



*Chair of the Pensions
Advisory Service, David
Harker CBE*

*“If the year 2013/14 made
any mark on the pensions
landscape, it was to cement
automatic enrolment as one
of the most successful
pension policies in a
generation”*

*Lawrence Churchill CBE,
Chair of NEST Corporation*

NEST reaches one million members

The National Employment Savings Trust (NEST) has published its latest annual report which shows the extent of the impact of auto-enrolment. NEST now has over one million members, compared with 80,000 at the same time last year, and is working with some 4,700 employers compared with 347 last year.

Smaller employers now need to get to grips with their auto-enrolment duties which are approaching rapidly. Interestingly the level of employee ‘opt outs’ is somewhat lower than expected. Employers clearly need to factor these costs and future increases in their contributions into their remuneration package and financial plans. Again please contact your consultant if you wish to discuss these requirements.

New government appointments

The Department for Work and Pensions (DWP) has announced that David Harker CBE will be the new Chair of the Pensions Advisory Service (see item overleaf on the government’s ‘guidance guarantee’). Mr Harker has been a member of the Financial Conduct Authority Board since 2013 and was previously the chief executive of Citizens Advice.

The DWP has also appointed Dr Ros Altmann CBE as Business Champion for Older Workers. Her appointment marks the latest step in the government’s drive to support over-50s in the UK labour market.

Company news

The BT pension scheme has put in place a longevity swap covering £16 billion of the scheme’s liabilities using an insurance company created by itself and Prudential Insurance Co of America. The arrangement is the biggest of its kind in Britain.

Auto-enrolment provider NOW:Pensions has announced changes to its lifestyle investment strategy in light of the new pension flexibilities being introduced by the government. Previously, members’ funds were switched into a fund targeting annuity purchase as the member approached retirement. Going forward, they will be transferred to a cash fund.

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