



Research summary  
Implications for government

In partnership with

**BLACKROCK**

BUSINESS  
CASE  
PEN

**BUSINESS CASE  
FOR PENSIONS**

# THE BUSINESS CASE FOR PRIVATE SECTOR WORKPLACE PENSIONS

## CONTENTS

INTRODUCTION	2
KEY MESSAGES	4
KEY FINDINGS	7
IMPLICATIONS OF THE FINDINGS	12
CONCLUSIONS	16
APPENDIX: RESEARCH METHODOLOGY	
Employee survey	17
Employer survey	18
PROFILE OF PARTICIPATING EMPLOYERS	19
PUBLISHED DATA SOURCES	21

# INTRODUCTION

Pensions have rarely been out of the news for the last six months, with reports of pension funds hit by the economic crisis and high-profile pension closures caused by significant pension deficits. In addition, the Government has announced plans for automatically enrolling employees either into an existing workplace pension scheme or into the proposed personal account to which both the employee and employer must contribute, unless the employee opts out, from 2012. It is clear that pension schemes are facing unprecedented challenges, including the shift from defined benefit (DB) to defined contribution (DC) schemes and the general difficulty of engaging employees in retirement provision.

This environment raises the question of whether there is a business case for workplace pension schemes, and – if so – what the future of company pension schemes looks like. The Chartered Institute of Personnel and Development (CIPD) and BlackRock have undertaken a qualitative and quantitative research programme to explore this issue and discuss the future of workplace pension schemes. Conducted through a survey comprising interviews with 61 employers and 840 employees, the research has implications for employers (in particular, the HR profession), employees, the pensions industry and Government. For more information on the research please see the appendix.

The answer to the central question of the research programme – ‘Is there a business case for employee pensions?’ – is a tentative ‘yes’. From mid SME level (small and medium-sized enterprises, or those with an annual turnover in excess of £1 million) upwards, most employers believe that pensions are an integral part of the benefits package and that not offering a pension with employer contributions can put them at a competitive disadvantage.

One large corporate said:

***‘We want to be an employer of choice, and therefore we recognise the need to have a good pension scheme.’<sup>1</sup>***


And even those companies that do not see any value in workplace pensions – such as the respondent from a small building service employer that argued:

***‘The working man doesn’t want to do a pension. He’s paying in his National Insurance and he wants that pension at the end of it’<sup>2</sup>***

– will have to make some kind of pension provision available to their employees when the new Pensions Act comes into force in 2012. From an employee perspective, however, as many as one third of the people in our research do not rely on their

<sup>1</sup> Major corporate, 70,000 employees, closed DB scheme, current DC scheme with employer contributions

<sup>2</sup> Building services, 5–10 employees, under £1 million: no company pension scheme in place



company pension scheme to fund their retirement (opting to use other savings and investments vehicles, either totally or in addition), so there is a clear disparity between the employer and employee view on pensions as a saving vehicle.

But the research also uncovers wide-ranging concerns about the current state of pension provision in the UK. One of the main challenges highlighted by the research is that of engaging employees – who, with the advent of DC, bear the main responsibility for their retirement provision – in saving for retirement.

**This summary highlights these key findings and draws out the implications for employers, employees and, in particular, government.**

# KEY MESSAGES

The three key messages apparent from the research findings that demand the most pressing attention are:

1. Severe lack of understanding – vital need for greater education and support
2. Lack of flexibility within pensions leading to lack of participation
3. The importance of employee retention

## 1. Lack of understanding and need for education and support

This lack of understanding is apparent amongst employers and severe amongst employees. The research highlights a lack of basic education surrounding pensions that has to be addressed to ensure people understand that saving for retirement is essential and that the sooner they start, the easier it will be. Our research revealed that only one in four employees have any idea of the amount they need to save each month in order to live comfortably in retirement. Pensions are also fraught with complexities and jargon, which tend to create suspicion. While auto enrolment will help it doesn't encourage employee engagement.

**Action:** a hard-hitting campaign in the same vein as 'Smoking Kills', 'Don't Drink and Drive', e.g. 'Retirement Matters' – saving for retirement is 'essential' not just 'desirable'.

## 2. Lack of flexibility within pensions = low levels of participation

The research found the lack of flexibility within workplace pensions to be one of the key reasons that employees don't join. They find the prospect of their money being 'locked up' for 30–40 years hard to comprehend.

*'I've gone for the route of keeping it in an ISA. I mean you're talking 37 years more before I get any money from here.'*

(Employee aged 30, Engineering Company)

*'Yes, if it was consistent with a savings account. I think part of the concern perhaps about it is that if I put money away I can't get at it, I can't get it back. It's like you shall not touch until you're 65 and you've retired.'*

(Employee aged 27, Precision Engineering)

Alternative means of saving for retirement are likely to evolve as the industry seeks to develop solutions that are both inherently flexible and which respond to members' changing requirements at different stages of their lives (including periods of financial 'hardship'). A recent survey conducted by the Investment Company Institute (ICI) of the 401(k) defined contribution

<sup>3</sup> Source: ICI Retirement Saving in Wake of Financial Market Volatility – December 2008

<sup>4</sup> Completing the Picture – Government Response to the Consultation January 2010

model in the United States provides an interesting example. The survey assessed investors' behaviour in reaction to the extreme financial market volatility from January through to October 2008. As part of the plan, members are permitted to access a hardship loan. During this period, only 1.2% took such a loan – this level of withdrawal activity is in line with past years' experiences among the record-keepers and consistent with the rate of withdrawal activity observed in the EBR/ICI 401(k) database in 2000 (at the beginning of the 2000–2002 bear market in equities). Contrary, therefore, to a widely anticipated increase in loan withdrawals during the financial turmoil of 2008, it would appear that members valued the 'peace of mind' that the inherent flexibility in the plan provides.

**Action:** the need for greater flexibility. In the USA, for example, pensions can be accessed as hardship loans in times of emergency. While hardship loans are accessed very rarely, this provides reassurance to members and workplace pension take-up is therefore far greater.

### 3. Employers' desire to offer freedom of choice for savings

The research illustrated that many of the larger employers see saving in general to be a more important factor than saving specifically for retirement.

**Given that employees** do not gain the benefit of their pension until after leaving employment, **a DC pension as a stand-alone benefit is not necessarily viewed as an attractive vehicle by employers for retaining and attracting talent as it was in the past with a DB scheme.**

The research indicates that employers **see a DC pension** as part of a wider range of services that make up the benefits package they offer their employees. Therefore, because employers realise the importance of incentivising current employees, as well as attracting and retaining talent, they would value the opportunity to offer their employees greater freedom of choice in savings.

This however, conflicts with Government's opt-out rules for personal accounts.<sup>5</sup> Given that the Government's priority is towards funding for retirement, the opt-out rules specifically prohibit employers from encouraging/incentivising employees towards alternative methods of saving, e.g. ISAs. The rules are designed to place checks on and to penalise those employers who fail to comply.

<sup>5</sup> The Government's opt-out rules for personal accounts have been laid before Parliament and will come into force, with the introduction of personal accounts, in October 2012. Although the rules will allow employees to opt in or out of personal accounts – they will not include an option to select an alternative means of saving.

*'We see it [the company pension plan] as a valuable part of our overall reward strategy and we invest in it accordingly... and we want our individuals to make a value judgement on it having benefit to them.'*

(Major Corporate)

**Action:** Whilst funding for retirement is important, Government needs to consider whether this current attitude towards retirement saving fits in to the range of modern savings alternatives available.

# KEY FINDINGS

## **Pension schemes are offered either to satisfy compliance or as an employee benefit**

- As our research demonstrates, pension schemes are offered either to satisfy compliance requirements or as an employee benefit, the perceived value of such being dependent on the employer's contribution level and ability to 'sell-in' their scheme to employees.

## **Pension review depends largely on the type of scheme in place**

- Once established, the frequency and regularity of pension reviews depend largely on the type of pension scheme in place (for instance, defined benefit and trust-based schemes require regular trustee/governance meetings, whereas contract-based schemes do not have any statutory review element).

## **DB and DC schemes present very different issues**

### **• The DB (defined benefit) scheme environment**

Over the past five years, the most significant catalyst to review a pension has been the well-documented damage limitation effort (for larger employers in particular) moving from defined benefit to defined contribution pension structures. The most time-consuming, potentially financially damaging and generally problematic issues relate to defined benefit schemes: the deficits

being managed are, in some cases, likely to threaten the future existence of businesses. The perceived 'over-regulation' accounting treatment, compliance and funding costs are painful burdens still carried by businesses, even those that may have closed their schemes several years ago. Ironically, the desire to support employees' retirement planning typically have led companies to resist closing their schemes until it was simply no longer possible to sustain them, thereby exacerbating the financial problems they are still dealing with and will need to manage for many years to come.

***'We're carrying £150,000 of costs per year because of something that was decided back in the 1960s that we didn't get rid of early enough. So it's out of all proportion really.'***

(Grant Instruments)

***'The change in accounting standards and nature of regulation in the UK has made it much more difficult for companies to preserve and run DB schemes.'***

(British Telecom)

***'We're sick to death of having to write a blank cheque to a pension scheme and not be able to predict how much this would cost.'***

(Catering: 50–100 employees)

- **The DC (defined contribution) scheme environment**

There has been no equivalent catalyst for employers to review their defined contribution schemes. Trust-based schemes (offered by larger organisations) deliver organisational branding and management with the advantage of financial control provided by defined contributions and as such have more active 'oversight' by trustees, usually involving HR or financial personnel. Contract-based schemes on the other hand – whether group personal pensions (GPP) or stakeholder – are very low maintenance propositions for employers' HR and finance functions.

***'If someone wants to join, I join them and put them in the scheme they choose. All we are, as the company, is the administrative centre to manage the deductions from the wages and payments into the scheme.'***

(Manufacturing/engineering: 100 employees)

***'The pension scheme doesn't come on the agenda to be honest. We've probably made two telephone calls to the pension provider since 2002.'***

(Catering: 25–50 employees)

### **No pressing financial reason to review whether DC pensions support business needs**

- From a financial point of view, the cost of funding a pension scheme may be regarded as another business cost rather than an investment in human capital, so the simplicity of budgeting/financial management that contract-based defined contribution schemes offer, (certainly in the form of stakeholder schemes) means that there is no pressing financial reason to review whether the pension is supporting the needs of the business or its affordability. In any case, the level of take-up, and contribution levels in many small and medium-sized enterprises (SMEs) is low enough for the actual costs to the business to be very manageable. Reviews may well be instigated on the advice of third party advisers (based on fund performance or service) or as a result of organisational change, in order to streamline pension scheme options.
- Businesses in our research did not relate to the provision of pension schemes in terms of a quantifiable, financially accountable return on investment.

## **Pension provision is seen as part of a broader recruitment, reward and remuneration remit**

- The business case for pensions is more identifiable within an HR context and relates to recruitment and retention: it is therefore qualitative and not directly measurable. Larger companies can, and do, measure the relative appeal and cost effectiveness of the various component elements of the benefits package for instance by means of employee satisfaction surveys and recruitment and retention statistics (for example the number of first choice candidates who turn down a job offer). However, it is extremely difficult, if not practically impossible, to extricate the pension scheme from other financial and non-financial elements of the total reward offer (e.g. salary, flexible working, quality of management etc.) and thereby measure its role, impact and absolute value on employee recruitment, retention and engagement. The findings show that the relative importance of a pension as a recruitment and retention 'device' differs by size, sector and corporate ethic. Furthermore, and most significantly, pension schemes are increasingly being seen as an integral element of employee reward packages which are flexible enough to evolve with employees' changing lifestages, and therefore it would be wrong to view them in isolation from these.

***'The business case for offering pensions is that hopefully it would encourage employees to see that you are looking after their welfare and not just providing them with their basic salary and any other emoluments.'***

(Professional: 100–150 employees)

***'I think the pension scheme is an integral part of an overall package. I don't think on its own it is highly significant one way or the other, to be honest.'***

(Major corporate: 1,000+ employees)

***'We see it as a very valuable part of our overall reward strategy and we invest in it accordingly.'***

(Major corporate: 10,000+ employees)

***'We run a total reward concept... younger people may put more emphasis on salary and their flex package, but for older people, pension has got to be the most important.'***

(Financial services: 100–500 employees)

## Workplace pensions can have a beneficial impact on business performance

- Nonetheless, there is an understanding that workplace pension schemes can have a beneficial impact on business performance (albeit too indirectly to measure directly). This is best illustrated by a belief that not offering to contribute to a pension scheme would be detrimental to the recruitment of quality, first choice employees and subsequent retention of a committed workforce.

*'The fact that a retirement plan is available is not necessarily a benefit nor an aid to recruitment. If it wasn't there it would be a dis-benefit.'*

(British Telecom)

## What this means for SMEs

- At the smaller SME level, it is unlikely that employers can afford to offer reward packages with any quantifiable financial value, and benefits are more likely to be low cost/qualitative (e.g. flexible working hours, additional holidays, car parking etc). These businesses typically have in place simple, contract-based schemes and the low turnover of staff in absolute terms means that the pension scheme has no significant role to play as a recruitment device.
- The advent of **auto-enrolment** and its implications for compulsory employer contributions (to either an existing workplace scheme or to personal savings accounts) will represent a significant financial and administrative challenge for SME employers, especially those with large workforces, which may cause employers to level down existing arrangements to help fund their new financial commitments. (The typical SME stakeholder scheme has a low level of take-up.)

*'It's never been a focus of discussion at an interview. It's one of those things that's offered – like free parking.'*

(Professional: under 25 employees)

*'For the last two years, the only benefit to employees was being able to park in the car park free and a small healthcare policy.'*

(IT/computing: 50–100 employees)

*'In an ideal world, having a pension scheme would be great but we've been making a loss for a while so it's just not practical. However, we counter that by having very flexible working conditions.'*

(IT/computers: 10–20 employees)

### **What this means for larger corporates**

- The pension schemes in place in larger organisations are more likely to have higher levels of (office-based/ professional/managerial) employee take-up already but where relevant (e.g. in retail, manufacturing, etc ) these still face the significant challenge of mass workforce engagement looking ahead to 2012. (A key reason for not contributing to a company pension scheme is a perception that it is not worth joining the scheme of an employer they may not stay with for long – cited by 1 in 5 employees not currently in a workplace scheme; not surprisingly, this is the most common reason among younger, casual, lower skilled workers.)
- With only two years to go before the planned legislation comes into effect companies are seeking to gradually roll out auto-enrolment, ensure that their schemes are compliant and look for satisfactory 'entry' level product solutions alongside their existing schemes. This is particularly the case where trust- based schemes are in place. Unfortunately the current recession is likely to have had a delaying effect on the introduction of pro-active plans such as auto-enrolment.
- Most employers in our research agreed that the future of the workplace pension will be a simpler, DC product, typically contract-based, especially for SMEs. Larger organisations are also moving toward the simplicity and fiscal controllability of contract-based schemes. For those companies currently offering trust-based schemes (typically larger corporates), it is their 'culture' that will dictate whether or not these continue. Indeed, the same is likely to be true for those organisations where DB schemes are still in place.

# IMPLICATIONS OF THE FINDINGS

## In relation to SMEs:

- The implications of the research for SMEs – who represent the largest sector of British Business – clearly point to the need for greater **support** – in terms of awareness and training for themselves, informed communications and messages for their employees and simple product architecture.
- As the financial implications of auto-enrolment become more 'centre-stage' over the next two years, the need for simple solutions and external advice will become more pressing for SME employers, especially those who have no formal HR expertise in-house. Factors likely to determine the success of auto-enrolment into personal savings accounts (or existing contract-based schemes) will be not only affordability but simplicity of administration/minimal employer involvement. This underlines a clear brief to Government for the design and implementation of personal savings accounts from an employer administration perspective.
- Incentivisation of low cost (to the employer), low (employer) involvement pension products could help maximise the value that can be generated from employer/employee pension contributions e.g.
  - salary sacrifice schemes
  - 'Save More Tomorrow' schemes
  - graduated contributions.

## In relation to larger corporates:

- The implications of the findings for public policy in relation to Corporates relate more to the need for **flexibility and freedom** to implement their 'duty of care' reward packages with less restriction as well as consistency of policy moving forward i.e.
  - Clarity of information with regard to the practicalities of auto-enrolment for younger/casual/temporary workforces: none of the employers in our research are anticipating the advent of new legislation with any expectation that it will solve the problem of engagement completely.
  - Employers need to feel confident that a change of government will not overturn or significantly amend the proposed legislation and consequently make redundant any action they undertake.
  - Employers need to be 'brought on board' more effectively: while auto-enrolment is accepted as a theoretical solution to employee engagement, the onus is felt to have shifted too much to the employer.

*I'm not sure it's the employer's responsibility to beat the employee over the head with 'you must join the pension scheme'.*

(Major corporate: 1,000+ employees)

- Removal of barriers for employers to introduce schemes that support employees' immediate needs is a cause for concern. (With the advent of 2012, employers will not be able to introduce schemes which may divert money away from pension provision).

***'I think the idea of some kind of reward structure is interesting – for instance if you invested 19% into a pension scheme and 1% into premium bonds or a lottery scheme. It's dangling that carrot of a reward if people were to invest.'***

(Manufacturing/engineering: 25–50 employees)

***'There must be better ways: either give people complete flexibility saying, 'here's the money but remember the responsibility for your retirement is yours'...or use a choice-driven system to get people more engaged with their pensions.'***

(Financial services: 100–500 employees)

- The infrastructure of education (and in some cases, advice) provided by companies (with support from their external partners) needs to be delivered within a broad-based national initiative to educate and inform consumer 'best practice'.

#### **With longer-term horizons in mind:**

- This research identified a requirement for a more equitable state pension product, which possibly incorporates National Insurance contributions and which balances out the responsibility more evenly between the State and employers.

***'I think it is incumbent on any decent employer to put in place a framework that employees can understand and dip into quickly to save if they wish – whether it is a pension or not. But fundamentally I don't think as an employer it's my responsibility to ensure that in 30 years' time my employees are looked after.'***

(Retail: 200–300 employees)

- Employers would like a more flexible pension product (particularly in relation to the drawdown /annuity mechanism), which is felt to be a disincentive to long term saving by employees (because of the possibility of them never reaping the full benefit of the investment).
- With this flexibility in mind it is interesting to look at a recent survey conducted by the Investment Company Institute (ICI) of the 401(k) defined contribution model in the United States. The survey assessed investors' behaviour in reaction to the extreme financial market volatility from

January through to October 2008. As part of the plan, members are permitted to access a hardship loan.

- During this period, only 1.2% took such a loan – this level of withdrawal activity is in line with past years' experiences among the record keepers and consistent with the rate of withdrawal activity observed in the EBRI/ICI 401(k) database in 2000 (at the beginning of the 2000–2002 bear market in equities). Contrary, therefore, to a widely anticipated increase in loan withdrawals during the financial turmoil of 2008, it would appear that members valued the 'peace of mind' that the inherent flexibility in the plan provides.

### Employees

- Our research shows that employees start to focus on retirement planning after the age of 40: the task for Government is to engage and inform consumers about the need to plan for their retirement, the level of savings necessary, and options available to them at an early age (with the same weight as 'Drink Driving' and 'Smoking Kills' campaigns). The challenge is that such campaigns have to fight through a barrier of suspicion and mystique generated by the perceived complexities and jargon, associated with pensions. (One of the perceived drawbacks of a pension is that the end result is dictated by forces beyond an individual's control e.g. pension provider failings; legislative changes etc.)

***'My view on pensions is quite cynical. I'm pretty much of the belief that the entire pensions system will come crashing down across the next couple of years and anything I start putting away now will be worth a loaf of bread in its entirety.'***

(Employee: 27 years old; not in a pension scheme)

- The most challenging – and the largest – employee segment comprises blue collar, retail-based, young, casual workers (who are least likely to be members of pension schemes). For these employees:
  - There is a need for them to be encouraged to engage with their responsibility for funding retirement, via workplace media/communications and national campaigns. 1 in 10 employees (not currently in a scheme) in our research still think that they will be able to rely on a State pension when they retire. And as one employer commented:

***'I think most people are under the impression, 'Well, I'm not going to starve am I?' and somebody, somewhere will look after me.'***

(Catering: 100–150 employees)

- Retirement planning must be communicated in language and formats that are simple and accessible.
- Products also need to be simple and accessible. Employees have more faith in straightforward savings vehicles than ‘intangible’ locked-away pension schemes. Indeed, only 1 in 3 employees not in a pension scheme agree that pensions are the best way of saving for retirement.
- Portability is key: disengaging the savings mechanism from the employer is crucial to encouraging take-up but the education required to accompany the introduction of personal savings accounts should not be underestimated.
- The communication of the proposed personal savings accounts will be critical in determining their success: the focus on individual control and portability of product will be important messages to convey.

# CONCLUSIONS

- It is not feasible for employers and employees (or pension providers) to bear solely the brunt of retirement planning. Public policy initiatives need to encourage and incentivise a system that is seen to be fair and non coercive, and the Government must shoulder the responsibility for national awareness.
- The complexity of the 'pension problem' is such that the introduction of auto-enrolment (whether into company pension schemes or personal savings accounts) is unlikely to deliver the Government's objective of total individual accountability and engagement.
- While auto-enrolment provides a theoretical solution, the devil in the detail of implementation, opportunities to abuse/opt-out, relevance to all classes of employees at employer level and perceived affordability among those employees who are least able to commit to regular savings, suggests that this directive runs the risk of becoming another 'stakeholder' casualty – i.e. there may be penetration in numbers but not value.
- Given that employers feel anxious that a change of government might overturn or significantly amend the proposed legislation (and consequently make redundant any action they undertake) they would benefit from regular updates and support leading up to 2012.
- To tackle the bigger issue (a national shortfall in adequate pension provision) would require a complete overhaul of the UK state benefits system, to introduce more parity of retirement entitlement and reward of individual savings effort.
- Unless the mantle of responsibility swings back toward state provision, employers will (in most cases willingly) continue to deliver a 'duty of care' to employees as they always have done. The latest Employee Rewards Watch Survey published by Thomsons Online Benefits in May 2009 identified that 91% of employers say their strategic objective for having a pension scheme in place is to provide employees with adequate funding for retirement.

# APPENDIX RESEARCH METHODOLOGY

## Employee survey

The employee survey was an online survey conducted by GMI among 840 UK private sector employees.

The demographic profile of the sample is shown in the table on the right.

Profile of employees	
	Total
No. of interviews	840
<b>Gender:</b>	
Male	62%
Female	38%
<b>Age:</b>	
18–29	24%
30–39	28%
40–49	24%
50–59	18%
60+	6%
<b>Occupation:</b>	
Senior management/professional	18%
Middle management	20%
Junior management/admin	36%
Skilled trades/customer service/other non-manual	15%
Manual/production	10%
<b>Region:</b>	
Scotland/NE/NW/Yorkshire & Humber	23%
West Midlands/Wales	14%
East Midlands/East	18%
London/SE/SW	42%
N Ireland	2%
<b>Likely to be affected by changes in pension tax relief where higher rate taxpayers receive standard rate tax relief:</b>	
Yes	10%
No	64%
Don't know	26%

*Fieldwork took place 24–30 April 2009*

## **Employer survey**

This survey comprised 55 telephone depth interviews among a cross-section of employers, quotaed by size and sector. Interviews were undertaken by executives of Gabriel Research & Management Ltd with senior HR decision-makers/influencers in each case. A profile of participating companies is appended, although for reasons of client confidentiality their responses are not attributed unless specific permission was granted to identify their comments.

An additional six 'cameo' interviews were undertaken, in which views were sought from the HR, financial and employee perspectives to provide a full picture of company dynamics.

*Fieldwork took place between 30 March and 30 July 2009.*

# PROFILE OF PARTICIPATING EMPLOYERS

## SMALL SMEs

### TURNOVER UNDER £1 MILLION; UNDER 25 EMPLOYEES

1. Ashford Plumbing & Heating (Private ownership) *Building services*
2. Barcol Ltd *Civil engineering*
3. C Burn Systems Ltd *IT*
4. DP Group (Private ownership) *Computer services*
5. Jamaica Inn Ltd *Hotel*
6. John Page Trailers Ltd *Service/retail*
7. Kent & Sussex Accountancy Services (Partnership) *Business services*
8. Rye Hire Ltd *Building services*
9. Shades Tiles Ltd *Retail*
10. Whites Butchers Ltd *Retail*

## LARGE SMEs

### TURNOVER £1–5 MILLION; UNDER 50 EMPLOYEES

11. CDD Bentley Consulting (Private ownership) *Construction*
12. Fielden & Mawson LLP (Partnership) *Architects*
13. Graham Tiso Ltd *Retail*
14. Grantham Ceilings & Interiors Ltd *Construction*
15. Greenaway Accountants (Partnership) *Accountants*
16. Knowlden Titlow (Partnership) *Financial advisers*
17. Landmark Trust *Charity*
18. Midnight Communications Ltd *Media*
19. MIND Ltd *Charity*
20. MR UK Research Ltd *Research*
21. ROCC Computers Ltd *IT*
22. St Clements Plant Ltd *Building services*
23. The Princes Foundation (Ltd) *Charity*
24. Tyrells Potato Crisps Ltd *Food manufacture*
25. UKN Group Ltd *Computing*
26. Walter Meier Ltd *Wholesale distribution*

## MID CORPORATES

### TURNOVER £5–10 MILLION; OVER 50 EMPLOYEES

27. Baxters International *Transport*
28. BTL Group (Private ownership) *IT*
29. CAD Design Services Ltd *Professional service*

30. Contract Foods Ltd (now Huglie) *Catering*
31. Dickerson Group Ltd *Waste management*
32. EPS Evironmental Ltd *Manufacturing*
33. International Institute for Environment & Development *Professional services*
34. Knowledgepoint Ltd *Publishing*
35. Littlewood Fencing Ltd *Wholesale/trade*
36. Manchester Central Ltd *Real estate*
37. Mercers Co (Private ownership) *Membership services*
38. Paradise Park (Private ownership) *Retail*
39. Smith & Pinching Ltd *Financial services*
40. Zytek Engineering Ltd *Engineering*

## **LARGE CORPORATES**

### **TURNOVER OVER £10 MILLION; 100–1,000+ EMPLOYEES**

41. Bechtel Corporation *Engineering*
42. DHL International Ltd *Logistics*
43. E.ON UK plc *Utilities*
44. Klarius Ltd *Automotive*
45. Koso Kent Introl Ltd *Machinery manufacture*
46. McDonalds Ltd *Food retail*
47. Shell UK plc *Energy*
48. Smartstream Technologies Ltd *Computing*
49. The Royal Society of Chemistry *Professional institute*
50. Ultra Finishing Ltd *Manufacture/distribution*
51. Vamix UK Ltd *Food manufacture*
52. The Daily Telegraph *Publishing*
53. Adidas *Retail*
54. TUI Travel UK *Travel services*
55. Logica *IT*

## **CAMEOS**

British Telecom plc (Telecoms)  
 Grant Instruments Ltd (Precision instruments)  
 Kellogg's Ltd (Food manufacture/distribution)  
 Muller England Ltd (Engineering)  
 Pilbeam Building Contractors Ltd (Construction)  
 Towry Law Ltd (Financial services)

# PUBLISHED DATA SOURCES REFERRED TO IN THIS REPORT

*IDS Pensions Handbook 2008*

*Association of Accounting Services (ACA)  
2008, Smaller Firms Pension Survey  
(December 2008)*

*NAPF Pension Provision and the Economic  
Crisis (January 2009)*

*Thomsons Online Benefits:  
Employee Rewards Survey 2008  
Daily Digest updates  
Employee Rewards Watch 2009*

*The AXA/Thomson Employee Benefits  
Survey (June 2008)*

*ACCA: Pensions and SMEs; Encouraging  
Savings among SME Employees (2008)*

*Occupational Pensions Magazine  
(February 2009)*

*Towers Perrin (Press release survey  
summary)  
(January 2008)*

*Zurich Research (Press release summary)  
(November 2008)*

*HR Magazine  
Department of Work and Pensions:  
Personal Accounts: A new way to save  
(December 2006)*

*Institute for Fiscal Studies  
Amounts and Accounts: Reforming  
Private Pension Enrolment  
(June 2009)*

*PwC Pensions Survey  
(June 2009)*



Chartered Institute of Personnel and Development  
151 The Broadway London SW19 1JQ  
Tel: 020 8612 6200 Fax: 020 8612 6201  
Email: [cipd@cipd.co.uk](mailto:cipd@cipd.co.uk) Website: [www.cipd.co.uk](http://www.cipd.co.uk)

Incorporated by Royal Charter Registered charity no.1079797