

Bossing it

➤ **There is a growing need for employers to truly engage with their pension schemes if they want to see real results. *Pensions Age* showcases two employers that are leading the way when it comes to pension engagement at a time when an employer focus can be more desirable than ever**

For years, the connection between employer and pension scheme has been slowly eroding. Onerous pensions regulation, coupled with unpredictable markets, have meant that, for some time now, DB schemes have represented nothing but a burden on the employer's shoulders, while the arrival of DC schemes has made it easier for the employer to detach itself from its pensions offering, to the long-term detriment of the pension scheme member.

But it appears that we are entering a new era. The pandemic has shone a positive light on the employers that clearly care about their employees, and a not so positive light on those that do not.

Indeed, more than three-quarters (79 per cent) of employers surveyed as part of Willis Towers Watson (WTW)'s recent *Future of Financial Wellbeing* study said they recognise the importance of greater support for retirement savings over the next two years.

The study also found that employers were focusing on improving financial wellbeing to help employees cope with the economic fallout of Covid-19, with just over three-quarters (76 per cent) of employers stating that their employees wanted them to take a more active role in supporting their financial wellbeing.

In a separate report from Burness Paull, companies have been urged to embrace rather than fear pensions, with the argument that if employees cannot afford to retire, businesses are not in a position to invest in new talent to shape the future.

The report, *From Introvert to Extrovert: Welcoming pensions to the party*, showcases how employers can and should manage the dynamics between DB and DC schemes positively; participate in auto-enrolment responsibly; shape meaningful pension provision for the next generation; and assist in addressing the gender pensions gap.

Of course, this is nothing new to some employers, with a handful of trailblazing firms already recognising the value of promoting and nurturing their pensions offerings, and making the most of the technological advancements available in the industry to help them achieve that. *Pensions Age* spoke to two employers that are already leading the way with their commitment to pensions, and asked why they felt it was important to take an active role in their pension provision.

Phoenix Group

Phoenix Group head of reward, Kara Dickson

Why does Phoenix Group as an employer feel it's important to care about its pension provision?

Phoenix Group is the largest long-term savings and retirement company in the UK. Our vision is to help even

Picture supplied by Phoenix Group



more people on their journey to and through retirement, and the workplace pension we provide is an important part of our colleague proposition. It's important to us that we help to close the savings gap in the UK. We want to help people to save for their future so they can look forward to a life of possibilities.


Our Standard Life brand is a recognised expert in workplace pensions and we know that we are not alone in placing a great deal of importance on the pension we offer our colleagues – our Standard Life team works with many leading organisations across the UK that want to help set their employees up for the future too.

How does it show that in practice?

Our workplace pension is a key part of our total reward package, with a matching structure in place above auto-enrolment minimums and 88 per cent



Picture supplied by Phoenix Group



of colleagues contributing to benefit from additional employer contributions. Our aim is to engage colleagues from the minute they join us and their workplace pension, highlighting the benefits of the pension, including employer matching and tax, as well as introducing colleagues to their 'MyChoices' platform where they can find out more about their pension and take action, such as change their contributions online.

One of our key aims is to provide a diverse and inclusive culture, therefore we align our pension benefit for colleagues with this aim. The pension benefits are not based on age, level or length of service and we have set a high employer minimum contribution to ensure that those with less disposable income have a valuable core employer pension provision to help them save for their life after work.

We continue to evolve our communication programme to engage colleagues in saving for their future, starting with the basics of pension, how to plan for retirement then moving to understand your investments and sustainable investments. This is also being supported by further financial

planning information, so our colleagues can start to see pensions as part of their overall financial wellness.

What are the main challenges to achieving this?

Adapting to change and continuing to build high levels of engagement are ongoing challenges for all organisations.

As specialists in this field, we have the benefit of having expert colleagues within our business to support with regulatory change and our in-house marketing consultancy run all of our tailored communications to support increased engagement. Our colleague surveys, coupled with Standard Life's Voice of the Customer Programme, help aid our understanding of member needs and how to adapt.

Has the recent pandemic affected Phoenix Group's approach to pension provision at all?

Our business has remained resilient during the pandemic and we didn't furlough any of our colleagues. Our approach to pension provision hasn't changed as a result of the pandemic, rather our focus has been on understanding the impact on the wellbeing of our colleagues and supporting them throughout this challenging time.

We identified early on the particular challenges that many who are parents or carers were facing and we introduced five days of paid emergency leave to help, over and above existing leave for carers and parental leave.

As well as having trained mental health first aiders in our organisation, an employee assistance programme and regular mental health awareness training, we started

to partner with Headspace, the mindful meditation app. All colleagues are able to access hundreds of mindfulness exercises in the Headspace library for free through the app or online, enabling them to learn life-changing skills to help people stress less, focus more and sleep better too.

We continue to listen to our colleagues, and our very active colleague networks, to understand more and ensure we respond to the challenges our colleagues face.



Picture supplied by Schneider Electric



Picture supplied by Phoenix Group

Schneider Electric

Schneider Electric pensions manager for UK & Ireland, Jerry Gandhi

Why does Schneider Electric as an employer feel it's important to care about its pension provision?

Schneider Electric's purpose is to empower all to make the most of our energy and resources, bridging progress and sustainability for all – we call this Life Is On.

We are committed to this view, which is reflective of how we treat our employees. Employee welfare is our upmost priority and additionally, ensuring we help them plan and achieve



financial security both in the present and future is critical.

How does it show that commitment in practice?

Our pension offer recently moved from in-house trust to master trust and, as part of our commitment to our members, we take great care to ensure each person understands the pension offer, regularly considers how to maximise the opportunities provided and understands the value of saving for the future. This has been managed since 2015 through regular onsite workshops and, as of March 2020, we moved to online delivery with attendance counting towards the company-mandated annual 'individual learning' goals. Through 2021 and beyond, this focus will evolve towards the wider concept of financial security.

We recognise lack of financial stability and future planning can be a significant contributor to the wellbeing of our employees. New tools and opportunities aligned to the new master trust offering will enhance the ability to better support our employees. One specific area that demonstrates this is the diversion of all National Insurance savings the company makes from using

salary sacrifice to the member's pension pot, in addition to the company meeting all indirect costs of the pension scheme operations.

This partnership approach provides the infrastructure, tools and time to allow our employees to develop their financial security, and it's important to mention that this is a partnership where individuals own the final outcome and must devote some time to the process.

This allows our employees to maximise ownership of their future and has resulted in better member engagement from all, regardless of career or life stage.

How has the recent pandemic affected Schneider Electric's approach to pension provision?

The last year has been a challenge and the impact of the pandemic has not been without its issues for pension engagement. Despite that, from March 2020 through to April 2021, we have run 30 online sessions with over 50 per cent employee attendance. The move online

has helped facilitate more individual conversations as people take the opportunity to better understand their savings and plan for the future.

What are your aims for the future?

As we move forward and in conjunction with our financial wellbeing focus, our aim is to work hard to translate the Schneider Electric Corporate sustainability principles across the business and into pension planning.

We all have a role to play in the environmental, social and governance arena – this needs to translate into and support the way the pension fund assets are deployed in the default funds we use and the options we give our employees.

Schneider Electric sees the evolution and delivery of the pension dashboard as a critical step in the journey to better understanding the total pensions landscape and the potential for the simplified benefit statement as great opportunities to engage further with our employees. We do feel the introduction needs to be via principles rather than mandated – freedom to apply these consistently with our internal ethos and aims is more important to us so we can align our internal messaging and maximise the value we can give to the process of delivering security into retirement.

➤ **Written by Francesca Fabrizi**

