



# editorial



A pension scheme is a must-have benefit for most employers. But the cost of providing this benefit to staff can be considerable and the impact of a pension on recruitment and retention is often difficult to ascertain.



Many organisations faced with huge deficits on their defined benefit schemes have been forced to close them



and switch to defined contribution schemes, with those employers wanting to keep risk and costs to a minimum opting for contract-based group personal pension plans or stakeholder schemes. Government plans for a National Pensions Savings Scheme, with auto-enrolment and compulsory employer contributions of 3%, are likely to result in more organisations reviewing their pension arrangements prior to the scheme's implementation in 2012 and some may decide to level down their contributions.



Organisations should think about what they want to achieve with their pensions provision going forward. Do they want to be an employer of choice or do they want to undermine this valuable perk by offering the minimum? Hopefully, this guide will help you evaluate your pension arrangements.



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# Push pensions' value



Providing a staff pension scheme should be seen as a valuable benefit that helps to recruit and retain people within a business. However, pensions have a mixed reputation and engaging employees on the subject of growing old can be quite challenging. Engaging staff with their pension and wider benefits programme has now become a top business priority, a fact supported by *Employee Benefits/JPMorgan INVEST Benefits Research 2007*.

AXA has spent the last four years researching the most effective communication methods and working with academics in behavioural finance to understand employee behaviour in the workplace. The research goes a long way to understanding why employees act irrationally, such as choosing not to join a pension scheme, and has helped us devise solutions to overcome this, such as automatic enrolment.

One of the key principles to securing employee understanding and engagement is through the communication of the benefits being provided. In this respect, different communication techniques and styles will produce very different results, and careful consideration must be placed on each particular scheme, and the relative strengths and weaknesses of each type of intervention.

Good practice nowadays is to view communications as an ongoing process rather than a one-off event. Furthermore, key lessons for us over the years have shown the need to bespoke the communications to the employer and personalise the message. This requires commitment and very often, there will be numerous barriers to overcome on the way, something that requires time and repetition to resolve.

With the planned introduction of personal accounts and compulsory employer contributions in 2012, it is more important than ever that employers can increase and also demonstrate the value they get from their pension and perks programmes.

We know it can be achieved, our experience in running hundreds of campaigns and talking to thousands of employees means we have the evidence, but like many things, it requires a unique blend of expertise, customer understanding and the creation of tailored communications that resonate with the audience.

**Mark Rowlands**, *Corporate benefits marketing development director, AXA Life*



# Establish objectives for the pension plan

**There will often be tension about pensions funding costs as a scheme will compete against an organisation's other priorities**



IN THEORY it sounds easy to justify running a pension scheme, but in reality the business case is hard to pin down. This is compounded by the current emphasis on total reward, rather than a discrete pension scheme scenario, which was the norm ten years ago.

Jon Bryant, head of flexible benefits at Jardine Lloyd Thompson, explains: "Isolating the value of a pension scheme is difficult. For each company, the reality will be to minimise the cost while still providing a good scheme benchmarked against its competitors, and that will depend on industry and geography."

For many organisations facing deficits on their defined benefits schemes the cost has outweighed the benefits and some have switched to contract-based schemes, which are cheaper to run than trust-based schemes, because the insurance company deals with the administration. But cost is not everything when organisations are weighing up the value of offering a pension plan.

"A lot of employers disregard cost issues. The decision can be more about contextual issues, such as whether they are the employer of choice [and] the historical precedent," adds Bryant.

Paul Macro, head of defined contribution (DC) pensions at Aon Consulting, says that the first thing he asks employers using his services is why they want to offer a pension scheme. "Do they want to do the bare minimum or do they want to offer a pension as part of a package that puts them as the employer of choice, or somewhere in the spectrum in-between?" he says.

There will often be a tension between the cost of funding a pension for use as a recruitment and retention tool and other financial priorities.

However, among some organisations there is a growing concern that members of defined contribution schemes do not fully appreciate that their money purchase plans will provide far less in benefits than the previous generation of final salary schemes.

Figures calculated by Watson Wyatt in ►

March this year showed that the annual income individuals receive from their pensions pots in the UK have fallen by more than 75% in the past ten years.

Nick Oram, senior consultant at HSBC Actuaries and Consultants, believes that this may cause employers to feel increasingly responsible for helping staff face retirement.

Ironically though, government plans for obligatory contributions to the National Pensions Savings Scheme may end up resulting in a weakening of the value of pensions as an employer differentiator. John Foster, DC consultant at Hewitt Associates, adds: "It is questionable whether pensions themselves are a retention tool, as the employee contribution element grows and as people move from employer to employer, they will just see it as a question of building up pots with different organisations."

Where employers do go that extra mile and offer a generous pension, for every good employee the perk helps retain there could be another less than average performer who is simply biding time until retirement. The staff who leave are usually those who know their career will take off sufficiently and that the additional cash they receive in salary will be worth more than the pension security they have left behind. Furthermore, it is not necessarily the case that a higher employer contribution rate helps to engage employees. Pension contribution figures often mean little to people who are not financially sophisticated and they may

prefer the equivalent sum in cash, despite tax and national insurance costs.

Many finance directors (FDs) have little or no conviction that pensions help attract and retain good staff. A report on the subject entitled *Delivering DC? Barriers to participation in the company-sponsored pensions market* carried out by the Pensions Institute in 2004, revealed that many FDs will only seek to increase pension take-up if it can be shown that the investment will reap dividends in terms of employee satisfaction and retention.

HSBC's Oram says it can be difficult to balance the positions of finance and HR. "While most employers believe supporting a well-funded pension scheme will have very positive benefits in terms of staff motivation, some of those benefits will be subjective." ■



### Key questions FDs and CEOs ask about pensions

- How much will it cost?
- Will increased staff engagement be worth the investment?
- How can we stop the cost escalating in future years?
- How can we be sure we are targeting the right employees?
- How can we manipulate take-up?
- How can we ensure no regulatory come-back?
- How does the National Pensions Saving Scheme fit in?
- What are our competitors offering?

# Fees: is your plan running to stand still?

**One key tactical point for employers may be in deciding whether they want to pass some costs on to the employees**



THE COST of setting up a pension plan varies greatly from scheme to scheme and largely depends on the level of advice required around issues such as scheme design and investment. Once set up, ongoing adviser costs are generally more comparable.

In practice, a group personal pension for a few hundred people who all work at one site could be set up for between £10,000 and £20,000, with ongoing costs of around £10,000 per year and an annual management charge deducted from the members' funds of around 0.5%-0.6%.

## Adviser-led solutions

Adviser services can potentially be paid for by fees, by commission, or a mix of both. Commission is recovered by an annual fund management charge being applied to each member by the provider, which is passed onto the adviser, and this extends throughout the entire life of the arrangement. A 100% commission-based approach is only possible with a contract-based plan.

Paul Macro, head of defined

contribution pensions at Aon Consulting, says: "One of the first points of consideration is whether the employer wants to pass most of the costs on to the employee. The services an adviser provides can be paid for by fee or commission, and if it is commission, the members will pay via charges on their funds."

A part-fee and part-commission arrangement is also possible whereby the initial costs are met by the employer, but the ongoing costs are met by payment of commission. This is a very common model. In this instance, the annual management charge might, for example, be 0.7%.

If the ongoing costs are met by the employer directly, this is likely to reduce the annual management charge to around 0.5%, but where an employer chooses to pass all costs onto the member (with all payments to the adviser paid via commission) then the members' costs could still be 0.9%.

David Barker, managing consultant at Mercer Human Resource Consulting, adds: "The distinction should be made

[between] whether the employer wants a DC arrangement to mean 'defined contribution' or 'defined cost'."

The costs involved in a trust-based scheme will be different to a contract-based plan. "If the scheme is trust based, then the option to pass [adviser] costs onto members is more limited but still possible. The employer would normally be expected to meet the set up and ongoing consulting costs, together with the admin costs (which could be say £30-50 a year per member), with the member meeting just the investment charges, which could be anything from 0.1% a year for a tracking fund to in excess of 1% for a specialist equity fund," adds Macro.

A difficult issue is that the adviser's work will include an element of advising the company, so an organisation may ask itself whether the employee should be paying for that, albeit indirectly, through commission.

Very often employers are not fully aware of whether commission payments represent value for money.

"The biggest worry of adviser-led solutions using commission is that the adviser will tend to use past performance for judging future investment returns, and with poor results," says Barker. He adds that a trustee who is advised by a fee-based adviser is likely to make better choices and will have a much wider range of investment professionals to select from. This is a particularly pertinent consideration as less than 10 pension ►

## Adviser costs for a typical GPP

### PLANNING AND DESIGN

1. Preparation and attendance at brainstorming day.
2. Modelling of contributions from employer and employee perspective.
3. Full scheme design document drafted for agreement.
4. Detailed project plan including communication strategy agreed.

**Adviser cost:** £10,000-£12,000

### PROVIDER SELECTION

1. Review of provider market taking into account the organisation's requirements.
2. Obtain quotes and terms from providers.
3. Select best providers and best terms and provide written recommendation.
4. Establishment of pensions steering group/trustee board.

**Adviser cost:** £4,000-£5,000 for single contract-based provider

### PAYROLL AND ADMIN REQUIREMENTS

1. Liaison with administrator and payroll/HR teams to agree parameters.
2. Confirmation of requirements and establishment of appropriate procedure.

**Adviser cost:** £3,000 - 4,000 (allows for 3-4 site visits)

### COMMUNICATIONS

1. Employee group presentations on site.
2. One-to-one meetings to discuss pension options as required.

**Adviser cost:** £1,500 per day on site

### ADMINISTRATION AND PROJECT MANAGEMENT

1. Liaison with chosen administrator.
2. Telephone calls and contact.
3. Project management.

**Adviser cost:** £3,500 - £4,000

## Budgeting your running costs

Fill in the table below to get a picture of your pensions scheme costs:

Employer contributions:	£
Consultant fees:	£
Member queries through web and dedicated telephone line:	£
Annual review:	£
Pension committee meetings and preparatory work:	£
Ongoing presentations to new or existing members:	£
Printing communications information:	£
Group life and long term incapacity benefit:	£
Internal HR salary costs:	£
Pensions administration service:	£
<b>TOTAL</b>	<b>£</b>

providers are currently willing to pay advisers commission, which has curtailed choice.

In addition, schemes will require a communication strategy and the cost will depend on how much support is offered by the chosen provider, the type of arrangement (trust- or contract-based) and the employer's overall communication strategy.

The employer may also need to




arrange additional benefits, such as a death-in-service and permanent health insurance policy, at around £1,500 to £2,000 per policy.

After the initial set-up costs, an adviser will be required for ongoing work, typically attending two meetings a year to review the plan with the pensions steering group, and producing an annual report reviewing admin strategy, investment performance, member communication, take up and other issues. If recent years are anything to go by, the adviser will also be in touch to brief on legislative updates. All of this ongoing adviser input might amount to between £10,000 and £15,000 a year.

There will also be the cost of a HR team member whose role includes liaising on a day-to-day basis with the life office and dealing with member queries. This might take a few hours a month for a contract-based scheme rising to half a full-time job for a trust-based pension ■

# Grasping Revenue offer is no-brainer?

**Salary sacrifice provides an ideal opportunity for staff to boost pensions payments and employers to make savings**



WHEN IT COMES to pension costs, one of the most difficult issues organisations face is assessing what the level of take-up will be and what budget to allocate to a scheme.

There are several scenarios where the objective will be to keep uptake low, for instance if a company is backed by venture capitalists, or an organisation has to meet Tupe rules – the Transfer of Undertakings (Protection of Employment) Regulations – where the employer will often put in the minimum provision possible to meet legal requirements.

Conversely, where an employer is switching from a defined benefit to a defined contribution scheme, the

organisation may want to make a big effort to encourage maximum engagement to try to soften the blow to the workforce.

While running a pension scheme can obviously attract significant costs, one way to reduce these is to offer employees the chance to make their pension contributions through salary sacrifice. This allows the employer to make national insurance contribution savings of 12.8% on the part of the employee's gross salary being sacrificed. The employee, meanwhile, sees a reduction in their salary on which tax and national insurance contributions are usually payable. These savings vary depending on whether they are a lower- or upper-rate tax payer.

The easiest way to work out what savings could be achieved is to do a few sums. If, for example, a basic-rate tax payer sacrifices £149.25 as a pension contribution, a quick calculation shows that this is equivalent to a £100 net pay reduction due to the £49.25 tax and national insurance contribution savings ►

## Box 1: Basic rate tax payer

Salary sacrifice	<b>£149.25</b>
Employee NI saving at 11%	<b>-£16.42</b>
Tax saving at 22%	<b>-£32.83</b>
<hr/>	
Net pay reduction	<b>£100.00</b>

made (see box 1 below left).

The employer's 12.8% national insurance saving on the amount of £149.25 is £19.10. This will typically be used to either enhance the employee's pension or provide other benefits. If the employer adds its national insurance savings to the employee's pot, the total gross contribution could end up at £168.35 (£149.25 plus £19.10).

The potential savings for higher-rate tax payers on national insurance contributions are not so great because those earning more than £34,600 (in the 2007-08 tax year) are only eligible to a 1% saving on the amount sacrificed. This is because if they earn £50,000 and pay £5,000 a year in salary sacrifice contributions, this only takes their salary to £45,000 and the national insurance that they would have paid on the £5,000 would have been 1%, while salary below £34,600 attracts national insurance contributions of 11%. Higher-rate tax

payers do, however, get higher tax savings on their contributions at 40%.

Andy Savage, senior consulting director at Jardine Lloyd Thompson, says: "Most employers will give a good proportion of their savings back because they've got used to paying it, but they may retain some for costs, for example legal costs, or to provide a benefit such as life assurance. Those that don't, may raise suspicions among the workforce, because these things are now better understood."

Salary sacrifice schemes are not appropriate for people whose salary would be reduced below the national minimum wage as a result of joining. There are also issues for those who take certain state benefits, such as statutory sick pay, maternity pay and the second state pension, as they are linked to the employee's total gross earnings and a reduction in their taxable salary may reduce their entitlements. Care is also needed where employees are in receipt of tax credits ■



### Case Study: Eli Lilly

Drugs company Eli Lilly has operated a non-contributory final salary scheme since the 1970s, and introduced a salary-sacrifice flexible benefits package, Lillyflex, for its 2,200 staff in June 2004.

One of the benefits is a top-up pension, known as Special Employer Contributions (SpECs), which offers employees the opportunity to sacrifice up to

15% of their salary. The firm then effectively makes an additional voluntary contribution (AVC) on the employee's behalf by paying 5% of the national insurance savings it makes from the employee's contribution. The remaining NI savings are used to fund Lillyflex, as the scheme is structured to be cost neutral.

Before the introduction of

Lillyflex, 800 of the then 2,600 staff were making traditional AVCs to top-up their pension. In contrast, more than 50% of the current 2,200 staff have paid into either SpECs or made AVCs, representing a substantial rise in overall saving. Julie Osman, director of pensions and benefits, says: "The percentage of staff saving for retirement has gone up 65%."

# Are you getting a return on your plan?

**For employers, calculating the return on their investment in pensions is not clear cut, but they can take steps to limit costs**



IT IS AN almost impossible task to prove that a pension scheme is worth offering. The best that can be achieved is a body of evidence which, as a sum of its parts, might help convince an employer that running a scheme is likely to be in its own best interests.

According to the B&CE Benefit Schemes' *Spring pensions survey* one-in-five applicants would not accept a job offer if the employer did not provide a contributory pension. However, from 2012 all employers will have to offer auto-enrolment into a National Pensions Savings Scheme (NPSS), which will require minimum employer contributions of 3%. Therefore, the question for employers will be whether the generosity and quality of the scheme actually has an impact on recruitment.

David Barker, managing consultant at Mercer Human Resource Consulting, says most consultants agree that the usefulness of a pension in attracting job applicants is as a box-ticking exercise.

"[Potential recruits] don't often go into much more detail other than whether a pension scheme exists. They don't tend to ask about how much the employer pays in or about its charges, investment or general quality, although if a defined benefit scheme was offered for older people, that could make a difference," he says.

However, in Barker's opinion, a quality pension scheme can help to keep hold of employees. "Quality can make all the difference to staff retention," he adds. The problem is that it is not always the employees that an organisation wants to retain that stay. The existence of a pension scheme can be counterproductive, keeping employees who are past their prime, preventing an influx of new talent into the organisation.

If an employer can improve its retention, it will see savings in advertising vacancies and in the money spent on training new employees.

The cost of recruitment is rising and ►

the process is time-consuming. Although the cost of an advertisement varies depending on the publication, position and date, it can amount to £6,000 for a single spot, while using a recruitment consultancy costs around 20% of the advertised annual salary. Put crudely, for each member of staff who decides to stay with the company, recruitment advertising costs can be avoided that may equate to up to three or four years' worth of a typical employer's pensions contributions.

Another metric employers can use to help work out the level of engagement with the pension scheme, and thus whether it is helping recruitment and retention, is take-up rates.

John Foster, DC consultant at Hewitt Associates, adds: "You can gauge the extent to which the employee is engaged in making active decisions, such as making active investment decisions or using the modelling tools. There is no value if they show no interest. But it is difficult to say how this all translates into measurable cash benefit for the employer."

Organisations can also use focus groups, employee surveys, employee help desks and financial metrics to determine the value staff attach to the pension scheme. Research into how employee engagement impacts on profitability is an area growing in credibility in the investment management world. One service that consultants can provide is a measurement of employee satisfaction and engagement compared with a

databank that correlates movements in the share prices or profit growth of other quoted companies. The idea is that the employer can see how well it has done relative to its peers, and what uplift its level of engagement may be producing for the business. But while this is useful, it can be difficult to pinpoint exactly how much of an impact an organisation's pension scheme is having on its engagement score.

Pension experts agree that the other element that cannot be underestimated is the value of good communications in making sure employees are engaged with the pension scheme and in boosting the likelihood of the company getting a good return on its investment.

Steve Osbiston, regional director at Baker Tilly, says: "Individual members in ▶



### Key areas to measure

#### Recruitment

- Ask new joiners about the importance of a pension in their decision.

#### Retention

- Survey existing staff on the value they attribute to the pension scheme.

#### Engagement

- Research employees' attitudes and satisfaction levels to determine how important the pension is to different segments of the workforce.

#### Look at your competitors

- Find out what your competitors offer.

final salary schemes are often confused by the information in their pension statement. Employers tend to fall between two extremes, either giving so much information and data that the member is confused [by] and the message is lost, or else just the baldest of statements. Many schemes just give the basic minimum. It would be good if they would comment on the scheme's security, and if there is a deficit, perhaps a comment on how they are dealing with it."

Scheme members are generally most interested in information relating directly to their own pension benefits. Combined benefit statements, which show scheme benefits integrated with state benefits, are a helpful tool. In future, cutting edge practice might be to offer members a secure webspace with a financial planning review modeller that each individual can complete themselves.

In communications terms, money purchase is even more demanding than final salary because of the investment choice and risk. However DC is easier to model and according to Roger Mattingly, a director at HSBC Actuaries and Consultants, modelling tools provide an ideal opportunity to help repair the mistrust and cynicism around pensions.

Adviser consultations and annual workshops can also work well as a communication method, but can be

expensive to provide. Just giving access to a financial adviser rarely works well for all employees, as most some advisers may not be proactive with members who are unlikely to generate additional revenue.

In the future, far more pension communications are likely to be segmented, but instead of categorising staff by job description, salary or contribution levels, this will increasingly take the form of full lifestyle profiling, taking into account things like financial astuteness as well.

In all, calculating return on investment will be a tricky task, and the decision of whether it is worth offering a pension scheme is a question for the finance department and the human resources department to wrangle over ■



# Better opt to cogitate now

**Auto-enrolment and compulsory employer contributions are due to be introduced in 2012, but it doesn't hurt to think ahead**



EMPLOYERS without a company-supported pension scheme have been happily drifting along for years. From 2012 that will all change when the government's new National Pension Savings Scheme (NPSS) comes into effect. This will require employers to auto-enrol staff into either the NPSS or a scheme with provisions deemed adequate to exempt the employer from offering access to the new scheme.

The aim of the NPSS is to provide low cost pension provision for those who might not otherwise save. Under the scheme, employees will pay contributions of around 4% of earnings, while employers will pay 3% and 1% will come from the government in tax relief. That compares to an average employer contribution into a defined contribution scheme of around 6%.

Every employee aged 22 years and over, earning more than £5,000 a year and not already contributing to a pension will be automatically enrolled into one of these personal accounts,

but will be able to opt out of the arrangement if they wish.

The new scheme will present significant costs for employers, not to mention an extra administrative burden. Even an existing good quality defined contribution scheme may not be sufficient to obtain an exemption. To be deemed adequate, an existing scheme must match the NPSS's contribution structure, offer a default investment fund and auto-enrol non-members every three years and all new joiners.

## Opt-in costs

The biggest bugbear is the auto-enrolment requirement, which is set to result in a much higher take-up rate than if employees were left to actively choose to opt in, therefore potentially leading to higher contribution costs.

Although the final charging structure for the new scheme will probably not be announced until the autumn, it is likely to be lower than that for stakeholder schemes, which charge a minimal 1%. If the marketplace feels compelled to ►

reduce its charges to match the NPSS, this will leave little room for providers to charge commission, and makes them unlikely to give any free financial advice or education to staff on top. This will leave the employer in the position of either paying separately for financial education or advice or scrapping it altogether. However, a feasibility study into a national approach to generic financial advice around the NPSS is being conducted by the chief executive of Aegon UK, Otto Thoresen and is due to report at the end of 2007.

### Complications

There is also the issue of whether an employee should be advised to remain opted into the NPSS, which will be far more complicated than it may at first appear. The Pensions Policy Institute produced a paper detailing the groups of employees who might lose out, entitled *Are Personal Accounts Suitable for All*, last November. These groups include people on very low earnings, women who have had career breaks, people in their 40s and 50s, people with extended periods of self-employment and those who are not married. Many factors that influence the outcome are impossible to predict, such as whether the employee will be living with a spouse in retirement.

Niki Cleal, PPI director, says: "The PPI's analysis shows that young people are likely to get a good effective rate of return if they contribute to the scheme throughout their working lives. But a combination of career breaks and low

earnings can increase the risk of finding [the NPSS] unsuitable."

Single people aged in their 20s who join up and subsequently have periods of self-employment may be better off staying out of the scheme in the first place. Critics say that young people will have to save consistently for many years before the contributions will amount to anything. David Barker, managing consultant at Mercer Human Resource Consulting says: "It will [be] 20 years in the future before the contributions amount to much more than offsetting means-tested benefits. Who will advise people on opting out?"

For employers, the temptation will be to trade down pension contributions to the NPSS standard to save the organisation some costs. The Association of British Insurers has tried unsuccessfully to put pressure on the government to cap annual contributions into the NPSS at £3,000 (instead of £5,000) to ensure the scheme does not erode existing provision, and has been pushing to ward off a relaxation of the regulatory regime for the NPSS compared with other schemes. Debate is still continuing around the original proposal that transfers between pension schemes would be prohibited, but there are signs that this may be allowed for very small amounts where this is done to consolidate small pots built up in an employee's previous jobs.

Although employers have until 2012 for the NPSS to become a reality, they would do well to start thinking about its implications as soon as possible ■

# Bamboozled by choice

**A vast array of fund choices often results in members settling for default funds, so is there a happy medium?**



There is a general consensus that there is no value in offering more than ten different fund choices. Organisations that ignore this tend to find members are simply driven into the default fund.

Clive Grimley, investment adviser at actuarial firm Barnett Waddingham, says: "I would pay a lot of attention to the default and I'd offer half-a-dozen alternatives investing in cash, equities and bonds, but don't go overboard."

At the most basic level, a default fund should be offered which progressively switches members out of equities and into less volatile assets as they approach retirement. It is also considered good practice to offer a couple of broad-based equity funds focusing on the UK and globally, and an indexed fund which will exactly track the market to cater for those in their twenties and thirties who have sufficient years to recover if the equities do not perform well. Two or three funds with a mix of bonds, equities and cash with varying risk profiles should also be offered so that there is sufficient choice for members in their forties and early fifties, depending on other saving provisions. A pure deposit-based fund may also

appeal to those who are extremely cautious, while property funds can be attractive to those who feel comfortable holding some of their pot in bricks and mortar.

Other funds that might be offered are specialist ones, such as single country funds or alternative asset classes such as private equity. Some of these sectors will certainly outperform at some stage or other, but there are risks associated with such investments.

Dan Looney, investment liaison manager at Towry Law, points to the great predictions made for the Japanese market in 2005 by the City, which then went on to bomb that year.

Employers might also consider whether a better return is likely to be yielded by funds charging higher commission. While funds that perform well will easily make up for any additional commission charged, a single provider is unlikely to be able to supply outperforming funds across the board.

Remember, less can definitely be more when it comes to fund options, and if you do have employees that might appreciate greater choice, a self-invested personal pension can be a suitable offering ■