

MODERNISING PENSIONS FOR A DIVERSE WORKFORCE



Engagement, Inclusion and Impact



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Introduction



The importance of modernising
pensions
engagement, inclusion, impact

Category	Amount/Rate (2024/25)
National Insurance Revenue	£168 billion
Employee NIC rate	8% (main), 2% (above upper limit)
Employer NIC rate	15% (above £5,000/year)
State Pension Spend	£125 billion



estimated annual total state pension expenditure for the UK



Year	Total Population	Working-age Population★	Workers Over 50★★	Number Receiving State Pension★★★ (percentage of population)	Estimated Annual State Pension Expenditure★★★★ (NI cost average per person)
2025	~70m	~44m (~63%)	~11m	~13.1m (~29.8%)	~£146 bn £3,318 pp
2035	~73m	~47m (~64%)	~13m	~14.3m (est.) (~30.4%)	~£160 bn (est.) £3,404 pp
2050	~78m	~50m (~64%)	~17m	~16.5m (est.) (~33%)	~£190 bn (est.) £3,800 pp



Changing Workforce Demographics

- ◆ Do you have the data analysis for your workforce?
 - ◆ Overview of demographic shifts: age, gender, ethnicity, social mobility, LGBTQ+ representation
 - ◆ Rising multigenerational workforce and its impact
 - ◆ Workforce diversity as an opportunity for better outcomes
- ◆ Do you understand what influences the financial decisions that your employees make?
- ◆ Do you review the management information provided to you by your pensions provider, challenge the information provided and encourage them to increase their offering?



Evolving Pension Expectations & Needs

- ◆ New employee expectations: flexibility, accessibility, personalised support
- ◆ Impact of cost-of-living crisis and immediate financial pressures
- ◆ The need for trust and transparency in pension offerings
- ◆ Maybe I'm controversial but I believe we have a problem of prioritisation



What do you know? Stand up!

- ◆ Stay standing if you:
 - ◆ Know what you pay & what your employer pays into your pension
 - ◆ Have completed an expression of wish /nomination of beneficiary form (in the last 2 years, ok have completed but your circumstances haven't changed: marriage, divorce, children)
 - ◆ Know what the current fund value of your pension is – approximately
 - ◆ Know where your fund is invested
 - ◆ Know what you are paying in annual management charges or total expenses
- ◆ How do you know what you have?
- ◆ How do your employees know?



Making Pensions Inclusive

- ✦ Designing schemes for all life stages and backgrounds
- ✦ Practical DE&I (diversity, equity, inclusion) principles in scheme management
- ✦ Broadening focus: social mobility, minority groups, and underrepresented employees
- ✦ Concrete examples: flexible contributions, accessible communications, inclusive trustee boards



Generational Pension Engagement



- ◆ Unique needs by age group:
 - ◆ Early-career: education, small contributions, digital tools
 - ◆ Mid-career: family, mortgage, diversified investments
 - ◆ Pre-retirees: income security, flexible decumulation options
- ◆ Generational attitudes toward pensions and engagement challenges

Mercer Master Trust Pension Education 2025

Across the year we're running a number of helpful webinars to help you understand your workplace pension, and the actions you can take to better manage your savings. Browse the table below and sign up for the webinars that you think will be helpful with your pension planning.

Webinar	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Pensions Made Simple												
Your Financial Check-Up												
The Gender Pension Gap												
Understanding investments												
Saving for your Retirement												
Mercer Money												
Mercer Retirement Services												
Retirement Planning												
Not sure where your old pensions are?												
Thinking about retiring?												



Barriers & Solutions

- ✦ Tackling the advice gap and access issues
- ✦ Overcoming generational divide in trust and engagement
- ✦ Ensuring equality, respect, and representation in scheme governance



Looking Ahead: The Future of Inclusive Pensions

- ◆ Necessity for ongoing innovation and adaptability
- ◆ Continuous listening and feedback from diverse employee groups
- ◆ Commitment to equity, wellbeing, and better retirement outcomes for all

Thank you for sharing your time with me

