



# NEST and Workplace Pension Reform

Roy Porter – Head of Intermediary Distribution

October 2010

# Overview

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- Changes to workplace pensions
- Why NEST?
- Delivering NEST
- Priorities and next steps





# Changes to workplace pensions



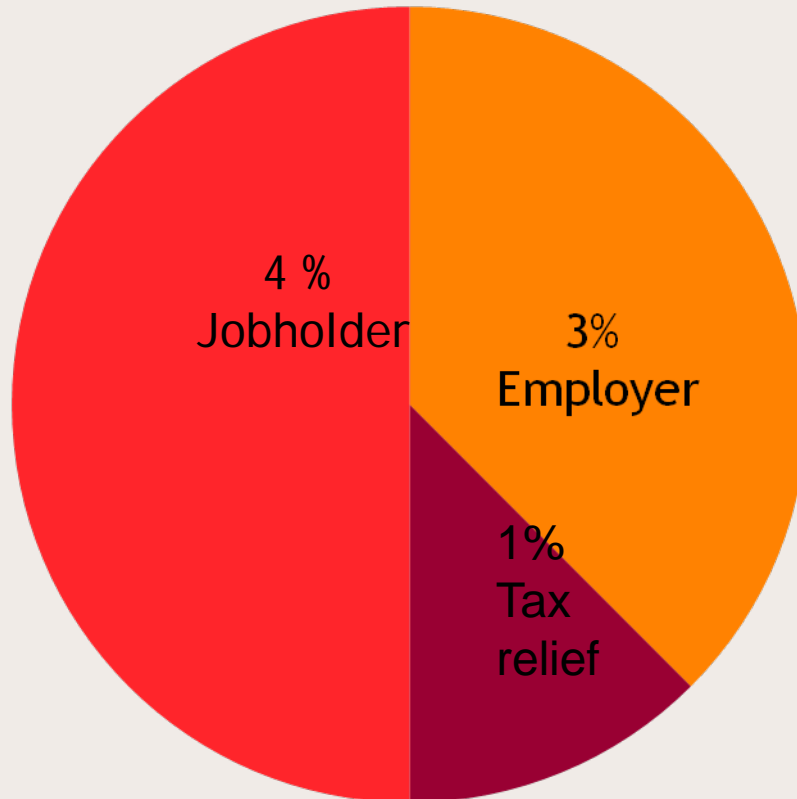
# What's changing

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- Pensions Act 2008 changes workplace pensions
- Eligible jobholders must be automatically enrolled
- Minimum contributions
- Duties will be staged in - largest first

# Minimum contribution levels

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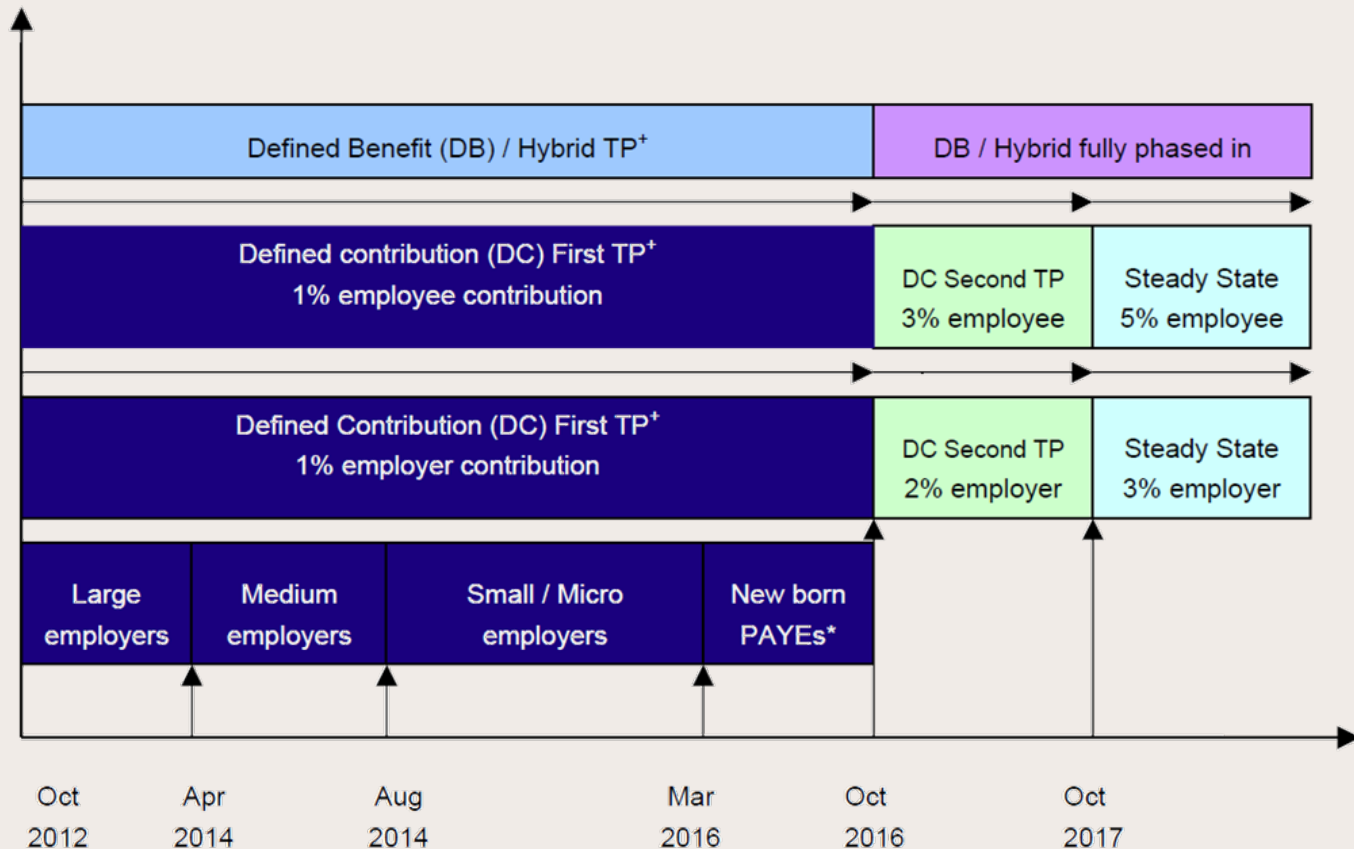
**8% total  
minimum  
contribution**

Eligible jobholders

- 22 to State Pension Age
- earning £5,035 and £33,540 pa (2006/7 terms)

Auto Re Enrolment

# DWP: staging and phasing plans



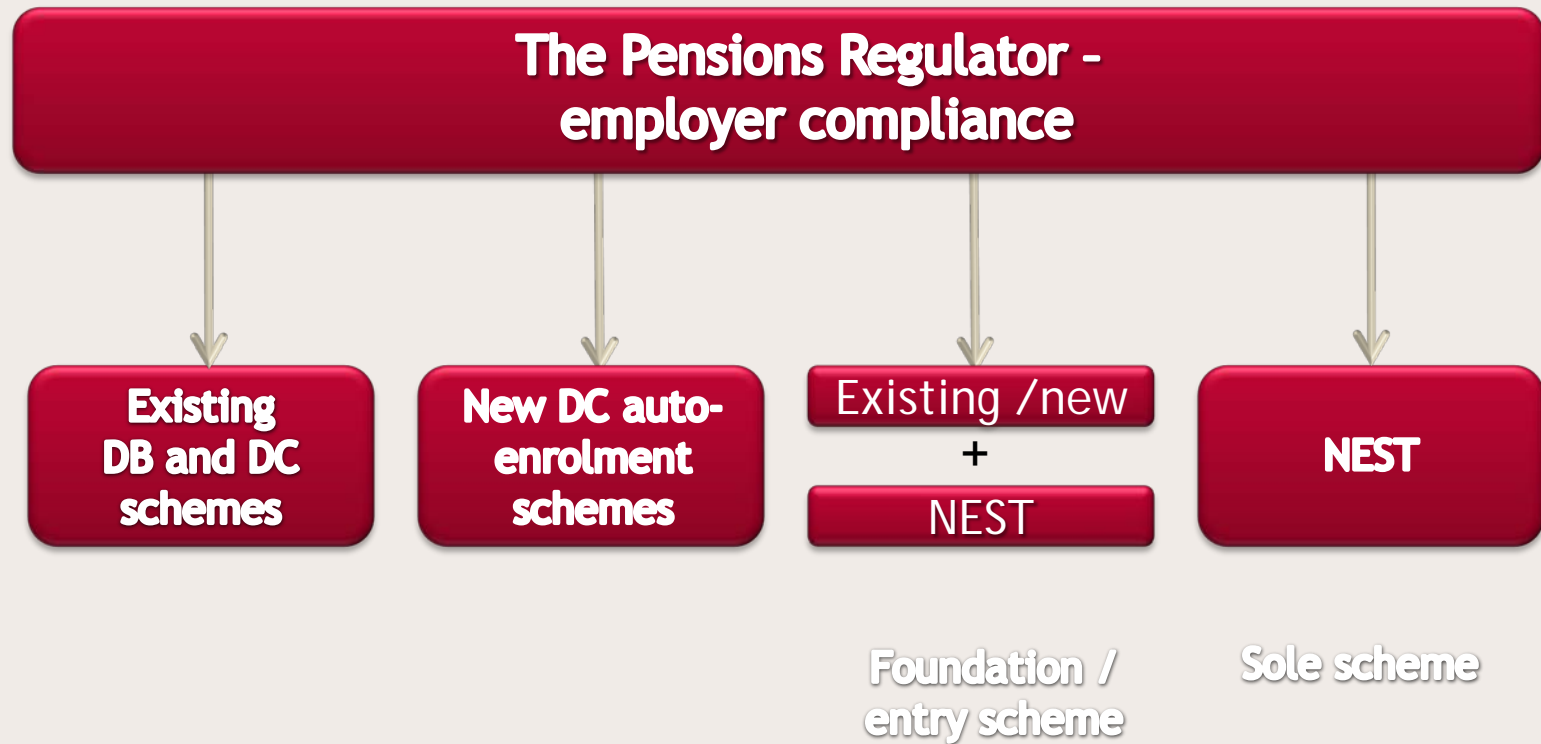


# Delivering NEST

- update on progress

# 2012 employer options

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# Scheme Features

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Low charges

Trust based

Self financing  
in the long term

Clear  
communication

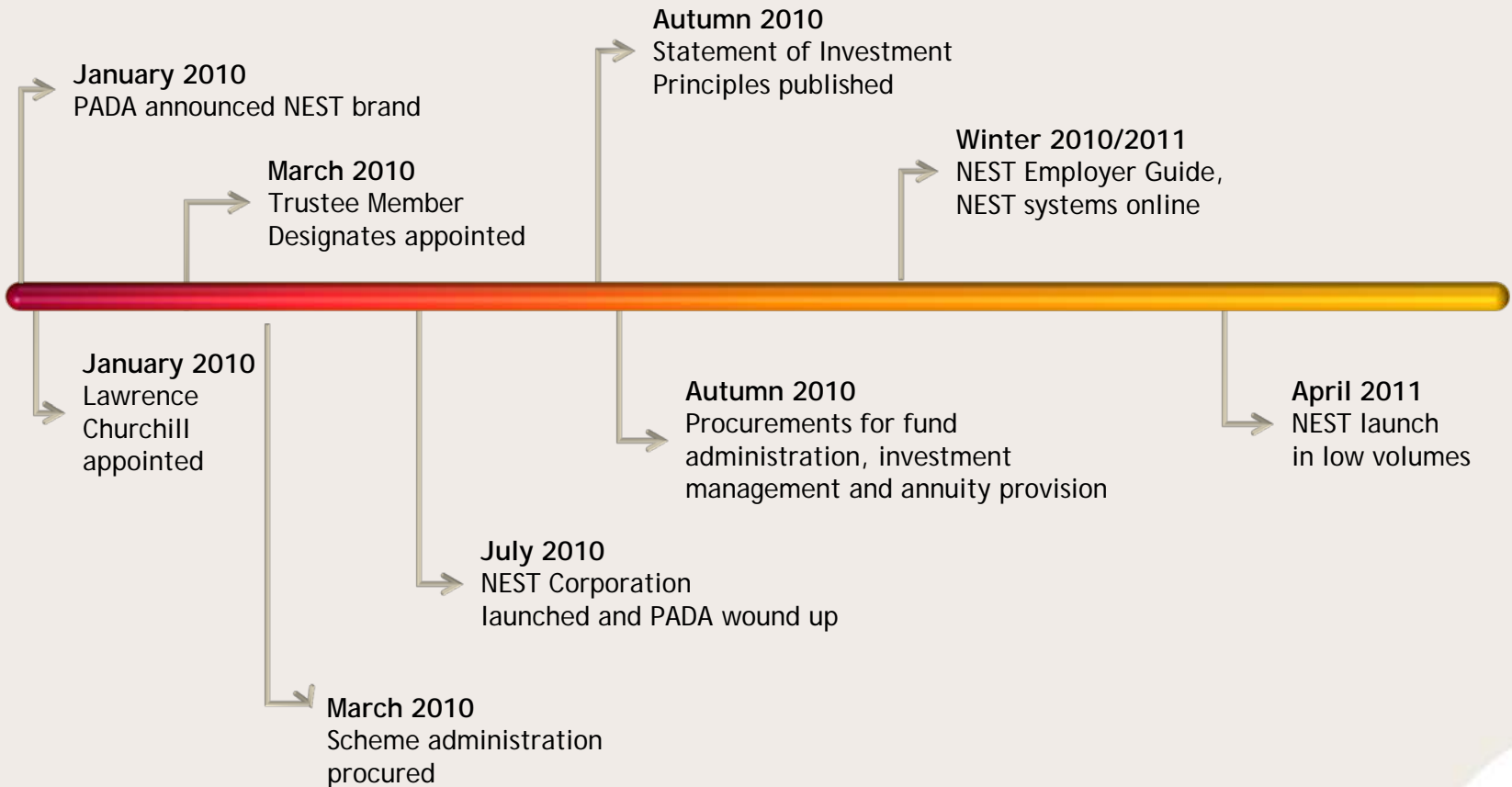
Portable

Open to  
any employer

'e' -Pension

Unique  
investment  
strategy

# NEST timeline





# Developing the brand

# Developing the brand

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# NEST Corporation

# NEST Corporation - established 5 July 2010

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- Chairman Lawrence Churchill



## Trustee Members



Tom  
Boardman



Laurie  
Edmans



Dr Dianne  
Hayter



Paul  
Hewitt



Chris  
Hitchen



Julias  
Pursaill



Sue  
Slipman



# Scheme administration

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- Scheme administration contract awarded to Tata Consultancy Services (TCS) in March 2010
- Two stage contract - first stage until October 2010
- All public-facing elements of scheme administration will be in the UK
- Scheme administration contract includes:
  - member enrolment, collection of contributions, account management and accessing savings
  - employer participation
  - passing funds to fund administrator

# Who is TCS?

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## TCS's international presence

- Tata Consultancy Services is an IT services, business solutions and outsourcing organisation working with clients internationally.
- More than 4,800 advisers work at over 60 sites in the UK TCS



## TCS and Diligenta

- TCS has more than 90 insurance clients including AXA Group, Pearl Group, Aviva, Aegon, Swiss Re and Prudential Financial.
- Diligenta is a UK subsidiary of TCS and provides services to the UK Life and Pensions market.



# Other contracts

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NEST's combination  
charge



# The NEST combination charge

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- NEST will be self-financing in the long-term
- 15 March 2010 - the then Pensions Minister announced:
  - an annual charge of 0.3 per cent on members' funds under management
  - a charge of 2 per cent of contributions until the set-up costs of the scheme have been met.
  - the Government will make a loan to NEST to cover those costs, ensuring it is delivered at no overall cost to the taxpayer.

# Next steps

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## Employers

- How will you meet your duties?

## Advisors

- Are you familiar with the options for your clients?

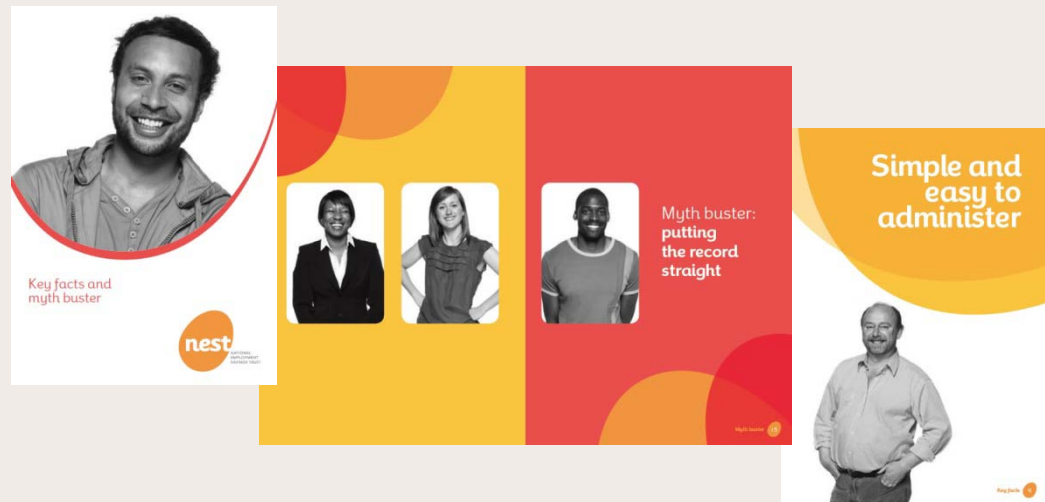
## Future members

- Find out more at [www.nestpensions.org.uk](http://www.nestpensions.org.uk)

# More information

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- Key facts and Myth buster
- [www.nestpensions.org.uk](http://www.nestpensions.org.uk)



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