



Press Release

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MARKS & SPENCER AND KELLOGG'S AMONG FIRST TO RECEIVE AWARD FOR COMMITMENT TO EMPLOYEES' RETIREMENT SAVINGS

Marks & Spencer plc and Kellogg's are among the first seven companies to be awarded the prestigious new Pension Quality Mark, launched today by the NAPF.

The Pension Quality Mark will help employers demonstrate the value of their defined contribution (DC) pension scheme and, by making workplace pensions more understandable and attractive, encourage more employees to join.

The awards, presented by Angela Eagle MP, Minister of State for Pensions and the Ageing Society, certify that the companies' DC pension schemes have met the key qualifying criteria on contribution rates, governance and communications. The other companies in the first wave to be awarded the Pension Quality Mark are Accenture, BG Group, IBM, Standard Life and The Royal College of Physicians.

The Pension Quality Mark will help employers attract new staff and get more employees to join their pension scheme, NAPF research shows. More than two thirds (67%) of employees looking for a new job said that a Pension Quality Mark would make them look more favourably on a potential employer, while over half of employees (52%) said that an independent quality mark awarded to their employer's scheme would make it more likely that they would join.

Joanne Segars, NAPF Chief Executive, said:

"The Pension Quality Mark is an exciting new initiative which will benefit both employers and employees. It shows these employers' commitment to encouraging their staff to save for retirement, which is becoming ever more vital."

“The Pension Quality Mark will also help to rebuild and promote public confidence in workplace pensions. I urge more employers to apply so that they can tell the story of their good quality schemes with confidence.”

Lynn Collins, Head of Corporate Pensions, Marks & Spencer said:

“We are delighted to have been awarded the Pensions Quality Mark. It will give us an edge over our competitors and makes sound business sense. We always try to be competitive and offer great benefits and this pension scheme is a good example of our approach to reward”.

The scheme has been warmly welcomed by the pensions industry, employer and employee bodies, consumer organisations and the Pensions Regulator.

Tony Hobman, Chief Executive at the Pensions Regulator, said:

"With volatile markets and a changing pensions landscape it is more important than ever at this time to ensure that standards in pension scheme management continue to improve. We encourage any initiative by the pension industry that pushes the quality of pensions and encourages higher standards of governance and member communications."

Doug Taylor, Personal Finance Campaigns Manager at Which? said:

“By providing a benchmark, the Pension Quality Mark can help people judge the quality of the pension scheme offered and companies will be able to easily promote that aspect of their employment package.”

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Notes to Editors

1. The Pension Quality Mark was launched in London on 21st September 2009 at the Atrium in Westminster.
2. Further information about the Pension Quality Mark can be found at www.pensionqualitymark.org.uk
3. For print quality high-res JPEG's of the Pension Quality Mark logo or photographs from the launch, please contact the NAPF press office
4. The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,200 pension schemes with some 15 million members and assets of around £800 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.
5. The Pension Quality Mark is owned and operated by Pension Quality Mark Limited, a not-for-profit organisation which is a wholly owned subsidiary of the National Association of Pension Funds Limited. The PQM Board sets the standards and the PQM Executive administers the application and compliance process. There is also an independent PQM Advisory Panel of senior consumer, employer and industry experts. It advises the Board on the development of the PQM and acts as an independent appeals panel in respect of complex applications.
6. Research on the views of employees was carried out by TNS among 1,305 GB full and part-time employees aged 16 - 64 between 11th and 17th August 2009.
7. Journalists requiring further information, please contact:-

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PQM Background

Pension Quality Mark Standards

The Pension Quality Mark and Pension Quality Mark PLUS is available to any employer whose DC pension scheme (whether occupational DC schemes, group personal pensions, group stakeholder pensions and, from 2012, Personal Accounts) meets three basic criteria on contribution rates, governance and communications:

1. **Contributions:** contributions of 10% must be available, with at least 6% (double the 2012 statutory minimum) paid by the employer. If contributions are 15%, with at least 10% from the employer, then schemes can apply for a Pension Quality Mark PLUS. The Standard takes account of different contribution formulas, eg fixed, matching, age and service-related.
2. **Governance:** governance arrangements must be in place to ensure that the scheme is operating in the best interests of members. This can take a variety of forms including trust boards, management committees and an annual scheme review.
3. **Communications:** the scheme must provide clear and simple information to members when they join the scheme and thereafter.

Employee research

Research conducted by the NAPF shows that over half of employees (52%) said an independent quality mark awarded to their employer's pension scheme would make it more likely that they would join that scheme. This figure rose to 62% for those aged between 16 and 24.

Nearly two thirds (62%) of employees said that an independent quality mark for the pension scheme at work would improve their view of their employer.

Over two thirds (67%) of employees said that if they were looking for a new job, they would feel more favourable towards a potential employer if their pension scheme had an independent quality mark.

How to apply

Applications can be received from employers, scheme managers, trustees or the scheme secretary or advisers on behalf of schemes.

There is a one-off assessment fee of £250 and an annual licence fee of £250 for smaller schemes (those with under 500 members) and £500 for larger schemes (those with over 500 members).

Further details can be found at www.pensionqualitymark.org.uk or by e-mailing info@pensionqualitymark.org.uk.

Endorsement Quotes

Kay Carberry – TUC

“The PQM is an important step in helping workers understand pensions and make informed decisions about saving.”

Andrew Harrop - Head of Public Policy at Age Concern and Help the Aged

“We welcome the launch of the Pension Quality Mark especially as it recognises the need for employers to give clear information and support to their pension scheme members as they approach retirement.”

Charles Cotton - CIPD

“For those working in human resources, the PQM will play an important role in helping to promote their organisation’s reward package to both current and new staff.”

Malcolm Small - Senior Adviser, Pensions Policy, Institute of Directors

“The Institute of Directors welcomes the PQM initiative. Employers and employees need to work together on tackling the retirement income challenges we all face, and on improving communication of scheme benefits. The focus of PQM in both these areas marks an important step forward in preserving and enhancing good quality workplace pension provision.”

Joy Moore - Head of Pensions, RWE Npower plc

“The PQM is a significant step forward in meeting the challenge of rebuilding confidence in workplace pensions.”