



Helping Employees Facing Financial Difficulty: the Role of Employee Benefits

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Before the COVID-19 pandemic, it was estimated that 36% of UK workers were experiencing financial concerns on an ongoing basis¹ and one in eight UK workers were living in poverty². In the current crisis, financial concerns are substantially more widespread and likely to be more acute for those already struggling to make ends meet.

For example, research by the Chartered Institute of Personnel and Development shows that more than [50% of employers are placing staff on furlough](#), with many living on reduced incomes if employers are not topping up the government's Job Retention Scheme contribution³. Others are seeing their hours cut, are unable to work at their full capacity due to increased childcare responsibilities, or have seen their household income reduce overnight with family members losing their jobs or livelihoods.

Our [factsheet on helping employees through the COVID-19 pandemic](#) explains the different ways their wellbeing can be supported at this time. Maintaining wages at pre-COVID-19 levels is key wherever possible, but could financial wellbeing be supported through employee benefits?

Improving financial wellbeing through employee benefits

Employee benefits can be a tool for human resources teams looking to support employees facing financial difficulties. Many businesses may be tempted to reduce their employee benefits offer in the coming weeks and months. However, in this time of inevitable financial hardship for many, businesses can instead make the most of employee benefits by offering a package that is helpful for all employees, particularly those who might need them the most.

Our [Ensuring Everyone Benefits toolkit](#) sets out actions every employer can take.

¹ The Employer's Guide to Financial Wellbeing 2019-20 (2019); Salary Finance; available at salaryfinance.com

² UK Poverty 2019/2020 (2019); Joseph Rowntree Foundation; [available at jrf.org.uk](http://available.at/jrf.org.uk)

³ 1 in 4 employers expect permanent redundancies from coronavirus crisis (2020); CIPD; available at cipd.co.uk





Make sure employees know they can ask for help

Most of us struggle to talk about money. Our [Mental Health at Work](#) survey found that just 36% of employees would feel comfortable talking about financial difficulties at work, and this is likely to be even lower among people who are struggling financially⁴.

- Promote a culture where it is OK to talk about money, starting at the top. Have business leaders record a video or message to share with employees and designate go-to colleagues for people to speak to.
- Encourage all line managers to reach out to employees and establish positive lines of communication, particularly with employees now working from home or keyworkers who may be experiencing increased stress and anxiety.

Make changes to your offer

Our toolkit has four steps you can take to offer the right benefits:

1. **Start with the fundamentals.** Providing income security and predictability at this time is more important than ever. Make sure you have taken advantage of [all the support available to UK businesses](#) and consider how your business could go above and beyond, being generous where possible.
2. **Help those in crisis.** A third of UK workers have fewer than £500 in savings, meaning many workers are close to crisis point. Employers can put things in place to help, such as signposting to debt support, providing advice through employee assistance programmes, clearly communicating the support available from the government such as [mortgage holidays](#) and [protection for renters](#), and offering hardship grants. You could also partner with an organisation that can help to provide salary-linked loans to avoid employees turning to high-interest lenders in a time of crisis.
3. **Bring down living costs.** Fringe benefits should focus on helping workers manage day-to-day costs. Discounts on holidays or gym memberships, which employees cannot use right now, could be reshaped in an organisation's offer to provide discounts on utilities and supermarket shops instead.
4. **Offer long-term solutions.** Help employees avoid reaching crisis point by providing financial education and partnering to provide salary-linked saving schemes.

⁴ Mental Health at Work report 2019 (2019); Business in the Community available at bitc.org.uk





Remove barriers

Now is the time to boost communication on employee benefits and remove barriers to take-up:

- **Communicate the offer to all employees.** Ensure line managers are aware of all the benefits on offer and are regularly communicating these to colleagues, including those on furlough.
- **Make benefits accessible.** Employees can face barriers accessing benefits such as English language, digital capabilities, or up-front costs. If your benefits are only accessible via an online system, consider setting up a phone line that employees can call to access benefits.
- **Include everyone.** If you have contracted or agency staff, explore how you can extend your offer to ensure everyone can access support.

[Download our toolkit](#) for more detailed guidance on using employee benefits to improve financial wellbeing.

For more support as your business responds to COVID-19:

- [Business in the Community's website](#) publishes frequent examples of how responsible businesses are stepping up to support customers, communities and employees.
- We have launched the [National Business Response Network](#) to identify community needs across the UK and match them to the right business support. [Visit our COVID-19 Business Response platform](#) to offer support.

