

Employee benefits

A new financial year should automatically prompt a review of your financial products and for businesses, employee benefits should be top of the list – not least because many companies find that these schemes boost staff recruitment and staff retention, writes Rod Milne, joint managing director HFS Milbourne Financial Services based in Guildford, Surrey.

We are always surprised by the number of client companies that do not realise that their employee benefit schemes are actually annually renewable contracts. There should be a process in place to review them on a regular basis, either in terms of service or cost, or both.

In these financially uncertain times with companies looking to reduce overheads, this is one area where it may be possible to reduce costs yet keep the cover the same by switching employee benefit providers.

A typical range of employee benefits includes group pension scheme; group private medical insurance; death in service; group income protection; group critical illness; and group dental cover.

We also have a number of clients who like to widen the scope of employee benefits to include subsidised gym membership; personal health screening; personal travel insurance; child care vouchers; and cycle to work scheme – tax free discounts on bicycles.

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Setting up a group personal pension scheme gives valuable benefits for employees. Group schemes are now web-based, keeping administration costs to a minimum.

The basic rule for private medical insurance is you get what you pay for. There is a range of different insurance schemes to choose from, ranging from basic cover right through to the luxury end of the market.

It is worth bearing in mind that even a small group private medical scheme will give significant discounts compared to individual cover. We had one client that was paying for their three directors individually so we rearranged this into a small group scheme and reduced their costs by over 30%.

