

Benefit Insights

Issue 04 / November 2024

GOVERNMENT INTRODUCES EMPLOYMENT RIGHTS BILL

Labour laws promise to reshape the working experience for millions



A NEW DAWN FOR PENSION SCHEMES

Various metrics that go beyond
mere costs and charges

SUPPORTING MENTAL HEALTH IN THE WORKPLACE

Establishing a psychologically safe
environment for employees


HFMC WEALTH

HFMC EMPLOYEE BENEFITS

Employee benefits that make a difference
to employees' lives and your business

There's no one-size-fits-all approach to an employee benefits scheme, and that's why we reflect your employees' and business's unique requirements with a completely tailored offering.

To find out more, **contact us:**

E: info@hfmcwealth.com | **W:** www.hfmcwealth.com



HFMC Wealth Partners LLP – Authorised and Regulated by the Financial Conduct Authority with entry number 427640 on the FCA register – Incorporated in England & Wales as a Limited Liability Partnership, Registered Number OC309139



EDITOR'S LETTER

Welcome to the November 2024 issue of HFMC's *Benefit Insights* magazine.

The introduction of the Employment Rights Bill marks a significant shift in the landscape of UK labour laws, promising to reshape the working experience for millions. Among its 28 crucial reforms, the bill aims to abolish zero-hours contracts, replacing them with a right to a guaranteed hours contract for employees who work regular hours over a designated period. This change seeks to provide much-needed earnings security and stability for the workforce. Read the full article on page 10.

At HFMC, we recognise the crucial role that an organisation's defined contribution (DC) pension scheme plays in helping employees plan for retirement and achieve financial security. On page 13, we look at how these schemes support long-term planning and serve as a powerful recruitment tool. Since pension schemes represent one of the largest financial commitments for companies, second only to salary expenditures, employers should ideally review their pension offerings every three to five years.

In today's fast-paced work environment, it is crucial for employees experiencing mental health challenges to feel supported. With one in six workers in the UK facing mental health issues and 12.7% of all sick days attributed to mental ill-health, businesses have a vested interest in fostering supportive work environments, according to research by the University of Nottingham. Turn to page 09 to read the full article.

Twelve years have passed since the inception of auto-enrolment in workplace pension schemes, a critical development in ensuring financial security for future retirees. A groundbreaking traffic lightstyle rating system has been introduced, promising to enhance value for savers across the United Kingdom. Whilst anything that ultimately helps improve member outcomes is welcome, the industry remains fairly sceptical on the simplistic approach. Find out more on page 08.

Clearly there we also a number of announcements in the recent Autumn Budget which have an impact on employee benefits: This includes increased Employer NIC effective from April 2025 (making "Salary Sacrifice/Exchange" potentially more attractive) as well as plans to introduce Inheritance Tax to pension death benefits – we are awaiting technical clarity as to whether this applies to company provided Group Life Assurance (aka Death-In-Service schemes): Something we will be updating our existing corporate clients on as soon as we have further detail, to ensure their cover remains effectively structured. Of course we will be happy to review/discuss any existing arrangements for those of you who are not currently clients of HFMC Wealth.

A complete list of the articles featured in this issue appears on page 04.

Jason Lines

Pension & Employee Benefits Director

The content of the articles featured in this publication is for your general information and use only and is not intended to address your particular requirements. Articles should not be relied upon in their entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up, and you may get back less than you invested. Past performance is not a reliable indicator of future results. The Financial Conduct Authority does not regulate tax advice, Inheritance Tax planning, estate planning, or Will writing.



CONTENTS

Issue 04 / November 2024



10 GOVERNMENT INTRODUCES EMPLOYMENT RIGHTS BILL

Labour laws promise to reshape the working experience for millions

12 GROWING DEMAND FOR HEALTH COVER AMONG YOUNGER WORKERS

Data shows the significance of health cover in job-related decisions

13 WHY NOW COULD BE THE TIME TO REVIEW YOUR EMPLOYEES' PENSION OFFERING

Employers should ideally review their pension offerings every three to five years



14 WOMEN OVER 55 FEEL UNSUPPORTED DISCUSSING MENTAL HEALTH ISSUES

Taking meaningful steps to improve engagement, retention and their bottom line

15 CRITICAL SKILLS FOR EMPLOYEES

Empowering your workforce and fostering a culture of stability and confidence

05 EXPLORING LONGEVITY

Why our sentiments toward extended longevity are mixed

06 NAVIGATING WORKPLACE WELLBEING

Shedding light on the pressing concerns affecting today's workforce

08 A NEW DAWN FOR PENSION SCHEMES

Various metrics that go beyond mere costs and charges

09 SUPPORTING MENTAL HEALTH IN THE WORKPLACE

Establishing a psychologically safe environment for employees



EXPLORING LONGEVITY

Why our sentiments toward extended longevity are mixed



In today's rapidly changing world, the undeniable fact remains that we are living longer. According to figures released by the Office for National Statistics (ONS) in early 2024, the UK is witnessing a significant demographic shift. The population aged 65 and above is anticipated to grow by nearly 40% between 2023 and 2050. Furthermore, those aged 80 and above may see a staggering increase of 90%. Perhaps most striking is the forecasted 200% rise in the number of centenarians.

MIXED FEELINGS ABOUT LONGEVITY

Despite the promising statistics, our sentiments toward extended longevity are mixed. Research reveals that while 47% of UK adults feel optimistic about living to 100, 74% express concerns about their quality of life at such an age^[1]. The gap between our ideal and expected lifespans further highlights this ambivalence. While the median ideal age is 90, the anticipated age is a more modest 85 years.

PLANNING FOR A LONGER LIFE

The prospect of living longer necessitates a reevaluation of how we prepare for the future – practically, financially and emotionally. The Life100+ research suggests that although many acknowledge the need for change, few are taking proactive steps to plan for their extended years. More than two-thirds (69%) of respondents believe that retiring in our sixties will become outdated, yet 25% resist the notion that increased longevity requires extended working years, with the highest disagreement among those aged 18 to 34.

CONVERSATIONS ABOUT THE FUTURE

A crucial aspect of preparing for longevity involves open discussions with family regarding future implications, including care and inheritance planning. However, only 49% of the UK population have engaged in such discussions. This lack of communication underscores the need to

address these topics proactively to ensure clarity and preparedness.

OPTIMISM AMIDST CHALLENGES

While a longer life brings challenges, it should also inspire optimism. A longer lifespan can mean pursuing new purposes, mentoring younger generations and building fulfilling relationships with loved ones. Nonetheless, it's essential to remain realistic and prepare for improved longevity's financial and practical aspects, especially when unexpected. ♦

ARE YOU PREPARING YOUR EMPLOYEES FOR THE CHALLENGES AND OPPORTUNITIES OF LONGER LIFE EXPECTANCIES?

As we navigate this era of increased longevity, employees must plan effectively for their extended futures. If you want to discuss learning more about preparing your employees for the challenges and opportunities of longer life expectancies, the experts at HFMC are ready to discuss your options.

Source data:

[1] The findings (commissioned by Canada Life and conducted by The Big Window) are based on online interviews with a representative sample of 3,400 UK adults aged 18 and over. Quotas were applied by age and gender and the data was weighted at the analysis stage to be representative of the UK adult population. Following the online survey, an all-day intergenerational forum comprising of twenty respondents, with eight in-depth interviews was conducted. Respondents represented people from different life stages, backgrounds and generations. All fieldwork was conducted during May, June and July 2024. Additional information is available on request.

NAVIGATING WORKPLACE WELLBEING

Shedding light on the pressing concerns
affecting today's workforce





as only 56% of employers acknowledge this concern among their workforce.

ENCOURAGING DIALOGUE ON FINANCIAL WELLBEING

One of the barriers to addressing financial anxiety is the lack of open dialogue. Half the employees surveyed have yet to discuss their financial wellbeing with their employers or line managers. However, there is a positive trend, with over three-quarters (76%) of employers implementing initiatives to foster conversations about financial concerns.

Despite these efforts, over one in five employers (21%) still do not actively promote such discussions, which marks an improvement from 34% the previous year. The research highlights a pervasive issue of financial avoidance, with one in five employees (20%) preferring not to engage with their financial situation. This avoidance can lead to neglecting essential financial tasks like bill payments and reviewing financial statements.

IMPORTANCE OF SUPPORT AND RESOURCES

Employees often turn to friends and family to manage financial anxiety, with 49% choosing this route, whereas only a small percentage seek advice from colleagues, managers or financial advisers. Alarming, 14% of employees lack any coping mechanisms for financial stress. Younger employees are generally more open to discussing financial concerns compared to their older counterparts, who may not have established coping strategies.

Financial wellbeing is crucial to an individual's overall health and is more about attitudes towards money than actual bank balances. Personal experiences, backgrounds and financial literacy significantly influence these attitudes. Anxiety or stress related to financial matters can adversely affect both mental and physical health.

TAILORING FINANCIAL SUPPORT TO DIVERSE NEEDS

Employers are increasingly recognising the

importance of providing tailored financial support and resources. These can range from budgeting assistance and retirement planning to more comprehensive financial education programmes. Services need to be adaptable to meet the diverse needs of the workforce.

Taking proactive steps, such as locating lost pensions, creating a retirement plan or checking for available Employee Assistance Programmes (EAPs), can help individuals manage their financial wellbeing. Some employers offer financial education through specialist providers or EAPs, while others may guide employees towards external 24/7 helplines and online resources. ♦

REQUIRE FURTHER INFORMATION ON IMPROVING THE FINANCIAL WELLBEING OF YOUR EMPLOYEES?

If you require further information on improving financial wellbeing for your employees, it is crucial to seek guidance tailored to your specific needs. Contact HFMC to consult with our financial experts to help navigate the complexities of financial planning and wellbeing. Individuals and organisations can work towards a healthier, more secure financial future by taking these steps.

Source data:

[1] Aviva Working Lives Report 2024: Working for the Future | Methodology: 1,011 full or part time employees aged 16+ in the private or charity sector (excluding sole traders) and 201 private sector employers (aged 18+) (excluding sole traders) were interviewed by Censuswide between 02–16 April 2024. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council. All interviews were conducted online. The sample was targeted, and data weighted back to these targets, to ensure a comprehensive cross-section of the UK working population. Where appropriate, some statistics have been combined to make a net score, for example 'Strongly Agree' and 'Somewhat Agree' combined to make 'Agree'.

The Aviva Working Lives Report 2024^[1]: Working for the Future offers a comprehensive look into the evolving dynamics between employers and employees regarding workplace wellbeing, financial stability and retirement planning. Now in its third year, this annual report sheds light on the pressing concerns affecting today's workforce and the initiatives being undertaken to address them.

A significant revelation from the research is the heightened anxiety among employees regarding their finances, with nearly three-quarters (73%) expressing increased worry due to the ongoing cost of living crisis. Interestingly, there appears to be a disconnect,

A NEW DAWN FOR PENSION SCHEMES

Various metrics that go beyond mere costs and charges

Twelve years have passed since the inception of auto-enrolment in workplace pension schemes, a critical development in ensuring financial security for future retirees. A groundbreaking traffic light-style rating system has been introduced, promising to enhance value for savers across the United Kingdom.

This innovative approach assesses workplace-defined contribution schemes on various metrics that go beyond mere costs and charges, including investment performance and service quality. Schemes are rated red, amber or green, depending on their performance.

TRANSPARENCY AND ACCOUNTABILITY

Poorly performing schemes receiving a red rating will be mandated to improve their standards or transfer savers to more successful schemes. This initiative aims to deliver enhanced pension value without requiring savers to take any direct action.

The supposed proposal is a collaborative effort from the Financial Conduct Authority (FCA), the Department for Work and Pensions, and the Pensions Regulator. These organisations have developed a joint framework designed to shift the emphasis from costs to holistic, long-term value, ultimately leading to better retirement savings for all.

DRIVING CHANGE THROUGH INVESTMENT

The new framework is intended to provide pension providers and decision-makers with greater transparency regarding scheme performance. Beyond raising the bar for standards, the FCA hopes to stimulate increased investment from UK pension schemes into national infrastructure projects, such as green energy, housing and transportation.

By focusing on value rather than costs, providers will be empowered to invest in high-potential assets, including infrastructure and venture capital, which may offer greater long-term returns despite higher management costs.

SERVICE QUALITY AND CUSTOMER EXPERIENCE

Investment performance and service quality are crucial components of this new rating system. A remarkable 90% of workplace pension savers remain invested in their scheme's default strategy.

As of 2023, a significant 88% of eligible employees and 80% of all employees were contributing to a workplace pension, with total annual savings reaching £131.8 billion. Employee contributions accounted for 26% of this sum, while employer contributions comprised 64%, with the remainder

derived from Income Tax relief on employee contributions.

SECURING A PROSPEROUS FUTURE

With 16 million individuals saving for retirement through workplace defined contribution schemes, the FCA, the government and the Pensions Regulator are committed to ensuring these savers achieve better returns. Last year alone, over £130 billion was invested in workplace pension schemes, funds that are anticipated to work diligently for future pensioners, ultimately providing them with improved retirement incomes. ♦

WANT TO DISCUSS AND HELP YOUR EMPLOYEES GROW?

As a provider of advice on workplace pension strategy and implementation, we can deal with the whole market when considering pension providers and reviewing existing plans. If you want to learn more about how this new rating system could impact your employees' retirement savings or explore ways to maximise their pension benefits, contact HFMIC.

Comment: Whilst we fully support & welcome the value for money framework, the industry does have some reservations with the potentially simplistic approach, initially likely to commence with the largest "Trust Based" pension schemes (expected H2 2027 subject to consultation).



SUPPORTING MENTAL HEALTH IN THE WORKPLACE

Establishing a psychologically safe environment for employees

In today's fast-paced work environment, it is crucial for employees experiencing mental health challenges to feel supported. With one in six workers in the UK facing mental health issues and 12.7% of all sick days attributed to mental ill-health, businesses have a vested interest in fostering supportive work environments, according to research by the University of Nottingham. The findings underscore the business advantages of equipping managers with the necessary skills to address these team challenges.

ECONOMIC IMPACT AND ROLE OF MANAGERS

Mental health issues in the workforce are estimated to cost UK employers over £50 billion annually due to sickness absence, presenteeism and employee turnover. The study revealed that training managers to promote and support good mental health is linked to improved staff recruitment and retention, enhanced customer service and reduced long-term mental health-related

absences. The study utilised anonymised survey data from thousands of companies across England, collected from 2020 to 2023 by the Enterprise Research Centre at Warwick Business School.

TRAINING FOR BETTER MENTAL HEALTH SUPPORT

Organisations like the mental health charity Mind offer specialised training on workplace wellbeing, both in-person and online. These courses cover essential topics such as mental health awareness, managing mental health at work, supporting others and integrating customer support with mental health considerations. Employee Assistance Programmes (EAPs) also provide access to counselling, practical advice and referral services for personal and work-related issues.

BREAKING DOWN BARRIERS TO COMMUNICATION

While many employees find it helpful to discuss mental health with their employers,

there's still progress to be made. Another study by Aviva highlighted that 64% of men and 61% of women who spoke to their employer about mental health found their employers supportive. However, a significant number of employees still hesitate to disclose their mental health issues. Just over half of men and under a third of women reported taking time off work due to mental health in the past three months, yet less than one in six informed their employer of the true reason.

CREATING A SAFE AND OPEN ENVIRONMENT

Employers play a vital role in establishing a psychologically safe environment where employees can confidently discuss their mental health. Leaders can foster this environment by sharing their experiences, promoting open conversations and creating 'safe spaces' for discussions. Managers are pivotal in this process; while they cannot resolve mental health issues directly, they can listen actively, guide employees to appropriate resources and adjust workplace conditions to aid recovery.

POWER OF COMMUNICATION AND SUPPORT

Ultimately, effective communication is vital. While employees cannot be forced to discuss their mental health, organisations can ensure that support is easily accessible. By investing in these initiatives, companies enhance employee wellbeing and boost overall productivity and morale. ♦

IS IT TIME TO FOSTER A HEALTHIER WORK ENVIRONMENT TODAY BY PRIORITISING MENTAL HEALTH AND WELLBEING?

Businesses seeking to enhance their support for employee mental health should consider engaging with professional training providers. For more information on creating a supportive workplace, contact HFMC to discuss how we can assist with your requirements.

GOVERNMENT INTRODUCES EMPLOYMENT RIGHTS BILL

Labour laws promise to reshape the working
experience for millions



The introduction of the Employment Rights Bill marks a significant shift in the landscape of UK labour laws, promising to reshape the working experience for millions. Among its 28 crucial reforms, the bill aims to abolish zero-hours contracts, replacing them with a right to a guaranteed hours contract for employees who work regular hours over a designated period. This change seeks to provide much-needed earnings security and stability for the workforce.

PROTECTIONS FROM UNFAIR DISMISSAL

Another landmark reform involves ending the controversial practice of fire-and-rehire and removing the current two-year qualifying period for protection against unfair dismissal. This adjustment means employees will enjoy greater job security from the very first day of their employment. Establishing a new Fair Work Agency, tasked with enforcing holiday pay regulations and guiding employers on compliance with the new laws, is also on the cards.

ADDRESSING GENDER PAY GAPS AND MENOPAUSE SUPPORT

Large employers will be required to develop concrete action plans aimed at reducing gender pay gaps. Additionally, the bill mandates support for employees experiencing menopause, highlighting the government's commitment to addressing workplace inequalities. These measures are part of a broader strategy designed to ensure economic security and growth for UK businesses, their employees and the communities they support.

PROMOTING FLEXIBLE WORKING AND BEREAVEMENT LEAVE

The Employment Rights Bill intends to make flexible working the norm unless an employer can demonstrate that it is unreasonable. This shift acknowledges the evolving needs of the modern workforce, particularly in the wake

of the pandemic. Furthermore, the creation of a new right to bereavement leave and stronger protections for pregnant women and new mothers underscores a commitment to fostering a compassionate and supportive work environment.

“

THE INTRODUCTION OF THE EMPLOYMENT RIGHTS BILL MARKS A SIGNIFICANT SHIFT IN THE LANDSCAPE OF UK LABOUR LAWS, PROMISING TO RESHAPE THE WORKING EXPERIENCE FOR MILLIONS.

”

WAGE REFORMS AND FAIR PAY

In response to the rising cost of living, the bill proposes a recalibration of the minimum wage to reflect economic realities better. It plans to eliminate discriminatory age bands, ensuring fair remuneration across the board. Strengthening statutory sick pay is another critical component aimed at providing employees with a safety net during times of illness.

RIGHT TO DISCONNECT AND PAY GAP TRANSPARENCY

Subject to consultations, the government plans to introduce a 'right to switch off', preventing employees from being contacted outside working hours, except in exceptional circumstances. This reform aims to safeguard work-life balance. The bill also seeks to expand the Equality (Race and Disparity) Bill, making it mandatory for large employers to report ethnicity

and disability pay gaps, thus promoting transparency and equity.

SIMPLIFYING EMPLOYMENT STATUS

A review of the parental and carers leave systems is on the agenda, along with a move towards a unified worker status and a simplified two-part framework for employment status. These changes are intended to reduce complexity and enhance clarity in employment rights.

WANT TO STAY INFORMED ABOUT THESE TRANSFORMATIVE CHANGES?

For further details on how the Employment Rights Bill could impact your organisation and to stay informed about these transformative changes, speak to the team at HFMC.



GROWING DEMAND FOR HEALTH COVER AMONG YOUNGER WORKERS

Data shows the significance of health cover in job-related decisions

In today's competitive job market, younger workers increasingly prioritise health cover as a key employment benefit. Recent research highlights this trend, revealing that nearly eight in ten (78%) employees aged 18-34 consider it crucial for their employers to provide health cover^[1]. This shift comes as NHS waiting lists lengthen for routine treatments, adding pressure on individuals to seek quicker, alternative healthcare solutions. There were 2.8 million people not working due to long-term sickness in the UK in July 2024, according to ONS figures.

IMPACT OF HEALTH COVER ON JOB DECISIONS

The data further underscores the significance of health cover in job-related decisions. 71% of young workers hesitate to change jobs if new employers do not offer this benefit. Moreover, two-thirds (66%) believe having health cover would reduce absenteeism, as they could access medical consultations more promptly. These statistics indicate a growing expectation among young professionals for comprehensive health benefits in their employment packages.

HEALTH COVER AS A RECRUITMENT AND RETENTION TOOL

Employers are increasingly recognising the strategic advantages of offering health cover. Three in ten (30%) businesses report that candidates now expect this benefit, using it as a criterion for job selection. Furthermore, 30% of employers acknowledge that promoting health cover benefits aids in attracting new talent and retaining existing staff. This is particularly true for younger

workers, with nearly two-thirds (64%) rating health cover as their most valued job benefit.

ENHANCING WORKPLACE PRODUCTIVITY AND ENGAGEMENT

The provision of health cover is not only beneficial for employees but also for employers seeking to boost workplace engagement and productivity. Notably, 37% of employers observe improved employee satisfaction, and 33% see increased productivity when health cover is part of the employment package. A striking 76% of younger workers believe that having health cover would enhance their productivity, as they could address health issues more swiftly.

ESSENTIAL ROLE OF HEALTH BENEFITS

Health benefits have transcended the realm of perks for the younger workforce, becoming an expectation. With the UK grappling with a workforce sickness epidemic and prolonged NHS waiting times, providing accessible and affordable health cover is more critical than ever. Employers aiming to attract and retain top talent while maintaining a healthy and productive workforce must acknowledge the importance of offering such benefits.

GOVERNMENT'S ROLE IN FACILITATING HEALTH COVER

There is an urgent call for governmental intervention to support low-cost health cover initiatives. By reducing the tax burden on health cover products, the government can incentivise businesses to adopt these

essential benefits, helping to combat in-work sickness. The data also reveals a troubling trend: younger workers are more likely to take time off for mental health reasons, with 71% attributing absences to anxiety compared to just 32% of older workers. ♦

WANT MORE INFORMATION ON IMPLEMENTING EFFECTIVE HEALTH COVER STRATEGIES?

As the landscape of workplace benefits evolves, providing health cover has become a pivotal factor in employee satisfaction and productivity. For those seeking further information on implementing effective health cover strategies, speak to the team at HFMC. Prioritise health cover to enhance your workforce's wellbeing and ensure your organisation remains competitive in attracting and retaining talent.

Source data:

[1] Opinion carried out two pieces of research on behalf of Simplyhealth throughout May and June 2024. The first surveyed 500 HR decision-makers across UK businesses, while the second surveyed 2,000 employees with a minimum of 100 respondents across business services, construction, manufacturing, professional education, hospitality and leisure, transport, retail, food and drink and healthcare.



WHY NOW COULD BE THE TIME TO REVIEW YOUR EMPLOYEES' PENSION OFFERING

Employers should ideally review their pension offerings every three to five years

At HFMFC, we hold annual governance review meetings with our corporate clients, recognising the crucial role that an organisation's defined contribution (DC) pension scheme plays in helping employees plan for retirement and achieve financial security. These schemes support long-term planning and serve as a powerful recruitment tool, making it essential for employers to review their contribution structures regularly.

REGULAR REVIEWS AND STRATEGIC OBJECTIVES

Since pension schemes represent one of the largest financial commitments for companies, second only to salary expenditures, employers should ideally review their pension offerings every three to five years. Such reviews should align with strategic objectives, benchmarking the scheme against industry standards and competitors. Employers must decide whether their goal

is to maintain a market-leading pension offering or to focus on other aspects of employee rewards.

ADAPTING TO MARKET CHANGES AND EMPLOYEE NEEDS

Mergers, acquisitions and changes in the competitive landscape may necessitate harmonising legacy contribution structures to ensure cost management and fairness. High employee turnover due to superior benefits from competitors and direct employee demands may also prompt a review. Aligning pension schemes with standards like the Living Pension or the Pension Quality Mark can enhance competitiveness and compliance.

DETERMINING CONTRIBUTION LEVELS AND CLOSING GAPS

A critical component of any review is deciding on appropriate contribution levels. Many existing designs have remained unchanged since the 2019 increase in minimum requirements.

According to the WTW Defined Contribution Pensions and Savings report from September 2024, 86% of employers enrol employees at the minimum contribution level, potentially missing out on higher contributions. An ideal overall contribution is suggested at 12%.

EFFECTIVE COMMUNICATION AND CONSISTENCY

Consistent messaging is vital when communicating changes to pension schemes. All levels of management should convey the same information to ensure clarity. Employers can segment their workforce, tailoring messages to different cohorts. For example, employees contributing the minimum can be shown the benefits of increasing their contributions, while those needing to pay more may be motivated by highlighting the enhanced employer contributions.

IMPORTANCE OF FINANCIAL EDUCATION WORKSHOPS

Financial education workshops offer a platform to introduce pension scheme information. By addressing immediate financial concerns like housing or saving for a deposit, employers can seamlessly integrate discussions about the benefits of their pension scheme. Such workshops can increase understanding and engagement, helping employees appreciate the long-term advantages of their pension benefits. ♦

WANT TO DISCOVER IF YOUR PENSION SCHEME REMAINS COMPETITIVE?

Consider conducting a comprehensive review to ensure your pension scheme remains competitive and beneficial for your organisation and employees. For more guidance on optimising your defined contribution pension offerings and effective communication strategies, speak to the team at HFMFC. We'll ensure we equip your workforce with the knowledge and tools they need to secure their financial futures while strengthening your recruitment and retention strategies.

WOMEN OVER 55 FEEL UNSUPPORTED DISCUSSING MENTAL HEALTH ISSUES

Taking meaningful steps to improve engagement, retention and their bottom line

There are significant gaps in mental health support within the workplace, particularly affecting women over the age of 55, which has been uncovered by research from Unmind. More than half of these women report that their bosses have never checked in on their wellbeing, a stark contrast to the experiences of younger women aged 18 to 24. Additionally, 43% of women over 55 feel unsupported and uncomfortable discussing mental health issues with their supervisors, citing menopause-related challenges such as worry and memory loss.

BARRIERS TO OPEN DISCUSSION

Beyond the female demographic, a broader apprehension exists, with 28% of workers fearing that discussing mental health could negatively impact their job prospects. The research also highlights a critical deficiency in mental health training, revealing that 26% of managers and 47% of employees have never received any training. This lack of training significantly affects productivity, as 49% of managers attribute decreased productivity to insufficient training, while 70% of employees believe that competent managers should be providing better support.

DISCREPANCIES IN PERCEPTIONS OF SUPPORT

A notable disparity exists in how support for mental health initiatives is perceived within organisations. While 75% of managers believe their company supports such initiatives, only 63% of employees agree, and a concerning 35% report receiving no support at all. This

disconnect underscores the urgent need for improved mental health training and resources.

ADDRESSING MENOPAUSE IN THE WORKPLACE

Menopause affects 50% of the UK population at some point, so workplace policies must recognise its potential impact on mental health. The government has appointed campaigner and broadcaster Mariella Frostrup as its new menopause employment ambassador. A key focus will be to champion the economic contributions of women and to help those going through the menopause to stay in work. Managers must have the knowledge and skills to support employees through this life stage, enhancing overall wellbeing and productivity. Leaders should prioritise understanding their workforce demographics and planning ahead to maintain productivity and diversity.

MANAGERIAL SKILLS GAP

Managers' profound influence on employee mental health cannot be overstated. The research highlights an urgent need for organisations to address the gap in managerial skills related to mental health support. Companies can take meaningful steps to improve engagement, retention and their bottom line by recognising a skilled manager's positive impact on employee wellbeing and performance. ♦



ARE YOU READY TO TRANSFORM YOUR WORKPLACE TODAY?

For further advice on implementing effective mental health strategies, speak to HFMC. We specialise in workplace wellbeing and can help you transform your workplace today by prioritising mental health and fostering a more inclusive and understanding culture.

14



negatively affected their mental state. This issue is most acute among younger adults, especially those aged 18 to 24, where 29% felt the mental strain of financial pressures. Alarmingly, over half (51%) did not pass a financial literacy test, highlighting essential knowledge gaps.

NEED FOR IMPROVED FINANCIAL EDUCATION

There is a growing consensus on the need for better financial education. 60% of respondents believe financial education should be mandatory in schools, while 45% think young people lack adequate opportunities to learn about personal finance. This educational gap leaves many ill-prepared to manage their finances effectively as they enter adulthood.

ROLE OF EMPLOYERS IN FINANCIAL WELLBEING

Employers have a unique opportunity to support employees in their financial journeys. Organisations can help mitigate the regrets associated with inadequate financial planning by offering resources and education on personal finance. Financial literacy workshops and access to professional financial advice can empower employees to make informed decisions that benefit their long-term wellbeing. ♦

WANT TO DISCUSS HOW TO SUPPORT YOUR WORKFORCE'S FINANCIAL HEALTH?

As financial challenges continue impacting many employees, individuals and organisations should prioritise financial education and planning. Employers interested in supporting their workforce's financial health can consider implementing financial education programmes. For further information on enhancing financial literacy and wellbeing in the workplace, contact the experts at HFMC experts or consult industry resources. We'll equip your employees with the tools they need to achieve financial peace of mind.

CRITICAL SKILLS FOR EMPLOYEES

Empowering your workforce and fostering a culture of stability and confidence

In today's unpredictable economic landscape, financial literacy has emerged as a critical skill for individuals aiming to secure their future. While personal financial planning can seem daunting, organisations play a pivotal role in guiding employees toward financial wellbeing. By providing comprehensive financial planning resources, employers empower their workforce and foster a culture of stability and confidence that extends beyond the workplace.

Employees with financial knowledge are more likely to experience reduced stress, improved productivity and greater job satisfaction. Meanwhile, organisations that invest in their employees' financial health are rewarded with enhanced engagement and loyalty.

INSUFFICIENT PENSION CONTRIBUTIONS

Many employees find themselves reflecting on what could have been done differently. Recent research by Shepherds Friendly reveals that almost two-fifths (39%) of employees regret not saving for a pension. This sentiment is mirrored in their views on personal savings, with 38% expressing remorse over insufficient pension contributions and over a third (37%) lamenting the lack of an emergency fund.

A MISSED OPPORTUNITY

The survey highlights widespread regret regarding financial decisions made early in life. A striking 56% of respondents cited inadequate savings during their younger years as a primary regret. Additionally, 47% wished they had invested money sooner, while 43% regretted not educating themselves on financial matters. These figures underscore a common theme: the importance of starting financial planning early to ensure a more secure future.

IMPACT OF BUY-NOW-PAY-LATER SCHEMES

The allure of buy-now-pay-later schemes has enticed almost one-third (30%) of respondents to use them at some point, with usage rising to 40% among those aged 35-44. However, the convenience often comes with a cost, as nearly a quarter (22%) later regretted this choice. This regret is particularly pronounced among Gen Z employees, 36% of whom felt the sting of financial missteps.

FINANCIAL LITERACY AND MENTAL HEALTH

Financial worries have a significant impact on mental health, as more than one in six respondents reported that financial concerns

HFMC EMPLOYEE BENEFITS

Looking for a modern end-to-end employee benefits solution to build stronger and more resilient business?

Healthy and happy employees build better, stronger, more resilient businesses, which leads to people being more productive, innovative and able to make better decisions.

To find out more, **contact us:**

E: info@hfmwealth.com | **W:** www.hfmwealth.com



HFMC Wealth Partners LLP – Authorised and Regulated by the Financial Conduct Authority with entry number 427640 on the FCA register – Incorporated in England & Wales as a Limited Liability Partnership, Registered Number OC309139