



Information about costs and charges

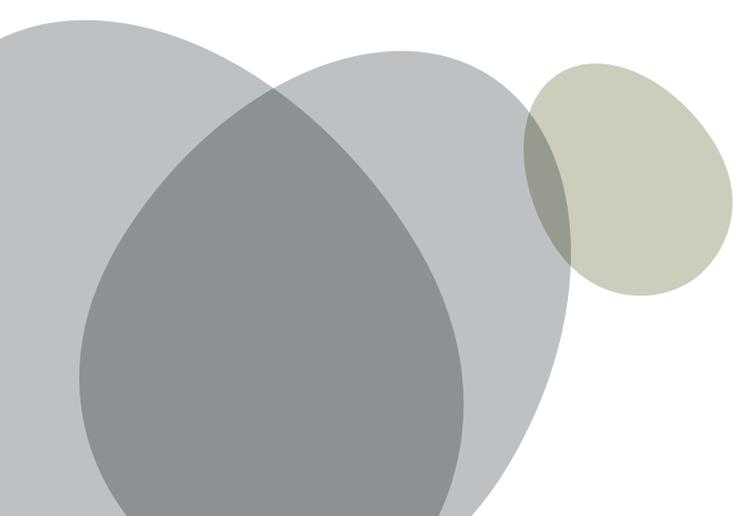
This document has information about NEST's charges and the services you and your employees get in return. This information follows the **Pension Charges Made Clear: Joint Industry Code of Conduct** established by the Pensions and Lifetime Savings Association (PLSA). We've presented it in the standard way so that you can easily compare our charges with other pension providers.

There are other things you should also consider when making a choice about the pension scheme you use for your employees, such as the quality of communications with your employees and the suitability of the investment approach. You can find more information about what to look for in a good pension scheme on The Pensions Regulator's [website](#).

Summary of charges

Your employees pay certain charges for being members of the pension scheme. We've set out the details of the charges your employees pay in NEST's retirement funds below. Please note that these charges may change over time. As the employer you don't have any charges to pay.

Standard charges	Total cost
Percentage of employee's pot taken as a charge.	0.3% of pot each year
Percentage of each contribution paid in taken as a charge. (The contribution charge is not applied to money transferred into NEST from another pension arrangement).	1.8%
Fixed charge per year.	None
Extra charges when certain events occur	
Extra percentage of employee's pot taken as a charge from the time the employee stops contributing until pension age.	None
Extra percentage of employee's pot taken as a charge if employee transfers.	None



Transaction costs

Transaction costs are incurred when investments are bought and sold. They're an essential part of generating investment returns on behalf of scheme members. The table below shows the average cost the default fund incurred over the past three years in broker commissions and stamp duty/transfer taxes. In addition, there's a difference between the buying and selling prices of investments, which is called the dealing spread.

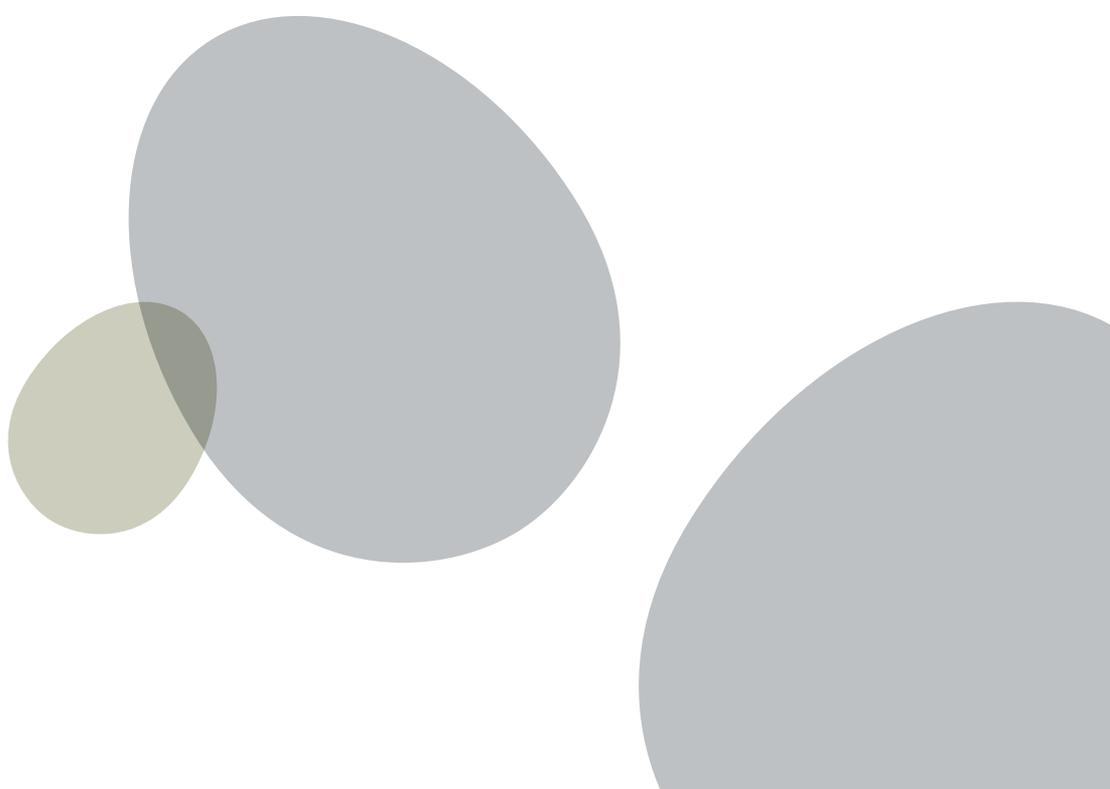
NEST has structured its funds to minimise trading costs. For example it has created an internal market between NEST Retirement Date Funds so that funds which are reducing exposure to certain asset classes will transfer those investments to funds still adding to them. This means the scheme doesn't have to buy and sell as much on the open market and is able to reduce the drag on performance caused by transaction costs, such as dealing spreads and brokerage fees.

Read [Looking after members' money](#) to find more information about our investment process.

These figures are based on three year averages to year end March 2017.

Pension Charges Made Clear: Joint Industry Code of Conduct

Average costs of commission	0.072% of fund
Average stamp duty and/or transfer taxes	Negligible
Estimated average dealing spread (The theoretical maximum the fund could experience)	1.07% of transaction value

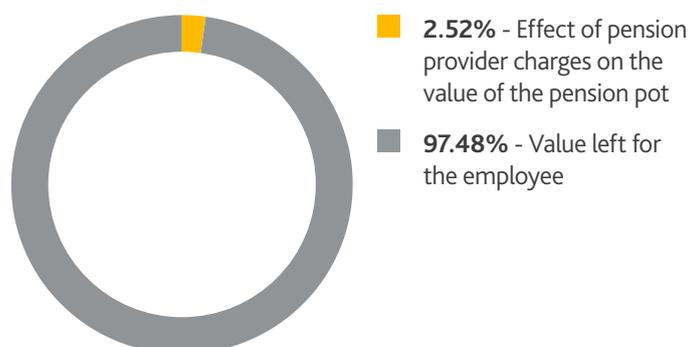


What does this mean for your employees?

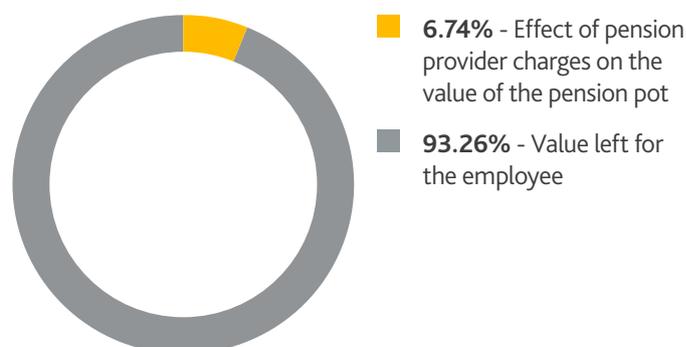
The effect of charges on a member's retirement pot depends a great deal on how much and how long they contribute. A graphical representation based on the following standard assumptions is provided below.

- The member started saving in January 2018.
- The member will save continuously for the whole period.
- The employer and the member will make the minimum statutory contributions. These are three months at two per cent, one year at five per cent and eight per cent thereafter.
- The worker's earnings will grow at 4.3 per cent a year.
- Investment will add value to the fund in line with the **assumptions** of the statutory money purchase illustrations (SMPI) we provide members in their annual statement.

NEST charges after five years



NEST charges after 30 years



What services are included in the charge?

	Included in the charge	Employee has to pay extra	Employer has to pay extra	Notes
Information and advice to you, the employer				
Helping you implement auto enrolment	✓			NEST is designed specifically for auto enrolment. We understand what employers need to do and provide a range of information and guidance to help with the new duties.
Communications to employees				
Bespoke microsite for employees and employers	✗			We provide a range of communication materials that employers can use on their own intranet, in emails or paper communication to their employees.
Individualised online accounts for scheme members	✓			<p>Members have an online account that they can access at any time. This lets them:</p> <ul style="list-style-type: none"> • check their retirement pot and contributions • change their retirement date • switch funds • make one-off or regular additional contributions • edit their personal details • take their money out at retirement • name a nominated beneficiary to receive their retirement pot if they die. • transfer existing pots into NEST • transfer their NEST pot to another accepted provider. <p>Members who have stopped contributing to their NEST retirement pot can transfer their pot into UK registered pension schemes as well as qualifying recognised overseas pension schemes. Members should consider any costs and charges associated with transferring into another scheme with the other provider.</p> <p>Members can also ask to stop contributing to their NEST pot from their online account. If they're within their opt-out period, members can also choose to opt out.</p>
Telephone helpline for workers	✓			<p>Our contact centre is available:</p> <ul style="list-style-type: none"> • 8am to 8pm seven days a week • 10am to 4pm on bank holidays. <p>It's closed five days a year: Christmas Day, Boxing Day, New Year's Day, Easter Sunday and Easter Monday.</p>
Face-to-face help for workers	✗			
Member help centre	✓			Members have an online help centre where they can get guidance on how to log in, manage their contributions and retirement pot. They can also get help with how to opt out or update their details and preferences to reflect any change in circumstances.
Webchat	✓			NEST's an online pension scheme. Members can get help and information on their accounts through the webchat service.

What services are included in the charge? Cont...

	Included in the charge	Employee has to pay extra	Employer has to pay extra	Notes
Setting up and running the scheme				
Scheme-specific governance framework	✓			NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation, which has a legal duty to act in the best interests of the scheme members. It's Public Corporation that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP). NEST is run on a not-for-profit basis.
Scheme-specific administration team	✓			NEST's an online pension scheme. Employers can get detailed guidance on administering the scheme through: <ul style="list-style-type: none"> • detailed pdf guides • step-by-step guidance in our Employer help centre • a webchat service • our telephone contact centre.
Auto enrolment record-keeping and support compliance service	✗			NEST follows TPR's record-keeping guidance and will review the quality of data held from time to time. Members have a single record within NEST which may cover periods with more than one employer. When a new employer provides different information for an existing member this will be checked with the member. It's the member's responsibility to advise us of any change in personal details. NEST holds all the information needed to comply with the auto enrolment record-keeping duties of trustees, managers and providers. NEST doesn't hold all the data needed for employers to comply with auto enrolment record-keeping but employers may find some of NEST's features helpful in managing auto enrolment record-keeping and compliance.
Managing your employees investments				
Monitoring suitability of the default fund	✓			The investment committee monitors the NEST Retirement Date Fund approach and our ongoing member research to make sure that the default option still meets the needs of our members. In addition, NEST manages the risk profile of each fund to reflect current market conditions and make sure that members are exposed to an appropriate level of investment risk at each stage of the savings cycle.
Availability of specialist funds upon request				
Ethical funds	✓			This fund is for members who are concerned about the impact that organisations have on the environment and on society, in areas such as human rights and labour practices. NEST manages risk throughout a member's savings career in a similar way to the NEST Retirement Date Funds.
Sharia-compliant funds	✓			The NEST Sharia fund has an investment approach based on Islamic law.

What services are included in the charge? Cont...

	Included in the charge	Employee has to pay extra	Employer has to pay extra	Notes
Costs of one-off services (per member)				
Splitting a pension on divorce	£0 in cash terms.			
Transfers in and out	£0 in cash terms or in unit prices.			
Options and support for employees at retirement				
Take some of their pot as cash, leave the rest invested and continue to save with NEST	✓			Members are able to take some of their pots as cash when they reach 55 years of age. Up to a quarter of the lump sum they choose to take will be tax-free.
Take all of their pot as cash	✓			Members are able to take all of their pot as cash when they reach 55 years of age. The first quarter of the pot will be tax-free.
Purchase an annuity	✓			Members are able to purchase a retirement income, an annuity, on the market open market.
Take up to a quarter of their pot as cash and use the rest to buy a retirement income	✓			Members are able to choose a mixed option approach. The current options for taking your money out of NEST focus on making the most of relatively small pots. That's because NEST is only a few years old, so our members haven't been saving with us for very long. We're now developing new options for how people with larger pots will be able to take their money out in the future.
Adviser to help employees find the best annuity	✗			NEST signpost Pension Wise, the government backed guidance service, to all retiring members. Where a member decides that they require additional tailored advice they need to arrange this themselves at their own cost.
Selected panel of annuity companies	✗			Members are able to purchase a retirement income, an annuity, on the open market however NEST doesn't have a selected panel of annuity companies. NEST also doesn't assist in providing annuity comparison quotes, however NEST signposts to details of where members can obtain annuity comparison quotes to find the most appropriate income, should they choose to convert their pot to an annuity.

Why should you choose us?

Award-winning investment approach

Our innovative NEST Retirement Date Funds have already attracted recognition from independent experts. Our investment approach is designed to meet the needs of all your employees throughout the time they save. We also offer a clearly labelled range of other funds all with the same low charges.

High standards of governance

Our trust-based structure means we're focused on making good decisions on behalf of our members. We also have robust systems in place to review and monitor transactions to avoid pricing errors and check that suppliers provide a good service. This means we can be sure that we're consistently making good investment decisions with our members' interests at heart.

It's easy to get help with NEST

Employers can set up individual delegate accounts for people in their organisation, like someone in HR or payroll, so that they can manage different parts of NEST. They can also get help from someone outside their organisation, such as an accountant, financial adviser or payroll provider, using NEST Connect. NEST Connect is our online hub that lets third parties set up or help manage NEST for you.

Built for auto enrolment

NEST has been created to make it easy for you to meet your auto enrolment duties. You can use NEST knowing that it meets all the regulatory requirements and best practice guidelines from the government.

Contact us

There are a number of ways to get in touch with us. Find out more at [nestpensions.org.uk/contactus](https://www.nestpensions.org.uk/contactus)