Nest webinar

Q&A

Q: How does salary sacrifice affect a person's entitlement to Universal Credit? Will their earnings appear to be lower?

- Yes – earnings will be impacted.

Q. Will the Nest contribution fees come down in the near future?

- Our contribution charge is used to help repay the loan which was made by government to set up and establish Nest. We are now repaying this loan, and it is currently estimated that this loan will be repaid at some point in 2038, this date may change. Our contribution charge and annual management charge when combined are comparable to a 0.50% annual management charge and within this charge we provide administration and a world class investment proposition which is award winning. Members who are not contributing pay 0.30%. Nest is free for employers.

Q. Can employees sacrifice an amount rather than a %?

- You can structure contributions in any way you see appropriate as long as you meet the minimum contribution requirement. Mixing percentages and fixed amounts, can become more difficult to manage especially when future pay rises are awarded. For workers saving over the long-term fixed amounts will not keep pace with pay and so may weaken the eventual outcome for the worker.

Q. Can employees sacrifice an amount rather than a %?

- Yes.

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