

Could you save money with a workplace pension **scheme switch?**



Pensions | Workplace pensions



THIS IS FOR EMPLOYER USE ONLY AND SHOULDN'T BE RELIED UPON BY ANY OTHER PERSON.

If you're looking to reduce your business costs, reviewing your workplace pension scheme could offer substantial savings and benefits.

Switch to a Royal London workplace pension scheme, and you can rely on our outstanding service and support to make moving as simple as possible.

Why should I consider switching my workplace pension scheme?

Switching your workplace pension scheme can be a great opportunity for you and your employees to:



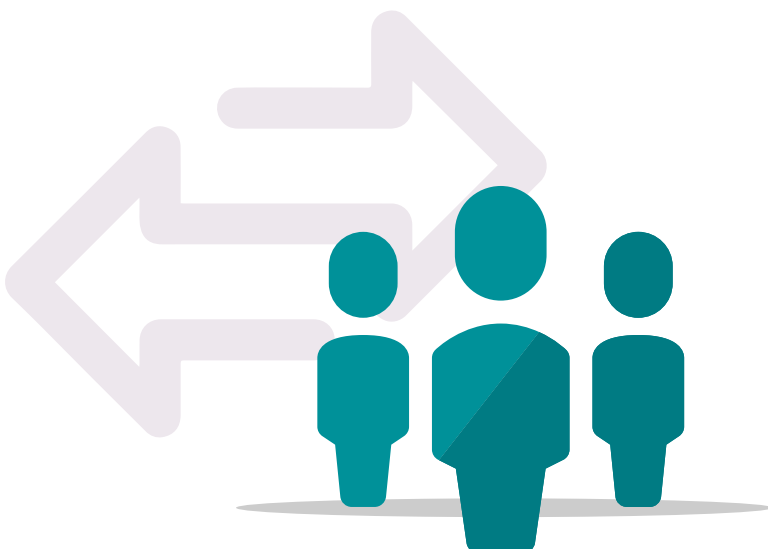
Save money



Receive outstanding
service levels
and support



Improve, or benefit from,
better long-term outcomes
for scheme members



A workplace pension scheme switch

Let's look at a hypothetical example. Here's an example that shows why switching your existing scheme to a new group pension scheme with Royal London could help you save money.

The employers existing scheme:



had **50** scheme members



first staged **1 January 2015**



with an average salary of **£34,000**



an Annual Management Charge (AMC) of **0.75%**



3% employer and **5%** employee pension contributions



had total assets of **£1.4 million**



was set up in **2010** prior to auto enrolment



their scheme members received a yearly pension statement, and didn't engage with their pension in any other way.



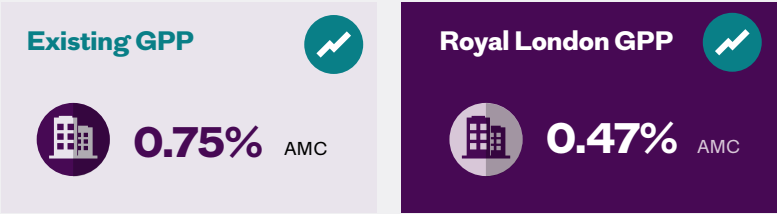
didn't have a salary exchange arrangement

The adviser helped their client make the switch by:



Step 1 Reviewing their scheme's price

The existing scheme had been in place for a while, and currently had an AMC of 0.75%. Whilst this is the maximum AMC that can be applied on automatic enrolment schemes, it can be improved by moving provider.



Scheme member
AMC reduced by
0.28%



Step 2 Setting up salary exchange

Considerable savings were made by setting the new scheme up on a salary exchange arrangement where employees agree to exchange part of their gross salary for a pension contribution.

Salary exchange works in the same way as other salary-related benefit schemes, such as company car, cycle to work and childcare voucher schemes.

Both employers and their employees save by paying less National Insurance (NI) contributions.

The potential savings offered by salary exchange are reflected by the current Auto Enrolment (AE) contributions rates at **8%**, split **3%** employer and **5%** employee.



Number of
scheme members
50



Total salary exchanged
by employees (5%)
£85k



Average salary
£34k



Employer NIC rate
(2026/27)*
15%



Total yearly salary
payment before
exchange
£1.7m



Employer's
yearly saving
£12,750



Employer NI savings
£12,750

In this example, the employer saved **£12,750** in the first year alone. They then used their savings to meet other business costs and pay for their adviser services.

Scheme members were then given the option to invest their savings as a higher contribution in their pension scheme or increase their take home pay.

*Based on English rates



Step 3 Member transfers

Their adviser transferred the existing £1.4 million scheme assets into their new scheme.

Added benefits from Royal London:

Financial wellbeing

There's greater focus on supporting employees with their wellbeing, including helping them build financial resilience and giving them access to financial guidance.

When the scheme moved to Royal London, employees gained access to our financial wellbeing service, which offers financial guidance and education at no extra cost to the employer.

Stocks and Shares ISA

They also gained access to our tax-efficient Stocks and Shares ISA with the same competitive AMC as the workplace pension scheme. Members applying through our app can also get our help with investing and an investment recommendation from us using our free Targeted Support service, helping them build their financial resilience.

ProfitShare

As we're a mutual, we believe all eligible customers should share in our success.

So when we do well, we aim to boost their retirement savings by adding a share of our profits to their plan. We call this ProfitShare.

As this scheme switch was completed in 2020, scheme members were eligible for a ProfitShare award.

There's no guarantee that we'll be able to award ProfitShare every year.



Our ProfitShare award for April 2026 was **0.15%**.

Step 4 Enhancing their benefits package

With the potential savings on offer to the employer by moving their scheme to Royal London, there's a number of ways they could use these savings to further support the benefits package available to their employees. They include:



Employer



Annual Scheme Governance reviews

Your adviser can carry out an annual scheme governance review to ensure your scheme is performing as expected and **everything's on track**.



Support with cyclical duties

We can help you meet your employer duties and **avoid unnecessary penalties**.



Wealth management services

Higher earners or those nearing retirement can benefit from **personalised adviser services**.



Business protection

This can help your **businesses recover quickly** and minimise the impact should a key person suffer a critical illness or die.

Scheme members



Individual scheme member pension savings transfers

Supports **pension savings transfers** from other plans, where it's in the scheme members best interest.



Yearly employee review clinics

Scheme members can benefit from individual advice tailored to **their retirement goals**.



Regular employee presentations

Helps increase awareness of your scheme, its **perceived value**, and scheme member **engagement**.



Financial wellbeing tools

Helps you build financial resilience within the workplace and identify areas of concern or worries amongst your workforce which may be affecting performance. It also helps you to offer a more comprehensive employee benefits package.

Our scheme switch support

We offer a range of tools and services designed to make moving to and running a pension scheme with us as simple as possible.

If you go ahead and move your scheme, here's some of the ways we can help you:



Our people

We'll appoint a dedicated **implementation manager** who'll project manage the set up of the scheme. They'll also show you how to use our online service so you know how to manage your scheme on a day to day basis. Our **online service** is geared towards helping employers run their scheme efficiently, keep on top of employer duties and reduce the amount of time being spent on doing admin tasks.

It's a fully automated online system so it's easy to manage tasks, update employee details, keep track of what's coming up on the scheme, make contributions, add new entrants and tell us about any employees who are leaving the scheme.

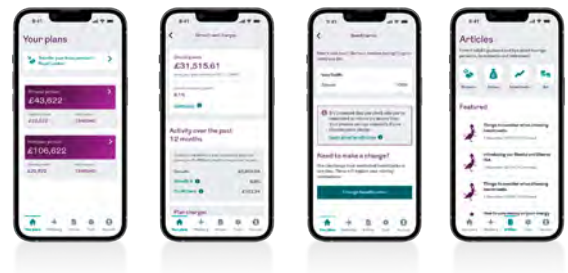
Once you're ready to run your scheme yourself, we'll introduce you to your **servicing team**. They'll be on hand to help your scheme stay on track and to answer any questions you may have throughout the life of your scheme.



Engaging employees

We've a suite of engaging digital and paper based communications to use with your employees so they know their pension provider is changing and once your new scheme is up and running with us, we can help you to raise the profile of your scheme so your employees know the value you're investing in them.

Our **mobile app** makes it really easy for your employees to keep in touch with their savings whenever they like. There's practical functionality like telling us about nominating a beneficiary and transferring other pension savings across to their new Royal London plan, as well access to our free **financial wellbeing** service which offers guidance and support on a variety of topics alongside access to tools and materials.





Why choose us ?

We aim to offer great service and support to you and your employees when switching pension schemes and throughout the lifetime of your scheme. The quality of our offering has been recognised by financial advisers and we're proud of the product and service awards we've received from them.



Find out more

For more information about how to switch your scheme to Royal London, speak to your financial adviser.



Royal London
royallondon.com

We're happy to provide your documents in a different format, such as braille, large print or audio. Just ask us when you get in touch.

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