

Getting In 2 HR - Win-win benefits and corporate manslaughter

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Hi

So how are you getting on with those New Year resolutions that we talked about in January? Have you crossed any of your list yet?

As well as talking about resolutions in the last issue, we also looked at ways of becoming a good / better employer with a view to recruiting and retaining the right employees for your business. This month, we are continuing this theme and looking specifically at one way businesses can do this as part of a win-win benefits option.

In a second article I remind you that the new corporate manslaughter act comes into effect from April 2008 and suggest one area that you may overlook when considering the risks to the Company. That is employees who make business car journeys, particularly those using their own cars.

Regards
Nicki

Benefits too good to be true!

Ask an employee to give up some salary and the response might be "over my dead body" or something similar! However, sacrificing salary in return for other benefits can be a win-win arrangement for both the employee and the company.



Some salary sacrifice schemes are Government led programs designed to encourage particular initiatives, for example, using childcare vouchers to encourage mothers to return to work and "bike to work" schemes encouraging greener travel. Others can be employer led such as contributing to a pension.

The benefits

1. both the employer and employee make savings as neither pays tax or NIC's on the bit of the salary that is given up and, in most cases, not on the benefit either.
2. the saving the company makes can be retained or used to expand the range of benefits offered to employees
3. it is a way companies can provide a low cost benefit to staff.
4. it could encourage employees to save (a rarity in this day and age!)

The downsides

1. the scheme may not be beneficial for employees paid close to the national minimum wage, on maternity pay or about to retire.
2. Government schemes normally run for one year and it can be difficult for employees to exit from the scheme during this year, should they wish too.
3. as this is a variation to an employee's terms and conditions this must be agreed with them and a new contract of employment issued
4. the Government does have a tendency to change its mind, e.g. the ceasing of the home computer initiative.
5. some State benefits which are related to earnings will be reduced.

In summary, salary sacrifice scheme are not difficult to implement and they can offer real benefits to both employees and employers. If you would like to discuss implementing such a scheme then just give us a call.

Are you looking after your grey fleet?



From April 2008, under the new Corporate Manslaughter & Corporate Homicide Act, companies can face an unlimited fine if the business can be held in some way responsible for the death of an employee or member of the public.

You may be thinking that you have a very safe business but have you thought about your grey fleet? These are the cars of employees who are not eligible for a company car or cash allowance but who use their own cars for business journeys. For example, an administrator sent on a training course or a secretary sent out to the local shops to buy a business lunch? Do you know that they are properly licensed, that their car is roadworthy and has a valid MOT or that they have

insurance to cover them for business use?

Taking into account company cars drivers as well as those who use their own cars, it is estimated that one in six employees drives for business reasons. Imagine an employee returning from a long haul business trip getting in their car to go home. If that employee is involved in a fatal accident the company could be investigated. Was the employee at work when he or she had that accident? Could the company show that it advised employees against driving after a long flight? If no such evidence is available then the company could be said to have contributed to the fatality.

To overcome this problem and reduce the likelihood of prosecution, companies should treat all drivers the same whether or not they have a company car. They should require employees to provide evidence of valid licences, insurance and MOTs and they should have a policy which encourages employees to drive safely.

Read more on the HSE website

In 2 HR Viewpoint

Question: Is an employee entitled to be accompanied at a meeting where an informal warning is to be given?

Answer: No as long as there is no chance that a formal warning might be given. However it is suggested that, if you want the warning to be effective, you allow a companion if the employee might find the interview difficult because of, for example, nervousness or a poor understanding of English.



I hope you have found this edition of **Getting In 2 HR** useful.

If you have a particular topic you would like to see included in a forthcoming issue then please send your topic and/or any questions to be answered to info@In2HR.co.uk

Disclaimer The information given in this newsletter is provided as a guide and overview only and not as specific legal facts. If you are unsure about any of the information provided you are advised to contact us directly.

Regards,

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