

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

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Building Society

HYMANS   
ROBERTSON



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

Ian Baines

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%



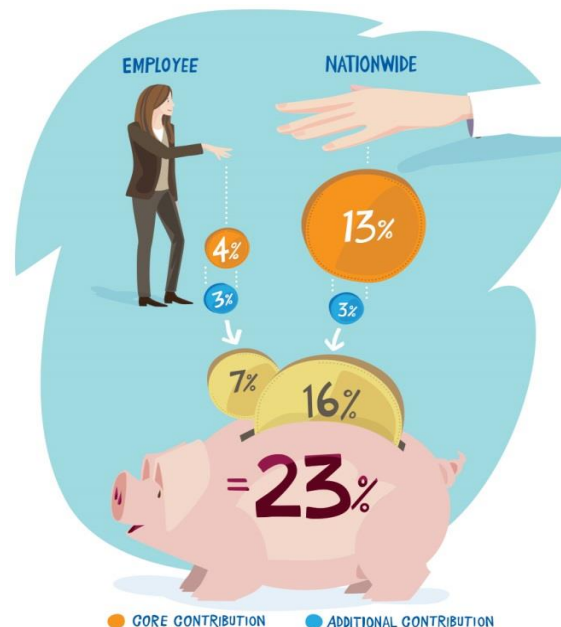
# DC enhancements in 2015

## 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

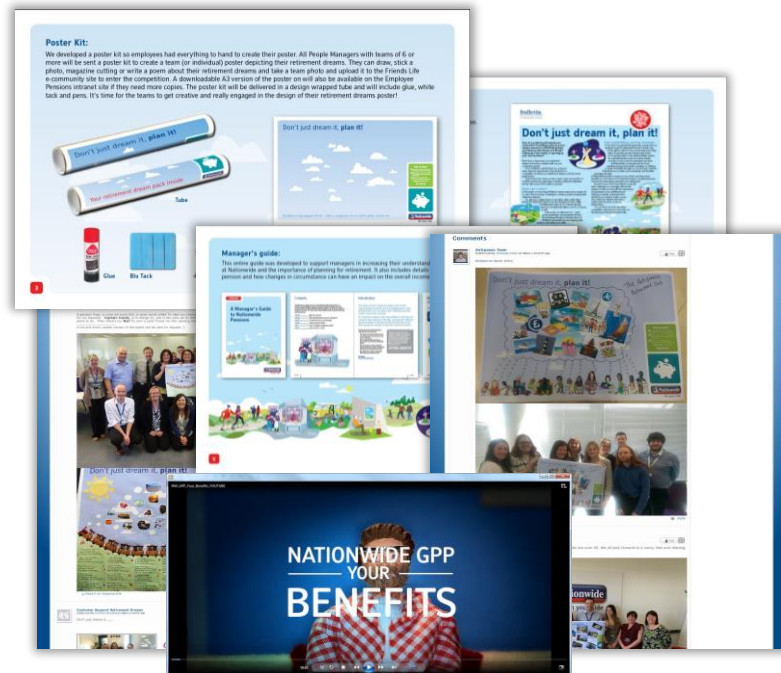
## New DC benefit design

- 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 ...

Print and save statement  
(You can also download it from the GO app)

(Statement Date)



## Your GO statement

Hi (First Name)

You've been asked to review your GO statement. It's important to check it carefully to make sure you're on track to get the most out of your GO plan. If you're not, we'll help you get back on track.

How much should you be saving each month to hit your GO goal? How much have you saved so far? How much more do you need to save?

Members who don't follow the GO plan may not be able to get the most out of their GO plan. It's important to check your GO statement regularly to make sure you're on track.

The GO plan is based on the assumptions used to work out whether you're on track to get the most out of your GO plan.

You can check your GO statement on the GO app or on the GO website.

Nationwide  
On your side

## ABOUT YOU

This is the information we need 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) (Years Left Until Retirement)
You pay	(Employee Contribution Percentage) (Employee Contribution Amount)
We pay	(Employer Contribution Percentage) (Employer Contribution Amount)
Value of your pension pot at Statement Date	(Total Pension Account Value)

Your contributions benefit from tax relief and, from paying using tax relief, you pay less National Insurance tax. This means that a savings investment of (Total Contribution Amount) each year will grow to (Total Pension Account Value) at retirement.

If you're responsible for checking whether your plan is on track, you can use the GO app or GO website to check. 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'll need for an income of (Total Target Retirement Income) when you retire - based on your current salary of (Gross Salary).

On the app (page 2) you'll see how much you've already got from the GO plan and how much you'll need from other sources to reach your total target retirement income.

\*As advised by the Pensions Committee in 2016 and updated by the GO plan in 2016.

## YOUR GO ASSESSMENT

### Reaching your total target retirement income

Reaching 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 pension from previous pension plans and/or other sources
- Target retirement income from your retirement GO plan



This information is based on the assumptions and calculations made by GO, as described in more detail in the GO notes.

## NATIONWIDE GPP

GO indicates that at (Retirement Age) years old your selected retirement age in the GPP is:

- 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\***
- There's a gap of (Target Retirement Income - Personal Retirement Income) between your personal retirement income and the target retirement income you need from the Nationwide GPP.

\*This is calculated based on an average of between 3.5% and 4.5% per year of your retirement income 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

Next step, you'll be offered the opportunity to access a secure online GO portal where you can check and manage your pension savings - look out for an email in the next year which will tell you what you need to do to get on track.

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

Like the GO statement, the GO portal will also give you an assessment of how likely you are to get your target retirement income from the Nationwide GPP (GO's GO plan).

- personal details of the suggested GO approach
- advice on how to get the most out of your pension to help you get to your target retirement income
- the GO plan's different settings, features, and how to use them
- personal pension savings 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 FriendsLife 'my money' Pension Forecaster interface. The top navigation bar includes 'Home', 'My scheme options', 'Help me plan', 'About the scheme', and 'My Account'. The 'Welcome F' section displays an 'Account summary' table for the 'Pension' section, showing a 'Flexible Retirement Account' with a value of £19,986.75 and a 'Total value' of £19,986.75. A 'Helping you save for a brighter financial future' banner features an image of a family. The 'Pension Forecaster' section on the right allows users to update their forecast, reset payments, and view their employer's contributions. It includes a 'Payments from your salary' section with a dropdown for '2.00' and a 'Your employer's contributions' section with a dropdown for '4.00'. A 'Direct Debit contributions' section is also visible. The 'Important information' section states that the forecast is for illustrative purposes only. The 'You could receive an annuity income of' section shows a range of £410.17-£502.17 a month in today's money.

**FriendsLife** my money

0 unrea F Fra

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

Welcome F Quick links: Please choose

**Account summary**

	Value	Action
<b>Pension</b>		
Flexible Retirement Account	£19,986.75	Manage now
<b>Total value</b>	<b>£19,986.75</b>	

Discover what benefits your scheme has to offer

**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.

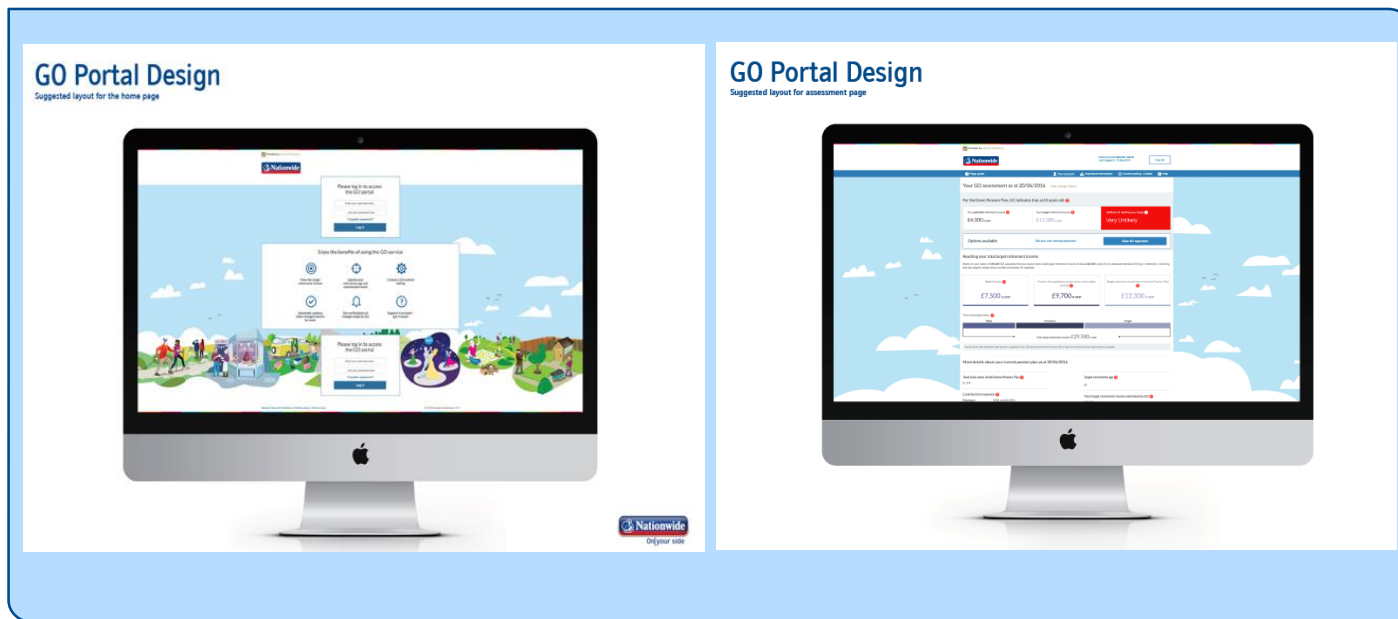
The Forecaster can go up to a maximum retirement age of 75. If you want to consider a retirement age beyond this, please contact us for a personal illustration.

**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.

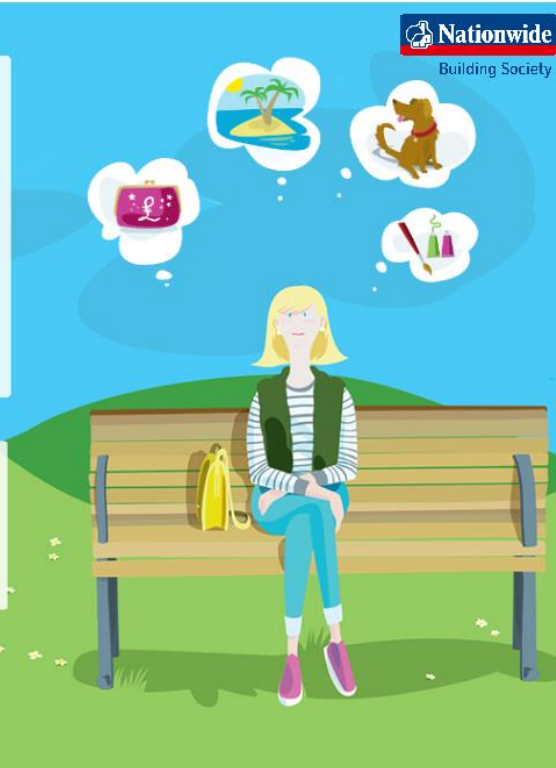
DC: New Aviva/Friends Life Platform 'My Money' – January 2017

# 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.

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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.”**



# 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?](#)



Building Society

## 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 is ....its 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  
Annuity age: Age 80  
(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  
Annuity age: Age 80  
(15 years, 2031)  
Minimum Income: £2,000  
Income Flexibility: +/- £500  
Investment Risk: 3 (Medium)

Likelihood of sustaining your annual income

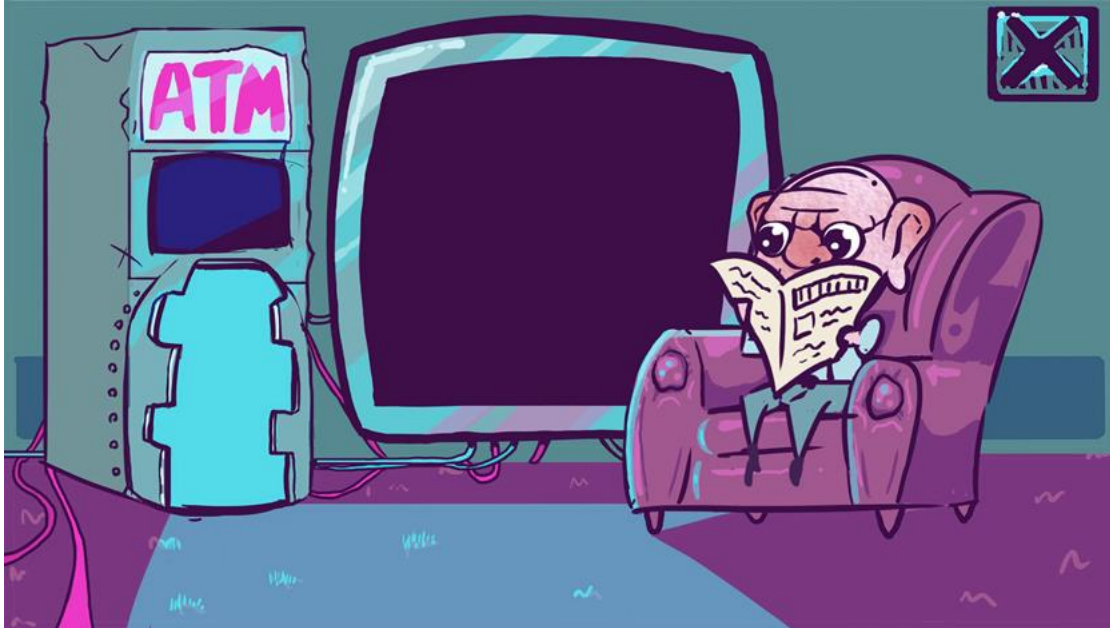
Likely

Continue with GO approach

Set your own savings approach

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# Gamification - “Saving Time”



# Thank you

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