Why should employers engage with saving through payroll?

Finance plays a pivotal part in all of our day to day living. When an individual experiences financial difficulties it can have an adverse effect on their health and general wellbeing. Individuals become inefficient at work as they become pre-occupied with their financial issues; which has an effect on businesses.

- Sickness costs a UK business on average **£609 per employee** per year (*CIPD Survey 2014*)
- Individuals in debt are **three times more likely** to have mental health problems as those that were not in debt. They are also more likely to suffer from depression and have drug dependency (*www.sciencedirect.com/science/article/pii/so272735813001256*)
- **Ten million** people in the UK are struggling with debt
- Indebtedness affects personal relationship; **6.2 million** individuals **hide debts** from their partners and 35% have reported that being in debt has led to their relationship breaking down or weakening
- **36% have contemplated suicide** (*Moneysaving expert.com- Mental Health & Debt 2015*)
- Stress has become the **main cause of long-term sickness absence** for the first time across British industry. (*The Irish Independent http://www.independent.ie/business/irish/stress*)

If you offer saving through payroll to your employees, you are less likely to suffer from the negative impacts of stress caused by financial problems and the associated cost to business.

What are the benefits of saving with a Credit Union through payroll?

Most people have never been taught how to budget and one in four people have no savings to fall back on in the case of an emergency. Saving through payroll is an ideal forum for those people to save for the future and reduce their risk of financial problems in the future.

- An individual can **save direct from their salary** with ease as the agreed amount has already been taken before their salary gets to their bank account
- It's flexible - savings can be increased and decreased to suit the individual
- An individual can access their savings when they need to, reducing the need for high interest loans or credit cards
- If an individual needs a loan, they can have **access to loans at a reduced rate**. Savings are always included in their monthly repayments for the loan, so they can continue to have a "buffer" for unexpected costs
- Many large companies are now beginning to recognise saving through payroll as an employee benefit, including Trade Unions
- Saving allows an individual to have **financial control** which relieves financial stress.

To find out more, or engage with a credit union, contact the CIPP via brenda.spencer@cipp.org.uk or call 0121 712 1000.

cipp
the chartered institute of payroll professionals
leading the profession

cipp.org.uk