

## Employee Benefits Packages

---

Gone are the days when employers enticed the ambitious and career-minded onto their payroll by offering them a fatter pay-packet and the promise of a company vehicle.

It's rare now, too, for job interviewees to tactfully leave the remuneration question to the last. Nowadays, the employers are getting in first when it comes to discussing pay rates.

Many employers are offering much more than a bigger salary and the promise of a company car. Instead, comprehensive 'employee benefits' packages are now very much the norm.

In these tighter economic times, business owners often find it difficult to recruit experienced, well-trained staff - particularly in the large trading and manufacturing sector, as well as in the highly-competitive corporate world. Recruitment costs are high, and employers also need to be mindful of what the competition is offering a potential employee.

Employers have responded to these changes in our business world by simply evolving.

The traditional employers of the 80s and 90s have become employers who are mindful of their staffs' welfare, long-term.

They're putting together attractive employee benefits packages that are a comprehensive and complete remuneration. It's the equivalent of increasing their income without putting the money in their employees' pockets, so it's very much a win-win arrangement.

The benefits are so good for the employee, they're much less likely to leave their job. The employer is retaining staff and not having to face the high costs involved with recruitment. Essentially, an employee benefits package is a great tool to achieve favourable outcomes for everyone.

An Employee Benefits Package can include registering the employee in the KiwiSaver Scheme, making them a member of the business's Group Life Insurance plan, so they get life, trauma and income protection. They can also include Group Medical/Health insurance for those joining a business.

These packages are a great enticement for potential employees and their families, too. The benefits on offer are sometimes ones which an employee would not have normally considered arranging for themselves, simply because they're unable to fund it. Benefits can be fully or partially subsidised by an employer. They provide family security and they foster respect for the employer who is taking care of their staff.

Many job-seekers don't realise that under group insurance schemes, pre-existing conditions are normally covered. Cover is available to staff who would not have been able to get personal cover.

While it is a cost for an employer to put Group Cover in place for their staff, they're reducing the costs they incur from high staff turn-over, such as paying a recruitment agency.

There's usually a reduction in time taken off work by employees, because they can seek treatment more rapidly through the private health sector – they're getting back to work sooner. Again, that's saving money for the business-owner.

Employee Benefits Packages attract new staff and noticeably boost staff retention. To be seen to be looking after one's staff is a big plus in this day and age.

It also covers an employer's moral obligation as the business owner in the event of a serious accident and injury – or death – which might happen in the course of a staff member's work.

We had the unfortunate experience of a young man who was a fitter-turner at a Rotorua engineering company, taking his own life. His wife had not known her husband's employer had taken out a Group Life policy for all the staff – more than 50 people. The scheme was designed to provide for the cost of a funeral and to cover other final expenses, but more importantly, it was designed to provide the surviving family members with additional financial support at a very difficult time. This young man's widow was left with three young children, so she was obviously immensely grateful for the financial support.

In this Rotorua business, the Group Cover scheme is fully-subsidised by the company. The other employees saw, firsthand, its benefits - in fact, there have been four cases in this one business when the Group Cover Scheme has been called on, and that naturally generates gratitude for a generous employer who is fully funding the scheme. In turn, the recruitment and staff retention benefits are the employer's reward – in the long run, their financial losses are reduced.