

Booming voucher market

FLEXIBLE benefits is causing many employees to drop core benefits in favour of vouchers, claims Sodexo Pass.

Director of incentives and motivation Alexandre Meerson says vouchers are seeing a surge in popularity with £120m spent on them in 2005 alone.

"Our research into the incentives and rewards industry in the UK identified that within the core benefits market, employees were actually opting out of their flex scheme options and replacing them with vouchers," he said.

Some of the increased interest is due to employees being offered the same flexible benefits options as their partners, so opting for vouchers avoids doubling up.

But Vebnet head of flexible benefit consulting Marcus Underhill was less sure. According to him, the growth in vouchers comes from three areas: flexible benefit



Underhill: 'electronic offerings'

plans, incentive arrangements and tax changes which have encouraged the growth of childcare vouchers.

"Obviously childcare has grown considerably because of changes in legislation to offer more tax benefits, but I have not noticed any particular increase in vouchers over the last couple of years," he said.

"Where I do see growth is the interest people are showing in electronic offerings rather than having to mess around with pieces of paper."