

Pensions conference 2010 - Workshop A3

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Pensions 2012
Are you ready?

5-minute quiz

Everybody knows about automatic enrolment, don't they?

1. When do the new duties apply to a company with 15,000 staff?
2. Between what ages must employers automatically enrol workers?
3. What pension scheme membership rights do workers have outside of these ages?
4. What is the DC minimum contribution rate percentage in 2015?
5. At what level of earnings must a weekly-paid worker be automatically enrolled?

From what date do the new employers' duties apply?

Very large employers
(10,000+ workers)
(Autumn 12 – Easter 13)

No of workers	Staging date
120,000 or more	1 Oct 2012
50,000 - 119,999	1 Nov 2012
30,000 - 49,999	1 Jan 2013
20,000 - 29,999	1 Feb 2013
10,000 - 19,999	1 Mar 2013

Large employers
(500 - 9,999 workers)
(Easter 13 – Autumn 13)

No of workers	Staging date
6,000 - 9,999	1 Apr 2013
4,100 - 5,999	1 May 2013
4,000 - 4,099	1 Jun 2013
3,000 - 3,999	1 Jul 2013
2,000 - 2,999	1 Aug 2013
1,250 - 1,999	1 Sep 2013
800 - 1,249	1 Oct 2013
500 - 799	1 Nov 2013

Medium employers
(50 - 499 workers)
(New Year 14 – Summer 14)

No of workers	Staging date
350 - 499	1 Jan 2014
250 - 349	1 Feb 2014
240 - 249	1 Apr 2014
150 - 239	1 May 2014
90 - 149	1 Jun 2014
50 - 89	1 Jul 2014

Small employers
(Less than 50 workers)
(Summer 14 – Easter 16)

No of workers	Staging date
Less than 50	17 tranches (1 Aug 2014 to 1 Feb 2016)

New employers
(Easter 16 – Autumn 16)

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4. What is the DC minimum contribution rate percentage in 2015?
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Potentially quite a big job for employers

Prior to their statutory staging date, employers need to:

1. Understand the new requirements and decide how to respond
2. Change HR, payroll and pensions delivery
3. Engage with the wider workforce.

**Let's explore / discuss the above three topics –
highly participatory**

1. Deciding how to respond to the new requirements

Considerations include:

- What vehicle(s) to use going forward?
- What design for these vehicle(s)?
(including design changes where existing schemes are to be used)
- Seeking and obtaining agreement to the changes.

PwC Pensions Survey – to be published June 2010

85%* of companies
expect their existing DC
scheme to be their
primary pension vehicle
for their wider workforce

* 53% trust-based, 32% contract-based eg Group Personal Pension (GPP)

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PwC Pensions Survey – to be published June 2010

8% expect to use
NEST for some of their
workforce

43% say they will
never use NEST

1. Deciding how to respond to the new requirements

Considerations include:

- What vehicle(s) to use going forward?
- What design for these vehicle(s)?
(including design changes where existing schemes are to be used)
- Seeking and obtaining agreement to the changes.

2. Changing HR, payroll and pensions delivery

Discussion:

- How ready to implement automatic enrolment are in-house / outsourced HR, payroll and pensions administration providers?

3. Engaging with the wider workforce

Discussion:

- Employers' communication objectives?
- Expected (desired?) rates of opt-out by members?
- Potential solutions for operational communication complexities?

Summary: Potentially quite a big job for employers

Are you ready?

Questions or comments?

