

# Delivering financial wellbeing with impact

A practical 5-step guide  
for HR professionals



# Financial wellbeing is a priority for employers and employees

Against the backdrop of ongoing cost of living pressures, employees are paying close attention to how they are supported financially by their employers. In fact, according to recent research employees are now rating their personal finances as equally important as their mental health<sup>1</sup>.

## Money is on the minds of Australian employees

When looking at different aspects of workplace wellbeing, research shows the largest gaps between importance and satisfaction are in base salary, incentives and employee benefits.<sup>2</sup>

	Males			Females		
	Importance	Satisfaction	Gap	Importance	Satisfaction	Gap
Your base salary	76%	59%	-17%	82%	49%	-33%
The incentives you can receive over and above your base salary	68%	52%	-16%	72%	40%	-32%
Employees perk (benefits)	61%	50%	-11%	66%	40%	-26%

Financial wellbeing is not just about the dollar figures you can offer to an employee. Research tells us that 73% of financially stressed employees say they would be attracted to another employer that cares more about their financial wellbeing compared to just 54% of employees who aren't stressed.<sup>3</sup>

## Financially stressed employees are twice as likely to look elsewhere



1. Gallagher, Workforce Trends Report, 2024  
2. Gallagher, Workforce Trends Report, 2024  
3. Source: PwC, Employee Financial Wellness Survey, 2023

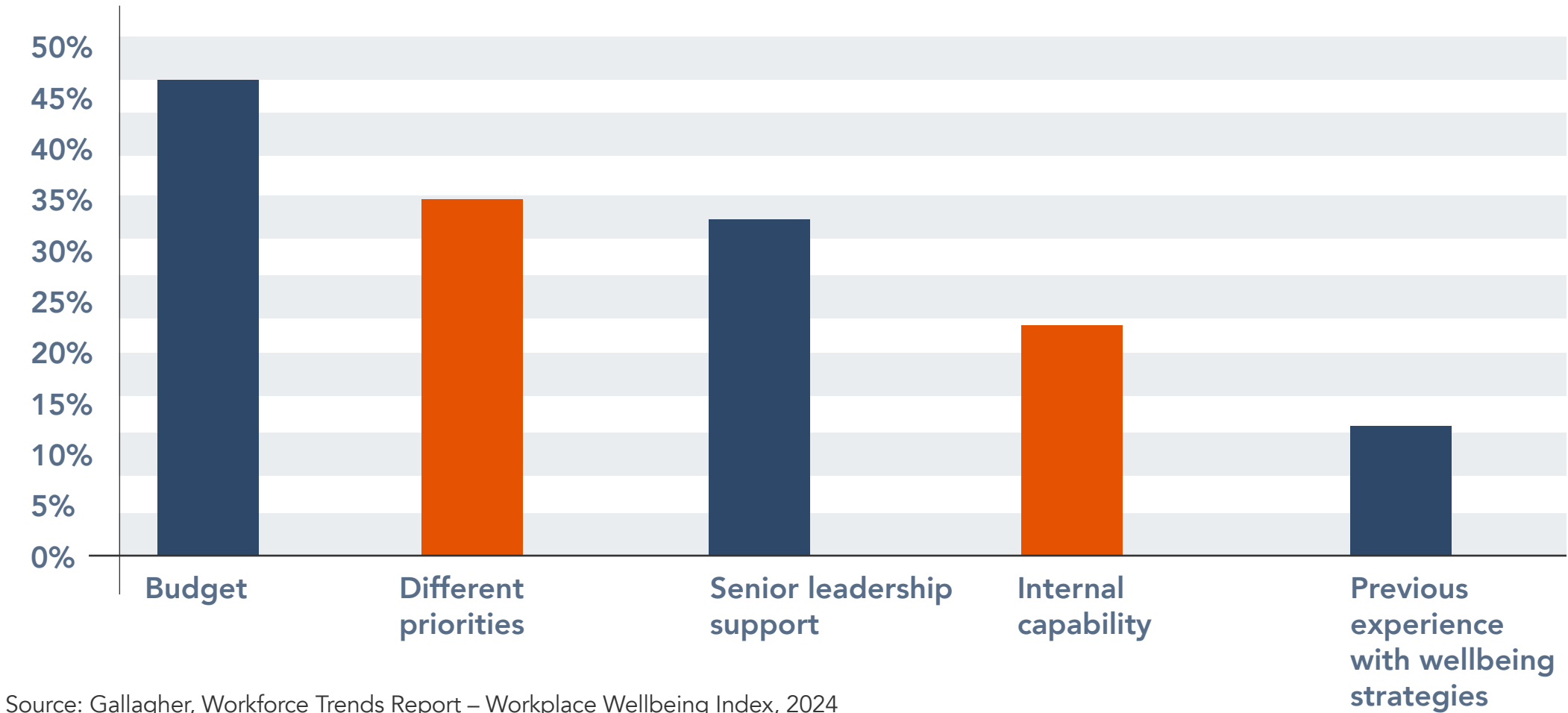
# A rethink is needed to turn investment into impact

Despite almost 70% of organisations making additional investments in wellbeing throughout the last two years, most employees are still not taking advantage of these offerings.<sup>4</sup>

## Driving financial wellbeing has clear benefits, so what gets in HR's way?

The barriers to implementation of wellbeing initiatives won't come as a surprise to HR leaders and their teams. Despite teams being overstretched, organisations can't ignore the fact that the vast majority of employees want help with their finances.<sup>5</sup> That's why we're sharing our experience in how to effectively boost financial wellbeing and how you can get some quick wins on the board without the need for additional budget and resources.

What is the biggest barrier to implementing wellbeing strategies within your organisation?



Source: Gallagher, Workforce Trends Report – Workplace Wellbeing Index, 2024

4. Gartner, 9 Future of Work Trends Post Covid-19, June 2022

5. PWC, Employee Financial Wellness Survey, 2023

## Five steps to delivering financial wellbeing with impact

At Maxxia, we have been measuring the effectiveness of employee benefits for over 30 years. In this practical guide we share five key steps to delivering on financial wellbeing for your workforce.



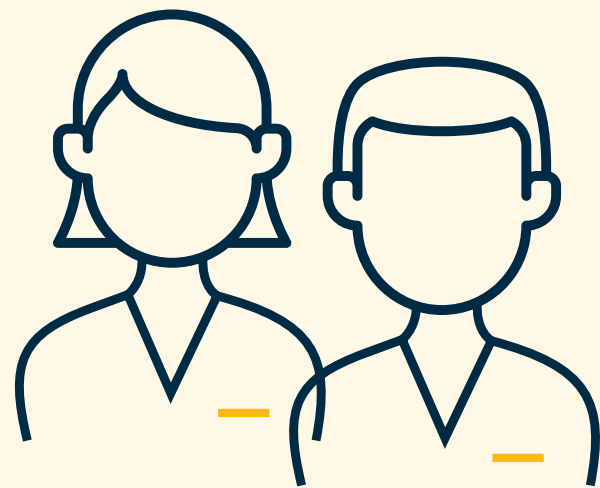


# Step 1: Check in with employees

An important precursor to boosting financial wellbeing is an assessment of your employees' current expectations and needs.

The workplace has changed significantly for both employers and employees over the last few years. There may be significant mismatches between what leaders think employees want and their actual needs and preferences.

This disconnect can lead to HR teams trying to solve the wrong problems.

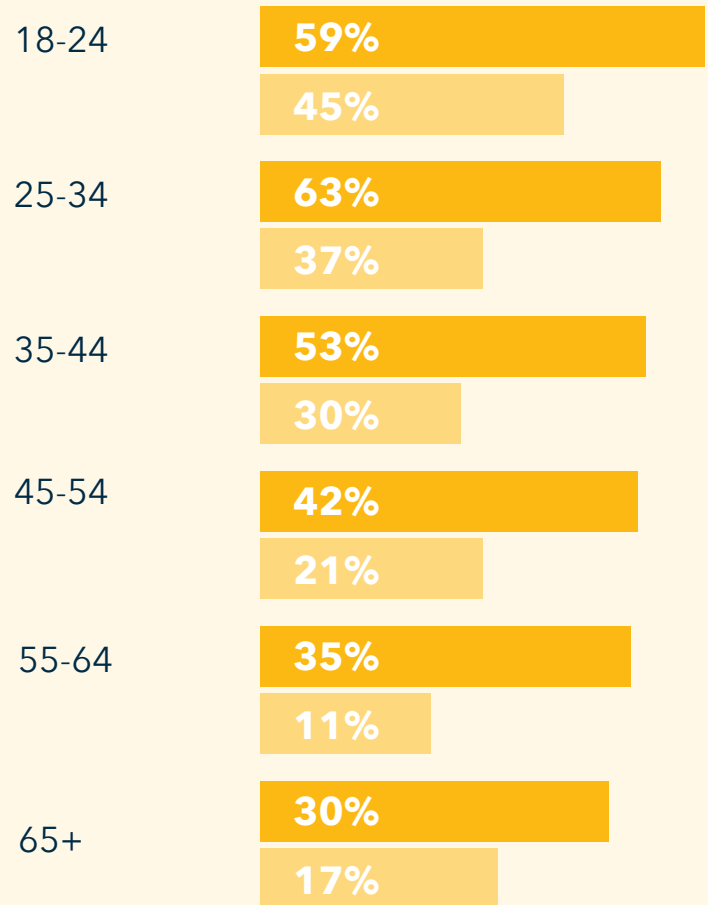


## How important is financial education and resources and benefits to employees?

The importance employees place on financial education and financial management resources (such as budgeting tools and retirement calculators) far outweighs what their workplace offers – a trend that spans all generations, regardless of industry/sector.

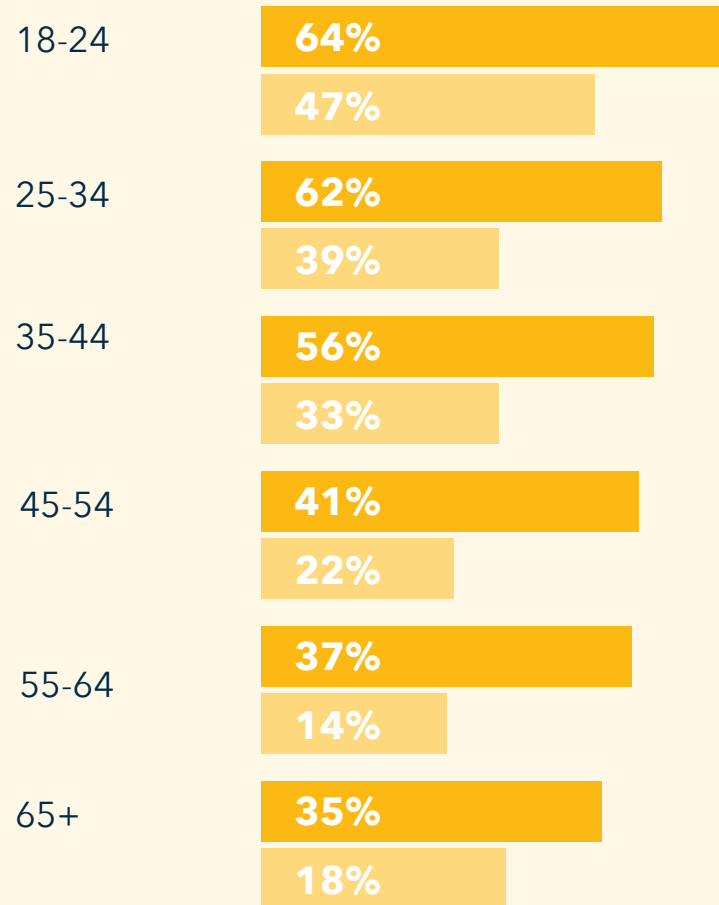
### Financial education

The percentage of employees who rated financial education as important compared to the percentage of employees whose organisation offers this benefit across industries.



### Financial management resources

The percentage of employees who rated financial management resources as important compared to the percentage of employees whose organisation offers this benefit across industries.



Importance Currently offered

Source: Gallagher, Workforce Trends Report – Workplace Wellbeing Index, 2024



# Step 1: Check in with employees

Find out what your employees want and then follow up. Surveys, focus groups and listening forums are key to understanding what your employees want so you can deliver the support they need. Equally important? How you use the data you gather. Just half of employees reported they feel confident action will be taken following providing feedback.<sup>6</sup> When you have the information you need from employees, it's then vital to communicate back regarding what action is being taken and when, so employees know their input has been heard and valued.<sup>7</sup>

## Learn from what's already working

If you provide an employee benefits program or some type of financial education program, an audit of how your employees respond to these initiatives can provide critical insights on where to go next with your financial wellbeing initiatives. When you're communicating to employees and new hires about superannuation education programs or salary sacrificing, make it clear that these are opportunities for enhancing their financial wellbeing.

## Exploring engagement with employee benefits

At Maxxia we provide expert help in reviewing, measuring and reporting on employee engagement with your benefits offering, to help you identify relevant options that best align with their needs and preferences. Using proven methods to find the performance gaps in your benefits program, we help deliver more value to your people, and ensure you are measuring up to the best-in-class programs available.

6. Gallagher, Workforce Trends Report, 2024

7. Achievers Workforce Institute, Empowering Employee Wellbeing in the New World of Work, 2021

## The importance of following up

My organisation takes action to solve problems based on the feedback employees provide



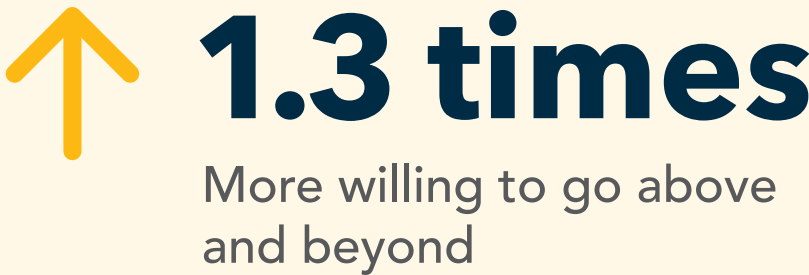
HR leaders



Employees

Strongly agree

When organisations take effective action in response to feedback their people report:



Source: Gallagher, Workplace Trends Report, 2024



# Electric Vehicles can unlock extra tax savings for your workforce

The average Australian household is spending 17% of its income on transportation, after costs increased by more than three times the national inflation rate in 2023.\* Finding opportunities to make everyday living more cost-effective is an important way employers can support their workforce's financial wellbeing.

\*AAA, Transport Affordability Index, 2024.



Electric Vehicle (EV) Novated Leases are an effective way to deliver more financial value to employees, yet a Maxxia pulse poll indicates only 8% of HR professionals knew about the additional tax savings available to employees with an EV novated lease.

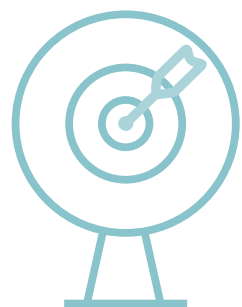
## What is an EV novated lease?

Eligible electric and plug-in hybrid cars are currently fringe benefits tax (FBT) exempt when purchased via novated leases, unlike petrol cars.

This means all payments are made from the employee's pre-tax salary, potentially reducing their taxable income and saving them thousands of dollars.

## Saving money with an EV novated lease can:

- Improve employee financial wellbeing: by tapping into potential tax savings.
- Enhance your EVP: offer greener benefits that appeal to the modern workforce.
- Get closer to sustainability goals: have a positive impact on your organisation's ESG initiatives.







# Step 2: Get clear on your offer

Support and education on superannuation, salary sacrificing/packaging and EAPs are all components of a financial wellbeing program. Taking stock of what already exists to support positive financial outcomes for employees can help you get some quick wins without stretching your resources further.

## Building a financial wellbeing toolkit that’s fit for purpose

The solutions available to HR teams have evolved with regard to both delivery and outcomes. Research shows use of financial wellness benefits like coaching, workshops or webinars and online tools is growing. In 2012, just 51% of those who said their employer offered financial wellness services had used them compared to 68% in 2023.

As our lives increasingly move online, technology solutions can provide employees with easy access to financial wellbeing support. Equipping your organisation with a range of financial wellbeing tools increases your ability to meet the particular challenges of different employees.<sup>8</sup>

	What	Can support financial wellbeing by
 Employee assistance program (EAP)	Financial counselling component of EAP	Addressing behaviours that can lead to financial distress
 Salary packaging	Pay for chosen expenses using pre-tax salary	Helping employees potentially realise tax savings and make their money work harder
 Financial tools and resources	Online education, money benefits management apps, budgeting tools and more	Providing tools for proactive money management and help build financial literacy and skills
 Retirement education	Content and consultation offered by superannuation provider	Helping employees get on track with their superannuation savings

## Taking benefits management to the next level



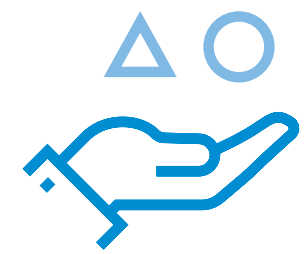
At Maxxia we’re supporting employees to get proactive with their benefits by providing useful ‘nudges’ to help them do more with their money. A new digital employee experience is coming late 2024.

Employees will be able to easily see how much they’ve saved, providing a regular reminder of the extra value their benefits deliver. With the new Maxxia app employees can:

- Understand their potential savings from salary sacrificing/packaging at a glance
- Get timely alerts to ensure employees don’t miss out on pre-tax spending
- Easily update their details if circumstances change to avoid admin hassles
- Access a personalised benefits wallet to make self-service claims quick and easy

This experience will revolutionise the way employers and employees interact with their benefits and is set to become the market benchmark for benefits management.

8. PWC, Employee Financial Wellness Survey, 2023

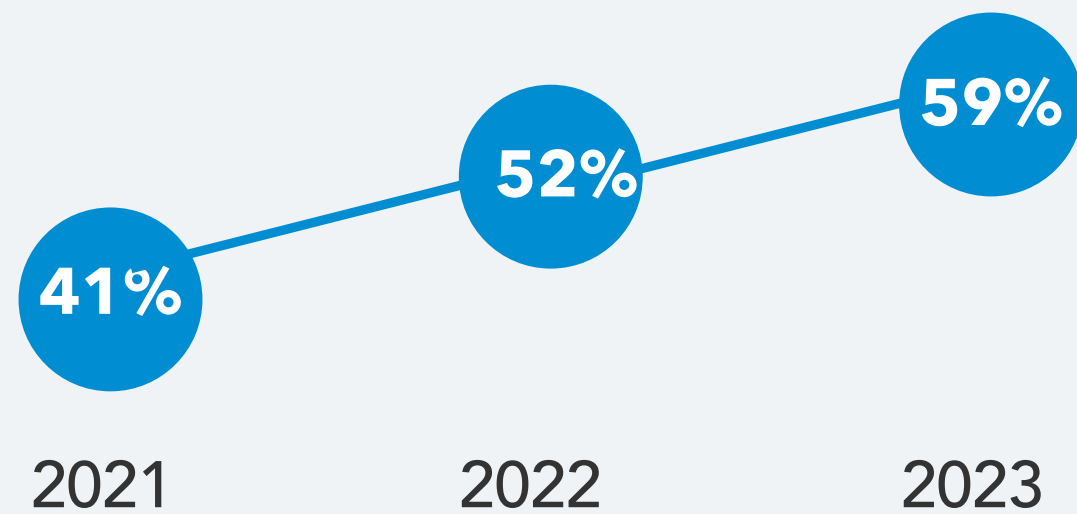


## Step 3: Look for ways to personalise

Taking a personalised approach to engaging with employees based on their difference in experience can help organisations to better connect with their workforce and start more meaningful conversations.

### What might financial stress look like for your workforce?

More employees report that compensation isn't keeping up with the rising cost of living expenses.



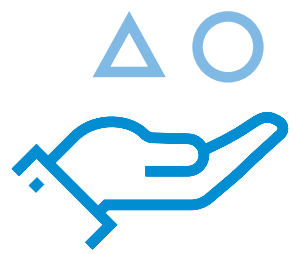
# 53%

Say they are most worried about their expenses increasing/ everything costing more.

Even among employees earning \$100,000 or more per year, nearly half (47%) are stressed about their finances.

Source: PWC, Employee Financial Wellness Survey, 2023





## Step 3: Look for ways to personalise

The simple fact is that financial wellbeing will mean different things to different employees. The financial needs of an employee just starting out can be very different to employees juggling a mortgage and family expenses. There are some key triggers across an employee life stage when a benefits conversation can have a big impact.



### Starting a career

Salary sacrificing/packaging work related expenses from home office items to electronic devices and other 'tools of trade' can deliver real value for new employees.



### Starting a family

Starting a family is a time when people turn their minds to protecting their family with insurance. Disability/income protection insurance helps replace earnings if an employee can't work due to sickness or injury so they can concentrate on their health. With salary sacrificing/packaging employees can pay disability and income protection insurance premiums with pre-tax dollars.



### Changing location

Employees moving to a remote or regional area may be able to salary package interest on their mortgage, purchase costs of their house or rent payments. Other salary sacrificing/packaging expenses may also be available for those relocating for work.



### Upskilling or a new career path

Most employees can salary package self-education expenses. This benefit applies to many forms of education as long as it is related to their job, for example obtaining a license to operate certain machinery. Self-education initiatives may include courses or seminars, journal subscriptions and new reference books.



### Getting a promotion or pay rise

A boost in pay may be a good time to upgrade to a new car or switch to an electric vehicle. A novated lease enables an employee to salary package the lease repayments and running costs of a new car and save even more dollars if they choose an eligible EV.



### Thinking about retirement

With salary sacrificing/packaging, employees can use funds from their pre-tax salary to make additional contributions to superannuation. This may not only reduce taxable income now but increase the amount of money they have to fund their retirement.

## Maximise impact with a personal approach

At Maxxia, we work with organisations to provide dedicated employee support to help them explore the full suite of salary-packaged benefits. They can get expert advice to help them optimise dollar savings and lifestyle advantages from both salary sacrificing/packaging and rewards programs. We offer an integrated multi-channel approach, a blend of in person and online, to reach your employees where and when it suits them.

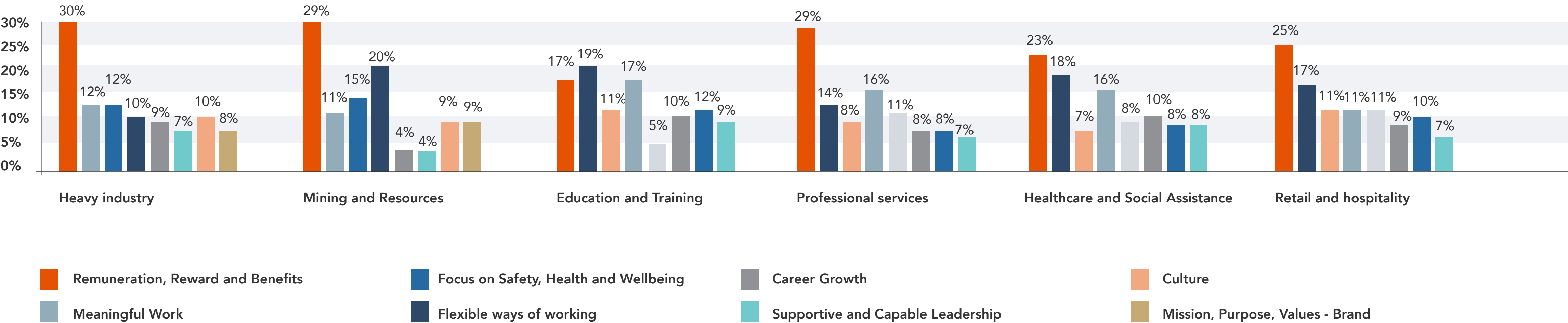


# Step 4: Connect employees with benefits available

At a time when HR teams are doing everything they can to demonstrate value to employees and candidates alike, employee benefits can do some heavy lifting when it comes to financial wellbeing.

## Remuneration, reward and benefits are a priority for employees

Considerations when joining a new organisation by industry



Source: Gallagher, Workforce Trends Report – Workplace Wellbeing Index, 2024





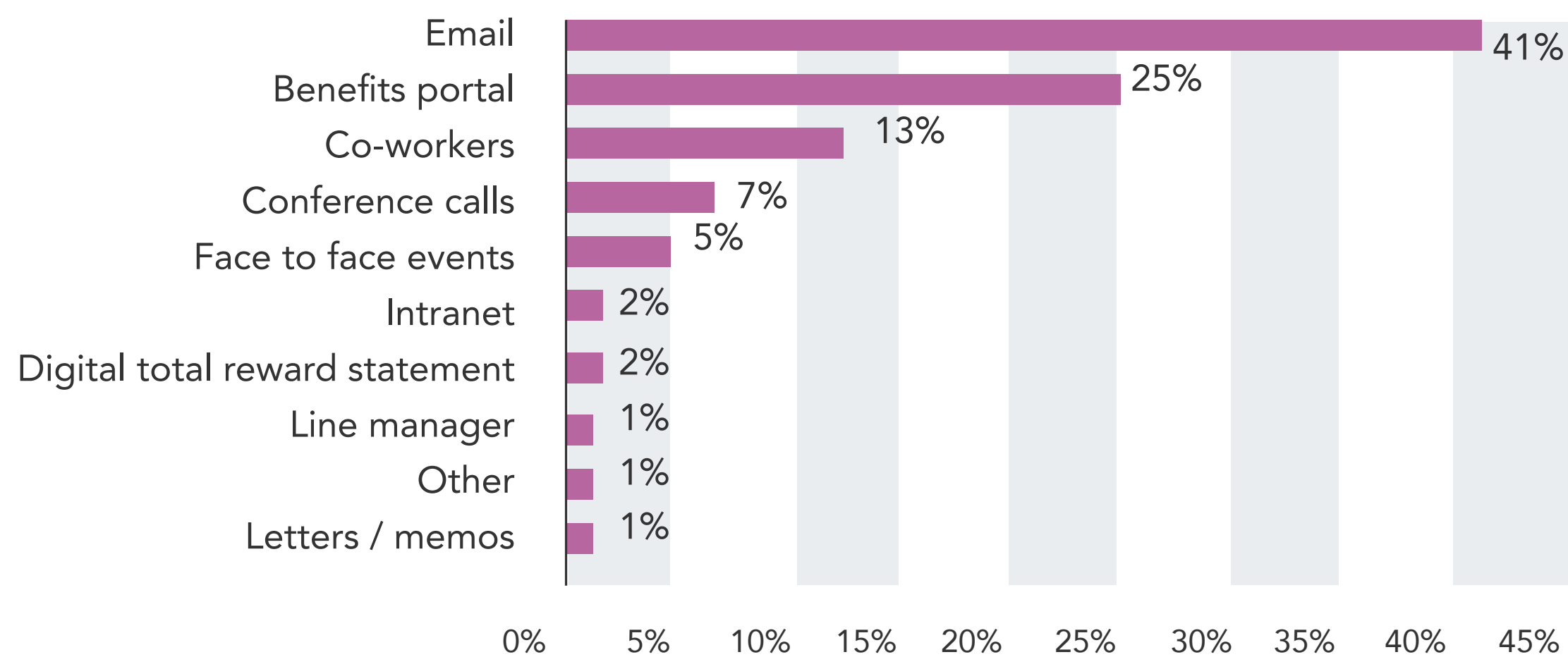
# Step 4: Connect employees with benefits available

## Engaging employees with the benefits on offer

Lack of participation from employees can be a major risk for HR teams under pressure to get a handle on financial wellbeing. Finding ways to effectively market or effectively communicate program benefits to employees can be one of the biggest obstacles to getting results. After all, employees can't value something they don't know about.

An integrated multi-channel approach can help spread the word, particularly because one of the key ways employees want to learn about benefits is through their co-workers. Clear, continuous communication helps employees stay engaged and well-informed and having a dedicated benefits portal and app will extend the life of benefits education beyond onboarding.

How do you prefer to be kept informed about benefits?



Source: Gallagher, Workforce Trends Report – Workplace Wellbeing Index, 2024

## Making the support you deliver tangible

A comprehensive salary packaging benefits program can help deliver unrealised financial value for employees at no cost to the employer. Regardless of how much an employee earns, if they pay income tax they may have an opportunity to boost their disposable income through salary sacrificing/packageing.

Depending on your sector, employees could save money by salary packaging a range of expenses including:



Superannuation



Novated Leasing



Remote Area Benefits



Work Related Expenses



Portable Devices



Education Expenses



Meal and Entertainment



Living Expenses



Fly-in, Fly-out Benefits



## Step 5: Measure your impact

For many organisations delivering financial wellbeing initiatives, measurement is often the X-factor missing from their approach.

According to recent research, 34% of employers don't use any metrics to track the success of their financial wellbeing initiatives.<sup>9</sup> With stronger metrics on the uptake and impact of financial wellbeing initiatives, you are more likely to have the data you need to make your business case for supplementing these with new, fit for purpose and best-in-class solutions.



### Define success with metrics you can measure

Linking measures of success to clearly defined business objectives is the first step in managing and meeting stakeholder expectations. An objective of improving workplace culture will have a different measure to an objective that aims to reduce absenteeism or improve an individual's financial wellness score.



### Benchmarking financial savings and program participation

For employers seeking data that clearly demonstrates program outcomes, we offer detailed insights and ongoing reporting on potential tax savings to employees and the organisation from salary sacrificing/packaging and benefits take-up. This program performance and ROI can then be benchmarked relative to industry peers.

9. HR.com State of Financial Wellness Report, 2024



# About us

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At Maxxia we're on a mission to enhance the impact of employee benefits for Australian organisations.

Using proven methods to find the performance gaps in your program, Maxxia helps your organisation deliver more value to your people, through competitive and measurable employee benefits programs. Our goal is to ensure that you are measuring up to the best-in-class programs available.

Employee benefits are an easy way to strengthen your employee value proposition and engage with financial wellbeing for your workforce. Key to our approach is our complimentary benefits assessment, which benchmarks you against industry peers, identifies inefficiencies in your program and assesses the unrealised financial value your employees could be benefiting from.

Armed with this information, we can design a tailored program to help you optimise the value you deliver, and the outcomes for your employees and your business. We work with organisations of all shapes and sizes, from large corporates and SMEs, to health, not-for-profit and government. When you partner with Maxxia, our team of specialists are with you every step of the way, to help maximise engagement with your employees, and provide guidance on complex issues. Our fully resourced programs may also save your organisation time and money, and free your team up to focus on what they do best.

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