



Pensions – Administration moves centre stage



TISA
Engaging with our
market

Paul Gilbody
Assistant Director Member and Market Engagement

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Quiz Time 1

1. What do the following ratios represent: 10:1, 4:1 and 2:1?
2. How many employers currently don't offer their employees a pension scheme with an employer contribution?
3. What percentage of the current working age population contribute to a pension?



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What's changing

Up to 2012

- Stakeholder
- Optional
- Low take up
- Inertia reigns
- Middle management upwards

After 2012

- Automatic enrolment - a new market
- Minimum contributions from employee and employer
- Duties staged in - largest first

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Who likes the reforms then?

Employees

- 91% 'employer contribution - attractive'
- 72 % - 'making individual contribution - attractive'
- 64% - 'auto-enrolment attractive'
- 69 % - definitely or probably stay in
- 22 % - definitely or probably opt out



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Who likes the reforms then?

Employers (and advisers)

- 60 % - auto-enrolment is “a good idea”
- 54 % - minimum contribution “about right”
- 86 % - who contribute over 3 % do not plan to reduce contributions
- “90 per cent of employers will seek advice on pension reform.”



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nest
NATIONAL
EMPLOYMENT
SAVINGS TRUST

NEST Target Market



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Quiz Time 2

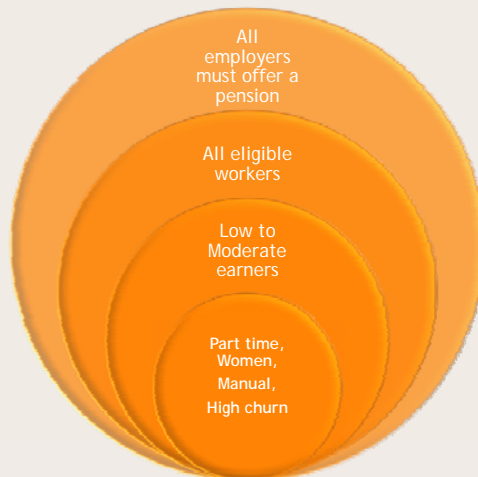
1. How many members is NEST likely to have?
2. What percentage of women earn between £5,000 and £15,000?
3. What is the contribution limit for saving in NEST?
4. Which size of employer is NEST best suited to?



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A new market



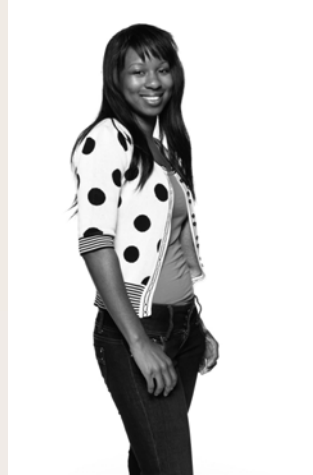
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Average target market is likely to be:

- transient
- youthful, BME, female
- earn from £5,000 and £14,999 basic pay
- part-time
- low skilled in financial literacy
- highly averse to risk and loss

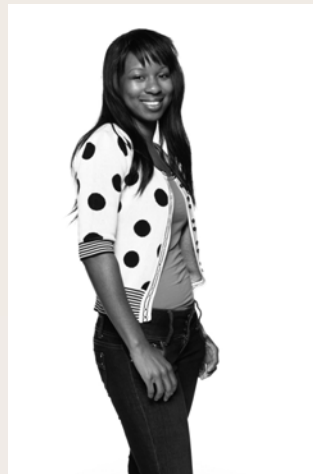


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Average target market is likely to be:

- new to pension saving, and long term saving in general
- have contribution breaks
- be keen on the idea of automatic enrolment
- welcome an employer contribution
- be concentrated in certain industries



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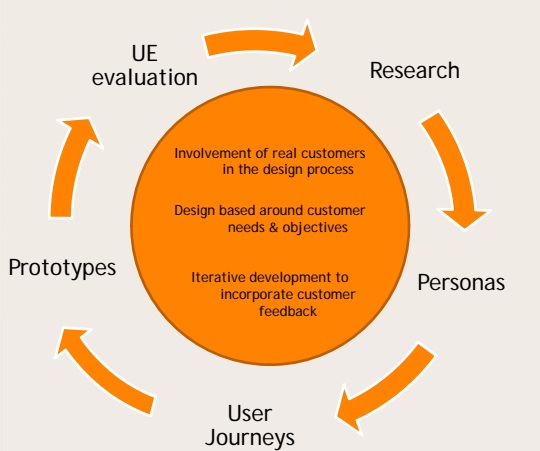
Designed for the market



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A Customer Centric Approach to design



- 5 Rounds of Usability Testing
 - 2 Iterations each
- Real customers recruited by NEST:
 - Employers
 - Members
 - Advisors

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Pensions – Administration moves centre stage

Engaging our market

- Traditional servicing model is not suitable
- Brand very different to current pension world
- Everything available online
 - Backed by IVR and paper where required/necessary
- Very similar to online banking in approach and style
 - 'Inbox'
 - Account view
- Content will be available to share
 - Links to social websites a real possibility

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- Once this is done, go to insert > movies and sounds > movie from file > then the relevant location of the video file. This will bring up a prompt box - do you want the video to start automatically or when clicked - press when clicked.
- The video will now appear as a small box on this slide. Drag the corners of the video to maximise its size.
- If you are sending this presentation externally, send the event organisers the below link:
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 This will take them to the web page so they can download the video and store it to their system along with this presentation.
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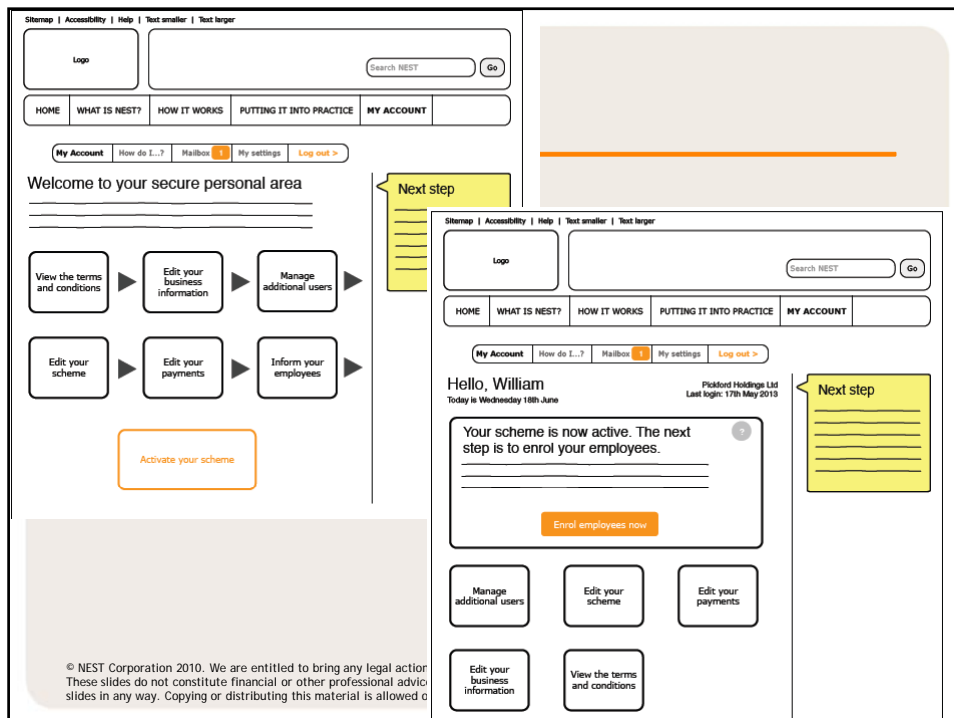


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Engaging of market - Vocab

- Scheme vocab is a critical difference
- Through research, we understand what words our market like, don't understand and what works for them
- Keep it simple, but not patronising
- Industry terms just not understood at any level
- Opportunity to share findings to the benefit of ALL pension customers
- Many small employers act like individuals

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In summary - complementing existing provision

Target market	Scheme features	2012 employer options
All employers must offer a pension	Low charges	Existing DB/DC scheme only
Low to moderate earners	Trust based	Or
Easy to use	Self financing (long term)	New DC auto-enrolment schemes
Contribution cap	Clear communications	Or
Transfer ban	Portable	NEST as foundation / entry scheme + other scheme
	Open to any employer	Or
	'e'-Pension	NEST as sole scheme
	Unique investment strategy	

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More information

- Key facts and Myth buster
- www.nestpensions.org.uk
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