

Pensions reform – let's be ready for 2012 together

There's been much in the media recently surrounding pensions and in particular the outcome from the independent review of automatic enrolment (auto-enrolment). I want to reassure you as a customer of B&CE we will be on hand to guide you through the process.

In this issue we will be highlighting the implications for you as an employer and how we will work with you to make sure you meet all your obligations in the new pensions world. We are also making some very exciting changes to our flagship product, EasyBuild, with increased funds, lower charges and an online offering.

We are making these improvements to ensure the product is right not only for your operatives but in fact for your **entire** workforce but it doesn't stop here. We will be continually reviewing EasyBuild and evolving it to make sure it continues to meet the needs of all our customers.

We are also continuing our lobbying activities surrounding the National Insurance Concession. Following meetings with Ministers of the previous government at BIS and the Treasury discussions continue with officials at the Treasury. However there are some legal issues to be resolved but we are continuing to work together to try to find a solution.

I hope you find this pensions special issue of View helpful. Remember, the changes to pensions are complicated but we're here to help guide you through the process.

Brian Griffiths Chief Executive Officer

What are the changes?

There are significant changes taking place around pensions that will affect us all. Known as pensions reform, these changes are being implemented to encourage more people to save towards retirement. As an employer, you will have to automatically enrol all your eligible employees into a qualifying pension arrangement as well as make contributions towards it. The changes are being implemented over a period of time, known as staging, with the largest companies being the first from 1 October 2012.

Phased implementation dates

No of employees	Staging Dates
120,000 - 800	Over 12 dates from 1 October 2012 to 1 October 2013
799 - 250	Over 3 dates from 1 November 2013 to 1 February 2014
249 - 50	Over 4 dates from 1 April 2014 to 1 July 2014
Less than 50	Over 18 dates from 1 August 2014 to 1 February 2016

Contribution levels are being phased in beginning with a 1% contribution for employers increasing over time and when the reforms are fully phased in from October 2017, the minimum contribution scheme such as EasyBuild will be 8% of an employee's qualifying earnings.

Period	Total minimum contribution	Of which employers contribute at least
Your staging date - September 2016	2%	1%
October 2016 - September 2017	5%	2%
From October 2017	8%	3%

Other Highlights:

- Auto-enrolment will apply to all employees aged between 22 and SPA regardless of employer size
- The earnings threshold at which an individual will be automatically enrolled will be increased to the income tax threshold
- It is proposed that employers won't be held accountable for scheme choice especially using a stakeholder framework
- Employer has a 3 month window to auto-enrol and 1 month window for employee to opt out
- Employers given flexibility around the date they re-enrol previously opted out employees by allowing a six month window
- NEST to go ahead

IN THIS EDITION:

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- Are you keeping up to date – get along to one of our free pensions seminars
- Changes in pensions tax relief
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- Withdrawing Holiday Pay and contacting us over Christmas

VIEW

B&CE's Commitment to You

B&CE is dedicated to the personal and financial wellbeing of everyone in the construction industry. Set up by the industry for the industry, as a trusted specialist, our aim is to provide simple, flexible and tailored solutions for all our customers. Our flagship product, EasyBuild is the construction industry's official* workplace pension.

Patrick Heath-Lay, Director of Finance and Customer Development, looks at what these changes mean for you.

The introduction of the new employer responsibilities means that you need to take action. Putting a strategy in place now will allow you to decide how best to implement the changes and manage the impact on your business and your workforce – and we're here to help.

The requirements are detailed and complex but broadly, as an employer, you will need to:

- Enrol eligible employees automatically into a qualifying workplace pension scheme
- Pay a minimum contribution of 1% from your staging date rising to 3% of their band earnings into this scheme from 2017
- You must offer a genuine opt-out procedure for jobholders and process any resulting refund of contributions correctly

- Keep records relating to the pension arrangements you have made, the enrolment of members, opt out and opt in notices and contributions made to demonstrate to The Pensions Regulator that you have fulfilled your duties.

Whilst these changes are complicated we know you want to concentrate on running your business and not be concerned with pensions legislation.

Let us provide your solution

With EasyBuild, you don't need to worry as B&CE is here to help provide you with the right solution for your business.

B&CE's workplace pension is already the scheme of choice for the construction industry and is the largest in the UK. Developed exclusively for all employees within construction and its allied trades, it currently has over 500,000 members with £590 million funds under management and is the nearest to what a world under auto-enrolment will look like.

And if you are already providing the industry's standard matching arrangement for all your employees, you will already be compliant with the minimum level of contributions required when auto-enrolment is launched.

Our experience makes B&CE ideally placed to understand the needs of both construction industry employers and employees with the forthcoming workplace pension reforms in 2012.

Our commitment is to ensure EasyBuild is the right solution for you and your entire workforce. It will be a far more suitable offering and a better alternative than the National Employment Savings Trust (NEST) – the Government backed scheme.

We will guide you through the entire process from regular updates on the legislative process to guiding you through the administration, helping you to easily understand each stage and your obligations. We will also help you communicate what can be complex messages to your workforce, helping you consult and keep your employees on track and in the know.

B&CE is committed to ensuring EasyBuild continues to evolve to meet all our customers' needs and the forthcoming pensions reform requirements. As a B&CE customer, by end 2011, our commitment to you is to:

- Provide a flexible solution for you and your entire workforce, whether in construction or trades allied to your business
- Substantially reduce our charging levels even further
- Deliver a bespoke communications approach to help you convey complex messages simply to your employees
- Improve our online service offering to include payroll file transfers
- Provide systems and support to help ensure your compliance obligations are met
- Offer support and guidance with pension amalgamation, including reducing your administrative burden by reviewing your existing arrangements
- Supply a first class, personal service and a wealth of experience through our dedicated team.

Find out more ...

Come along to one of our seminars to make sure you're fully briefed on all the changes and your obligations. Turn to page 4 for more details on how to register your attendance.

You can find out all the details surrounding the reforms and auto-enrolment in our 'guide to pensions reform' which you can download from our website at www.bandce.co.uk/downloads

We have made a number of improvements to EasyBuild in advance of the latest Government announcement and these will be available from February 2011. However we recognise that further work is needed to support the industry through auto-enrolment and we will be working hard to ensure we deliver a simple flexible tailored solution for all EasyBuild customers.

EasyBuild – the industry’s official* workplace pension

As part of our regular review of our product offering, we are introducing a number of significant improvements to EasyBuild itself over the coming months including:

- Additional funds
- Variable Annual Management Charge (AMC) structure depending on scheme size
- Extending the De-Risking glidepath from 5 to 15 years
- Introducing Investment Profiling.

But it doesn’t stop here. We will be continually evolving the product to ensure it meets the needs of all our customers.

The future of pensions is changing and although it may still feel like a long way ahead, life will be different so it’s important you start planning now. **Pensions are a long term commitment. You need to find the right solution to meet the needs of you as a business and those of your workforce. B&CE can provide the key with EasyBuild. Working together, we will ensure you’re ready for 2012.**

* EasyBuild is the Construction Industry Joint Council pension scheme of choice. With over 500,000 members it is the largest pension scheme in the construction industry.

We’re here to help. Contact us today to find out how we can help with your pension arrangements and about the forthcoming reforms.

Call us on 01293 586666 Email us at info@bandce.co.uk

B&CE believes its flagship product EasyBuild speaks for itself.

	NEST	EASYBUILD
Charges	<ul style="list-style-type: none"> • Contribution charge of 1.8% therefore only 98.2% of contributions invested • AMC of 0.3% 	<ul style="list-style-type: none"> • No contribution charge therefore 100% of contributions invested • As from 1 February an AMC of 0.6% - 0.95%. Further reductions to be announced early 2011
Fund choice	Fund selection available covering low to moderate risk	Fund selection available covering low to adventurous risk
Transfers in and out	Not allowed under current rules	Transfers in and out are permitted at no charge from us
Administration and support	<ul style="list-style-type: none"> • Policy and fund administration outsourced • May require changes to employers’ current systems and processes 	<ul style="list-style-type: none"> • Tried and tested in-house administration – designed specifically for the construction industry • Various administration methods available to suit your needs, eg paper, phone, online • Dedicated Employer phone line
Contribution limits	Restricted contribution level (maximum £3600 per year)	No restriction (subject to normal pension rules)
Specialist experience	<ul style="list-style-type: none"> • New scheme 	<ul style="list-style-type: none"> • More than 65 years working with the construction industry • Almost 30 years providing workplace pension schemes

This NEST/EasyBuild comparison table is based on our understanding as at November 2010

Are NEST and Auto-enrolment the same thing?

No – All employers, regardless of size, will be obligated to auto-enrol employees into a workplace pension scheme of their choosing such as EasyBuild.

The Government has provided a pension savings vehicle called National Employment Savings Trust (NEST) which can be used but it is targeted to lower paid workers and does not allow transfers in or out at present.

The Pensions Regulator will take on the role of ensuring employers comply with the auto-enrolment regime and will be contacting employers 12 months before their auto-enrolment due date.

You can find out all the details surrounding the reforms and auto-enrolment in our ‘guide to pensions reform’ which you can download from our website at www.bandce.co.uk/downloads

Are you keeping up to date?

Make sure you are up to date with your obligations by attending one of our seminars where you'll have the opportunity to ask any questions you have on how you will be affected.

The panel of speakers will also be debating the increase in the state retirement age and the effect this will have on the construction industry.

This free to attend event will bring together industry representatives, where you can ask questions in an informal environment, obtain some useful advice on how to tackle potential challenges and network with other delegates and speakers.

Dates for your diary:

Monday 6th December • 1.00-4.00 pm
The Sofitel Hotel, **London Gatwick**

Monday 13th December • 1.00-4.00 pm
The Chateau Impney Hotel, **Worcestershire**

Friday 14th January 2011 • 10.00-1.00 pm
Novotel Edinburgh Park, **Edinburgh**

Friday 28th January 2011 • 10.00-1.00 pm
Weetwood Hall Conference Centre & Hotel, **Leeds**

How to book a place:

We will be including more regional venues and dates in the new year so watch this space.

To register your interest in attending one of our seminars, all you need to do is send an email to us at info@bandce.co.uk



B&CE and Partnership join forces

We are continually looking at ways we can improve our products and from 8 November we have officially joined forces with Partnership Assurance to exclusively offer enhanced annuities to B&CE customers. As a specialist provider to those with health/lifestyle conditions, we chose Partnership to provide an ideal customer solution.

The move represents excellent news for our customers, as they will now benefit from a



more personalised annuity offering and with direct access to enhanced rates by a simple one page 'yes or no' medical questionnaire, which will enable them to access an improved retirement income regardless of their fund size.

We believe B&CE's collaboration with Partnership further demonstrates our commitment to actively source Best of Breed providers for our customers within the construction industry.

You can read our joint press release at www.bandce.co.uk/MediaCentre/News

Changes in Pensions Tax Relief

The Government has recently announced that from April 2011, the annual allowance for tax relief on pension contributions will be reduced from £255,000 to £50,000. Tax relief on pension contributions will continue to be available at an individual's highest marginal income tax rate.

In addition, the lifetime allowance, which is the total amount an individual can build up in tax privileged pension saving will reduce from £1.8m to £1.5m. This is planned to come into effect from April 2012, although the Government is currently consulting whether it could be brought in earlier in April 2011.

Danger men not at work!

We've teamed up with Westfield Health to offer B&CE's Employee Healthcare Plan relevant to construction employers, employees and their families. Covering employees essential health costs including dental treatments, eye tests, therapy treatments and consultations and fast access to diagnostic scanning facilities including MRI, CT and PET scans. It includes treatments that can help prevent common health conditions associated with construction from becoming chronic.

And as well as being affordable and flexible, it's a great way to help cut the cost of employee absence, and help sick and injured staff back to work faster. And it's available to both operatives and clerical staff – and all from just £1 a week, per employee.

Support for you

The plan now includes three invaluable new employer support services; BusinessCare, a HR helpline and a Company Health Report, which is available once employees have completed an online personal health risk assessment.

The new **Online Personal Health Risk Assessment** gives employees

and their resident family members the opportunity to complete an online assessment to show how their lifestyle impacts on their health and the risk of them developing major diseases such as cancer or coronary heart disease. The process will also support them to take action to reduce any identified risks.

The aggregated and anonymised results can then be presented in an electronic **Company Health Report**, which will give employers greater clarity on the health profile of their workforce. It also presents an opportunity to use the information to take preventative action in those areas of greatest concern, to improve

the health of their employees, reduce absence and so boost the health of the business.

Another new employer service, **BusinessCare**, provides 24-hour access to expert telephone advice as well as online information on a range of legal issues including employment, health and safety and many more.

The **HR Helpline** provides 24-hour access to free and confidential advice regarding people management issues.

Customers who apply for B&CE's Employee Healthcare Plan before 18 February 2011 can take advantage of the DoctorLine™ module free for 12 months.

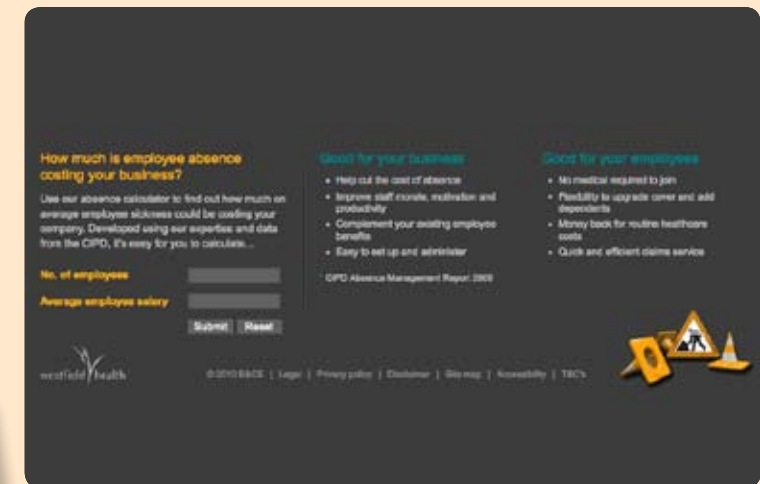
The improved plan is available now for all new policies. All existing companies with the current plan will be contacted in due course about transferring to the new plan.

Visit www.mennotatwork.info for more details.

Sign up before 18 February 2011
and receive DoctorLine™
FREE FOR 12 MONTHS!
Find out more on how you can help cut
the cost of absence at
www.mennotatwork.info

How much is employee absence costing your business?

Use our absence calculator to find out how much on average employee sickness could be costing your company. Developed using our expertise and data from the CIPD, it's easy for you to calculate...



www.mennotatwork.info

Don't forget!

As you know, on behalf of the industry we introduced an improved accident and life cover offering in October 2010; Employee Accident Cover and Employee Life Cover from B&CE.

And by now you should have seen your October schedule.

What you need to do

If you have not already done so, please make sure you action your schedule as the cut off date for payment to be received is 10 December.

We will be writing directly to your employees to tell them about our new cover and enclosing all their documentation.

You can view the contents of these mailings at www.bandce.co.uk/EACELC

Withdrawing Holiday Pay and contacting us over Christmas

We know that it is important that we get your employees' holiday pay back to you before Christmas. To help us arrange this for you, please let us have your instructions or your completed Withdrawal Form by close of business on **Monday 20 December** (Tuesday 21 December for OnLine Services). Please ensure that you have sufficient funds available to cover the amount requested.

- Phone us with your instructions on 01293 586666 or
- Fax the completed Withdrawal form to 01293 586801 or
- Post the form to B&CE Benefit Schemes, Manor Royal, Crawley, West Sussex RH10 9QP. Please allow a few extra days for postage.

Our offices will close at 12.00 p.m. on Friday 24 December and will reopen again at 08.30 a.m. on Tuesday 4 January 2011. If you want to email us at info@bandce.co.uk during this time we will get back to you as soon as we can from 4 January 2011.



Please send any comments or feedback via email to: info@bandce.co.uk

B&CE Benefit Schemes

Manor Royal, Crawley
West Sussex, RH10 9QP

www.bandce.co.uk

For general enquiries please call:

01293 586666

email: info@bandce.co.uk

To help improve our service, we may record your call.

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