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1 A significant proportion of existing group Sipp arrangements were established on a concurrent basis to sit alongside a company's core pension provision, the intention being to link with the maturity or vesting of a specific share scheme. The impact of the recession has been to reduce the value being realised from share schemes and so the desire to establish and use a group Sipp arrangement has been reduced in recent months.

However, group Sipp seem to be the preferred option for any company wishing to reduce their liabilities and costs while also offering the employee the benefit of flexibility and diversification.

2 Both the economic climate and pension tax relief changes introduced in the Budget are likely to change the way Sipp are viewed. Sipp will change from a tax-free wrapper where executives and entrepreneurs have benefited from higher rate tax relief and investment flexibility, to a group Sipp-type arrangement with a broader application. This broader application will be most prevalent in the workplace where employers are seeking to reduce the cost of operating occupational pension schemes, yet at the same time seeking to enhance the benefits they offer at no cost, for example by linking share schemes and pensions.

3 This depends on whether the company has provided the appropriate and relevant financial education for its employees. We have found that when financial education is provided, take-up of the pension and contribution levels increase immensely. In the past, employees would view their employee benefits in isolation, but by providing financial education, as well as the group Sipp platform to enable such transactions, they are able to understand and view their cash and share-based benefits holistically. Therefore, by providing both elements, employees can make full use of the benefits maximising the total value.