

# Employee Financial Wellness

Don't let money worries impact your most valuable asset

**Employees who are stressed about their finances are both less productive and in worse financial shape than other employees. Some of the differences include:**

- Five times more likely to be distracted by their finances at work,
- Twice as likely to spend three hours or more at work dealing with financial matters,
- Twice as likely to miss work on account of their personal financial issues,
- More inclined to cite health issues caused by financial stress.

Source: Financial Well-being in the Workplace: A way forward (March 2017)

## Be an employer of choice by promoting financial wellness

**The workplace offers a great opportunity to assist people with their financial wellness since:**

- Employers already provide financial support via salaries and superannuation.
- Employees trust employers more than external financial services providers.
- Reducing financial worries amongst employees could raise staff morale (and performance), increase trust between employers and employees and improve retention levels.

**Our Employee Financial Wellness Program covers the following services:**



### Insurance

Employees receive financial protection in the event of death, disability or illness. This could be via a Group Insurance Scheme or individual policies.



### Financial education and advice

Employees can be educated and informed on personal financial management. This could be accessed via group presentations, webinars and newsletters.



### Financial health checks

Employees can receive a personalised report on their financial health covering cashflow, debts, investments, insurance, super and estate planning.



### Redundancy transition support

Employees who experience redundancy at work are provided with support to assist them with the transition.

## 1. Employee communication

Many employers implement Employee Benefits Programs but then fail to communicate this to their staff effectively. The information may be buried within the company's intranet or perhaps a brochure included in the initial letter of offer. Either way, unless staff know that it exists, the program cannot achieve its intended purpose.

The family tree can start with living relatives like grandparents or parents where you may potentially inherit from. If you don't have your own family, it could be your parents or siblings who will inherit your assets.

Consider the financial, physical and emotional state of your beneficiaries or dependants to see if special arrangements need to be put in place. If you have pets that need to be looked after, make plans for them too.



### Initial induction

Create a great impression for your new staff member by letting them know all the benefits of being part of your organization.



### During employment

Reinforce the staff benefits during the course of their employment at periodic educational sessions and presentations.



### Departure

Leave a lasting positive impression for staff because they can impact your reputation. Prior to departure, it's good to notify them of changes to their insurance and superannuation arrangements.

## 2. Insurance for employees

A popular approach to assist employees with their financial wellness is to pay for, or subsidise the cost of, their personal insurance. Examples include:



### Group Salary Continuance

This is an insurance policy for employees as a group where they are automatically covered by virtue of being an employee of the company. Under this policy, if the employee becomes disabled and can't work, they will be paid an income while they recover from their disability.



### Group Life and TPD

This is an insurance policy for employees as a group where they are automatically covered by virtue of being an employee of the company. Under this policy, if the employee becomes totally and permanently disabled (TPD) and can't work or if they pass away, they or their estate will be paid a lump sum of money.



### Group Private Health Insurance

Employees may receive cost effective private health insurance coverage due to the employer subsidising the costs and/or where the Private Health Insurance company offers discounted pricing due to the size of the employee base.



### Individual life, TPD, trauma and income protection policies

Where the number of employees is not big enough to put a group policy in place, the alternative is to set up individual policies for each employee. This can be for life, TPD, income protection and even trauma cover.

A very common feature offered by the Group Insurance Plans is a "**continuation option**". This option allows the departing employee to continue with the insurance cover but under their name without the need for medical underwriting. Besides being convenient, it's helpful for those who may not be able to get cover due to health concerns. There is a timeframe to exercise this option after leaving the employer and sadly, many employees let it lapse because they did not know it existed.

## 3. Financial education and advice

Financial education can be provided via presentations delivered in a face to face setting, remotely via a webinar or in written format such as a newsletter. It provide employees with the opportunity to learn from an expert, ask questions and potentially interact with other colleagues.

Session topics are based on a standard curriculum or tailored to suit the needs of your employees. Sessions can be run monthly, quarterly, half-yearly, yearly or on demand.



### Face to face presentation

These are run in your premises to ensure employee convenience with a set topic. We have access to a range of experts who can present at these sessions.



### Webinars

These are delivered remotely where employees can log into a web presentation. It's convenient for those who work remotely.



### Newsletters

These are educational articles which employees can access via periodic emails sent to them.

Employees can also access our team of financial advisers should they wish to engage in a one-on-one consultation.

## 4. Financial health checks

A financial health check is a diagnostic assessment of an individual's financial position as well as insights and practical tips to improve their overall financial wellness. To receive a financial health check, employees just need to complete a simple questionnaire and the findings are provided in a report which they can keep.



### Case study – Financial health check for a CFO

Ben is the CFO of a large global corporate with a successful career and high income. Whilst in charge of his company's finances he was far from being on top of his own. He didn't feel he had the time or the urgency. He was comfortably meeting the family expenses, mortgage, private school and overseas holidays. However, nothing was being set aside for wealth creation.

With little more than 10 years of work left he had no idea of when the mortgage would be repaid or if he had enough to replace his income in retirement. If he had to stop work earlier than planned due to circumstances out of his control, like disability or illness, his family would not have enough savings to live off.

Ben undertook a financial health check as part of this program. The financial health check highlighted large financial deficits. Fortunately, with some cuts to current spending and a focus on building a nest egg, there was just enough time. Whilst not too late, commencing five years earlier would have meant a lot less sacrifices than now.

The financial health check provided Ben and his family with greater clarity and peace of mind. It also helped avoid some difficult decisions around working longer, being forced to downsize the home, or having a life in retirement very different to now.

## 5. Redundancy transition support

Employees are faced with significant financial decisions if impacted by redundancy. Apart from not having much time to consider their finances, decisions around debt, cashflow, super and insurances the decision can create significant anxiety and stress.

Impacts to previously provided company benefits can include the following:



Superannuation



Employee Share Plan



Short & Long Term Incentives



Child Care



Insurance



Health Fund



Car / Parking



Phone

We have accredited financial advisers who are trained in explaining the financial nuances and benefits of a redundancy payout, including how best to maximise a payout and get organised for the future.



## Case study - Redundancy in a Covid-19 world

Two weeks shy of her 60th birthday, Clare was unexpectedly made redundant from her role in a large financial services organisation. As the main breadwinner, this was a stressful time for Clare and her partner. After a nice break of a few months, the COVID-19 pandemic erupted around the world, and the economy was in lock-down which exasperated her concerns.

### More than just what to do with the redundancy payment

Clare was fortunate that as part of her redundancy, she was offered an outplacement package which included several hours of financial advice to use at her discretion. Initially she was just thinking about what to do with the redundancy payment but after engaging with her adviser, she soon realised that there was a lot more at stake than just what to do with the redundancy payment.

### Important considerations for Clare and her partner

Redundancy can have a broad-based financial, social and emotional impact so it is important to review not only Clare's own financial situation, but also that of her partner's. For example, things like:

- Superannuation for both Clare and her partner
- Taxation, debt and asset review
- Budgeting and cost saving opportunities
- Cash flow management during the period of unemployment

### The aftermath

With the help of her adviser, Clare implemented a financial plan which provided clarity for some of her life's major decisions. She persevered in looking for work, and after a few months, she found a new role. With a clear financial roadmap, they managed to maintain their lifestyle and stay financially and mentally well throughout the period.

How employees perceive the treatment of former colleagues will impact their opinion as to whether their employer has acted with integrity and still aligns with their own values. This may cause regrettable retention issues.

## Get in touch with Tribel

Contacting Tribel is easy. Call to speak to one of our advisors, or you can email us to find more information on our website.



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## Financial wellness first

At Tribel, it's our mission to deliver holistic wellbeing for our tribe – our clients and their families – by partnering with them throughout their financial journeys.

We're a national team of financial advisors and planners with over 15,000 clients and funds under advice of over \$1 billion.

For individuals, we provide cashflow management, debt management, risk management, wealth creation, retirement planning and estate planning. For businesses, we provide business ownership protection, key person protection and employee protection services.

Located in Sydney, Brisbane, Melbourne, Perth, Adelaide, Newcastle, Bathurst and Mackay, we're proud to service individuals, SME owners, Corporate and Associations right across the country.

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