A new company is formed – a new pensions approach is needed

A leader in payment and ticketing solutions for parking and mass transit, Parkeon employs over 900 people worldwide, 223 of them in the UK.

Headquartered in France, Parkeon has its UK head office in Poole, Dorset, and has been a client of Aon for over eight years.

In the UK, Aon Hewitt works with Parkeon on their DC pensions, risk benefits and healthcare provision. Our working relationship began in 2003, when Parkeon was formed following the spin-off of the parking and ticketing division of Schlumberger, and the company appointed Aon globally to manage its insurances and benefits.

One of the first challenges to face Parkeon was the need to create a new pension scheme. Previously, the now-Parkeon employees had been part of the Schlumberger hybrid scheme: now Parkeon needed to set up a new scheme from scratch to mirror the Schlumberger arrangement for those already in it, as well as to transition in some half-dozen employees who had been members of legacy Schlumberger DB scheme, which had closed in 1997.

“Colin Mason and the Aon Hewitt DC team designed the scheme, managed the provider selection process, liaised with our chosen provider and oversaw the implementation of the scheme. His work was invaluable”

Wendy Bailey, Parkeon

The challenge of designing and implementing a new pension scheme wasn’t one the Parkeon HR team had faced before. As part of the huge Schlumberger business, they’d had a separate pensions department to handle all pensions’ matters; suddenly, Wendy Bailey, the HR manager, had sole responsibility for the
pension scheme. This ‘hands on’ pension’s work was something totally new, and Wendy happily admits that she relied on Aon Hewitt’s expertise.

Delivering end-to-end scheme support

“Colin Mason, in Aon Hewitt’s DC team, led the work on the new pension scheme. He and his team designed the scheme, managed the provider selection process, liaised with our chosen provider and oversaw the implementation of the scheme.

“His work was invaluable, both at the scheme’s set-up and longer-term: I am confident that Colin and the team know everything there is to know about the scheme, and welcome their guidance when it comes to ongoing scheme management. If we have any queries, they are able to respond instantly”

The new Parkeon scheme is trust-based, and as part of her expanded pensions remit, Wendy became a trustee. As a result, she needed a deeper understanding of current pension’s issues and legislation: again, she turned to Aon Hewitt to help. Wendy attended one of Aon Hewitt’s regular DC trustee training courses to give her the grounding she needed, and now sends all the scheme’s member-nominated trustees on the same course.

Implementing pensions salary sacrifice

Another major project that Aon helped Parkeon with was the introduction of pensions salary sacrifice, in 2009. Alex Stewart, one of Aon Hewitt’s salary sacrifice experts, managed the project and, in Wendy’s words ‘knew the subject inside out’, ensuring that Parkeon was able to benefit from salary sacrifice’s cost-saving benefits, through the reductions in employer tax and National Insurance.

Aon Hewitt managed the implementation, delivery and communications of the project, providing communication templates for Wendy to use, giving the scheme a ‘personal’ feel.

The salary sacrifice roll-out was a success, saving Parkeon a significant five-figure sum in tax and NI contributions. Only five people opted out of salary sacrifice, making it very successful in terms of employee engagement and, accordingly, in terms of financial savings.

Expertise across the board

When it comes to imminent pension challenges, Parkeon are well placed to deal with them. They already operate auto-enrolment, and with their staging date for mandatory auto-enrolment not until 2014, have just a few tweaks to make to ensure their scheme is a qualifying one under the new regulations.

The company’s risk and healthcare benefits are managed from Aon Hewitt’s Farnborough and Leeds offices respectively. The company’s life assurance and income protection schemes are managed by Marc Newton and his team in Farnborough, whom Wendy describes as ‘extremely knowledgeable and very helpful’. The Leeds office brokers Parkeon’s medical insurances.
Wendy says, “The insured benefits teams are very proactive in recommending when we should undertake a market study, to make sure our rates are the best we can get for the cover we want. These studies are always very thorough, and as a result, we are confident that our premiums are competitive.”

“We are delighted with the support Aon Hewitt gives us. Their expertise is invaluable in making sure we offer effective – and cost-effective – benefits, and keep on top of any new thinking or legislation. Everyone in the teams we work with is very quick to act on anything that will affect us, and I rely hugely on their expertise.”