

Case Study

Corporate Pensions

Background

The client approached One Pension Consultancy as they felt their existing advisers were charging very high fees for a very low level of service.

We reviewed the arrangement and noted the following:

The Company were a year from their staging date yet no planning, or even conversations had started

No default fund was in place yet members were largely invested in the same fund

The pension was poorly communicated and many members had lost faith in the pension

Solution

As a starting point we looked the options and implications with regards to auto-enrolment to help the Company start planning and to allow them to budget for any increases in costs.

We helped the Company introduce salary exchange to make the pension more tax efficient for both employees and the Company

We introduced a robust default fund which complies with auto-enrolment guidance and requirements.

We rolled out a communication programme for employees including newsletters, a bespoke scheme booklet, regular webinars and presentations.

Result

The Company were well-prepared for automatic enrolment which was implemented smoothly. Only one member decided to opt out of the pension.

The saving from introducing salary exchange has countered any increase in employer pension contributions as a result of auto-enrolment.

Employees have reported greater understanding of their pension benefits.

AT A GLANCE

The Company were prepared for auto-enrolment both in terms of cost implications and administration requirements in good time for their staging date. The changes were implemented smoothly throughout the business.

Effective communication was introduced leading to increased employee engagement.

Cost was contained via use of salary exchange.