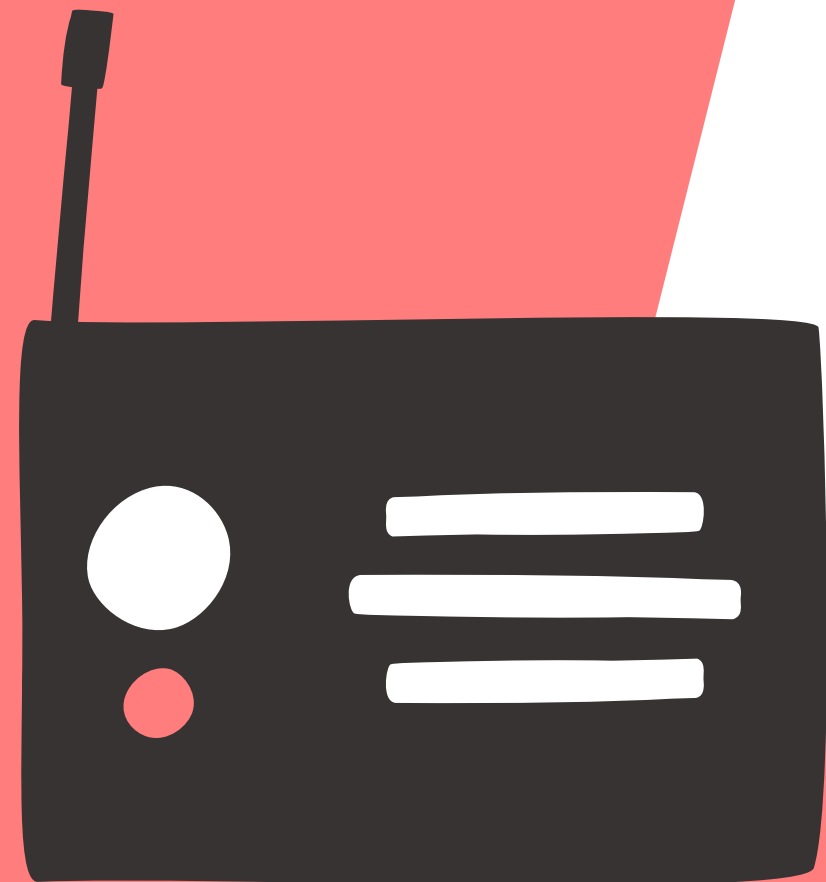


JUST.

For pensions industry professionals only

Tuning into member needs

2024 Defined Benefit (DB) insights report



FOREWORD

All around us, businesses talk about putting customers first. But saying it and doing it are two different things. At Just, we pride ourselves on caring for the many members who become our responsibility after their defined benefit (DB) scheme buy-out. We take the member experience incredibly seriously; it's our north star.

Yet we recognise we can only do this effectively if we truly understand what members want and need. This will become ever more important as the buy-out market is expected to continue to accelerate over the next few years. This forecasted growth will see a significant increase in the number of pre-retired members coming through from DB schemes.¹ The Consumer Duty,

introduced in 2023, has also further focused the pensions industry – reminding us all to pay more attention to customers' needs. So, in spring this year, we carried out a significant piece of research, consisting of in-depth member interviews, which then shaped a survey of 1,505 private DB members.

By their nature, DB schemes provide a guaranteed retirement income, so it's easy to argue that members' needs are straightforward. But our hypothesis for this research was that this may be an oversimplified assumption, meaning we may miss key ways to improve the support we provide. This research has validated some of our thinking and also shed light on aspects that will help us further enhance



“OUR PURPOSE IS TO HELP PEOPLE ACHIEVE A BETTER LATER LIFE. ARMED WITH THE INSIGHTS FROM THIS REPORT, IT’S IMPERATIVE WE ACT NOW”

how we support and care for members approaching and during their retirement. Critically, we've identified some cohorts who seem more vulnerable.

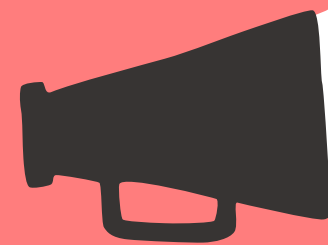
Our purpose is to help people achieve a better later life. Armed with these insights, it's imperative we act now. I believe this research will not only help Just to make important improvements but also help other BPA insurers. We're pleased to be able to share some headline findings in this report. We're confident they'll resonate with you and some will bring fresh perspectives. Please get in touch if you'd like to explore these insights further.

Pretty Sagoo, Managing Director, Just DB

1. [A seismic shift in buy-ins/outs: how is the market adapting?](#), LCP, October 2023

HELLO!

Welcome to our insights report on DB member needs, fresh from them to you



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EXECUTIVE SUMMARY

Our mission for this research was to understand DB member needs. So we set about lifting the lid on what they want, their knowledge gaps, where they feel supported and where they need more. The research also examined how retirement planning is present (if at all) in their lives and what triggers this planning.

Focusing on people with private sector DB pensions across a wide variety of DB scheme providers, we started with 20 in-depth, qualitative interviews, before surveying another 1,505 individuals. They cover a diverse range of ages, backgrounds and stages in their retirement journey. Just over half (812) of our respondents are approaching retirement, while the remainder (693) have already retired.

We explored several themes to help us uncover:

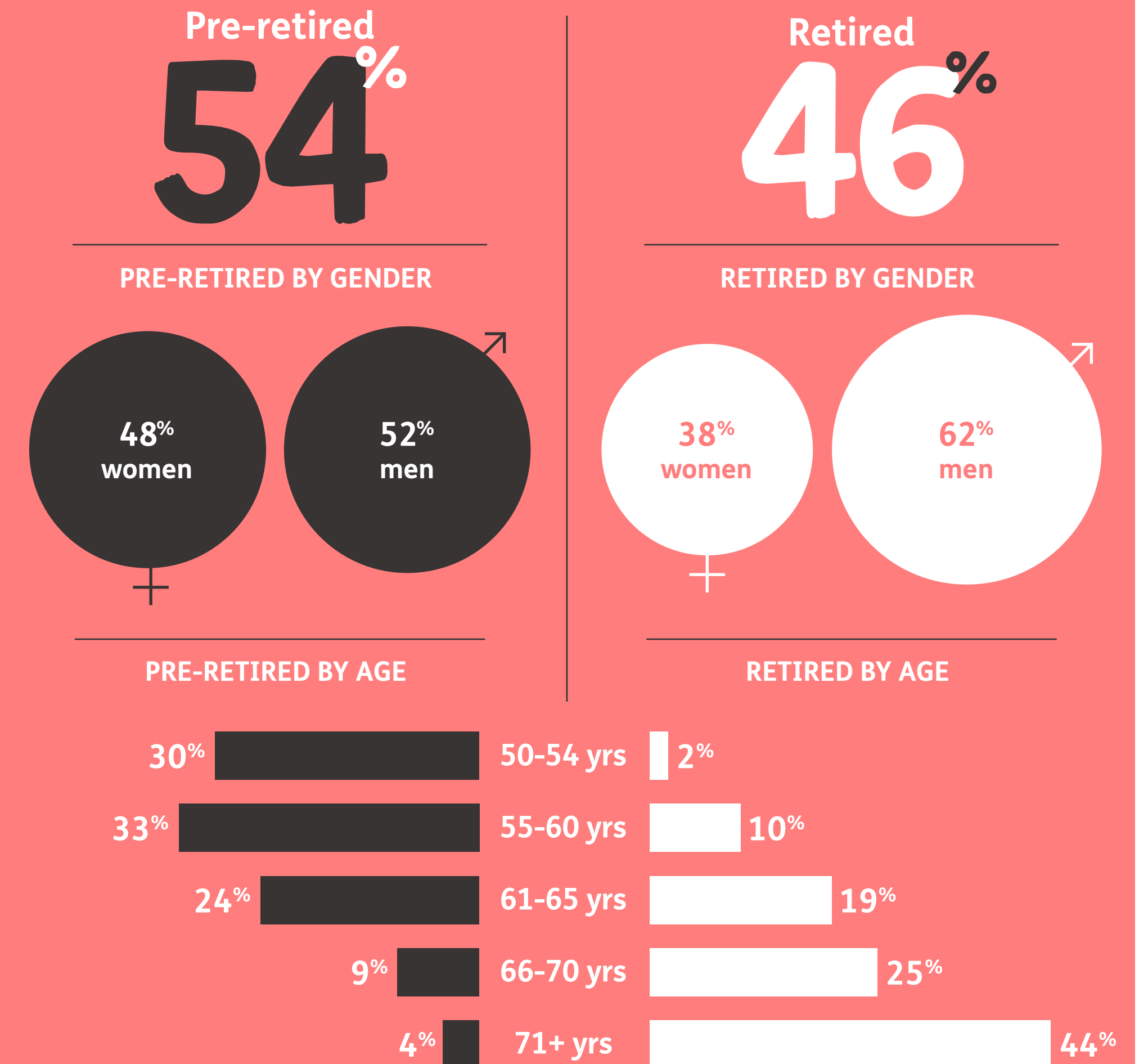
- **How members feel about retirement**
- **How supported, prepared and confident they feel about planning and managing their retirement**
- **How planning for retirement affects people differently**

Every member is unique, with different circumstances and needs. We wanted to tease out some of these differences to help us enhance the support we provide. What we do know is that taking a passive approach to DB pensions won't result in the best retirement outcomes. Members need to understand that knowing you have a guaranteed income isn't always enough.

This report surfaces some key findings from the research, carried out in spring 2024, and how we're putting in place support to help all members, especially those who identify as vulnerable. It also includes recommendations on how our industry can respond to the evolving needs of DB pension holders.



DB member breakdown (1,505 sample base)



Percentages have been rounded up or down to the closest whole figure

Our top takeaways

No one size fits all
solution for supporting
DB members – polarisation
between pre-retired and
retiree needs

**For those
yet to retire**
the retirement picture
is becoming more
complex

**Clear correlation
between**
how prepared people are
for retirement and how
confident they feel

**Members want
financial advice**
but don't know where
to get it or whether
they can trust it

**Many people
not making plans**
until close to
retirement

**Pre-retired want
more communication**
and support, while retirees
prefer more timely
reassurances

Prioritise vulnerability
in member experience and
support strategies for
all members

**Well-timed
and effective**
communications can work
to trigger engagement

Research at a glance

Unless stated otherwise, the facts throughout this report relate to both pre-retired and retired members who took part in our survey. Percentages throughout this report have been rounded up or down to the closest whole figure

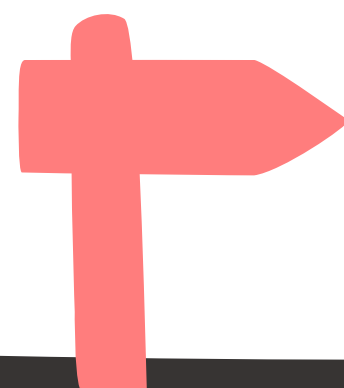
63%

of members who aren't confident about retirement planning have expressed money worries



ONLY 10%

of vulnerable members are very confident in planning for retirement



Only 62%

of pre-retired members feel confident about planning their retirement

86%

of pre-retired members who feel supported are confident about planning their retirement

4

potential types of retirement income for pre-retirees

1/5

pre-retired members aged 50 and over are yet to start planning for life after work

Around 1/5 who have started planning for retirement prompted into action after communication from scheme provider

92%

of those yet to retire most looking forward to freedom in retirement

83%

of retirees that took part in our survey feel confident when it comes to managing retirement

32%

of those already retired most concerned about loss of social connection



**THE
RETIREMENT
PICTURE**



**“I CAN’T WAIT
TO RETIRE**

but I want to make sure we’re financially secure to do it. I don’t want us to be retired and think we can’t afford to do this, because what’s the point in retiring?”

PRE-RETIRED MEMBER, MALE, 55-60

IN THE UK

around 8.9 million private DB members currently rely on these pension schemes to help secure sufficient income in retirement, according to the Pension Protection Fund.² But they only form part of the picture; one which is becoming increasingly complex – particularly for individuals yet to retire. People typically supplement their private DB pension with additional savings and investment products for their retirement.

Survey respondents aged over 65 mostly hold only DB pensions. For 68% of this group, private DB pensions are their primary source of income at retirement. Due to DB schemes being phased out, for those that still have a DB pension it could represent a smaller percentage of their retirement savings. This could contribute to the greater financial concerns among pre-retired members we observed.

For the majority of DB members, their DB pensions may provide a sense of psychological and financial security. But this

could also lead to people not interacting with pension information or seeking out financial advice, due to perceptions that their retirement income is already secure.


Our research also shows that DB scheme members tend to think about their pension products holistically when planning for retirement. So their thoughts, attitudes and behaviours towards retirement planning may have similarities to those primarily saving for retirement via defined contribution (DC) schemes.

A government report on understanding DC member engagement with workplace pensions, published in January 2023, found that some DC members were detached from their pension, and those that were, rarely thought about it and couldn't see the benefit in engagement.³ These findings echo what we've surfaced from our own research. Whether you have a DB or DC pension (or both), people are typically confused about how to plan and manage their retirement.

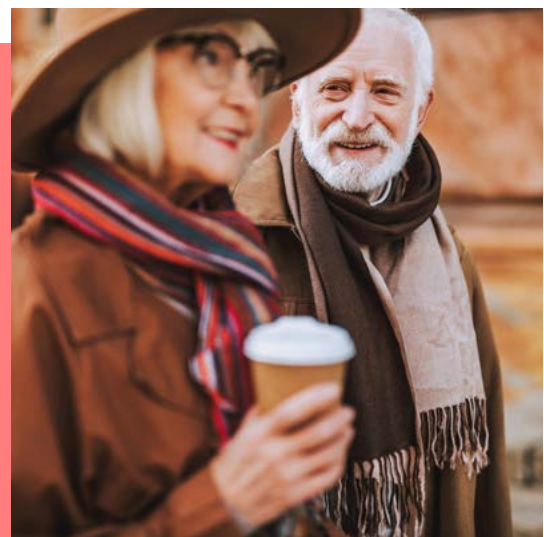
Unless stated otherwise, the facts relate to both pre-retired and retired members

2. *The Purple Book 2023*, Pension Protection Fund, 6 December 2023

3. *Understanding member engagement with workplace pensions*, Department for Work & Pensions, 30 January 2023



68%
of all respondents consider private DB pension as primary source of retirement income



“I’M PROBABLY SCARED of pensions and so is my wife because I don’t understand it and they don’t really explain it very well”

RETIRED MEMBER, MALE, 71+

“I’M NOT MADLY LOOKING FORWARD TO RETIREMENT, but I think it’s time ... I don’t like the idea of getting older. I see it quite negatively really but it’s just part of your life you have to go through”

PRE-RETIRED MEMBER, FEMALE, 61-65

A long and winding road

No one knows what’s around the corner. The journey to retirement is rarely linear and the reality of retirement can also differ from expectations. Many DB members make decisions about life after work based on changing priorities. These choices can also be impacted by circumstances beyond their control, such as job changes, redundancy or health implications. Family

responsibilities, like caring for elderly parents, can also affect their ability to work. Our research reveals that many DB members make trade-offs, compromises and balance decisions about the retirement they want to have and when the right time to retire will be. This includes working versus living, saving versus spending and inheritance versus lifestyle.

The retirement mindset

**FREEDOM
OPPORTUNITY
CONTENT**

**ALONE
MARGINALISED
EMPTY**

Retirement is a major rite of passage in life and is typically a very emotional time. From our survey sample, 1 in 4 of those who have yet to retire associate it with being ‘stretched’ (compared with only 12% of retired members). But a large swathe of pre-retired members (40%) put it to the back of their minds – with life after work only an ‘after-thought’.

Our survey sample were asked to pick the words and emotions they most closely associate with retirement – ranging from more positive to negative. ‘Freedom’, ‘content’ and ‘an opportunity’ were the positives identified most frequently by all members. Feeling ‘marginalised’, ‘alone’ and ‘empty’ were also common associations among our respondents. Negative emotions are especially pronounced for those who identify as vulnerable or have yet to start preparing for retirement.





FINDINGS FOR PRE-RETIRED MEMBERS

“I HAVE PLANNED

financially for this for quite some time and I feel ready to stop work now”

PRE-RETIRED MEMBER, FEMALE, 61-65

“I DON’T REALLY

know what monthly income I need and whether my pensions will cover it”

PRE-RETIRED MEMBER, FEMALE, 50-54

A RECURRING

theme from our research is the differences observed between DB members who are yet to retire and those who have already retired. Our research shows that pre-retired members are less confident in retirement planning and consider themselves more vulnerable. This could be because their retirement outcome is less certain.

Spinning a greater number of retirement products (and possibly juggling a busy work-life balance) may understandably cause more confusion around retirement planning and available options. We see this particularly among female and low earner members.

Many pre-retired individuals are also leaving planning late, adopting a ‘mañana, mañana’ (tomorrow, tomorrow) philosophy, which is a tough hurdle for pension providers to overcome. In one of our interviews, a woman planning to retire as soon as next year says she has yet to start engaging with retirement planning and doesn’t want to receive any additional information from her pension provider at this stage.



KEY MESSAGE
The retirement planning picture is more complex for this cohort

SAMPLE BASE

WIDOWED (3%):

38% MEN	62% WOMEN
------------	--------------

DIVORCED (15%):

38% MEN	62% WOMEN
------------	--------------

MARRIED (55%):

56% MEN	44% WOMEN
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Potentially
4
types of retirement income

“I THINK TIMESCALES

would be good to know for when I need to be really thinking about the defined benefit scheme”

PRE-RETIRED MEMBER, MALE, 55-60

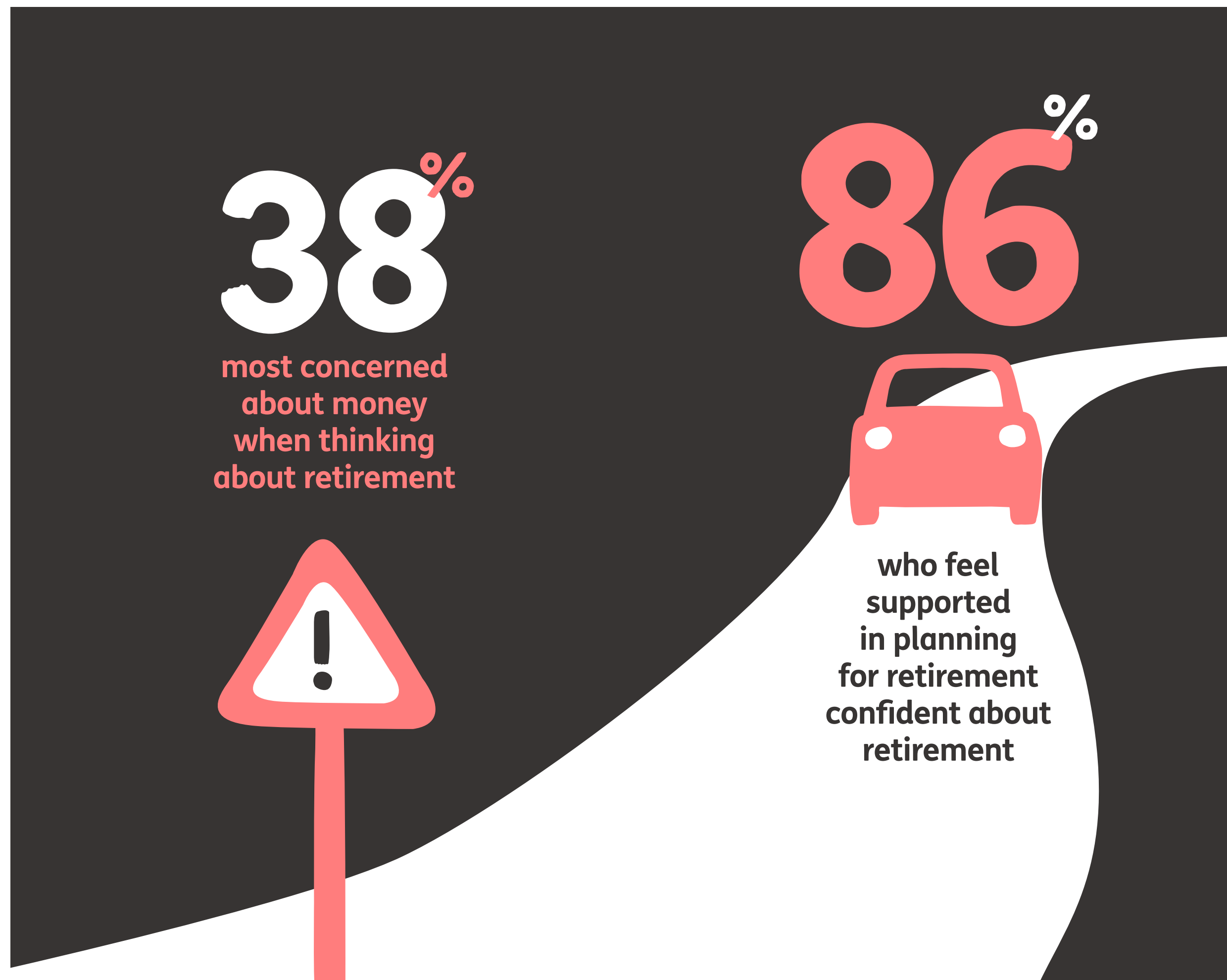
“I DON’T UNDERSTAND

the financial side of pensions and I worry if there will be enough to enjoy myself and pay off the mortgage”

PRE-RETIRED MEMBER, FEMALE, 50-54

The statistics we’ve surfaced show that confidence levels around planning and managing their retirement vary dramatically between pre-retired members and retirees. For members who don’t feel supported or in control of their pension, it’s easy to see why they lack confidence. There’s a disparity between individuals who get to grips with retirement planning being better prepared and those who don’t have the same financial confidence. This makes the latter potentially more vulnerable as they’re not equipped to make the necessary decisions and take the right actions.

Clearly, there’s room for pension scheme providers to offer more support to some members in planning for retirement, including educating people on how to potentially factor in multiple sources of income.



Cultivating confidence

Our research found that low confidence towards retirement planning is commonly due to a lack of knowledge. Among the 16% who aren't confident, reasons include low financial education, lack of understanding about pensions and how they work, being uncertain about their incomings and outgoings when retired, not seeking financial advice due to high costs and a lack of financial 'preparedness'. Other vulnerabilities include insufficient finances to fund their retirement (a situation potentially exacerbated by a lack of financial planning), outstanding payments and financial burdens (such as a mortgage) and struggling with the cost of living.

Conversely, among the 62% who are either somewhat confident or very confident when it comes to retirement planning, they've typically planned for retirement, are financially comfortable and have better financial security, including taking steps to reduce financial risks and burdens like a mortgage. They've also sought financial advice and are knowledgeable about finances, creating resources to help them prepare, such as budget spreadsheets.

“IT FEELS LIKE THERE’S A LITTLE CLUB OF PEOPLE

who know all about this and they know how to make the money and have a comfortable retirement, and they try to keep that information away from the rest of us”

PRE-RETIRED MEMBER, FEMALE, 55-60



Pillars of support



Although more than 1 in 3 (35%) of those who are still working don't feel they need to manage or keep track of their DB pension more than they currently do, a fair number would welcome support to encourage them to do more to manage or keep track of their DB pension in future.

Among those who have started planning for retirement, around 1 in 5 were prompted into action after receiving a communication from their pension scheme provider. However, a much bigger proportion of those still working (65%) started their retirement planning because 'it felt like the right time'. Of these, 71% were men, 70% weren't vulnerable and 69% were confident in planning.

1 in 5 prompted into action by pension scheme provider





Avoidant behaviour

Concerns about retirement can result in avoidant behaviour among pre-retired DB members, with negative emotions potentially causing many to ‘bury their heads in the sand’ (known as cognitive bias or the ostrich effect). This increases avoidance behaviour and a tendency to shy away from engagement with information related to pension planning and retirement. We know this can often make things worse – incurring further ‘costs’ for members due to a lack of preparedness for the unforeseen.

Key reasons for not interacting with their private DB pension include not feeling confident enough to make financial decisions relating to their pension (41%) and not feeling they know enough about the private DB pension scheme (31%).

48%
not aware of their DB pension retirement options

“IT ALMOST FEELS LIKE WHEN YOU LOOK AT FINANCIAL PRODUCTS, IT’S LIKE YOU’RE LEARNING A NEW LANGUAGE”



CASE STUDY THE CONFIDENT PRE-RETIRED MEMBER

Arjun, 58

Business owner Arjun hopes to fully retire in five years. In his retirement, he wants to take up more volunteering and look after his health. He’s hoping for a comfortable retirement.

Arjun has only really started to think about his pension this year, prompted by a recent cancer diagnosis. He knows he has options available and thinks he’ll take his DB pension as a lump sum but will seek support when he’s ready. He has a general idea of the amount of income in his DB pension and regularly checks his bank’s online portal to see his [DC] pension amount.

Confident when it comes to managing his finances, Arjun has conversations with his chartered accountant, and friends and family in similar situations.



CASE STUDY THE ‘LOST’ PRE-RETIRED MEMBER

Priya, 57

Priya, a full-time teacher, is married with adult children living at home. She’s hoping to retire in around nine years, dreaming of a comfortable life after work. Despite some financial knowledge, she’s confused about retirement and her DB scheme. Because of Priya’s culture, financial matters are private, and she wouldn’t discuss these topics with friends and family.

For her, retirement is close enough to worry about but also far enough away to not overly dwell on. Priya is nervous she doesn’t fully understand how to prepare. She knows who manages her DB pension scheme. Her scheme provider sends her communications annually, but she finds the terminology used quite confusing. Priya wants independent financial advice (IFA), though doesn’t trust advisers to have her best interests at heart.



FINDINGS FOR RETIRED MEMBERS

“PART OF ME THINKS
if they start writing to me it might mean that there’s some trouble with the pension fund ... so part of me is happy getting the same amount of money every month ... I don’t need any contact”

RETIRED MEMBER, MALE, 61-65

**“THE DB SCHEME IS
NO STRESS, NO WORRY;**
you just get on with your life and the money keeps coming in and I don’t have to do anything for it”

RETIRED MEMBER, MALE, 65-70

FINANCIALLY CONFIDENT

retired DB members are happy if the right amount of money is coming in at the right time. Once they've understood how their pension works and how much they'll receive each month, concerns about updates and communication decrease. Our findings show that retired DB members tend to engage less, typically around once a year. Many adopt a mindset of acceptance and contentment (a 'set it and forget' attitude). This picture does, however, vary for certain groups – with women and vulnerable members more likely to express concerns about money.

Every little helps

For those who do feel financially secure and content, is there a risk they may be lulled into a false sense of security? These retirees typically feel there's little for them to manage once they've done the work needed for their DB planning and are receiving their pension. But if people have limited interaction with their DB pension, they may be unaware of support they can access, should they experience a significant change in circumstances. This lack of knowledge could make them vulnerable. For example, they could be ill-prepared for their financial future, if they are widowed, divorced or become ill.



KEY MESSAGE
'Set it and forget it' attitude can make retirees ill-prepared for effects of major life events

SAMPLE BASE

WIDOWED (11%):



DIVORCED (11%):



MARRIED (64%):



83%

confident when it comes to managing their retirement

71%

who are aware of their DB pension provider are content with information they receive



32% are least looking forward to loss of social connection

When it comes to independent financial advice (IFA), lack of need, high cost, financial confidence and lack of trust are the most common reasons why retired members don't engage with financial advisors. Some retirees feel comfortable in their ability to manage their finances; to do their own research and make informed decisions alone.

But being retired doesn't always mean being more in control of your DB pension. Among this group, 55% of respondents felt in control, with the remainder either 'neutral' or not in control.

Our findings reveal that once retirees are receiving their pension, these members don't want scheme providers to over-communicate. It's reasonable to expect this cohort will only interact with their policy when there's an action they need to take. But there's a balance to strike between light touch and too much.



“WITHOUT THE IFA I COULD HAVE MADE THE WRONG DECISIONS”



CASE STUDY

THE CONFIDENT RETIRED MEMBER

Ian, 61

Ian has been retired from the construction industry for almost a decade. He chose to take an early retirement redundancy package so he could enjoy a healthy later life with his wife and family. Ian's decision was prompted by a few work friends who fell ill soon after their normal retirement date.

Ian uses many tools to manage his finances and investments (everything from apps to Excel sheets) and considers himself a bit of a mentor for some of his less financially literate friends and ex-colleagues. During his pension journey, he twice sought advice from an IFA – once as he was making decisions around the redundancy package offered and again when he'd received the lump sums and had to decide how to invest them.



WATCH OUT FOR VULNERABILITIES



Over

1/3

of all members
identify themselves as
potentially vulnerable

PEOPLE CAN BE

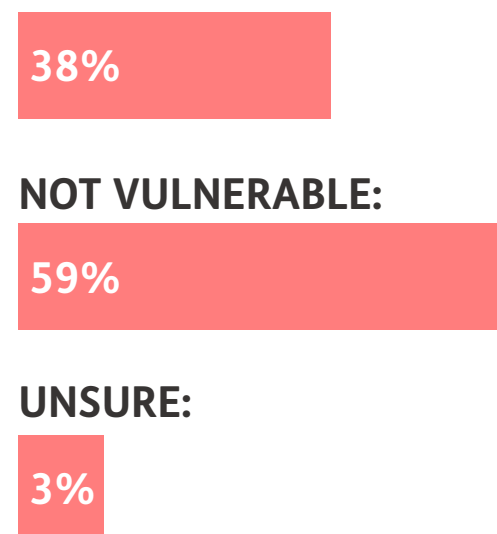
vulnerable for all sorts of reasons, from health conditions, to suffering a major life event, or because of poor financial and digital confidence. Women are also more likely to consider themselves vulnerable, alongside low-income earners and DB members with low levels of interaction with their pension. Among our pre-retired sample, women typically earn less than men (for example, 64% of women versus 36% of men earn £10-20k and 60% of women versus 40% of men earn £20-30k). Support with budget planning is important for low earners because they will naturally have a lower retirement income.

Our research highlights a concerning level of vulnerability or potential for vulnerability as people approach retirement. More than 1 in 10 retired private sector DB members (12%) said they didn't fully understand all the options available to them as a DB member before retirement. Vulnerable or potentially vulnerable DB pension holders are most likely to feel they weren't fully informed about their DB options before retirement (with 55% of retirees identifying with this statement).



KEY MESSAGE
Make vulnerability a top priority in member experience and support strategies

SAMPLE BASE
IDENTIFY AS VULNERABLE OR POTENTIALLY VULNERABLE:



52%

of vulnerable members worry about money when thinking about retirement compared with only 25% of those not vulnerable





Overall, vulnerable people are less confident in planning for life after work. Over a quarter (29%) of vulnerable members lack confidence when planning their retirement, versus 5% of those not vulnerable. Money worries in retirement are also the top ranking concern for vulnerable people.



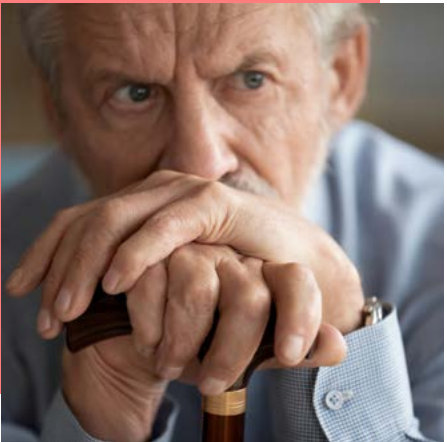
20%
of women not confident in planning for retirement vs 9% of men

63%
of members who aren't confident about retirement planning have expressed money worries

ONLY 10%
of vulnerable members answered that they are very confident in planning for retirement

52%
with money concerns view themselves as vulnerable

27%
of those who are vulnerable don't feel supported



We know that lack of understanding about their DB pension is driving low confidence among some DB members, particularly in those who are yet to retire. Support could be provided in bitesize chunks to avoid overwhelming these members and help to build up their confidence. Continuing communication and support beyond ‘formalities’ may also help vulnerable people to feel more secure in their financial decisions, which should drive more positive views of life after work. People who are single are also less likely to understand all the options available to them as a DB member before they retire.

“I DON’T KNOW WHAT THE OPTIONS ARE, the language used is always so complex, it discourages me from taking the time to try and understand the options”

PRE-RETIRED FEMALE, 55-60, VULNERABLE

“I DIDN’T OBTAIN ANY FINANCIAL ADVICE

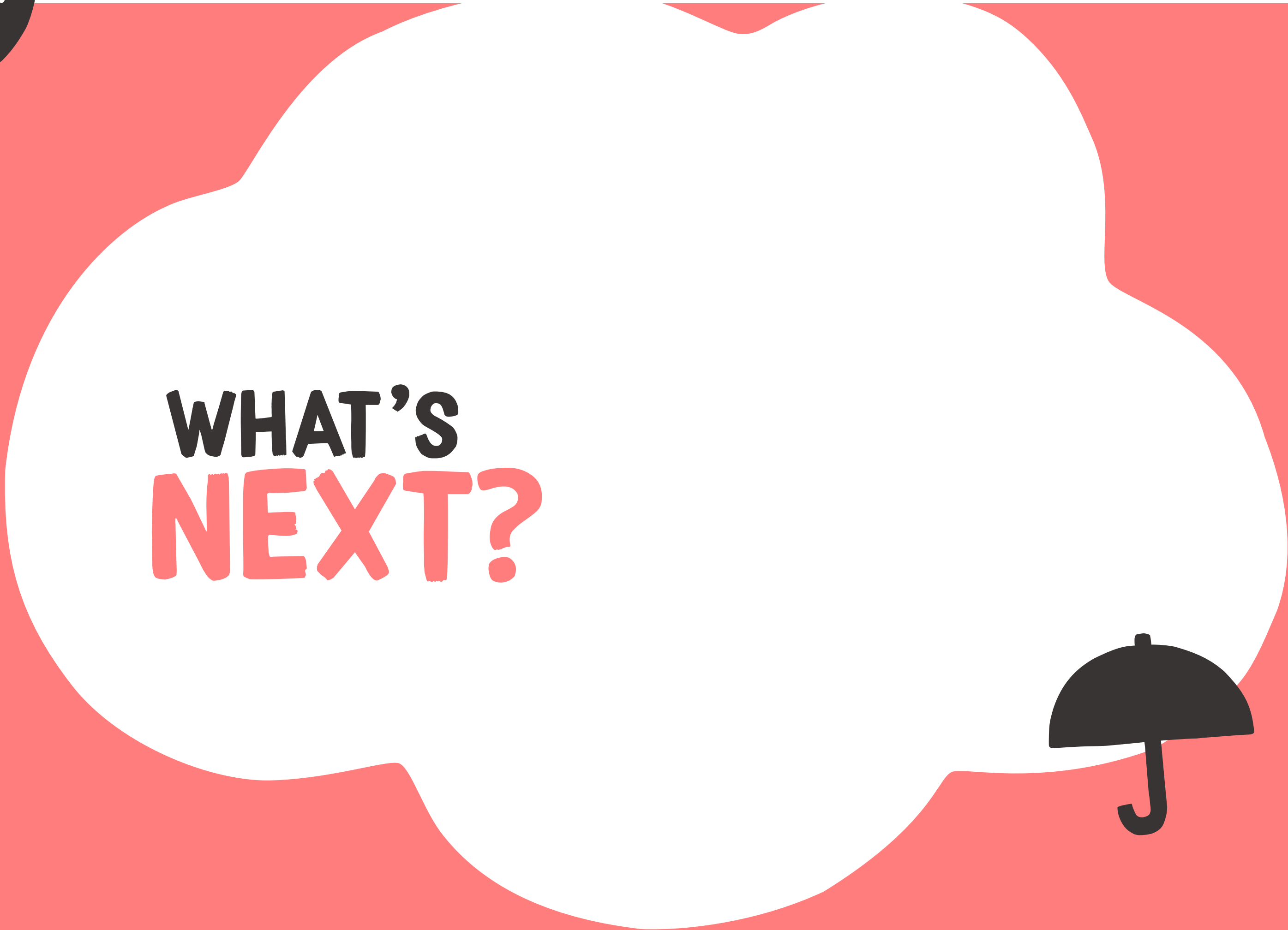
prior to my retirement. However, several years into retirement I’m now regretting this decision, based on recent income tax burdens”

RETIRED FEMALE, 71+

“I’M NOT CONFIDENT

in all the options open to use my investments/ savings and accrued pensions”

RETIRED MALE, 71+



**WHAT'S
NEXT?**

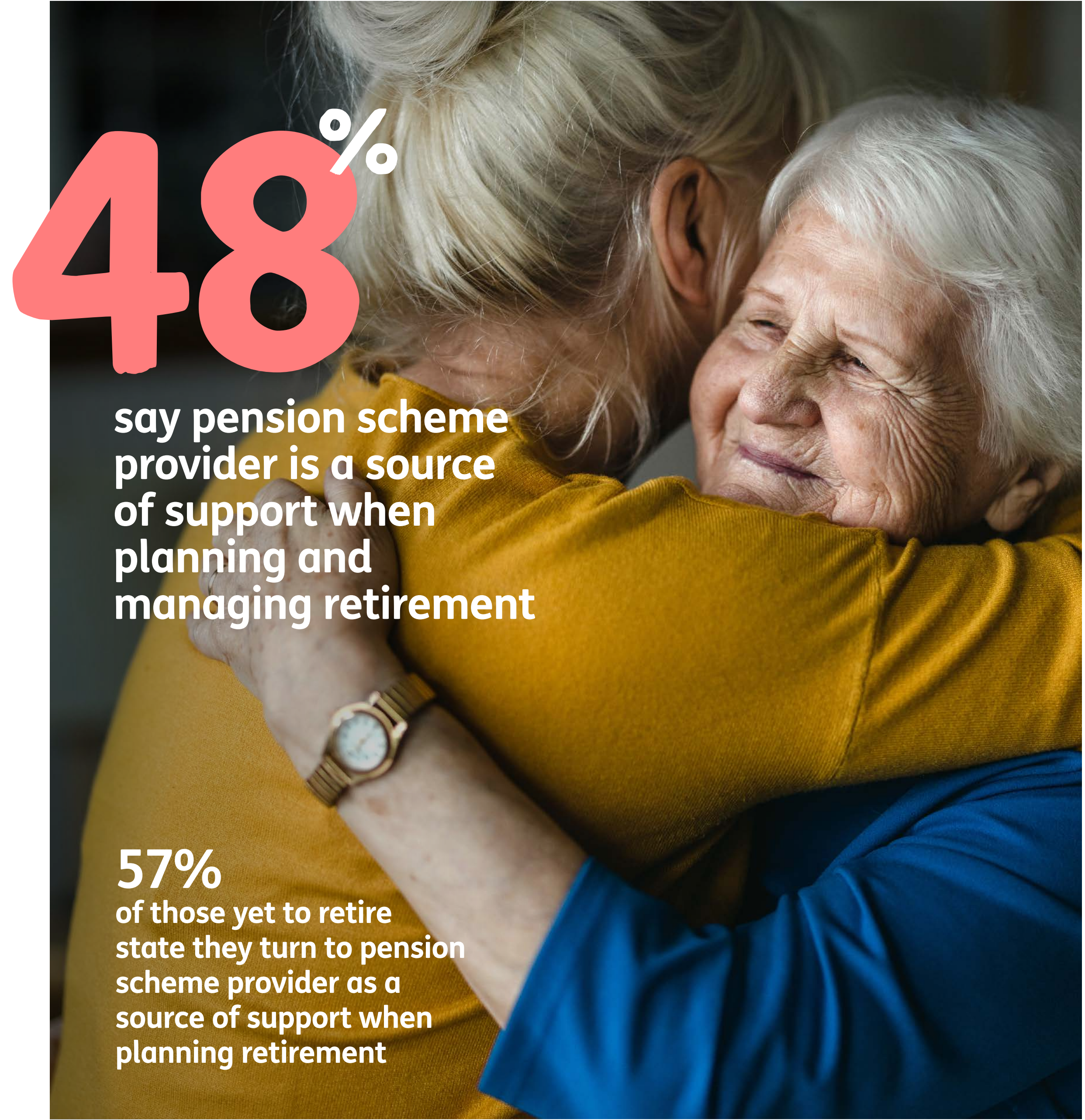
“WHILE DB PENSIONS
provide people with certainty over their
retirement income, it's important to
remember that most people find it hard
to plan for retirement”

**JOE DABROWSKI, DEPUTY DIRECTOR OF POLICY AT THE
PENSIONS AND LIFETIME SAVINGS ASSOCIATION (PLSA)**

A CLEAR NEED

to help private sector DB members understand all the options available to them is not met by all pension scheme providers, according to our research. Some providers do well to meet members' key needs – such as ease of contact and understanding what they'll receive when they reach retirement. But more could be done to support DB pension holders around available options at retirement and beyond, to ensure they're equipped to make the right decisions. A DB scheme moving to an insurer doesn't alter the imperative for member support. As an industry, we must recognise the needs of DB members and continue to enhance the support and care that people get beyond a buy-out.

“While DB pensions provide people with certainty over their retirement income, it's important to remember that most people find it hard to plan for their retirement and are daunted by pensions jargon and complexity. It's essential that employers and the sector address the needs of all savers at key moments throughout their working lives and help them understand their pension, their choices and how to achieve the retirement they want.”
Joe Dabrowski, PLSA



48%

say pension scheme provider is a source of support when planning and managing retirement

57%
of those yet to retire state they turn to pension scheme provider as a source of support when planning retirement



Perspectives from inside our business

Laura Pertile, Director of Member and Operational Services at Just DB

“As a retirement specialist, BPA provider and a brand that puts members at the heart of our action, this research has shifted my thinking. While their financial position is a significant part of an individual’s worries approaching retirement, it’s by no means the only area that can keep them up at night.

We can further simplify our pre-retired planning information. We must start earlier with information that provides individuals with help, not just about tax and what they need to know, but outlines the wealth of available networks, social activities, forums or even how to reach old colleagues. While we don’t have a responsibility to support

“THE VULNERABILITY SOME EXPERIENCE GOING THROUGH THIS PERIOD OF CHANGE IS SIGNIFICANT”

members beyond financial matters, we want to. The vulnerability some experience going through this period of change is significant.

Members should be able to take comfort in that fact that there is a proportion of income that is guaranteed and going nowhere. But we understand that supporting people more holistically during their retirement journey can make all the difference.”

Andy Fryer, Head of Proposition Development at Just DB

“It’s clear the retirement picture is becoming more complex. Many of the baby boomer generation had a big chunk of private sector DB pension plus the State Pension to rely on in retirement, but the picture for Gen X is more nuanced.

Private sector DB pensions will become a smaller part of total retirement provision for many, with multiple DC pensions and ISAs becoming a bigger part of the picture. More ways to save means more complexity, but it’s important to understand each bit to achieve the best outcomes.

Those running DB schemes can do more to help members by reviewing their communication strategies, providing

“MORE WAYS TO SAVE MEANS MORE COMPLEXITY, BUT IT'S IMPORTANT TO UNDERSTAND EACH BIT TO ACHIEVE THE BEST OUTCOMES”

access to holistic financial planning tools and – for those who want professional help – facilitating easier access to regulated financial advice (ideally at lower cost). Not all members will make use of the support available, but for those who do, it could mean the difference between reaching retirement under-prepared and living the best later life possible.”



RECOMMENDATIONS FOR BPA PROVIDERS

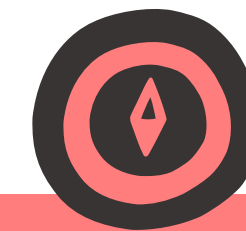
To help people achieve the retirement they want, pension providers need to engage, educate and equip people to feel more confident and in control about their DB pension and wider retirement planning. We also need to consider how best to support members in potentially vulnerable situations and empathise with the emotions and attitudes people may be experiencing at different stages of the retirement journey.



ENGAGE



EDUCATE



EQUIP

Pre-retired

Begin to engage with this audience earlier to nudge them towards retirement planning.
Increase communications to drive awareness among members of what to do when interacting with their pension planning.
Identify vulnerable members and pay special attention to how they're communicated with.

Retired

Communicate with this group only when relevant and important actions are needed as these members will likely only interact with their policy when there's an action needed.
Communications should be clear, informative and actionable to help ensure members feel confident interacting with their pension and making changes and don't avoid taking action.
Identify vulnerable members and pay special attention to how they're communicated with.

Pre-retired

Provide access to online tools and modellers to help people understand their options, such as transfers and early retirement.
Put in place support to ensure members know how to access help when they experience a major life event that could affect their retirement.

Retired

Put in place signposting and support to ensure members know how to access help when they experience a major life event that could affect their retirement.

Pre-retired

Facilitate access to regulated financial advice for those seeking professional help.

Retired

Ensure members understand which tools and services are available to support in managing their pension. This will help create a sense of control and support for those looking for ongoing wider help reviewing their retirement plans.

THE JUST DB WAY

We've designed our '4E' member support model for pre-retired and retired members around four key pillars: engage, educate, equip and empathise.

THE MEMBER EXPERIENCE IS PART OF OUR CORE PURPOSE AT JUST



ENGAGE

Our strategy for all members includes engaging with pension scheme trustees to help them understand how to support their members.

Communications that are easy to read and understand – many have achieved the Plain English Crystal Mark (its seal of approval), as we recognise that pensions can be confusing and cause people to switch off.

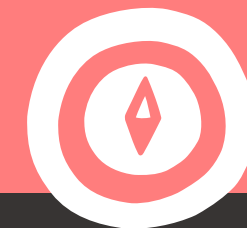
We're also planning a programme of 'nudge' communications to help pre-retired members take small steps and build knowledge and confidence, with different content for retired members.



EDUCATE

Our website is a destination point for all members, with detailed information and support and guidance, for both pre-retired and retired members.

We'll also use a programme of communications to educate pre-retired members on how to make the right decisions for their retirement. For retirees, we want to help them understand that they don't know what they don't know, which could hinder how prepared they are longer term. This might include topics such as putting in place a power of attorney or writing a will.



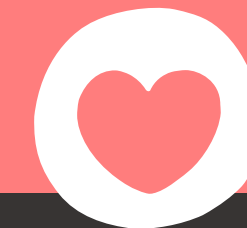
EQUIP

Access to an online portal so all members can view essential information about their DB pension with Just 24/7 (from how much they're getting paid, to the tax they pay and useful signposting).

We've partnered with HUB Pension Consulting, part of Just Group, to make unbiased, regulated financial advice available to members on their DB pension at a cost we expect to be lower than if accessed elsewhere.

Access to holistic pension planning tools to help members understand how to shape and plan for retirement.

Continuous improvement to existing pension tools and modellers.



EMPATHISE

Investment in an ongoing vulnerable customer programme to ensure our customer services team understands our members and can help identify where there may be vulnerabilities and respond appropriately and sensitively.

We recognise retired members are more likely, purely due to age, to encounter a situation that needs us to be empathetic.

Plans to introduce online vulnerability assessments, partnering with a specialist tech solution provider.

CONCLUSION

A **passive approach to pensions** has been a thorn in the side of the pensions industry and the Government for decades. Inertia and avoidance tactics (such as a mañana mindset) are often to blame, while other priorities compete for people's attention. So, for many DB members, it feels easier to bury your head in the sand than do what's needed to prepare for and manage your retirement.

Our findings evidence that people are more likely to be vulnerable and less likely to enjoy a better later life when less supported in the lead up to retirement. Conversely, many (62%) pre-retired members and retirees who feel supported in planning and managing their retirement feel confident about it.

As an industry, we must face these problems head-on. BPA providers have a critical role to play in supporting those who are planning and managing their retirement. We believe a buy-out has the potential for a more uniform and enhanced service for members, both before and after retirement. So we must get these interactions right. A thorough understanding of the polarisation between the two cohorts is essential to shaping how our industry provides relevant, timely support.

People don't want to be overwhelmed with information or over-communicated with. For those approaching retirement, communications from scheme providers that encourage retirement planning through small, incremental steps – which

feel achievable – can be an easier 'way in' for these individuals to engage.

With the number of pre-retired members moving through to buy-out rising steadily, the imperative on insurers to provide meaningful, relevant member care and support is growing. With this group in most need of clarity, control and confidence in their retirement planning, now is the time to step up to this challenge. Scheme providers should also do more to support people who may be vulnerable. These considerations are key to enhancing member experience and support strategies.

It's a tough nut to crack but this shouldn't stop our industry from putting in place the support members need. We must not have the same mañana mindset.



THERE'S A GROWING IMPERATIVE ON INSURERS TO PROVIDE MEANINGFUL, RELEVANT MEMBER CARE AND SUPPORT



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