**How to create a competitive Benefits package**

# Importance of a Benefits package

In today’s workplace a competitive employee benefits package plays a significant role in supporting individuals at work. The makeup of benefits packages can vary from one organisation to the next, however the central theme is to help improve the wellbeing of staff and demonstrate that you are willing to offer above and beyond the minimum requirements to foster a positive working relationship.

Successful benefits schemes often focus on a number of areas to ensure they appeal to a large number of individuals, regardless of their circumstances. After all people are often motivated to perform in many different ways. Benefits packages can also play a significant role when it comes to retention and recruitment, with many organisations opting to include these in job advertisements to encourage top talent to apply.

# Reviewing existing offerings

Reviewing your existing offering will help in forming a competitive benefits package as this exercise will help in identifying areas in need of improvement. Remember that you must be providing staff with their minimum entitlement when it comes to matters such as pay, rest breaks and family friendly leave, as failing to do so could leave you open to claims at an employment tribunal.

Remember that most benefits packages look to improve on these statutory offerings by providing enhanced rates. Therefore, you should examine your current approach, making sure to take note of any perks on offer to staff, and consider where changes may be required.

# Compare against competitors

Analysing what benefits competing organisations are offering to their staff can also help in forming a suitable benefits package. After all, benefits packages can be a successful recruitment tool and you should at the very least ensure your offerings are similar to avoid missing out on top talent.

When conducting these reviews, it is wise to select organisations of a similar size as it would largely be unreasonable to expect a small local employer to offer the same benefits package as a large multinational organisation. In a similar vein, you should consider reviewing organisations within the same industry as there may be specific benefits that are more common depending on the nature of the business.

There are a number of ways to conduct these reviews, however organisations are generally open about their benefits packages and tend to display these freely on their websites and marketing materials. Recruitment websites are another useful tool for analysing alternative benefit schemes and this will help ensure any benefits package you create is relevant and effective.

# Consider the impact of money

Money has long proven to be a significant motivator and you may look at introducing opportunities for staff to save money, or receive additional funds, as part of their benefits package. Most people will think about bonus opportunities when considering monetary benefits and offering staff the opportunity to receive bonuses in recognition for their work will have the added effect of encouraging greater performance levels.

A salary savings scheme is another option and allows staff to voluntarily set aside a portion of their salary, which is typically kept in a protected bank account, and issued back to them later. This benefit is designed to help employees manage their finances and can be particularly helpful in the lead up to Christmas, or for those planning a major life event such as a wedding or extended holiday. However, it is worth noting that any wage deductions must not take an employee’s salary below the national minimum as this could result in punitive action from HM Revenue and Customs (HMRC). Read more about national minimum wage deductions here - <https://www.gov.uk/hmrc-internal-manuals/national-minimum-wage-manual/nmwm11020>.

For employees relying on public transport to reach the workplace, the offer of a loan for the price of an annual train ticket or a subsided bus pass can help reduce outgoings and form part of a competitive benefits package. Alternatively, if you offer a company car for certain positions, giving staff the flexibility to take the monetary equivalent is often appreciated.

# Promote physical and mental health

Employee wellbeing is generally considered an essential part of a competitive staff benefit scheme and demonstrates a commitment to investing in the health of your workforce. Options for this should be investigated in more detail.

# Working Time

A benefits program that provides staff with a healthy work-life balance is also likely to be appreciated and offering additional annual leave is one way of achieving this. Again, it is up to you how many extra holidays you provide to staff and many organisations increase an individuals’ entitlement routinely as a reward for their continued service.

You may also consider allowing staff the opportunity to ‘buy’ additional holidays towards the end of the leave year. This is often common for those with a January-December leave year as individuals look to obtain additional holidays to use around the Christmas period.

Whichever way you decide to proceed it will be important to outline your approach in a relevant holiday policy.

Sabbaticals also provide staff the opportunity to spend a prolonged period away from work and, although there is no legal obligation to offer them, they may be used for a variety of varied reasons including study, research, travel or voluntary work.

Providing this benefit is likely to be well received by employees, giving them the opportunity to dedicate a sizeable portion of time away from work to participate in an activity of their own choosing. However, when granting sabbaticals, you must make it clear whether pay and any other contractual benefits will be suspended during this time.

# Training and Investing in your employees

Investing in you employees’ skills and knowledge will add another valuable layer to your company benefits plan by providing staff with the tools they need to succeed, both in their current position and throughout the rest of their careers.

In order to achieve this, you could consider setting up a designated learning and development department, offering regular training taught by experienced colleagues, or relevant education providers. You may also decide to pay for staff to take part in certain accredited training programmes that are relevant to their role. This will reinforce the idea that you are committed to your employee’s progression whilst also upskilling your current workforce.

# Social events

Arranging work-related social events such as team nights out and office Christmas parties can foster a positive working environment and help to develop a greater sense of camaraderie amongst staff. These benefits are likely to be well received by employees as an opportunity to blow off steam and relax with their colleagues, however it is essential that any activities are inclusive.

You may also choose to provide high performing employees with small rewards as a token of appreciation. However, the traditional bottle of wine or box of chocolates may not be welcome for those with certain religious or dietary requirements. Therefore, it is advisable to stick to more inclusive signs of appreciation such as ‘employee of the month’ certificates.