

### Summary

- Research has shown that many remain reluctant to tell their employer about a cancer diagnosis, but there are steps that the industry can take to break down this stigma and ensure staff feel supported.
- Staff may require time off to undergo treatment, which will require flexibility and understanding from industry employers.
- Significant illness can often bring a financial hit, which can have a knock on effect on pension saving, but there are changes that could help mitigate this.

## Sophie Smith looks at the stigma that can surround working while ill, and the support the pensions industry can provide staff during challenging times

# Offering a helping hand



Dealing with vulnerable customers is an everyday occurrence for many in the pensions space.

Yet the industry rarely reflects this attention inwards, to consider how it is helping its own staff and ensuring they feel supported should they run into an unexpected health crisis.

But the chances of this happening are sadly very real. In the UK alone, someone is diagnosed with cancer every two minutes. And research from the Institute for Employment Studies (IES) shows that because of changes to retirement ages, around half of those diagnosed are of working age. This, together with improved survival rates, means employees who want or need to continue working after a diagnosis will be more common in workplaces.

### Avoiding a long-term hit

Evidence of the financial hardship caused by significant illness is clear. It is not only day-to-day finances that can be impacted, however, as example analysis from Standard Life reveals that if someone at 45 missed just one year of contributions due to ill-health, their pension pot would be £10,000 less than expected, reaching £451,000 by the age of 66.

Meanwhile, someone who was only able to return to work three days a week would likely see a £77,000 reduction in their pension savings, to £384,000.

But there are steps employers can take to support savers during these difficult times.

“One-way employers can support employees impacted by long-term ill health is by continuing to pay their pension contributions,” Standard Life head of customer vulnerability, Riffat Tufail, says.

LCP partner and head of people, Carla Lakey, agrees, suggesting that employers can aid members in retirement security by offering support, including flexible work arrangements that enable continued pension contributions and promoting awareness of suitable benefits.

“It’s important that employers help employees to understand what benefit offering is available to them. For example, if an employer provides income protection as a benefit, the scheme may well cover an individual’s pension contributions also. Communication plays a huge role here, ensuring employees understand what they are entitled to and providing information on options for pension deferrals or adjustments due to health challenges as well as wider benefits that can help pension members navigate financial uncertainties,” she explains.

Despite this, research suggests that many employees are reluctant to talk to their employer when facing a significant health crisis, such as a cancer diagnosis.

Standard Life head of customer vulnerability, Riffat Tufail, says that it is “vital” that employees feel comfortable speaking to their employer if they are impacted by cancer, given evidence suggests that acting quickly can make a real difference in beating cancer.

Whilst underlying social stigma plays a part, LCP partner and head of people, Carla Lakey, says employers have a “pivotal role” in establishing a nurturing and supportive workplace environment.

Simply beginning the conversation can be the first step, as Lakey says that encouraging people internally to share experiences and stories is important in creating a culture where employees feel comfortable coming to their employer.

Additionally, Royal London pensions and protection insurance expert, Clare Moffat, says some employers are able to alleviate the issue of staff being reluctant to talk about a serious illness through

their sick leave entitlement.

This type of support is clearly still needed, as the IES found that a quarter of those with a cancer diagnosis had to take annual leave during their treatment. But there are good examples out there, as Moffat notes that NHS staff with 5+ years’ service are entitled to six months full pay followed by six months half pay.

“Policies like this offer employees longer recovery times, but, perhaps just as importantly, remove some of the financial stress employees may otherwise face if their income reduces to statutory sick pay quickly,” she explains.

In addition to this, Moffat says some employers are offering varying degrees of occupational health, vocational rehabilitation and wellbeing services, which can come included within an Employee Assistance Programme (EAP).

These EAPs, according to Lakey, can make a big difference by providing key access to specialists, and confidential support at the end of a phoneline for employees, including financial and mental wellbeing support during what is

understandably a very difficult time.

Tufail agrees that a robust EAP can help ensure employers are providing a supportive workplace, suggesting that insurance can also help: “Access to well-being and counselling services, as well as private medical insurance, with the option to add family members to these services, means that any colleagues facing significant health issues have support built into their workplace package.”

And this support can be two-way, as Moffat explains that key person insurance cover can provide a financial safety net in the event that a person is unable to work or, indeed, passes away.

Flexibility will also likely be needed, as Lakey notes that, particularly during treatment time, it is understandable that plans may need to change. “Employers need to be flexible and ensure that employees feel comfortable flagging when/if something needs to change, even if plans have been agreed,” she says.

But it is not only important to provide support when individuals are mid-treatment, but also to ensure that

### 📌 Communicating in difficult times

Pensions are a long-term savings item, but allowances during times of ill-health are in place to ensure that savers are able to access their money when truly needed. For those with the most serious illnesses, public sector schemes offer ill-health retirement, which can see members begin to receive an unreduced pension before their normal retirement age. In addition to this, if someone has fewer than 12 months to live, they can access all of their DC pension fund income tax free, while someone in a DB scheme can also normally access all of their ill health benefits as a lump sum, which can help with expenses.

However, Royal London pensions and protection insurance expert, Clare Moffat, emphasises the need for advice around these decisions, pointing out that, if the person doesn’t spend all the money, it could be subject to inheritance tax at 40 per cent. In contrast, if someone spends all of their DC pension, there could be nothing left for any dependants. Whilst this is a difficult conversation to have, Moffat says ensuring that staff know about this could help them make the most of their last few months.

LCP partner and head of people, Carla Lakey, agrees that effective communication is “crucial” when serious illness affects early pension eligibility, stressing the need to use empathetic communication, with clear messaging.

This is an area that the industry is always striving to improve in, as a spokesperson for Nest states: “We know how difficult it can be dealing with a serious illness, let alone the life administration that comes alongside this, which is why we’ve made sure our information about your rights in the serious ill health policy are clear and readily available. At Nest, we get around 40 serious ill health claims initiated each month, which indicates members who need to access this service are finding our policy. We’re always looking at ways we can improve the information we provide for our employers as well and may look at whether this is a suitable place to signpost our serious ill health information.”

However, Tufail stresses that it is not just customers, but colleagues’ well-being that is a concern during these types of interactions. “Our colleagues have access to a range of training materials, including our award-winning Vulnerable Customer E-Learning and our award-winning Listening Wheel training, created with the Samaritans, to help enhance listening skills so all colleagues listen with empathy,” he explains. “Additionally we have created a highly innovative virtual reality experience that puts our colleagues at the heart of a re-enacted customer and colleague conversation.”

### ✎ Caring for our carers

Royal London pensions and protection insurance expert, Clare Moffat, points out that the diagnosis of a serious illness, such as cancer, can have a life-changing impact not just on the person diagnosed but their family too.

“The loss or reduction in household income caused by a premature death or long-term absence from work due to serious illness or injury is likely to mean families readjust their priorities and could result in long-term savings and insurances falling down the pecking order,” she says.

In addition to this, many find themselves stepping into a carer role, which can affect the ability to save for a pension. Research from Now Pensions reveals that under-pensioned groups, in particular carers, are over-reliant on the state pension; accounting for nearly three quarters (72 per cent) of their income in retirement.

Now Pensions head of campaigns, Samantha Gould, states: “Taking on unpaid caring duties and balancing this alongside a career can have a significant burden on someone’s finances and their financial resilience upon retirement.

“We want to ensure that everyone has the same opportunity to save for later life and have long advocated for the introduction of a carer’s pension top up, whereby the government pays the equivalent of the employer’s pension contribution at the same level as the National Living Wage. The top-up would amount to around £820 per year per person and would boost pension outcomes by approximately 20 per cent for anyone who take 10 years out of work due to caring responsibilities before returning to the workforce full time.”

**“Whether it’s an employee or their family member who’s received a diagnosis, financial and emotional strains become intertwined”**



### ✎ Business as usual

Even with the best support, there are times when illness will require time away from work, and this can cause a strain for businesses, particularly given recent key person concerns and resourcing issues seen in the industry.

Zedra client director, Louisa Harrold, says that, where an individual is unavailable to act as a trustee for a period of time (say a six-12 month period), open discussions should be had as to whether they wish to continue in the role, the key decisions expected to be made during the period of absence, and whether there are sufficient co-trustees available to pick up any strain.

“All of the above challenges can be worked through, and in most instances I would expect the trustee board be able to navigate through without seeking additional external support,” she says, acknowledging that the employer may need to provide additional flexibility for a co-trustee who will be taking on extra responsibilities, or be flexible with the timing of non time-critical projects led by the employer, which require input from the trustee board.

those staff feel supported as and when they choose to return to the workplace.

The IES previously warned that HR professionals are not doing enough to raise awareness of employment rights and the obligation to offer reasonable adjustments, after it found that just 57 per cent of those who returned to work were aware of the 2010 Equality Act.

Yet Lakey says that, by adopting a range of strategies, the pensions industry can ensure that cancer survivors feel empowered and well-supported as they reintegrate into the workplace.

She says: “Central to this effort is the development of individualised return-to-work plans, often crafted with the employee and occupational health experts. Flexible work arrangements may also be necessary, such as part-time schedules, to ease their transition back to work and reduce any potential stressors.”

And Zedra client director, Louisa Harrold, says that “luckily nowadays we are very attuned to ensuring trustee meetings are run in an inclusive manner”, with any reasonable accommodations made for trustees who may have impairments or obstacles to being able to participate in a traditional style.

Harrold also clarifies that while not everyone will be happy to share the full extent of their illness or treatment, there is a onus on the chair and/or pensions manager as appropriate to sensitively enquire in a confidential manner whether there will be certain periods which may be more challenging in terms of energy levels, during which they should avoid scheduling meetings.

Importantly though, it is about talking to the individual to give one-to-one support. Isio director, Jen Norris, stresses that “whether it’s an employee or their family member who’s received a diagnosis, financial and emotional strains become intertwined”. “The challenges presented by such events are unique – there’s no ‘one-size-fits all,’” she says.

✎ **Written by Sophie Smith**