

# Why more companies are offering employees bespoke risk and retirement benefits

By [Paula Walker](#)

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In order to attract and retain top talent, companies are getting more creative with their employee benefits. While unlimited leave, flexible hours and on-site gyms may add overall appeal, risk and retirement planning remains a strong employee value proposition - and when it's done right, can be just as attractive.



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Companies are using their risk and retirement schemes to differentiate themselves. Rather than offering one-size-fits-all schemes, many businesses now offer their employees bespoke plans.

From just starting out to nearly retired and every age in between, your workforce is made up of people who are at vastly different stages of their lives. An increasing number of companies are recognising this and working with financial planners, they are tailoring their risk and retirement portfolios to develop solutions that better reflect their employee's financial goals.

Here are the main reasons why companies are opting for bespoke risk and retirement benefits:

## 1. Appropriateness

Pooling employees together and offering them the same scheme affords the greatest economies of scale. However, a

far wider range of options that are tailored to the individual's life stage are available. By segmenting the workforce into categories according to their life-stage, appropriate cover can still be achieved at affordable rates. This benefits the business as employees feel valued when their needs and circumstances are considered in defining their group benefits. For smaller businesses looking for bespoke options, financial advisors could suggest an umbrella offering where a number of companies share the same scheme. This spreads the administration costs so that affordable, tailored benefits can be offered.

## **2. Group life cover**

Depending on the age of your employee, the life cover required will be different. A young, single employee may have fewer financial obligations, someone with a family will need sufficient cover to ensure their family is financially secure, pay off their bond and take care of their children's education. Bespoke planning will take this into consideration, offering the employee greater flexibility in choosing the multiple of salary required as life cover.

## **3. Dread disease**

With the rising cost of medical treatments, dread disease cover is imperative. In the event of critical illness, most medical aids and gap cover provide capped lump sum payments that will probably leave some bills unpaid. Dread disease cover, therefore, gives the employee peace of mind that they have a breadth of cover that could assist them should they face this scenario. In our experience, few employee schemes offer this benefit, so it can be a key differentiator.

## **4. Retirement planning**

In a group scheme, there is generally a set amount that both the employer and/or the employee contribute monthly. Usually, these schemes do not offer members a choice of the underlying funds they wish to invest in. Bespoke schemes, however, allow members to make additional voluntary contributions according to their individual circumstances. For example, a youngster just starting out has a different investment horizon to a professional who is two years from retirement. A tailored retirement plan will cater for this by offering members a choice according to age, personal circumstances and appetite for risk.

## **5. Employee education**

Most employees think that their monthly payments towards their retirement will give them enough money when they retire. Well, this isn't necessarily the case, especially when it's a set fund. It's up to the individual to ensure they will have sufficient money to maintain their lifestyle into retirement. At Consolidated Wealth, we offer a group consultation with the entire workforce, as well as one-on-one engagement with every individual on the scheme to assess if they are on track to be adequately funded or if changes are required.

The advantages of bespoke employee benefits will add to your workforce well-being and can even contribute to your success. Offering solid benefits that recognise your employees' individual financial goals demonstrates that you are prepared to invest in them, contributing to a stable and secure workforce that knows you have their best interests at heart.

## **ABOUT THE AUTHOR**

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