

Case Study - Gratuity, Employer Contribution and Staff Savings Plan

Business Sector: Maritime (fleet, shipyard, marine services)
Number of Employees: 5,000

EMPLOYER OBJECTIVES

- ✓ Attract and retain personnel
- ✓ Deliver on employer duty of care
- ✓ Make it easy for their staff to save for their future
- ✓ Cost-effective delivery
- ✓ Flexibility to have different rules for categories of staff
- ✓ Work with 1 provider to gain efficiencies and economies of scale
- ✓ Simple and effective administration to fit in with busy lives

This Qatar employer has a wide range of associated services including a fleet, ship yard and marine services. They are good employers and want to keep their staff for the long term.

They have a gratuity account within their international plan to help accrue for the end of service gratuity obligations. They pay in regularly and the investment growth helps sustain the pot. When they have any leavers, they simply withdraw the required amount. This alleviates any cash-flow issues if they have bulk leavers.

They want to be an employer of choice and after all the time and effort they have invested in their team, they want to retain the talent so employees can build a career with them. To help achieve this they also provide an additional employer benefit that is dependent on rank/role.

This employer knows how easy it is for people to be so busy living their lives that they are not saving. So they want to deliver on their duty of care and provide an easy way for their staff to save voluntarily via payroll.



SOLUTION

The company implemented a Sovereign Group international gratuity and savings plan that is available to all staff. It was easy to implement and is simple to administer.

For their maritime crew they provide an employer contribution that starts at 3% of salary for junior crew and this increases dependent on their rank. This is only paid whilst they are at sea.

For their onshore employees they have a range of employee categories with different contribution percentage rates dependent on rank or roles that are critical or difficult to recruit.

To increase retention, the employee will only receive the rights to the value of this benefit once they have served three years with the company. If they leave before then, the value returns to the employer.

As part of the employee benefit package they include a voluntary savings plan to help staff save for medium to long-term life events such as marriage, children's education and financial security. All their staff need to do is tell them how much they wish to deduct from their payroll and the employer will send one bulk payment per month to Sovereign Group that includes the gratuity, employer and voluntary savings contributions. Seafarers only need to pay in when they are actively at sea and being paid.

Sovereign also provides a financial wellness portal to help increase financial literacy of the membership. It's a nice value add for the employer. This is a confidential, interactive portal that allows people to engage when convenient and digest information in the way they like to learn, whether that is gamification, video tutorials or articles.

Staff have their own online servicing access so they can view their Member Account at their convenience and self-serve when they need to. If they move home, they can simply update their Member Account details online. Therefore it has minimal impact on employer HR resources.

The company is happy, as they've delivered on their objectives. They have a stable population and a tool to recruit and retain quality staff and deliver on their duty of care.

As the plan is for the whole of the company, it doesn't matter if their staff move around the different vessels, locations or roles, they can stay within the plan and have a consistent benefit. This helps deepen their relationships with the company.

The staff are happy, as they have busy lives, and they appreciate that their employer has made it really easy for them to save. There is no minimum contribution amount so it is accessible for all. They want to make sure they make the most of working internationally.

They can also build their experience and career with one company as they can move around the various opportunities within the Group and continue to earn the employer contribution and build their career.

The administration is easy. If they want to find out any information, it's easy to view on any device via their online Member Account when they want. They don't have to bother their employer.

There is even an award-winning interactive financial wellness tool that helps build financial literacy. They have told their friends what a great employer this company is.

LET US HELP YOU

Contact us today to discuss your needs. Either talk to your local Sovereign contact or contact Jo Smeed.

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