

Communicating pension reforms



- Helen McArthur
- Dave Simson

Agenda

- Current state of play
 - Our research findings
- Communication principles
 - A complex communication
 - Tactics
 - Strategy - the tipping point
- What it means for LGPS
- Your next steps

A view from the ground



“ I haven't heard about
the pension reforms ”

What pension reforms?

36%



“ I’m going to lose the pension I’ve already earned ”

1 in 10



“ I’m going to lose
my entire pension ”

1 in 8



“ I’m confused about
these reforms ”

28%



“ I think these pension changes are because of the economic downturn ”

57%



“ I shouldn't have to
work longer just
because I'm going to
live longer ”

20%



I don't really know much about my pension. It's just depressing when I see stuff about it on the news

Why don't they just let us keep what we've earned so far and just change what we get in the future

Get rid of the words and just give me the maths

It should be called SCARE as it's hard to work out

They keep changing the rules. We were told to save, save, save. A lot of people are sorry they joined because they struggled to pay their contributions when money was tight. They could have used that money to live on

Do you mean a dental or health care plan?

Sounds like a retirement home

Research conclusions

- Very poor levels of understanding
- Mistrust in pensions
- Confusion
- What's in it for me?
- Loss of appreciation and value of benefit
- Education urgently needed

How?

Make sure your message is clear and simple!

Yeah, right!



What is a complex message?

- High number of relevant elements
- Many relationships among these elements
- Many changes in relationships
- Lack of overview

What makes a complex message easier to understand?

- Context
- Logical structure
- Essential content only
- Ambiguity free
- Resonate with reader

In the real world...

Tactics

- Thorough and meaningful testing
- Clear ownership
- Guidelines for approvals, input etc
- Plain English training

Real world strategy

- Tipping the balance - resistance to acceptance
- What can add weight to either side?
- Something small can make a big difference
- Continually moving



Making reform work

- Good quality, informative information
- Facts – don't sell
- From the employer
- What the changes are and why they are needed
- Members develop an informed view of the changes

Keeping people in schemes

- Members will understand the consequences of opting out
- Members will value their pension benefits

Communication helps the reform process
and keeps people in schemes

What does it mean for the LGPS?

- 100 Funds across the UK
- Thousands of employers
- 1.7 million active members
- How can we keep them?



Communicating change

- Leaflets/Guides/Newsletters
- DVDs/Website/Modellers
- Presentations



Communication tools

➤ Guides

- Good detailed reference point
- Covers disclosure obligations
- Can be bulky and off putting for some members

➤ Leaflets

- Easy to read bite size chunks of information
- Bullet points on key messages

➤ Newsletters

- Keep members updated on the latest news
- Maintains awareness/interest

Communication tools

➤ DVD

- Changes explained in plain English
- Some members prefer information relayed verbally

➤ Website

- Information can be kept up to date
- Access for most members

➤ Modellers

- Enables on line calculators
- Reduces queries to employers and administrators

Presentations

- Enables groups to be taken through the changes
- Explained examples
- Allows members to ask questions

How can money be saved?

- Funds can work together
 - Develop a communications strategy
 - Share ideas – POGs, frameworks and other forums
 - Consider joint production of guides/leaflets etc
- Good clear communication is essential!
- What is the best way to provide it?





Thank you

Any questions?