

In this issue:

- Protect your employee benefits
 - Protecting executives' incomes
 - Benefit platform
 - "Key-man" insurance
 - Executive Planning Service

Benefit Solutions

Smart Wealth Management LLP

42 Brook Street • Mayfair • London • W1K 5DB • Tel: 020 7958 9003 • Fax: 020 7958 9090, and at
30-32 Sycamore Road • Amersham • Bucks • HP6 5DR • Tel: 01494 434079 • Fax: 01494 432935

Registered in England no.: OC309769 • Registered office: High Pines • Blackdown • Pyrford • Woking • GU22 8QG

Authorised and Regulated by the Financial Services Authority



Protect your employee benefits

As you may be aware, from October, under the Welfare Reform Act 2007 those receiving statutory sickpay for 28 weeks will have to undergo an assessment in order to continue receiving state benefits.

While this does not mean that employers have to review their existing employee benefit provisions, it has acted as a catalyst for many to do so. And this is probably a good thing, because there are other parts of any small to medium sized enterprise's benefits package that might well benefit from being looked at.

Changes to the pensions regime introduced in April 2006 have made the provision of retirement benefits far more flexible than hitherto, but the introduction of Personal Accounts in 2012 are likely to complicate matters considerably, particularly for the lower paid, for whom the result could be that they are worse off over the longer term, due to the means-tested nature of the Pensions Credit.

For many employers, providing a good defined contribution (money purchase) group personal pension or occupational pension scheme could ensure that their workforce can look forward to a more comfortable retirement. This will become increasingly important, as remuneration packages can be a useful tool in attracting—and retaining—a good quality, loyal and motivated workforce.

There has also been an increasing trend recently towards reviewing—by which we mean re-broking to find the best rate—many forms of employee benefit such as private medical insurance, income protection and life assurance on an annual basis.

In fact, re-broking mid-year has also become a vogue amongst larger employers, because it is sometimes possible to make significant savings, due to the fast-moving nature of this market. However, this is unlikely to appeal to many employers in the SME sector.

You can rest assured that **Smart Wealth Management** will continue to monitor your employee benefits to ensure that, whatever the economic conditions, you have the most cost-effective package.

Protecting executives' incomes

Have you ever considered how you might cope if you were laid up for any length of time? Naturally, the company would want to carry on paying you for as long as possible; but in practice, for many small to medium sized enterprises this can be far from easy, because they may need to use the money to pay someone else to do your work. If it is your own business, you will certainly know what we mean!

The problem is that the state provides almost nothing in terms of statutory sick pay and then only for 38 weeks (after which you will have to undergo an assessment).

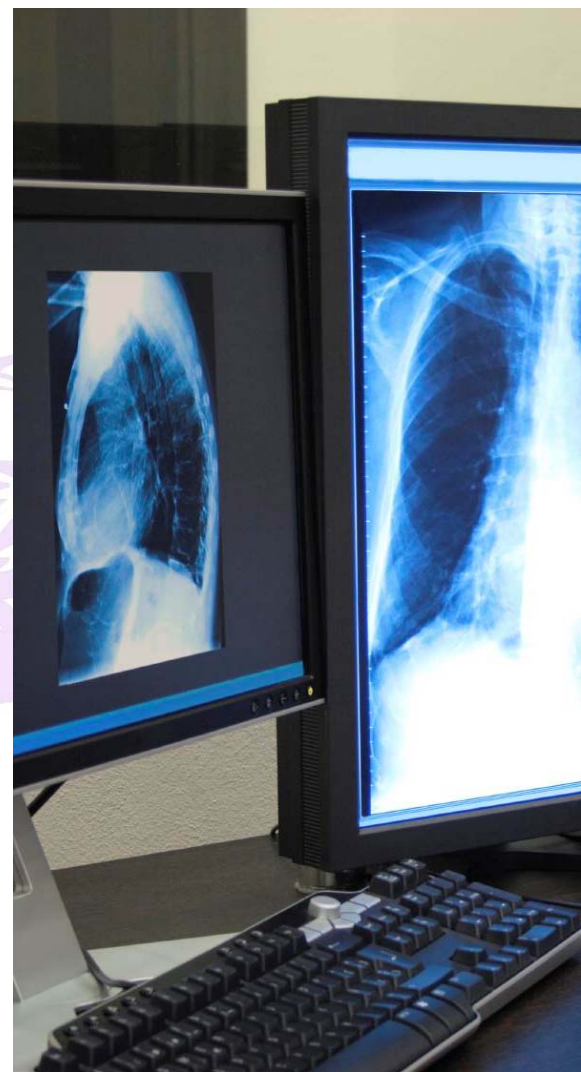
Statutory sick pay is just £75.40 a week. To put this into context, if you earn £60,000 a year (which is a little over £41,370 net of tax and National Insurance contributions) the drop in income would be over 90%; for every 310 you normally earn, you would receive just under £1.

Fortunately, it is possible to arrange income replacement insurance for executives within small businesses cost-effectively, which provides cash if the individual is injured or becomes ill and is unable to work for any significant length of time.

Unusually, **Smart Wealth Management** is able to arrange cover that relates to dividend income as well as salary, so it does not matter how you draw your income. It is also possible to add employer pensions, life insurance and National Insurance contributions as well, if required.

The schemes to which we have access are remarkably flexible and allow cover to be increased easily and with minimal formalities as the business expands or salary rises. There is also normally no requirement for a medical examination when cover starts.

For more information, please contact **Smart Wealth Management**.





Communicate pay and reward with your own benefits portal

Your employees are probably your most important asset; so first class benefits can be critical to recruitment and retention.

Rethink the way you communicate benefits - Smart Wealth Management provides access to an internet based system that can be branded and customised for your business to help improve benefits communication, streamline scheme administration and cut HR time and costs.

Maximize the value of your benefits spend - Educate and remind employees about their total reward package. Get them to understand not only the details of their scheme but also the monetary value.

Cut administration costs - Manage your benefits administration, including the production of contribution schedules, payroll reports, management information and streamlined joining for new members.

Enable HR self-service - Empower employees to manage their own data with easy to use self-service screens including contact details, training records, holiday booking, absence management, or time and attendance.

Offer real choice - Provide real flexibility by using the Flexible Benefits module and let your employees choose benefits to suit their personal circumstances and take advantage of tax breaks through salary sacrifice.

How it works - Accessed securely over the Internet, the system allows you to serve your employees locally, nationally and globally. There's nothing for you to install; we manage everything for you. Each employee has access to your portal using their own unique username and password and can access their benefits data and personnel information online, giving them a consolidated view of their total reward package. They can also access benefit booklets, staff handbooks, financial guides and interactive planning tools.

HR personnel and scheme administrators have access to a central database with all employees' personnel and benefits data and can produce schedules and reports as required—we call it our **Smart HR Platform**.

Key features

- Consolidate data from multiple providers and systems
- Administer fixed or flexible benefits
- Produce Total Reward Statements
- Publish and maintain benefits and HR documents
- HR self-service with customisable data fields
- Holiday booking and absence management
- On-line pay slips
- Management information on-demand
- Reporting tools with output via Excel
- Email alerts and workflow messaging
- Streamlined joining with product providers

Protecting your business against losing key people

Actually, you cannot protect your business against the loss of a key employee, only the financial consequences of doing so. And these can be extensive.

Just imagine that your key director, account manager, IT specialist, or even for some businesses, dispatch manager, were to be lost through death or long term incapacity.

Would your competitors give you time for your business to recover before swooping on existing clients and contacts? Would the bank be happy to hold on while you replace lost expertise? Would your customers sit patiently while you sorted out your website and communications problems?

In all probability, the answer to all these questions is a resounding "no".

Fortunately, it is possible to arrange insurance that provides cash should the worst happen. Money may not replace the individual, but it can certainly make it easier to find a top calibre replacement quickly and efficiently.

The sum insured can be based on a multiple of salary for the individual(s) concerned, or a multiple of the profit for which they are responsible.

It is not just operational staff who are key. Circumstances can arise—perhaps during a period of heavy borrowing for finance expansion, or when the business is changing hands, perhaps through a merger or acquisition or a buyout—when one or more individuals take on a special significance to outsiders, such as merchant bankers, venture capitalists or the purchasers themselves. Once again, this might be a time when insuring those concerned could make all the difference between a deal going through ... and faltering.

Premiums paid for "key man" insurance are generally allowable as a business expense, although this is not always the case and you should ask **Smart Wealth Management** for further information about this. Similarly, any monies paid as a claim could be taxable, but may be offset against expenditure, where appropriate.



Executive Planning Service

Have you ever really thought about just how much your top executives give up in order to achieve their status? You may reward them very well for their efforts, but however much you may pay them, they are spending more time on your business than they are on their own financial affairs. In the final analysis, this could be to their individual detriment—and that of their families.

This could be one of those situations where, without wishing to be 'paternalistic' it is in your interests as well as theirs to provide access to a proactive service that helps them to look after their own financial affairs with a minimum of effort; or disruption to your business.

The Smart Wealth Management solution ...

Our **Executive Planning Service** is not a one-size fits all solution, nor is it suitable to all employees. Instead it is a bespoke solution aimed at helping your most important people to secure their personal financial goals without having to devote time that would otherwise be dedicated to your business.

Based on our knowledge of executive remuneration and investment issues, we can help you identify those individuals for whom special attention may be appropriate and then evaluate the extent to which individual support may be required.

We then create a structure that allows them to focus on their own financial affairs for a limited amount of time in a structured way, so that attention is given only to those areas where action is required and decisions can quickly be made, based on comprehensive and accurate information. After all, if executives are given complete data, they are usually able to come to reasoned decisions quickly and without fuss; if they had to spend time surfing the internet or talking to lots of different people, they might reach the same decisions, but more slowly and with less time left to focus on your business needs!

We recognise that those involved are high earners and that they must ensure that their standard of living can be maintained not just while working for you, but also when they retire, or should anything happen to them—or a member of their family—in the meantime.

Professional support ...

The **Executive Planning Service** uses our highly experienced and professionally qualified consultants to offer independent financial planning advice that sets your senior employees free to focus on your needs.

We undertake all the necessary research that allows us to build a personal lifetime financial plan for each individual. But we do not leave matters there. Regular meetings also permit us to determine when circumstances or attitudes to risk have changed, so that we can make recommendations for modifications to the plan and then implement them, as agreed.

The **Executive Planning Service** allows both you and your senior employees to get the best out of life. Peace of mind makes for a more contented employee, who is free to dedicate his or her entire attention towards the job in hand; helping you to make money through your business.

Show your executives you care ...

By giving your senior employees access to the **Executive Planning Service**, you are demonstrating a commitment to their needs that not only rewards them, but can also act as an incentive for those who aspire to the status in future.



smartsolutions is published by Smart Wealth Management LLP · 42 Brook Street · Mayfair · London · W1K 5DB
Tel: 0207 958 9003 · E-mail: enquiries@smbenefits.com · Web: www.smbenefits.com. Registered in England No.: OC309769 Registered
Address: High Pines, Blackdown Avenue, Woking, Surrey GU22 8QG. Authorised and Regulated by the Financial Services Authority. The
Financial Services Authority does not regulate all the services provided.