

NEST News

January 2012

➤ CEO update

Welcome to the first edition of NEST News for what's already been an eventful 2012.

This week there's been further confirmation of the details around the way the new duties being introduced from October will impact employers of different sizes.

The Government has made it clear that automatic enrolment will apply to all employers with no exemptions. We welcome that confirmation.

The changes affect the timing of staging of the employer duties and have been introduced to give small businesses more time to comply. However, the Government has made it clear that around 70 per cent of eligible workers will be

automatically enrolled before the end of this Parliament. There's more detail on the proposed timetable in this newsletter.

Turning our attention back to NEST's activities, we've kicked off the year with the latest stage in our work to cut pensions jargon. In this, the year that millions of people will be automatically enrolled into pension schemes, helping people feel reassured and empowered, in part by the language we use, has never been more important.

You can read more about our research and how we've been raising awareness of our work below.

Speaking of raising awareness, NEST goes on the road next month as we invite employers and advisers to a series of regional roadshows designed to support them in understanding their new duties and where NEST might be able to help. Details

including how to secure a place if you are an adviser or employer are below.

Finally in this edition you'll also find an update on our latest announcement on the development and delivery of our responsible ownership policy.

Looking ahead, you can expect further announcements from NEST in the first half of this year and beyond, particularly around those employers, including large organisations, signed up to use the scheme.



Tim Jones,
CEO
NEST Corporation

What's inside...

- NEST on the road
- Staging update
- Jargon busting update
- Responsible ownership news



➤ NEST on the road

NEST is inviting large employers and financial advisers from around the country to attend its regional roadshows. These will offer information about the workplace pension changes, along with step-by-step planning to help employers and advisers prepare.

Our pension experts, including Chief Investment Officer Mark Fawcett, will be on hand to demonstrate how the scheme can be set up for an organisation and to explain how NEST works.

At the event, NEST representatives will talk through a checklist that will help larger employers and their advisers prepare for the pensions changes. There will also be a chance to speak to our pension experts and see how NEST's scheme works in practice.

NEST is encouraging employers to come along and learn about the changes now, so they have plenty of time to prepare for when the new pension laws impact their organisation.

For more information on the roadshows and to book a place please visit the [events page](#) on our website.

Places are limited so those employers and advisers interested in attending are advised to book early to avoid disappointment.

NEST Roadshows - [book your place](#)

- Tuesday 7 February, Double Tree Hilton, Tower of London
- Thursday 9 February, Mint Hotel, Birmingham
- Wednesday 22 February, Double Tree Hilton, Manchester Piccadilly
- Monday 27 February, Mint Hotel, Bristol

To request a place please visit the [events page](#) on our website.

➤ Staging update

Following the changes to staging for small employers announced last year, the Government has now confirmed its proposed new staging timetable.

The Department for Work and Pensions (DWP) will consult on the detail of the changes in due course. Details of the proposals are available on their [website](#), but here they are in summary:

- Employers with 250 or more staff are being staged in from 1 October 2012 to 1 February 2014 with the largest employers coming in first. Their staging timetable hasn't changed.
- Employers with 50 to 249 members of staff will be staged in from 1 April 2014 to 1 April 2015.
- Employers with 30-49 staff will be staged in from 1 August 2015 to 1 October 2015.
- Employers with less than 30 members of staff will be staged in from 1 January 2016 to 1 April 2017.



➤ Jargon busting update

Regular readers will be familiar with NEST's efforts to challenge pensions jargon and share our work in this area with the many others committed to tackling language we know can damage people's chances of saving. Pensions jargon isn't just confusing, it's one of the reasons people give for not saving for retirement.



Recent research carried out for NEST by YouGov showed that one in three people are put off thinking about saving for retirement because they find pensions confusing. This is a worrying finding, particularly when later this year millions of workers are due to start saving for their retirement for the first time.

Now we're certainly not the first to point out that pensions aren't renowned for jargon-free communications, but what NEST has done is carry out wide-ranging research with people who are new to pensions and saving. You can see the results of this work in the latest version of our **phrasebook** and we use these 'rules' in all our communications to members and their employers.

The phrasebook features a list of user-friendly words and phrases we believe will work better than existing jargon for savers because they've been designed with and for them. Let's look at a couple of examples of pensions jargon that we've either changed or simply got rid of when it comes to our communications to members.

The research underpinning the first version of our phrasebook led to industry favourite 'annuity' becoming 'retirement income.' Our research indicated that we should also add a description of 'a regular income stream for the rest of your life'.

'annuity'
becomes
'retirement income'

'impaired annuity'
becomes
'a retirement income based on health'

New research for the second version showed us how to tackle 'impaired' and 'enhanced' annuities. 'Enhanced annuity' becomes 'a retirement income based on your lifestyle' and 'impaired annuity' becomes 'a retirement income based on health'.

We've also taken a light-hearted look at how pensions jargon like vesting, open market option and crystallisation could be interpreted if you look at terms from the 'non-pensions geek' perspective, creating a series of videos by NEST people and pensions journalists that are available on our **YouTube** channel.

NEST will continue to develop and add to our phrasebook. We're committed to talking about pensions in language that people understand, helping to make it easier for them to keep saving for their retirement.

Your feedback in this area is, as ever, important to us, so do **get in touch**.



Graham Vidler,
Director of Communications and Engagement,
NEST Corporation



subscribe or unsubscribe, email: stakeholder@nestcorporation.org.uk

➤ Responsible ownership news

NEST continues to deliver on its commitment to act as a responsible owner of assets on behalf of our members and aspires to a world-class responsible investment approach. We believe responsible investment supports long-term value, reduces risk and supports better member outcomes.

This week, we announced The Co-operative Asset Management as the successful bidder for a contract to provide responsible ownership services that will help NEST engage with the companies it invests in and help meet its responsibilities as an active and prudent asset owner.

The Co-operative Asset Management will work with Manifest, the proxy voting agency, to deliver a range of services including:

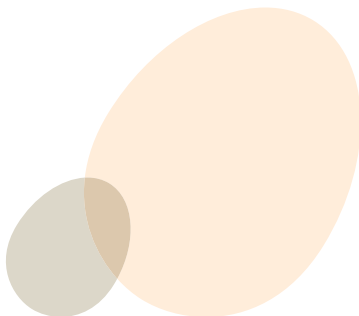
- supporting NEST on formulating its views on environmental, social and governance (ESG) issues, including executive remuneration and boardroom diversity, water and carbon emissions and labour practices
- supporting NEST's responsible ownership of assets through a number of activities, including developing processes on vote monitoring and helping NEST understand when it should move to collective action when it comes to engaging with companies
- supporting NEST in aligning NEST Corporation's ESG policy with its corporate social responsibility policy and integrating ESG considerations across its investment approach.

The Co-operative Asset Management will help NEST in developing and delivering an effective and dynamic responsible investment approach. It is an expert partner in its field with an excellent track record in exercising responsible ownership.



Mark Fawcett,
Chief Investment Officer,
NEST Corporation

“ We believe responsible investment supports long-term value, reduces risk and supports better member outcomes. ”



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