

How is technology developing to help employers manage their workplace saving strategies?

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Case Study – Improving user experience through communications, default funds and technology

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Head of Pensions, Nationwide Building Society

Nationwide Building Society

The world's largest building society

- The UK's second largest mortgage provider
- One of the largest savings providers
- Major provider of current accounts, credit cards and personal loans
- 15 million customers and members – no shareholders
- Over 700 branches across the UK
- Around 18,500 employees and a head office in Swindon



PRIDE

The way we do things ...

- Putting Members First
- Rewarding Membership
- Inspiring Trust
- Doing the right thing
- Excelling at Service

**PRIDE drives our employee recognition –
every year we celebrate our true PRIDE
superstars**

**‘Nationwide Team of the Year 2016’
Employee Pensions Team**



Summary of employee pension arrangements

Nationwide Pension Fund – DB

- Closed to new members
- Open to future accrual
- c.5,600 current employees are members

Nationwide GPP with Friends Life - DC

- Open to all employees – i.e. used for AE
- c12,000

Employees not making pension savings

- c700 i.e. 3%



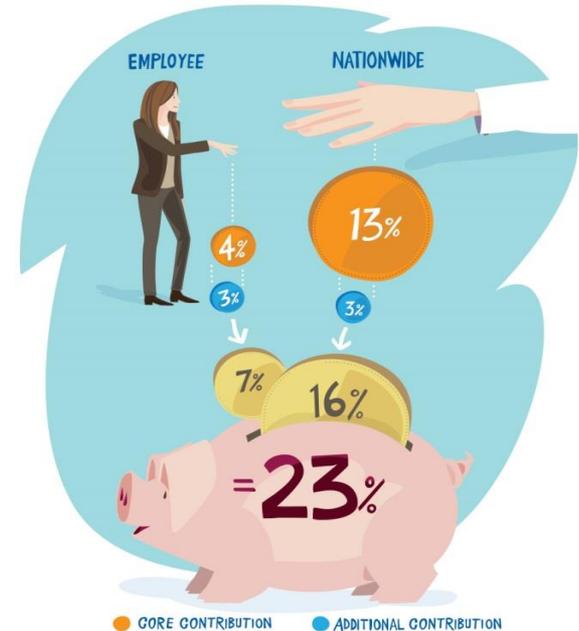
DC enhancements in 2015

Old DC benefit design

- Life assurance of 4 x salary
- 2 year vesting for full Nationwide contributions (to receive matching additional contributions up to max 3%)
- Core 9% Nationwide contribution (5% if <2 years)
- Core 4% employee contribution set as default

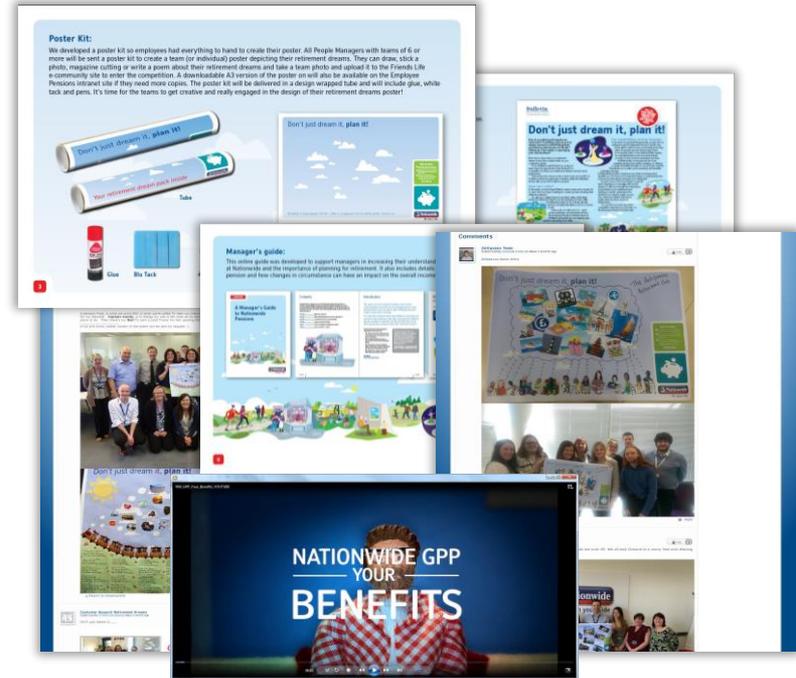
New DC benefit design

- Life assurance of 8x salary
- No vesting
- Core 13% employer contribution regardless of length of service
- Core 4% + **additional 3%** employee contribution set as default (and Nationwide matching 3% additional)
- Incapacity benefit of 2x salary



Three phase engagement 2015/2016

1. Education & Awareness: March /April 2015 – Don't just dream it, Plan it! campaign:
2. Introducing the changes in July 2015
3. Implementation of the changes in September 2015 and January 2016
4. Employee contributions reset each January



Results

- Following implementation, GPP members paying more than 4% core employee contribution increased from **c9%** to **c80%**
- Heightened pensions education has influenced employees in DB paying AVC's; increasing from **c8%** to currently **c13%**
- Improved employee engagement - logging on to websites, attendance at seminars, staff surveys etc.
- Employees not in any Nationwide pension fell from **c5%** and is currently **c3%**



Providing a quality pensions benefit is great but meaningless if employees don't fully understand and get the maximum value from it.

Follow up with education to increase understanding about the importance of saving for retirement and the valuable benefit offered.

Provide the tools to help employees plan and effectively manage their own pension.

... keep up the momentum!

What came next ...

Private and self-employed (You can add 2 Surveys) (Statement Date)

Address 1
Address 2
Address 3
Town
Postcode
Country



Your GO statement

Hi [First Name]

You've made it! You've reached the target for your GO statement. Well done! You've made it! You've reached the target for your GO statement. Well done!

How much should you be doing each month to hit this target?

How you can benefit from the excellent Nationwide contribution advice available to members of the Nationwide Group Personal Pension (GPP). This statement is part of the support you'll get to help you reach your target.

Your identity:
See Name
Read of Pension

[Your name]
1



On your side

ABOUT YOU

This is the information we use to create your GO statement.

First name	[First Name]
Last name	[Surname]
Your date of birth	[Date of Birth]
Your National Insurance number	[NI Number]
Your pensionable salary	[Gross Salary]
Your current chosen retirement age	[Retirement Age] (If you're LHM Retirement, Retirement Year)
Your job	[Employer Contribution Percentage] (Employee Contribution Amount)
Are you?	[Employer Contribution Percentage] (Employer Contribution Amount)
Make up your pension pot (Statement Date Date)	[Total Pension Account Value]

Your contributions benefit both you and your partner. From pay by using our online, you pay for National Insurance too. This means that a matching investment of Total Contribution Amount 2 adds you into the National Pension Scheme.

It's your responsibility to check whether your plan's charge table you see the lifetime / annual charge sheet. If you need further financial advice, please contact a financial adviser - see page 5 for details or for more general financial advice, you can speak to a financial planning manager.



TOTAL TARGET RETIREMENT INCOME

[TTRI] a year

GO estimates that's how much you'd need for an equivalent standard of living when you retire - based on your current salary of [Gross Salary].

On this app's page you'll see how much you've already got from the GPP and how much you'd need from other sources to meet your total target retirement income.

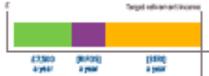
*As advised by the Pensions Commission in 2005 and updated by the CIPFA in 2014.

YOUR GO ASSESSMENT

Reaching your total target retirement income

Attaining a retirement income of [TTRI] may require money from a number of sources. For example:

- State Pension income (available from [State Pension Age] years old)
- Assumed pensions from previous periods (plus any other sources)
- Target retirement income from your Nationwide GPP



This information is based on the assumptions and calculations made by GO, as detailed here below in the GO notes.

NATIONWIDE GPP

GO indicates that at [Retirement Age] years old your selected retirement age in the GPP:

- Your personal retirement income from the Nationwide GPP is [LSR] A YEAR*
- The target retirement income you need from the Nationwide GPP is [STR] A YEAR*
- With GO you're on track to reach your target [TARGET LIKELIHOOD]

*These calculations are based on an average of between 2,000 and 2,500 people who've retired from the GPP. This range depends on a number of different factors such as your future salary increases, investment returns and the cost of an income in retirement. For more information about the assumptions GO uses, read the GO notes (page 6).

OFF TARGET? GO CAN HELP

Need some help? You'll be offered the opportunity to access a service within GO just for when you can't sleep and manage your pension savings - look after us when it's our turn to look after you. You'll need to be able to give access.

The GO personal adviser will get an approach to get you closer to your target retirement income from the Nationwide GPP.

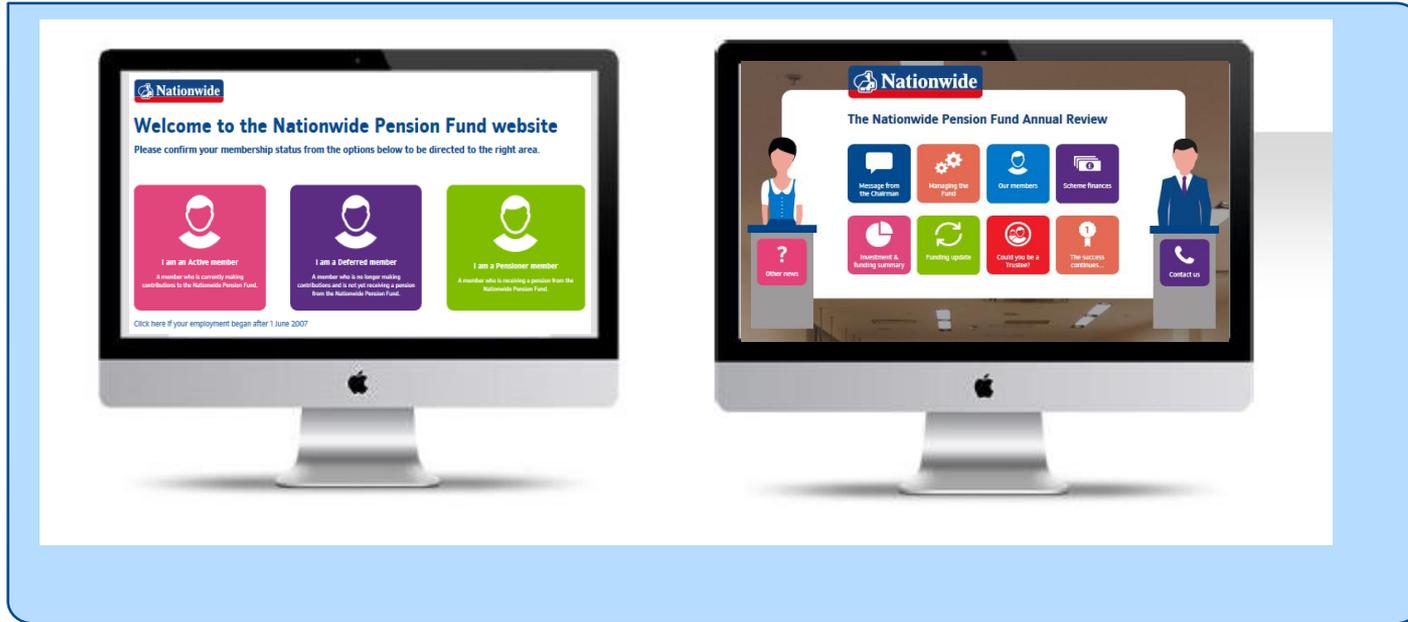
Like the GO statement, the personal adviser will assess your retirement needs and provide you with a target retirement income that's based on your current salary of [Gross Salary].

- provide details of the suggested GO approach
- allow you to set the level of support you want to help you get your target retirement income from the GPP through different methods, including automatic top-ups
- provide you with regular updates about whether you're on track.

More information can be found in the GO notes.

DC: Example Statement - October 2016

What came next ...



DB: Launch of new external website introducing online communications – Annual Review October 2016

What came next ...

The screenshot shows the 'my money' interface for FriendsLife. It features a navigation bar with 'Home', 'My scheme options', 'Help me plan', 'About the scheme', and 'My Account'. A 'Welcome F' section includes an 'Account summary' table and a 'Helping you save for a brighter financial future' image of a family at an ice cream stand. The 'Pension Forecaster' section allows users to update their forecast with choices for salary exchange, employer contributions, and direct debit contributions. A callout box states: 'You could receive an annuity income of £410.17-£502.17 a month in today's money.'

FriendsLife my money

0 unrea

Home My scheme options Help me plan About the scheme My Account

Welcome F

Quick links: Please choose

Account summary

	Value	Action
Pension		
Flexible Retirement Account	£19,986.75	Manage now
Total value	£19,986.75	

Helping you save for a brighter financial future

Pension Forecaster

Working out what you might get back in the future can be daunting, but the Forecaster can help.

The Forecaster aims to:

- Forecast what income you could receive when you retire as an annuity, based on the current value of your Flexible Retirement Account and any future payments from you or your employer.
- Allow you to see how changes to the amount you're paying in might affect your future retirement income. It shows you how a little extra, with the benefit of tax relief, could make a difference to your retirement. If you have elected salary exchange you will not receive tax relief on your contributions but you may benefit in other ways.

If you'd like to go ahead and make a change, the **Want to make a change?** section below explains what to do next.

Important information

This Forecaster graph is for illustrative purposes only and has been based on a number of assumptions. The forecast values are not guaranteed and are not a reliable indicator of future performance; short term forecasts of less than 3 years can be particularly unreliable. Your actual results could differ substantially from the forecast provided. The projected figures can go up or down. You could get back less than you've paid in.

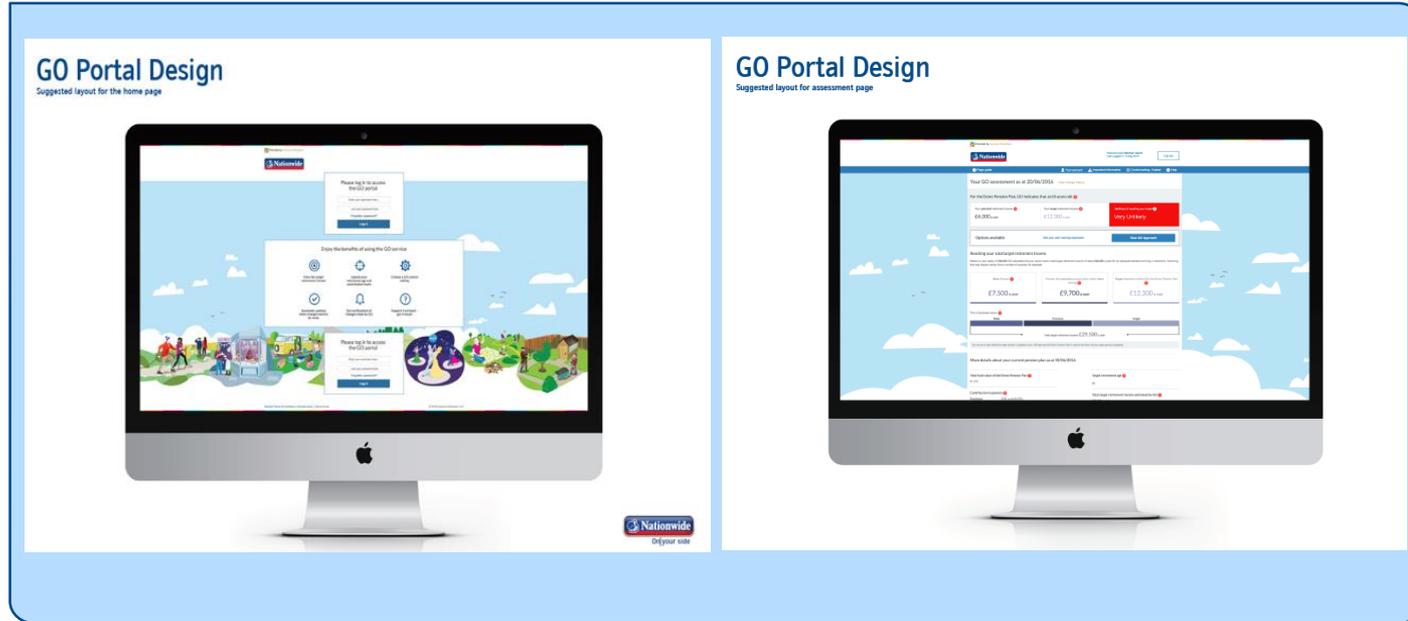
The Forecaster can go up to a maximum retirement age of 75. If you want to consider a retirement age beyond this, please contact us for a personal illustration.

You should read our Important information to see the assumptions used before taking action. If you have an Investment programme selected on your pension, any future changes to your investments as a result of the programme will not be reflected in your forecast.

You could receive an annuity income of
£410.17-£502.17 a month in today's money.

DC: New Aviva/Friends Life Platform 'My Money' – January 2017

What came next ...



DC: Guided Outcomes Portal for members – July
2017

What came next ...

Pensions e-learning

Welcome to the pensions e-learning module for Nationwide employees.

A Nationwide pension is a valuable benefit and forms part of your overall pay, reward and benefits package.

At Nationwide we're committed to making a significant investment in our people. As well as the wide range of development opportunities that are available, we look to provide an exciting total reward package.

When the times comes we want you to be fully prepared for retirement to allow you to enjoy it the way you want to ... Don't just dream it, plan it!

During this e-learning, there is a video to watch and listen to. You'll need some headphones so you don't disturb colleagues. Please be aware that if you access this e-learning remotely the videos may buffer.

Click anywhere to begin.



Pensions E-Learning
Module – Mandatory
for ALL employees –
September 2017

What came next ...

Good Morning Nationwide!

September 2017

- Knowledge Knockouts across all Branches
- Huddles across Contact Centres
- Will be used wider through intranet



“Just received the GO statement this morning. This is a fantastic and valuable service, really well written, clear and easy to understand. Well done team!”

(GO Statement) “I received my pack this week and I have to say it is best pension’s communication I have ever received. It made a lot of sense and was very straight forward and easy to read. I was really impressed & for first time in my life actually understood what my pension could be and how I could improve it. “

(23% News) “That’s got me even more excited about retiring! As if I wasn’t looking forward to it already! 😊”

“The GO portal is amazing (had a look around today) user friendly and the ‘guidance’ to help me take more charge.”

“The e-learning and principle behind raising pension awareness as a really crisp and concise way to demonstrate the added value of our pension/employee proposition.”



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Still to come ...

DB: Secure Member Portal
for all membership groups

- EoW updates
- Address Change
- Bank details change
- Benefit Statements
- Pension increase notifications ...
- ... and more!

Nationwide
Pension Fund



Log In

Welcome to the Member Portal, the secure area of the Nationwide Pension Fund website. Here you can access information specific to you. You can also update some of the information we hold, such as your address or Expression of Wish details. If you have not previously accessed this area please select Register and follow the onscreen instructions. If you have previously registered input your email address and password to enter.

[Register](#)

E-Mail Address

 This field is required.

Password

 This field is required.

[Continue](#)

[Forgotten Your Password?](#)



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Still to come ...

- We continue to encourage invitations to team meetings - either in person or via Video Conference
- We actively invite ourselves to events such as roadshows and conferences
- Frequent news stories used for short sharp reminders
- Reinforce the need for employees to “own” their pensions savings
- Use of MI from Guided Outcomes to identify segmented comms messages/nudges

Conclusions

- Behavioural “nudges” can definitely work i.e. new norm for employees in the GPP is “to pay more to get more”.
- A good communication strategy is important but it shouldn't all be about the numbers and logic it also has to focus on emotional levers:-
e.g. “ Don't just dream it plan it!” campaign.
- Support from the business and alignment with business goals and culture is essential. As is support from other key stakeholders e.g. trade unions.
- It also helps to have a great pension provider (AVIVA) and a great adviser (Hymans Robertson LLP).
- And the Secret to Good Employee Engagement isits never finished!



Work in progress



Learning with
A/B Testing



Pensions
Dashboard



Decumulation

Post Retirement

Track & GO retirement

Welcome back Fiona McHarg
Last Logged in 06 Dec 2016

Log out

Go Plan Important Information Change Help

GO Retirement Plan Comparison

Current approach

Plan Goal: Income for Life

Annual Income: £11,300

Annuitisation age: Age 60
(15 years, 2031)

Minimum Income: £2,000
Income Flexibility: +/- £500
Investment Risk: 3 (Medium)

Likelihood of sustaining your annual
Income

Unlikely

Remain with current assessment

Return to current assessment

GO Approach

Plan Goal: Income for Life

Annual Income: £8,800

Annuitisation age: Age 60
(15 years, 2031)

Minimum Income: £2,000
Income Flexibility: +/- £500
Investment Risk: 3 (Medium)

Likelihood of sustaining your annual
Income

Likely

Continue with GO approach

Set your own savings approach

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Gamification - “Saving Time”



Thank you

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