LESSON: 28
EMPLOYEE BENEFITS AND SERVICES

Learning Objectives:
1. To know the various types of Employee Benefits.
2. To know the categories of Fringe Benefits.
3. To know about the various kinds of services that employee gets from an organisation.

So friends we have seen various types of incentives given to the employees, now we will discuss about various benefits and services that employees will get from an organization.

These are available to all employees based in their membership in the organization. The purpose of such benefits and services is to retain people in the organization and not to stimulate them to greater effort and higher performance.

These benefits are usually known as “fringe benefits”, & the employer offers these to the employee. The term fringe benefits are as follows – paid vacation, pension, health insurance plan etc.

There are five categories of services and benefits under the term fringe benefits.

- **Legally Required Payments:** - Old age pension, survivor benefits, disability pension and payments made under the Workmen’s Compensation Act.

- **PENSION AND GROUP INSURANCE:** -
- **PAID REST PERIODS, WASTE-UP TIME**
- **PAYMENT FOR TIME NOT WORKED**
- **FESTIVAL BONUS**

**CLASSIFICATION OF FRINGE BENEFITS:** -

- Premium Payments: - This is the period of time a worker has worked, and payment is based on daily or weekly.
• Payment for special duties: - Such as working on grievance redressal procedures and labour contract negotiations.
• Payments for health & Security benefits: - These include retirement plans, social security payments, Saving plans, Profit sharing plans, Group Life Insurance etc.
• Payment for time not worked: - Which include payment for sick leave and for time during which an employee is under medical care. Payments for holiday, vacations, call back time, dressing time, portal-to-portal time and wet time.
• Payment for employee service: - This include Cafeteria subsidies, union credit, house financing etc.
• Other expenditure: - Like holiday bonus, on educational reimbursements, employee uniforms, work cloths, supper money or meal allowance etc.

The following table summaries the factors, Key forces, and their potential impact on benefits in future.

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<th>Relative Impact of forces on Benefits</th>
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<td>2. Growth in White collar Vs Blue collar occupation</td>
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<td>3. Relative growth of minorities and increased participation in workforce.</td>
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<td>4. Growth in relative youthfulness of workforce</td>
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EMPLOYEE SERVICES:

Now let us look into the various Employee services offered in any organization.

In addition to the benefits, organizations also provide a wealth of services that employees find desirable. These services are usually provided by the organization at no cost to employee or at a significant reduction from what might have to be paid without the organization’s support.

The employee services include:

- Services related to the types of work performed
  This including subsidies for purchase and upkeep of work, clothing and uniforms and of various types of tools, used by a worker in the course of his work;
- Eating facilities: - Which include the provision of company restaurants, cafeterias, canteens, lunchrooms etc.
- Transportation facilities: - Like parking lot and bus services
- Child Care facilities: - Comprising nurses and day care centers for children
- Housing Services: - It includes company owned housing projects and subsidies.
Financial and legal services: - This includes sponsoring of loan funds, credit unions, income tax services, saving plans and group insurance plans.

Purchasing Services: - This includes company operated stores and discount on company products and services.

Education Services: - Which include sponsorship for off duty courses, educational leave, tuition fee, refunds and scholarship for employees and their children.

Medical Services: - Including plant infirmaries, (clinics and hospitals, counseling and referrals to community to social services.)

Outplacement Services: - This include, contact with other employers in the area, help in writing up resumes and secretarial services.

Flexi time: - The employees are permitted to build up their flexible workday: It is called flexi time because the workers themselves determine their own starting and stopping time.

**Summary:** Employee benefits programs continue to grow and expand, although there are considerable variations in the benefits that are offered by the organisation. Benefits mainly have been directed at assisting employees in maintaining a particular lifestyle and providing for long-term welfare and security. The rise of flexible benefit plans suggests the importance of considering individual preferences, the increasing diversity of the workforce, and lifestyle realities when structuring an employee benefits program.

The advantages and different types of employee benefits is explained through the below presented power point slide:

Employee Benefits—Power point slide

Increase in number of companies offering generous employee benefit packages
The number of companies offering generous employee benefits is increasing according to a recent Deloitte & Touche survey of Irish business leaders.

Over four-fifths (82 per cent) of respondents stated that their company offered a pension scheme to employees (an increase of 10 per cent over 12 months ago). Almost three-quarters (73 per cent) said that their companies supplemented state maternity benefit and two-thirds (66 per cent) stated that their companies provided a company car or car allowance.

John McGarry, Director of Deloitte & Touche Human Capital Advisory Services said: "Increases in pension provision and maternity benefit illustrate the greater commitment from employers to retention of employees that has emerged in recent time."

Other popular benefits mentioned by respondents included profit sharing and share option schemes (41 per cent). Mahon Murphy, Partner within Deloitte & Touche Management Consultants commented, "this is a notable positive trend which reflects increased support for enterprise within Irish business culture."

The results of the survey demonstrate increased support for new ‘work-life balance’ initiatives designed to help individuals balance work and home responsibilities. Almost three-quarters (73 per cent) of respondents work for companies that offer flexible work arrangements. This varied from ‘flexi-time’ (58 per cent) to part-time hours (52 per cent) to teleworking (33 per cent) and job-sharing (23 per cent). Availability of various ‘work-life balance’ initiatives varied significantly across industry sectors with the technology and public sectors leading on many fronts.