AMNT Conference held on 22nd February 2017 – 'Pension Trustees: Have your say'

Breakout Groups - DC: Information for scheme members. Chaired by Andrew Brown CTI

Notes of Discussion

- 1. Whilst it was considered that there was more engagement by members than normally stated, in overall terms for most Members pension engagement was well down their list of priorities.
- 2. All considered that a regular pension Newsletter was the best way to keep Members informed. However, the use of computer technology for the issue pension scheme messages was important, especially for younger Members.
- 3. It was considered useful for Trustee Boards to have a DC Members Communications Pack, with a checklist of the actions and messages Members needed to know.
- 4. Different scenarios needed to be adopted for different age groups, e.g. 'front end' younger members and 'back end' older members nearing retirement.
- 5. The message of saving for a "pension" should be re-stated as saving for an income in retirement.
- 6. Pension communications need to be directed and/or tailored to members of specific age groups.
- 7. The idea of a 'Pensions Dashboard' was considered a good innovation, but needed to include and consolidate all members' savings. Could be an almost impossible task?
- 8. Two of those present, under the age of 30 years, stated it vital to engage younger people in the process. One person had applied to join a 'Pension Dashboard' working group, but was rejected on the basis of having inadequate experience. A bizarre and typically pension establishment bias?
- 9. Early school years should include some financial education, including pensions. With a world based on credit and online purchases, it was highly relevant to teach young children about financial complexities.
- 10. Young people's lives are now geared to technology. Would Google, Apple, Twitter and Facebook be more successful at engaging with younger people? Almost certainly!
- 11. Is the growth of Mastertrust DC Schemes good or bad? Those present considered potential miss-selling, scams and poor governance a key concern; that may negate even more the view of pensions by younger people.
- 12. Investment Options in DC. Most members are not interested where their money is invested. Most members are totally unaware of when they want to retire. Most members have totally unrealistic view of what lifestyle their pension will provide in retirement. The ultimate value of a pension depends 80% on the level of contributions, not the investment product. For most members their savings culture does not compute with making 20% of salary contributions. Most members are happy to rely on the 'default funds, chosen by the Trustees.
- 13. In the post retirement sphere, most members are disillusioned with annuities. However, in respect of member's knowledge of other products, what do they do?
- 14. It's not just about engagement. As with many other things in life, it's about doing, i.e. making sufficient contributions into your pension!
- 15. Having an 'auto top-up' process for pensions means that contributions will increase as well as salary levels.
- 16. With so many small schemes, it was considered inevitable that scheme consolidation would have to happen.