

**NOW:**  
Pensions

The future is now



# Adviser service proposition

# What we offer advisers

## Employers are looking to their advisers for their specialist pensions insight.

Whilst this presents a promising commercial opportunity for advisers, it also carries the risk of adviser resources being absorbed into basic administrative tasks rather than fee earning advice. Our flexible solution and comprehensive support ensures that your focus remains on advising your clients, from initial engagement right through to launch and implementation.

**We believe we have developed an ideal platform for you to engage with auto enrolment in a way that is advantageous:**

1

### Online sign up

Easy and intuitive online enrolment. Ideal for signing up multiple employers, saving you time whilst justifying a fee.

2

### Our modular proposition

Choosing the elements of our proposition that suit you and your clients.

3

### Investment solution

Designed to offer stable long term growth and low volatility, our diversified growth fund aims to match the needs of our members.

4

### Adviser toolkit

You will have access to materials you need to advise and educate your clients and their employees.

5

### Costs and charges

We offer a simple and transparent approach to employer and member charges.

Areas where advisers can add value = ★  
 NOW: Pensions solutions = ●

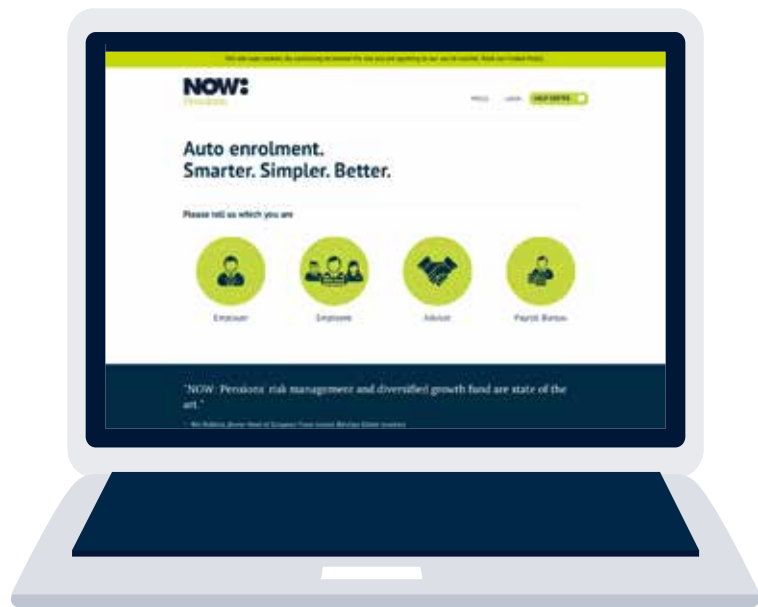


# 1 Online sign up

**Our auto enrolment application system mitigates the need for extensive form filling, phone calls and emails. By simply inputting the information you will be able to save time as well as justify a fee for the service.**

Putting together bespoke advice solutions for one or two SME clients may generate little profit; whereas transacting one or two 'standard' solutions for many clients, following a well-defined process can drive real revenue.

You will not require any training as the system has been built with the end user in mind. This allows you to delegate the application process, giving you peace of mind that applications are being fulfilled without burdening the time of senior advisers.



Once registered, log on using this address to begin the process:

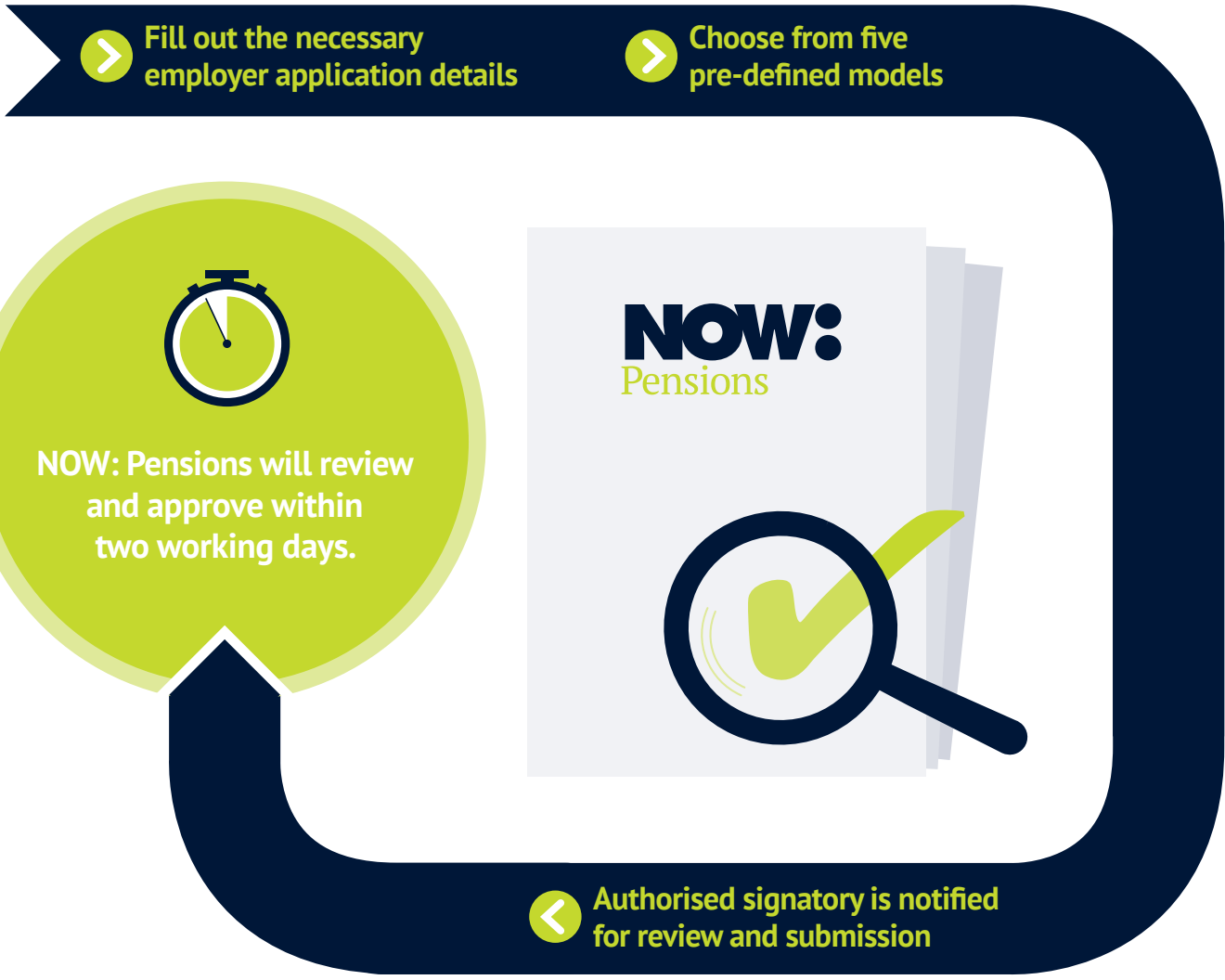
[nowpensions.com/login](https://nowpensions.com/login)

# Online application process

The screenshot shows the 'Employer name' section with fields for 'Employer name (legal)', 'Employer name (trading)', and 'Employer name (trading as)'. Below this is a question: 'Are your trading partners operating a pension plan or do you have one?' with 'Yes' and 'No' radio buttons. The 'Employer details' section includes a dropdown for 'What is your sector or main economic activity?' and a question: 'Do you have any other active plans for your staff?' with 'Yes' and 'No' radio buttons. There is also a question: 'What is the main reason your organisation wants to join?' with a dropdown menu.

The screenshot shows five pre-defined pension models, each with a 'Select as default scheme code' button:

Model 101	Model 102	Model 103	Model 104	Model 105
<p><b>101</b></p> <p>Multi-employer defined contribution (DC) scheme with a fixed contribution rate of 10%.</p> <p>Monthly Employer Contribution: 10%</p> <p>Monthly Employee Contribution: 5%</p> <p>Select as default scheme code</p>	<p><b>102</b></p> <p>Single employer defined contribution (DC) scheme with a fixed contribution rate of 10%.</p> <p>Monthly Employer Contribution: 10%</p> <p>Monthly Employee Contribution: 5%</p> <p>Select as default scheme code</p>	<p><b>103</b></p> <p>A defined contribution (DC) scheme with a fixed contribution rate of 10%.</p> <p>Monthly Employer Contribution: 10%</p> <p>Monthly Employee Contribution: 5%</p> <p>Select as default scheme code</p>	<p><b>104</b></p> <p>Multi-employer defined contribution (DC) scheme with a fixed contribution rate of 10%.</p> <p>Monthly Employer Contribution: 10%</p> <p>Monthly Employee Contribution: 5%</p> <p>Select as default scheme code</p>	<p><b>105</b></p> <p>Multi-employer defined contribution (DC) scheme with a fixed contribution rate of 10%.</p> <p>Monthly Employer Contribution: 10%</p> <p>Monthly Employee Contribution: 5%</p> <p>Select as default scheme code</p>
<p>Employment period from 01 April 2024</p> <p>1% Employer 1% Employee</p> <p>Employment period from 01 April 2024</p> <p>1% Employer 1% Employee</p> <p>Employment period from 01 April 2024</p> <p>1% Employer 1% Employee</p> <p>Employment period from 01 April 2024</p> <p>1% Employer 1% Employee</p> <p>Employment period from 01 April 2024</p> <p>1% Employer 1% Employee</p>	<p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p>	<p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p> <p>Employment period from 01 April 2024</p> <p>4% Employer 2% Employee</p>	<p>Employment period from 01 April 2024</p> <p>None</p> <p>Employment period from 01 April 2024</p> <p>None</p> <p>Employment period from 01 April 2024</p> <p>None</p> <p>Employment period from 01 April 2024</p> <p>None</p> <p>Employment period from 01 April 2024</p> <p>None</p>	<p>Employment period from 01 April 2024</p> <p>Flexible minimum and maximum employer fees: 4.5% min</p> <p>Employment period from 01 April 2024</p> <p>Flexible minimum and maximum employer fees: 4.5% min</p> <p>Employment period from 01 April 2024</p> <p>Flexible minimum and maximum employer fees: 4.5% min</p> <p>Employment period from 01 April 2024</p> <p>Flexible minimum and maximum employer fees: 4.5% min</p> <p>Employment period from 01 April 2024</p> <p>Flexible minimum and maximum employer fees: 4.5% min</p>
Banked	Bank	Bank	Bank	Bank
<p>Have you any other pension plans?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Have you any other pension plans?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Have you any other pension plans?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Have you any other pension plans?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Have you any other pension plans?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



➤ Fill out the necessary employer application details

➤ Choose from five pre-defined models

  
 NOW: Pensions will review and approve within two working days.



⬅️ Authorised signatory is notified for review and submission

# Model selection

We have devised five standard contribution models that advisers will need to choose from during the online sign up process. The models allow enough flexibility to cater for every type of business.

			From 6th April 2019 onwards
<b>Plan 101</b>	Auto enrolment	Meets the minimum contributions required for auto enrolment based on qualifying earnings	3% Employer 5% Member
<b>Plan 102</b>	Auto enrolment	Meets the minimum contributions required for auto enrolment based on basic earnings	4% Employer 5% Member
<b>Plan 103</b>	Auto enrolment	A phased introduction to a more generous employer pension based on basic earnings	6% Employer 3% Member
<b>Plan 104</b>	Saving plus	Compliant contribution model with total contributions of 10% or more based on basic earnings	5% Employer + 5% Member
<b>Plan 105</b>	Matched saving	Member contributions, based on basic earnings, are matched by employer contributions within minimum and maximum amounts	Minimum must be at least 4.5% each from both the Employer and Member

## Quick reference

### Qualifying earnings

For the 2019/20 tax year qualifying earnings are between £6,136 and £50,000. This means the first £6,136 of an employee's earnings and anything over £50,000, does not count for the purposes of auto enrolment. So using our Standard plan for auto enrolment for a worker earning £20,000 a year, the amount we would calculate their pension contributions on would be only £13,864.

### Basic earnings

These are the basic earnings of the employee excluding any fluctuating income such as bonuses, commission, overtime etc.

The whole of the employee's basic earnings are taken in to account when calculating their contributions. So using our Plan 102 for auto enrolment for a worker earning £20,000 before overtime or bonuses, the amount we would calculate their pension contributions on would be the full £20,000.

Please note: you can choose to calculate contributions in a way that meets the requirements of three 'sets' described in the legislation. See [The Pension Regulator's guidance](#) on certification of pay.

## 2 Modular proposition

**Our modular approach is ideal for advisers as you can influence the setup of a scheme by selecting the areas deemed to be most beneficial to your individual client's circumstances.**

This could include transfers in, flexible scheme design, data flows with payroll and/or communications. We provide you with the flexibility to recommend which stakeholders (provider, client, payroll, yourself) retain management of each module and, as the adviser, you can manage the auto enrolment sourcing and arrangement process and charge accordingly.

### Flexible scheme design

We offer a range of predefined and auto enrolment compliant solutions, each representing different contribution levels. This makes the financial exploration stage far simpler and gives you the freedom to process large volumes of clients daily. Should you have clients with specific needs, the scheme can also be customised.

### Communications

We can handle all statutory communications relating to auto enrolment for all employees – not just eligible jobholders, but also workers and non-eligible jobholders. We have the ability to send communications by email directly to your client's employees. Additionally we manage opt in/out. The responsibility of record keeping is with the employer. However, copies of all statutory communications that are sent to employees through Gateway are held in the NOW Pensions Gateway.

### Transfers in/out

Members have the option to consolidate existing pension savings into the NOW: Pensions Trust. Approximately 15% of staff leave their employers each year, creating an additional advisory opportunity for members looking to explore the pros and cons of pension transfers. Scheme charges will be an area of particular interest to employees. By comparing the investment and management charges of other providers against NOW: Pensions, employees can be shown how a lower charging structure equates to more money in their fund, therefore increasing the potential of accruing a larger retirement income.

### Payroll integration

NOW: Pensions has been working with the UK's major payroll providers to create a simple, integrated payroll to pensions experience that can be replicated each time your client runs their payroll and categorisation should be, handled within the payroll system for a smoother, faster transfer.

# 3

## Investment solution

**Auto enrolment has been widely tipped to trigger real change in workplace savings, or at least lay the foundations for a better savings culture.**

But getting savers to engage with their savings is likely to remain a challenge.

Auto enrolled savers typically do not engage with their investments and 99.7% of auto enrolled savers are in the scheme default fund. That is a good thing. We know that the majority of defined contribution pension savers who make their own investment decisions do not review those decisions. Sadly, those who do review them will often fall into the 'buy high/sell low' trap, resulting in a less favourable financial position than they would have enjoyed had they remained in the default fund.

Worrying about investment decisions detracts from members focussing on the key issues. By offering a single investment solution, we concentrate our efforts on growing members' investments, allowing them to engage with the fundamental questions such as:

*When do I want to retire? What do I want to do? How much should I pay?*

# 99.7%

*of auto enrolled savers, industry-wide are in the scheme default fund.*

### Do members make good investment managers?

The illustration at the top of page 9 is taken from the United States. It captures the returns of major asset classes and the rate of inflation over a 20 year period. The message is very clear - the majority of investors do not make good investment managers. Investors' decisions which lead to poor outcomes can be influenced by many factors, including:

**Anchoring** – To base decisions on a reference point that may have no relevance on the decision being made

**Loss aversion** – To be more emotionally influenced by a loss than by an equivalent gain

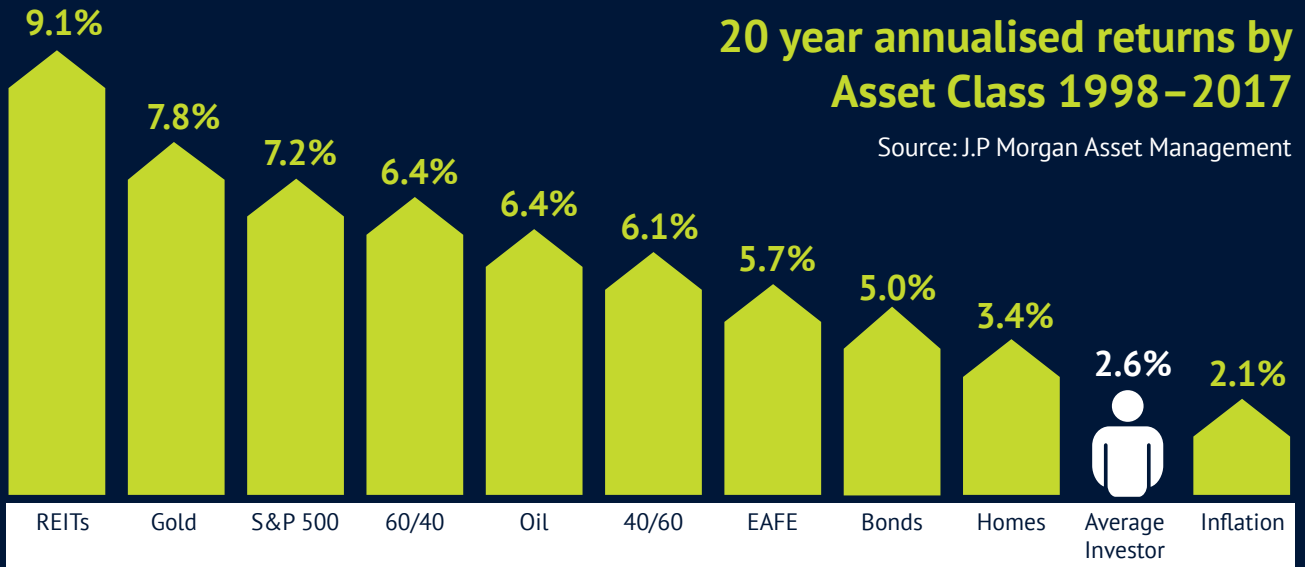
**Herd behaviour** – To mimic the actions (rational or not) of other people

**Media response** – To overreact to information in the media

**Over confidence** – To believe that one's investment decisions will be better than others'







## How do we manage your clients' pension investments?

Our investment solution is made up of actively managed fund components which combine to create a strategy that aims to deliver stable long term returns and help members look forward to a secure retirement in any economic climate. Members are not asked to make any investment decisions. Instead, the NOW: Pensions Trustee Board shoulders responsibility for the investment strategy which is designed to secure the highest possible return with an acceptable level of risk over the course of a member's journey with us.

For the majority of a member's working life, they will be invested in the Diversified Growth Fund which invests in a number of different asset classes to create long term stable investment returns. When the member is ten years away from retirement, their fund is gradually switched into the Retirement Countdown Fund which has a return target in line with cash. This approach acts to gradually reduce volatility risk as members approach retirement, and more importantly, reflects the new freedom and choice in pensions by creating options for members as they retire.

## The glidepath into retirement



# 4 Adviser support

To make it as easy as possible to work with NOW: Pensions, we have built a toolkit containing the materials needed to advise and support your clients through auto enrolment.

Advisers working with NOW: Pensions can make use of a multitude of communication materials ranging from advice support literature to employee education materials.



## Adviser support materials

We have created a selection of documents to support advisers as you walk your clients through the auto enrolment process. Dependent on your clients' level of engagement, our versatile toolkit contains documents ranging from simple step-by-step guides to in-depth investment overviews. Additionally we provide an example suite of documents representing a typical advice process for auto enrolment including client agreements and suitability report.

The adviser support section contains items such as:

- Scheme selection guide
- An introduction to auto enrolment
- Detailed investment overview
- Auto enrolment step-by-step guide
- Employer guide – What to discuss with your adviser

## Employee education materials

Questions from employees about auto enrolment – even at a very basic level – are inevitable, leaving employers exposed to providing answers to any number of queries and concerns. This makes employee education extremely important. Each item within the suite is designed to create impact and is written using positive and colloquial terms to relate to employees and to gently communicate this perceived complex subject through everyday language.

The employee education section contains items such as:

- Full range of posters highlighting different auto enrolment messages
- Canteen presentation for employees
- Educational videos

# 5 Costs and charges

**In today’s member focused pensions market, providers should present a charging structure that is both justifiable and fair.**

Our approach is to be absolutely transparent about our charges. With NOW: Pensions there are no hidden financial complexities and no room for ambiguity. We charge one Annual Management Charge (AMC) and a single monthly administration charge, as explained in the table below.

## Member charges

Monthly administration charge	£1.50
+	
Annual investment charge	0.3% of fund

## Monthly employer service charge

This is a charge paid for by the employer and will begin from the employers scheme start date as outlined in the participation agreement.

This fee covers setting up the pension, full and ongoing help from a dedicated support team and all email employee communications.

	Number of active members	Discount	Monthly charge
Any employer	0	100%	£0*
An employer working with NOW: Pensions directly	Any number	N/A	£36.00 + VAT
A payroll bureau using the NOW: Pensions Gateway	5+	44%	£20.00 + VAT
A payroll bureau using the NOW: Pensions Gateway	1–4	65%	£12.50 + VAT

\*Initial assessment of active members takes 3 full months and therefore the £0 charge only comes into effect after the assessment has been completed. Assessments of active member numbers are performed at the sole discretion of NOW: Pensions.

The discounted price for employers using a payroll bureau reflects the considerable support payroll bureaux provide with auto enrolment administration for NOW: Pensions.

# What's good for employers and workers is also good for advisers

**The NOW: Pensions proposition is focused on creating value for our members. The business is built around the belief that everyone deserves a better pension. Our focus is to provide members with a simple to use, easy to manage, cost transparent pension solution which will consistently deliver good investment returns in the accumulation phase and provide the necessary support when members are due to retire.**

We give employers the opportunity to transform their auto enrolment responsibilities into an opportunity. Auto enrolment is not a choice. However, it's a choice to make sure it doesn't become a long term liability. By choosing NOW: Pensions, employers receive a solution that goes beyond compliance to deliver real value for both employers and employees.

There are many benefits for employers introducing a pension scheme for their staff. As providers and advisers it is in our best interests to provide the right level of support throughout the process to ensure that employers gain a return on the investment they will have to make regarding auto enrolment.

We believe we can help you, as an adviser, to develop a profitable auto enrolment advice model.



# **NOW:** Pensions

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NOW: Pensions is a UK occupational pension plan. This is written as a general guide only. It should not be relied upon as a substitute for specific professional advice.

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