confidential and impartial support helpline offering counselling may assist employees in dealing with home or work related issues.
- **Private Medical Insurance.** Private Medical Insurance pays towards the cost of private treatment for certain medical situations.
- **Medical health check/screening.** This helps to identify any conditions an employee might not be aware of and how they can improve their health by changing their lifestyle.
- **Discounted gym membership.** Some employers will give employees a free or discounted gym membership.
- **Sporting/recreational activities.** Combine team building with health and fitness by organising a team sports event.
- **Training and development.** Ensure that your employees are fully equipped to do the job and feel able to progress by providing regular training.
- **Subscriptions and professional fees.** Contribute to professional membership fees that are relevant to an employee’s job.
- **Recognition for staff efforts / achievements - e.g.,** employee awards scheme.
- **Recruitment referral bonus.** A recruitment referral bonus rewards employees who recommend a friend to work for the business.

- **Enhanced policies.** Offer enhanced policies above the statutory minimum, such as; enhanced family friendly policies (maternity, paternity, adoption leave/pay), enhanced sick pay or enhanced annual leave.
- **Provide complimentary meal/healthy snacks for employees.** Help employees make healthy choices during the working day by providing healthy food.
- **Social functions and events.** Help to build a healthy culture and great relationships within your team by having social events.
- **Pension.** Employers are required to offer a workplace pension scheme and automatically enroll eligible workers into the scheme.
- **Optical/Dental Insurance.** Optical/dental insurance typically reimburses the cost of routine NHS treatments up to a set limit.
- **Life Insurance.** Life Insurance pays a tax-free lump sum in the event that an employee dies, to provide support for the people who are financially dependent upon them.
- **Critical Illness.** Critical Illness Insurance means an employee receives a tax-free lump sum if they're diagnosed with one of a number of specific medical conditions.
- **Income Protection.** Income Protection pays a percentage of an employee's salary each month as a regular income, if they can't work due to a long-term illness or injury.
- **Child care vouchers.** Childcare vouchers are deducted from an employee's salary before tax and National Insurance and are used to pay for childcare up until a child's 15th birthday (16 for disabled children). However, the scheme closed to new applicants on 6th April 2018 and was replaced by Tax-Free Childcare. <https://www.gov.uk/get-tax-free-childcare>
- **Cycle to work.** Encourage your employees to cycle to work and pay for a bike over monthly tax-free instalments through their salary.
- **Car Allowance.** A car allowance means that an employee gets an extra payment to allow them to buy a car for their work. Some employers give a mileage allowance, which means an employee gets a certain amount for each mile driven on company business.

This list is not exhaustive and can be tailored to your business requirements.

The following website has more information about benefits: www.gov.uk/expenses-and-benefits-a-to-z

3 REVIEW, MEASURE AND EVALUATE

An effective benefits package should deliver a return to your business as well as motivate and reward your employees. Therefore, you should regularly review and measure the success of the benefits once they are in place. A highly valued benefits package can help you to recruit and retain your employees.

4 NEXT STEPS

- Create a list of benefits you'd like to offer and obtain quotes where necessary.
- Remember that your benefits package should be motivating and rewarding for your employees. Communicate with your employees and understand which benefits would be most relevant and therefore, valued by them.
- Speak to an accountant to understand the implications of offering benefits, for example, P11d.

5 FACTSHEETS & TEMPLATES TO HELP

- How to Manage Probationary Periods
- Producing a Staff Handbook
- Health and Safety in the Workplace
- How to Manage Homeworking
- Induction Checklist

6 FOR MORE ADVICE AND INFORMATION

ACAS - (Advisory, Conciliation and Arbitration Service) free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law. www.acas.org.uk

Achieve in Bath & North East Somerset - free recruitment support, advice and help. Matching job seekers, employers and course providers to help employers recruit, train and retain employees. www.achieveinbathnes.co.uk

Future Bright - free help & support for businesses and employees to realise their full potential. Provide access to training and development, workshops and networking. HR support to promote career progression and best practice to attract and retain staff. www.futurebright.org.uk

***Bibliography** - this fact sheet was produced by Rathbone HR Solutions in association with Cool Ventures Ltd in December 2018 with content sourced from; HR Inform (www.hr-inform.co.uk), ACAS (www.acas.org.uk), CIPD (www.cipd.co.uk), the pensions regulator (www.thepensionsregulator.gov.uk/en/employers), HMRC (www.gov.uk/government/organisations/hm-revenue-customs), the Information Commissioner's Officer website (www.ico.org.uk)*



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