

Arguably one of the most important benefits you will provide your employees is a workplace pension so it is crucial you have the right pension scheme in place for them. The choices you make will have a significant impact on their long term financial well being and we are here to guide you through the entire process.



Ellis Bates have over 4 decades of experience in successfully delivering defined contribution workplace pensions, offering you the employer a wide range of choice and flexibility, whether its setting up a new scheme or reviewing and replacing your existing scheme.

Why it is important to review your current workplace pension

Regular reviews are imperative, as fees, benefits and enhancements can change markedly over time and as independent pension advisers we can search the whole marketplace to ensure you and your employees maximise pension investments

Limited access to information, coupled with a lack of transparency from some pension providers often makes it difficult for employers to make a well informed decision about the most appropriate type of pension scheme to offer their employees, which can impact an individual's savings and retirement.

Master Trust Schemes

A master trust scheme, also known simply as a master trust, is a type of pension scheme that provides retirement benefits to employees or members of multiple, unrelated employers. It is a form of occupational pension scheme that allows multiple employers to pool their pension assets and administration resources within a single trust structure. This structure can offer certain advantages, such as cost savings, improved governance, and potentially more efficient investment management.

Examples of master trusts are auto enrolment schemes such as NEST and People's Pension, which historically offered a quick, off-the-shelf option to ensure companies could comply to the Government's auto enrolment requirements when introduced in 2012.

These standard schemes not only belong to a master trust but are also referred to as 'fixed' schemes as they 'fix' an employees retirement age and then typically adopt a 'Life-styling' investment strategy as their default.

With Life-styling, as employees approach their retirement age, pension savings are gradually and automatically moved from 'higher risk' assets such as global and UK equities into 'lower risk' asset classes such as fixed interest and cash.

Legislation changes

Pensions Freedoms 2015

The Government then introduced the Pensions Freedoms in 2015, to allow much greater flexibility in both managing and accessing defined contribution pension pots. Initially, these freedoms came into force for pension savers from the age of 55, but from April 2028, this will rise to 57. The legislation brought in much greater flexibility and choice for individuals and employers, particularly with regards to accumulation and decumulation.

Accumulation and decumulation are terms often used in the context of retirement savings and pension plans. They refer to the stages of building up retirement savings (accumulation) and then using those savings to generate retirement income (decumulation). Flexibility in these stages was seen as important to cater to individuals' varying financial needs and preferences.

Flexibilities in Accumulation

Contribution Levels: individuals should have the flexibility to contribute varying amounts to their retirement savings based on their financial situation, goals, and age. Some pension plans allow members to adjust their contribution levels periodically.

Investment Options: providing a range of investment options allows savers to tailor their portfolios to their risk tolerance and investment preferences. Flexibility in investment choices can help them align their portfolio with their retirement goals.

Employer Contributions: employer-sponsored pension plans often come with employer contributions. Offering flexibility in employer contribution rates can help employers adjust their retirement benefits packages to meet budget constraints while still providing valuable retirement benefits.

Contribution Frequencies: allowing individuals to choose how frequently they contribute (e.g., monthly, quarterly, annually) can accommodate different budgeting and cash flow preferences.

Flexibilities in Decumulation

Retirement Age: individuals should have the flexibility to choose their retirement age based on their personal circumstances. Some pension plans allow for early retirement or deferred retirement, each with its own implications on benefit amounts.

Withdrawal Strategies: during retirement, individuals can have flexibility in choosing their withdrawal strategies. They might opt for systematic withdrawals, annuitization, or a combination of both, depending on their income needs and risk tolerance.

Annuity Options: annuities provide a guaranteed income stream for life, but individuals should be able to choose between various annuity types (e.g., single-life, joint-life, inflation-adjusted) to suit their needs.

Partial Withdrawals: providing the option for partial withdrawals from pension accounts allows retirees to access funds as needed, while leaving the remaining balance invested for continued growth.

Legacy Planning: flexibilities should also extend to inheritance and legacy planning. Individuals might want to leave a portion of their pension savings to beneficiaries, and pension plans can provide options for how this is structured.

Healthcare Considerations: health-related expenses can be significant in retirement and the new flexibility allows allocation of retirement funds to cover healthcare costs.

You may find that a standard or 'fixed' scheme may not now offer your employees this wider range of access options. It is important to therefore understand the detail of your current company pension scheme and what options it offers you and your employees and to decide if it now fit for purpose.

Review Pension Scheme Charges

Charges vary greatly from scheme to scheme and can impact the long term gains made by your employees, so it is important to both understand your current fee structure and to view alternatives and the savings that can be made.

Maximise Group Discounts

Not only can Ellis Bates review your group pension scheme costs, we offer a full suite of protection benefits you can offer your employees including death in service, critical illness, life insurance etc and there are significant group discounts available.

Tax Efficiency Review

There are significant tax benefits to saving in a pension and its key to review if both you and your employees are maximising all possible personal and business allowances.

Directors' Group Pensions

Also known as executive group pensions, these are retirement plans designed specifically for company directors or high-level executives. These pensions are a form of occupational pension scheme that provides retirement benefits to directors and other key employees within an organization. They are often tailored to suit the unique needs and financial goals of these individuals.

Directors' group pensions typically offer higher contribution limits compared to standard pension plans, allowing executives to contribute more towards their retirement savings. These plans might also include additional features like flexible investment options, tax advantages, and more personalized retirement planning services.



Salary Sacrifice

Pension salary sacrifice is a method of saving National Insurance Contributions (NIC) for employers and employees alike. Salary sacrifice, also known as salary exchange, is a financial arrangement in which an employee agrees to give up a portion of their gross salary (before taxes and other deductions) in exchange for certain non-cash benefits. These benefits can include things like pension contributions, childcare vouchers, cycle-to-work schemes, and more.

The key advantage of salary sacrifice is that the sacrificed amount is not subject to income tax and National Insurance contributions which can result in potential tax savings for both the employee and the employer.

Does your governance committee challenge your workplace pension provider?

The type of pensions governance committee you need as an employer depends on how large and complex the scheme you currently have and a governance committee will act in the interests of pension members, assess the pension scheme's value for money and, when needed, raise independent challenge to you, the scheme provider. If the answer to this question is no, Ellis Bates can work with you on your wider governance responsibilities and review if your current scheme is fit-for-purpose under these challenges.

Investment Fund Performance

As with all investments, pension funds need careful selection and management. Not all funds perform the same and we bring all our expertise to align both your financial obligations to your employees and the desire to optimise performance and returns in the long term to provide the desired income levels in retirement. As we have seen recently, all investments are at the mercy of the markets in the short term, but Ellis Bates are here to help you make fund choices that will navigate this short term noise and deliver long term performance.

Wider Pension Fund Selection Options

The pension fund market is vast, with a wide variety of benefits, fees and access options for you and your employees. As corporate pension experts, we are here to help you provide the very best pension benefits for you and your employees and to support you through making those choices.

Green Pension Options

Many workplace pension schemes now offer SRI (socially responsible investing) options to their plans.

SRI or 'ethical/green' is the practice of investing into companies that 'do good' (or, at the very least, 'do no harm') to the environment and the community. These companies have sustainable business practices capable of being continued indefinitely, without causing harm to current or future generations, on the expectation that they will have higher investment potential over the long term.

Many of your employees, particularly your younger employees, will be very closely aligned to ethical goals and will want to both understand where their pension funds are invested and have the option to choose 'green' options.

Bespoke Investment Options

We can tailor different elements of our investment proposition to meet your particular needs, for example, simplifying the investment choice available to your employees by providing a suggested or restricted range of investment options. A tailored scheme could include both bespoke investments and lifestyle profiles to suit your employees.

Without professional advice, most people may be unaware of how their pension savings could be managed according to their investment preferences or the impact this may have on their retirement goals. It's vital that employers and employees understand all options available and have access to information and resources to make well-informed decisions at the most appropriate times.



How can Ellis Bates help?

Attracting and Retaining Employees

In this highly competitive candidate driven market, a key part of building a successful business is recruiting and retaining a talented and motivated team. Employee packages are more important than ever and not only can we help you protect the business from losing a key part of the team from long term illness for example, but we can help you create an attractive and hard-working set of employee benefits

Switching Support

Should you decide to opt for a different pension scheme, or wish to restructure an existing scheme, we have years of experience in winding up your existing company pension scheme, dealing with any legacy pension issues (which can be complicated and time-consuming) and efficiently transferring your employees to the new scheme. We provide comprehensive administrative support to help make the transition to a new arrangement compliant and effective for all.

Pension Talks

We offer group or 121 pension chats with you as business owners or Directors and for all your employees to build financial knowledge and long term security.

Pension Governance & Legislation Compliance

We are regulated by the Financial Conduct Authority (FCA) and as such offer guidance and support in ensuring you are fully compliant with all relevant legislation and authorised to give expert financial advice.

Ellis Bates are here to support you and your employees throughout the lifetime of your business journey and to ensure you have the most effective and appropriate pension and protection options in place.

