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## HR Update October 2013

In May 2013 we released a newsletter on the subject of 'Non-Financial Rewards' and the benefits they can provide to your company and employees. After the release of the newsletter a client came forward and commented that they had found the newsletter very interesting and asked us to suggest examples of non-financial rewards which may be suitable for his company. We would like to share these examples with you in order to elaborate further on the subject of 'Non-Financial Rewards';

### 1. Cycle to Work Schemes

The cycle to work scheme encourages employees to cycle to work and allows employers to reap the benefits of a healthier workforce.

Employers loan cycles and cyclist safety equipment to employees as a tax-free benefit.

Benefits;

- Employees can save some money on petrol which may increase commitment and retention.
- Employee health may improve possibly leading to reduced employee absence.
- The initiative will support the Company's Environmental Policy by reducing their carbon emissions. Improves the image of the

company and their perception as a desirable employer.

- This in turn can help to increase employee morale.

## 2. Childcare Vouchers

This is when an employer provides employees with tax free vouchers for registered childcare only.

Entitlement – After 6th April 2011;

- If an employee's earnings are less than the higher rate threshold they are entitled to £55 each week.
- The amount for higher rate earners is £28 each week.
- The amount for additional rate earners is £25.
- The entitlement lasts up until 1 September following the child's 15th birthday or following their 16th birthday if they are disabled

All vouchers are free of tax and NICs. If an employee is provided with childcare vouchers above their entitled amount they will have to pay tax and NICs on the additional amount.

Vouchers are a non-cash benefit and cannot be exchanged for money. Any un-used vouchers must be returned to the employer.

Vouchers do not have to be used up immediately and can be saved up for when childcare is more expensive e.g. summer holidays.

## 3. Buying Annual Leave

A salary sacrifice scheme which allows employees to sacrifice some salary in return for more annual leave.

Benefits;

- Reduces the employer's wage bill and NI contributions
- Gives the employee extra holiday with the ability to pay for it over a period of months
- Increases employees work/life balance which may boost morale and employee engagement

## 4. Employee of the Month scheme

By implementing an employee of the month scheme you are rewarding your hard working employees with recognition and praise. This informs them that their hard work is noticed and may serve to increase overall standards. An employee of the month reward may be an extra afternoon off per month e.g. the last Friday afternoon of the month.

The process used for identifying employee of the month would have to be fair, structured and systematic and decided by at least two people to avoid the tendency for one person to choose their favourites.

## 5. Pay Day Party

Something as simple as encouraging everyone to go to a meal or for a drink on the Friday after pay day can reward your employees. An activity such as this promotes friendship amongst the team and may help employees to become friends outside of work. It allows employees to "blow off steam" and can also act as a stress relief. By doing this once a month it allows employees to have plenty of

personal time but to also engage socially with colleagues.

## 6. Free Toast, Tea and Coffee

When employees work early mornings (outside of the normal 9 to 5 working hours) these can be made easier by providing a free breakfast. Free breakfasts may help those employees who have to wake up so early they may not have time to eat, or it may allow employees to eat at a time more suitable for those who don't want to mess up their routine. Providing something as simple as tea and coffee may also makes employees feel more. This also has the benefit of making employees feel cared for and more comfortable, almost as if they are in a home setting.

## 7. Leaving Work Early on a Friday

By allowing employees to have a shorter day at the end of their working week the employer is providing them with something to look forward to. This is a simple and successful way to boost employee morale, increase engagement and retention.

## 8. Employee Discount Schemes

If your company has the ability to develop partnerships with other companies a good benefit of this may be the ability to provide your employees with the use of discount schemes. McDonalds, for example, provides its employees with gym membership discounts in the majority of their restaurants. Whether it may be discount vouchers for local restaurants or local car dealerships, employees will always appreciate the ability to save money, which again may serve to boost employee morale, engagement and retention.

If you have any queries relating to any of the subjects raised within this newsletter then please don't hesitate to contact us at [hradvice@hasslefreehr.co.uk](mailto:hradvice@hasslefreehr.co.uk)

For clarification of any of the above updates or for advice and guidance on any HR and/or Health and Safety Concerns contact us by emailing [hradvice@hasslefreehr.co.uk](mailto:hradvice@hasslefreehr.co.uk) or by calling 02476 664092.

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