

# CIPD Coronavirus webinar series

Reward and benefits during and after COVID-19

7 May 2020

# Welcome

Katie Jacobs, Senior Stakeholder Lead, CIPD

**CIPD**



# Today's speakers

Katie Jacobs

Senior  
Stakeholder  
Lead, CIPD

Charles Cotton

Senior  
Performance &  
Reward Adviser,  
CIPD

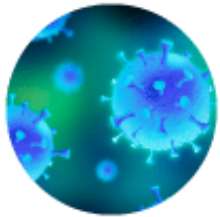
Sharon Riddell

Head of Reward  
& Executive  
Compensation,  
NatWest Group

Laura McVicker

Legal Director,  
Lewis Silkin

# #StrongerWithCIPD



**Covid-19  
resources**



**NEW Well-  
being helpline**



**Employment  
Law helpline**



**Communities  
and branches**



***People  
Management***



**Knowledge  
and content**



**Free learning**



**Careers  
support**



**Professional  
credibility**



**Financial  
support**

[\*\*cipd.co.uk/memberbenefits\*\*](https://cipd.co.uk/memberbenefits)

# Context

Charles Cotton, Senior Performance & Reward Adviser,  
CIPD

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# Employer responses to COVID-19: Pay

Base pay. How:

- jobs are valued in term of pay rates
- these pay rates are then organised
- people progress through these pay grades
- pay decisions are determined

Variable pay:

- performance-related
- overtime/shift/unsocial allowances
- recognition awards



# Employer responses to COVID-19: Benefits

- Financial
- Health and well-being
- Paid leave
- Personal and family
- Social
- Transport
- Career/professional development
- Technology



# The impact of financial stress

CIPD 2017 research finds money worries can result in:

- lack of sleep
- difficulty in concentrating
- time spent dealing with financial problems
- poor health

One in four employees say that money concerns have affected their ability to do their job. Implications for:

- productivity
- customer and employer brands
- media perception
- investor decisions





# How to improve employee financial well-being

What employees say is important (top 5 listed):

- pay them enough
- pay them fairly
- help them save for the future
- help them pay off their debts
- offer benefits that protect them against risk

However, employees, government, regulators and industry have a role to play



# Preparing for the future

Our future depends on our actions now

- We can't bounce back but what do we need to do to bounce forward?
  - Reward alignment
  - Reward integration
- As a profession, help shape the future of reward for the better



# Case study

Sharon Riddell, Head of Reward & Executive Compensation, NatWest Group



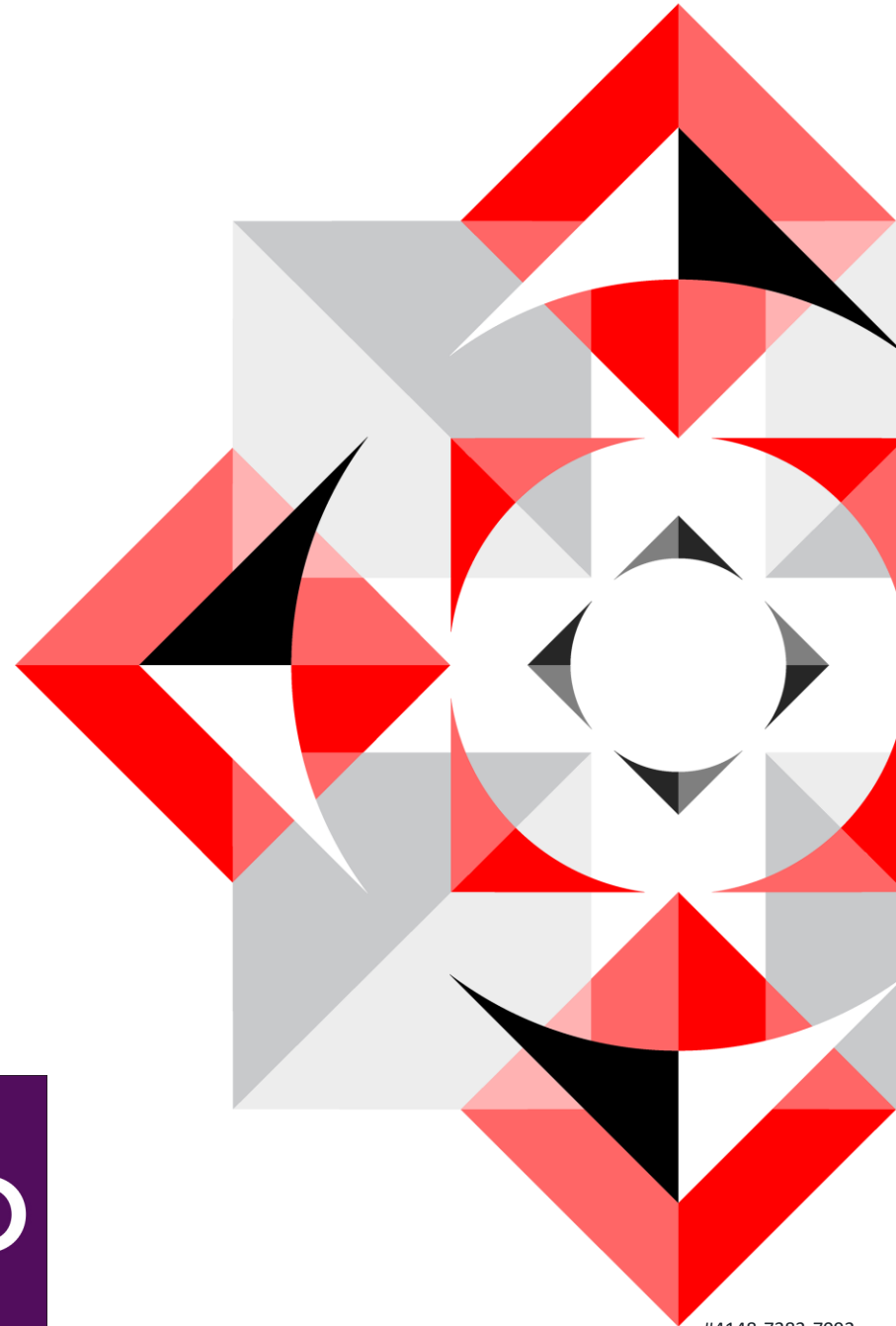
# Lewis Silkin

## CIPD Covid-19 making changes to reward and benefits – the legal implications

► May 2020

**Speaker**

*Laura McVicker*





# Contents

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## Introduction – Laura McVicker

- Compensation
  - Salary and other contractual pay
  - Discretionary bonus
  - LTIPS / Share award schemes
- Benefits
  - Holiday
  - Company sick pay
  - Other
- What next?



# Introduction

Changing Reward and benefits

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Legal implications of changing a genuinely discretionary element vs changing a contractual entitlement

Legal possibilities subject to internal governance – and potentially external regulators / bodies



# Salary and other contractual pay

## Pay reduction

- Consent obtained?
- Fixed period or open ended?
- Pay reviews frozen or deferred?
- Parity
  - Front line
  - WFH
  - Furlough
  - Non-furlough
- Exec pay

## Discretionary bonus

- Earned in 2019, but not paid
- Listed Companies
- What does discretionary mean?
- Cash vs share based payments
- Splitting bonus payments

## LTIPS / Share schemes

- Deferral
- Reduction
- Cancellation
- If already paid out...

# Benefits

Holiday

Holiday purchased

On furlough

Pay cut

Company sick pay

Adjustments

Permanent or temporary

PHI

Private medical, dental, other

Contractual

Non contractual

Furlough

Other policies

Non-contractual?

Discrimination / retention

Mutual trust and confidence





# What next?

Future proofing decisions made now

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**May**

**September**

**2021**

Temporary?

Business  
As Usual

Risk of  
litigation?

Lessons learned

# Additional information & questions

Thank you [laura.mcvicker@lewissilkin.com](mailto:laura.mcvicker@lewissilkin.com)

Website [www.lewissilkin.com](http://www.lewissilkin.com)

**LEWISSILKIN**

Home > Campaigns > This Place Minds

#THIS PLACE MINDS

This Place Minds

Lewis Silkin has refreshed its #ThisPlace coronavirus is having on mental wellbeing

What is the aim?

We have a commitment to engage everyone at Lewis Silkin, as well as wellbeing and build a culture where people can talk openly about their with support and understanding.

In this section you will find information and useful links as well as how

Related items

**LEWISSILKIN**

Home > Campaigns > Covid 19 - Coronavirus > Employer & employee relations > Workforce wellbeing

Workforce wellbeing

Caring responsibilities

1. Do we have to let employees have (paid) time off to care for that the schools have closed?

Only if it is a contractual right. Otherwise staff have a statutory (and limited) right to unpaid time off.

Employers should check contracts and policies. Some employers offer paid leave for caring dependants. If this is a contractual right, it would be a breach of contract if terms.

If it is merely discretionary, employers should think about whether they will still want to become so widespread that many more schools are closed. Such employers might although they are currently paying in line with their policy, they may have to review this a much bigger problem.

Employers should try to be consistent between employees because of the risk of individual employees differently without good reason.

A right might have become contractual through custom and practice if employees have a reasonable expectation of being paid.

There is also a statutory right to unpaid time off to deal with emergencies.

Employees have a right to a reasonable amount of unpaid time off where it is necessary their dependants. This would include a situation where they have to provide immediate sick or where a school or nursery has unexpectedly closed. It is irrelevant if taking the

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Immigration

Around the world, COVID-19 is leading to office closures, travel cancelled flights and quarantines. This has many serious knock immigration compliance and visas. We have prepared our 'Guid immigration implications of COVID-19 for UK employers' to cover common questions and things you should be considering as your sponsor.

Employers and sponsors will increasingly be facing the following issues:

- Conducting right to visit checks while enforcing new visa restrictions
- Ensuring sponsorship duties continue to be met with sponsored workers who may have destination locations due to travel restrictions, or salaries needing to be cut or employees on unpaid leave
- Managing ongoing recruitment to ensure business continuity – e.g. non EEA nationals can still be hired and start working remotely overseas. If they haven't already started visa applications, the team can advise on eligibility to return to the UK, travel when things start to return to normal
- Managing potential cancellations for visa applications already in progress
- Dealing with issues where people are stuck in the UK or stranded outside the UK trying to come back

For further information on these issues, please see the guide and insights below.

The situation is changing daily and we are reviewing developments closely whilst adapting to new UK guidance and changes

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COVID-19

Covid 19 - Coronavirus

Our advice on responding to the coronavirus outbreak.

With the rapidly changing status of COVID-19 in the UK and internationally, the business community will face many urgent and unique challenges over the next few weeks. We want to play our part in helping you, your business and your industry move past them. As a firm, we have already started to advise many of our clients on issues relating to COVID-19. With questions and queries wide-ranging, we are here to provide answers to your questions, to act as a sounding board for the decisions you're planning to make and to help you make the key decisions that will protect your business and your communities in the weeks ahead.

There's a lot of information, advice and food for thought on our COVID-19 hub, which is updated regularly across each of our legal areas. You can find our latest insight into the impact of the coronavirus outbreak and our guidance on how businesses should respond in the UK and internationally. We and our international colleagues will be keeping our guidance updated as the situation develops.

Our current key articles include:

- [Contractual FAQs for employers](#)
- [Futureproofing employers - FAQs for employers on the coronavirus outbreak response scheme](#)
- [COVID-19: finance, insurance and business recovery](#)

Please feel free to get in touch with your usual Lewis Silkin contact, email [info@lewissilkin.com](mailto:info@lewissilkin.com) or speak to one of the contacts listed.

Related blogs

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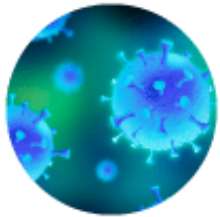
# Questions

Please submit your questions for:

- Charles Cotton, Senior Performance & Reward Adviser, CIPD
- Sharon Riddell, Head of Reward & Executive Compensation, NatWest Group
- Laura McVicker, Legal Director, Lewis Silkin

Please use the Q&A function to submit your questions

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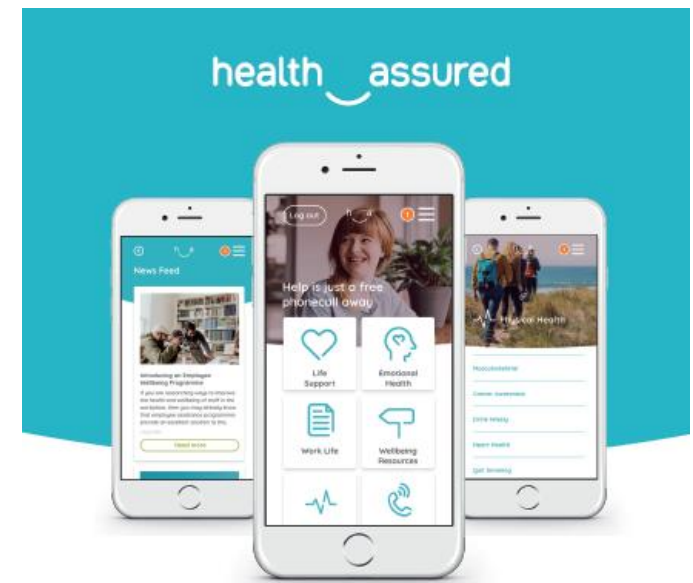
**Financial  
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## \*New\* Well-being Resources

- We've partnered with **Health Assured** to support members mental health and well-being
- Unlimited free 24/7 confidential telephone helpline, online portal & Health e-Hub app
- The resource provides:
  - Legal information
  - Debt and financial information
  - Manager consultancy and support
  - Information on work and home issues
  - Factsheets, advice, information and self-help tools
  - Links to specialist support organisations
  - A resources area with; programmes, videos, webinars, medical information and mini health checks.



Health e-Hub from Health Assured  
Support in the palm of your hand

[Download the Health e-Hub now](#)

# Further information

[NEW well-being helpline for CIPD members](#)

[CIPD coronavirus hub](#)

[CIPD COVID-19 workforce planner](#)

[CIPD community](#)

[Lewis Silkin coronavirus hub](#)

[Gov.uk/coronavirus](#)

