



Reward & Retirement Provision

Assignment 1 Notes

(Part 1 – Employee Benefits Strategy)

- 1. Outline the differences between Total Remuneration and Total Reward and provide examples of the following types of benefits that could form part of their calculation:**

- a) Core company provided and funded benefits**
- b) Voluntary, flexible, employee funded benefits**
- c) Community benefits or perquisites**

10 marks

Answer should cover:

- Definition of Total Remuneration
- Definition of Total Reward
- Examples of core and employer funded benefits
- Examples of voluntary, flexible and employee funded benefits
- Examples of community benefits or perquisites

- 2. Outline current legislation concerning the National Minimum Wage and National Living Wage and explain the following:**

- a) How the age of the employee impacts the amount payable**
- b) What is included in, and what is excluded from, the calculation of the amount payable**
- c) The types of worker that are excluded from this legislation**

10 marks

Answer should cover:

- The National Minimum Wage Act 1998 covers pay of workers
- Define workers with reference to The Employment Rights Act 1996
- Age implications for National Minimum Wage (NMW)
- Introduction of National Living Wage (NLW) and age implications
- Pay covered by NMW and NLW legislation
- Exclusions from NMW & NLW



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3. You are the Benefits Consultant to a small firm who are reviewing their maternity leave policy. Write an email to the HR Director summarising current legislative provisions concerning:

- a) The period over which Statutory Maternity Pay (SMP) is payable**
- b) The rates of SMP**
- c) The amounts of SMP which can be recovered by employers and any relief the employer may be entitled to**

15 marks

Answer should cover:

- When SMP is payable
- How long SMP is payable
- How much SMP is payable for different periods
- How much employers can recover and details of Small Employers' Relief

4. Outline the eligibility for, and calculation of, statutory redundancy pay, along with an explanation of the requirements for pay during the statutory notice period.

15 marks

Answer should cover:

- Factors used in the calculation of redundancy pay
- Minimum and maximum length of service
- Maximum weekly pay
- Maximum amount of statutory redundancy pay
- Legislative basis for entitlement to redundancy pay
- The circumstances when employees must be paid during the notice period and exceptions to this
- The amount of pay during the notice period including impact on contractual payments such as Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP)



- 5. Your company is looking to introduce flexible benefits for its employees. As the Benefits Manager, prepare a briefing paper for the HR Director outlining the importance of using a total benefits approach to the communication for employees. Your paper should include the advantages of such an approach and describe the most appropriate method in which flexible benefits may be valued.**

20 marks

Answer should cover:

- What total benefit communication is and what it may look like
 - The advantages of this approach to communication
 - How flexible benefits can be valued (employer cost & employee cost) and which is applicable to the introduction of flexible benefits (employer cost)
- 6. Following a recent acquisition, a large multi-national pharmaceutical company is reviewing their employee benefits strategy. As the HR Consultant for the company, prepare a short paper outlining the main factors for the company to consider in developing and maintaining their employee benefits strategy.**

25 marks

Answer should cover:

- Reference to understanding the current strategy and any restrictions following acquisition
- Market position
- Employee demographic and segments
- Global/Group structure and culture
- Management style
- Cost management
- Compliance and risk



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7. Outline the criteria that needs to be met for long service awards to be tax free.

5 marks

Answer should cover:

- The award must not be cash but a tangible article
- The cost to the employer must be no more than £50 for each year of the employee's service
- The period of service with the same employer before the award is made must be at least 20 years
- Such awards must not be made more frequently than once every ten years to a particular employee