



CROWNSAVERS
CREDIT UNION

EMPLOYER PAYROLL PARTNERSHIP SCHEME

Mutual Benefits for Employers & Employees

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Section 1

What is a Payroll Scheme?

About The Credit Union

Crowsavers is a not for profit financial co-operative, we provide savings and affordable loans to our members. Established in 1997, the credit union has grown to over 1800 members and has played an indispensable role in the Lewisham community. Originally known as Lewisham Council Credit Union, Crowsavers began by offering services to Lewisham Council. We have now extended our service to include Lewisham University Hospital, Lewisham College, Lewisham Homes, Housing Associations and other organisations that operate within the borough. We conduct our business in a way that is ethical and contributes to the social, economic and environmental wellbeing of the working communities we serve. We aim to help people to be in control of their personal finances. We reinvest the money we generate from loan's interest to provide services to our members.

Credit Union Services

Crowsavers offers secure savings, affordable loans and financial advice to its members. The credit union also offers a Payroll Partnership Scheme to employers (see section 2.). Our services are similar to those provided by most banks, the difference is, our members are our shareholders. Every member has an equal say on credit union matters by voting at our Annual General Meetings. The Board of Directors is also elected from within the membership. The board is all volunteers who work on behalf of the members to oversee the strategy, direction and compliance of the credit union.

Ethics, Values & Principles

We are an ethical organisation as profits are reinvested into the credit union to help provide more affordable services and to pay dividends to members. The primary objective of the credit union is to promote sound financial management by encouraging people to save rather than borrow in order to avoid debt. More and more people are turning to credit unions as their primary choice of financial services provider as there is less trust in UK banks than any other sector.

Credit unions are non-profit financial co-operatives for members with something in common. At Crowsavers, the “common bond” is that all members need to work in the Borough of Lewisham in order to join. In other credit unions it could be that members live in the same town, work in the same industry or are members of a particular trade union. You can also usually stay in the union if you're not in the bond anymore. So if you move house or job you may still be able to remain a member.

Financial Security

The credit union is authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The regulation is the same as for other banks and building societies, requiring robust financial systems, training of staff, and internal and external audit systems. Insurance policies protect member's savings from fraud, theft and dishonesty. Ultimately the members' savings are protected against business failure by the Financial Services Compensation Scheme up to £75,000 per person.

The Credit Union payroll savings & loans scheme can help reduce your staff turnover and absenteeism costs associated with financial stress in employees as well as meeting your corporate social responsibility objectives. Being a good employer is good for business.



Section 2

Benefits to the employer



Payroll Partnership Scheme

Studies show that absenteeism is costing the UK economy a staggering £14billion. Research conducted by Price Waterhouse Coopers (2013) identified that sick days alone are costing British Businesses almost £29billion annually. Overall staff turnover costs UK businesses a whopping £42bn a year (Telegraph, 2013).

Stress poses a risk to most businesses and compensation payments for stress are increasing. It is important to meet the challenge by dealing with excessive and long-term causes of stress (CIPD, 2014). Requests for salary advances and loans from employees under financial strain create difficulties for organisations as well as more work for payroll officers if the requests are granted (Garman, 2003). The payroll partnership scheme offers employees the opportunity to save by making regular standard deductions from their salary directly into their credit union account.

When employees are pre-occupied by money worries they are not focusing on their work and performance will suffer. Mr Wild managing director at WEC has signed up to the scheme and has seen the benefits. He recently stated these reasons 'If people are unhappy they bring that to work. If they are not sleeping because of money worries they can't work properly. If you feel you are just working to pay off credit card debts you are not motivated. The benefit for us is motivating staff, It also helps retention' (Financial Times, 2014).



Financial wellbeing creates healthy happy staff

Becoming an Employer Partner of the Credit Union is easy and can provide a number of benefits to your business such as:

Productive Workforce - research has shown that employees free from financial concerns are more productive and have fewer absences than those with money worries.

Corporate Social Responsibility - offering this service is an active and meaningful way for you to demonstrate your commitment of giving something back to your employees and the community you serve. All money saved and borrowed with the credit union stays in the community, for the benefit of local residents and employees.

Mark Wakefield, corporate citizenship manager for IBM UK who also currently offer this scheme to their employees said 'Fundamentally IBM has been doing this Corporate Social Responsibility stuff pretty much since its inception, before it was ever conceptualised as CSR, he says. The group has recognised the value it gets from doing this, both from the employee's perspective - in improving staff engagement and morale, and by being an employer staff can feel good about - and from the perspective of clients, who are increasingly monitoring and checking their suppliers. But looking after the company's reputation there is not the primary driver, argues Mr Wakefield. 'You have to be authentic otherwise people become very skeptical about who you are and why you're doing it, and that can be very damaging' (BBC, 2013).

Section 3

Benefits to the employees

The Credit Union can help employees in a number of ways, primarily by encouraging saving as a way of preventing over indebtedness. It offers support to staff who need assistance with things such as budgeting, financial planning and offers a low cost source of credit which can greatly reduce the cost of borrowing at those times when it's necessary. The credit union offers security and peace of mind and prevents employees from going to loan sharks and payday loan providers whose repayment rates are high. Reports show that employees on these types of loans are more indebted due these high interest and experience greater stress.



The link between debt stress and depression is well established. It is estimated that at least 50%, and perhaps as many as 90%, of people in debt feel anxious or depressed (Stepchange, Debt Charity).

8,308 new debt problems were dealt with by the Citizens Advice Bureau each working day over the year to September 2012.

Rise in rent arrears leads to increase in landlord possessions.

www.propertywire.com 2013

Research shows that those in debt were highly likely to report stress and mental health problems. Indebtedness reportedly arises from the likes of rent, mortgage credit-card and overdue utility bills.

University of Nottingham, School of Economics

Section 4

Employers already providing the Service

Many major UK employers are already offering their staff a payroll deduction savings & loans scheme through a credit union. These include:

- BAE Systems
 - Royal Mail,
 - British Airways
 - the NHS
 - Tata Group,
 - Go-Ahead Group
 - Stagecoach
-
- Crownsavers currently offer this service to the following organisations:
 - Lewisham Council
 - Lewisham Homes
 - University Hospital Lewisham
 - Lewisham College
 - Phoenix Housing Association
 - JSS Pinnacle Housing
 - London & Quadrant
 - One Housing Group
 - Deptford Park Primary School

These employers find that the credit union's work in promoting savings amongst employees reduces employee absenteeism, sickness and staff turnover as well as increasing motivation and meeting their responsibilities as a good corporate citizen.

The credit union takes all responsibility for the operation of the scheme, with the employer just facilitating monthly deductions from salary. All contacts and queries are dealt with by the credit union, making it administratively simple for employers. A full list of employers working in partnership with Crownsavers Credit Union can be found at www.crownsavers.co.uk.



Section 5

Frequently Asked Questions

1. Does it cost the employer anything?

No. The credit union provides this service to your business without charge.

2. Does it cost our employees anything?

There is normally a one-off Life Membership Fee of £5 which is deducted from the first savings payment. Apart from interest on any loans, there are no other fees or charges for an active credit union savings/loans account.

3. Is it a lot of work for our payroll staff?

All enquiries of any kind at all are dealt with by the credit union office. The employer need not be involved in anything but a single monthly exchange of data and BACS funds transfer.

4. Can members access their account online?

Yes, members can register for online access at our website: www.crownsavers.co.uk People can check balances, request withdrawals and apply/sign for loans online. We also provide telephone, email access and have a well located accessible office for personal enquiries.

5. Is the money safe?

Savings are protected by the Financial Services Compensation Scheme, currently up to £75,000 per person.

6. How much interest do you pay on savings?

We pay a 'dividend' rather than a fixed rate of interest. This is paid annually taking into account the profitability of the credit union.

7. Do members have to give notice to withdraw money?

Yes. Members have to make a share withdrawal application which is processed twice per week. We aim to transfer BACS payments to members' current account within 5 working days.

8. How do people pay into the Credit Union savings accounts?

Many employers allow staff to save directly from salary. Members can also pay by standing order, by cheque, or debit card. There is minimum savings payment of £25.00 which can be weekly or monthly. The deposit increases when the member has a loan.

9. How much can a member borrow?

This is based on affordability. The loan sum may be greater if the applicant has already saved with us or has borrowed from us previously.

10. When can someone borrow?

Members can apply to borrow at any time by applying for any of our loan products.

11. Do you use credit reference agencies?

Yes, but past difficulty repaying loans will not automatically prevent applicants from borrowing from us. We may use a credit reference agency to verify ID and address.

Section 6

Employer's guide to operating the scheme

1. The credit union and the employer will provide a single point of contact (plus deputy) for each organisation.

Ms Dolores Beckford, or Ms Sharon Ferguson on 0208698 2996 or info@crownsavers.co.uk

Contact and Deputy Details:

Name

Telephone

Email

2. The credit union will obtain a signed mandate for payroll deductions from each individual employee and provide the employer with a list. If there are any changes to the deductions the credit union will inform and update the employer.
3. The employer will provide the credit union with an excel spreadsheet listing all deductions for the month not later than

Decision Date:

Each Month

The excel spreadsheet should show at least the unique payroll or membership number, value of individual deduction, and total value of all deductions for all employees.

4. On average credit union members make one change to payments per year.
5. The employer will transfer the full value of all payroll deductions to the credit union account by BACS transfer not later than

Decision Date:

Each Month

6. Employees savings will be credited to their account on the first working day after the monthly excel spreadsheet notifying of payments is received.
7. The deduction is made after tax, and should appear on the pay slip simply as 'Crownsavers', with no cumulative figure shown to avoid confusion over savings balances.
8. All enquiries about credit union accounts should be directed straight to the credit union office.
9. Our account details for transferring funds deducted are as follows;

The Co-operative Bank
Crownsavers Credit Union
Sort Code: 08.92.50
Account Number: 67003024



6 Brownhill Road Catford London SE6 2EJ

Authorised by the Prudential Regulatory Authority and Regulated by the Financial Conduct Authority Registration: 509c Firm Number 214295