

Employees urged on benefits of Credit Union payroll deductions

A new report underlines the benefits of Credit Unions to employees, and urges them to press employers on the benefits to both parties of payroll deductions paid into Credit Unions.

The report, which is based on research in the West of Scotland by Heriot-Watt University academics Dr Kathryn Waite and Dr Robbie Mochrie, shows that it is important employees do more to foster their local community credit unions in Glasgow.

The report also showed that when local employers were approached by community credit union representatives they were slow to pick up on the potential benefits to themselves, including employee recruitment and retention, but that when employees themselves approached their employers asking them to set up a payroll deduction scheme then employers were more open to investigating the options.

The report, 'Credit Unions and Payroll Deduction' is published on International Credit Union Day, 20 October 2016, recommends that the Scottish Government highlights the inclusion of payroll deduction as within the Scottish Business Pledge.

Dr Robbie Mochrie said, "Payroll deduction helps employees to save regularly from their wages and gives access to low-cost loans. Through partnership with credit unions, and by offering payroll deduction, employers can demonstrate their commitment to employee financial wellbeing, and it's widely accepted that payroll deduction is a low-cost workplace benefit that can assist with employee recruitment and retention.

"But despite these clear advantages our research showed that employees could be slow to provide payroll deduction options until or unless they were approached directly by employees to ask for this, and we would encourage employees to take just this step."

The report will be launched at a **breakfast briefing at the Glasgow City Chambers at 8.45 am Thursday 20 October**, with support from Councillor George Redmond, Executive Member for Jobs, Business and Investment, Glasgow City Council and Kenneth Pentland, Policy Officer, Scottish Government.

The report's authors and other participants will be available for interview following the event at around **10.30 am**.

For further information please contact:

Caroline Dempster

Press Officer

Heriot-Watt University

Tel: 0131 451 3443

or visit:

info@scottishinsight.ac.uk or [@scotinsight](https://twitter.com/scotinsight)

Notes:

The community credit unions partners are Drumchapel Credit Union and Greater Govan Credit Union
The industry partner is the Chartered Institute of Payroll Professionals.

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