

A diverse group of seven office workers are gathered around a wooden table in a modern workspace. They are smiling and engaged in conversation. In the foreground, a man with dark curly hair is sitting at a laptop, looking towards the camera. To his right, a man with glasses and a grey beanie is also smiling. Behind them, several other employees are standing and talking. The background is a white brick wall. The overall atmosphere is positive and collaborative.

**HOW TO FOSTER BETTER EMPLOYEE**

# **ENGAGEMENT THROUGH VOLUNTARY BENEFITS**

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**Voluntary benefits schemes can  
make staff salaries go further  
and support their lives outside  
of the workplace.**

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## Introduction

From discount cards with major retailers, vouchers and offers at local movie theatres, to money off travel packages, more and more organizations are using voluntary benefits as a way of engaging and motivating their employees. These are benefits paid for by the employee, though the employer will pay for the administration of the scheme. Voluntary benefits schemes can make staff salaries go further and support their lives outside of the workplace. However, they need to be well designed and implemented to ensure that employees engage with them and they don't merely become a 'box-ticking' exercise.

**The best schemes are well-communicated and promoted, embrace instant delivery, and let employers recommend bespoke details and offers based on individual and company preferences.**

The best schemes are well-communicated and promoted, embrace instant delivery, and let employers recommend bespoke details and offers based on individual and company preferences. This may be based on factors such as age, lifestyle or even region. It is important to understand your workforce's needs, interests and motivations so that you deliver something that is of value to them.



## The context

Following last year's announced changes to salary sacrifice, voluntary benefits will begin to take centre stage for many employee engagement professionals. Many discount programs can be an attractive alternative to salary sacrifice and because they are relatively low cost to implement and don't offer a tax benefit, they don't require the same completion of enrolment forms, payroll processes, HR approvals, or employment contract variations that salary sacrifice demands. In fact, if you decide to offer your employees a voluntary benefits scheme, this can in theory be launched within a matter of days.

**Here are some examples of voluntary benefits that can be used as alternatives to salary sacrifice schemes:**

Salary Sacrifice Scheme	Alternative
Health Screening	Discounts on a range of health checks and assessments
Home Technology	Discounts of up to 40% on major technology brands
Mobile Phones	Discounts on handsets and monthly contracts
Gym Membership	Discounts on national and local sign-ups

**Of course, it goes without saying that voluntary benefits are a valuable employee benefit in their own right and not just as an alternative to salary sacrifice.**

**This is because they:**

1. Are simple to implement.
2. Are cost-effective for employers.
3. Can save your employees money and help their salaries go further.
4. Can appeal to a broad range of employee demographics.



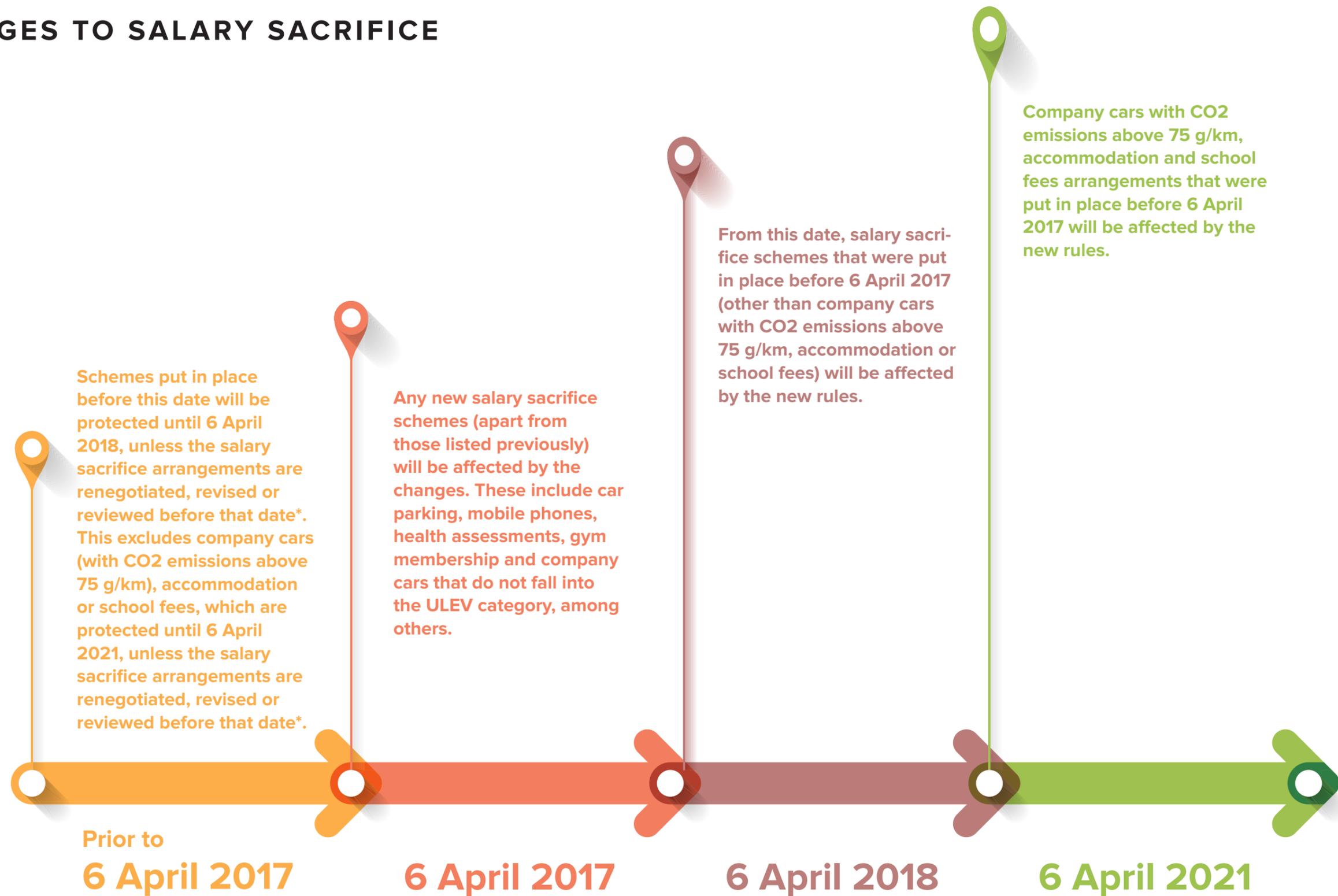
## CHANGES TO SALARY SACRIFICE

Changes to salary sacrifice mean that income tax and NIC have increased on certain benefits provided to employees as part of a salary sacrifice scheme. Effectively, there is no longer income tax and employer NIC savings from operating salary sacrifice arrangements. Employees can still benefit from employee NIC savings.

The following benefits will not be affected by the new rules:

- Childcare (including childcare vouchers and employer-provided childcare)
- Cycles
- Ultra-low emission vehicles (ULEV i.e. those with CO2 emissions less than 75 g/km) including company cars
- Pensions
- Retraining courses and outplacement services
- Intangibles e.g. annual leave or flexible working benefits

## CHANGES TO SALARY SACRIFICE



\*There are additional protections for salary sacrifice arrangements that are revised because of accidental damage, replacement or reasons beyond the control of either party, or are made due to Statutory Sick Pay, Statutory Maternity/Paternity/Adoption Pay or Shared Parental Pay.

## IMPLEMENTATION

Though voluntary benefits schemes are relatively simple to implement, it's still important for employers to create an implementation plan, detailing the infrastructure of their scheme, what platform they plan to use, which discounts they plan to offer, which retailers they plan to partner with and how they plan to communicate the various aspects of the scheme.

It probably won't surprise you to hear this from us but your choice of platform is a crucial one. The discounts and offers they have access to, technology they utilise and customer support options they offer will all have a direct impact on your team's user experience and ongoing engagement.



# Project kick-off: responsibilities and specifications

Getting your initial planning and implementation right at the outset is crucial. Follow these key steps to ensure that you have considered everything.



## Communication

It's pointless having these great discounts available to your staff if they aren't aware of them and, consequently, don't utilise them. Effective communication is therefore instrumental to the success of a voluntary benefits program. Employees need to be clear on:

- What they are being offered
- How to make use of the scheme
- Which offers are most relevant to them

The launch phase is crucial in this respect – that is your opportunity to make a bang – however don't forget that engagement should also start prior to launch. Make sure you have briefed managers, identified any potential champions and developed a clear brand identity for the program.



The best communication strategies utilize a range of messages and channels, often tailored towards different target audiences. These can include posters, presentations, emails, internal intranet platforms, social media platforms, SMS messages, staff handbooks and more. Making use of benefits champions and 'savings case studies' is also a great way of engaging staff in schemes.



## Key considerations:

- Implementing an effective employee communications plan to ensure all staff understand the changes, what's required of them (if anything), new FAQs, etc.
- Ensuring that staff do not feel that the change creates any 'burden' and with it apathy for change; that they understand the benefits and the new opportunities brought to them via the new program.
- Looking at your audience to consider whether the workplace culture or staff demographic should influence communications – e.g. will you have to communicate with offline staff who are not in front of a computer?
- Creating a viable, effective and co-ordinated 'launch plan' so as to ensure all new schemes are promoted with equal visibility.
- Supporting front line managers with FAQs documents and a direct-number support line.



## Communications timeline: how does it work in practice?

Prior to launching a program, decide on an appropriate level and intensity of communications. Optional pre-launch activity can include a combination of the following activities, as determined by your specific organizational requirements:

- **Launch minus 8-12 weeks:** Optional: stakeholder buy-in via staff, manager, department head and HR questionnaires, on-site workshops, or invitations to comment – with results used to help determine program features
- **Launch minus 6 weeks:** Email teasers – high-level announcements of the forthcoming program, creating interest and anticipation
- **Launch minus 4 weeks:** Introductory Packs, in either electronic or print formats, created specifically for different user groups (e.g. retail staff, office staff, managers, department heads, HR) introducing the program – detailing how it works, why it's important to participate, help-line and contact numbers, FAQs etc
- **Training Quiz:** Optional training module in quiz format, establishing familiarity with program's basic rules
- **Media to include:** Intranet links, email, desk drops, site visits, payroll-slip and total reward statements messaging, staff handbooks...
- **Post Launch** Key 90-day activities after 'go-live' (i.e. launch) will include:
  - » Ongoing staff communications to encourage take up
  - » Registration competition to encourage take up
  - » Ongoing weekly email communications with 'hot offers' and new deals
  - » Flexibility to make changes to schemes as indicated by launch impact analysis
  - » Regular client updates and feedback



## Delivery

The best programs cater to different shopping behaviors by virtue of how they are delivered and most options allow for discounts to be delivered quickly and easily for your employees, encouraging greater engagement. This is important, particularly for millennials who are used to instant delivery.

Access through mobile apps and online portals is now the norm for most providers, providing access to a range of different discount options.

Retail Vouchers can save employees money on their weekly shop, though they require pre-paying. Cashback tends to be applicable to online stores only and promotional codes fall somewhere between these two, offering discounts at the point of purchase with no pre-pay required. Concierge programs make it easier for employees to make use of those discounts that may require more effort or organization to purchase such as flight, travel and entertainment offers.

As technology develops so too does the functionality of voluntary benefits platforms. Some, for example, will flag high street discounts when an employee walks past the applicable store, whilst others will provide personalized push notifications based on shopping preferences.



## Making a real difference

Lifestyle-focused benefits have enjoyed a notable growth in recent years as more and more organizations look to make a tangible difference to their employees' quality of life. As a result, offering concierge services as a voluntary benefit has gone from being 'nice to have' to forming a key part of any comprehensive benefits package. There are practical advantages to offering concierge services to employees, particularly those services that help them organize their personal lives. It has been estimated that staff organizing their personal lives from work costs the UK economy hundreds of millions of pounds a year.

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Concierge has evolved from being an exclusive service focused on high-flying, busy senior executives, struggling to balance the demands of work with their personal or family lives, to something that is being enjoyed by employees across the board. Employers can offer a dedicated team, either with an on-site desk, or contactable by phone, to assist with a range of lifestyle-focused services.

They tend to fall into three categories:

- Travel: these can range from researching the best holiday packages, booking flights, cars and hotels to offering bespoke, personalized holiday planning
- Tickets/social: sourcing and booking tickets for anything from theatre performances, restaurant reservations and sporting events and car hire
- Personal: can include the likes of gift sourcing, organizing a cleaner, health, beauty and fitness assistance

Given the range of services on offer, it's important to make concierge services as bespoke as possible. This will ultimately make them successful - leading to greater employee engagement – but can also help with budgeting. For example, high-earning executives, working very long hours in sectors such as financial services, may engage much more with time-saving services such as gift sourcing or bespoke holiday booking, whereas employees at a supermarket or high street brand might be more interested in concert tickets and events. At the end of the day, you want your staff to use these services, so it pays to understand what they will value.



## Currently featured on our portals



## INNOVATIVE PACKAGING OF VOLUNTARY BENEFITS

More and more employers are innovatively packaging up their voluntary benefits programs, either to support a company value, such as 'well-being', or work hand in hand with other benefits options. This can involve, for example, taking content from a voluntary benefits platform (e.g. promotion banners for child related discounts and vouchers) and adding them to information pages on schemes such as childcare provision.

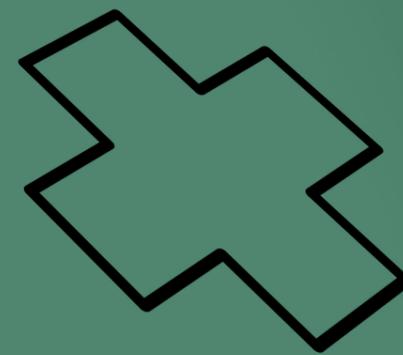
The upshot of this is that employers can broaden their benefits package and better promote and cross-sell a range of schemes. Focus areas that are popular include:

- Health and well-being
- Travel
- Family
- Sports
- Tickets and events

## MONITORING ENGAGEMENT

It's important to keep an eye on take-up and usage figures to understand which elements of the scheme are resonating with your team. We advise clients to regularly analyse management information (the best platforms should make this easy to do) as well as conducting engagement surveys to find out what employees think of a scheme.

Wellness



## Case study: the Metropolitan Police



### BUSINESS OVERVIEW

With more than 43,000 officers and staff, the Metropolitan Police is the UK's largest police service and has 25% of the total police budget for England and Wales. As such, it requires considered structure and division of disciplines and skills in order to continue operating as a finely-tuned, cohesive organization.

### THE CHALLENGE

The Metropolitan Police needed to implement and deliver a combined employee benefits program that was easily accessible to its entire workforce. This was aimed at rewarding existing staff and attracting potential recruits.

The aim was to provide an efficient, interactive solution that offered clear benefits for the Metropolitan Police whilst also delivering significant financial and lifestyle benefits for its workforce.

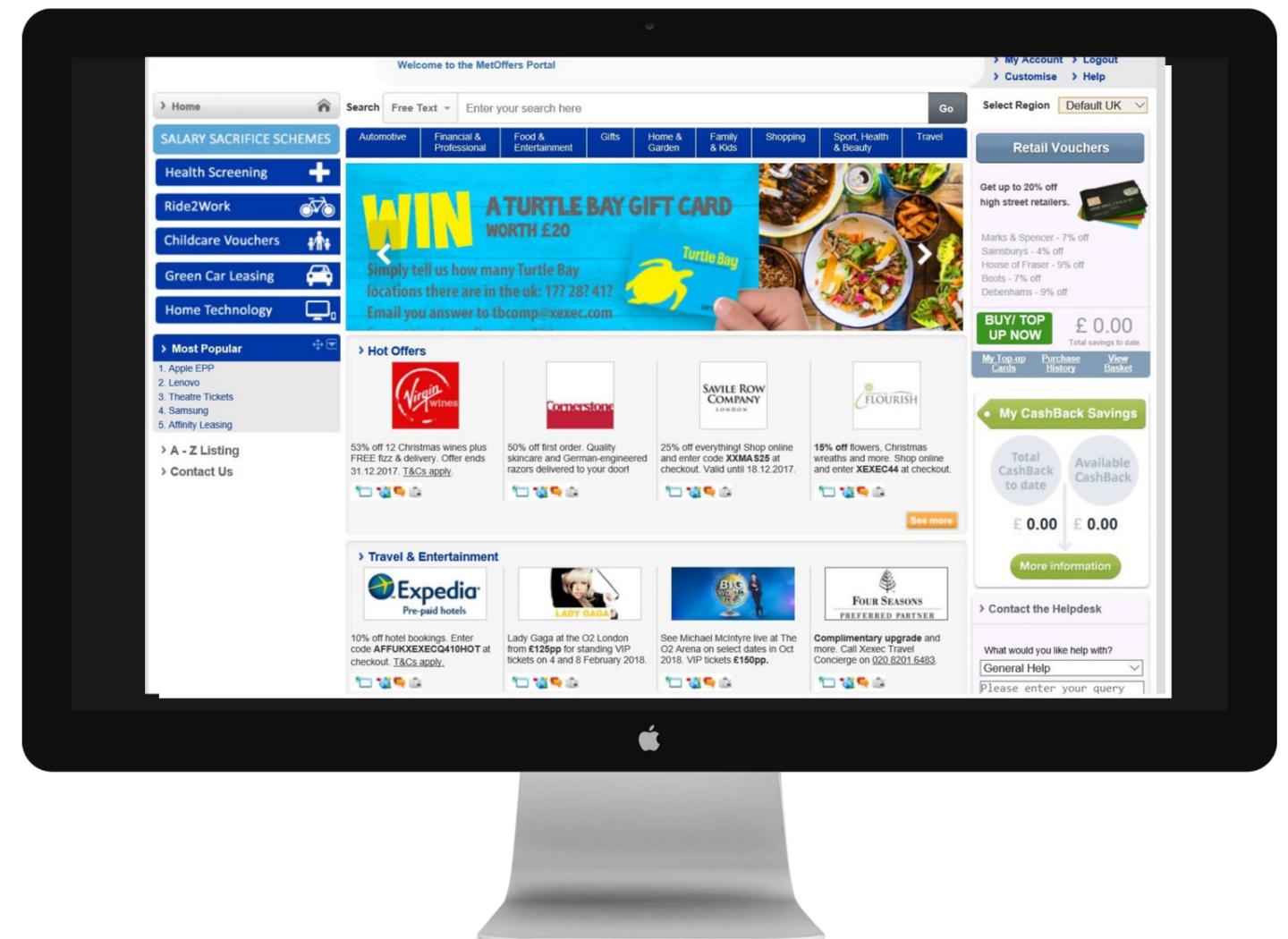


## THE SOLUTION

Xexec worked with the Metropolitan Police to incorporate a bespoke lifestyle discounts product under the banner “Met Rewards”. Since its launch in 2013, Metropolitan Police officers and staff have been able to access exclusive discounts and benefits at over 3000 vendors, including lifestyle discounts at all major supermarkets and department stores, as well as leading fashion, electrical goods, computing and DIY brands. Crucially this was not just a discounts scheme but part of a comprehensive employee benefits portal integrating multiple schemes in one site (including childcare vouchers, health screening, cycle to work, car leasing and home technology).

Additionally, Xexec offered access to its unique travel and ticket concierge, a bespoke service that takes the stress out of booking a holiday and offers a range of benefits and discounts including upgrades and lounge access. On top

of that, the ticket service enables access to tickets for sold-out events and exclusive performances at the UK’s most popular entertainment and sporting venues.



## THE OUTCOME

The Xexec / Metropolitan Police “Met Rewards” offering has been a great success and since its launch in 2013 there have been extremely high levels of engagement amongst its staff.

### Uptake levels:

Time	3 Months In	6 Months In	12 Months In	Now
Registered Users	9,283	12,053	17,843	34,361

In addition, this streamlined approach to benefits has seen the administration burden on Human Resources lifted, increasing efficiency and reducing overall costs. More importantly it has delivered meaningful and valuable benefits to the workforce.

## KEY RECOMMENDATIONS

Here's a summary of our top tips to help you make the most of your voluntary benefits scheme:

- Consider the different delivery options and work with your benefits provider to ensure that discounts are quick and easy to redeem
- For areas such as travel and ticketing that tend to offer a less instant delivery of discounts, consider offering a concierge service to make shopping around easier for your employees
- Think about how voluntary benefits are packaged and communicated to your team. Could they be positioned alongside other employee benefits to communicate a certain message or value?





A spreadsheet document with a grid of data. The columns are labeled 'DATE', 'AMOUNT', 'CURRENCY', and 'STATUS'. The rows contain numerical values and some text entries. A hand is holding a pen over the document.

## START NOW

If you're interested in finding out more about how your organization could utilise voluntary benefits, please contact us on +1 844 576 2457 or <https://www.xexec.com/programs>



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