

## DID YOU KNOW?

Britain's automatic pension membership enrolment program has been a major contributor to raising the country's pension saving level to its highest since 1997. Membership in pension schemes increased from 47 per cent in 2012 to 59 per cent in 2015.



APRIL 2015

## Mapping and Mitigating Your Business' Regulatory Risks

Each business, regardless of size or industry, operates within a pre-established framework composed of regulations and schemes. But navigating this framework can be tricky—regulations are constantly changing and interacting with one another, and just a single instance of noncompliance can ruin your business. To help map and navigate your business' regulatory risks, follow these four tips:

1. Research your industry's unique regulatory risks. For example, do you manage sensitive data? Does your work involve contracts with the government?
2. Review the incentives, training and goals that your business has set to evaluate whether or not they encourage unwanted risk-taking or compromise an acceptable level of compliance.
3. Establish an early warning system to alert key individuals of

low or unsatisfactory performance and actions that may damage public image, and then provide solutions for how to effectively handle each situation.

4. In the event that your business suffers a security breach, develop a risk management plan that outlines what actions need to be taken, which authorities are to be contacted, and what information to pass on to customers and employees.



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## Tips for Managing Supply Chain Risk

An unreliable or inconsistent supplier has the potential to cause any business—from a tiny restaurant to a huge manufacturing firm—lasting damage. Successfully navigating the delicate balance of your business' supply chain can present unique, never-ceasing challenges. To manage this ever-present risk, heed the following guidance when making any supply chain-related decisions:

- Observe each component of your business' supply chain: materials, financial, operational and sales. Review and revise each operational avenue to ensure a more streamlined process.
- When researching product and raw material suppliers, weigh the listed cost against how reputable and reliable the supplier is to make the most cost effective decision for the long term.

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## Newest UK Pension Changes Go Into Effect After 6 April 2015

The Pension Schemes Act 2015 (PSA 2015) received Royal Assent on 3 March 2015, and heralds new changes designed to offer people different levels of confidence in retirement, which go into effect after 6 April 2015. The reforms provide your employees with the opportunity to save into pension plans known as Defined Ambition (DA), which offer pension-providing employers with a greater sharing of risk whilst providing employees with more pension certainty. DA schemes give employees more certainty of eventual income than existing Defined Contribution (DC) schemes.

One of the biggest changes included in the PSA 2015 is the ability for individuals with a DC pension scheme to access their pensions in full once they reach the normal minimum pension age, which is currently 55.

However, the government has regulations in place to prevent pensions from being overly easy to access—the PSA 2015 implements new protection measures, such as the Pension Wise service, to ensure savers' pensions stay safe. Pension Wise is a new, free and impartial service to help individuals understand their pension choices and how they work. By speaking on the phone or meeting face-to-face, individuals can learn what they can do with their pension pot, the different types of pensions and how they work, and what is tax-free and what is not. For more information on Pension Wise, visit [www.gov.uk/pensionwise](http://www.gov.uk/pensionwise).

The PSA 2015 also introduces new, important safeguards that stipulate—depending on the form of savings—whether people need to obtain independent financial advice before transferring their pension.

While the PSA 2015 may add new financial commitments to your business, it will lower financial risks for your employees and provide greater stability for your business. As an employer, neglecting to understand and comply with the new regulations can generate fines, prosecutions and lack of credibility.

For more information about the PSA 2015 and your responsibilities to your employees, visit [www.gov.uk/workplace-pensions-employers](http://www.gov.uk/workplace-pensions-employers).

## Tips for Managing Supply Chain Risk

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- If your business utilises any subcontractors or outsources any of its operations, it is critical that you consider their effects on the health of your supply chain. Establish connections with alternative firms or organisations in case your current relationships sour or fail to deliver. Having backup suppliers is key to ensuring continued success.
- When choosing product and raw material suppliers, research who their suppliers are as well as their other clients in order to gauge the suppliers' long-term reliability.
- Never assume that any of the operational avenues of your supply chain are infallible or permanent. Additionally, develop a scheme that outlines what should be done if any of the operational avenues—materials, financial, operational and sales—fail.

Information is one of the most vital tools you need to avoid supply chain disruptions. Collect as much data as possible on your suppliers and backups to ensure that your business is prepared in the event of a serious disruption.