

KISS

Keep It Simple Stupid

Let's be honest, pensions are not the most exciting subject in the world but we probably all acknowledge that they are very important. I have been to many a party, night out etc and have been chatting to people about everything and nothing when the old, 'What do you do for a living?' question comes up. In my mind, I want to say 'dolphin trainer' or 'lion tamer', but the words 'I'm a Pension Adviser' just comes blurring out and funnily enough I am left standing on my own...

The lack of excitement around pensions is not helped by the way that pension providers give information to consumers. Often we receive our annual pension statement through the post in the form of a big pack and if we are lucky, we'll read the first page, maybe the second and simply file it in our dusty old pension file where the last 10 years annual statements are all stored. We all have the best intentions of reviewing our pension/s one day but that day tends to happen when it's a little too late and retirement is looming leaving us with little time to take any remedial action on the value of our pension.



A recent government Automatic Enrolment review has found that less than 14% of people read and understand their annual statements and this represents a "missed opportunity" for the industry to engage and educate savers. As a result, the Pensions Minister has suggested a new simplified two-page annual pension's statement in a bid to provide a best practice template for the industry. The proposed simpler annual statement consists of just two sides of A4 paper and includes the information that matters most to people saving for retirement. It clearly signposts to other detailed information that can sit separately on an insurance company website. This reflects legal requirements and can be amended by providers using their own branding. The simpler annual pension statement is available to view at the following link

<https://www.plsa.co.uk/Policy-and-Research/Document-library/Simpler-annual-pension-statement>

Whilst this is a good step forward, there is still a long way to go to raise the profile of pensions. It seems as though the balance of responsibility is moving away from the government and some of this responsibility sits with the employer to help with pension education.

Even if staff are not actively engaged with pensions, spending 30 minutes a year to

understanding whether your investment is right for you, understanding what you are on track to receive from your pension and the state pension and how to make up any shortfall, is not an overly onerous commitment but it's hugely important and beneficial.

Wingate Benefit Solutions has designed a pension employee engagement service for employers to try and de-jargonise pensions for employees (just like the proposed new statements) with a view to getting staff engaged with pensions and planning their futures. If you are looking to understand how pension education can help increase employee appreciation of the provided pension arrangement leading to greater staff retention and engagement, please do not hesitate to contact us.