



helping your employees make the  
right retirement income decisions.

RETIREMENT INCOME OPTIONS SERVICE

**WEALTH** at work

KNOWLEDGE | EXPERIENCE | OPPORTUNITY



**Jonathan Watts-Lay**  
Director, **WEALTH at work**

The pension changes brought a new world of choice for generating income in retirement, providing the opportunity for employees to have greater control over their pension savings. Employees can now access their defined contribution (DC) workplace pensions from age 55, whether they are still working full or part time, or ready to retire fully.

This unrestricted access brings new challenges to employees and employers alike.

Employees must navigate through the options available, understand the impact of early access to savings and be able to recognise and protect themselves against scams. There is also the risk of paying too much tax or simply running out of money long before they had planned.

Employers need to decide how they are going to support employees in dealing with this new world and whether they will facilitate these new rights of access, or if they will look to specialist service providers to offer it.

The WEALTH at work retirement income options service offers expert knowledge, understanding and experience to provide answers to the questions and challenges the new pension world poses for both employers and employees.

Our integrated professionally delivered service consists of financial education, personal guidance and tailored regulated advice, alongside the ability to execute all options whether that is drawdown, annuity, cash withdrawal or a combination. This offers a model process for delivering good retirement income outcomes.

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## introduction.

WEALTH at work supports many companies and employees throughout the UK in the delivery of retirement support services; whether this is on-site financial education seminars dealing with at-retirement options and choices, tailored one-to-one advice sessions, or helping employees to implement their chosen retirement income strategy.

Retirement decisions, which in the past would have mainly been about an annuity, should now be carefully considered as all savings need to be taken into account such as ISAs, shares and pensions, which can be calibrated to provide improved income in retirement. It is now important for all personal savings and investments to be aligned with pension savings to establish a tax efficient strategy when creating a retirement income.

Pension savings will be seen as part of the overall lifetime savings of an individual that can be treated as an asset to access at an appropriate time.

Our retirement income options service starts by giving employees an understanding of what retirement might mean to them. It clarifies the financial options available and signposts to how they can be used in concert to support the retirement they want, something that may last 30 years or more.

# financial education in the workplace.

## Financial Education

Many employees struggle to understand basic financial and pension issues. Our experience shows that information delivered through booklets, leaflets and even websites is largely ineffective as a stand-alone effort. Our approach to financial education revolves around a proactive and interactive delivery aimed at creating a deep and lasting understanding of the issues and options employees have.

The needs of every organisation are different and we deliver financial education in a variety of ways, although face to face seminars remain our most popular and effective communication method. We have developed a range of education formats to support our programmes including webinars, webcasts and animation to deliver a more engaging experience.

At the heart of our approach is a complete service offering designed around the 3 key questions which employees may have:

**1. What do I need to know?** – What are the retirement income options available and what are the advantages and disadvantages of each?

**2. What is right for me?** – Individual guidance may be required including help-desk support and fully regulated advice. Questions can be answered such as “should I retire now, delay retirement or work part time?” and “how should I take my income?”

**3. How do I implement it?** – Can employers deliver all options? If not, are employees confident to go it alone or do they need a specialist provider such as WEALTH at work?

Being able to answer these 3 questions will put employees in a better position to achieve good outcomes.

Topics that are covered when answering these questions include:

- **Pre-retirement planning** – aimed at those who are still a number of years away from retirement but who need to check they are on financial track for the retirement they want.
- **At-retirement decision making** – aimed at those who are looking to retire within the next year or two. It covers various aspects of retirement income generation options and key considerations such as tax, income requirements and managing savings and investments throughout retirement.
- **Pension principles** – the pensions mix, workplace, state and private scheme(s); what they are, how they work and when to use them. Understanding contribution levels, annual allowances, tax implications and what to watch out for when accessing pension savings.
- **‘Supercharging’ savings** – this means making the most of the combined power of workplace sponsored savings schemes, which is a great way to boost retirement income in a tax efficient way. For example, linking Save As You Earn (SAYE) schemes with ISAs and transferring Share Incentive Plan (SIP) stock into a pension.
- **Tailored modules** – provided by employers for ad hoc events or significant pension scheme changes such as defined benefit (DB) scheme closures, glidepath and investment fund choices for defined contribution (DC) schemes, pension increase exchange and pension transfer options.

## Help and Guidance

Our financial education seminars are supported by online resources such as calculators and animations. However, many employees need more specialist or further one-to-one support before they are able to make good retirement income decisions.

For those who have attended a seminar and would like extra guidance, a one-to-one conversation over the telephone or face-to-face conversation in the workplace (often referred to as 'clinics') is an ideal next step before moving on to a regulated advisory meeting. It can help scheme members/employees clarify elements of their financial situation and prepare the groundwork for an ongoing financial plan.

We also provide practical help and guidance to employees when using company provided online tools, such as pension forecasters by guiding them through the use of these tools in order to help them get the most benefit from them.



# regulated advice.

For some, individual guidance including help-desk support will be enough to answer their retirement questions. However, others may need regulated financial advice before making important financial decisions and for those contemplating transferring pension benefits, advice will be a mandatory requirement for many. The dramatic changes to pension access and transfer rules, and changes to the tax regime on death mean that there are many more options for pension scheme members to consider, which further increases the demand for advice.

Our team of Advisers provide a nationwide service and take into account all the savings and assets an employee has before agreeing a financial plan with them, which is provided as a Retirement Income Report.

Once employees have received advice and outlined their retirement objectives as well as establishing the level of risk they are comfortable with, we will then create a retirement plan tailored to their requirements. Whether the plan is to create a secure income or to retain flexibility and investment potential, we can provide a bespoke approach to meet individual needs.

Advice for the employee in transfer situations will be a new requirement for most employers to contend with; particularly if it is the result of a DB liability and risk management exercise.

Our financial education and retirement income options service can support both employer and employee through ad hoc or long term de-risking exercises including:

- Reminding deferred members of the transfer options available under the existing scheme rules
- Offering Enhanced Transfer Values (ETVs)
- Offering a Pension Increase Exchange (PIE) option
- Offering a Total Pension Increase Exchange (TPIE) option

Our service is bespoke to you as an employer and will support you in meeting your responsibilities under the voluntary Code of Good Practice on incentive payments for pensions and regulatory guidance on de-risking strategies.





## implementing the options.

Once employees understand the options available to them, the final step of our service is to implement their chosen option(s) to create a retirement income. This is done, taking into account tax efficiency, to meet the employee's objectives. We can also support employees who want to make a series of decisions over time rather than a single choice at retirement.

The following information outlines the retirement income strategies available which we help employees implement.

- **Taking the cash-** The new pension freedoms allows employees to take all of their pension savings as a cash lump sum. Our Cash Drawdown Service enables employers to offer the full flexibilities to employees who want to access their pension savings as cash, either on a regular monthly basis or as a lump sum whenever they need it.
- **Purchasing an Annuity-** This is a guaranteed income payable for the rest of your employee's life, however long they may live. We access annuities from the whole of the market taking into account medical and lifestyle factors.

- **Selecting income drawdown-** This is a popular alternative to buying an annuity since the pension freedoms. Our service allows employees to draw an income from their pension fund, while the rest of the fund remains invested in a discretionally managed portfolio.

- **Taking a combination of options-** Employees don't have to choose one option when deciding how to access their pension. They can choose a combination of the options above, taking cash and income at different times to suit their needs. We can help employees implement a combination of options, in a method which takes into account their individual circumstances, aiming to generate the best outcomes for them.

Whatever choice an employee makes, whether that is taking some form of drawdown, buying an annuity, or a combination of options, we offer a comprehensive and flexible service which allows employees to generate a retirement income to suit their circumstances.

# what our clients think.

## Employers

We are proud to work with some of the best known companies in the UK. Here are some endorsements from our clients.



The world of pensions and how we retire has significantly changed, which presents a much greater need to plan ahead, and understand the options available. With this in mind, Kier has partnered with WEALTH at work to deliver tailored seminars to help our employees manage their plans – whether planning ahead for the longer term, or looking to retire in the short term.

### **Tony Ark, Group Pension Manager at Kier**

comments, “Employees tell us they are positive about the pension freedoms but they are also aware of the risks they now face when managing their savings in retirement. We want to help employees make the most of the new freedoms and our partnership with WEALTH at work has been designed to do just that.

We are delighted to be supported by WEALTH at work in delivering this new financial education service to Kier employees. Since the pension changes in April this year, it has never been more important to provide high quality financial education to those who are nearing retirement. From my experience, I am aware what a difference it can make to employees as they work out how to get the most out of their pension and other savings and investments.”



The closure of a DB Pension scheme is never good news to hear but WEALTH at work provided our employees with the knowledge of what the changes meant for them and what their next steps could be.

### **Sarah Newell, Pensions Manager at Atkins**

comments, “The team at WEALTH at work were the key partner in educating our staff in respect of the closure of our DB pension arrangement and key aspects of the new DC plan, how it linked together also with other benefits such as our Share Incentive Plan.

WEALTH at work delivers a quality service as a result of employing specialists for each stage of the process such as marketing expertise to engage employees, educationalists to explain the benefits in a simple way and specialist advisers covering investments, pensions and tax for employees to utilise when they need to.”

## Employees

As a result of receiving financial education, we work with many employees to deliver personalised retirement planning. The testimonials below provide an insight into this.



John Pope, age 60 from Hertfordshire attended a retirement planning seminar whilst working for BT. He thought the seminar provided a good introduction to planning for retirement, which prompted him to arrange a meeting with an Adviser.

John met with an Adviser who looked at his income and expenditure and discussed his financial position in more depth. Once they had established the level of risk John was comfortable with, the Adviser was then able to suggest suitable investment strategies and offer realistic advice about when John could consider taking retirement.

John commented, “Something that I really liked about the service was that the Adviser took the time to build a relationship with me. He became someone that I trusted and could turn to with any queries on my retirement planning. I felt that he was genuinely looking out for my best interests which gave me confidence in the service.”

John continues, “With my Adviser’s help and advice, I have been able to put in place financial plans that allow me to help both my daughters get on the housing ladder.”



John from Northumberland attended a Planning for your Retirement seminar at his place of work - Hewlett Packard. Although John felt relatively financially literate before attending, he found the seminar very useful; particularly when it explained the importance of investigating all occupational pensions and not just the pension from his current employer. He also felt that the seminar gave him greater awareness about how much money is needed in retirement and the various tax considerations.

When the seminar ended, John felt motivated to take further action and requested a one-to-one meeting with an Adviser who then visited John and reviewed his current financial position and discussed his objectives as well as his attitude to risk. Factors such as a recent inheritance and redundancy package were taken into consideration. The Adviser then explained John’s options and provided him with an Investment Planning Report.

Once John had reviewed this he decided to take the next step and follow the financial recommendations provided. John comments, “I had some ideas about my retirement options before I met with my Adviser but I didn’t have the time or expertise to set up the plans myself. The service has helped me make the most of my financial situation in a tax efficient way and showed me how to take advantage of my annual allowance. I am now looking forward to a comfortable retirement. My Adviser was really responsive and always replied to emails and phone calls and has helped me to prepare for my changed circumstances.”

# our approach.

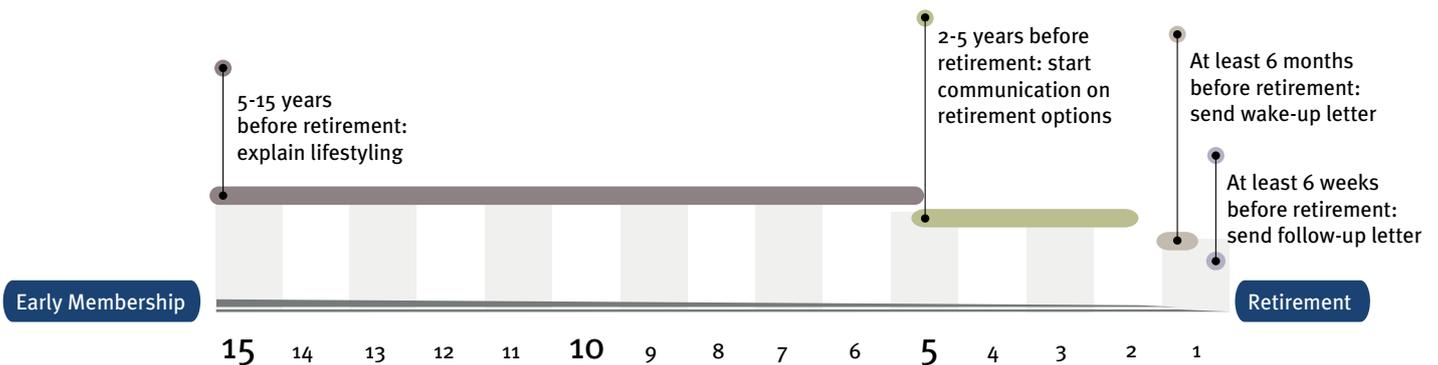
Our annual Retirement Income Options Survey shows that year after year employers believe their employees are largely unaware of the various retirement income options available.

In November 2013, The Pensions Regulator published a framework for enabling good retirement income decision making amongst workplace pensions scheme memberships. This is in line with the services we have been offering to employers for a number of years and highlights our approach to delivering forward thinking initiatives for employers and employees.

The key to our process is early engagement and the provision of ongoing financial education. This comes long before any at-retirement decision making or taking regulated advice. Our financial education programmes are typically delivered to employees from the mid-career stage, all the way through to that all important at-retirement decision point. This is shown in our timeline below.

We offer great flexibility and all of our services are based on a bespoke approach, so you get the right options to meet the needs of your business and your employees.

## Retirement communications timeline





## here to help.

It is important to select the right partner when considering something as important as providing tailored financial education to your employees. This requires a number of different skill sets and we have a highly skilled and competent team which allows our service to be tailored to your requirements and budget. We take time to understand what is most appropriate for your employees and design a programme accordingly.

### **We provide:**

- Communication experts to ensure clear and concise engagement
- Experienced project managers to ensure every aspect of your service is delivered effectively and to plan
- Highly experienced seminar designers and presenters to increase employee engagement
- Regulated Advisers to support employees where required
- Online specialists to deliver supporting websites and tools
- Implementation of all retirement income options whether drawdown, annuity, cash or a combination

**For more information, please contact us by:**

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**Telephone: 0800 234 6880**

**Web: [www.wealthatwork.co.uk](http://www.wealthatwork.co.uk)**

WEALTH at work is a leading provider of financial education in the workplace with a reputation of delivering real results for its clients. Our integrated professionally delivered service consists of financial education, personal guidance and tailored regulated advice, alongside the ability to execute all options to deliver good retirement income outcomes. We aim to ensure all employers and their employees are better placed to make informed decisions.

We will put you first in everything we do, and are committed to competitive charges, jargon-free communication and continually improving our services.

Our 3 key principles are:

## **WEALTH** of knowledge.

Our team of professionals with their special skills and knowledge are on hand to help and guide you to ensure the value of your company's benefits are maximised.

## **WEALTH** of experience.

With many years of experience in designing and implementing ways to enhance the value of workplace financial benefits, we can provide cost-efficient programmes which add real value.

## **WEALTH** of opportunity.

Our tailored approach to working with both large and small companies means we are well-placed to provide your company with proven ideas, as well as innovation, to improve your benefit offering.

Call us on 0800 234 6880. Email us at [info@wealthatwork.co.uk](mailto:info@wealthatwork.co.uk) or visit [www.wealthatwork.co.uk](http://www.wealthatwork.co.uk)

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