

Case Study - Gratuity and Staff Savings Plan

Business Sector: Tourism sector
Number of Employees: 40

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
- ✓ Simple and effective administration to fit in with busy lives

This UAE employer has a successful tour guide company. They are a close knit company and are keen to develop their tour guides and reputation so they provide a consistent and good quality experience for their clients.

Their cash flow can at times be erratic and they are mindful that if they suddenly got a handful of leavers it would be difficult to meet their gratuity obligation.

The majority of their staff are under 40 years old and they want to deliver on their duty of care and provide an easy way for all their staff to save via payroll to work towards financial stability. They feel if they go that extra mile and their employees feel empowered, it will help retain the experience within the company.



SOLUTION

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

The company save regularly for their end of service gratuity obligation via their gratuity investment account within the plan. The investment growth helps sustain the pot. In the high season they can put in more to ensure they keep up the funding level and take the pressure off in quieter months. When they have a leaver, they simply withdraw the required amount. So they don't have to worry about cashflow issues.

The company also provides a **voluntary savings plan** to all their staff 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 and voluntary savings contributions.

The plan is simple and paperless to administer. The 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 in real time. 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.

They also feel more secure in their company financial planning as their gratuity obligations are accrued.

In the future if the company expands to another country in the region, the plan allows for international mobility and so their staff can remain within the plan or they can add additional country offices and gain further economies of scale and efficiencies.

The staff are happy, as they have busy lives, and they appreciate that their employer has made it really easy for them to save.

The administration is easy. If they want to find out any information, it's there via their online Member Account when they want it. They can interact on any device, as the portal adapts accordingly. They don't have to bother their employer.

There is even an award-winning financial wellness tool that helps build financial literacy. There are tools, courses and content on a wide range of subjects. They can also find out their money personality.

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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