



Storm in a teacup?

Do you have a plan in place for the introduction of mandatory pension enrolment?



26%: Yes
38%: No
36%: No opinion

There is a lot of change on the horizon for pensions, as this year sees the introduction of mandatory enrolment in schemes and also the abolition of the default retirement age (DRA). Is this something that we need to be worried about, or is it the case that many companies already have a plan in place to manage these changes, or simply will not be affected by them? We asked the *Chartered Secretary/CSS* survey group for its thoughts.

First, we looked at the potential impact that the abolition of the DRA could have in the workplace. When asked if they thought that it will mean there are fewer jobs for

young people, 53 per cent agreed that older people will work longer and less new jobs will be created. However, 47 per cent disagreed, feeling that the usual job creation cycle will remain in place. In terms of being prepared to deal with any impact that the abolition may have on the value of their company's pension scheme, only 21 per cent of respondents had taken advice on this and 55 per cent did not think it necessary to take such advice. The response was similar when we asked if HR departments were doing anything to manage this impact. Only 18 per cent of respondents said that their HR department was working to manage this issue, while 50 per cent said that they did not think this would be an issue and 32 per cent had no opinion either way.

When it came to the question of mandatory pension enrolment, 38 per cent of respondents stated that they did not have a plan in place for the introduction of this obligation, as it did not present an

issue in their company. Only 26 per cent of respondents are working to manage the issue and 36 per cent had no opinion either way. In relation to this, an executive assistant in a plc commented that 'employees are generally rather disillusioned with their employer's pension scheme – or lack of it,' observing that unless the mandatory pension package is attractive, employees will choose to opt out.

Finally, we asked about the way in which respondents communicated these changes; specifically whether they used new media, such as social networking or text messaging, to communicate the benefits of pension or share schemes to employees. Only 8 per cent of respondents said that they did use these methods, while 74 per cent said that they didn't think it was necessary to use social media.

For a more in depth discussion of the issues surrounding mandatory pension enrolment, turn to this month's article *Future proofing*, on page 32.



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