Bosses posed as staff to stop workers getting pensions

Owners and Directors of the recruitment firm Workchain Ltd encouraged five senior staff to get temporary workers to opt workers out of their NEST pension scheme using its online system.

NEST reported its concerns in May 2014 to the Pensions Regulator (TPR) which led to a joint investigation by TPR, the Employment Agency Standards Inspectorate, Derbyshire Constabulary and Nottinghamshire Constabulary. Workchain (formally known as Smart Recruitment UK Ltd) would have been able to avoid paying contributions if the offence had not been detected.

TPR prosecuted Workchain, two directors and the five senior staff for an offence of unauthorised access to computer data. All of the defendants pleaded guilty to the offence at Derby Magistrates Court on the 7 June 2018. Darren Ryder, TPR's Director of Automatic Enrolment, said: *"Workchain's directors saw denying their temporary workers pensions as a quick and easy way to save the company money. Both they and their senior staff thought nothing of misusing NEST's online portal. Thanks to the vigilance of NEST, their attempt to cheat the automatic enrolment system failed."*

Smart Pensions Limited fined for failing to report unpaid pension contributions

The administrators for the Master Trust, Smart Pensions Limited, failed to report the fact that they had not collected or invested nearly £900,000 of pension contributions on behalf of their members.

TPR has now fined the scheme trustee £15,000 for not reporting the missed contributions and for failing to tell members about the problem. Nicola Parish, TPR's executive director of Frontline Regulation, said: *"It is vital that workers can be confident that their contributions are being collected and invested properly so that their savings can grow. They have a right to know if payments are not being made and we need to know so that we can investigate why it is happening. Smart Pensions' systems and processes were ineffective and the trustees failure to act on its responsibilities was unacceptable, but we are encouraged by the commitment of both to improving the way they work. We are clear that schemes must have efficient and robust processes in place to protect members' funds. We will take action where this is not the case."*

UK workers would be happy to pay 7%

A global study by an international investment firm revealed that, on average, UK workers would support paying up to 7% in contributions and younger workers would support an even higher contribution level.

The report highlighted that workers in the UK place greater importance on workplace pensions for their retirement income, with people in the UK expecting the state pension to fund 40% of their income in retirement.

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

June 2018

44 Benefit Solutions Ltd

9 Woodbrook Crescent, Billericay, Essex, CM12 0EQ

44 Benefit Solutions Ltd is an Appointed Representative of 44 Financial Ltd which is authorised and regulated by the Financial Conduct Authority
Registered Address: 9 Woodbrook Crescent, Billericay, CM12 0EQ Reg: 08272027