

## **Changes to Workplace Pensions Law.**

On 1<sup>st</sup> October 2012 the Government will be phasing in the National Employment Savings Trust (N.E.S.T). This scheme was conceived to reduce the Pension Savings Gap. All companies without a pension scheme in place will be automatically enrolled in N.E.S.T and individual direct debits will be set up from the payroll of each employee aged between 22 years and state pension age, and earning above the personal allowance of £7475 for 2011/2012.

There are a number of reasons why N.E.S.T may not be the best option for your company, a few are :

- No specific financial advice is given regarding the investments made via the pension
- Only 6 funds are used for investment
- Charges are quite high – contribution charge 1.8% plus 0.2% of the fund
- Maximum annual contribution limit in first year - £3600 – Directors and high earners may need the option of contributing more.

Why choose a pension scheme through Harmony Wealth Management?

- Charges are generally lower
- Your company has access to fully independent financial advice and a point of contact at all times in the event of changes or queries
- Harmony Wealth Management research a wide range of funds and products to arrange the most suitable pension scheme for your employees.
- Individual Personal Pensions (for small businesses up to 5 employees) or Group Schemes (for 5 employees or over) can be arranged
- Pension schemes are regularly reviewed for optimum performance

If your company arranges its own pension scheme, it may be possible to 'opt out' of the Government N.E.S.T scheme. Once a pension scheme is in place, an employer must register with the Pensions Regulator via their website, [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

If you would like to discuss these matters further, our pensions adviser Neil Smith would be happy to help. Please contact the office on 01246 268571 or mobile 07970734301 or email Neil direct at [neil@harmonywm.co.uk](mailto:neil@harmonywm.co.uk)