**Reward and Recognition – Line Manager Guide**

**Benefits**

Employee benefits are non-financial compensation provided to an employee as part of the employment contract or they can be non-contractual. Employee benefits may be required by law (depending on the risk associated with the role) or provided voluntarily by the employer.

From an employee’s point of view, access to good benefits will increase the value they receive from their working life and contribute to their health and that of their family. From an employer’s point of view, benefits help staff remain happy and committed, which reduces the possibility of any issues arising.

**Pay**

Pay is the compensation employers pay their employees for their work. Pay may be called wages or an annual salary.

Bonuses and incentives are sometimes included in employee contracts and are paid on top of any base pay.

The frequency of pay is detailed in the employee contract. Employees will receive a payslip each time they are paid and the gross pay (before tax), deductions and net pay (after tax) and any statutory payments due will be detailed.

Salaries should be reviewed annually, and changes must be communicated to employees.

**Pensions**

Workplace pensions, or occupational pensions, are arranged by employers rather than the individual. The employer and the employee are usually required to contribute to the fund following the introduction of auto enrolment in the UK.

Pensions are complicated and no action should be taken without professional guidance.

Corporate responsibility principles should play an important role in workplace pension provision and enable individuals to make a positive social impact through their personal investment choices.