

# Taking a holistic view



## As workplaces look to extend the range of savings products they offer to employees how will this affect Group SIPPs?

**JONATHAN WATTS-LAY:** This is likely to increase the demand for Group SIPPs as it will commonly be selected as the pension element of employee savings choices.

The move towards greater savings flexibility will mean that the Group SIPP is an attractive proposition for employers and employees alike.

Employers will be attracted by the increasingly competitive pricing attached to such arrangements while being able to offer a valuable pension benefit with contribution, investment and income flexibility.

Employees will benefit from contribution flexibility to support on-going contributions but also transfers of shares where the arrangement is linked to all employee shares schemes. Investment flexibility will mean that all employees will find investment options to suit them, with potential segmentation depending on employee groups and profiles. Income flexibility will provide retiring employees with access to both open market option annuity selection and drawdown pension.

## How can employers ensure members understand how these different products can be used together to form a viable long-term savings strategy?

**JONATHAN WATTS-LAY:** Employers will need to take action to ensure they communicate a holistic view of employee savings choices and avoid presenting savings choices in isolation. Employees should view a menu of

savings choices designed to meet their short, medium and long-term savings strategy.

Effective communication will need to be accompanied by financial education to develop employee knowledge of the various savings choices, but also in how the various elements can work best together. For example, a joint pension and ISA strategy with an on-going link to all employee share schemes may be extremely valuable but only if employees understand the opportunities available.

## What role can corporate platforms play in this shift?

**JONATHAN WATTS-LAY:** Corporate platforms can help create a single holistic view of employee savings. Whereas previously an employee would simply be monitoring the value of their pension savings, the corporate platform can combine all the various savings elements.

This will encourage employees to develop a holistic view of their long-term savings and appreciate how the various elements can work best together.

In the same way that an employee may currently access flexible benefits online, they will follow a similar process for their savings choices by accessing the corporate savings platform to make their selections, adjust their contribution levels and view the value of their benefits.

## How do you see the workplace savings model evolve over the coming years?

**JONATHAN WATTS-LAY:** The workplace savings model will become increasingly flexible over the coming



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director of WEALTH at work, having been dedicated to its development since inception. He has a sales and marketing

background and holds both a MBA and chartered membership of the Institute of Marketing.

Watts-Lay began his career at Nationwide Building Society, where he progressed to product manager for mortgages and life assurance. Watts-Lay then spent more than five years working for SHL Group PLC, a leading HR consultancy.

years combining pension, ISA and all employee share schemes as companies compete to ensure the savings choices on offer are competitive within their comparator group. This will increase the emphasis placed on employee financial well being, which will become a key element of an employer's corporate social responsibility.

The move away from defined benefit pension provision has transferred risk from employer to employee. The new emphasis and increased savings flexibility will go some way to helping employees respond positively by empowering them to take ownership for their long term financial well being.

The provision of financial education will increase as without it the benefit of the new workplace savings model will not be fully understood and utilised, leaving employees exposed to the risk of having insufficient income in retirement, a risk that is now theirs to manage.