

# Benefit Insights

Issue 05 / May 2025

## GLOBAL FINANCIAL MARKETS

Stay the course following an atmosphere  
of tariff unpredictability



### PROTECTING YOUR BUSINESS

Essential cover every business  
owner should consider

### WHY RETIREMENT AT 65 MAY SOON BE HISTORY

How an ageing workforce is shaping  
the future

  
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.

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## EDITOR'S LETTER

Welcome to the May 2025 issue of HFMC's *Benefit Insights* magazine.

Recent fluctuations in global financial markets, attributed to President Trump's tariff announcements in April, have created an atmosphere of unpredictability. This situation has led many pension savers to worry about the safety of their investments, with both employees and employers feeling the pressure. On page 14, we look at why employers and employees play vital roles in mitigating pension risks, maintaining stability and fostering confidence during market uncertainty.

Running a business presents many challenges, but one of the most significant responsibilities for employers is managing risks. Protecting the health and longevity of your company is just as crucial as overseeing daily operations. On page 18, we explain two crucial pillars of business protection that every business owner should consider: keyman insurance and shareholder protection. These policies provide financial security, empower employers to build resilient businesses and offer reassurance to everyone involved with the organisation.

The UK's population is steadily ageing. Over the next 50 years, an additional 7.5 million people aged 65 and over are expected to join the population. With this demographic shift, the nation's workforce is also growing older. Retirement at 65 is no longer the default. On page 09, we consider why employers, as well as society as a whole, must adjust their practices to support and benefit from an ageing workforce.

The UK government has outlined in the Spring Statement ambitious plans to revolutionise employment and welfare support by investing £1 billion a year in health, skills and employment initiatives by 2029/30. This funding aims to tackle the economic inactivity caused by long-term sickness, currently affecting 2.8 million people in the UK. This initiative seeks to establish a welfare system that is not only effective but also sustainable for future generations. Turn to page 08.

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

### TRANSFORM YOUR WORKPLACE INTO A HUB OF SUCCESS AND SATISFACTION

At HFMC, we understand that your team is the heart of your business. That's why we're dedicated to helping you create a workplace where both your employees and your organisation can excel. With our expertise in employee benefits, we provide guidance to shape an environment that supports growth and fulfilment for everyone.

Stay informed with the latest insights by exploring our *Benefit Insights* magazine, or contact our team directly at [info@hfmwealth.com](mailto:info@hfmwealth.com). Together, we can create a workplace that inspires success and values your most important asset, your people.

#### Jason Lines

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# IS IT TIME TO REVIEW YOUR EMPLOYEES' PRIVATE MEDICAL INSURANCE OFFERING?

How to foster a healthier, more loyal workforce or seek assurance for your own wellbeing



Group private medical insurance (PMI) is rapidly becoming one of the most desirable workplace benefits, and it's clear why. *The Workplace Protection & Wellbeing Report* by Corporate Adviser Intelligence revealed that group PMI is highly regarded by employees, notably emerging as their most valued benefit. This acclaim isn't just about offering financial security against unexpected medical expenses. For employees, it signifies peace of mind, increased access to healthcare and a feeling that their employer genuinely values their wellbeing.

PMI also plays a pivotal role in recruitment and retention strategies. For employers, it's more than a perk; it's a competitive tool in today's job market. The same report places PMI as the second most significant workplace benefit in terms of delivering a return on investment (ROI). When companies invest in their team's health, they experience clear advantages such as reduced absenteeism, higher morale and a more productive workforce.

## MORE THAN JUST MEDICAL COVERAGE

Gone are the days when private medical insurance covered only hospital treatments and GP visits. Modern group PMI policies offer a much broader suite of services that cater to

comprehensive employee wellbeing. These include advanced features such as virtual GP access, where employees can consult a doctor via video call, often at a moment's notice. This convenience minimises disruption to work schedules and allows employees to have their health concerns addressed promptly.

Another valuable service included in many policies is employee assistance programmes (EAPs). These cover issues ranging from mental health support to financial advice, ensuring that employees have a safety net across various aspects of their lives. Many policies even provide preventive care programmes, such as health screenings and wellness initiatives, helping employees adopt healthier lifestyles and potentially reduce the risk of chronic illnesses.

These enhancements benefit employers, too. A healthier workforce translates to fewer sick days and improved overall productivity. Offering these added-value services showcases a company's commitment to its team's happiness, going far beyond the standard expectations of traditional benefits.

## WHY EMPLOYERS ARE DOUBLING DOWN ON PMI

Attracting and retaining skilled talent has become more challenging in today's competitive job market. Employees are no longer motivated solely by salary; they seek

employers who value their mental, physical and emotional wellbeing.

This has led to a noticeable shift in how businesses approach employee benefits. PMI, in particular, resonates with employees because it offers tangible, practical support for their health needs. Employers who invest in these policies stand out as organisations that prioritise wellbeing, fostering a sense of loyalty and trust among their workforce.

Moreover, the cost-effectiveness of PMI for employers is hard to ignore. By ensuring that employees have prompt access to healthcare services, businesses can reduce the risk of long-term absences caused by untreated medical conditions. Coupled with the increasing emphasis on mental health, which many PMI policies now actively support, it becomes evident why this benefit is becoming a non-negotiable for so many companies. ♦

## IS IT TIME TO TAKE THE NEXT STEP TOWARDS YOUR EMPLOYEES' HEALTH?

If you're exploring private medical insurance for yourself or your business, this might be the perfect time to make your move. Whether you're a business owner aiming to foster a healthier, more loyal workforce or an individual seeking assurance for your own wellbeing, the advantages of PMI are clear. Contact HFMC today to discuss your options or learn more. Ensure that you or your team have access to essential health support when it matters most. Invest in a benefit that provides peace of mind, improved health and a brighter future for all.

# LASTING IMPACT OF COVID-19 ON WORKPLACE HEALTH

Five years on, how the pandemic reshaped  
employee wellbeing

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The Covid-19 pandemic rewrote the rules of how we live and work, disrupting familiar routines and forcing rapid adaptation in ways few could have foreseen. Remote work arrangements, social distancing measures and lockdowns became the norm, reshaping industries and altering the relationship between employers and their teams.

These changes were necessary to address an immediate health crisis, but they also left behind a legacy of challenges and opportunities that continue to shape workplace practices today. Staff had to adjust not only to new operational models but also to evolving health concerns, which created a complex environment for employers to manage.

### THE CHALLENGE OF A SUSTAINABLE APPROACH TO WORKPLACE HEALTH

Although the most critical phase of the pandemic has passed, its repercussions for workplace health continue. Physical ailments like Long Covid and the decline in mental health have introduced new challenges for businesses to address. At the same time, employee expectations have shifted, placing a greater emphasis on health and wellbeing services.

Five years later, the focus has shifted from merely returning to the previous state to creating inclusive, proactive workplace environments where health and wellbeing are prioritised. Employers now face the challenge of promoting a sustainable approach to workplace health while addressing the long-term effects of the pandemic.

### PHYSICAL AND MENTAL HEALTH CHALLENGES

Covid-19 has significantly impacted the health of the working population in various ways. For some, the virus has led to ongoing health issues like Long Covid, affecting individuals' ability to perform their jobs. Staff suffering from fatigue or cognitive fog have had to reduce their hours, change roles or even leave the workforce entirely. According to the Office for National Statistics (ONS), a substantial number of those

affected by Long Covid are working-age adults, putting additional pressure on workplaces already grappling with skills shortages.

On the mental health front, the fallout has been equally significant. The isolation from lockdowns, anxiety over job security and ongoing uncertainty have pushed mental health to the forefront of workplace concerns. Stress, depression, and burnout have risen sharply, with many employees now expecting workplaces to provide mental health support as a standard practice.



### ALTHOUGH THE MOST CRITICAL PHASE OF THE PANDEMIC HAS PASSED, ITS REPERCUSSIONS FOR WORKPLACE HEALTH CONTINUE.



### ROLE OF EMPLOYERS IN SUPPORTING HEALTH

As these challenges persist, the role of employers in supporting their workforce's health has become more critical than ever. Providing access to workplace health schemes, such as private healthcare plans, mental health support services and fitness programmes, has shifted from being a 'nice-to-have' to an essential part of employment packages.

For example, businesses that offer Employee Assistance Programmes (EAPs) or paid mental health days may find their staff are not only healthier but also more engaged and likely to stay long-term. Forward-thinking organisations understand that supporting their employees' health and wellbeing doesn't just benefit individuals; it leads to better business outcomes, such as higher productivity and less absenteeism.

### WHY INVESTMENT IN WORKPLACE HEALTH SCHEMES IS ESSENTIAL

While investing in workplace health may seem like an additional expense, the long-term benefits far outweigh the initial costs. Healthier employees can focus better, take fewer sick days and contribute more effectively to an organisation's success. These initiatives also provide a degree of equity, giving all employees access to resources they might not otherwise afford.

For small businesses, affordable workplace health options are becoming increasingly accessible, enabling employers of all sizes to contribute to creating a healthier, more resilient workforce. Various government-backed schemes and tax incentives are available to help alleviate the cost burden, making workplace health a viable investment even for startups.

### LOOKING AHEAD

Covid-19 has redefined employees' expectations of their workplaces. Health has moved to the forefront of the employer-employee relationship, and those who fail to provide adequate support risk losing talent to companies that do. Five years on, the pandemic's legacy is a workforce that desires not just a job, but a healthier, more fulfilling working life. ♦

### IS IT TIME TO TAKE ACTION TOWARDS A HEALTHIER WORKPLACE?

If your business is looking to adapt to the new realities of workplace health, don't wait to make a change. Whether you're exploring options for mental health support, physical wellbeing programmes or comprehensive workplace schemes, now is the time to act. Contact HFMC to discuss your requirements or learn how we can help your organisation prioritise employee health and wellbeing. If you prioritise people, the rest will follow.

# SPRING STATEMENT 2025

## £1 billion investment in work and health support

The UK government has outlined ambitious plans to revolutionise employment and welfare support by investing £1 billion a year in health, skills and employment initiatives by 2029/30.

This funding aims to tackle the economic inactivity caused by long-term sickness, currently affecting 2.8 million people in the UK. With one of the highest inactivity rates in the G7, this initiative seeks to establish a welfare system that is not only effective but also sustainable for future generations.

### EXPANDING OPPORTUNITIES WITH MAJOR INVESTMENT

Commencing in 2026, the funding will be incrementally scaled up, reaching £1 billion annually by 2029/30. These resources will enhance existing programmes such as WorkWell, Connect to Work and the Get Britain Working trailblazers, which have already shown promise in assisting individuals in finding and maintaining employment.

The government is increasing its focus on individuals receiving out-of-work benefits who have health conditions that limit their ability to work. By providing tailored and proactive support, these initiatives aim to re-engage this workforce and reduce long-term reliance on benefits.

### WHY EMPLOYERS SHOULD TAKE NOTICE

This significant injection of funding into employment support services is not only good news for jobseekers; it also holds immense potential for employers across the UK. The initiatives can help businesses tap into a broader talent pool, particularly the 2.8 million individuals currently sidelined due to long-term health issues.

For employers, this signifies more opportunities to hire motivated individuals who, with the right health and skills support, can become valuable members of their workforce. Programmes under this initiative are designed to bridge the gap between businesses in need of talent and individuals eager to work but facing barriers due to health or skills limitations.

### ACCESSING A LARGER, MORE DIVERSE TALENT POOL

Focusing on including individuals with health conditions ensures that businesses can create a more inclusive and diverse workforce, which, in turn, can bring fresh perspectives and ideas to the table. Research consistently shows that inclusive hiring practices can enhance team performance and drive innovation.

Furthermore, by employing individuals who have benefited from these targeted support programmes, businesses can often find dedicated and loyal employees. Many job seekers who overcome significant barriers thrive in stable positions, as they value the opportunity to grow professionally and contribute meaningfully.

### COST SAVINGS AND SUPPORT FOR EMPLOYERS

Employers benefit not only from access to a larger workforce but also from potential cost savings and practical support related to recruitment and training. With government-backed programmes providing job readiness training, health interventions and workplace adjustments, the upfront costs of onboarding and training can be significantly reduced for businesses.

Additionally, employers may be eligible for

financial incentives when hiring individuals through certain government initiatives. Whether through tax breaks, wage subsidies or grants for workplace adaptations, these incentives can make it more feasible for businesses to hire someone who may initially require additional support.

### FOSTERING RESILIENCE AND CORPORATE SOCIAL RESPONSIBILITY

Participation in these programmes also allows businesses to position themselves as leaders in social responsibility. Companies can strengthen their reputation among clients, customers and investors by contributing to a more inclusive society. This aligns with growing consumer and stakeholder expectations for businesses to demonstrate a positive social impact.

Employers who participate in these initiatives demonstrate their commitment to supporting the local community and lowering barriers to employment, reflecting a strong values-driven ethos.

### THE ROAD AHEAD FOR UK EMPLOYERS

The government's £1 billion annual investment offers employers a unique opportunity to help shape a healthier and more resilient workforce while accessing government-backed resources to grow and strengthen their own organisations.

By harnessing these initiatives, businesses can actively contribute to addressing the challenge of economic inactivity, ensuring a stronger economy and a more inclusive future. ♦



# WHY RETIREMENT AT 65 MAY SOON BE HISTORY

## How an ageing workforce is shaping the future

The UK's population is steadily ageing. Over the next 50 years, an additional 7.5 million people aged 65 and over are expected to join the population. With this demographic shift, the nation's workforce is also growing older. According to research by Canada Life, 44% of workers now anticipate working beyond their State Pension age.

Retirement at 65 is no longer the default. Whether it is a matter of necessity or personal choice, this growing trend presents both opportunities and challenges. Employers, as well as society as a whole, must adjust their practices to support and benefit from an ageing workforce.

### WHY ARE PEOPLE POSTPONING RETIREMENT?

Several factors contribute to people working longer. Pressures such as rising living costs, higher State Pension ages and increased life expectancy play significant roles. On a personal level, financial insecurity looms large for many. Research has shown that 43% of individuals feel their pensions aren't enough, leaving them with no choice but to continue working.

This problem often begins years before retirement, with some individuals starting their pension savings too late or struggling to save consistently while supporting their families. However, extended work years can take a toll. Approximately 34% of older workers worry they will be unable to enjoy their later years if they work too long, while 33% express concerns about the potential impact on their health.

### THE UPSIDES OF WORKING LONGER

It's not all doom and gloom. For some, staying in work becomes a choice rather than a burden. Research highlights that 23% of workers enjoy the structure and routine that their



jobs provide. Working later in life also offers additional benefits, such as social interactions, staying physically and mentally active, and maintaining financial independence.

However, whether by choice or necessity, the number of people extending their working years will undoubtedly increase in the coming decades. This makes it crucial for employers to recognise the needs of older staff and adapt their workplace policies to support them effectively.

### HOW EMPLOYERS CAN SUPPORT AN AGEING WORKFORCE

Supporting older employees involves more than just recruiting them; it means retaining and valuing their contributions over time. Human Resources (HR) departments play a key role in this. Employers must offer benefits that meet their needs. Critical illness and income protection, cited by 33% of workers as essential, are among the top protection products valued by those working past State Pension age.

Flexibility is also crucial. Eighty-three per cent of workers who anticipate working beyond State Pension age report that flexible working arrangements would encourage them to stay. Offering options such as reduced hours, remote

work or job sharing can significantly promote a supportive and adaptable work environment for older employees.

### SMALL ADJUSTMENTS, BIG IMPACT

Beyond flexibility, workplace adjustments can help older employees feel more comfortable and empowered. Musculoskeletal issues such as chronic back pain often become more prevalent with age and can result in absenteeism.

Taking simple steps such as providing ergonomic office equipment or offering work-from-home options can significantly enhance employee productivity and wellbeing.

### TACKLING SKILLS GAPS AND AGE BIAS

To successfully extend working years, employers also need to provide opportunities for upskilling and professional growth. Training programmes tailored for older employees can help ensure they remain competitive and capable. This approach prevents the widening of skill gaps between generations and promotes workplace equality.

Combating age-related discrimination is equally critical. According to research, 20% of adults aged 55 and older have experienced age discrimination at work. Inclusive practices, anti-ageism training and fostering respect for experience and loyalty are essential for creating an environment where older workers feel valued. ♦

### WANT HELP SUPPORTING YOUR AGEING WORKFORCE?

The changing demographics of the UK workforce demand thoughtful, proactive leadership from employers. Supporting older employees is no longer optional; it's a strategic necessity that benefits businesses, the economy and society. Contact HFMC to explore solutions tailored to your organisation. Together, we can help you build a workplace that values experience, promotes inclusivity and supports your team to thrive at every stage of their careers.



# RESTORING A SENSE OF IDENTITY AND CAPABILITY

How work plays a vital role in the recovery journey after undergoing cancer treatment

**R**eturning to work after undergoing cancer treatment is more than just clocking in; it's a powerful step toward reclaiming a sense of normalcy and regaining control in an employee's life. Research from Legal & General reveals that resuming employment is often the top priority for employees living with cancer, with 83% ranking it above other significant concerns like adapting to lifestyle changes (65%) or maintaining social activities (59%).

Surprisingly, financial struggles and relationship difficulties ranked lower on the priority list, being cited by 28% and 26% of employees, respectively, while challenges in discussing their illness with children were mentioned by only 12%. These figures highlight a truth many may not realize: for those recovering from cancer, work represents far more than financial stability; it's a central element of their post-cancer identity.

## CANCER'S PHYSICAL AND EMOTIONAL TOLL

The aftermath of cancer involves more challenges than most can imagine. Physically, reduced energy levels stand out as the most reported symptom, affecting 91% of patients. Emotionally and mentally, anxiety takes a significant toll, reported by 78%. Depression, difficulties concentrating and uncertainty about the future add further weight to the recovery process.

These physical and mental struggles render the prospect of returning to work both daunting and profoundly symbolic. For many, it's about proving, to themselves and others, that life can move forward despite the challenges of treatment and its side effects.

## WHY WORK MATTERS BEYOND FINANCIAL SECURITY

Employment involves more than just receiving a salary; it is also a crucial factor in physical and mental health. Studies consistently demonstrate that long-term unemployment can lead to reduced life expectancy and poorer health outcomes. For cancer survivors, returning to work not only offers financial reassurance but also provides a sense of purpose, routine and an opportunity to reconnect with a world they may feel distanced

from after months or years of treatment.

Work can restore a sense of identity and capability, helping survivors regain confidence in their skills. Furthermore, the social aspect of a workplace should not be underestimated. Connecting with colleagues or simply engaging in daily interactions can combat feelings of isolation, which are common during and after treatment.



**EMPLOYMENT INVOLVES MORE THAN JUST RECEIVING A SALARY; IT IS ALSO A CRUCIAL FACTOR IN PHYSICAL AND MENTAL HEALTH.**



#### **ADDRESSING THE CHALLENGES OF RE-ENTRY**

While work offers many benefits, re-entering the workforce isn't straightforward for cancer survivors. Challenges such as persistent fatigue, disrupted sleep patterns and cognitive difficulties, often described as 'chemo brain', alongside physical limitations can make day-to-day tasks feel overwhelming. Adding to this is the psychological burden of anxiety about being perceived as weak or less capable, making the return to work seem like a steep mountain to climb.

This is why employers play such an important role in ensuring a supportive transition. Flexible workplace policies, such as part-time schedules, phased returns or remote working options, can help alleviate these challenges. For larger employers, providing access to workplace counsellors or mental health support systems can make an incredible difference.

#### **THE IMPORTANCE OF OPEN DIALOGUE**

Colleagues and managers also play a vital role in creating a workplace environment where

cancer survivors feel welcomed and supported. Cultivating a culture of openness regarding health challenges can reduce stigma and help employees re-establish their footing.

Regular check-ins between employers and returning staff can ensure that expectations are aligned, workloads are appropriate and any emerging difficulties are promptly addressed. Recognising that recovery is an ongoing process, rather than a fixed timeframe, is crucial for providing the necessary patience and adaptability.

#### **HOW EMPLOYERS CAN SUPPORT EMPLOYEES RETURNING TO WORK AFTER CANCER**

Welcoming an employee back to work after cancer treatment requires sensitivity, flexibility and understanding. By taking proactive steps and fostering a supportive work environment, employers can help make this transition as smooth and positive as possible.

**Below are practical measures managers and organisations can implement:**

##### **FOSTER OPEN COMMUNICATION**

Create a safe and open environment for employees to discuss their needs and limitations. Encourage honest conversations about how their condition may affect their roles, including any physical or mental constraints they are experiencing. Schedule regular check-ins to monitor their progress and adjust support as necessary.

##### **PROVIDE FLEXIBILITY IN WORKING OPTIONS**

Ease the employee back into their role by offering flexible working arrangements. Consider phased or part-time returns, adjusted hours and remote work options if possible. Flexibility ensures that the individual isn't overwhelmed, providing them with time to rebuild their energy and confidence over time.

##### **UNDERSTAND LEGAL RESPONSIBILITIES**

Familiarise yourself with employment laws that protect employees with cancer, including disability accommodations and

anti-discrimination regulations. Ensure your organisation is fully compliant by offering reasonable adjustments and respecting rights throughout the recovery process.

#### **CREATE A STRONG SUPPORT SYSTEM**

Build a supportive network both inside and outside the organisation. Internally, identify colleagues or mentors who can offer guidance and encouragement. Externally, consider partnering with charities or employee assistance programmes that specialise in helping individuals with health-related challenges.

#### **SET MANAGEABLE EXPECTATIONS**

Be realistic about what returning employees can handle, especially in the early stages. Set achievable goals and avoid placing unnecessary pressure on staff who are recovering. Recognise that recovery is an ongoing process, and productivity will improve as their confidence and health stabilise.

By taking these steps, employers can cultivate a workplace environment where employees not only feel supported but also empowered to thrive after their cancer recovery. ♦

#### **ARE YOU READY TO CREATE A SUPPORTIVE ENVIRONMENT FOR YOUR TEAM?**

Whether you're looking to enhance workplace policies or offer tailored support for employees returning after cancer treatment, we're here to assist. Contact HFMC today to learn how you can create a workplace that empowers recovery, fosters confidence and promotes long-term wellbeing. Together, we can ensure your employees feel valued and equipped to thrive.

A hand holding a colorful umbrella against a teal background. The umbrella has segments in shades of purple, blue, and dark blue. The hand is wearing a striped shirt cuff.

# RETIREMENT SAVINGS CRISIS

Are your employees on track for the future they want?

**P**lanning for retirement is a priority for many, yet alarming new research highlights the growing number of UK adults at risk of financial shortfalls in later life. According to Scottish Widows, two-fifths (39%) of adults are not on track to achieve even a minimum standard of living in retirement. This figure has worsened from 35% in 2023, leaving an estimated 1.6 million more people at risk of retirement poverty.

While average projected retirement incomes have risen from £15,500 to

£17,200 over the past year, the reality remains stark. Half of UK adults admit they aren't saving enough for retirement. Strikingly, nearly 44% doubt they will achieve financial independence, and 25% feel they lack financial autonomy altogether.

## YOUNGER WORKERS FACE UNIQUE CHALLENGES

For younger adults, the struggle to balance competing financial goals is clear. Of people in their 20s, 25% prioritise building emergency savings, while house deposits and holidays also feature prominently as priorities.

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**AMONG EARNERS AGED 30-39 WITH INCOMES BETWEEN £20,000 AND £35,000, 46% CONTRIBUTE JUST THE MINIMUM 8%. THIS GROUP COULD FACE A 60% DROP IN RETIREMENT INCOME, WITH 70% EXPECTING THEIR INCOMES TO HALVE. SOME 60% ADMIT THEY ARE NOT SAVING ENOUGH, AND 30% DO NOT SAVE AT ALL.**

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Yet 13% in this age bracket say they cannot save at all.

The situation is similarly concerning for those in their 30s. Among earners aged 30-39 with incomes between £20,000 and £35,000, 46% contribute just the minimum 8%. This group could face a 60% drop in retirement income, with 70% expecting their incomes to halve. Some 60% admit they are not saving enough, and 30% do not save at all.

#### **HOW EMPLOYERS CAN SUPPORT RETIREMENT SAVING**

Employers are crucial in helping their staff plan for a secure financial future. Encouraging greater pension contributions through enhanced workplace pension schemes can bridge savings gaps. For

example, employers offering automatic enrolment with contributions above the minimum 8% could help employees significantly boost their retirement pots over time.

Financial education and literacy programs are equally essential. By providing workshops or access to consultations with the HFMC advisers, employers can equip their teams with the knowledge to make informed decisions.

#### **A SUPPORTIVE WORKPLACE CULTURE TO ENCOURAGE SAVING**

Incentives such as employer-matched contributions or financial wellbeing perks can further engage employees and encourage saving. A supportive workplace culture that prioritises long-term financial security benefits both employees and employers in the long run.

The rising cost of living, low contribution rates, and widespread disengagement with pensions are compounding the issue. Without decisive government action, the UK risks a looming retirement crisis. The government's Pensions Review offers a chance to address these challenges head-on, but it must take a holistic view of people's entire financial journeys. Employers can also act now to be part of the solution. ♦

#### **IS IT TIME TO TAKE ACTION WITH PROACTIVE STEPS?**

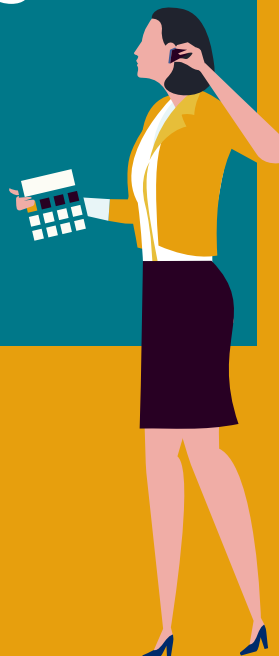
Retirement planning isn't just an individual responsibility. Everyone—from employees to employers and policymakers—has a role to play in tackling this pressing problem. Whether you are looking to improve your personal savings or enhance workplace support, taking proactive steps now is essential. Contact us to explore your options, receive expert advice, or learn more about building a secure financial future for yourself or your team. Together, we can ensure a brighter retirement for all.





# GLOBAL FINANCIAL MARKETS

Stay the course following an atmosphere of tariff unpredictability



Recent fluctuations in global financial markets, attributed to President Trump's tariff announcements in April, have created an atmosphere of unpredictability. This situation has led many pension savers to worry about the safety of their investments, with both employees and employers feeling the pressure. While such times can be challenging, it's essential to focus on long-term financial goals instead of reacting impulsively.

Employers and employees play vital roles in mitigating pension risks, maintaining stability and fostering confidence during market uncertainty. By collaborating and making informed decisions, it's possible to protect pension schemes and unlock opportunities for future growth.

## EMPLOYERS CAN ENCOURAGE STAYING INVESTED AND DIVERSIFIED

For employers offering pension schemes, it's crucial to reassure employees about

the importance of staying invested during market turbulence. Knee-jerk reactions, such as pulling funds from investments or moving entirely to cash, often lead to locking in losses. Historically, markets have shown resilience, with recovery trends following most downturns. Employers can remind workers of this by providing access to clear and concise financial education.

Diversifying pension funds is another key strategy. Companies should collaborate closely with pension scheme providers to ensure employees' investments are distributed across a variety of asset classes, such as equities, bonds and property. Providing regular updates or seminars on diversification can help employees feel more informed and confident about their retirement savings. Some firms may also consider offering access to tools or platforms that demonstrate how diversification reduces risk over time.

Avoiding the temptation to 'time the market' should also be a shared focus. Employers can collaborate with pension advisers to provide guidance sessions that explain why predicting market peaks and troughs is highly challenging, ensuring employees remain committed to long-term investment plans.

### REGULAR CONTRIBUTIONS BENEFIT BOTH EMPLOYEES AND EMPLOYERS

During volatile times, employees may pause or reduce their pension contributions out of fear or financial strain. Employers have an essential role in promoting steady contributions by reinforcing the benefits of a 'keep going' approach. Continuing to contribute, even during market downturns, allows employees to take advantage of 'pound-cost averaging'. When prices are low, contributions purchase more shares or units, leading to potentially higher value at recovery.

To illustrate, if an employee contributes £300 monthly to their pension scheme, market dips mean that £300 purchases more units. Over time, as markets recover, these extra units can significantly enhance savings. Employers can use examples like this to demonstrate how continued contributions can lead to stronger pensions for employees in the long run.

For businesses offering auto-enrolment or defined contribution pensions, matching

employee contributions up to a specified percentage provides added stability and encourages consistent saving habits. Such incentives benefit not only employees but also help companies foster trust and loyalty within their workforce.

Employers should further ensure that employees nearing retirement understand the importance of seeking professional financial advice. HFMC provides access to advisers or consultations as a workplace benefit, which is an excellent way for businesses to demonstrate support during this critical stage.

### EDUCATING EMPLOYEES ABOUT PENSION SCAMS

Economic uncertainty often brings out predatory scammers, and both employers and employees must remain vigilant. Fraudsters may pose as financial advisers or claim they can unlock early access to pensions, offer unrealistically high returns or improve investment 'security'. Employees can easily become victims of these schemes without proper awareness.

Businesses can help combat this issue through workplace education initiatives. Clearly explain the dangers of scams in newsletters, internal communications and workshops. Ensure employees understand to avoid unsolicited communications and verify any financial advisers or firms through the FCA's Financial Services Register.

Introducing educational resources, such as guides or online training on pension fraud, is another effective way employers can protect their workforce from potential losses. Empowering employees with this knowledge ensures they can handle unsolicited pension offers cautiously.

### SEIZING OPPORTUNITIES AMID MARKET VOLATILITY

Market slumps can be unsettling, but they also create growth opportunities in the long run. For both employers and employees, understanding this principle is essential. Employers can engage financial professionals to demonstrate how pensions performed after past market downturns, such as the 2008 financial crisis. At HFMC, we welcome the opportunity to highlight how these historical recoveries can help employees see the bigger

picture about staying invested.

By equipping their teams with robust resources and insights, employers not only help employees stay focused on their long-term goals but also position their business as a trusted ally in financial wellness. Tailored workplace pension planning sessions can be highly effective in demonstrating how a consistent, long-term investment strategy helps individuals weather financial turbulence while building confidence for the future.



### AVOIDING THE TEMPTATION TO 'TIME THE MARKET' SHOULD ALSO BE A SHARED FOCUS.



### GET PROFESSIONAL GUIDANCE FOR YOUR WORKPLACE

Collaborating to protect and strengthen pension savings is a shared responsibility of both employers and employees. For those experiencing the impacts of market turmoil, seeking expert guidance can help ensure strategies align with individual and organisational goals.

Whether it's reviewing your current pension scheme, planning communication initiatives for your workforce or improving employee education, professional advice can play a pivotal role. ♦

### ARE YOU READY TO EXPLORE HOW WE CAN SUPPORT YOUR WORKPLACE'S PENSION PLAN STRATEGIES?

Don't leave your team's financial security to chance. Contact HFMC today to explore how we can support your workplace's pension plan strategies and empower your employees to safeguard their financial future. Speak to our team for bespoke advice tailored to your company's and employees' needs.



# STRESS EPIDEMIC IN WORKPLACES

Why existing strategies are failing and what needs to change

**S**tress has become a significant and pressing concern in UK workplaces, with recent research shedding light on the alarming scale of the problem. One in four employees have taken time off work in the past year due to stress-related issues, according to Avillio. Managers face intense pressure as well, with nearly 40% admitting to feeling stressed daily in their professional lives. Furthermore, a third of all employees reported experiencing burnout in the last 12 months.

These sobering statistics highlight a growing mental health crisis across industries, despite the fact that many organisations claim to prioritise employee wellbeing. Companies are

implementing initiatives intended to reduce stress, but the continued prevalence of burnout and absenteeism suggests that current measures may be inadequate or poorly executed.

**DISCONNECT BETWEEN INITIATIVES AND OUTCOMES**

Across the board, organisations appear to understand the importance of addressing mental health. Research reveals that 58% of employees surveyed work in businesses that have introduced initiatives to monitor and improve wellbeing. Additionally, 61% of respondents feel their employers genuinely care about the emotional and mental wellbeing of their workforce.

However, the persistent stress and burnout reported by employees indicate that there is a significant gap between intention and impact. Many initiatives may focus on surface-level solutions, such as offering mindfulness workshops or promoting flexible working policies, but they fail to address deeper systemic issues that create workplace stress. Unrealistic workloads, poor communication and inadequate management support are just a few of the underlying factors that often go unaddressed.

If these issues aren't properly addressed, organisations risk alienating their workforce and experiencing the knock-on effects of poor mental health across teams. Employees will continue to feel unsupported, and businesses will bear the accompanying financial and operational costs.

**COST OF IGNORING EMPLOYEE STRESS**

The financial implications of widespread stress and burnout are significant. Absenteeism resulting from poor mental health can lead to decreased productivity, delayed projects and increased pressure on remaining staff. The NHS reports that stress is one of the leading causes of long-term absence, while presenteeism (employees attending work despite poor mental health) further exacerbates inefficiency.



**IT'S CLEAR THAT STRESS AFFECTS NOT ONLY THE INDIVIDUAL BUT ALSO CREATES A RIPPLE EFFECT THAT IMPACTS EVERY LAYER OF AN ORGANISATION.**



Employee turnover is yet another critical concern. Nearly 28% of employees plan to seek new roles by the end of 2025, with stress and burnout playing significant roles in these decisions. Replacing staff is not only expensive but can also lead to operational disruptions, especially when institutional knowledge is lost. High staff turnover can also damage team morale, creating a vicious cycle of stress and disengagement among remaining employees.

It's clear that stress affects not only the individual but also creates a ripple effect that impacts every layer of an organisation. Investing in comprehensive stress-reduction strategies is not merely a compassionate choice; it is a practical necessity for businesses seeking to remain sustainable and competitive in today's volatile employment market.

**BUILDING A RESILIENT WORKFORCE**

To combat this issue, organisations need to focus on creating meaningful and evidence-based mental health interventions. Stress-reduction programmes should be designed to foster long-term change rather than offering quick fixes. For example, companies could implement regular mental health check-ins, mental health first aid training for managers and opportunities for career development to alleviate job insecurity.

A culture of care starts with leadership. Organisational leaders should undergo training to recognise signs of burnout and create an open, supportive environment where employees feel comfortable voicing concerns. Increasing autonomy and developing peer support networks can also enhance engagement while reducing workplace stress.

Listening to the workforce is another critical step. Anonymous feedback surveys, one-on-one discussions and collaborative goal-setting provide organisations with valuable insights into what their teams truly need. Tailoring solutions based on this data can significantly enhance the effectiveness of workplace wellbeing policies.

Ultimately, prioritising mental health benefits employees more than ever. A healthy workforce fosters greater collaboration, innovation and resilience, ensuring that businesses can weather future challenges with confidence. Addressing stress is no longer a 'nice to have' – it's an essential component of long-term organisational success. ♦

**IS YOUR ORGANISATION FALLING SHORT WHEN IT COMES TO EMPLOYEE WELLBEING?**

Don't leave workplace stress unchecked until it causes irreparable harm to your team and bottom line. Contact us today to discuss how we can help you redesign your workplace wellbeing strategies. Whether you're seeking to reduce stress, prevent burnout or improve staff retention, we're here to provide tailored solutions that match your organisation's unique needs. Contact HFMC or visit our website to learn more about creating a workplace where your employees can truly thrive. Together, we can build a healthier, more productive future for your business.

# PROTECTING YOUR BUSINESS

Essential cover every business owner should consider

Running a business presents many challenges, but one of the most significant responsibilities for employers is managing risks. Protecting the health and longevity of your company is just as crucial as overseeing daily operations.

Two crucial pillars of business protection that every business owner should consider are keyman insurance and shareholder protection. These policies provide financial security, empower employers to build resilient businesses and offer reassurance to everyone involved with the organisation.

## WHAT IS KEYMAN INSURANCE?

Keyman insurance, also known as key person insurance, is a policy designed to protect your organisation from the financial strain caused by the loss of a vital team member due to illness or death. Such individuals may include a company director, executive, manager or any employee whose specialist knowledge, skills or connections are indispensable to the success of the business.

When a key person is no longer able to work, the policy provides a lump sum to support the business. These funds can help cover lost revenue, recruit and train a replacement, pay debts or invest in strengthening the company's operations. This financial safety net allows employers to continue running the business with minimal disruption.

## WHY EMPLOYERS NEED KEYMAN INSURANCE

The sudden loss of a key employee can create a devastating ripple effect on your business. Imagine the significant impact of losing a technical expert who oversees major projects or a sales director responsible for bringing in top clients. Without a strategy in place, this could lead to unmet deadlines, declining profits and strained relationships with customers.

Keyman insurance not only offsets these risks by providing financial support but also contributes to ongoing operations. For employers, it sends a strong message to employees, customers and other stakeholders that their future is being looked after. It boosts employee morale, strengthens client confidence and underscores an organisation's readiness to handle unexpected challenges.

This policy can also enhance employee retention. Employees feel reassured knowing their employer values the contributions of key team members and has contingency plans to secure the business's future, especially during challenging times.

## UNDERSTANDING SHAREHOLDER PROTECTION

For businesses with multiple shareholders, particularly SMEs, shareholder protection serves a crucial purpose. It ensures smooth ownership transitions if a shareholder dies or



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**KEYMAN INSURANCE, ALSO KNOWN AS KEY PERSON INSURANCE, IS A POLICY DESIGNED TO PROTECT YOUR ORGANISATION FROM THE FINANCIAL STRAIN CAUSED BY THE LOSS OF A VITAL TEAM MEMBER DUE TO ILLNESS OR DEATH.**

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is diagnosed with a terminal illness. Under standard circumstances, the deceased's shares pass to their beneficiaries, which may cause uncertainty if they do not intend to participate in the business.

A shareholder protection policy enables the remaining shareholders to buy out the deceased's stake in the company. To facilitate this, the policy provides a pre-agreed payout when triggered, ensuring that the business remains in the hands of active stakeholders and avoids lengthy legal disputes.

### WHY EMPLOYERS SHOULD TAKE SHAREHOLDER PROTECTION SERIOUSLY

Without shareholder protection, the consequences for businesses can be significant. A sudden change in company ownership could disrupt operations, damage business relationships or lead to stagnation as legal

disputes over shares arise. Consider the case of family inheritors who lack the expertise or desire to guide the company forward – this could jeopardise years of hard work and mutual trust among business founders.

Employers who secure shareholder protection demonstrate a commitment to stability for their employees, partners and clients alike. This ensures that the business does not lose its direction due to unforeseen changes in ownership. For those inheriting the shares, it provides a financial resolution that allows them to be fairly compensated without becoming entangled in operational matters.

### THE BROADER BENEFITS FOR EMPLOYERS

Keyman insurance and shareholder protection do not merely help a business survive challenging scenarios; they ensure it thrives. For employers, the benefits can extend well beyond immediate financial relief.

#### ◆ Maintaining business reputation

The ability to recover quickly from unexpected setbacks enhances your reputation as a strong and resilient business. Employees and clients alike respect organisations that plan for the future and prepare for unforeseen changes.

#### ◆ Operational continuity assured

Your teams can focus on delivering quality work without the added stress of navigating sudden changes caused by the loss of key personnel or shareholders. Clients will notice the lack of disruption, which fosters trust and loyalty.

#### ◆ Attracting top talent

Demonstrating that your company has solid financial planning in place makes it an appealing choice for high-calibre recruits. Candidates want to join companies that exhibit responsibility in times of crisis and offer longevity.

#### ◆ Comprehensive planning

Establishing a professional insurance strategy demonstrates that your company prioritises long-term stability over short-term fixes.

Shareholders, employees and even investors will feel reassured about the future of the business.

### HOW DO THESE POLICIES WORK?

Both policies are bespoke solutions tailored to your company's needs.

For keyman insurance, the business often owns the policy and is the beneficiary. Premiums consider factors like the age, health and role of the key individual. The payout is then used to stabilise operations or address urgent financial needs.

Shareholder protection can take a few forms. One popular method is cross-option agreements, where policies are taken out on a 'life of another' basis, enabling surviving shareholders to fund the repurchase of shares. The team at HFMC can work with your team to structure this in line with your business goals and valuation.

### TAKE ACTION TODAY TO PROTECT YOUR BUSINESS

Every business, no matter its size or industry, faces risks. Keyman insurance and shareholder protection can act as a financial lifeline when you need it the most. Employers who proactively implement these measures lay the foundation for their business to operate securely and thrive, even when unforeseen circumstances arise. ◆

### READY TO TALK TO US TODAY ABOUT YOUR PROTECTION NEEDS?

If safeguarding the future of your company is essential to you, don't wait to implement the right protections. Contact us today to discover how keyman insurance and shareholder protection can benefit your business. Our advisers will customise recommendations to meet your specific needs, allowing you to focus on running your business with peace of mind. Take proactive steps today to secure the financial health of your business and its key individuals.

# 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](mailto:info@hfmwealth.com) | **W:** [www.hfmceb.com](http://www.hfmceb.com)



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