



Top employee benefits revealed

In the current tight labour market, a compelling benefits package can give an organisation the edge over competitors, helping to recruit and retain talent.

But is also important to think about what your benefits package needs to do for your organisation, as that will shape how it is structured and which benefits are offered.

Use our guide to help plan your benefits package, from the business aims to benefits offered and how best to deliver them to employees.

Strategic focus

The tight labour market and the current cost-of-living crisis have prompted many organisations to re-evaluate the benefits they offer and consider whether or not they are still truly meeting their, and their employees', needs.

When reviewing benefits packages, employers told us that they were focussing on the following areas:

Affordability: Balancing the desire to reward employees against affordability for the business was highlighted by many respondents. Salary-sacrifice benefits, that include savings for both employers and employees, are used by around three-quarters of organisations, particularly for pension contributions.

Keeping up with the market: A number of respondents underline the importance of keeping in step with the market. Use our table (over the page) to see what benefits other organisations are providing.

Helping with the cost of living. With the cost-of-living crisis proving an additional challenge for many employers, some told us that they are making a concerted effort to help their employees manage the squeeze on household incomes through the benefits offering. There are a number of benefits that employers might be particularly drawn to offering in the current climate. A staff discount scheme on the goods and services of their employers is currently offered by 29.4% of organisations. While what you have on offer may not cover everyday purchases, it may help employees if they need what you are selling. Savings from other

providers, such as through a voluntary benefits scheme, or business-negotiated discounts such as on gym membership, can also be hugely beneficial. Just over a quarter (27.1%) of organisations offer employee financial education benefits – a growing area and one that could provide much-needed support to your workforce.

Health and wellbeing: Another common theme to emerge in our research is the importance of supporting staff with their health and wellbeing, something that became a top priority for many employers at the height of the pandemic. Other respondents mentioned the use of benefits to help support “mental health and wellbeing”, “wellness”, “work-life balance” and “emotional and financial wellbeing”.

Communication: Communication around benefits was considered a priority by some respondents, particularly in terms of raising awareness to encourage employees to make use of what is offered.

Ultimately, businesses hope that all of these will have a positive impact on recruitment and retention. In the current climate, it is not surprising that this is the most frequently cited theme in our research. An organisation's benefits scheme can be a major factor for people deciding whether or not to accept a job offer, so getting the package right is crucial. A benefits scheme that fails to offer a sufficiently varied range of options or provide flexibility of choice risks losing employee buy-in and can lead to frustration and/or disengagement, which can result in retention difficulties.

Most commonly offered benefits

Our survey asked about the availability of a wide range of benefits and allowances. For the third year running, the most popular benefit is a counselling service or employee assistance programme (EAP). Nine in 10 respondents offer this benefit, while life assurance/death-in-service benefit, cited by almost as many respondents, consistently features among the most commonly offered benefits in our research each year.

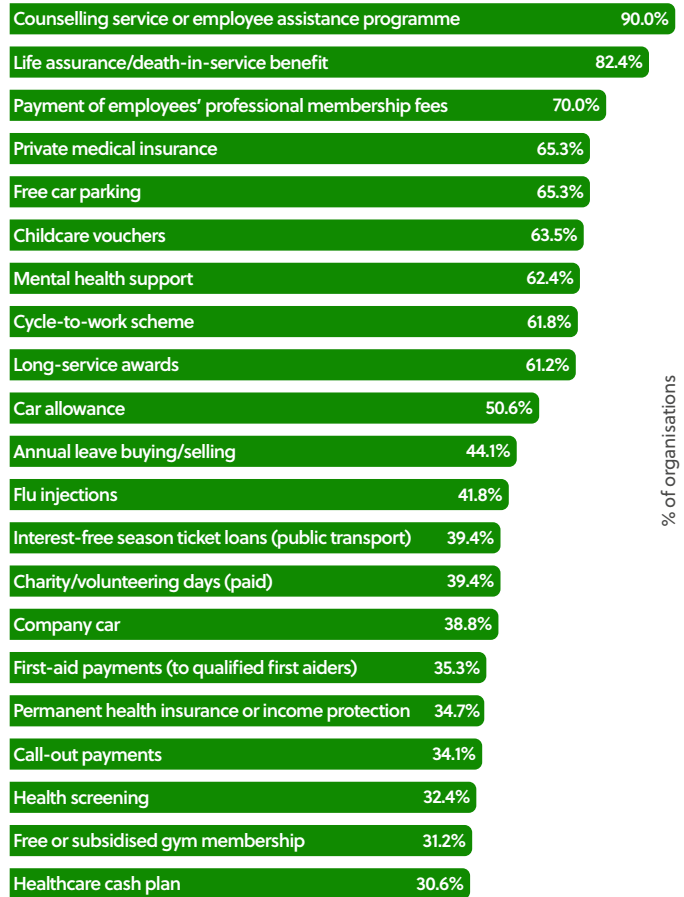
Benefits delivery

A benefits scheme that allows employees to shape their benefits package to choose the benefits most relevant to their current situation and lifestyle, changing them as those needs change can be a powerful way of increasing employees' perceived value of the benefit package, and increasing their engagement.

A flexible benefits package is the most sophisticated way of doing this, but while few employers opt for a fully flexible package, many offer some benefits on a flexible basis.

Voluntary benefits can be a low maintenance option for employers to enhance their benefits offering. Employers that have a limited budget available to spend on employee benefits or are unable to offer a wide range of benefits may also find voluntary benefits a good option. They are discounted products and services made available to employees by their employer, usually by providing access to a third-party system or portal.

The options available in both flexible and voluntary schemes can support the focus areas listed above.



% of organisations

Employers could align and group the benefits within their flexible and/or voluntary benefits portals to reflect areas currently important to employees such as health and wellbeing, community and social responsibility, financial protection, and lifestyle.

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