



**LIGHTHOUSEGEB**  
GROUP EMPLOYEE BENEFITS



# GROUP EMPLOYEE BENEFITS SPECIALISTS



## WHY CHOOSE LIGHTHOUSEGEB?

**We are an independent employee benefits consultancy, skilled in providing expert, informed advice and support on all aspects of employee benefits.**

Around 350 UK businesses rely on us to advise on and administer over 800 employee benefit schemes, ensuring they derive real value-for-money on their considerable benefit expenditure. Our clients range from large listed companies to small owner-managed businesses.

Naturally, we are independent, with no bias to any product providers or insurance companies, and therefore the recommendations we make are based upon what we believe will be best for your business. Moreover, we are a division of Lighthouse Group plc, an AIM-listed company that is profitable and financially robust, has an exemplary compliance record and is the largest autonomous, independently-owned IFA group in the UK.

### INDEPENDENCE AND EXPERT KNOWLEDGE

- We are totally independent: our service is bespoke and unbiased. Our aim is to help employers achieve the maximum impact possible from their investment in employee benefits.
- Our experience and knowledge enables us to design a benefits package to suit your business – however large or small – and all employees within it whatever their salary level.
- We advise on all areas of employee benefits, including pensions, insurance, and voluntary benefits. Our expertise enables us to propose solutions that are tax-efficient, both for the individuals and the business, especially with regard to pension arrangements.
- Our access to specialist underwriting schemes, particularly relevant for smaller businesses, ensures you buy the most suitable cover at the best price.
- We work with you to implement your scheme smoothly, helping you communicate with your employees so they fully understand the benefits they receive, and you derive maximum value-for-money from your expenditure.
- Our flexible administration and support service provides you with as little or as much help as you require in the ongoing implementation and updating of your scheme.

# WHY ARE EMPLOYEE BENEFITS IMPORTANT?

Employee benefits are the part of an employee's *total* remuneration that is not paid as salary. The benefits an employer can provide are extensive, ranging from pensions and life cover to childcare and shop vouchers. Putting together the right package for your staff can be critically important to the success of your business.

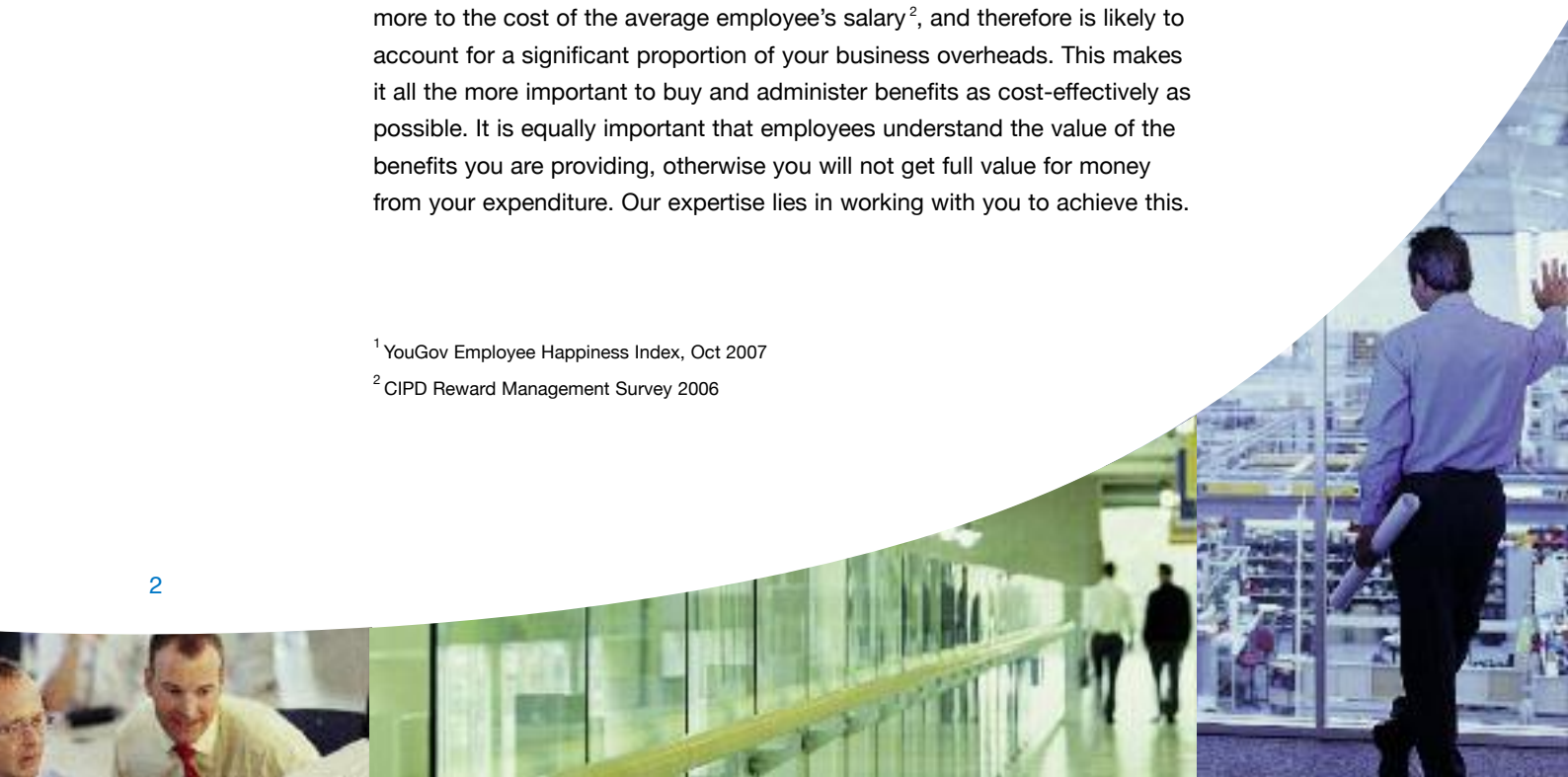
Why bother with benefits? Wouldn't it be simpler just to pay staff more? Employers have long understood the crucial link between the benefits they offer and the recruitment and retention of staff. This is borne out by research that shows a direct relationship between the number of benefits an employee has and the level of happiness they report in the relationship with their employer<sup>1</sup>. Specific reasons for offering benefits include:

- **tax-efficiency:** certain benefits, for example pensions and childcare vouchers, are far more tax-efficient for employers and employees than paying the equivalent as salary
- **lower costs through bulk purchases:** insurance, especially private medical insurance is likely to be around a 33% cheaper and have better underwriting terms
- **meeting legislative obligations:** for example, group income protection insurance will cover the salary of an employee who is off work due to long-term illness so the employer isn't forced to terminate their contract for financial reasons, which could result in claims under the Disability Discrimination Act
- **employee assistance programmes:** help demonstrate that the employer has discharged their duty of care obligations.

In our experience, a good quality employee benefits package adds 15% or more to the cost of the average employee's salary<sup>2</sup>, and therefore is likely to account for a significant proportion of your business overheads. This makes it all the more important to buy and administer benefits as cost-effectively as possible. It is equally important that employees understand the value of the benefits you are providing, otherwise you will not get full value for money from your expenditure. Our expertise lies in working with you to achieve this.

<sup>1</sup> YouGov Employee Happiness Index, Oct 2007

<sup>2</sup> CIPD Reward Management Survey 2006





## AREAS OF EXPERTISE

Our expertise lies in designing appropriate employee benefits packages, finding the most appropriate solutions for each individual component and assisting with the scheme's implementation and administration.

Working closely with you, we make a holistic assessment of your objectives and requirements and create a bespoke benefits package for your business and its employees. Our extensive knowledge covers all areas of employee benefits, which broadly include:

- **Pensions:** we can recommend the most tax-efficient arrangements for high earners (including directors' SIPP and SSASs), low and medium earners (eg stakeholder pensions, group pensions and national employees savings trust), and can even advise on structuring the scheme to promote particular kinds of staff behaviour.
- **Death-in-service benefits:** this is also known as group life assurance. It is relatively cheap to offer and easy to set up and administer. Prices vary considerably and we are able to recommend the most suitable for you from all options on the market.
- **Critical illness cover:** this provides a lump sum payment to an employee should they suffer a serious illness, such as heart attack, stroke or cancer.
- **Income protection:** this enables an employer to continue salary payments if an employee is unable to work due to illness for an extended period. We can advise on the selection, implementation and running of such schemes.
- **Private medical insurance:** group schemes are typically 30% cheaper than the equivalent number of individual policies. Fast access to specialists often results in employees requiring less time off work.
- **Key person insurance:** in our view this is as important as insuring your stock, equipment, building or indeed any other business asset. It plugs the financial gap

### ADVANTAGEOUS UNDERWRITING TERMS

LighthouseGEB is one of just a handful of advisers with access to specialised small schemes underwriting from leading insurers. This enables us to extend the benefits of group underwriting to schemes with just a few members, potentially saving you significant amounts of money compared to the cost of a series of individual policies, and making it easier and faster to obtain cover without the need for a medical or indeed the need to answer extensive health questions.

created by the death or serious illness of designated key individuals on whom the revenue or profits of the business depends, enabling the business to continue without them.

- **Flexible benefits:** giving employees a degree of choice over the benefits they receive greatly increases the value they place on the benefits they select. Additionally, as employees select more of a benefit they want and less of a benefit they don't want, employers generally achieve better value for money. We can recommend the most effective offering for your business.
- **Salary exchange:** this is also known as salary sacrifice. It enables employees to pay for certain benefits by a direct deduction from their salary and can increase the already generous tax breaks available for pension contributions by 23% or more, subject to meeting HMRC criteria.
- **Voluntary benefits:** these are anything an employee decides to purchase via their employer, the cost of which is deducted directly from their salary, for example discounted gym membership, or access to various discounted shopping schemes.

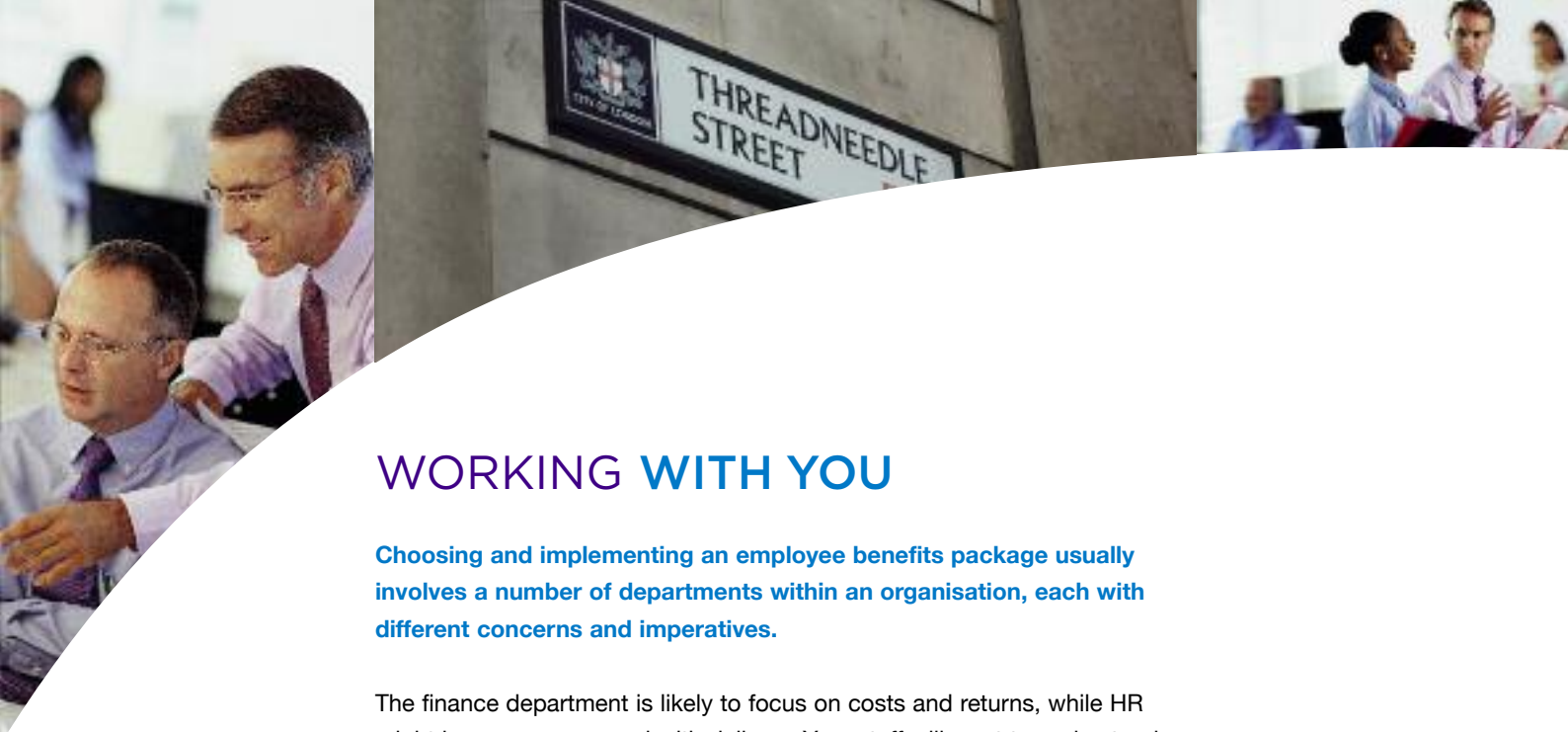
#### OTHER AREAS WHERE WE CAN HELP:

- **partnership/shareholder protection:** if a main shareholder died could the remaining shareholders afford to buy their shares from the estate? If not, the situation could prove difficult, both for the new shareholders and the business.
- **wealth creation and retention:** for business owners and senior managers, including strategies that can help you reduce your income and capital gains tax liabilities, and cascade more wealth down the generations.

#### Our expertise extends to more complex solutions, such as:

- childcare vouchers offering tax and NI savings to both the employer and employee
- absence management programmes, which aim to reduce time off work
- health screening and employee wellness programmes, which can reduce employee absence and increase work effectiveness
- employee assistance programmes, such as bereavement and/or psychological counselling, change management and legal advice.



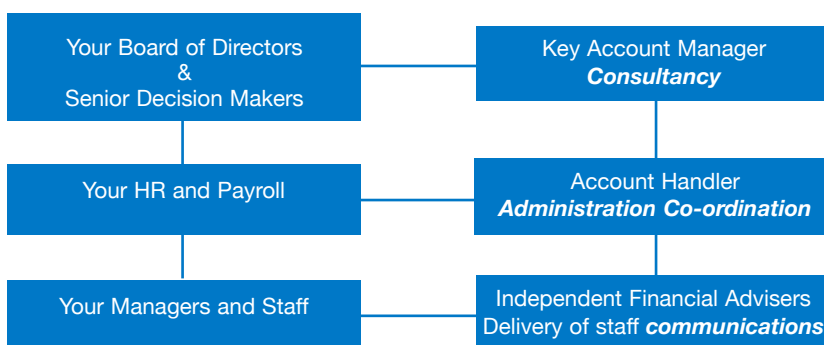


## WORKING WITH YOU

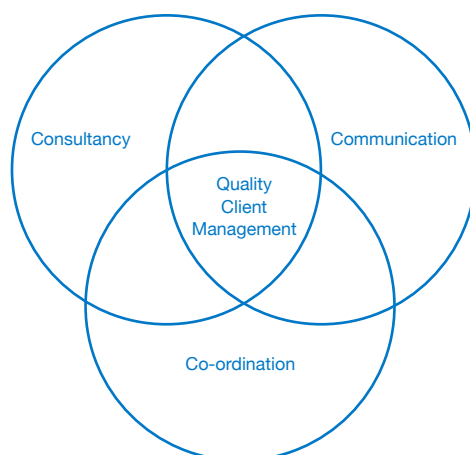
**Choosing and implementing an employee benefits package usually involves a number of departments within an organisation, each with different concerns and imperatives.**

The finance department is likely to focus on costs and returns, while HR might be more concerned with delivery. Your staff will want to understand their benefits and managers will wish to be able to use them as a part of the recruitment, retention, and motivation process.

We recognise this and offer a tailored service delivery to these different parts of your business, giving key individuals in each area direct access to the appropriate individuals in our business.



The most successful and effective relationships occur when consultancy, co-ordination and communication work together in a coherent and disciplined manner. To encourage this we make sure that all stakeholders in the process (within both your business and ours) are working towards the same goals.



## IMPLEMENTATION AND ADMINISTRATION

Once we have agreed the principles of the scheme, selecting the various components will involve researching, negotiating with and entering into agreements with a number of different providers. We have the knowledge and experience required to identify the most appropriate solutions for you. Importantly, as we are independent we research all options available, and act in your best interests when making our recommendations.

We work with you to implement your scheme(s) quickly and efficiently. The ongoing administration of benefits schemes can be time-consuming, depending on size and complexity, and often requires specialist knowledge. We can undertake as much or as little of the administration as you require. Many clients ask us to take on total responsibility for running their scheme, from communication with employees through to payment and benefits administration. However, if you require minimum support, we can advise you on how best to structure the systems and processes within your business to maximise the efficiency of your benefits administration.

## EMPLOYEE COMMUNICATION

Employees tend to focus on their basic salary alone, often failing to recognise the value of all the benefits you provide. As a result, many employers fail to get full value-for-money from their benefits spend.

Working with you, we can develop a communication strategy that ensures your staff understand and value the benefits they receive. For instance, giving each employee an annual statement showing the true *total* value of all elements of their remuneration can work wonders. We can help you develop this and other communication material, for instance a welcome pack for people joining the business, that supports your branding and fits in with your culture.

### FOR FURTHER INFORMATION

To find out how we can help your business please contact:  
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