

Case Study - Regional Employer with Gratuity, Employer Contribution and Staff Savings Plan

Business Sector: Infrastructure
Number of Employees: 3,000
Country offices: 3

EMPLOYER OBJECTIVES

- ✓ Attract and retain personnel
- ✓ Simple and efficient administration
- ✓ Cost-effective
- ✓ Flexibility to tailor to requirements
- ✓ Portability
- ✓ Harmonisation of rules
- ✓ Gain economies of scale and efficiencies by dealing with 1 provider

This employer has several projects in the region and a wide range of personnel and nationalities.

They save for their end of service gratuity benefit centrally via a gratuity account within their international plan that they pay into regularly and the investment growth helps sustain the pot. If a project finishes and they have bulk leavers, the money is accrued so they don't have to worry about cash-flow issues.

They want to implement an employee benefit to help them attract and retain personnel. They have a good pipeline of projects in the region and it's important they keep their population so they can deliver on time.

They move their staff around different projects and countries as required. So they want to make sure any additional employee benefit they provide is portable and easy to administer.

They also want to be able to tailor the benefit to their requirements, as they have a wide range of staff and they want to have different benefits for different categories of staff.

They didn't think it would be possible; however they worked with the Sovereign Group who created a cost-effective international gratuity and savings solution that was tailored to their needs.



SOLUTION

Sovereign held a discovery phase with the employer, who categorised their staff (Gold, Silver, Bronze) and defined what they wanted to achieve. The rules were then written for the various categories.

They created three benefit types:

1. **Employer regular contribution** – based on a percentage of salary via a sliding scale dependent on length of service.
2. **Project completion lump sum** – a set amount that would be invested at the beginning of the project within the Member Account and assuming the project was completed on time, the employee would have ownership of it.

3. **Voluntary Savings contribution** – The employer was mindful that often people leave the region with little to show for their time there. So they wanted an easy way for employees to save from payroll with no minimum contribution amount or fixed term. Employees can save for medium to long-term life events and have access to the value once a year or if in hardship.

The Gold category has access to all three benefit types whereas Bronze only has access to the voluntary savings benefit. However this is still a valuable benefit as there is no minimum contribution level so it's accessible to all to save in hard currency.

Administration and Engagement

Sovereign provided co-branded employee booklets for the different categories that also included photos of the company's successful projects, personnel and hardware. This helped employees understand and engage with their benefit.

The plan is in US Dollars and the company has a central payroll. They use the API facility for swift and easy data transfer. They provide monthly bulk contribution data and send a matching payment. The only other interaction required is to inform Sovereign of leavers and joiners. They can use API or upload the people data online and an automated welcome email is sent to the person.

The employee has their own online Member Account and can self-serve for instructions and information. The only time they need to engage with their employer is if they want to change their contribution amount. So there is very little impact on resources.

The company is delighted as it has a flexible but simple employee benefit that will evolve as their needs change. They can easily bolt in other countries where they have projects and create additional categories of staff and benefits.

They can harmonise the benefits over their various country operations and gain economies of scale and efficiency with dealing with one provider.

They can also move people around their regional footprint to make the most of their resources whilst employees have consistency of savings and benefits as they remain in the plan. This mobility helps them retain staff as they can give career opportunities and advancement within the company.


The staff are happy as their employer has made it really easy for them to save. They can make the most of working overseas. It provides an easy way to save in hard currency with global fund houses such as Vanguard, Fidelity International, Blackrock and HSBC.

Employees can access their account on any device, via their online portal access, when they want it. They don't have to bother their employer, but can self-serve and keep information up to date in real time.

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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