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Auto-enrolment Lessons learnt... but what next?

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Agenda

Auto-enrolment: Why?

Expectations and experiences

What next?





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Auto-enrolment: Why?



Increasing personal savings and reducing the growing dependence of pensioners on means-testing.

Ageing population of the UK.



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What must I do?

- Choosing Provider
- Assess workforce
- Monitor ages and earnings
- Pay contributions
- Process opt-outs
- Process opt-ins
- Keep records
- Governance



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Charities: At a glance

25,600 “stage” between mid 2014 to end of 2015

22,000 in 2015!

**Confidence
level of 76%**

70% of charities have less than 60% in pension scheme

47% have fewer than 40%!

Costs!

70% plan to use their existing Scheme

**Don't bank
on it!!**

“Better workplace pensions: further measures for savers”.



Auto enrolment case study

Royal Mencap Society

About us

Valuing and supporting people with a learning disability, and their families and carers

Our vision is a world where people with a learning disability are valued equally, listened to and included.

We want everyone to have the opportunity to achieve the things they want out of life.

Mencap employs approximately 10,000+ staff

- 8000+ care workers
- numerous work patterns
- 100+ pay elements
- 1 monthly payroll run

Our Work

Our work includes:

- Providing high-quality, flexible services that allow people to live as independently as possible in a place they choose
- Advice through our helplines and websites
- Campaigning for the changes that people with a learning disability want

Auto enrolment – case study

Kick-off

- Sufficient time
- Key people involved at the outset
- Keep it simple
- Reviewed nature of our workforce
- Changed pension arrangements



Auto enrolment – case study

Next stage

Set up

- Detailed project plan
- Communication plan

Reviewed providers & appointed NEST

Utilised postponement

Tested & installed payroll upgrade

Designed processes and trained staff



Auto enrolment – case study

- **Other considerations**

- regular processing
- opting-in/ opting out
- employee support
- interfaces with provider
- record keeping
- registration

- **Salary Sacrifice**

- NI savings offset upfront expense

•
1 July 2013

- 4500+ employees auto-enrolled
- Opt-out rate 8%

1 April 2014

- 5200+ employees in NEST
- Opt-out rate 2%

Key Lessons

Allow time to both find a cost effective qualifying scheme that suits your workforce and implement effectively



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**The voice of
learning disability**

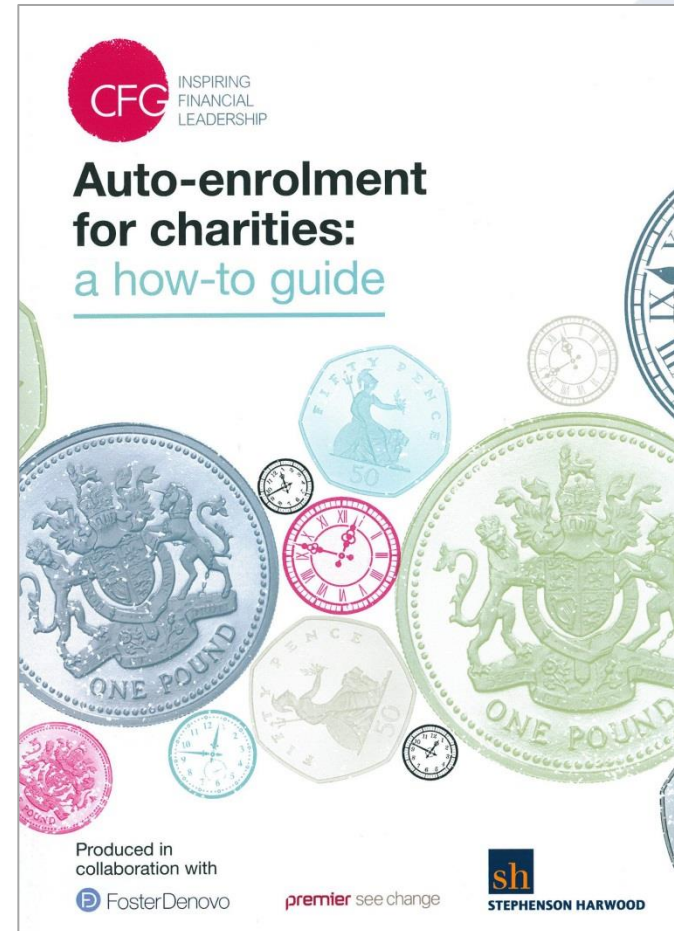


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Lessons learned

- Burden of implementation
- Early planning
- Factor in costs
- Check with Provider
- Low opt-outs

But what next...





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The experience of others...



- Auto-enrolment for over 20 years
- Employer contributions: From 3% to 9% with 10 years
- Employer contributions of 12% by 2019



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And after 2018?



Tuesday 5th November 2013

Westminster Employment Forum

Pensions and annuities markets: next steps for regulation

What will happen after auto-enrolment comes to an end?



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Any other costs? (Part 1)

The Pensions Regulator

Code of Practice 13: Governance & administration of occupational defined contribution trust-based pension schemes (Nov 2013)

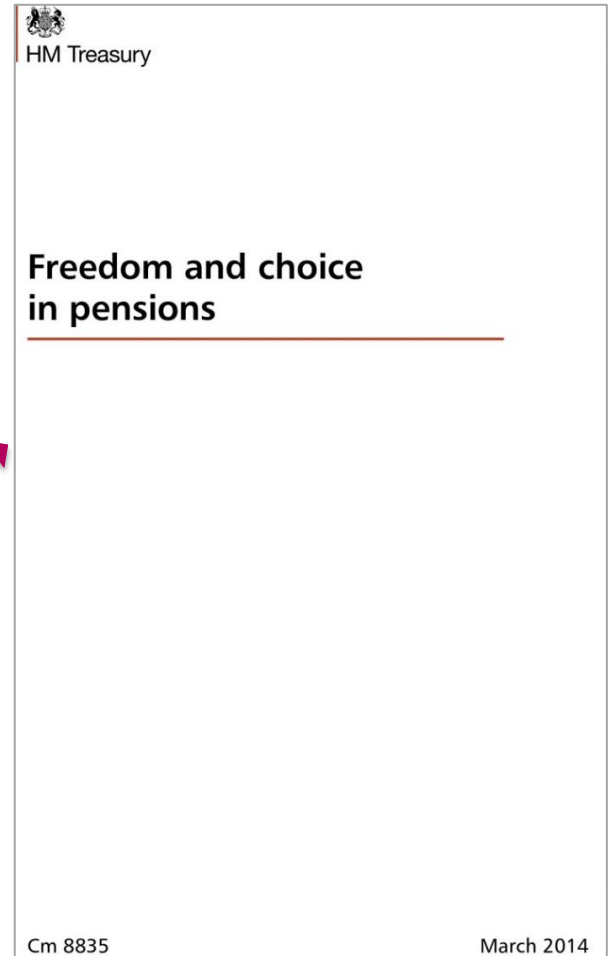
Monitoring your pension scheme:

Management committees for employers (July 2013)



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Any other costs? (Part II)



Freedom & choice in pensions

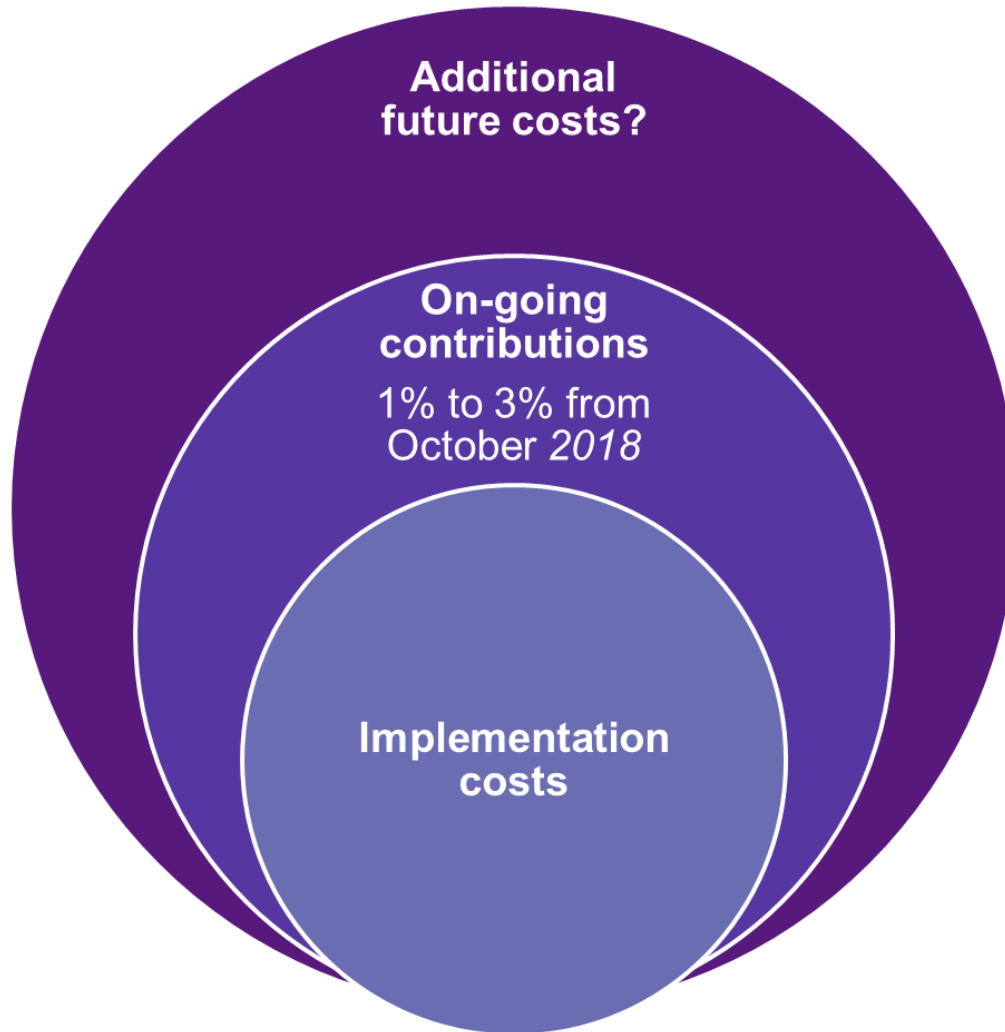
“Free face to face advice for all” became

...Guidance guarantee



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Auto-enrolment: Cost or the hassle?





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Helping you?

Got to auto-enrol & looking for help?

Auto-enrolment consultancy planning tool

Register interest by 31 May 2014 and get 20% discount on fees.

cfgconferenceauto@premiercompanies.co.uk

Defined contribution pensions: Are we doing the right thing?

A simple good governance checklist - starting off on the right track.

cfgconferencechecklist@premiercompanies.co.uk

Thank you



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