

Downturn could boost benefits

EXCLUSIVE By Kelly Gregor

The current market downturn could create opportunities within the employee benefits industry as companies look to alternatives for salary increases, JLT Benefit Solutions says.

The provider said volatility within the financial services arena has not yet affected the employee benefits market – which is still working to last year's budget – but effects could be felt within the second and third quarters of next year.

JLT Benefit Solutions head of benefit communications Alex Tullett said recent turns in the market were unprecedented for

the employee benefits industry, which had not experienced such dramatic declines before.

"No one has been through this type of deep recession before, it's not like the 1980s or 2001, we are not sure what the effect will be. We are at the beginning of the cycle now. The job market has not yet been affected but the government's warnings of unemployment could change that.

"At the moment [the effects] are just conjecture. No one can predict what will happen, but employers will still need staff and will still need to attract staff. Employee benefits is such



Tullett: unprecedented market turns

a small spend on the whole for a company, I think employers

will be more concerned about the price of diesel than pension contributions," Tullett said.

He said the provider's clients had not yet reached a point where they were reducing budgets but offering salary sacrifice schemes to save money was becoming increasingly popular.

"It will be interesting but scary to see what will happen. I am intrigued to see what companies will do," Tullett said.

"Companies might look to benefits as alternatives to salary increases. There are many unknowns at this moment – no one can say this is what is going to happen next."

Comprehensive offers needed to attract best staff

EXCLUSIVE By Mark Selby

Firms need to offer broader employee benefit plans if they hope to attract the best talent, Standard Life says.

Senior business development manager Nigel Aston said alternative employee benefits such as property deposits, debt repayments, ISAs and other saving options are key to attracting the best possible staff.

"This is nirvana for employee benefits consultants and for providers. Although defined contributions and pensions are vital, for many people the benefits are too far off," he said. "If a good total reward programme is going to do as it is intended, it needs to be broader than just pensions."

Aston said a benefits programme should aim to appeal to everybody, but that younger people at the outset of their



Aston: a new holistic solution

careers would be unlikely to find the employer contribution as attractive as it once was.

He said: "Even if an employer is providing a generous 5pc, your average 25-year-old probably has more pressing things to spend their 5pc on – such as food and rent or paying off student debt.

"Standard Life is working on a technology-enabled hub, which is a front end providing individuals with benefit choices. In the past

the flexible benefits packages have been limited to options such as holiday provision or gym membership, but our employee wealth plan will actually provide people with choices on how they save for retirement."

He added: "The key question for other providers is how far down the road are they in developing this new, holistic solution."

This follows a Towers Perrin Flexible Benefits study that found 51pc of employers believe a flexible benefits plan improves recruitment prospects.

Some 51pc of under 25s would like an alternative to straight-forward DC pension plans and 40pc of people between 20 and 35 felt the same way.

Wellbeing firm heals the nation

By Jenna Towler

Employee wellbeing firm EnergiseYou has added workstation assessments and yoga to its existing on-site client services.

The company aims to assist firms in combating major workplace issues such as musculoskeletal disorders, absenteeism, stress, motivation and retention.

Managing director Oliver Gray said: "Our services focus on the prevention and treatment of major workplace issues, which cost UK business billions of pounds each year. Without doubt a mentally and physically fit workforce will perform better."

Clients include international law firm Norton Rose, pharmaceuticals giant GlaxoSmithKline and financial services provider State Street Global Advisors.

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