

'Capita worked with us to understand our strategic objectives and deliver a successful automatic enrolment plan. As a charity it's essential for us to keep costs manageable, as well provide suitable pensions provision. Capita helped us to achieve this and we now have a really engaged workforce with their pension savings.'



Prospects

Automatic enrolment success

Prospects is a registered charity that works to enable more people with learning disabilities to enjoy wider acceptance and inclusion, better services and support.

Awards

Prospects exemplary automatic enrolment success has also been recognised by external industry awards:

2015 Pension Scheme of the Year Awards – Best automatic enrolment strategy

2015 Pensions Age Awards – Best automatic enrolment implementation

The challenge

1. There were only 9% of employees in the stakeholder scheme, often paying at a level that would be too low following the staging date – so employees were facing a big cultural change with the advent of automatic enrolment.
2. Growth by acquisition, inheriting varying contribution structures – so scheme design and review was essential.
3. Significant population of employees on variable hours contracts with fluctuating earnings.
4. Majority of employees work directly with clients and are not desk-based – so a decentralised population, resulting in difficulties in distributing information efficiently.
5. As a charity, a key objective was to keep the running costs manageable, whilst balancing this with an appropriate level of pension provision for those employees who do want to save for their retirement.

Our solution

Cost modelling

We took a cut of Payroll and HR data, and built an interactive model that would project future pension costs. This included initial contributions, future phasing of contributions and the salary definition used. This allowed Prospects to make an informed decision about their scheme structure and fully plan for the company cost of automatic enrolment.

Technology

We delivered information 24/7/365 through our bespoke pensions and employee benefits portal – Orbit. This provided automatic enrolment functions and access to pre-retirement planning, educational e-tools and contribution history. Making it clear what employees needed to do, when and why.

Silent running

Orbit provided key automatic enrolment duties without the HR or Payroll departments involvement e.g. automated statutory notifications.

Tailored two tier approach

We set up the minimum 'Qualifying Earnings' level as well as a higher level based on Basic Salary in which Prospects matches employee contributions up to 2.25%. There are a number of employees at the lower end of the pay scale and this tiered approach ensures they have an affordable starting point. We also provided a second option, via Orbit, to those employees who wanted to save more and benefit from the higher company contribution.

Cost control

The tailored scheme design ensured that the company contributions are at a controllable level, reflecting the need for Prospects to give due consideration about how they channel their charitable funds.

Engagement

A brand new scheme booklet and FAQ's booklet was issued to all employees ahead of automatic enrolment. A targeted employee e-shot campaign also helped educate employees on the changes.

Contact centre

For employees not wanting to opt in or opt out online, a helpline was set up to capture these requests in a form that still complies with the regulatory requirements.

The outcome

1. Five-times more employees saving for a pension.
2. An opt-out rate of only 3.5%, a striking statistic clearly demonstrating the impact of the two-tier scheme design and engaging employees with targeted warm-up communications.
3. Over 1000 statutory notifications issued to employees to date, sent automatically by Orbit, alleviating pressure on our HR and Payroll departments.
4. Cost modelling exercise saving more than £100,000 over the next five years by adopting the suggested two-tier approach, against auto-enrolling into the current scheme provision.

To find out more, please contact your Capita consultant or visit www.capita.co.uk/employeebenefits

Employee benefits

