



Pensions positivity

✓ **Kevin Martin explains how re-enrolment can be a great opportunity to be positive about pensions**

When I talk to friends who don't pay into a workplace pension, we often get on to the discussion of why they don't put money aside to save for later life. I then mention the free money they're giving up and suggest they might as well take money out of their wallet and burn it. That image often gets their attention!

In the pensions industry we're constantly trying to get the message across that saving for the future is a good thing. And there's no doubt that the nudge approach offered by auto-enrolment has helped, with 10 million more people now saving into workplace pensions.

But how do we get those who can afford to save, but aren't doing so, to listen?

Re-enrolment provides a great opportunity to reinforce the positive messages around pension saving. Every three years, the government wants to put employees who've opted out, ceased active membership, or reduced their contributions to below the minimum level, back into a pension scheme.

Essentially, it's another chance for employees to get the free money they're missing out on. Another gentle nudge to take the time to reflect on their current circumstances. Maybe it didn't feel right to join their workplace pension scheme previously, but things might have changed now. After all, a little bit is better than nothing and their employer will add to their contributions, and the

government will top that up, so it will grow over time.

Covid-19 has proved how significant a major event like a global pandemic can be for people's income and quality of life, and why it's even more important to plan for the future. But at the same time, we need to be mindful that people's disposable income may have been significantly squeezed. This crisis has left people with a lot of concerns about affordability and having to take some tough decisions about how to balance their budgets.

Throughout the crisis, however, the re-enrolment process has continued unabated, with employers continuing to reassess their entire workforce on the three-year anniversary of their staging/duties start date. This provides a platform to open up the conversation again.

The Pensions Regulator expects employers to continue to fulfil their legal duties to re-enrol eligible staff. And this year is particularly busy for re-enrolment. Lockdown coincided with a surge at The People's Pension, with some 13,000 employers going through re-enrolment in April and May.

We knew this would generate a big increase in the number of customers needing help with submitting files and running the process. Our staff have been working from home by email to manage the re-enrolment numbers.

It's the employer's duty to enrol and re-enrol staff but we're here to hold their hands and guide them along the way if they need it. Over the past couple of years, we've worked hard to learn from experience and address potential bottlenecks. For the re-enrolment process to work effectively, it's essential that employers tell their employees in

good time that this is happening and that they'll be re-enrolled in advance so there are no surprises. It's also really important that employers submit their payroll contributions promptly so that we can send joiner information to new members. For those who are still absolutely adamant they can't or don't want to start saving for their future, they can then make the decision that is best for them in good time.

So, we provide communication templates and handy information in our regular emails and on our website – including a five-step process to help employers understand exactly what they need to do. We've developed a whole host of additional materials to support employers with re-enrolment including reminder emails, videos and posters.

Auto-enrolment and re-enrolment are here to stay and pensions are now part of every working person's life. We'll continue to make the case for pensions and to support employers in their interactions with employees who are missing out on free money.

And I'll keep telling people to take the time to find out more, plan for their futures – and stop burning money.

To find out more about how The People's Pension can support you or your clients through re-enrolment, go to: www.thepeoplespension.co.uk/RE/PA or call 0333 230 1310



Written by The People's Pension group director of customer services, Kevin Martin

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