



Lottery jackpots prove not everyone wins

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Earlier this month a syndicate of IT workers from Liverpool were pronounced winners of £45.5m in the Euromillions jackpot. The seven or eight workers are now enjoying £5.5m each. You can only imagine how the day progressed after these syndicate members turned up for work as usual on a Monday morning and learned about their mammoth windfall.

The new millionaires were all members of management and it remains to be seen if they stay or leave their positions. To lose an experienced senior team virtually overnight would be an extreme stroke of bad luck for any company. But is it any worse to lose these people to a life of luxury affected by a windfall than to have them poached by a top competitor?

In late 2007 a 16-strong lottery syndicate in Warwick, mainly shop floor workers, won £475,000 each and while there were no immediate resignations, the disruption following the announcement was quite considerable. Although Camelot helped the company to manage the publicity, there were TV crews and press people on site to interview the winners which caused a major distraction for some time afterwards. As time has progressed, the lottery winners have proved reluctant to do their share of extra hours to which they had no problem committing prior to their win.

Of course, it's unlikely that any employer will have considered any specific procedures that might have helped these two organisations with the impact of a lottery win. So what protection does an employer have if a syndicate in their workforce hits the jackpot?

Generally, if an employee wins a fortune and decides never to return to work, there is little the courts can do to force them. The issue becomes more complex if the individuals concerned represent a senior management team on six-month notice terms and whose immediate departure may threaten the stability of the business, such as participating in key business pitches. In these circumstances it may be necessary to take action under breach of contract and it wouldn't be unreasonable to seek for damages.

Camelot is keen to reassure company managers that immediate resignations are not the norm. They claim that 52% of big jackpot winners choose to stay at work for several months after their windfall, even if they eventually resign to enjoy their new lifestyle. This would imply that approximately half the employers who experience this situation in the future may have a little time to plan ahead after a syndicate win. The other half may not be quite so lucky. The smaller firms could be the worse hit, particularly where the group of winners accounts for a significant proportion of the workforce.

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a company might be welcomed and can even attract new clients hoping that the good luck will rub off."

There's also the envy to deal with from other workers who were not involved in the syndicate.

Some insurance brokers offer cover for losses sustained by lottery wins, for example, with payment triggered when two or more staff win at least £100,000 each and leave within 14 days and it includes a payout to cover the cost of hiring temps or recruiting new staff. This could be particularly useful for smaller companies.

There's also the argument that encouraging lottery syndicates can boost profitability. In a survey of 1,029 workers undertaken by Camelot last year 76% of employees believed that taking part in "non-work activities" such as lottery syndicates heightens productivity and helps with team building.

A few employers, including some parts of the NHS, already offer in-house lottery schemes as a staff perk, some of which are connected to the National Lottery but it is more common for employees to organise a syndicate themselves. Certainly employers don't have the right to discourage or ban staff from forming syndicates. The trade union Unison says: "In-house syndicates tend to be employee-initiated, and while we wouldn't want to see them specifically written into people's contracts, nor would we think it appropriate for employers to attempt to legislate against big wins. They are far too popular for that."

There is little a company can do to prepare for such an event but knowing where to turn when things do happen out of the blue can alleviate many of the problems. From contractual issues, employee management and relations, training and development, resourcing and succession planning, and change management, Pinnacle Development Solutions will have the answer. What's more, we are

The media interest in a jackpot win could potentially become intimidating and disruptive, especially in instances where a significant group of employees. On the flip side, any publicity for

available immediately, no matter when you need the support and advice. If you haven't yet tried us out for yourselves, please put us to the test. We offer a 30-day no quibble guarantee, which means that you won't pay a penny if we haven't helped your business. For more information please call us on **0800 907 1015** or email contact@pds-hr.com.

Leading by example?

You might be forgiven for thinking that there's a loophole for every rule, and certainly if you are working in the House of Commons you wouldn't be wrong.

Hot on the heels of the expenses debacle, news has emerged that Commons "volunteers" are receiving certain forms of pay that do not meet the requirements of National Minimum Wage.

The National Minimum Wage Act states that only workers who are "working on a voluntary basis for a charity, a voluntary organisation, an associated fund-raising body (e.g. a charity shop) or a statutory body (e.g. schools, hospitals) do not qualify for the NMW if they do not receive any other financial assistance.

Ministers would no doubt encourage you to read the consultation paper produced by BERR in November 2007 that refers to some grey areas between the definitions of "worker", "voluntary worker" and "volunteer" - the latter two are not governed by the rules of NMW but do allow certain expenses to be covered...

This is all contrary to the Government's own guidelines, which state that researchers are indeed classed as workers! The story may have been overshadowed by bigger news but expect more on this in the coming weeks.



If you employ individuals on a formal contract or have voluntary workers assisting in your workplace, can you be sure you are paying them correctly?

Pinnacle will ensure you are meeting legislative requirements and in the case of volunteers, help you understand what can be gifted or reimbursed in lieu of pay within the guidelines. Just call **0800 907 1015** or email contact@pds-hr.com.

November Event

Pinnacle is holding a **FREE** Employment Contract briefing on 26 November 2009 at Basepoint Ipswich. It will feature short time working, layoffs and many other common employment contract pitfalls. Join us for a buffet breakfast and networking opportunities from 8 am before the briefing at 8.30 am, finishing by 9.45 am.

Following the briefing, we are offering you the chance to book a 10 minute appointment with an HR expert in our HR surgery - **also free of charge!** Why not bring your organisation's contract of employment along for a quick review?

Please email contact@pds-hr.com or call **0800 907 1015** to book, saying whether you would like to attend the briefing, the surgery or both.



Places are strictly limited and will be allocated on a first come, first served basis. Don't miss out on this great opportunity - **contact us now!**

This month @Pinnacle

- FREE Employment Contract briefing on 26th November 2009 at Basepoint Ipswich
- Undertaking policy work for local professional firm
- Delivering 'How to Manage Disciplinary Issue' for a large transport organisation.
- Pinnacle's new website is progressing fast - watch this space!

Need help with employment issues? Please call Pinnacle and speak to your local experts. We're just a phone call away on 0800 907 1015 or email contact@pds-hr.com.



Further assistance

If you would like further information on any issues raised by this bulletin, or require advice or assistance with any other human resources matters, please call us today on 0800 907 1015 or [send us an email](#).

And if you'd like complete protection against anything the growing volumes of employment law can find to throw at you, don't forget our [HR Toolkit](#) - the must-have business accessory for 2009!



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