2014 Jelf Employee Benefits Survey

Publication date 1st October 2014

This survey is based on Jelf Employee Benefits understanding of current legislation, and does not form advice. Employers should seek specific advice before acting on anything contained in this report

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Foreword to the 2014 Jelf Employee Benefits Survey

The world of employee benefits is currently experiencing a period of unprecedented, legislation-led, change.

Yet despite the significant fluctuations to the employment landscape, and the resultant impact on millions of employees and their employers, many of these changes are perhaps under-reported in the media.

A principal reason for this oversight has been the focus on Pensions Auto-Enrolment legislation which came into force in 2012, and is being rolled out to businesses of all sizes over a six year period. This legislation requires employers to enrol eligible employees into a suitable pension scheme, and contribute towards the employees' pension fund. This is a huge step towards getting Britain to save for its collective old age, and Auto-Enrolment has therefore (rightly) taken centre stage in the employee benefits media coverage over the last few years.

Yet Auto-Enrolment has perhaps overshadowed other significant changes which may have far-reaching implications for both employees and employers. It is with this background in mind that Jelf Employee Benefits have undertaken this survey, to highlight some other areas of change that are so important to the UK.

This, the first of the annual Jelf Employee Benefits surveys, focuses on two key changes to the benefits landscape.

On the one hand we have the abolition of the Default Retirement Age (DRA), which came fully into force on the 1st October 2011 and entitles most UK employees to continue working after age 65. On the 3 year anniversary of this change we look at how organisations have reacted to this amendment, what benefits are being offered to older employees, and if employers are specifically informing their workers of the new right to continue to work past age 65.

The other principal change is yet to take place, but will fundamentally change the shape of retirement planning in this country. The Chancellor, George Osborne, announced the Freedom of Pensions proposals in his March 2014 Budget speech, and the new rules are due to come into force in the spring of 2015. The new pensions' freedoms will effectively allow any individual over age 55 to access and use any Defined Contribution (DC) pension savings as they see fit. This may encourage some key workers to retire earlier than would otherwise be expected.

These two changes, when taken in tandem, present a huge alteration in the future employment landscape. This is particularly relevant as the UK workforce demographic is also about to undergo a significant change.

According to the Department for Work and Pensions (DWP), the percentage of older workers - those aged between 50 and State Pension Age (SPA) - in the UK workforce is currently 26%. Yet in a little over 5 years from today (2020) that number will have increased to 32% of the working age population. It therefore follows that UK Plc will need to retain the best of our older workers in employment for longer if Britain is to remain competitive, and also ensure that these employees remain both engaged and motivated. Our findings shed some new light on this important, yet under-discussed, topic.

This survey is also unique, as it looks at these issues from two perspectives.

On the one hand we have the employer responses, which include small employers, SMEs, large corporates and some major Public Sector departments. These results were obtained by Jelf Employee Benefits through our well established seminars and events.

On the other hand we have the responses from hundreds of employees at, or near, retirement age. This data has kindly been provided by our sister company – LaterLife. The www.laterlife.com website is visited by many thousands of older workers and pensioners each month, and this data provides a telling insight into how employees view some of these important topics.

This dual approach to the fact-finding has thrown up some interesting differences in perceptions and actions.

Finally, and not least, I would like to thank the employers, employees and retirees who participated in this survey; it would not have been possible without you.

Steve Herbert
Head of Benefits Strategy
Jelf Employee Benefits

Employer responses & commentary

In July 2014 Jelf Employee Benefits set out to ask UK employers some searching questions regarding their employee benefits offerings.

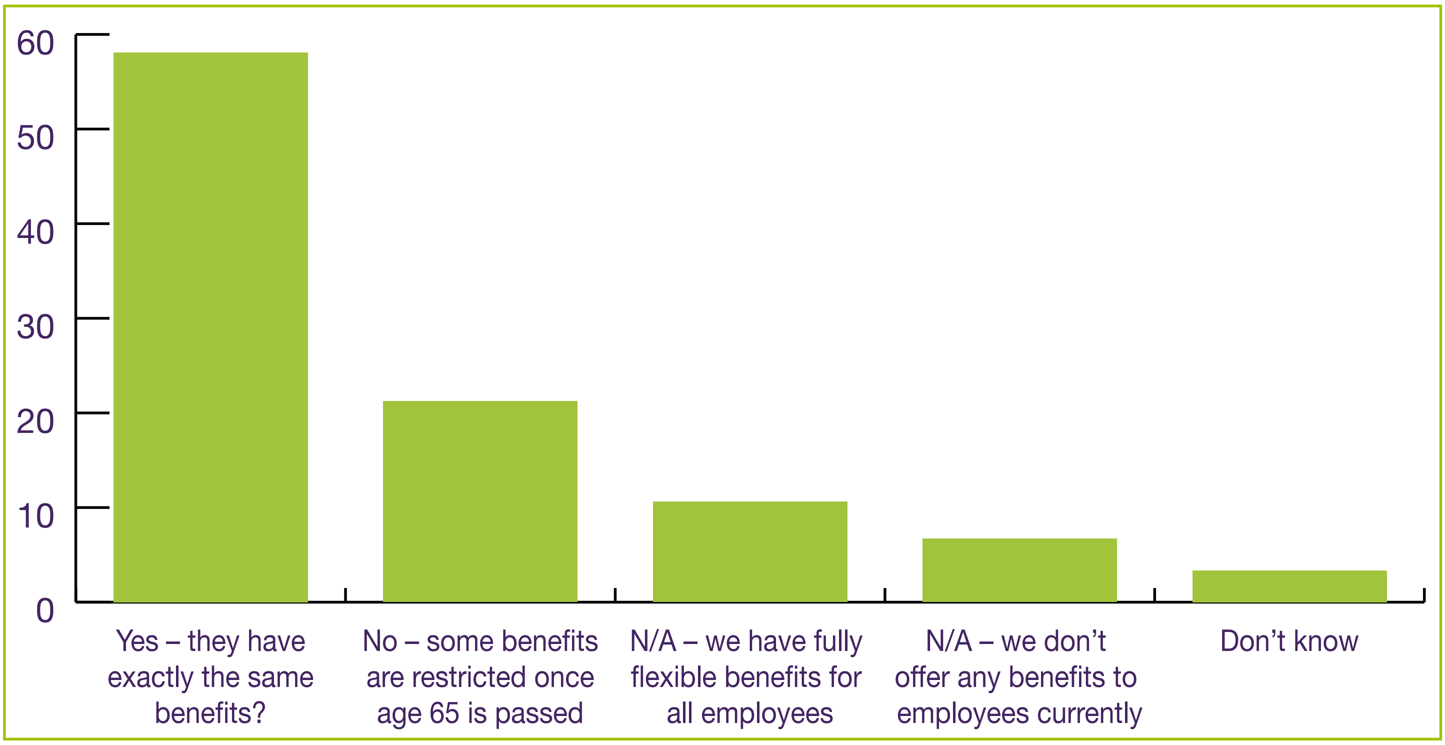
Utilising the hugely successful Jelf Employment Seminars as a platform to undertake this research, Jelf asked more than two hundred employers for their views on current benefits offerings and trends. Employers that attended these events ranged from (a few) micro-organisations, a large number of employers with between 50 and 2000 employees, some multi-national employers and several large public sector organisations and Whitehall departments. The responses are therefore indicative of a broad cross-section of employers in the UK.

Delegates at these events were those that have daily interaction with employee benefit issues in the workplace, with senior Human Resources and Finance personnel featuring heavily. It should be noted that voting at these events was completely anonymous – thus the responses should be accepted as a true indication of employer views at the time of asking.

Given the varied range of responders, there will inevitably be some differences in benefit offerings. Yet this dichotomy is likely to be a closing gap over the coming years – with both Pensions Auto-Enrolment and new initiatives such as the Health and Work Service making some employee benefits universal across the UK workforce.

We believe that the responses provide a telling insight into the current benefits landscape – and in particular the legislation led changes that are shaping the world of employee compensation packages in this country.

Q1: Do you provide older employees (over age 65) with the same benefits as younger employees?



In 2011, when the Default Retirement Age (DRA) was abolished, a clause was introduced to allow employers to cease to offer some insured employee benefits to employees after the age of 65. The clause is reproduced in Appendix VI for completeness. The benefits this most often relates to are Group Life policies, Group Income Protection cover, and Group Critical Illness plans. The exemption appears to only apply to benefits which are fully insured, and therefore may not apply to schemes which are self-insured by the employer.

From the responses to the above question, it is encouraging that 58% of employers do not make any distinction between those under age 65 and those above this age. Yet the responses also show that more than 1 in 5 employers will restrict benefits for employees once they pass age 65.

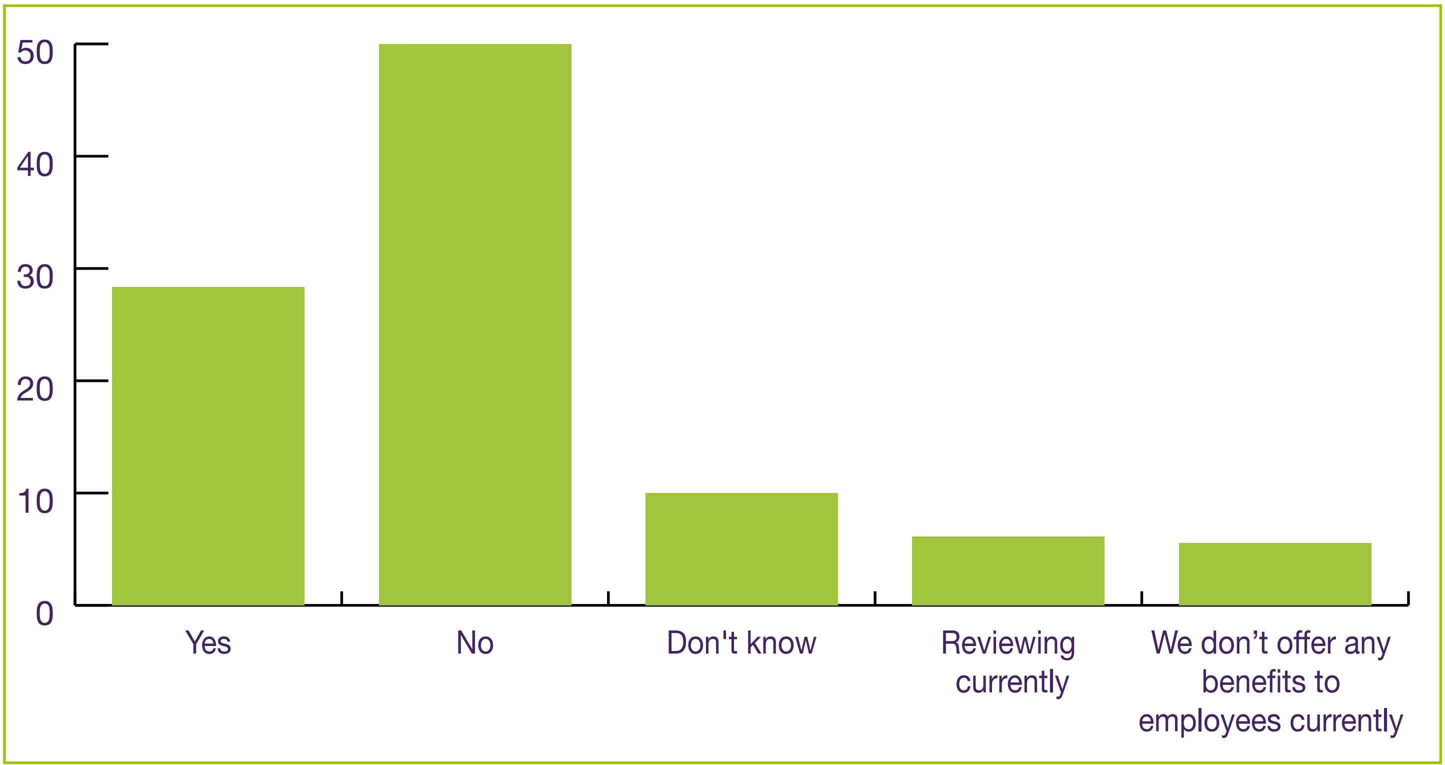
This raises several areas of concern:

- Does the employee know, and have they been explicitly informed, that their benefits package has been – or will be - reduced after age 65? Our employee level findings suggest that communications from employers to employees around the DRA issues may not be as robust as desired, so there is a significant possibility that at least some older employees are not actually aware that their cover in these areas has ceased.
- Even if benefits have been restricted, does the employee have any overriding contractual promises regarding benefits? If so, and if cover has ceased under the insured scheme, then the employer may find that they are, in effect, self-insuring the risk in the event of a claim.
- Aside from the specific points above, there is also the less tangible, but no less important, issue of motivation and engagement for the older employee. An employee who finds that they have fewer benefits the moment they reach age 65 may be less engaged with their employer – even more so if a younger colleague undertaking the same job still enjoys such rights. There is much anecdotal evidence to suggest that disengaged employees are less productive, and with older workers becoming increasingly important in the workplace, employers should strive to find ways of extending cover to this grouping of workers, or at least communicate the reasons for not doing so better.

Iain Laws, Managing Director - UK Healthcare, Jelf Employee Benefits

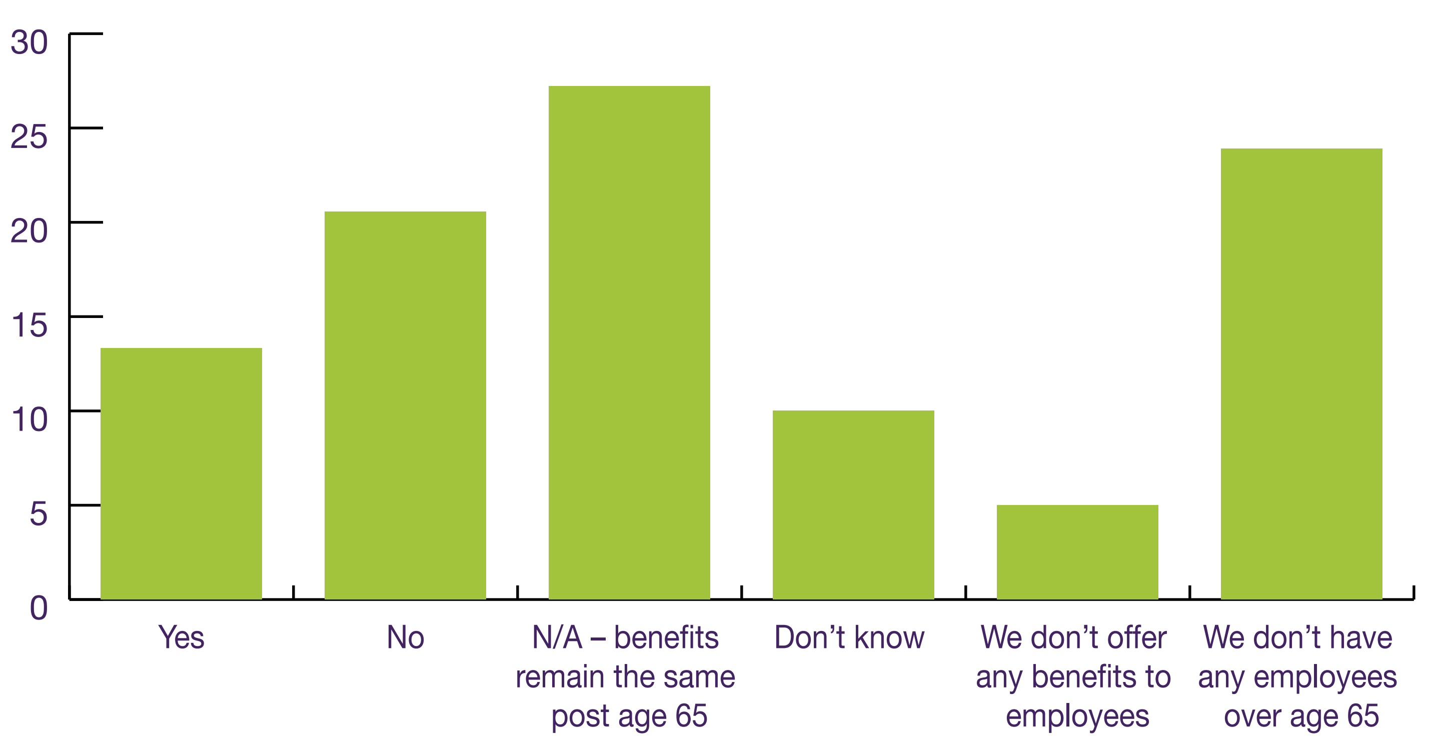
"While the exemptions do apply to insured Group Risk policies, benefits can still be extended relatively cost-effectively to offset the exposure to employers from the ageing workforce."

Q2: Have you reviewed the maximum age limitations of your benefits since the DRA was abolished?



As highlighted in the responses to the previous question, the majority of employers are voluntarily retaining their benefits structures for employees over age 65. Yet the answer to this question suggests that less than a third of employers have reviewed the maximum age limitations promised to employees, possibly leaving a key point on the benefits offering open, and potentially leading to some employees not being covered. Jelf Employee Benefits would strongly urge all employers to review contractual promises against benefit commitments to ensure there are no areas of ambiguity.

Q3: Does your organisation explicitly inform employees who have passed age 65 that their benefit provision may be changing?



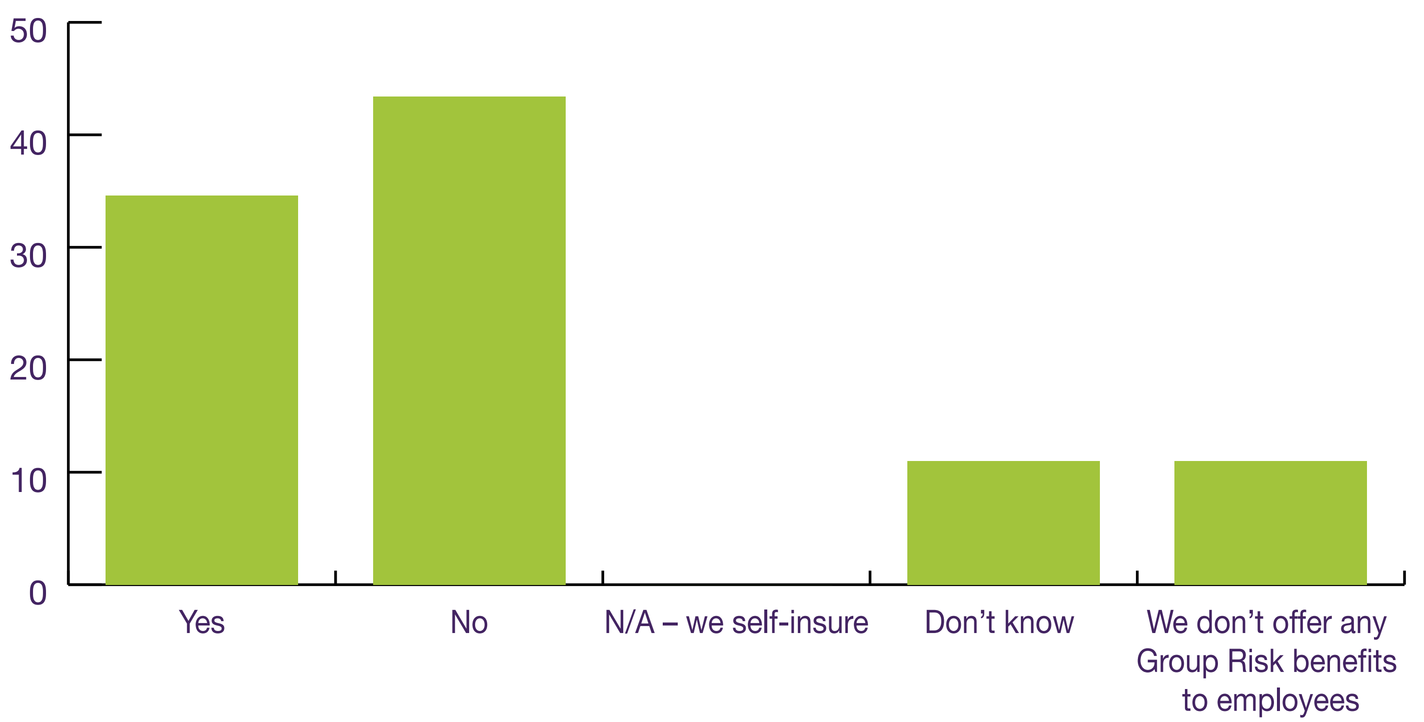
Once again, there is a nagging concern that at least 21% of employers may not be informing employees of changing benefits post age 65 – an ambiguity that should be avoided.

Interestingly, almost 24% of employers surveyed did not currently have any employees over age 65. This grouping could be forgiven for not necessarily having a structure for managing the processes of employees passing age 65 in place, but Jelf Employee Benefits would strongly urge such employers to put the formal detail in train now to minimise potential future problems when the organisation first encounters this issue.

Iain Laws, Managing Director - UK Healthcare, Jelf Employee Benefits

"This is particularly relevant to income protection, where an employer's contractual promise will increasingly continue beyond age 65, whereas (unless reviewed) any claims in payment would cease on the Group Risk insured scheme's termination date, leaving the employer with an uninsured liability after that date."

Q4: Are you aware of your insurers' maximum age limits for "Group Risk" employee benefits?



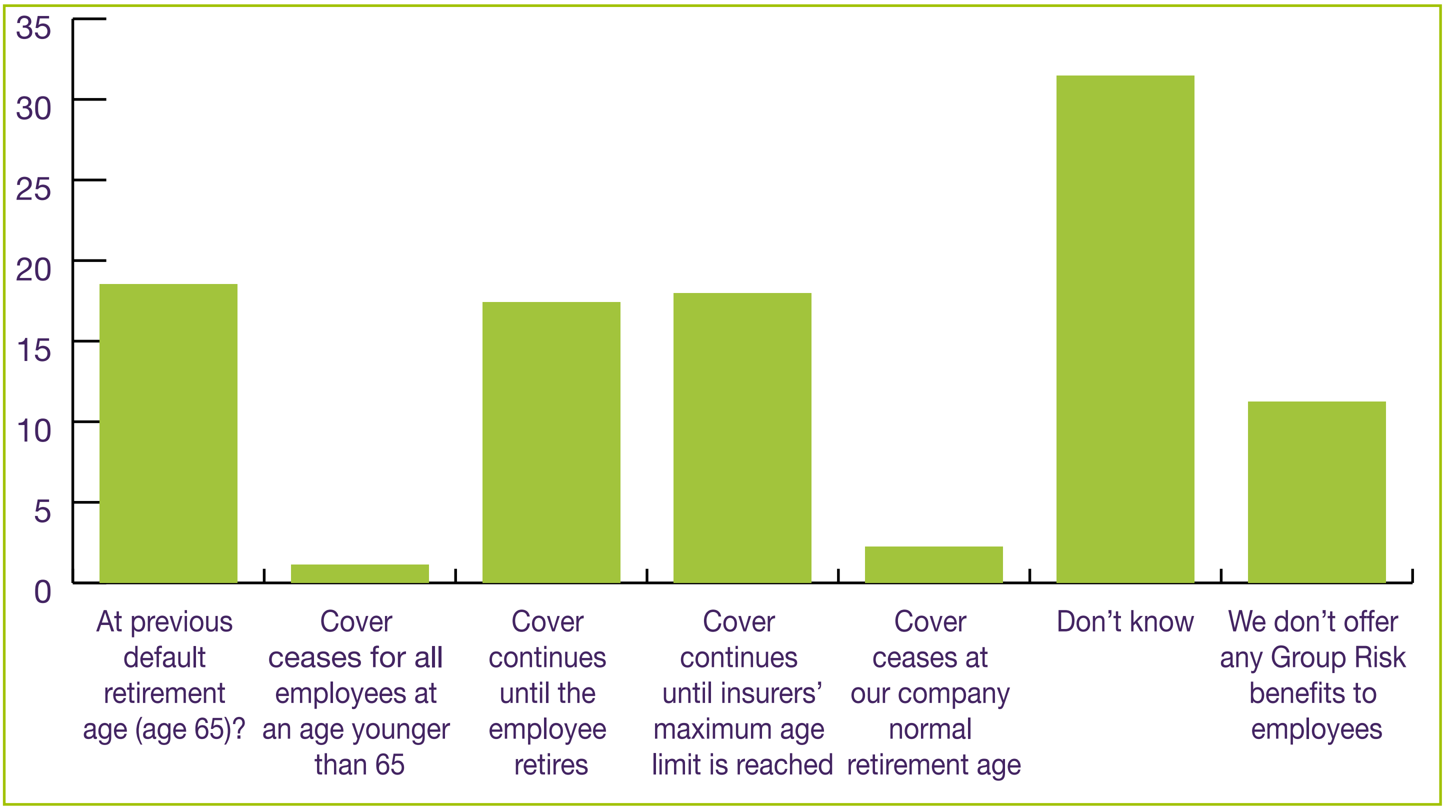
Although employers may continue to extend cover under group contracts to employees past age 65, it does not follow that insurers will extend cover indefinitely. Indeed each insurer in the market is free to set their own maximum age limitations after which cover under their policy will cease.

As can be seen from the responses to this question, just over a third of employers are aware of their insurer's maximum age limits, with 43% of employers not familiar with this important detail. There is therefore a significant risk that employees may be informed that cover continues past age 65, but as the employee grows older he or she may eventually fall outside of the maximum limitations imposed by the insurer. In an extreme case, an employee may no longer be covered by the insurer, yet have been informed that benefits were still in place. In such a scenario the employer may ultimately be responsible to meet any claim that arises (and could therefore be effectively self-insuring, depending on the nature of the promise made).

Iain Laws, Managing Director - UK Healthcare, Jelf Employee Benefits

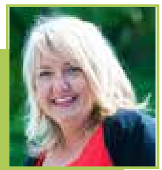
"Inclusive of 'don't knows', this risk applies to 1 in 2 employers and is much easier to address at a 'Group' level rather than on an individual basis, where continued cover beyond 65 may be subject to underwriting."

Q5: At what age do employees cease being covered for Group Risk benefits in your organisation?



Responses to this question were mixed. Broadly equivalent numbers of employers ceased cover at the Default Retirement Age (18.54%), at the employees actual retirement age (17.42%), or at the insurers' maximum age limitation (17.98%). Concerns highlighted earlier re understanding the maximum age limitation offered by insurers, and explicit communications of same to employees, remain however.

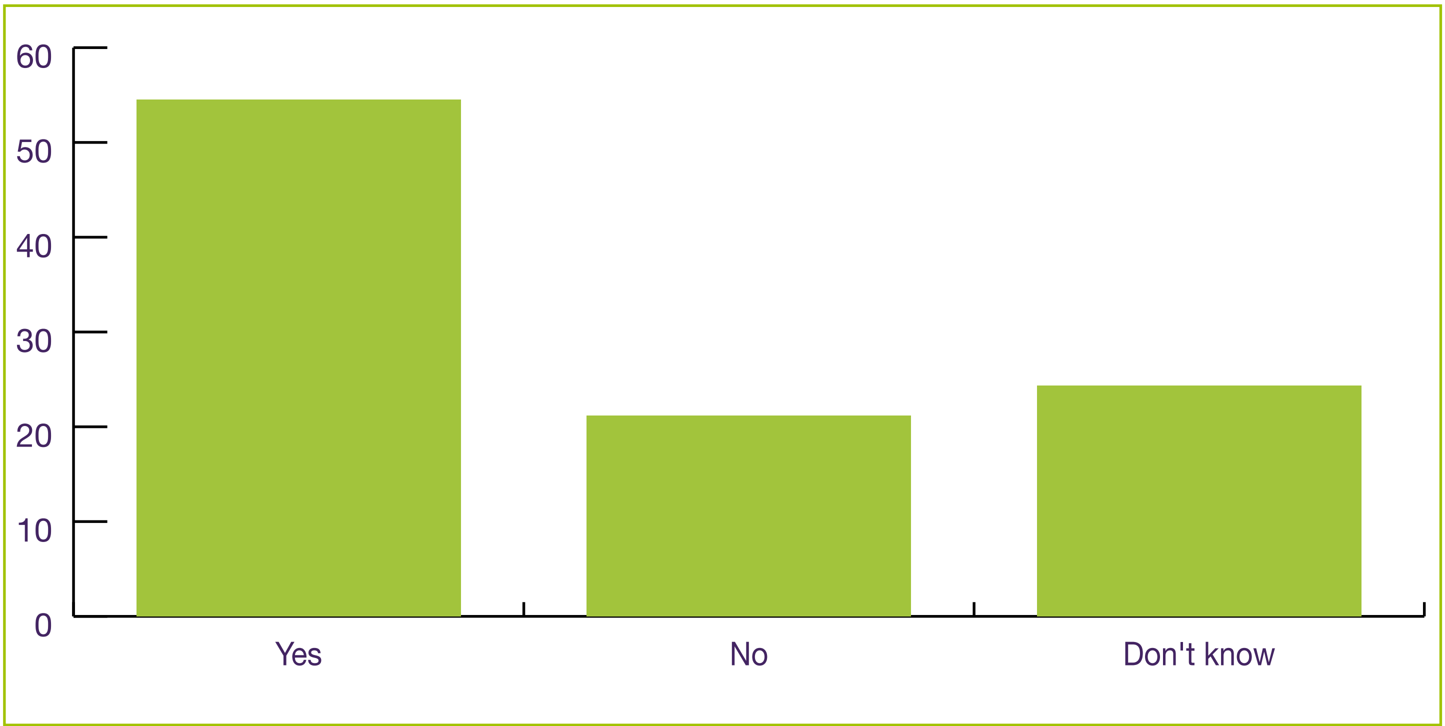
Strikingly, 31% of respondents were not immediately familiar with their company policy on this issue – which suggests that employer policies in this area may not be as robust as would be expected



Jo Thresher, Head of Money at Work, Jelf Employee Benefits

"With many employees not fully understanding or appreciating these benefits, any ambiguity will lead to even more confusion...helping employees to understand what they have and how it links in to their personal life will benefit all."

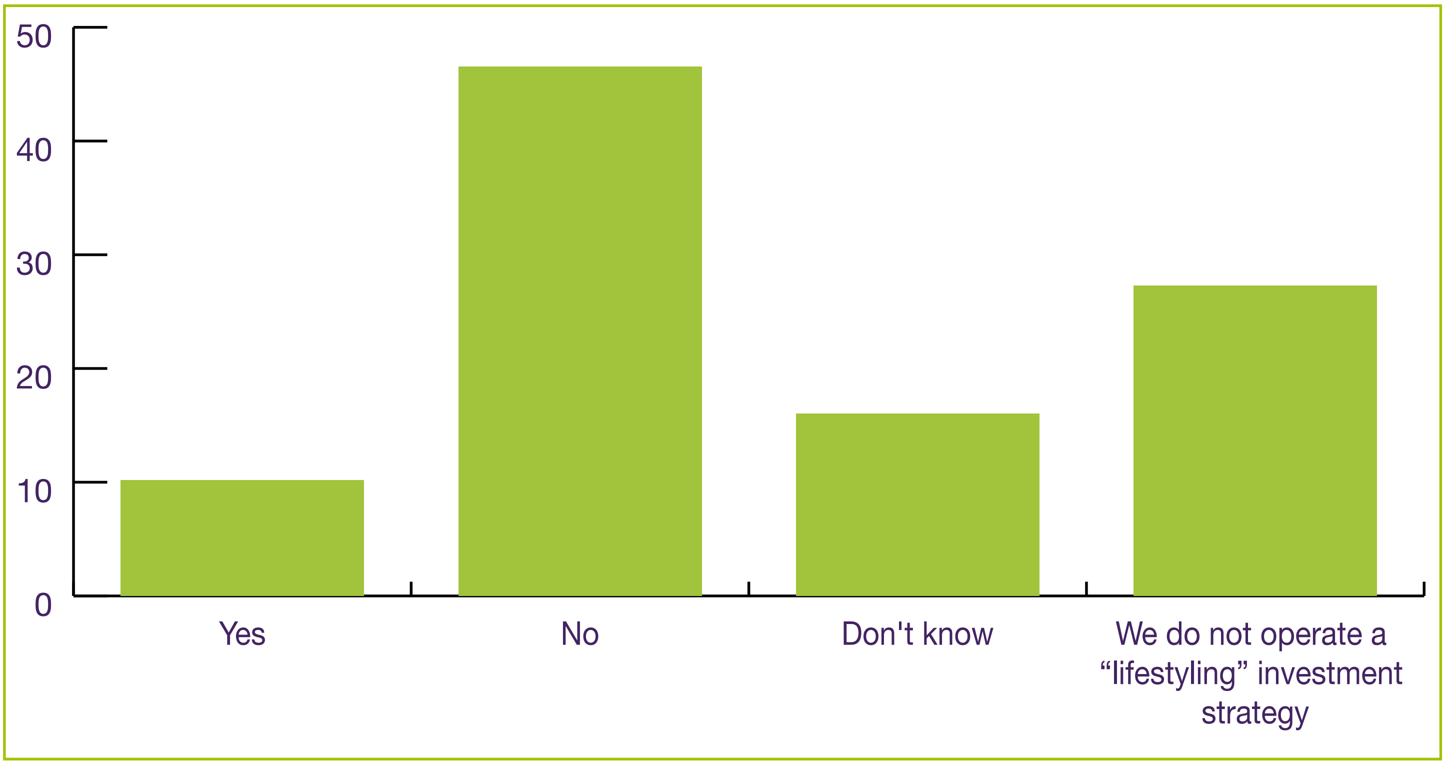
Q6: Do you offer continued pension membership to employees past age 65?



The question of whether pension membership can be ceased at age 65 is perhaps a trickier one than for items such as Group Risk benefits. There are several possible drivers for this decision, including the type of scheme utilised and the scheme rules relating to that particular scheme, contractual promises and even Auto-Enrolment legislation requirements for those past age 65.

Due to the complexity of this picture it is difficult to give any firm steer as to the result. However, with almost 1 in 4 respondents being seemingly unclear on their company policy in this respect, Jelf Employee Benefits would urge all employers to take specialist advice regarding this issue.

Q7: Has your company reviewed "lifestyling" investment strategies following the abolition of the DRA or the Freedom of Pensions announcement?

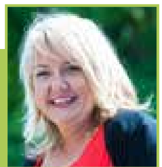


Many Defined Contribution (DC) pension schemes operate a default investment fund known as a "Lifestyle" fund. Such investment funds work towards an assumed retirement age for all fund members (often age 65 - but it can vary between employers), whereby it is assumed that the individual saver will convert pension funds into a retirement income at the selected age. Such funds have been popular in the pensions market for some years.

However both the abolition of the DRA, and the suggestion of greater flexibility of pension fund usage and access from age 55 in the Freedom of Pension proposals, may make the use of Lifestyle funds questionable, or possibly even redundant in some circumstances. The selected retirement age is likely to now only apply to a relatively small number of employees, with savers able to access retirement funds much earlier, or much later, than was previously envisaged, and not necessarily in the form of a traditional pension income either. Given this, it is likely that many such default funds will need to be reviewed to see if they represent a sensible investment choice for the majority of savers.

Just over a quarter of respondents did not currently operate a lifestyle fund. Of the rest, only 10% of respondents had already undertaken a review of their lifestyle strategy, with nearly half (46%) having not yet taken any action in this regard. A further 16% were unsure as to whether a review had taken place or not.

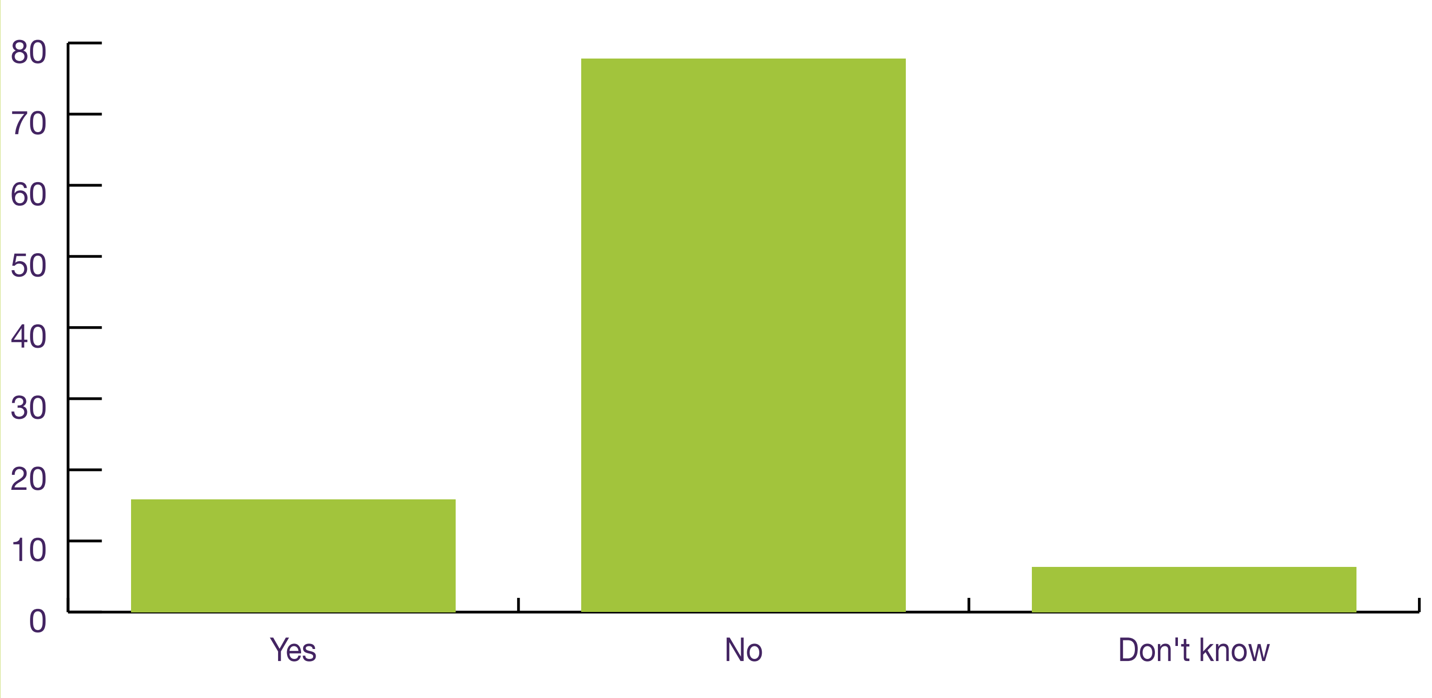
It is clearly important that company selected default investment funds are suitable for the vast majority of savers, and further guidance is expected in this space from the Pensions Regulator in due course. The onus with regard to default fund selection for Auto-Enrolment schemes is very firmly placed on the employer, so Jelf Employee Benefits would urge those that have not reviewed their default fund to take action as soon as is practical.



Jo Thresher, Head of Money at Work, Jelf Employee Benefits

"The next few years will see employees given greater choice than ever before, and even with the guidance guarantee they will need help from their employer. Employers will need to ensure their pension governance is rigorous and fit for purpose – with the pivotal aim being providing a good outcome for all employees. This will be a tricky time as new funds and products are launched into the market, so employees will need more help, and earlier. Such assistance must also be more personally meaningful."

Q8: Have you made your employees aware of the proposed changes to pension fund access for those over age 55?

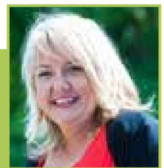


The March 2014 Budget proposals loosened some of the restrictions around the usage of Defined Contribution (DC) pension funds with immediate effect, and more importantly promised sweeping changes with effect from Spring 2015. These proposals, known as Freedom of Pensions, will allow savers to access all or part of their pension fund from age 55 – with no restrictions as to how the money is used to provide a retirement income. By removing the requirement for most savers to purchase an annuity, it is hoped that many more UK nationals will be encouraged to save for their retirement.

As suggested above, the main bulk of the changes will not occur until next April, and it is therefore understandable that employers are reluctant to communicate these changes to their workforce until the legislation is finalised. It is however important that employees are made aware of the proposed new freedoms at an early stage, as these changes could influence important saving decisions.

However, it is perhaps far more important for any employee aged 55 or over. The new rules from 2015 onwards could make a huge difference to key retirement decisions, but importantly the flexibility will not be available to any funds that have already been converted into a pension annuity. It is therefore vital that employers at least communicate the nature of the changes to their workforce at this time to avoid any employee making an ill-informed - and potentially irreversible - decisions with their retirement funds before the new legislation comes into force.

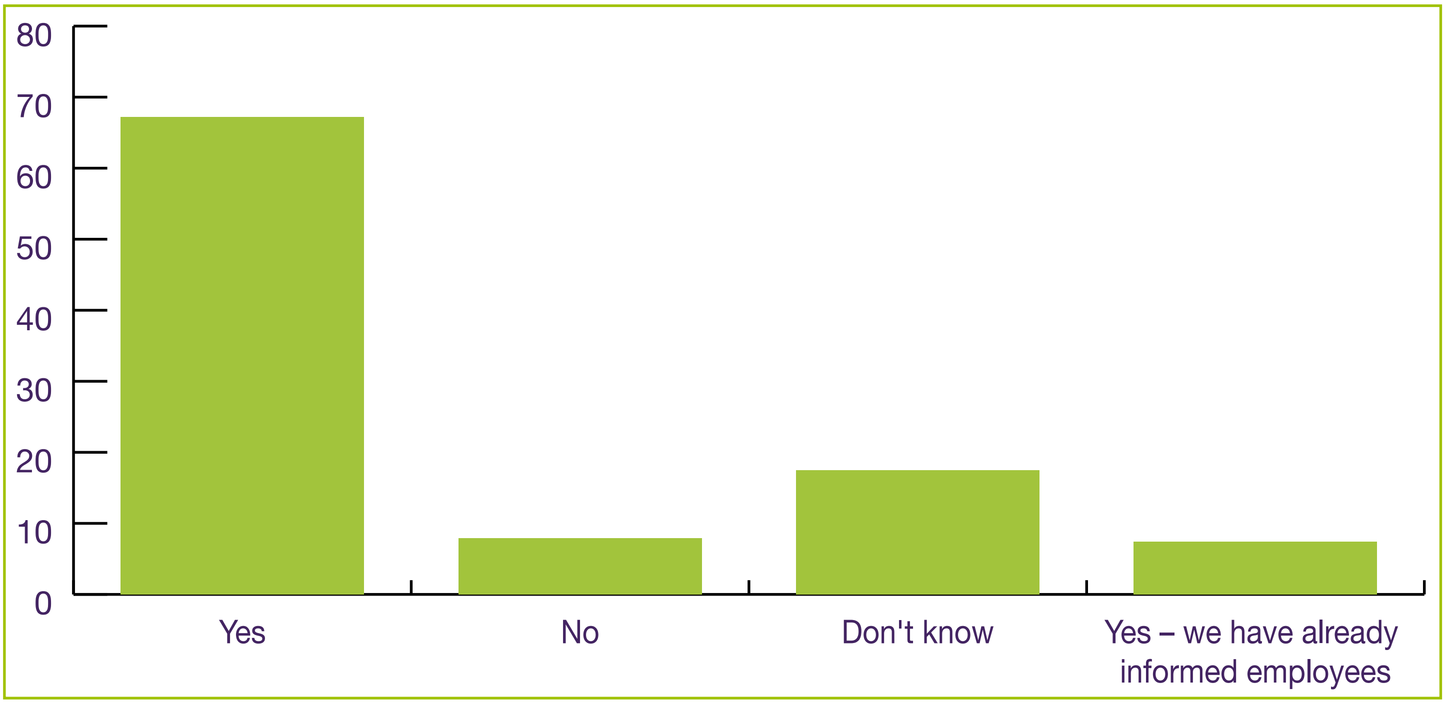
With this in mind, it is concerning that 78% of employers have not yet made employees aware of these changes. Jelf Employee Benefits would urge employers to start undertaking this process as soon as possible.



Jo Thresher, Head of Money at Work,
Jelf Employee Benefits

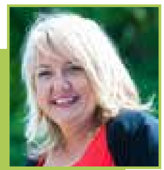
"Employees need regular help to ensure their plans are on track, with major changes like this making pensions more attractive, but also more riddled with the potential for poor decisions. Employers need to review their total communication and education strategy."

Q9: Will you make your employees aware of the proposed changes to pension fund access for those over age 55?



Following on from the responses to Q8, it is at least encouraging to see that many more employers are preparing to take steps to inform employees about these changes.

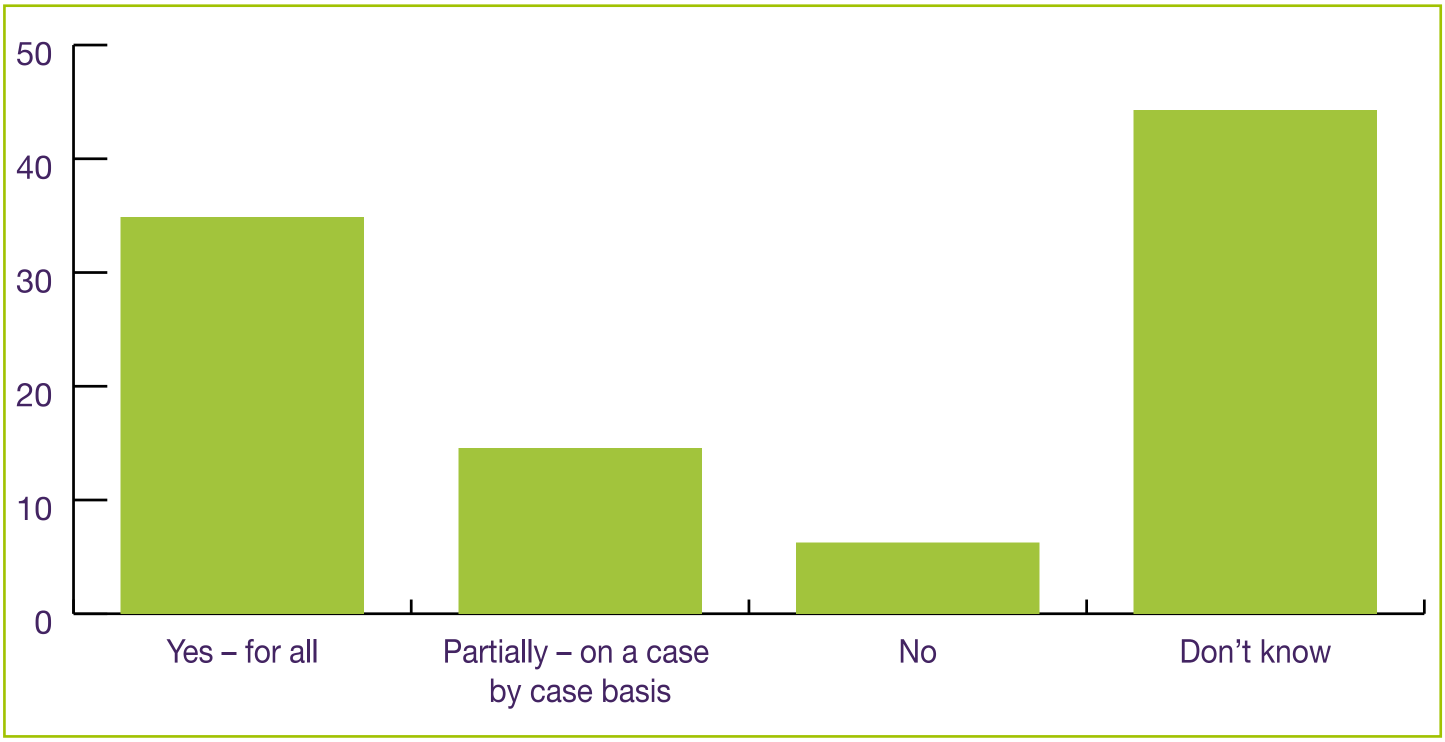
The Government's recent response to the Freedom of Pensions Consultation will perhaps provide employers with more certainty to inform their employees of these changes, so it is to be hoped that this communication challenge is now in the process of being tackled.



Jo Thresher, Head of Money at Work, Jelf Employee Benefits

"Qualified, face to face and relevant education of employees to help them understand the changes and how this could benefit them in the future is the key to improving future pension funds and helping employees fund a living pension."

Q10: Will you allow employees aged 55+ more remuneration flexibility so that they can benefit from additional tax advantages?



The loosening of restrictions around access to retirement funds suggested under Freedom of Pensions will, of course, present some significant tax planning opportunities.

In particular, it may be possible for employees aged 55 and over to request a lower salary in exchange for a corresponding payment from the employer direct to the employee's pension fund. In this way some significant Income Tax and National Insurance advantages could be achieved for one or both parties.

The Government's response to the Freedom of Pensions proposals has suggested ways to reduce the scope of such planning – but has not shut the door completely. Employers may well therefore find themselves faced with requests for such flexibility from April 2015 onwards.

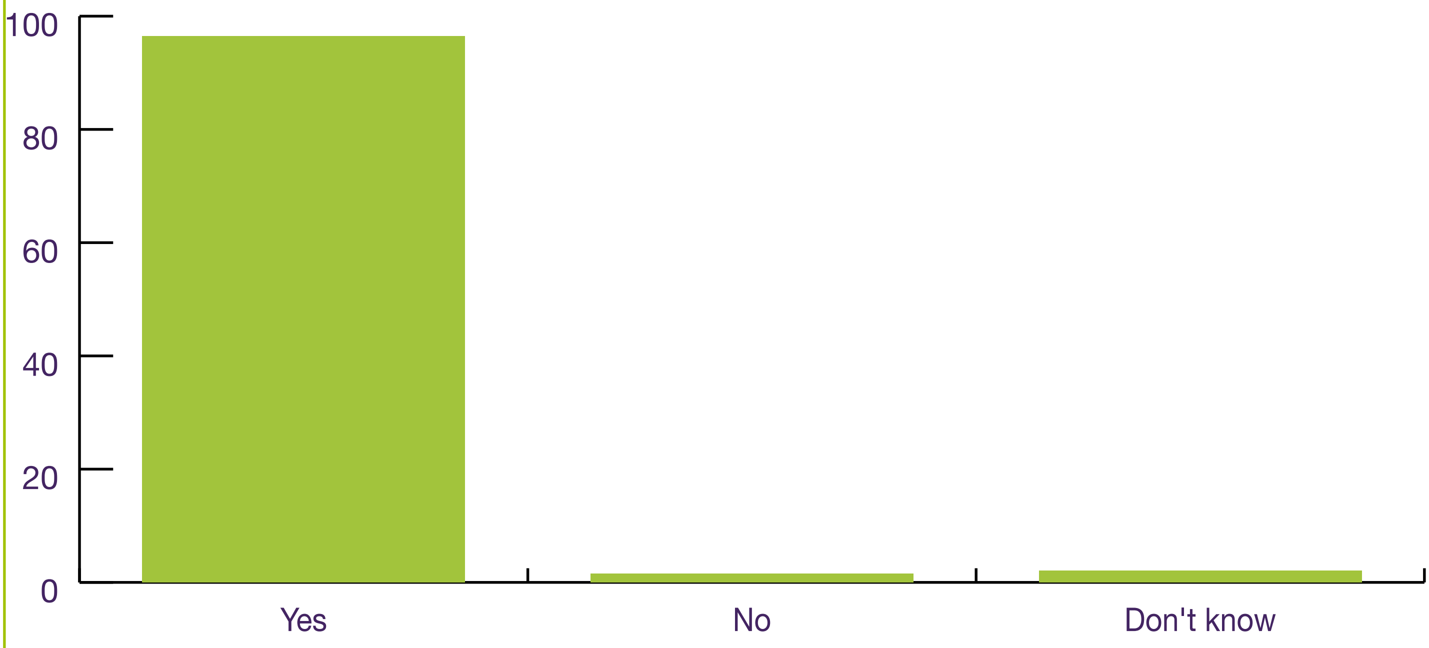
Understandably, 44% of respondents were in the "don't know" camp here – presumably awaiting further information and implications. Yet only 6% of respondents were set against any such flexibility – which suggests that this may be a more popular measure than has been anticipated.

Alan Millward, Managing Director - Financial Services, Jelf Employee Benefits

"Watch this space and take expert advice and opinion once the legislation is finalised.

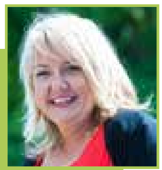
Increased flexibility is likely to improve engagement but can also lead to increased cost (e.g. communicating/explaining the flexibility to employees)."

Q11: Do you think that greater freedom to access pension funds will create a need for more financial education in the workplace?



This question produced the most overt response of the entire survey, with over 96% of respondents making it clear that employers feel that financial education in the workplace will become an increasing necessity as a direct result of the Freedom of Pension proposals.

Although the question does not expand on the types of financial education available, it is Jelf Employee Benefits' view that this should encompass all areas of finance, not just pension savings. This can benefit both employees and their employers. For instance recent evidence suggests that employees with major debt issues are likely to be absent from the workplace more often, and less engaged when they are in attendance. So helping employees cope with such challenges, as well as understanding the dynamics of saving for retirement, will be win-win for both sides.

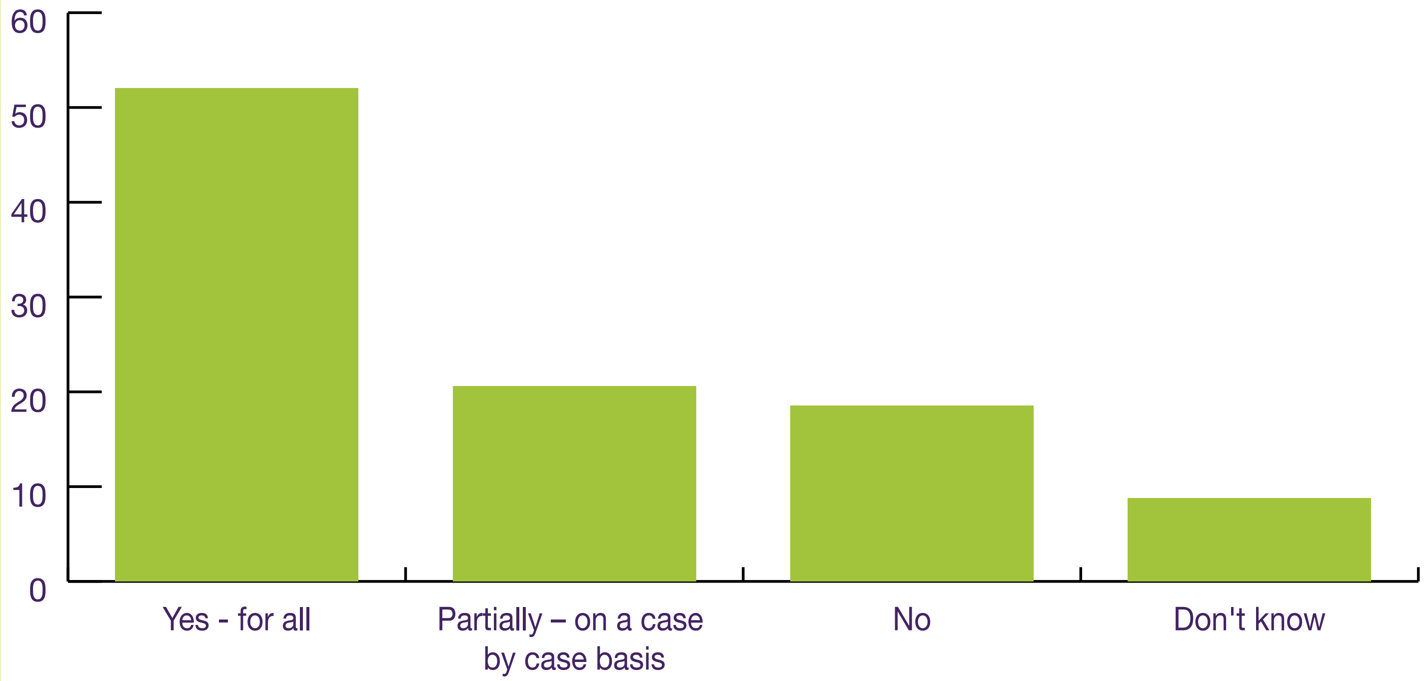


Jo Thresher, Head of Money at Work,
Jelf Employee Benefits

"The area of financial education in the workplace is a new one for many employers, and with some now having to pay consultancy fees for the first time it would be sensible to budget for some spending in this area. Done well this can be a really cost effective way of engaging and helping employees.

What would good financial education achieve in your workplace? One size does not fit all and online packages have not had the penetration or success that having the ability to ask face to face questions does. Culture, ethos, industry and geography play a part in deciding how to tackle this area. Employers who get it right have happier employees who value the part their employer plays in providing them with the space, time and expert guidance to get the right financial plans for them."

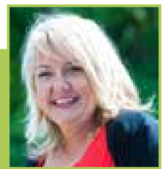
Q12: Do you expect employers to fund financial education in the workplace?



Following on from Q11, it was also pleasing to see that almost 3 in 4 employers (73%) expect to fund financial education in the workplace for some, or all, employees. With less than 1 in 5 answering “no”, it seems likely that financial education in the workplace may become the new norm in employee benefits packages.

Importantly financial education will give employees saving for their retirement greater control over their future. Those who are keen to exit the jobs market at the earliest opportunity will have a much better understanding of what factors will make this possible. Equally, quality employees will be less likely to make a snap early decision to retire if they better understand the dynamics of retirement income decisions.

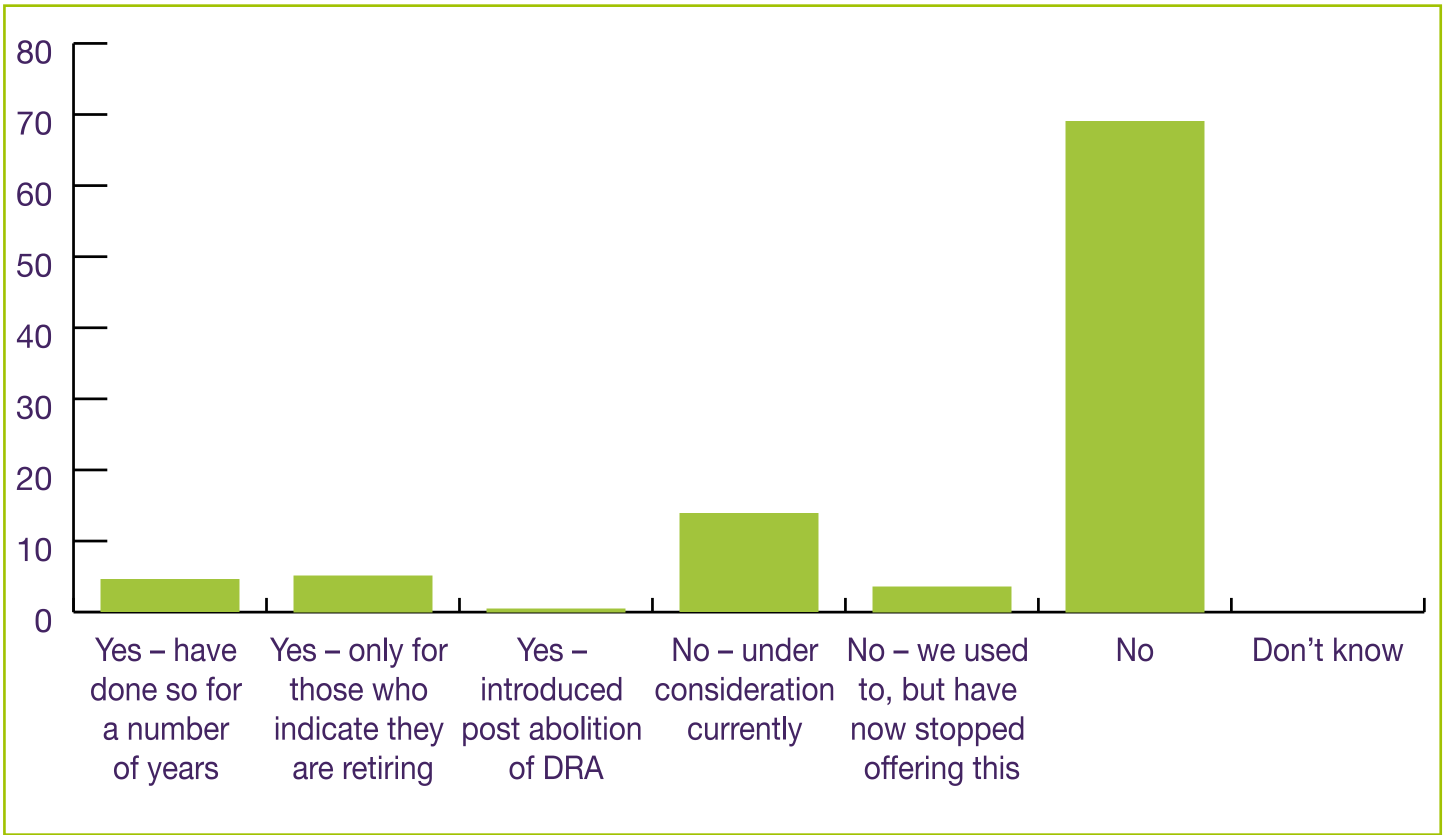
Finally, and not least, financial education in the workplace will also go a long way towards communicating the true value of the rest of the employee benefit package on offer, thus acting as another incentive for employers to engage in this service.



Jo Thresher, Head of Money at Work,
Jelf Employee Benefits

“Financial education is not expensive given its reach to all employees, and should be part of the benefit or learning and development spend of all good employers.”

Q13: Do you offer pre-retirement courses to your employees?



Despite the promising response to Q11 and Q12 regarding financial education in the workplace, this question produced a more worrying picture, with only 1 in every 10 employers offering any pre-retirement courses currently. It was however encouraging that almost 14% of respondents were actively considering introducing such assistance.

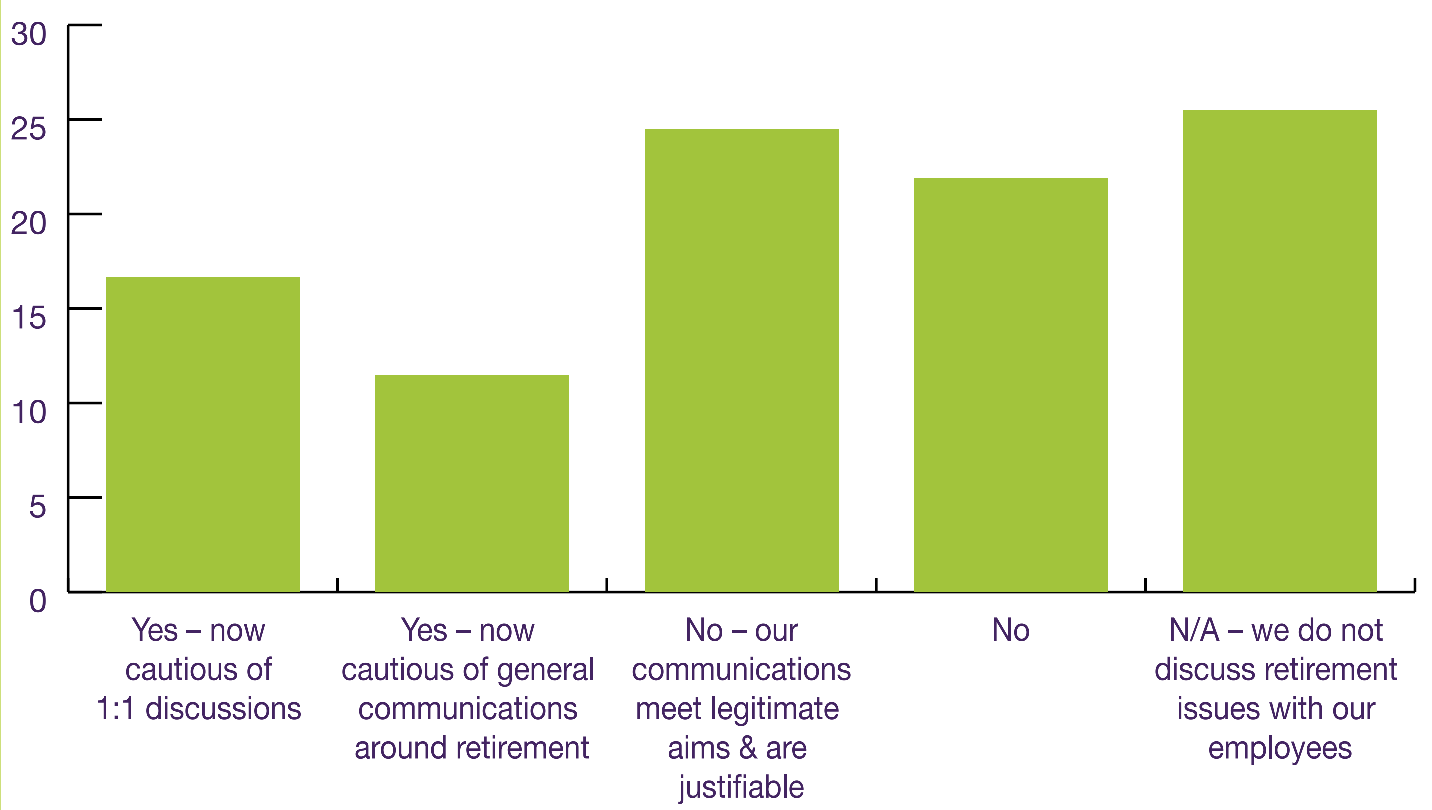
As will be seen from the employee responses later in this survey, the journey into retirement may pose many and varied challenges for employees and pre-retirement courses are a cost effective method of providing this support

Alan Millward, Managing Director - Financial Services, Jelf Employee Benefits

"This is both surprising & disappointing. Retirement is a significant period of change for an individual & can impact not just finances but friendships, health, lifestyle & family relationships. It is surprising more employers don't want to offer more support to their employees during this period, particularly as well established and executed support can help the organisation to also benefit from managing retirement effectively.

The concern that an employer may fall foul of age discrimination laws by suggesting a retirement course can be overcome with careful positioning of the purpose of any workshops delivered."

Q14: Do you believe that discussing retirement and pre-retirement options and courses may be perceived as Age Discrimination?



At first glance the responses to this question appear rather mixed and benign, yet there is a concerning undercurrent here. 1 in 4 employers have no retirement discussions with their employees at all, with a further 28% now cautious of either specific or general retirement communications for fear of perceived Age Discrimination. This must surely raise concerns for both employer succession planning and employee engagement.

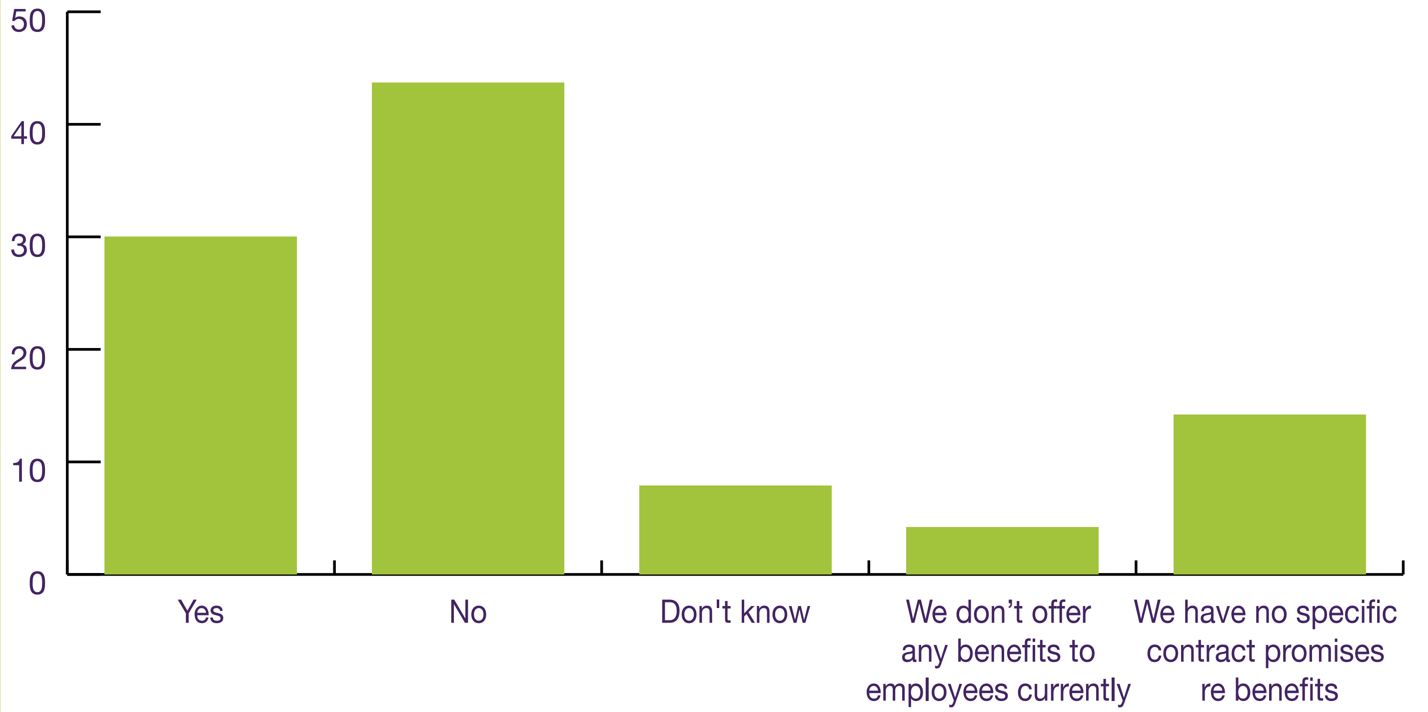
On a more positive note, 24% of employers were confident that such discussions met legitimate business aims, and a further 21% were not concerned by this issue at all.

Tony Clack, Managing Director, LaterLife Learning

"The lack of retirement discussions highlighted is of considerable concern because it is to the detriment of both individual and employer if these don't take place. Where there are concerns about retirement communications these are generally overstated because most communications fall under the heading of meeting legitimate aims and are objectively justifiable. So organisations should spend time to address these concerns if they are leading to inaction.

For those that are concerned we have produced a LaterLife Guide to Retirement Discussions in the Workplace which is available by emailing learningteam@laterlife.com."

Q15: Has your company reviewed the contract of employment promises regarding employee benefits following recent legislation changes?



A significant, and potentially damaging, mismatch often exists between legal minimum requirements in the employee benefits space, and the actual contractual promises for any given employee. With this in mind it is important that employers regularly review the contractual promises on offer to make sure they match the wider company employee benefit policies. Failure to do this could potentially leave employees unaware that they are no longer covered for certain benefits, or alternatively leave the employer self-insuring the risk for some employees in the event of a claim.

Given the above, it is perhaps concerning that less than a third of the employers surveyed had undertaken such a review recently.

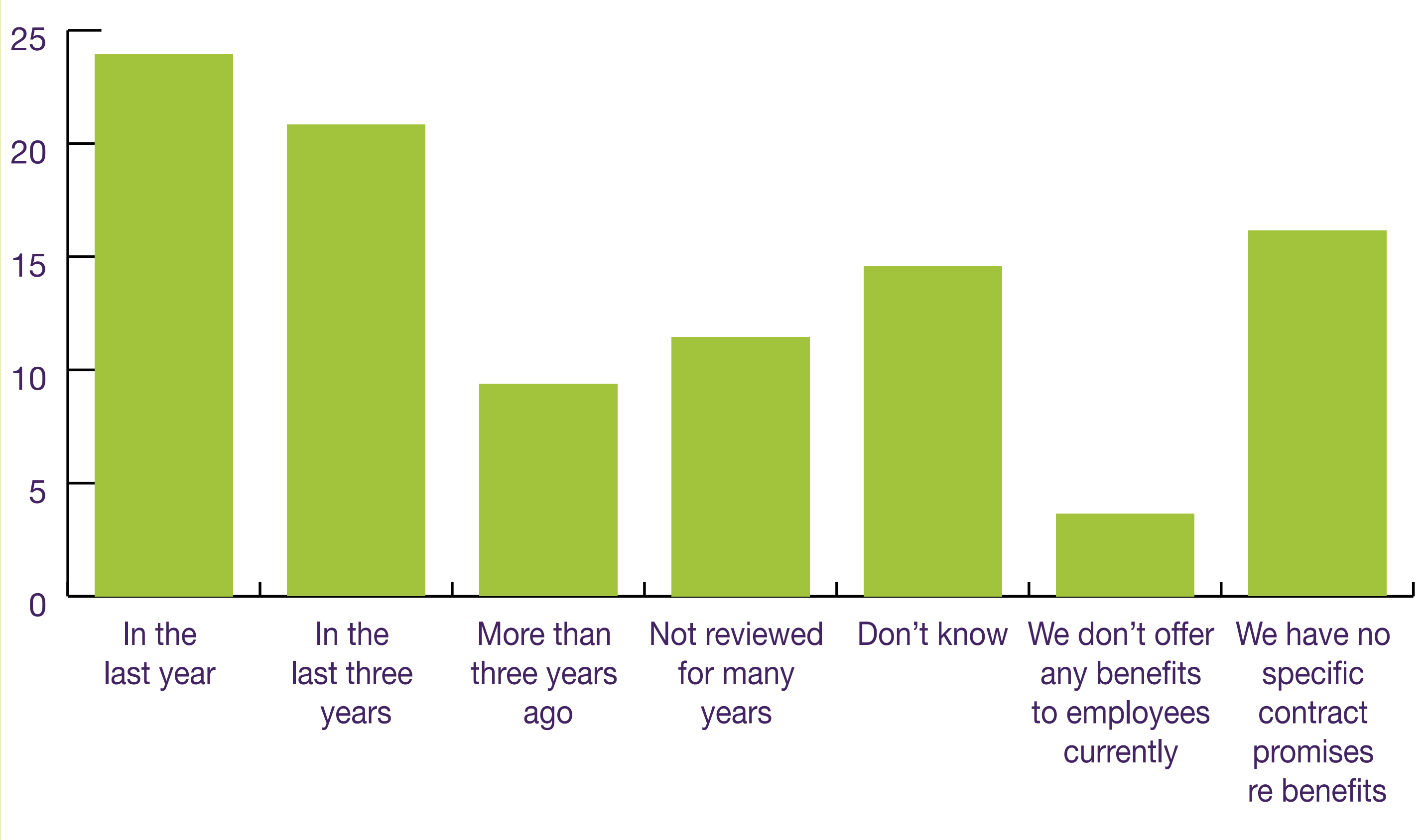
A further 14% of respondents were under the impression that there are no existing contractual promises re employee benefits. It is often the case that this may be true for, say, employees that have joined since a given date, but longer serving employees may have some contractual promises which still apply.

Jelf Employee Benefits would therefore urge all employers to regularly review their contractual promises to employees.

Iain Laws, Managing Director - UK Healthcare, Jelf Employee Benefits

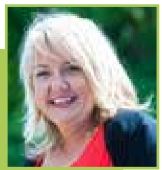
"Group Risk benefits need to be regularly reviewed to ensure they remain appropriate to any changes in employment contract, business structure &/or legislation."

Q16: When was the last time your contract was reviewed with regard to specific benefit promises?



As discussed in our commentary on Q15, it is important to remain up to date with contractual benefit promises. Responses to this question suggest that less than half of employers have actively reviewed their contractual promises since the abolition of the Default Retirement Age 3 years ago.

This 3 year period has also coincided with the introduction of Auto-Enrolment for many employers, so it should be expected that many more employers would have looked at this situation than the response suggests. Again, Jelf Employee Benefits would urge employers to undertake such reviews regularly



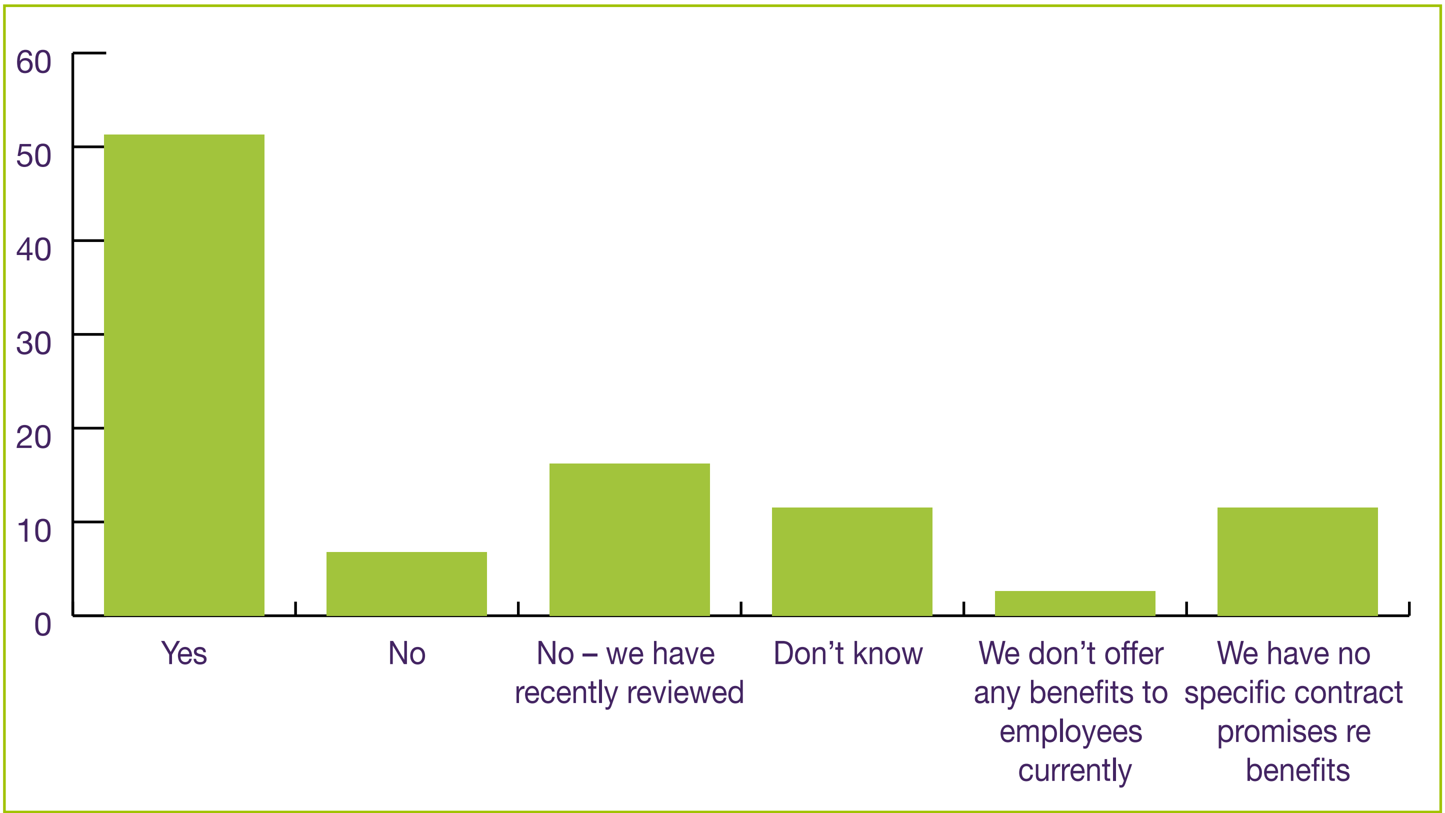
Jo Thresher, Head of Money at Work, Jelf Employee Benefits

"Don't let your benefit strategy go stale. With so much change in this space, the challenge for employers is to address this and make it relevant to their workforce."

Iain Laws, Managing Director - UK Healthcare, Jelf Employee Benefits

"Group Risk benefits need to be regularly reviewed to ensure they remain appropriate to any changes in employment contract, business structure &/or legislation."

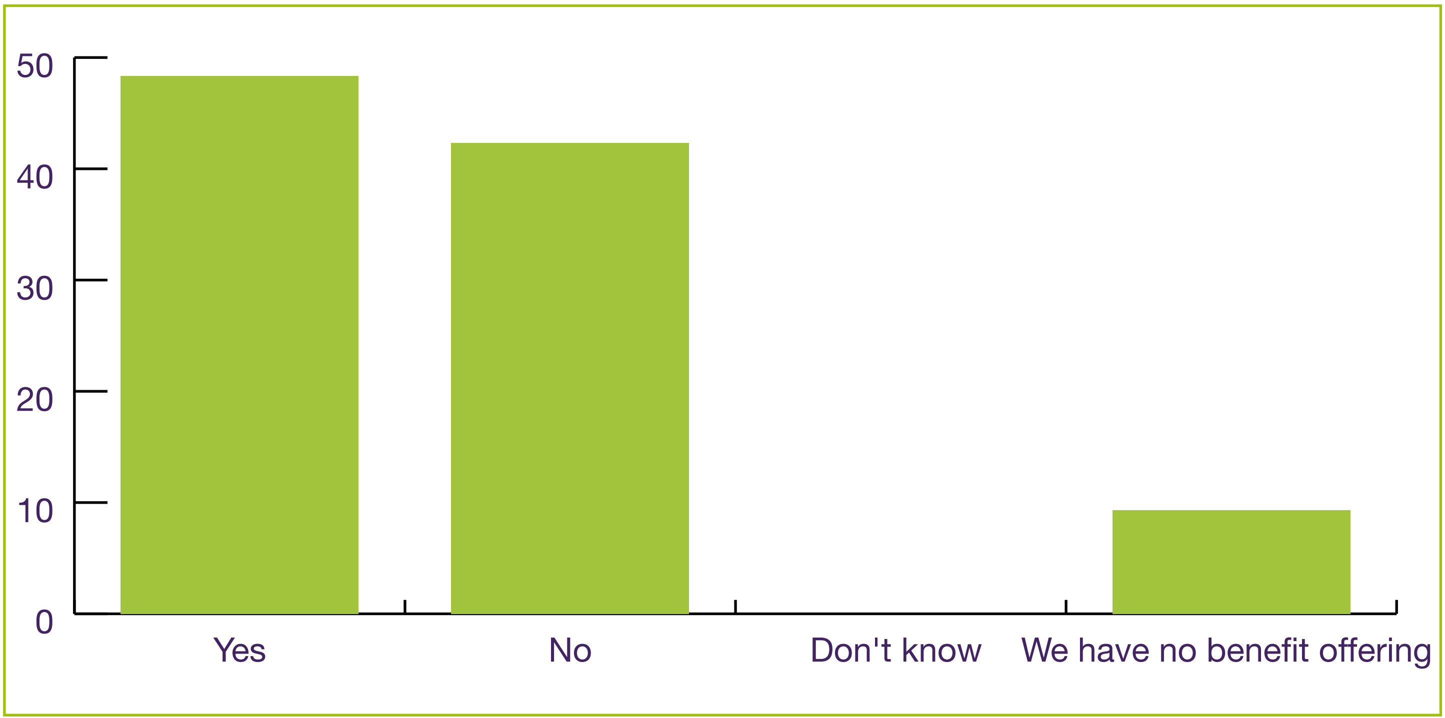
Q17: As a result of today's event, will you be reviewing your contract of employment with regard to benefit promises?



It is encouraging that more than half of the employers that responded to the survey have now accepted that a review of the employee benefit contractual promises is now necessary, and appears set to take that action.

Jelf Employee Benefits would urge all UK employers to take similar steps each time a major legislation change takes place.

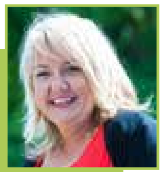
Q18: Does your organisation provide regular updates to employees on the employee benefits offering?



Regardless of the many important legislative-led issues that this document has highlighted, the key to a successful and relevant employee benefits package is good communications. Put simply, if employees don't know benefits are there, don't know how to utilise them, or don't realise the full extent of the cover and support available, then they won't value or use the benefits package either.

Despite this, our survey showed that 42% of employers were not providing regular updates to their employees on the benefits package. Jelf Employee Benefits' message to employers is clear here – to maximise the return on your benefits spend you must regularly and effectively communicate the benefits package to all employees.

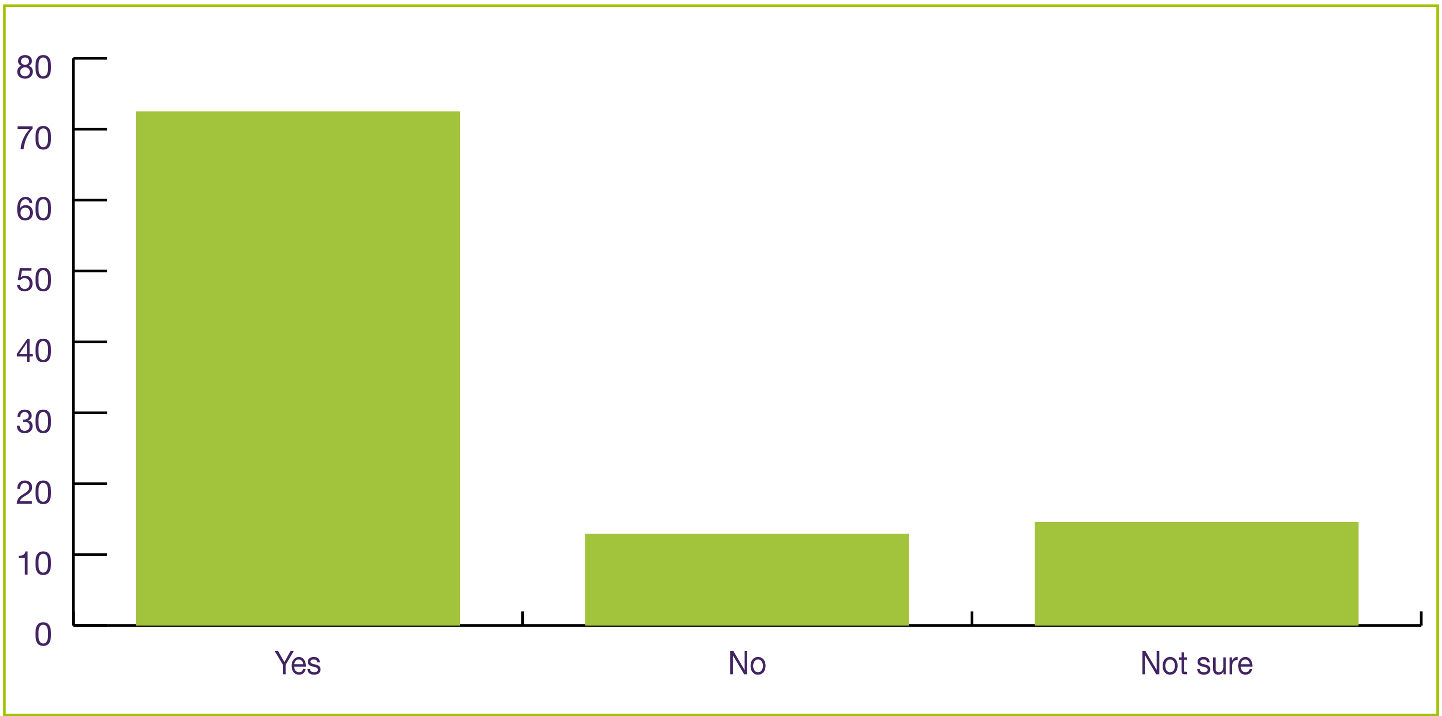
Some employers will cite cost as a barrier to good communications, yet there are many cost-effective methods of communication the benefits package, and all are likely to be significantly less expensive than the recruitment process to replace lost employees.



Jo Thresher, Head of Money at Work, Jelf Employee Benefits

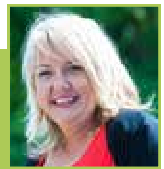
"Financial and health/wellbeing education which joins up company benefits and makes them relevant to the individual employee's circumstance is a cost effective way of getting a return on benefit spend and ensuring employees have the help they need to make the right decisions."

Q19: Do you think that greater freedom to access pension funds will encourage employees to save more in pension schemes?



Employers clearly believe that the Freedom of Pension proposals will be attractive to savers in pension schemes, with 72% of respondents of the opinion that employees will save more in pension funds as a direct result of these changes. This will be an encouraging statistic for the Chancellor.

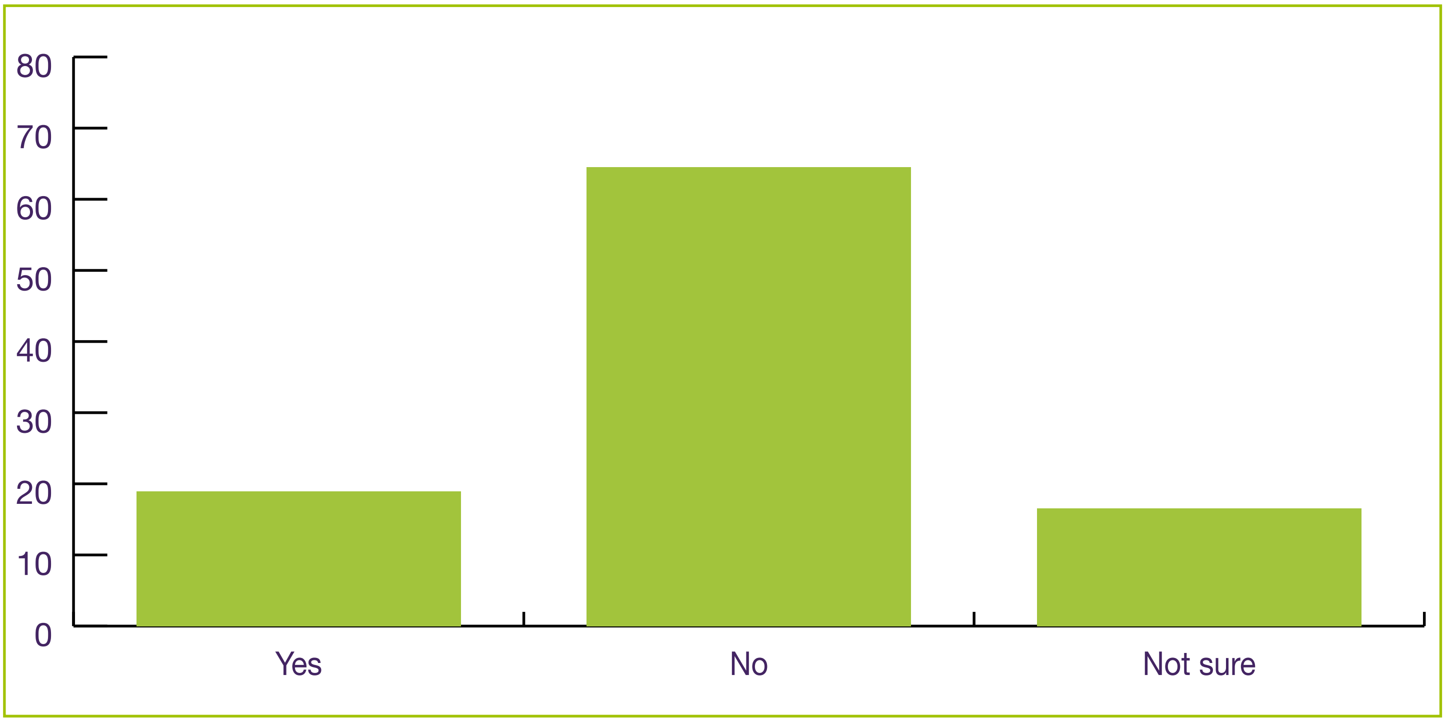
The key to this may well be in the communication, and financial education, of employees to understand how the new changes will alter access to retirement funds in the future.



Jo Thresher, Head of Money at Work, Jelf Employee Benefits

"Fantastic, we are back to proper pension and tax planning for employees. That said, who is going to explain all the options to your staff and help them get a living pension?"

Q20: Do you think that greater freedom to access pension funds will encourage employers to make higher contributions to pension schemes?



Despite the answers to Q19 above, employers are significantly less keen to increase their pension contributions as a direct result of the Freedom of Pension proposals, with only 19% indicating that they expected employer contributions to increase as a result of this new legislation.

It is however possible that once employers fully understand the final proposals, and equally once the impact of the abolition of the Default Retirement Age becomes more apparent on working patterns in the UK, that employers may take a more positive view of these proposals and how the new flexibility can be harnessed to provide benefits to both the employer and employee.

Employee responses & commentary

The abolition of the Default Retirement Age (DRA), and new accesses outlined in the Freedom of Pension proposals, are of importance to all UK employees, but by definition they are more immediately relevant to the older employees in the UK workforce.

So we thought it would be instructive to ask workers in this age grouping to provide some evidence of their experiences when it came to these two pivotal issues, and also some other key questions about the period leading to, and shortly after reaching a decision to retire.

With this in mind, and through the kind assistance of the LaterLife website, we undertook a short survey of older employees and the recently retired. It was necessary to direct survey respondents into one of three "streams" of questions and possible answers as follows:

Stream 1: Those who have retired since October 2011 (when the abolition of the DRA came fully into force)

Stream 2: Those that have continued to work past age 65 since October 2011

Stream 3: Those who are approaching retirement in the next 24 months

Interestingly, the responses from all three groupings to key questions (albeit it slightly altered to provide the correct tense in the question) were broadly similar in each case. There are of course some questions that are applicable to only one or two streams (rather than all three) – although statistically small samples, we have included such response streams for completeness, and as it also adds another facet to the retirement debate.

We have grouped our commentary together to reflect the overall trend, but the complete breakdown of responses is included in Appendix III by response stream for anyone looking for a more specific response or figure.

It should also be noted that some of the responses perhaps reflect rather poorly on the actual level of assistance, communications and guidance that retirees are currently receiving from their employers. This is something that both Jelf Employee Benefits and LaterLife are committed to changing in the UK.

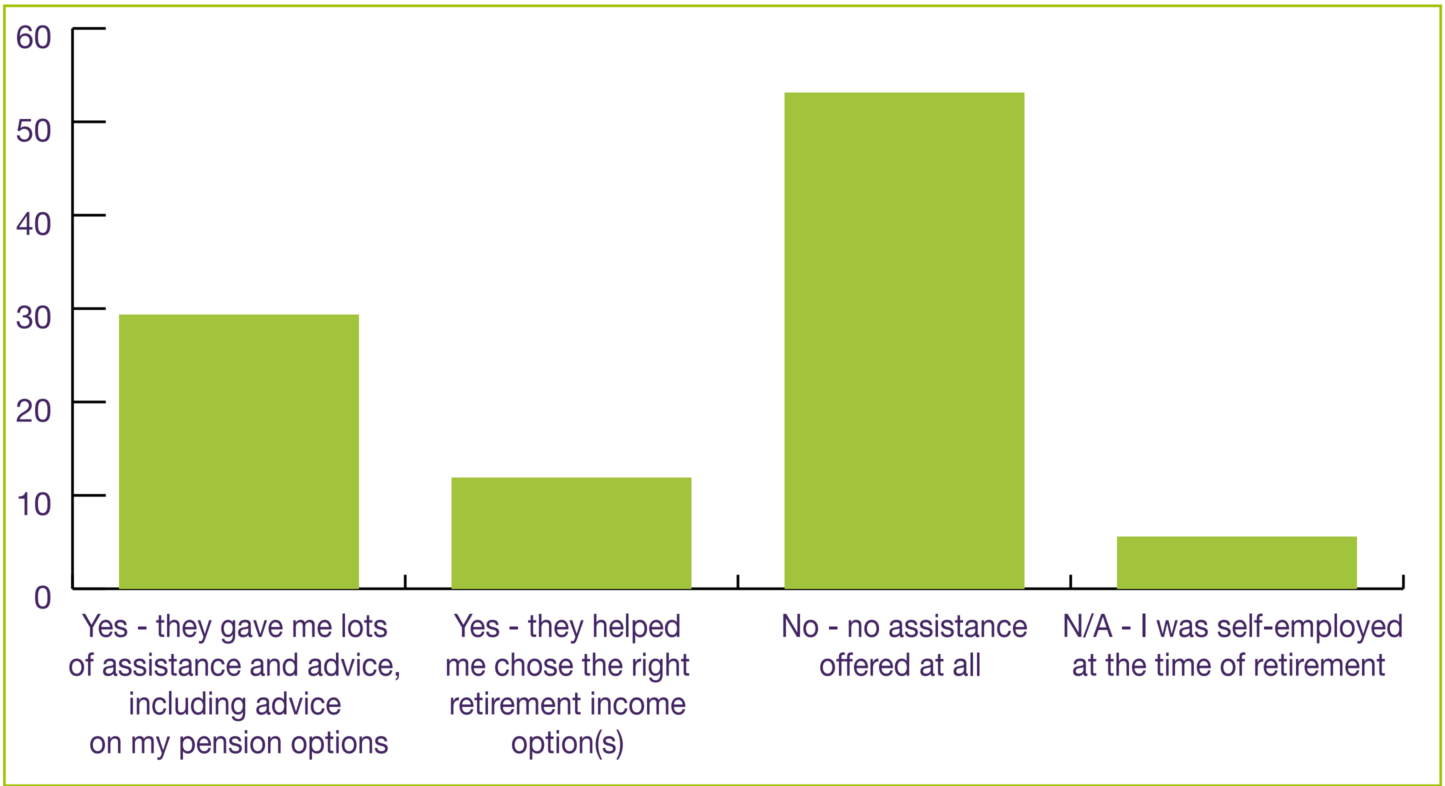
LaterLife™

Making the most of retirement

Q1: Advice, Guidance and Assistance offered by employer regarding retirement?

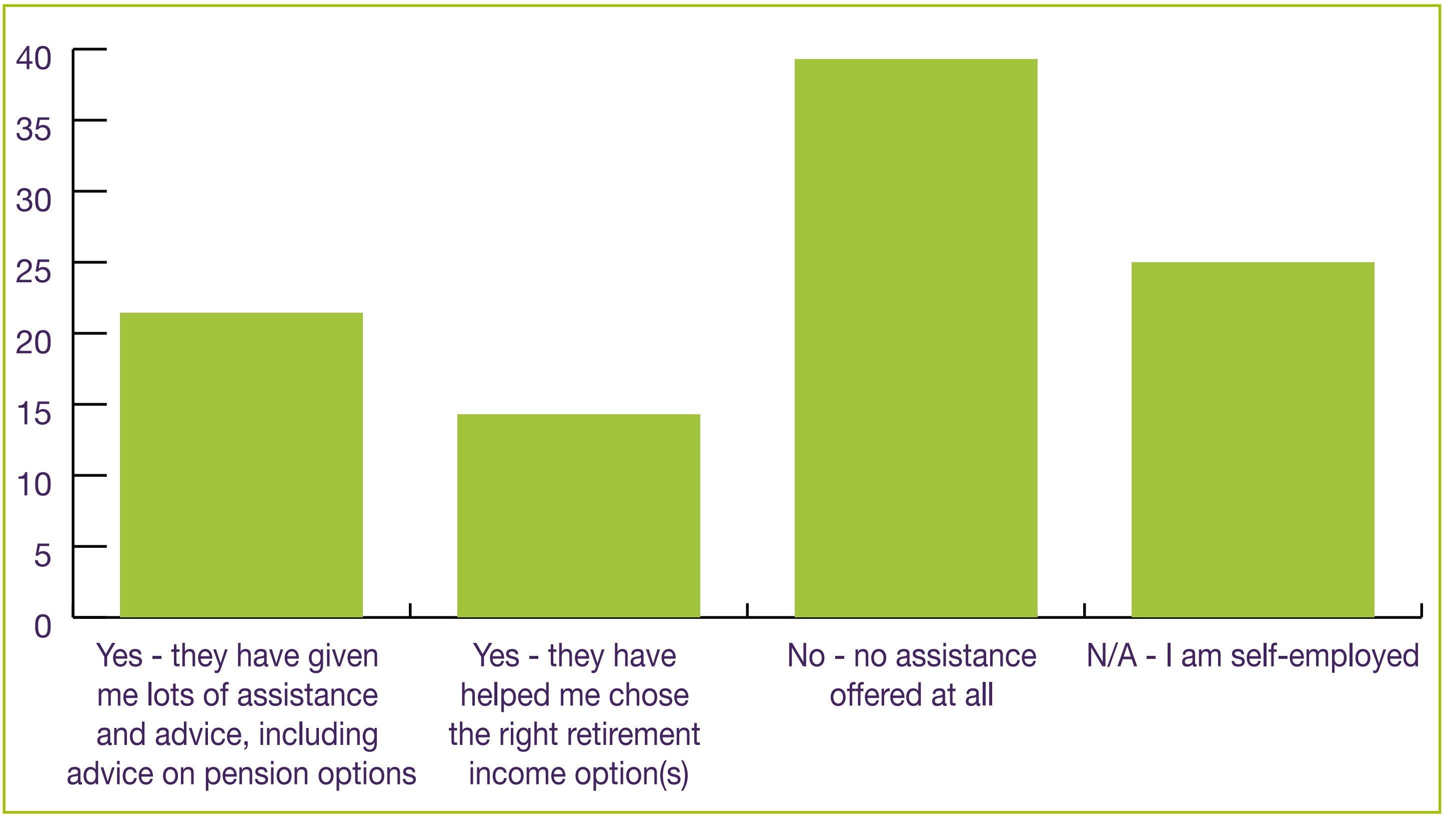
Stream 1 – Retired since October 2011

Did your employer offer you any advice, guidance, or assistance regarding the financial implications of retirement?



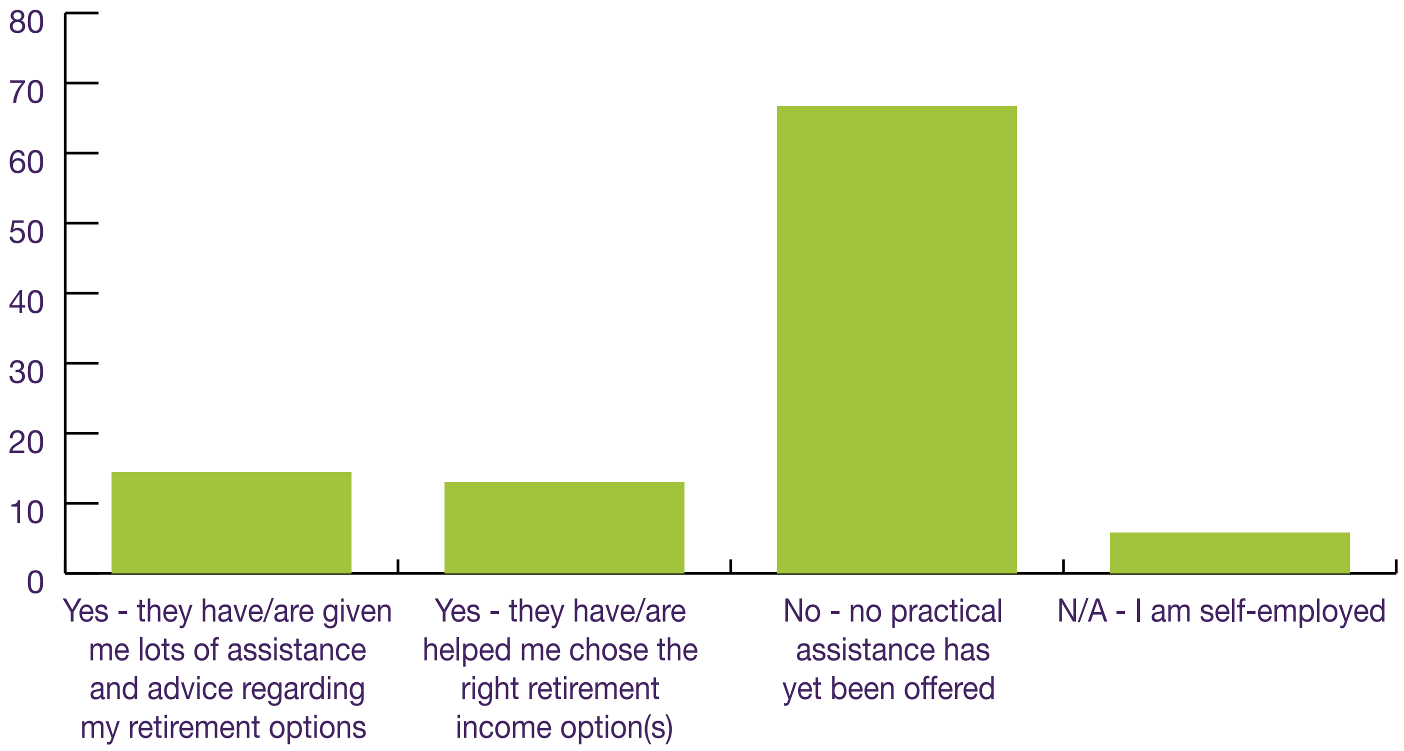
Stream 2 – Continued in work past age 65 (since October 2011)

Has your employer offered you any advice, guidance or assistance regarding the financial implications of retirement?



Stream 3 – Approaching retirement in next 24 months

Has your employer offered you any advice, guidance or assistance regarding the financial implications of retirement?



It is striking that the majority response from all three employee/retiree question groups was that no practical retirement financial guidance had been offered.

The UK retirement market is now heavily dependent on savers converting Defined Contribution (DC) savings into a suitable retirement income, so a much greater degree of employer support would have been expected here. More than half (53%) of those that have actually retired since 2011 had received no support, and two thirds of those approaching retirement in the next two years have also not been offered this.

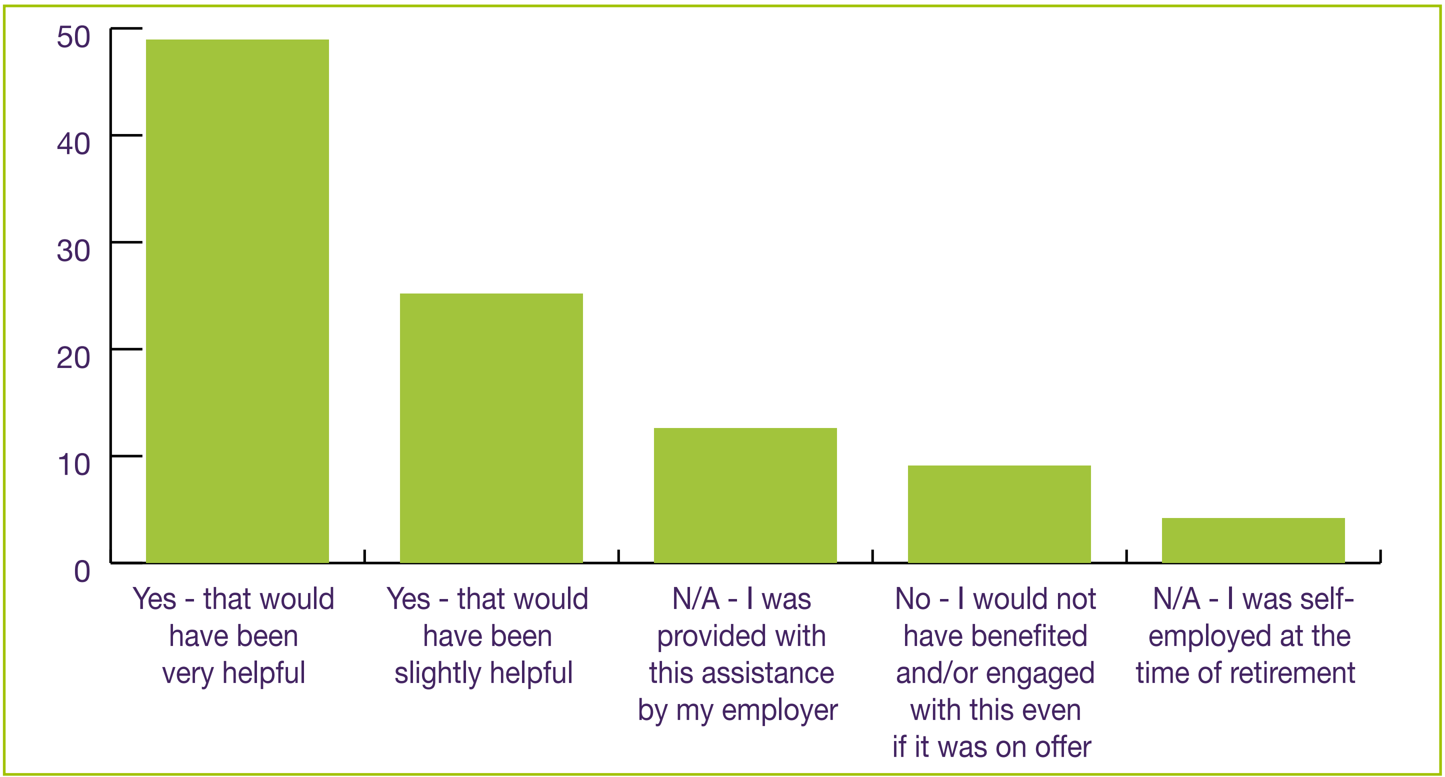
Lee Coles, Head of Jelf Money after Work, Jelf Employee Benefits

"It will be interesting to see how employers react in relation to the introduction of pension freedom. It was refreshing to see employers surveyed providing a strong indication that such flexibility will increase the need for more financial education in the workplace. Whether employers will pick up the baton and the accompanying cost for supplying such education is a different question. My fear is that employers may rely on the guidance guarantee to produce positive outcomes for their employees. Whilst I do believe the guidance guarantee will offer positive support for those who commit to the process, there is no obligation to access or indeed follow what is reactive support. Employers will need to ensure there are a series of interventions throughout each employee's career, at certain key milestones, if they really want to see positive retirement outcomes."

Q2: Would earlier assistance on the journey to retirement have helped you?

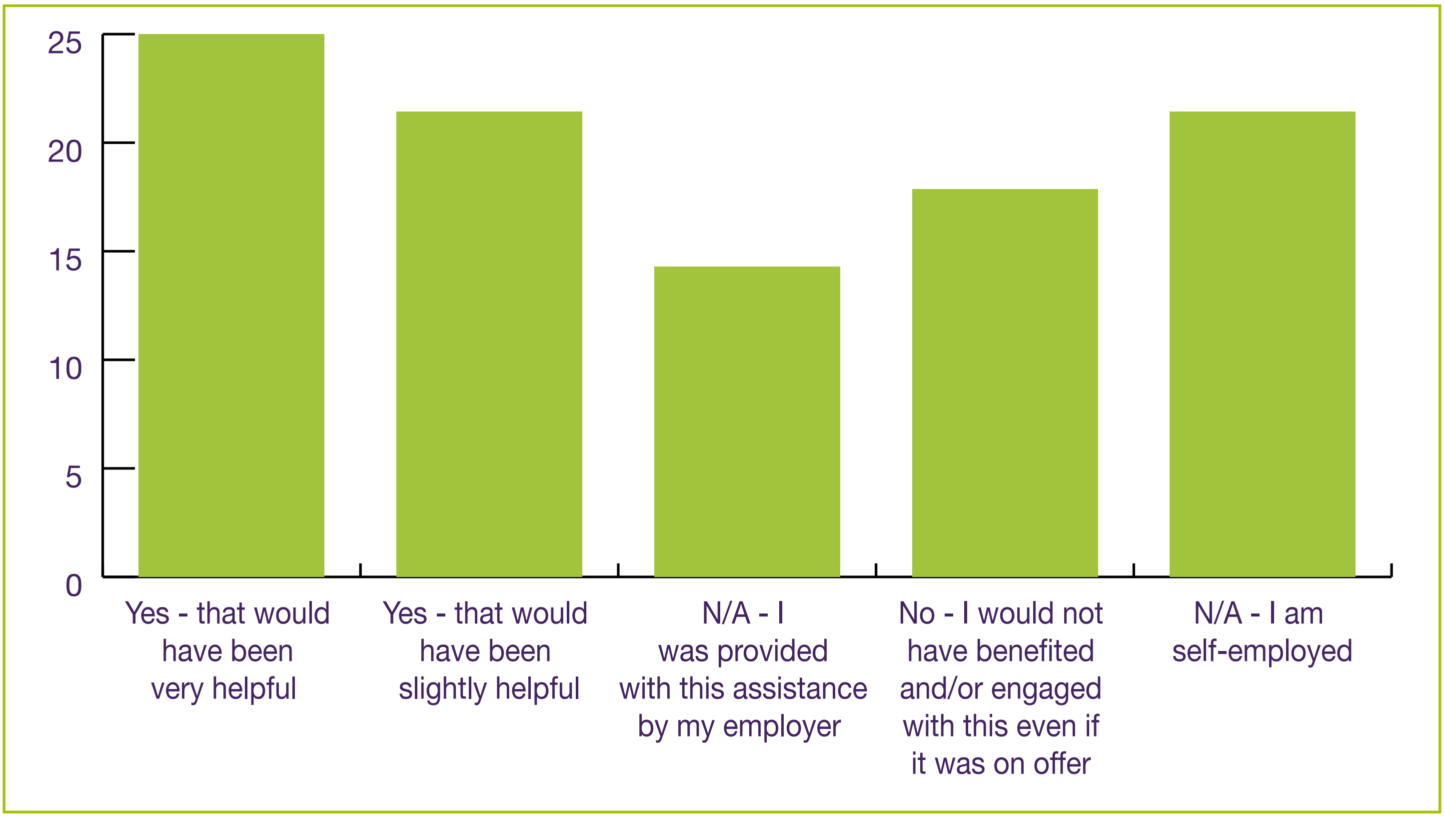
Stream 1 – Retired since October 2011

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to retirement age)?



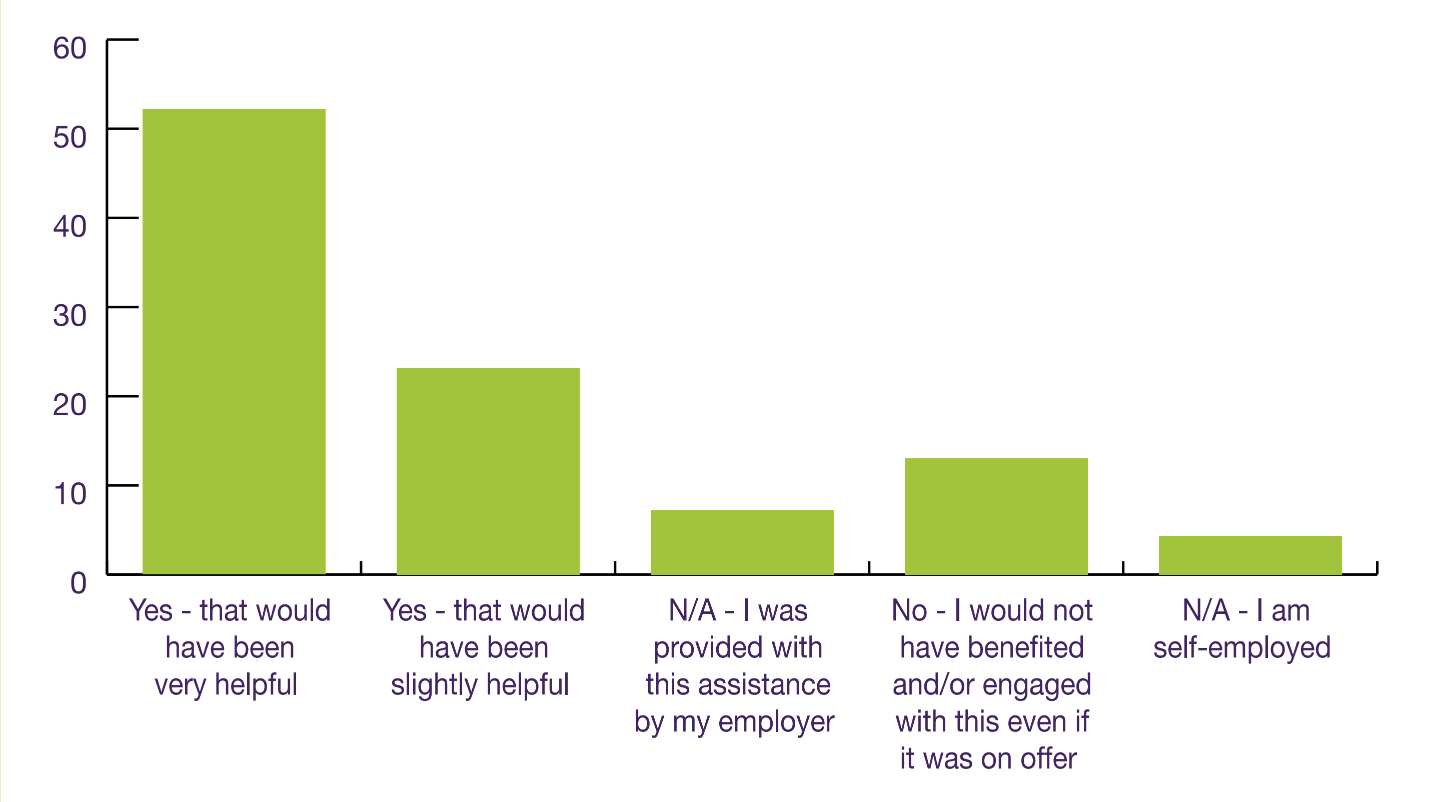
Stream 2 – Continued in work past age 65 (since October 2011)

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to age 65)?



Stream 3 – Approaching retirement in next 24 months

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to retirement age)?



As with Q1, there again was symmetry in that all three groupings felt they would have benefited from guidance or assistance being offered much earlier (say 10 years) in the journey to retirement.

This suggests that employees are in need of, and would welcome and utilise, such guidance should it be on offer. Employers would therefore do well to meet this important need in the workforce (particularly as the UK average working age is about to increase significantly). In return employers are likely to benefit from better employee relations, higher engagement levels and indeed more certainty around succession planning as employees will better plan their retirement decisions

Tony Clack, Managing Director, LaterLife Learning

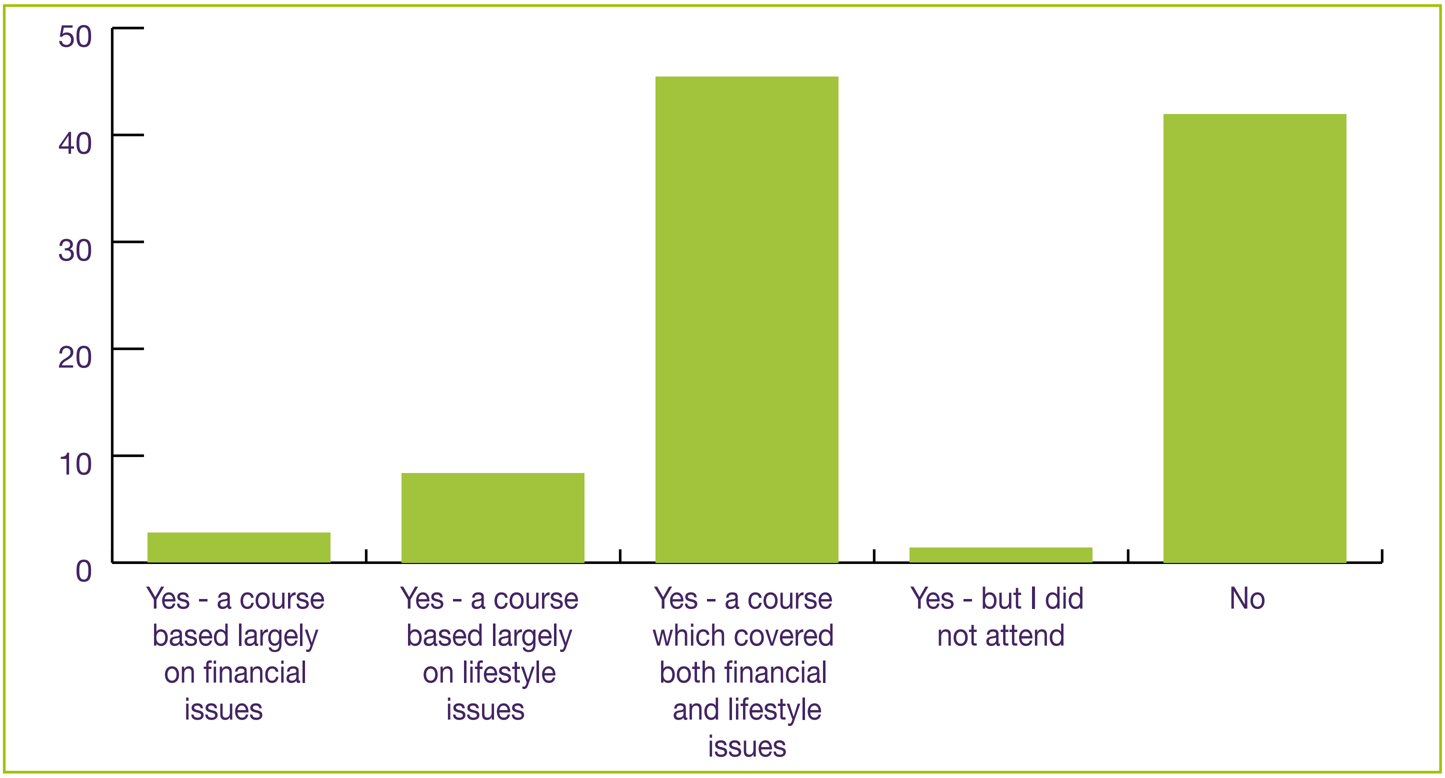
"The value of earlier guidance and assistance on finance is endorsed by our conversations with delegates on LaterLife pre-retirement courses. They frequently comment that they wish they had been provided with both finance and lifestyle planning assistance much earlier.

Earlier courses, as well as regular discussions about retirement at annual reviews and other occasions, will also ultimately help employees in deciding when they want to retire and assist them in arriving at that point with finances to support the lifestyle they want. This will benefit employers, through sharing of thoughts and plans enabling better succession planning."

Q3: Was a pre-retirement course offered by your employer

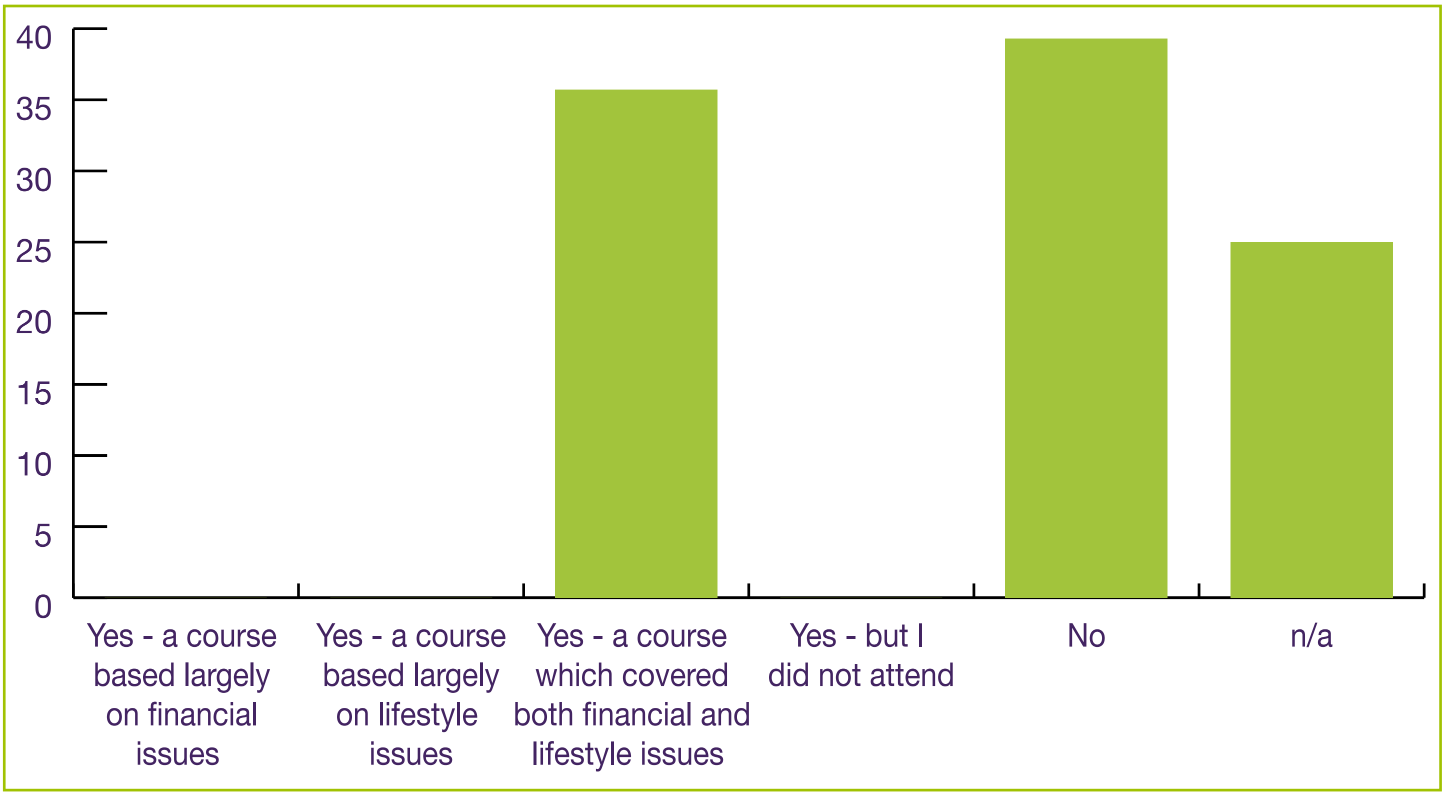
Stream 1 – Retired since October 2011

Were you offered a pre-retirement course by your employer?



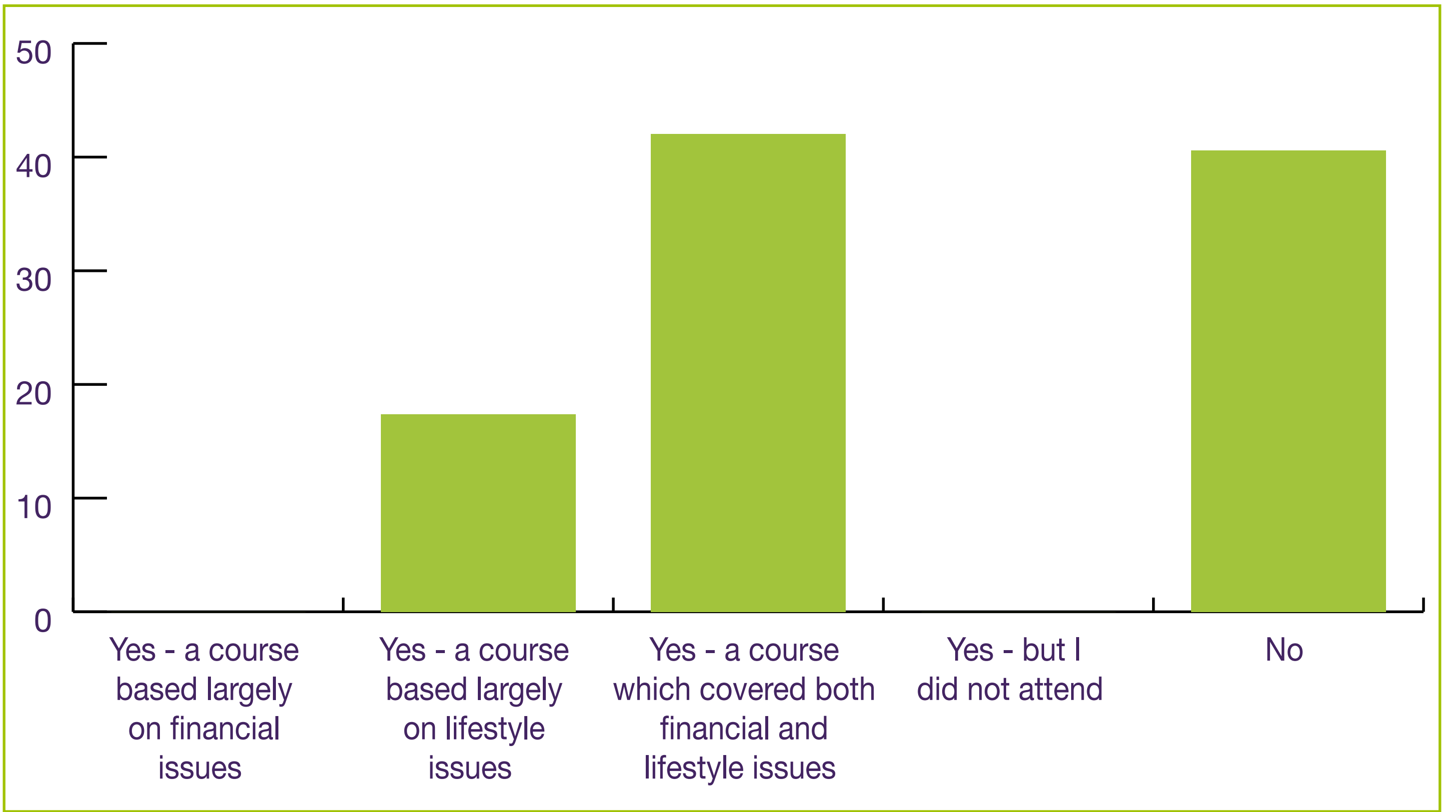
Stream 2 – Continued in work past age 65 (since October 2011)

Have you been offered a retirement planning course by your employer?



Stream 3 – Approaching retirement in next 24 months

Have you been offered a retirement planning course by your employer?



It is encouraging that so many responders from all three groupings surveyed indicated that a retirement planning course, and specifically one that covered both financial and lifestyle issues, has been made available at some point on the path to retirement. Yet it is also concerning that financial assistance support offered does not appear to have carried through to actual financial guidance at the point of retirement (see Q1 responses). This suggests that some retirement courses may be too generic regarding some key aspects of financial planning.

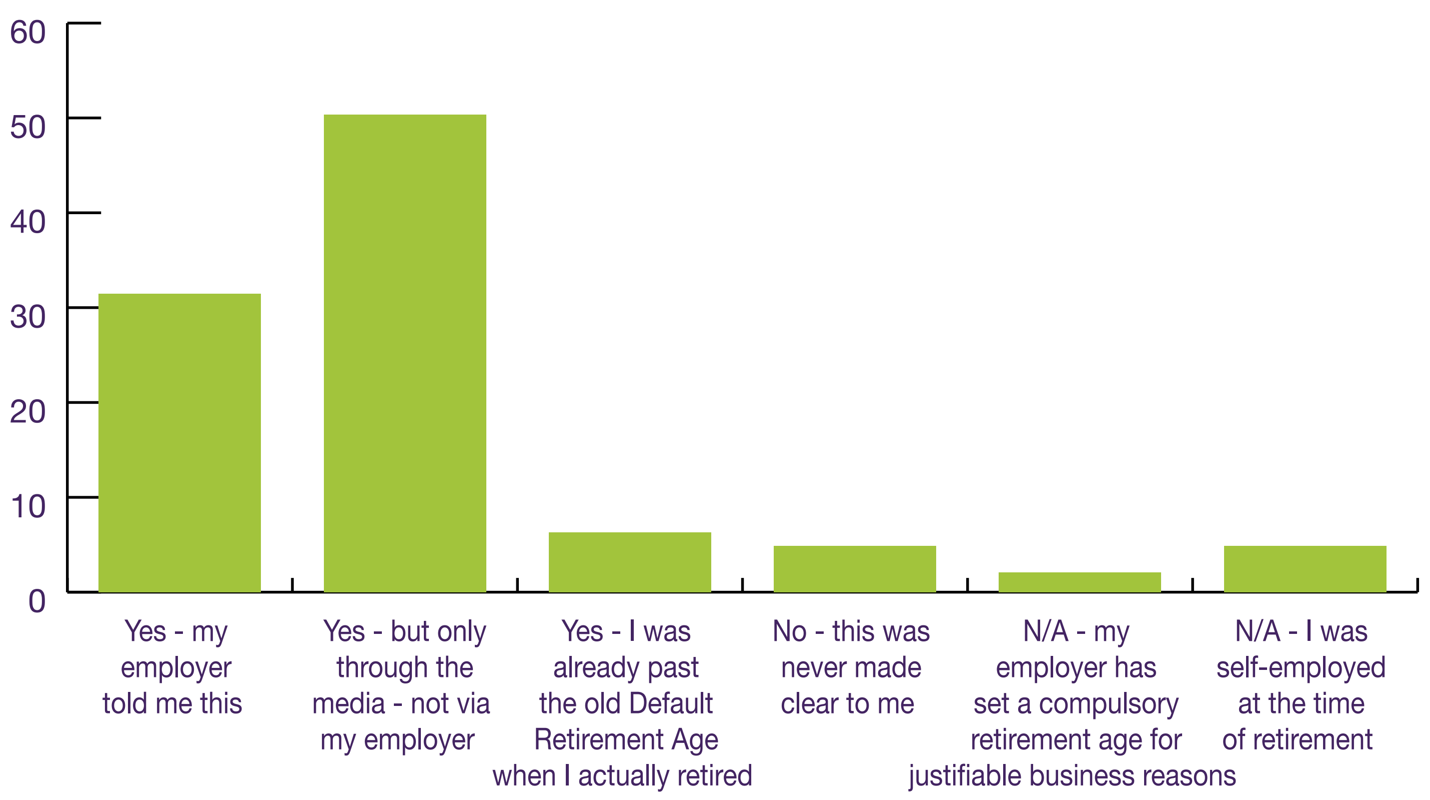
Tony Clack, Managing Director, LaterLife Learning

"Note that this shows that many employees were offered some form of a pre-retirement course – yet the earlier employer survey suggested only 10% of employers actually offered such courses. This may be partially accounted for in that the employee survey was substantially conducted via the LaterLife web site and email newsletters. Hence a significant number of subscribers would have become subscribers because they attended a LaterLife course, although not to a level to account for the whole of the discrepancy."

Q4: Were you aware that you are now entitled to work past age 65?

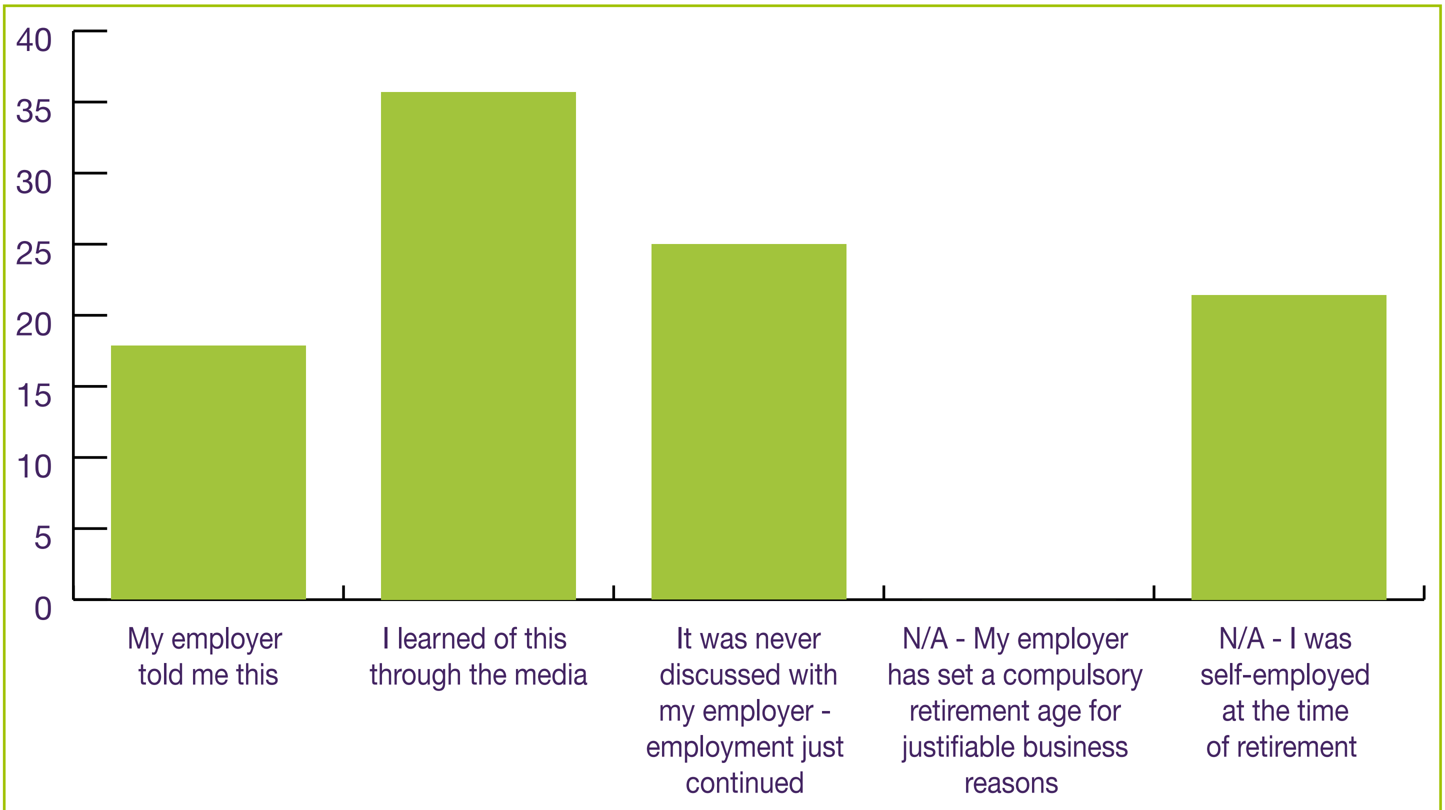
Stream 1 – Retired since October 2011

Were you aware that you are entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?



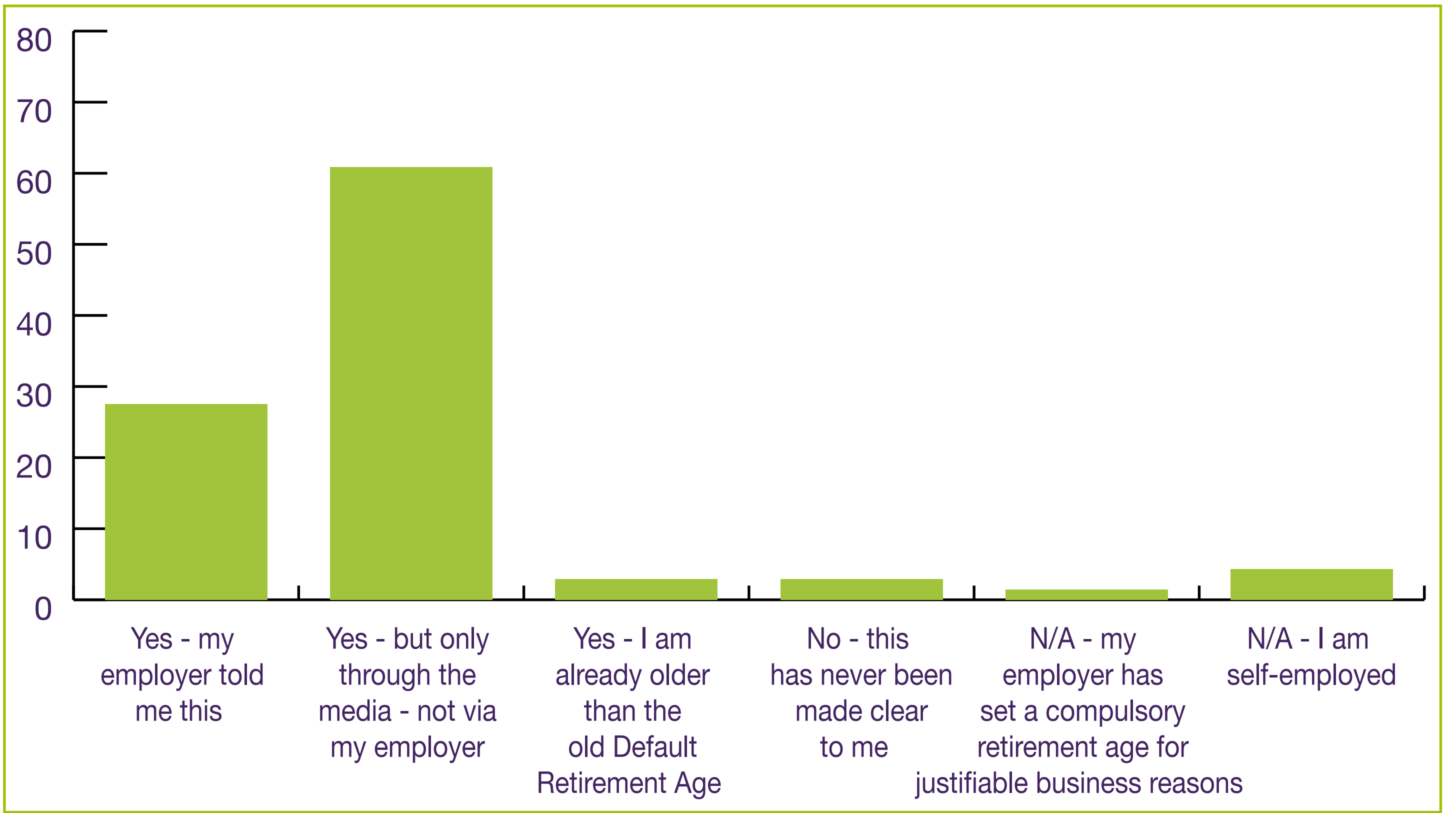
Stream 2 – Continued in work past age 65 (since October 2011)

How did you find out that you were entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?



Stream 3 – Approaching retirement in next 24 months

Are you aware that you are entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?



Perhaps the most surprising outcome from the entire 2014 Jelf Employee Benefits survey is represented in the response to the above question.

Only 29% of the respondents had been formally told by their employer of their rights to continue working past the (now abolished) Default Retirement Age, with more than half (51%) only becoming aware of this as a result of media coverage.

Whilst there may be no explicit requirement on employers to communicate this change to their employees (particularly given concerns around age discrimination), it should be expected that most employers would have informed their entire workforce of this change in advance, and probably shortly after, the abolition of the Default Retirement Age. If such communications were made, it appears that the majority of employees have failed to understand the implications of same.

It also raises questions as to whether employers have fully embraced the change, for instance by updating terms and conditions and contracts of employment to reflect the change.

Jelf Employee Benefits would strongly urge all employers to revisit this exercise to ensure that employees are fully aware of the new rules and how the employer is applying these to their business practices.

Lee Coles, Head of Jelf Money after Work, Jelf Employee Benefits

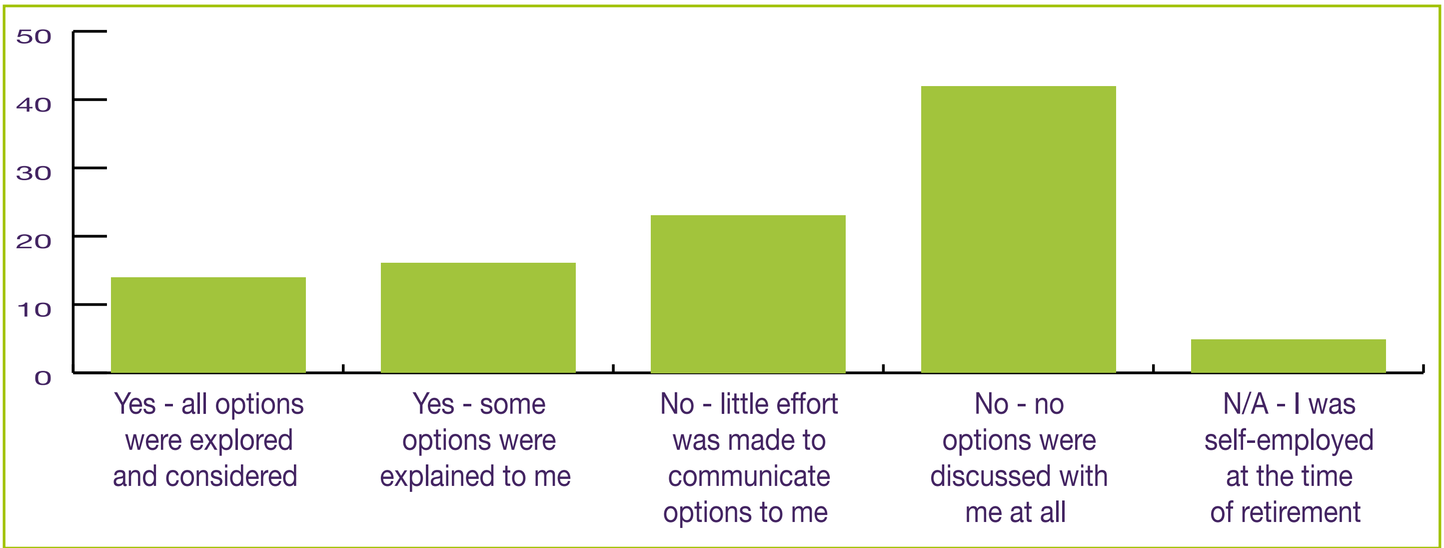
"To me this provides evidence of what I have experienced anecdotally; employers are nervous when it comes to communicating any message related to retirement. This is particularly true when it comes to communicating the availability of pre-retirement support. Is the employer discriminating by bringing this support to the attention of those who would benefit from it? You may well want to avoid raising support with a single employee, but where you are communicating the availability of support to say everyone 55 or over, because that's when you can typically access your pension savings, that would seem entirely justifiable. This would also present an opportunity to make employees aware that there is no longer a Default Retirement Age and secure an audit trail to boot.

I can see a more valid complaint coming from younger employees if they are not getting help with the financial issues peculiar to them. In answer, I would advocate career long education, recognising the differing concerns which are likely to be present."

Q5: Did your employer discuss retirement options with you?

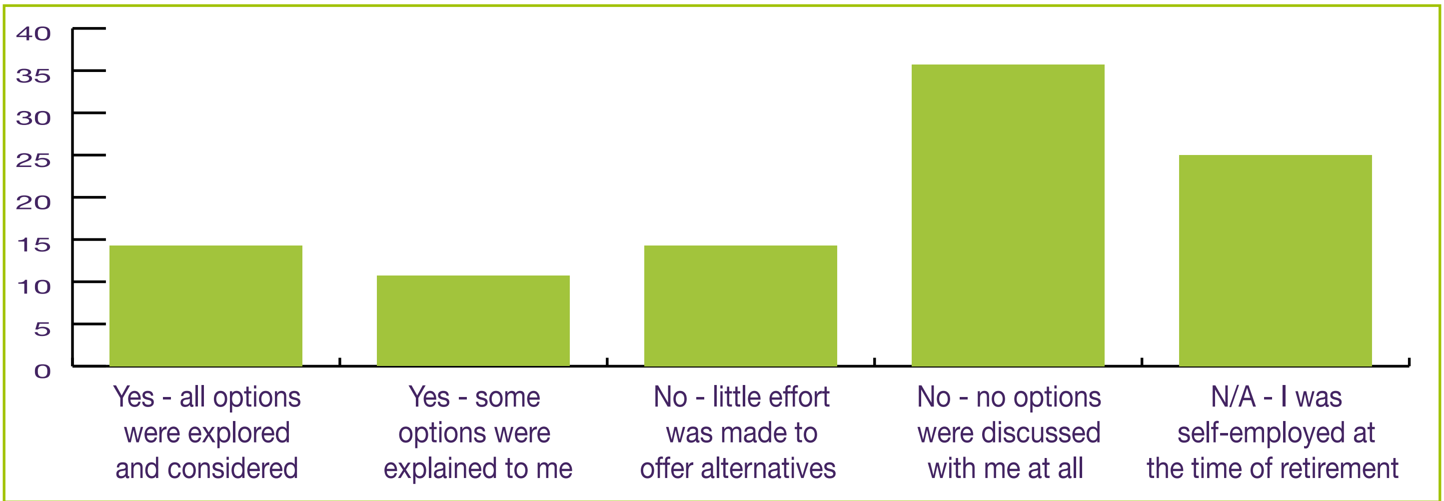
Stream 1 – Retired since October 2011

At the time of retirement, did your then employer seek to fully discuss your employment options with you?



Stream 2 – Continued in work past age 65 (since October 2011)

When you reached age 65, did your then employer seek to fully discuss your employment options with you?



As with Q4 above, it seems that some employers may not be effectively communicating the post DRA rules to employees – and particularly those older employees who may be considering their employment and retirement options.

Of the above findings, perhaps the most concerning response is from the grouping who has retired since the Default Retirement Age was abolished. Almost 2 in 3 employees in this grouping had little or no discussion with their employer as to their employment and retirement options.

Indeed, 42% of those that have retired since 2011 did not discuss any such options with their employer.

At best this is poor for employment relations, and provides evidence that employers may not have fully engaged with the post DRA world. At worst, there may be a suggestion that at least some employers are prepared to make no mention of the new rules and thus encouraging employees to believe that the requirement to retire is still in existence.

Either outcome is a poor reflection on UK employers given that we are now 3 years after the abolition of the DRA. Jelf Employee Benefits would urge employers to implement procedures to better support employees with such legislation changes.

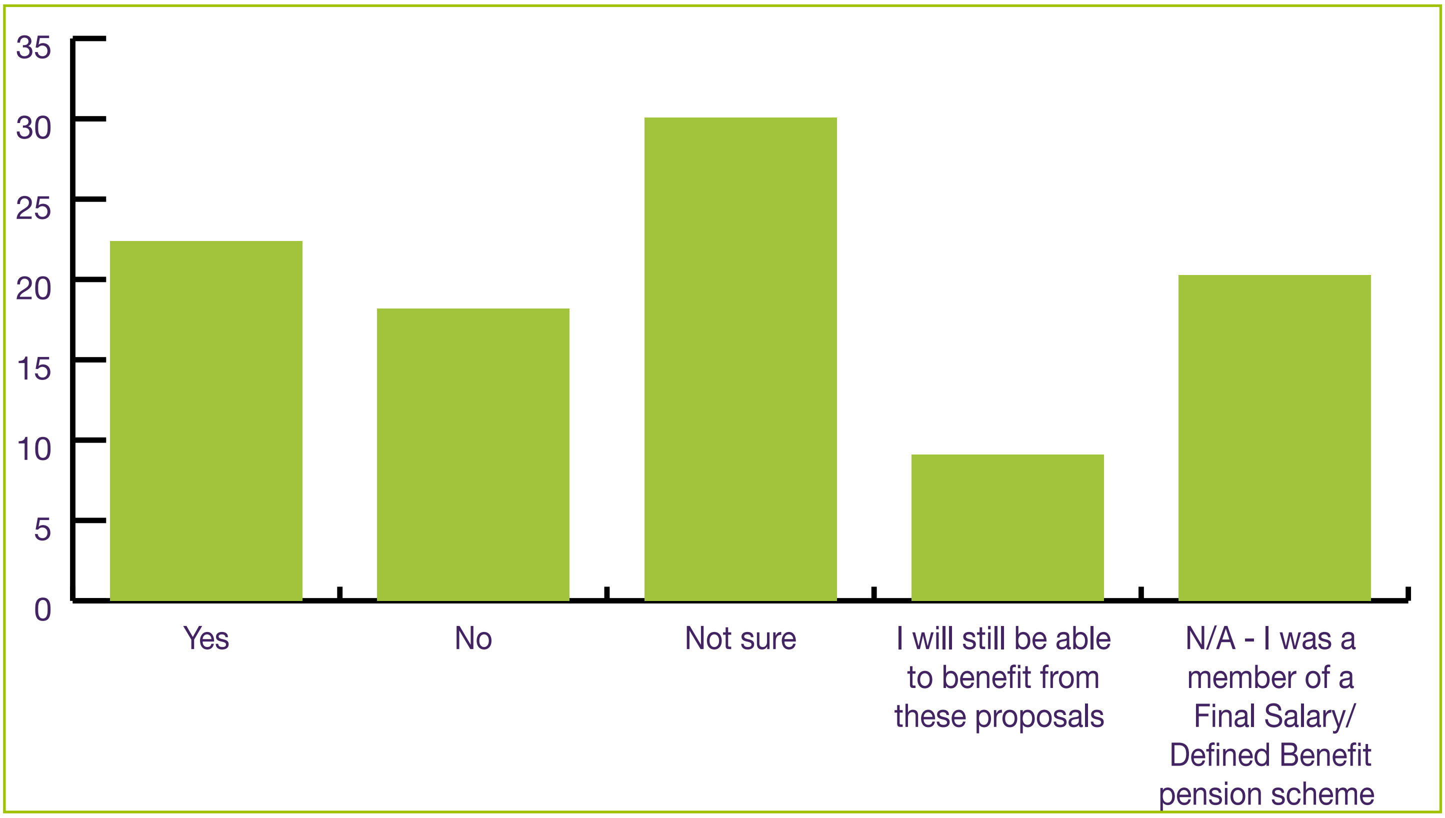
Tony Clack, Managing Director, LaterLife Learning

"There can be no justification for employers not communicating these matters to all employees. However this result seems surprising given the high percentage of employees who said they were offered a pre-retirement course, which would indicate a positive approach to communicating and assisting with retirement decision making."

Q6: Would you have utilised the new Freedom of Pension proposals had they been available to you?

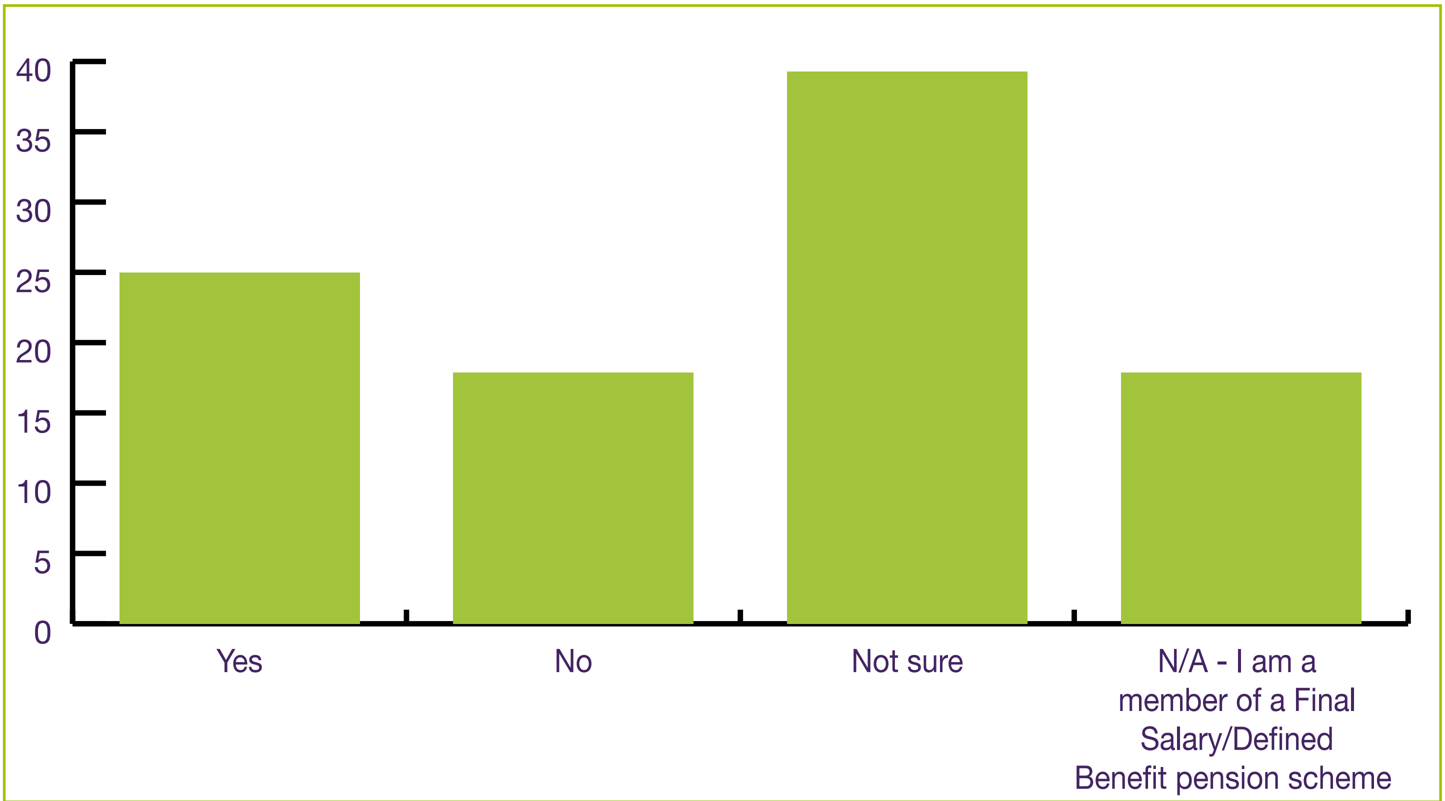
Stream 1 – Retired since October 2011

Would you have used the greater access/flexibility regarding pension funds proposed by the Chancellor this year had it been available when you retired?



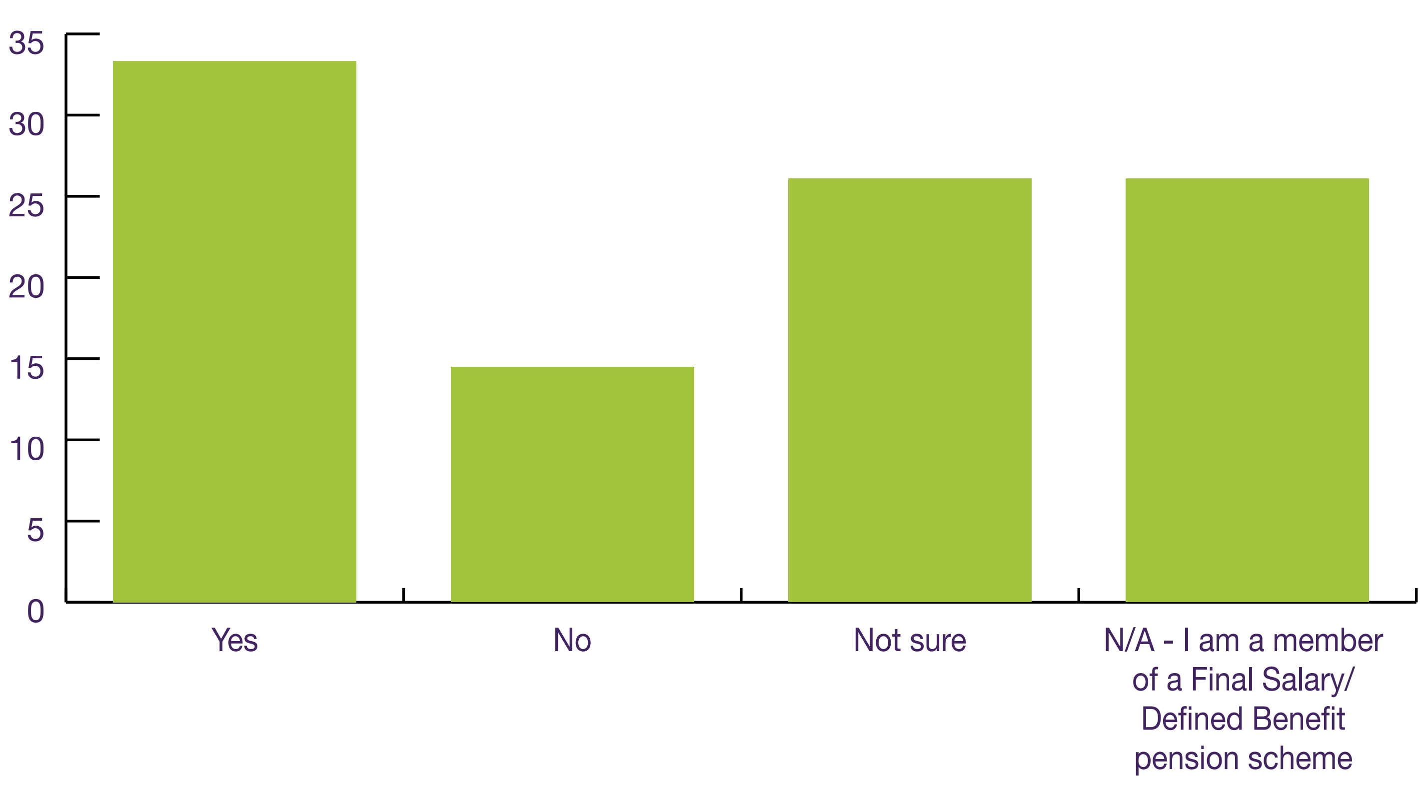
Stream 2 – Continued in work past age 65 (since October 2011)

Would you have used the greater access/ flexibility regarding pension funds proposed by the Chancellor this year had it been available when you reached age 65?



Stream 3 – Approaching retirement in next 24 months

Do you think the greater access/flexibility regarding pension funds proposed by the Chancellor this year will be useful when it comes to making decisions on your retirement?



An encouraging sign for the Chancellor of the Exchequer is that all three groupings of employees/retirees have indicated that the proposed new flexibility to access retirement funds will be, or would have been, of practical use when retirement age is reached. There is however a degree of uncertainty here, with "not sure" responses measuring highly. Such doubts may dissipate once the final detail of these proposals is known, and this is sure to be something that we will revisit in future surveys.

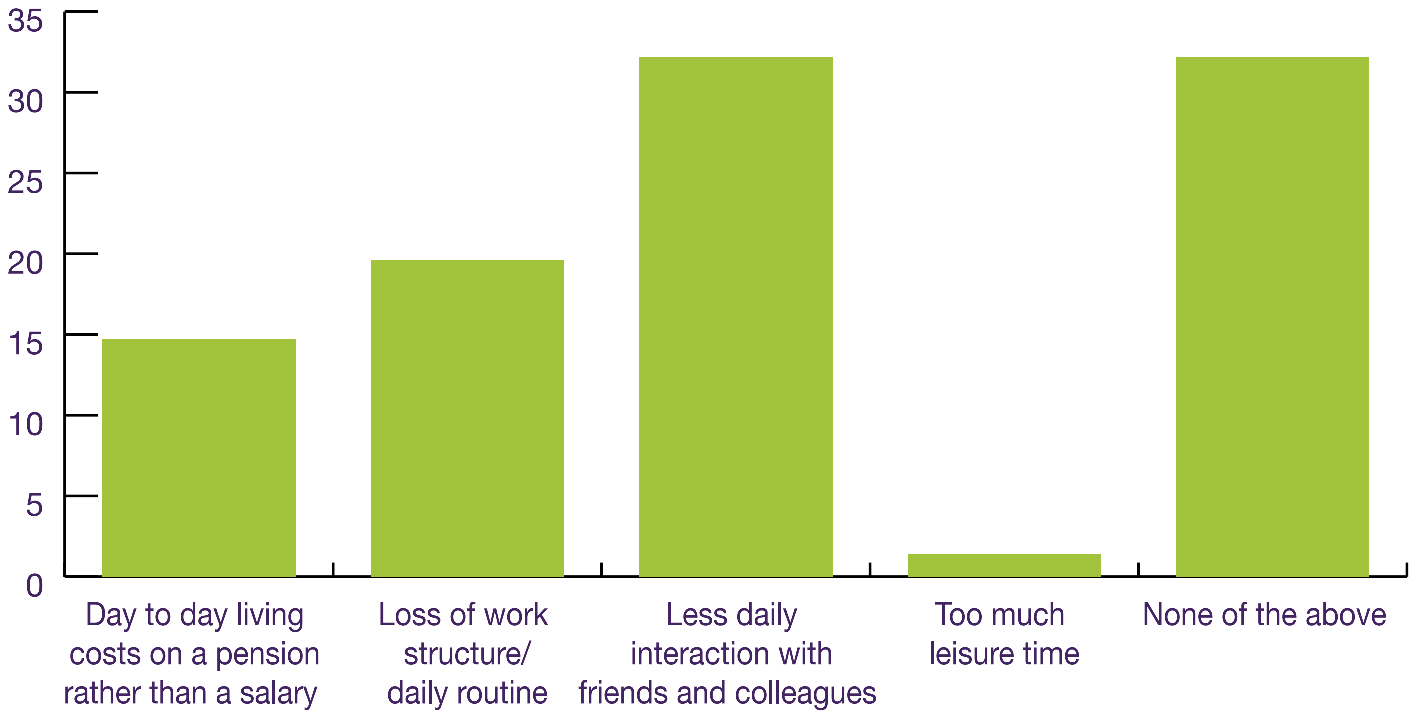
Alan Millward, Managing Director - Financial Services, Jelf Employee Benefits

"In the main, the "not sures" dominate this feedback, making it clear people probably still don't understand their options. The need for education, guidance & advice has never been stronger and employers should start to consider their strategy & the support they will require now."

Q7: During the first year of retirement, which of the following was the most difficult for you to manage?

Stream 1 – Retired since October 2011

During the first year of retirement, which of the following was the most difficult for you to manage?



Although only a statistically small sample, it is nevertheless clear that the passage into retirement presents different challenges for different people. It is however notable that financial pressure featured less strongly than items such as the loss of a daily working structure, and the loss of daily interaction with friends and colleagues. This strengthens the case for employers providing full and multi-faceted retirement courses for their older age employees.

Lee Coles, Head of Jelf Money after Work, Jelf Employee Benefits

"I agree. This evidences a definite trend towards lifestyle worries being greater than financial worries. This may be influenced, in part, by the fact that many people will take a tax free lump sum at the point of retirement so will feel financially comfortable, at least in the short-term. It will be interesting to see a survey five years after pensions freedom is introduced to test how comfortable people are feeling regarding their finances."

Tony Clack, Managing Director, LaterLife Learning

"There can be no justification for employers not communicating these matters to all employees. However this result seems surprising given the high percentage of employees who said they were offered a pre-retirement course, which would indicate a positive approach to communicating and assisting with retirement decision making."

Q8: Why did you opt not to retire at age 65?

Stream 2 – Continued in work past age 65 (since October 2011)

Which of the following was the principal reason that you did not opt to retire at age 65?

This question represents only a very small slice of data and is therefore only included for completeness.

Whilst it is difficult to comment on such a small component of the responses, the answers given do perhaps point to one item that may become a major feature of the post DRA world: 39% of the respondents had insufficient savings to trigger a comfortable retirement, and have therefore continued in employment as a pragmatic solution to this scenario.

With many more of the UK population currently reliant on Defined Contribution (DC) pension savings to fund their retirement – and with the average size of such funds generally estimated to be between £30,000 and £40,000 at age 65, this inability to retire may become a major feature of the employment landscape. This is a topic that we will attempt to study in greater detail in the 2015 survey, but it is apparent that employers need to provide employees with both the financial education and the means to save well for retirement.

Tony Clack, Managing Director, LaterLife Learning

“The high percentage indicating insufficient savings as a reason not to retire highlights the growing nature of a problem that has long been present. While not wishing to downplay this, delegates are often pleasantly surprised on our LaterLife retirement courses when we help them explore ways of enjoying retirement without the requirement to spend lots of money. Thinking about these options and coming to the realisation that there are economical ways of making the most of retirement enables people to enter retirement much more optimistically.

A further trend that we expect to see accelerate over the coming years is that of flexible working as a more common approach to a phased retirement. This aids both finances and removes the shock of a cliff edge retirement.”

Appendix I:
Contributors to the 2014 Jelf Employee Benefits Survey

Steve Herbert, Head of Benefits Strategy, Jelf Employee Benefits:

Steve was recently described by a sector journalist as someone who "knew everything" - an opinion not shared by his wife and children. Yet he does have an impressive knowledge of the UK employee benefits market, and is one of the best known commentators in his field.

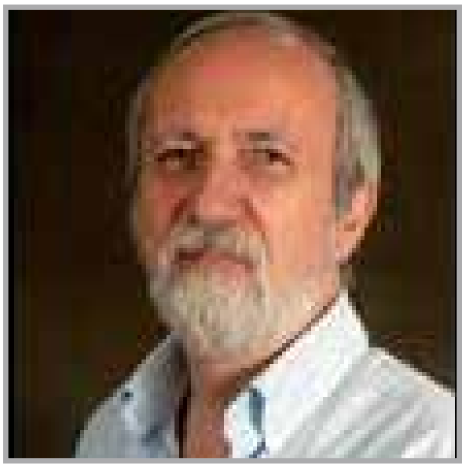
Steve's principal aim is better communicating the value and usage of employee benefits to employers. This he has achieved through many, highly successful, seminar series over the last decade and his regular and widely read blog posts on the subject.

He also acts as a judge in HR and Employee Benefits industry awards, article writer, and product innovator. Steve is a member of the DWP's Auto-Enrolment Intermediaries Forum, and also regularly responds to Government Consultations that impact on all aspects of employee benefit provision.

Outside of the industry Steve provides advice, coaching, and regular blog posts on the topics of business presentation skills and successful seminar marketing.

He is occasionally accused of making employee benefits interesting.

Tony Clack, Managing Director, LaterLife Learning:



Tony Clack is MD of LaterLife which he founded in 1999 after 30 years in the IT industry working in various Senior Management and Business Consultancy roles.

LaterLife has grown to become the leading provider of open planning retirement workshops in the UK, covering both lifestyle and financial aspects of retirement. LaterLife also operates the www.laterlife.com web site and the 'LaterLife Challenge' which recognises those who are making the most of retirement.

Interactions with thousands of retirees and their organisations each year gives LaterLife and Tony a unique insight into retirement today and how it is changing.

Jo Thresher, Head of Money at Work, Jelf Employee Benefits:

Jo's career spans over 25 years in Financial Services and during her time with Jelf she has been instrumental in the development of our workplace services.

Her knowledge includes Employee Benefits, Pensions, Financial Planning, and how to maximise the understanding of benefits. Jo's focus is now on ensuring employees are financially successful by developing an award-winning education and communication programme. She believes that by helping employees to be happier, they are more productive at work and this also benefits the employer.

Jo works hard with her clients to understand their objectives and deliver multimedia programmes to engage and develop their employees.

Jo is happy to be known as a Pensions and Benefits geek but also enjoys ensuring her four children are good with her money and has a not so secret shoe weakness!

Lee Coles, Head of Jelf Money after Work, Jelf Employee Benefits:

Lee has been in the financial services industry for over 20 years in a variety of advice and communication roles.

Lee has a strong pedigree in group pensions and employee communication, having worked previously for AXA and HSBC, Lee now heads up the Life after Work services, offered by the Jelf Group. Life after Work offers a market leading range of both financial and lifestyle based education, guidance, support and advice for people considering their retirement options.

Lee has a wealth of knowledge regarding all aspects of financial planning but has a particular interest in employee behavior and financial decision making

Alan Millward, Managing Director - Financial Services, Jelf Employee Benefits:

Alan has 28 years experience in the Financial Services industry, specialising in pensions from day one.

He joined Jelf Employee Benefits in April 2012, and is the Managing Director of the Financial Services division.

Alan's remit includes responsibility for:

- Workplace savings consultancy
- Financial education
- At retirement
- Financial planning
- Benefit Management

His previous roles include senior posts at both HSBC Workplace Retirement Services and AXA Corporate Benefits.

Iain Laws, Managing Director UK Healthcare, Jelf Employee Benefits:

Iain is responsible for strengthening the existing corporate healthcare consultancy team by developing the group's strategy to grow its service delivery to large employers, specifically focusing on meeting the rising demand for effective UK and international employee healthcare management programs.

Iain has over 20 years' experience in the employee benefits sector including time with Standard Life, before moving to the consultancy market where he has worked with a wide range of large employers to develop, implement and manage effective employee health and benefit programs. In addition, he has spent time as the president of an international benefits network which supported the management of international employers' global benefits programs.

Appendix II: Employer Survey Data and Details

Q1: Do you provide older employees (over age 65) with the same benefits as younger employees?	Number of responses	Percentage response
Yes – they have exactly the same benefits	104	58.10%
No – some benefits are restricted once age 65 is passed	38	21.23%
N/A – we have fully flexible benefits for all employees	19	10.61%
N/A – we don't offer any benefits to employees currently	12	6.70%
Don't know	6	3.35%
Totals	**179**	**100.00%**

Q2: Have you reviewed the maximum age limitations of your benefits since the DRA was abolished?	Number of responses	Percentage response
Yes	51	28.33%
No	90	50.00%
Don't know	18	10.00%
Reviewing currently	11	6.11%
We don't offer any benefits to employees currently	10	5.56%
Totals	**180**	**100.00%**

Q3: Does your organisation explicitly inform employees who have passed age 65 that their benefit provision may be changing?	Number of responses	Percentage response
Yes	24	13.33%
No	37	20.56%
N/A – benefits remain the same post age 65	49	27.22%
Don't know	18	10.00%
We don't offer any benefits to employees	9	5.00%
We don't have any employees over age 65	43	23.89%
Totals	**180**	**100.00%**

Q4: Are you aware of your insurers' maximum age limits for "Group Risk" employee benefits?	Number of responses	Percentage response
Yes	63	34.62%
No	79	43.41%
N/A – we self-insure	0	0.00%
Don't know	20	10.99%
We don't offer any Group Risk benefits to employees	20	10.99%
Totals	**182**	**100.00%**

Q5: At what age do employees cease being covered for Group Risk benefits in your organisation?	Number of responses	Percentage response
At previous default retirement age (age 65)	33	18.54%
Cover ceases for all employees at an age younger than 65	2	1.12%
Cover continues until the employee retires	31	17.42%
Cover continues until insurers maximum age limit is reached	32	17.98%
Cover ceases at our company normal retirement age	4	2.25%
Don't know	56	31.46%
We don't offer any Group Risk benefits to employees	20	11.24%
Totals	**178**	**100.00%**

Q6: Do you offer continued pension membership to employees past age 65?	Number of responses	Percentage response
Yes	103	54.50%
No	40	21.16%
Don't know	46	24.34%
Totals	**189**	**100.00%**

Q7: Has your company reviewed "lifestyling" investment strategies following the abolition of the DRA or the Freedom of Pensions announcement?	Number of responses	Percentage response
Yes	19	10.16%
No	87	46.52%
Don't know	30	16.04%
We do not operate a "lifestyling" investment strategy	51	27.27%
Totals	**187**	**100.00%**

Q8: Have you made your employees aware of the proposed changes to pension fund access for those over age 55?	Number of responses	Percentage response
Yes	30	15.87%
No	147	77.78%
Don't know	12	6.35%
Totals	**189**	**100.00%**

Q9: Will you make your employees aware of the proposed changes to pension fund access for those over age 55?	Number of responses	Percentage response
Yes	127	67.20%
No	15	7.94%
Don't know	33	17.46%
Yes – we have already informed employees	14	7.41%
Totals	**189**	**100.00%**

Q10: Will you allow employees aged 55+ more remuneration flexibility so that they can benefit from additional tax advantages?	Number of responses	Percentage response
Yes – for all	67	34.90%
Partially – on a case by case basis	28	14.58%
No	12	6.25%
Don't know	85	44.27%
Totals	**192**	**100.00%**

Q11: Do you think that greater freedom to access pension funds will create a need for more financial education in the workplace?	Number of responses	Percentage response
Yes	189	96.43%
No	3	1.53%
Don't know	4	2.04%
Totals	**196**	**100.00%**

Q12: Do you expect employers to fund financial education in the workplace?	Number of responses	Percentage response
Yes – for all	101	52.06%
Partially – on a case by case basis	40	20.62%
No	36	18.56%
Don't know	17	8.76%
Totals	**194**	**100.00%**

Q13: Do you offer pre-retirement courses to your employees?	Number of responses	Percentage response
Yes – have done so for a number of years	9	4.64%
Yes – only for those who indicate they are retiring	10	5.15%
Yes – introduced post abolition of DRA	1	0.52%
No – under consideration currently	27	13.92%
No – we used to, but have now stopped offering	7	3.61%
No	134	69.07%
Don't know	6	3.09%
Totals	**194**	**100.00%**

Q14: Do you believe that discussing retirement and pre-retirement options and courses may be perceived as Age Discrimination?	Number of responses	Percentage response
Yes – now cautious of 1:1 discussions	32	16.67%
Yes – now cautious of general comms around retirement	22	11.46%
No – our comms meet legitimate aims & are objectively justifiable	47	24.48%
No	42	21.88%
N/A – we do not discuss retirement issues with our employees	49	25.52%
Totals	**192**	**100.00%**

Q15: Has your company reviewed the contract of employment promises regarding employee benefits following recent legislation changes?	Number of responses	Percentage response
Yes	57	30.00%
No	83	43.68%
Don't know	15	7.89%
We don't offer any benefits to employees currently	8	4.21%
We have no specific contract promises re employee benefits	27	14.21%
Totals	**190**	**100.00%**

Q16: When was the last time your contract was reviewed with regard to specific benefit promises?	Number of responses	Percentage response
In the last year	46	23.96%
In the last three years	40	20.83%
More than three years ago	18	9.38%
Not reviewed for many years	22	11.46%
Don’t know	28	14.58%
We don’t offer any benefits to employees currently	7	3.65%
We have no specific contract promises re employee benefits	31	16.15%
Totals	**192**	**100.00%**

Q17: As a result of today’s event, will you be reviewing your contract of employment with regard to benefit promises?	Number of responses	Percentage response
Yes	98	51.31%
No	13	6.81%
No – we have recently reviewed	31	16.23%
Don’t know	22	11.52%
We don’t offer any benefits to employees currently	5	2.62%
We have no specific contract promises re employee benefits	22	11.52%
Totals	**191**	**100.00%**

Q18: Does your organisation provide regular updates to employees on the employee benefits offering?	Number of responses	Percentage response
Yes	88	48.35%
No	77	42.31%
Don’t know	0	0.00%
We have no benefits offering	17	9.34%
Totals	**182**	**100.00%**

Q19: Do you think that greater freedom to access pension funds will encourage employees to save more in pension schemes?	Number of responses	Percentage response
Yes	179	72.47%
No	32	12.96%
Not sure	36	14.57%
Totals	**247**	**100.00%**

Q20: Do you think that greater freedom to access pension funds will encourage employers to make higher contributions to pension schemes?	Number of responses	Percentage response
Yes	47	18.95%
No	160	64.52%
Not sure	41	16.53%
Totals	**248**	**100.00%**

Appendix III: Employee Survey Data and Details

Stream 1 answers: Retired since October 2011

Did your employer offer you any advice, guidance, or assistance regarding the financial implications of retirement?

Yes - they gave me lots of assistance and advice, including advice on my pension options (42) - 29.37%

Yes - they helped me chose the right retirement income option(s) (17) - 11.89%

No - no assistance offered at all (76) - 53.15%

n/a - I was self-employed at the time of retirement (8) - 5.59%

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to retirement age)?

Yes - that would have been very helpful (70) - 48.95%

Yes - that would have been slightly helpful (36) - 25.17%

n/a - I was provided with this assistance by my employer (18) - 12.59%

No - I would not have benefited and/or engaged with this even if it was on offer (13) - 9.09%

n/a - I was self-employed at the time of retirement (6) - 4.20%

Were you offered a Pre-retirement course by your employer?

Yes - a course based largely on financial issues (4) - 2.80%

Yes - a course based largely on lifestyle issues (12) - 8.39%

Yes - a course which covered both financial and lifestyle issues (65) - 45.45%

Yes - but I did not attend (2) - 1.40%

No (60) - 41.96%

Were you aware that you are entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?

Yes - my employer told me this (45) - 31.47%

Yes - but only through the media - not via my employer (72) - 50.35%

Yes - I was already past the old Default Retirement Age when I actually retired (9) - 6.29%

No - this was never made clear to me (7) - 4.90%

n/a - My employer has set a compulsory retirement age for justifiable business reasons (3) - 2.10%

n/a - I was self-employed at the time of retirement (7) - 4.90%

At the time of retirement, did your then employer seek to fully discuss your employment options with you?

Yes - all options were explored and considered (20) - 13.99%

Yes - some options were explained to me (23) - 16.08%

No - little effort was made to communicate options to me (33) - 23.08%

No - no options were discussed with me at all (60) - 41.96%

n/a - I was self-employed at the time of retirement (7) - 4.90%

During the first year of retirement, which of the following was the most difficult for you to manage?

Day to day living costs on a pension rather than a salary (21) - 14.69%

Loss of work structure/ daily routine (28) - 19.58%

Less daily interaction with friends and colleagues (46) - 32.17%

Too much leisure time (2) - 1.40%

None of the above (46) - 32.17%

Would you have used the greater access/ flexibility regarding pension funds proposed by The Chancellor this year had it been available when you retired?

Yes (32) - 22.38%

No (26) - 18.18%

Not sure (43) - 30.07%

I will still be able to benefit from these proposals (13) - 9.09%

n/a - I was a member of a Final Salary/ Defined Benefit pension scheme (29) - 20.28%

Stream 2 answers: Continued to work past age 65 since October 2011

Has your employer offered you any advice, guidance or assistance regarding the financial implications of retirement?

Yes - they have given me lots of assistance and advice, including advice on pension options (6) - 21.43%

Yes - they have helped me chose the right retirement income option(s) (4) - 14.29%

No - no assistance offered at all (11) - 39.29%

n/a - I am self-employed (7) - 25.00%

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to age 65)?

Yes - that would have been very helpful (7) - 25.00%

Yes - that would have been slightly helpful (6) - 21.43%

n/a - I was provided with this assistance by my employer (4) - 14.29%

No - I would not have benefited and/or engaged with this even if it was on offer (5) - 17.86%

n/a - I am self-employed (6) - 21.43%

Have you been offered a retirement planning course by your employer?

Yes - a course based largely on financial issues (0) - 0.00%

Yes - a course based largely on lifestyle issues (0) - 0.00%

Yes - a course which covered both financial and lifestyle issues (10) - 35.71%

Yes -but I did not attend (0) - 0.00%

No (11) - 39.29%

n/a -I am self-employed (7) - 25.00%

How did you find out that you were entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?

My employer told me this (5) - 17.86%

I learned of this through the media (10) - 35.71%

It was never discussed with my employer - employment just continued (7) - 25.00%

n/a - My employer has set a compulsory retirement age for justifiable business reasons (0) - 0.00%

n/a - I was self-employed at the time of retirement (6) - 21.43%

When you reached age 65, did your then employer seek to fully discuss your employment options with you?

Yes - all options were explored and considered (4) - 14.29%

Yes - some options were explained to me (3) - 10.71%

No - little effort was made to offer alternatives (4) - 14.29%

No - no options were discussed with me at all (10) - 35.71%

n/a -I was self-employed at the time of retirement (7) - 25.00%

Which of the following was the principal reason that you did not opt to retire at age 65?

I do not have sufficient savings to retire in comfort (11) - 39.29%

I feel I am too young to retire (8) - 28.57%

I would miss the structure of the working day (1) - 3.57%

I would miss the company of colleagues and friends at work (2) - 7.14%

I still have much to offer my job role/ business (5) - 17.86%

None of the above (1) - 3.57%

Would you have used the greater access/ flexibility regarding pension funds proposed by The Chancellor this year had it been available when you reached age 65?

Yes (7) - 25.00%

No (5) - 17.86%

Not sure (11) - 39.29%

n/a - I am a member of a Final Salary/ Defined Benefit pension scheme (5) - 17.86%

Stream 3 answers: Approaching retirement in the next 24 months

Has your employer offered you any advice, guidance or assistance regarding the financial implications of retirement?

Yes - they have/are given me lots of assistance and advice regarding my retirement options (10) - 14.49%

Yes - they have/are helped me chose the right retirement income option(s) (9) - 13.04%

No - no practical assistance has yet been offered (46) - 66.67%

n/a - I am self-employed (4) - 5.80%

Would you have benefited from guidance or assistance being offered earlier in the journey to retirement (say from 10 years prior to retirement age)?

Yes - that would have been very helpful (36) - 52.17%

Yes - that would have been slightly helpful (16) - 23.19%

n/a - I was provided with this assistance by my employer (5) - 7.25%

No - I would not have benefited and/or engaged with this even if it was on offer (9) - 13.04%

n/a - I am self-employed (3) - 4.35%

Have you been offered a retirement planning course by your employer?

Yes - a course based largely on financial issues (0) - 0.00%

Yes - a course based largely on lifestyle issues (12) - 17.39%

Yes - a course which covered both financial and lifestyle issues (29) - 42.03%

Yes -but I did not attend (0) - 0.00%

No (28) - 40.58%

Are you aware that you are entitled to continue in employment past age 65 (the now abolished Default Retirement Age)?

Yes - my employer told me this (19) - 27.54%

Yes - but only through the media - not via my employer (42) - 60.87%

Yes -I am already older than the old Default Retirement Age (2) - 2.90%

No - this has never been made clear to me (2) - 2.90%

n/a - My employer has set a compulsory retirement age for justifiable business reasons (1) - 1.45%

n/a - I am self-employed (3) - 4.35%

Do you think the greater access/ flexibility regarding pension funds proposed by The Chancellor this year will be useful when it comes to making decisions on your retirement income?

Yes (23) - 33.33%

No (10) - 14.49%

Not sure (18) - 26.09%

n/a - I am a member of a Final Salary/ Defined Benefit pension scheme (18) - 26.09%

Appendix IV: Jelf Employee Benefits

About Jelf

Jelf is a leading independent consultancy supporting businesses and individuals with expert advice on matters relating to insurance, employee benefits, health insurance and financial planning. Jelf's purpose is simple: to build a long-lasting relationship with clients and to become their trusted adviser.

Formed in 1989 by Chris Jelf, the Group has 33 offices in 31 locations across England and Wales, employing almost 1,100 members of staff.

For further information about Jelf, please visit www.jelfgroup.com

About Jelf Employee Benefits

Jelf Employee Benefits operates out of six locations and accounts for nearly a quarter of Jelf Group revenue. We currently advise c5000 companies on a range of employee benefits strategies. Clients include: Admiral, Honda UK, Midas Group, Save the Children, Serco, Specsavers and Thatchers.

Jelf Employee Benefits helps clients choose the right benefits for their employees and will then source and negotiate them, as well as help promote them to staff. This is a three-part process:

- Benefit design or review (including risk and pension benefits)
- Implementation
- Communication

Benefit types:

Healthcare: PMI, Private Dental Insurance, Health Screening, Employee Assistance Programmes, Absence Management and Occupational Health

- International: Wellbeing, Jelf International Umbrella Scheme, Global Broker Network, Corporate Audit
- Group Risk: Death in Service benefits, Income Protection, Critical Illness and Accident Insurance
- Pensions: DC and DB schemes, scheme governance, retirement counselling, annuity service and auto enrolment
- Flexible benefits including voluntary benefits such as retailer discounts and childcare vouchers

Implementation

- Group presentations and 1-2-1 meetings to engage staff with new benefits and improve take up
- myreward is an online benefit management and communication platform which enables organisations to manage their employee benefit offering with ease by reducing administrative strain. It also gives HR teams access to detailed management information to aid budgetary planning and the management of people-related risk.

Communication

- Launch campaigns using posters, desk drops or in-payslip communications as well as launch roadshows.
- Total reward statements (TRS) to clearly demonstrate the monetary value of each benefit alongside salary.
- Employee opinion surveys help organisations review and put together the most effective benefits package for their company.

Administration services

- All of the above is supported by a robust administration service to ensure all employee information is correct and kept up-to-date.

For media enquiries on this survey, please contact:

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Appendix V: LaterLife

About LaterLife

LaterLife was founded in 1999 and has grown to become one the UK's pre-eminent retirement specialists, providing both in-house and open retirement workshops at over 40 locations around the UK. LaterLife's workshops cover every aspect of retirement and differ significantly to their competitors because of their lifestyle focus rather than purely financial content. Additionally the style of the workshops is designed to really engage delegates in thinking about retirement from their own perspective, which is one of the reasons that Laterlife receives such unparalleled feedback from delegates.

LaterLife also runs the www.laterlife.com website to assist individuals over 50 to prepare for and make the most of their later life and especially their retirement. It is credited with providing a feel of limitless opportunity.

For further information about LaterLife, please visit www.retirement-courses.co.uk

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Appendix VI: Group Risk Exclusion Clause

Amendments to the Equality Act 2010

2. (1) Schedule 9 to the Equality Act 2010 (work: exceptions relating to age)(1) is amended as follows.

(2) Omit paragraph 8 (retirement).

(3) Omit paragraph 9 (applicants at or approaching retirement age).

(4) For paragraph 14 (life assurance), substitute—

Insurance etc.

14. (1) It is not an age contravention for an employer to make arrangements for, or afford access to, the provision of insurance or a related financial service to or in respect of an employee for a period ending when the employee attains whichever is the greater of—

(a) the age of 65, and

(b) the state pensionable age.

(2) It is not an age contravention for an employer to make arrangements for, or afford access to, the provision of insurance or a related financial service to or in respect of only such employees as have not attained whichever is the greater of—

(a) the age of 65, and

(b) the state pensionable age.

(3) Sub-paragraphs (1) and (2) apply only where the insurance or related financial service is, or is to be, provided to the employer's employees or a class of those employees—

(a) in pursuance of an arrangement between the employer and another person, or

(b) where the employer's business includes the provision of insurance or financial services of the description in question, by the employer.

(4) The state pensionable age is the pensionable age determined in accordance with the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995(2)."