

Media Release
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For immediate release

Cost of opt-outs will be reduced, says Xafinity

Allowing employers an optional three-month waiting period before auto-enrolling their staff will significantly reduce the administrative burden and cost of opt-outs, reports leading pension administration company Xafinity Paymaster.

The administrator has been actively involved at all levels in the development and consultation process for auto-enrolment and NEST since 2006. Xafinity Paymaster's message has always been that people want and need a low cost way of saving for retirement and these latest recommendations made by *Making Automatic Enrolment Work Review* released this week "provide a more sensible approach" says the firm.

The waiting period recommended by the *Making Automatic Enrolment Work Review* released earlier this week means now that the auto-enrolment processes will minimise the need for refunds and will subsequently reduce the cost and administrative burden to schemes and employers.

Going forward, employers and schemes will not have to shoulder the burden of refunding monies to people who, before these latest recommendations, would have been auto-enrolled and then opted out with in their first three months and thereby triggering a refund payment. This would have placed extreme burdens on schemes in terms of administrative processes and therefore costs.

Xafinity Paymaster director, Clare Ward, commented:

"These latest recommendations take auto-enrolment back to a more sensible approach.

"As a firm we have worked closely with PADA, and more recently NEST, as well as consulting to government with an aim to make pension scheme administration efficient and keep costs as low as possible."

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About Xafinity Paymaster

Xafinity Paymaster is a leading business process outsourcer providing pension, payroll and annuity administration for more than 750 schemes covering the full spectrum of sizes and arrangements. Xafinity Paymaster delivers large scale financial administration for more than 130 major public and private sector organisations and makes payments totalling over £11 billion per annum to pensioners, dependents and annuitants in over 180 countries worldwide.

www.xafinitypaymaster.com

For more information

Clare Ward
Director
Xafinity Paymaster
Tel: 07917 277732
Email: clare.ward@xafinity.com

Jane Ward
Communications & PR Manager
Xafinity
Tel: 0207 680 2631
Email: jane.ward@xafinity.com