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# Driving Resilience Beyond the 2025 Budget

People-First Choices  
for Sustainable Growth.✖

It's time to embrace a new equation





Challenging conversations about pay increases in 2026 are inevitable, but through effective communication and transparency, you can navigate them with a positive outcome for all.”

Kimberley Rowbottom, HR Director, Pluxee UK

# Foreword.<sup>x</sup>

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The Autumn Budget increased the cost of employing people for a second consecutive year.

**There'll be a need for cost efficiencies, but they should never be at the expense of employee wellbeing and future organisational resilience.**

Before making significant changes, audit your current policies and benefits. Can savings be made there? For example, has your headcount reduced or increased since enrolling in a Private Medical scheme? Are you paying for perks that employees aren't engaging with because they don't meet their needs? Revisit the market to ensure the offering and spend is maximised, efficient and effective.

**It's not just perks that matter**, either. Career development is a game-changer:

training, mentorship, and stretch projects. **Recognition is crucial**, too—spot awards, public praise, peer-to-peer appreciation.

Work-life enhancements like childcare support or lifestyle discounts can ease daily pressures. And don't forget financial wellbeing—pension matching and education can build **long-term security**.

Challenging conversations about pay increases in 2026 are inevitable, but through **effective communication** and transparency, you can navigate them with a positive outcome for all.

Identify, communicate and educate employees about those 'forgotten benefits', ensuring they can utilise every perk and policy to **maximise the value of your total offering**, providing essential support from the solutions already available.

# Your new 'true north' equation.✖

Cost-efficiency + wellbeing = resilience

Throughout this guide, you'll discover why the **cost-efficiency + wellbeing = resilience** equation should become your **true north**.

## What to expect from this guide

- ✖ Ways to alleviate the rising cost of doing business
- ✖ Why it's crucial to think beyond the immediate challenge
- ✖ The extra money employee benefits can put in your employees' pockets, and how you can make offering them cost-effective
- ✖ Impact in action – sharing client and employee wins
- ✖ How to navigate pay increase requests
- ✖ The role streamlining and consolidating has in driving efficiencies



# Cost-efficiency case study.

## Case Study:

Saving employers over £4,600 per employee with Pluxee UK's Salary Sacrifice Schemes. Employee with an annual gross salary of £34,963 (Standard Tax Bracket) based on the new 15% Employers NIC rate.

Salary Sacrifice Product	Employer Savings			Employee Savings		
	NIC	Salary Reduction	Total	NIC	Salary Reduction	Total
New Bike via Cycle to Work Scheme - £1,000	£150	N/A	£150	£80	£200	£280
EV Car via Green Car Scheme - £25,000 (48 month term)	£3,750.05	N/A	£3,750.05	£2,000.02	£5,000.06	£6,500.08 (with £500 BIK payment removed)
5 Days Extra Holiday with an Annual Leave Purchase Scheme	£1,000	£672.36	£773.21	£53.79	£134.47	£188.26
<b>All the above with Pluxee UK</b>	<b>£4,000.90</b>	<b>£672.36</b>	<b>£4,673.26</b>	<b>£2,133.81</b>	<b>£5,334.54</b>	<b>£6,934.90</b> (with £533.45 BIK payment removed)

## Funding benefits with benefits.

Investing in a holistic suite of financial, mental, and physical wellbeing benefits, plus recognition and reward solutions, **will cost you a fraction of the savings they can help to deliver.**

-  Your employees can still enrol in a £1,000 (or higher) [Cycle to Work](#) scheme **saving you £150 or more each time**
-  You can still save **from £3,750+ per employee** who purchases a [Green Car](#) through salary sacrifice
-  You'll still **save money** every time an employee purchases additional [Annual Leave](#)

# Contents.

From con to cashback  
**Read Kirsty's story**



Go to page

The new equation  
**Cost-efficiency +  
wellbeing = resilience**



Go to page

From theory to practice  
**The Pluxee Employee  
Experience Platform**



Go to page

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**From con to cashback**

# From con to cashback.✕

How our Pluxee Card created a cashback-earning champion!

Before Kirsty joined Pluxee UK, **she thought cashback was a con**. She's seen the adverts for high-end purchases promising cashback as an incentive, and she wasn't biting.

Kirsty didn't apply for her [Pluxee Card](#) in the first year of working with us, but she took the time to learn, realised it really is **"free money"**, and hasn't looked back since!

**£800 cashback over two years** is a significant amount. While there have been the odd expensive purchases, Kirsty uses her card **three to four times a week on essential spending** – her favourite retailers being Boots, Sainsbury's, John Lewis and Waitrose.

"It does take a **change in behaviour**, checking which retailers are on the scheme, and buying through them. I often try something in one shop and then purchase it from the one I can get the best cashback deals with."

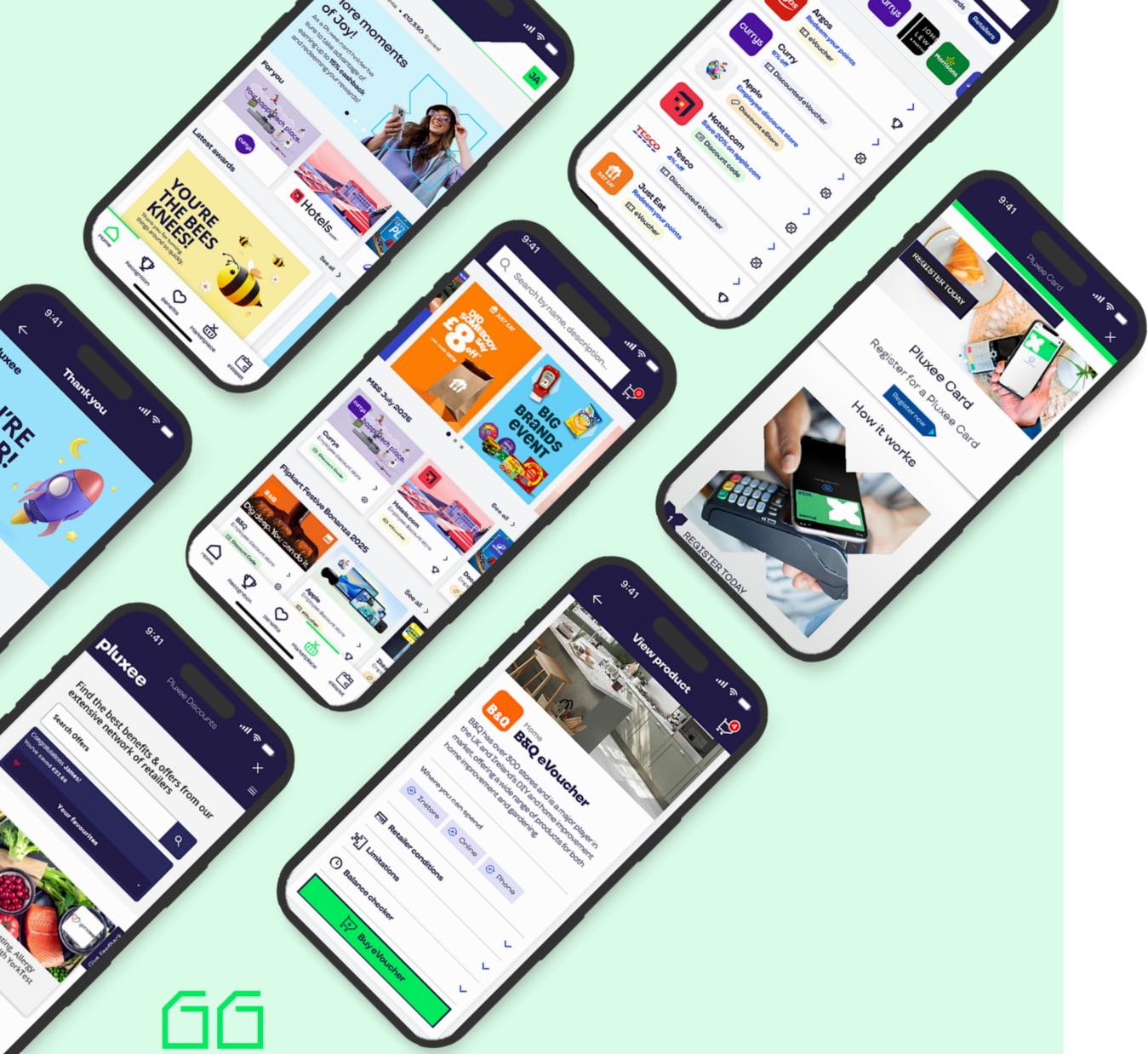
Since embracing the Pluxee Card, Kirsty's also signed up for another cashback card, using her alternative card if the retailer isn't participating in our scheme.

**Here's what she found...**



Before I worked for Pluxee, I thought cash back was a con! I didn't understand why you'd get something for free. Two-years later, I've earned about £800 in cashback."

Kirsty Goes, Head of Financial Accounting, Pluxee UK



It's that simple and consistent.  
I don't even need to think about it.

I used the new Pluxee Employee Experience app the other day, and it was so easy to do in the moment. I was very impressed."

# Her chosen method of payment.

Why the Pluxee Card comes out on top!

"I've **waited up to 26 weeks to receive the cashback with my other card** before. It's such a long time, it's easy to forget it's coming, meaning you may not follow up. **With the Pluxee Card, it's automatic.** I can see the pending amount in my transaction list, and then I receive a notification that it's available in my account the same day. **It's that simple and consistent. I don't even need to think about it.**"

Kirsty automatically tops up her [Pluxee Card](#) with £200 at the start of each month, and it's her **preferred payment method for essential items**. She's also making great use of it for Christmas gifts, recently earning over £30 cashback at American Golf in a single purchase.

We asked Kirsty why she always chooses to earn cashback with the Pluxee Card rather than **save money upfront** through our Discounts Marketplace.

"The Pluxee Card is **fast and convenient**. I always keep it topped up, so I don't need to purchase a voucher in advance. I'm often a 'last-minute' shopper, so it **fits with my lifestyle.**"

**Prefer to talk?**

# Benefits champions.✕

Why you need a Kirsty in your business.

Kirsty may have been slow on the uptake, but she's more than made up for that now, converting others along the way.

Like her, Kirsty's partner wasn't wowed by the idea of cashback, but with her continued (we'll say 'encouragement'), he took out a partner card. Now, it's a part of his regular spending, and they load his card with the grocery budget, **earning him cashback on the weekly shop.**

Kirsty also makes great use of **other perks available** to her as a Pluxee employee. She's making a significant tax saving every year with her electric vehicle purchased through our Green Car salary sacrifice scheme.

She's **purchased additional annual leave** and doesn't hesitate to use our [EAP](#) service when she needs it.

**"You need to get over the idea that cashback is a con.** Don't think about it as going out and buying something just to get the cashback. **Buy what you need and get free money in return** when you purchase it with your Pluxee Card at a retailer participating in the scheme. All the retailers are clearly listed in the app, so always check if what you're purchasing is also available through them."

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Kirsty isn't loyal to any specific retailer; **she's faithful to her Pluxee Card**, deciding where to purchase an item based on the cashback rate.



The Green Car scheme is saving me £6,000 in tax annually!"

# The new equation.\*

Cost-efficiency + wellbeing = resilience



# Cost-efficiency + wellbeing = resilience.<sup>x</sup>

Exploring the equation.

Employing people just got more expensive, and ways to save will become more limited from 2029, when the Government will enforce the £2,000 NIC-free salary sacrifice pension caps.

**Today, it's time to balance impact with opportunity.**

**The savings still exist**, and you can use them to fund additional and valuable ways to support employee wellbeing.

The current state of play is temporary. **How you support your employees today** will matter tomorrow when the jobs market shifts back to being in **their favour**.

The fundamental thing to keep in mind is **the impact short-term cost-efficiency exercises** can have on **long-term organisational resilience**.

<sup>x</sup> KPMG projects that inflation will begin to fall toward the Bank of England's 2% target by mid-2026, helping create conditions for **easing economic pressure**<sup>1</sup>

<sup>x</sup> The OBR forecasts a gradual decline in the 5% unemployment rate, **reaching 4.1% by 2028**<sup>2</sup>



The current state of play is temporary. How you support your employees today will matter tomorrow.”

# The equation in action.✖

Money talks. Savings matter.

We revealed a potential employee savings chart. It presented a world of opportunities, but we can also share stories from clients **who've made it their reality**.

The University of Salford **saved £187,689.40** in 2024 through our salary sacrifice and Annual Leave Purchase schemes.



[Read the case study](#)

The best part... They generated these savings by giving employees more of what matters most. Not less.

**Cost efficiencies + wellbeing = resilience**

## Practicing what we preach: Annual Leave Purchase Schemes.

Our employment costs have also risen, and since our employees have **access to every employee benefit we can offer** yours, we've also embraced the strategy of using perks to generate business savings.

The **four steps** that made a significant difference:

1. We opened the application window **one month early** – March instead of April
2. We **spread the salary deductions over 11 months**, instead of nine
3. We **increased** the maximum number of days colleagues could purchase **from 10 to 15** from March 2025
4. We ran an internal engagement campaign in December 2024 (12 Days of Pluxee), entering colleagues who engaged with our benefits into a **prize draw**

**The results speak for themselves!**

✖ **30% uplift** in employee applications

✖ **20% uplift** in business savings

✖ Total business savings equalled **4.4% of our NIC bill!**

# Cost-effective benefits...

Deliver real value.

The University of Salford case study, along with our stats, proves that you can offer employees the support they need to bridge the gap left by stagnant salary increases through employee benefits and **still save money.**

**That's not even the full extent of the story.**

**We saved money by offering more of the right perks,** not by cutting back on employee wellbeing.

In our guide to [strengthening your EVP](#), we explored the reality of a 3% pay increase and the **concept of pay increase inequity.**

With the latest Benefits in Kind (BiK) changes and Income Tax freeze, many employees will be worse off. Additionally, your planned pay rises, which are also more expensive for you since the April 2025 NIC increases, won't have as much of an impact.

Our savings list shows all the ways your employees can spend and save with our [Discounts Marketplace](#) within our [Pluxee Employee Experience Platform](#).

How does this compare to the take-home value of their next pay increase?

Expenses	Average Annual Spend	Potential Savings
Family Holiday (Holidays/Weekends Away)	£4,800	£480
Family Days Out	£1,200	£200
Footwear	£151	£12
School Uniform	£249	£18
Clothing	£749	£60
Grocery Shopping	£6,096	£244
Home Improvements	£1,000	£50
Gardening	£265	£12
Home Equipment / Tech	£1,115	£67
Christmas	£719	£44
Additional Services (Will Writing / Eye Tests / Glasses)	£398	£282
Workout Gear Equipment	£200	£12
Health and Beauty (Vitamins / Cosmetics / Skin care)	£474	£19
Hobbies	£1,400	£1,810
<b>Total Spend / Save</b>	<b>£20,054</b>	<b>£1,810</b>

Our data shows that the average user saves **£1,200+ per year** by combining daily discounts with cashback opportunities.



[Click here to see the video](#)

Businesses that centralise benefits and perks into a single, streamlined app-based hub see **6x higher** employee uptake, delivering a higher ROI.

# The consolidation effect.

## Streamlining for the win.

**Financial wellbeing benefits are a sound investment.** They can save your business thousands of pounds – hundreds of thousands in some cases – and provide tangible value for your employees.

They help alleviate the financial impact of restricted pay increases, **reducing financial anxiety** that causes stress and absenteeism and protecting your bottom line.

Salary-stretching benefits make your employees feel **more valued** and **supported**, helping to retain their **loyalty** when future options present themselves.

A transparent, **modular pricing structure** provides clarity, helping you plan your end-to-end rewards and benefits budget without any hidden surprises.

How you **treat your employees today** will impact your business tomorrow. Whether the outcome is positive or negative is within your power to influence.

If you make short-term cost-efficiencies today that negatively affect your employees, it could cost you in the **long term in terms of business resilience.**

How you deliver employee benefits also matters. It's the consolidation effect. When you consolidate and centralise your employee benefits into one platform, you'll **benefit from cost and process efficiencies.**

# Navigating pay increase challenges.✖

Be confident in the total value you offer.

With the cost of employment rising for the second consecutive year, and millions of employees' take-home pay affected, you're likely to have some **challenging conversations about pay increases during 2026**.

Your benefits platform can give you **confidence** during pay negotiations, arming you with an understanding of the added value you're delivering.

- ✖ **Know the numbers.** With the Income Tax freeze, the value of a pay increase could be reduced significantly
- ✖ Be **honest and transparent** about business results and the reasons behind your offer. Most employees will understand that employers are facing rising costs as well
- ✖ Communicating the **total value of their employee benefits** helps tip the scales, showing your workforce that you're finding new ways to offer them more while protecting the company's financial resilience

## What Next?

Yes. There's more to the story. **Who you partner** with matters. As well as making it easy for employees to access their benefits, partner with a provider who **helps boost benefits uptake, ensuring everyone wins.**

Prefer to talk?



Pay increases aren't always possible, but that doesn't mean we can't create real value for our people. Let's think beyond salary."

Kimberley Rowbottom, HR Director, Pluxee UK

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**Wellbeing**



# Employee wellbeing...x

A vital piece of the equation.

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- x Over **13 million working days** are lost every year to stress-related illnesses
- x **55%** of C-suite professionals believe they're unprepared for navigating the impact of an **ageing workforce**<sup>3</sup>
- x **67%** of businesses globally invest in preventative healthcare to mitigate the impact of **rising private medical insurance costs**<sup>4</sup>
- x Every **£1 invested** in employee mental health **yields a £5 return**

You've tackled the cost-efficiency part of the equation, utilising the value that benefits bring to the table in topping up wages with perks that deliver tangible savings.

In your new, **true north equation**, wellbeing is holistic, encompassing emotional, mental, and physical aspects alongside financial. The stats across show the cost implications of making efficiencies that negatively impact employee health and wellbeing.

Neglecting employee wellbeing to make efficiencies will cost more in the long term than any preventative health strategy would.

**A more resilient workforce is less absent, less likely to burn out, and is more engaged, motivated and productive.**

Prioritising employee wellbeing today will help you reduce PMI costs and alleviate the impact of an ageing workforce.

**Employees want their employer to support their wellbeing, and doing so earns their loyalty today, when times are tough, and tomorrow, when the horizon is brighter.**

<sup>3</sup>: People Management Magazine. <sup>4</sup>: HR Review

# Mind & body. Recognition & loyalty.✘

All the elements that make a person whole.

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A person's health and psyche are made up of different interconnecting elements that affect one another.

When one element is off-kilter, it can tip the others off balance, too, creating a spiralling effect if left unchecked.

Poor financial wellbeing affects mental health, and poor mental health can impact physical health.

Wrap this all up with the emotional–human element, which external influences can positively or negatively impact, and you've got a complex system of interconnecting parts

that can all **affect the overall wellbeing of the whole.**

Your recognition and reward strategy ensures employees feel seen and valued for all they do = bonus points for their emotional wellbeing.

**For this reason, [recognition](#) is an essential part of the wellbeing element within our equation.**

Your reward strategy can also create positive outcomes or financial wellbeing. A bonus added to their cashback-earning [Pluxee Card](#) will stretch their reward even further.



- ✘ **84%** of HR leaders agree that embedding an employee reward & recognition platform boosts employee engagement & retention
- ✘ **66%** of UK employees would quit their role if they felt unappreciated
- ✘ **79%** of workers said they worked harder when recognised, & **78%** were more productive!
- ✘ Effective & inclusive recognition programmes reduce voluntary staff turnover by **31%**



# Money is the route of all...<sup>x</sup>

Well... it's a vital piece of the puzzle.

**x 81%** of UK employees feel the impact of rising living costs. Helping people save money through discounts is no longer optional; it's a lifeline

**x 60%** of workers say discounts and cashback are among the most valued benefits

**x 51%** of Brits have less than 3 months' wages in available savings

**x 39%** of adults (20.3 million) don't feel confident managing their money<sup>5</sup>

Analysts estimate that the Income Tax freeze will drag over 1.7 million workers into paying tax on their salaries for the first time.<sup>6</sup>

Because the thresholds won't rise with inflation, basic-rate taxpayers will be roughly **£220 out of pocket each year**, increasing to approximately £600 for higher-rate taxpayers.<sup>7</sup>

In 2025, the median pay increase was 3%, which is 1.5% less than in previous years. Early predictions estimate the 2026 median increase at 3–4%, but anticipate it dropping again to **2–3% in 2027**.

**The reality:** Salaries won't keep pace with inflation, making it harder to make ends meet. At the same time, nearly 2 million employees will also be nudged into the higher tax bracket.

Mix these insights with the statistics shared across, and it paints a **bleak picture for your employees'** financial health, and this is before the pension cap applies in 2029.

If you employ 250+ people, absenteeism and presenteeism caused by employee money worries are estimated to **cost your business £526,478 annually**.<sup>8</sup>

**An investment in financial wellbeing is an investment in organisational resilience.**

**Prefer to talk?**

5: Financial Capability. 6: The Guardian. 7: IFS. 8: Cebr/Aegon

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**Resilience**



# Resilience today.✖

Empowering your workforce to deliver for your business.

It costs considerably more to employ someone today than it did two years ago, so you need your workforce to perform at their best.

**To be resilient today, all the pieces of the puzzle must align.**

Cost-efficiencies may be unavoidable, but you also need financially, mentally, physically, and emotionally well employees to deliver results.

If saving money comes at the expense of employee wellbeing, then you will inevitably see an increase in recruitment, absenteeism and presenteeism overheads, **impacting your bottom line today and in years to come.**

**Resilience = a healthier, less stressed, more engaged workforce that helps drive results and innovation – vital during economic downturns.**

9: ONS.



The jobs landscape is ever-changing.

Furloughs and limited options reduced churn during the peak of the pandemic, but once restrictions were lifted, **the rate of job moves were at 3.2%** (April – June 2021), a record high.<sup>9</sup>

When the economy grows, as it is predicted, so will your employees' employment options.

You must take measures to ensure that those who **remain today out of necessity** do so when the greener grass presents itself out of **loyalty.**

# The true cost of cuts.✖

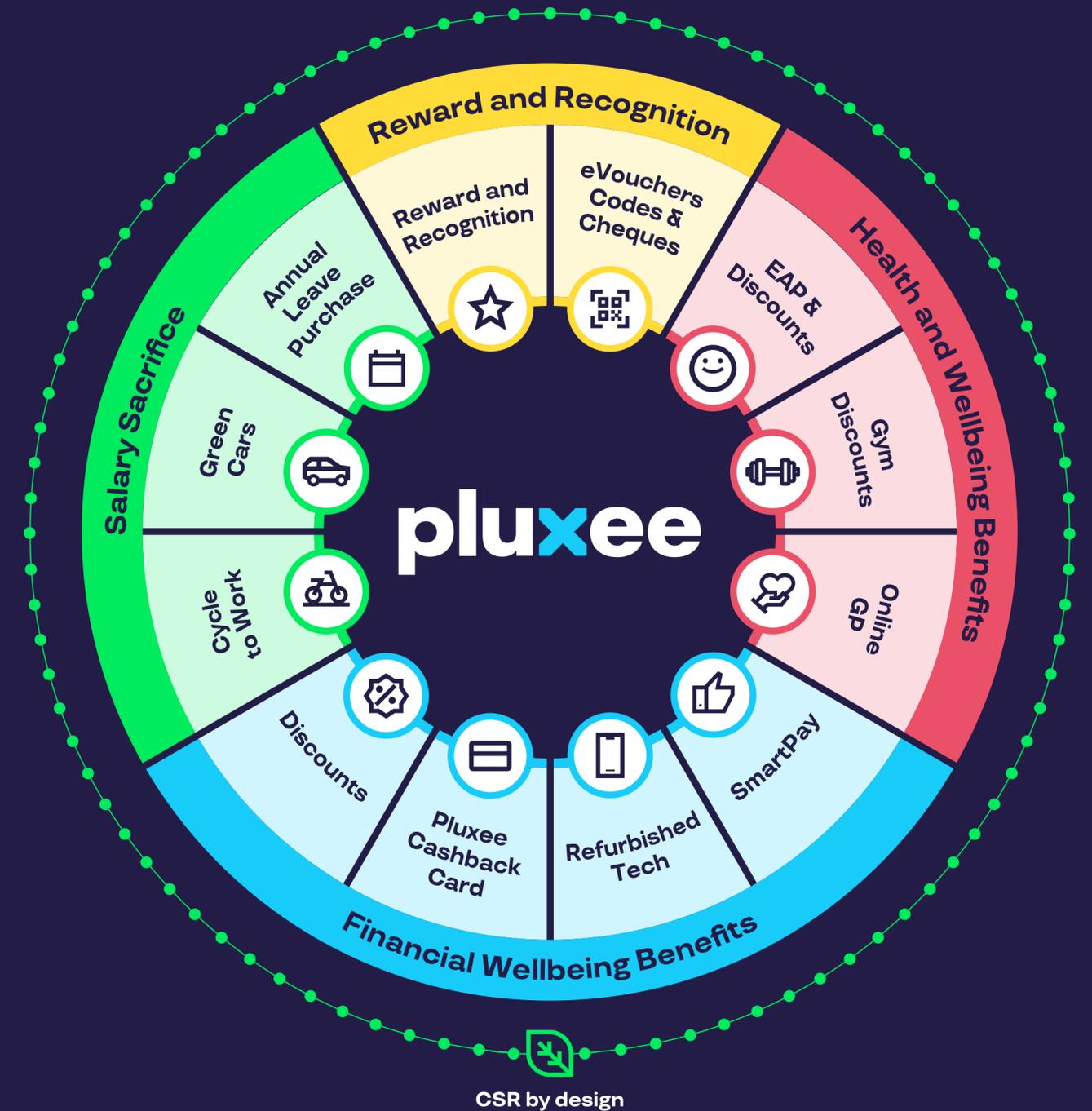
Because retention is a 'tomorrow problem' to alleviate today.

It costs up to **£30,000** on average to replace one employee, rising to up to £100,000 for more senior roles

Generally, a 'good' employee turnover rate is between **12 and 20%**

In a business of 300 people, that's **36 to 60** people leaving your business each year

Unless you're downsizing, that's 30 to 60 roles that you'll need to replace, costing you between **£1,080,000 and £1,800,000 annually**





# Future resilience.<sup>x</sup>

The path to a brighter prospects.

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Retaining the skills needed for your longer-term growth strategy is vital for achieving resilience.

In the current climate, you may not feel retention is a pressing issue today, but it could be tomorrow.

If you're facing skills and labour shortages in your sector, future mobility could present significant challenges.

## So, how can you set the scene for future resilience?

1. Creating a **loyal workforce** today by being transparent, prioritising their wellbeing, supporting them in cost-effective but impactful ways, helping them develop and grow, and ensuring they feel recognised and valued, will **plant the seeds for future resilience**
2. Investing in lifestyle-improving benefits that **stretch salaries**, deliver more **tangible value** than a pay increase can, while **reducing overheads** and improving output, is an organisational cost-efficiency

**Benefits are no longer perks for employees; they're a strategic business investment.**

Prefer to talk?

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# From Theory to Practice



# Success stories.✖

Why we do what we do.

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I'm thrilled to bits with the benefits package offered by SIG. I've not felt this valued by a company in a long time."

Happy SIG UK Employee



The benefits platform at Salford has contributed significantly to my wellbeing. I like the wide variety of offers available and the selection of options, including prepaid cards, cashback, and general discounts."

Dean Brown, Careers and Enterprise Team, University of Salford



# From theory to practice.<sup>x</sup>

The Pluxee Employee Experience Platform.

**We've covered a lot:** why you may need to make cost efficiencies, how you can achieve them while still delivering value to employees, and why we can't neglect employee wellbeing if we're to become **resilient in the long term.**

We've introduced several salary-stretching and wellbeing-boosting benefits into the conversation, explored the **financial risks of short-term savings**, and explained why how you deliver perks to your people matters as much as what you offer.

It's time to take all we've shared and **give you something more tangible to build into your post-Budget efficiency, wellbeing and resilience strategy.**

To put theory into practice and provide you with the tools you need to become resilient.

[The Pluxee Employee Experience Platform](#) consolidates all your perks, wellbeing solutions, rewards and recognition modules into one user-friendly app, ensuring your employees **can meet all their wellbeing needs, whenever, wherever.**

As for efficiency... Our HR dashboard provides real-time reporting and reduces admin, enabling you to measure impact and value while **saving your HR team hours.**

# Using the equation to thrive. <sup>x</sup>

Creating a strategy that ensures future sustainability.

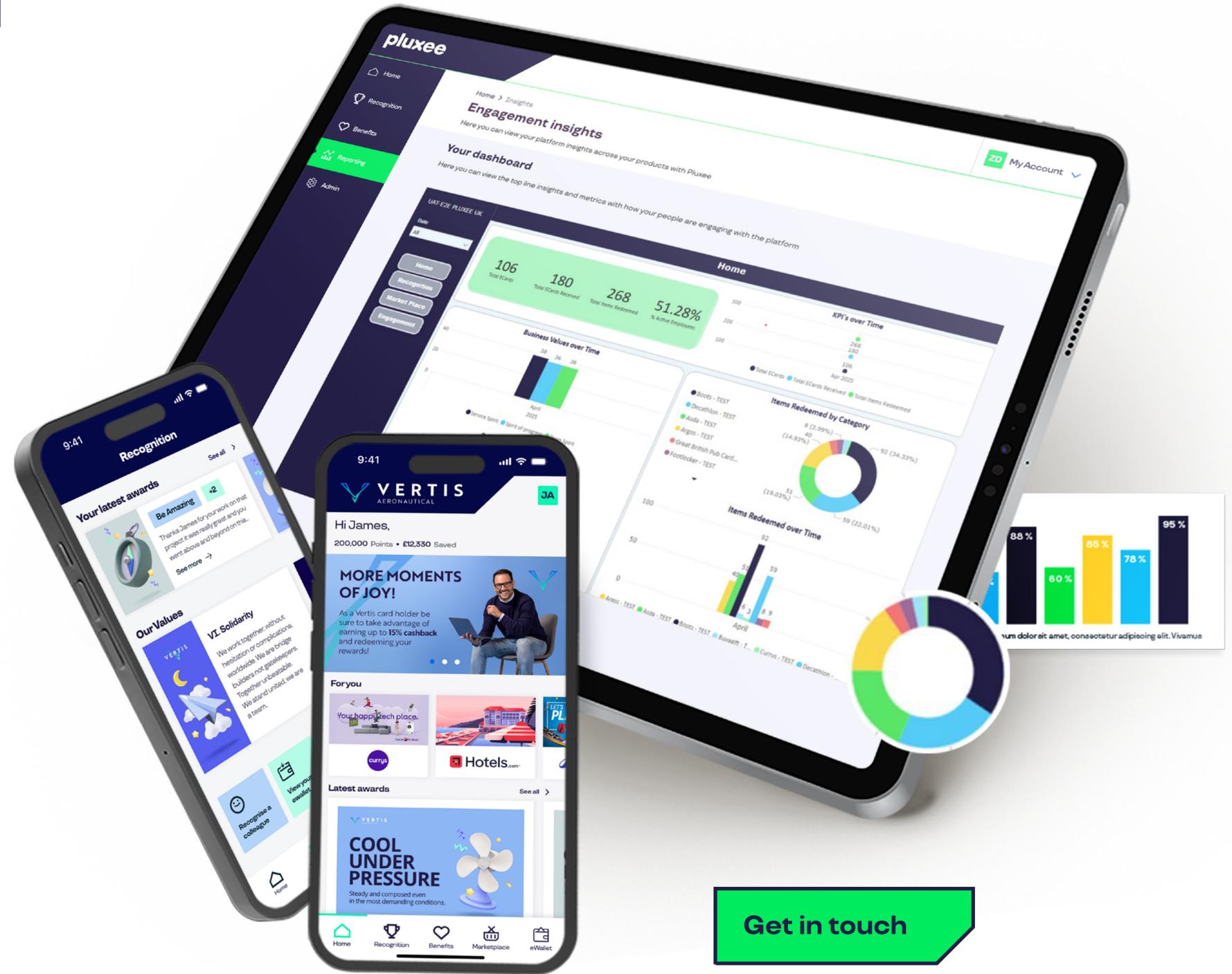
You can give your employees more value than a pay increase while driving **cost-efficiencies**, you can protect your bottom line while prioritising employee **wellbeing**, and you can carve out a sustainable path to **resilience** during economically challenging times.

With a Pluxee partnership, you get a teammate. Think of us as an **extension of your workforce** focused on making your benefits programme work for your people and business.

View real-time reports and KPI metrics, then talk **strategy** with your **client success manager**.

Download campaign assets and internal communications materials from your Hype Hub to keep employees excited and up to **6 times more engaged** than they were with fragmented benefits strategies.

**#WorksBetterWithPluxee** in your business, by your side, and putting money back in your employees' pockets.



Get in touch

# Meet Pluxee...

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Pluxee is the global leading employee benefits and engagement partner that opens up a world of opportunities to help everyone enjoy more of what really matters to them. Through a full range of innovative and digital solutions deployed in 28 countries, Pluxee creates meaningful, engaging, and personalised experiences to contribute to the well-being of individuals at work and beyond.

In the UK, Pluxee offers award-winning employee benefits, rewards and recognition all designed to bring more value to people. Globally, Pluxee supports the purchasing power and promotes the well-being of more than 37 million consumers. Pluxee accompanies 500,000 clients in developing more meaningful relationships with their employees and improving engagement. Pluxee simplifies the lives of 1.7 million merchants every day. Strengthened by its historical ties with Sodexo, Pluxee, with its 5,600 employees, is committed to increasing its influence as a CSR leader by giving its clients, partners and consumers the means to make more sustainable choices every day.

[www.pluxee.uk](http://www.pluxee.uk)

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