

**“Simplicity, security
and choice:**

Informed choices for working and saving”

**“Empowering individuals to make real and
informed choices on working and saving
for retirement”**

UK Pension Approach

UK approach is:

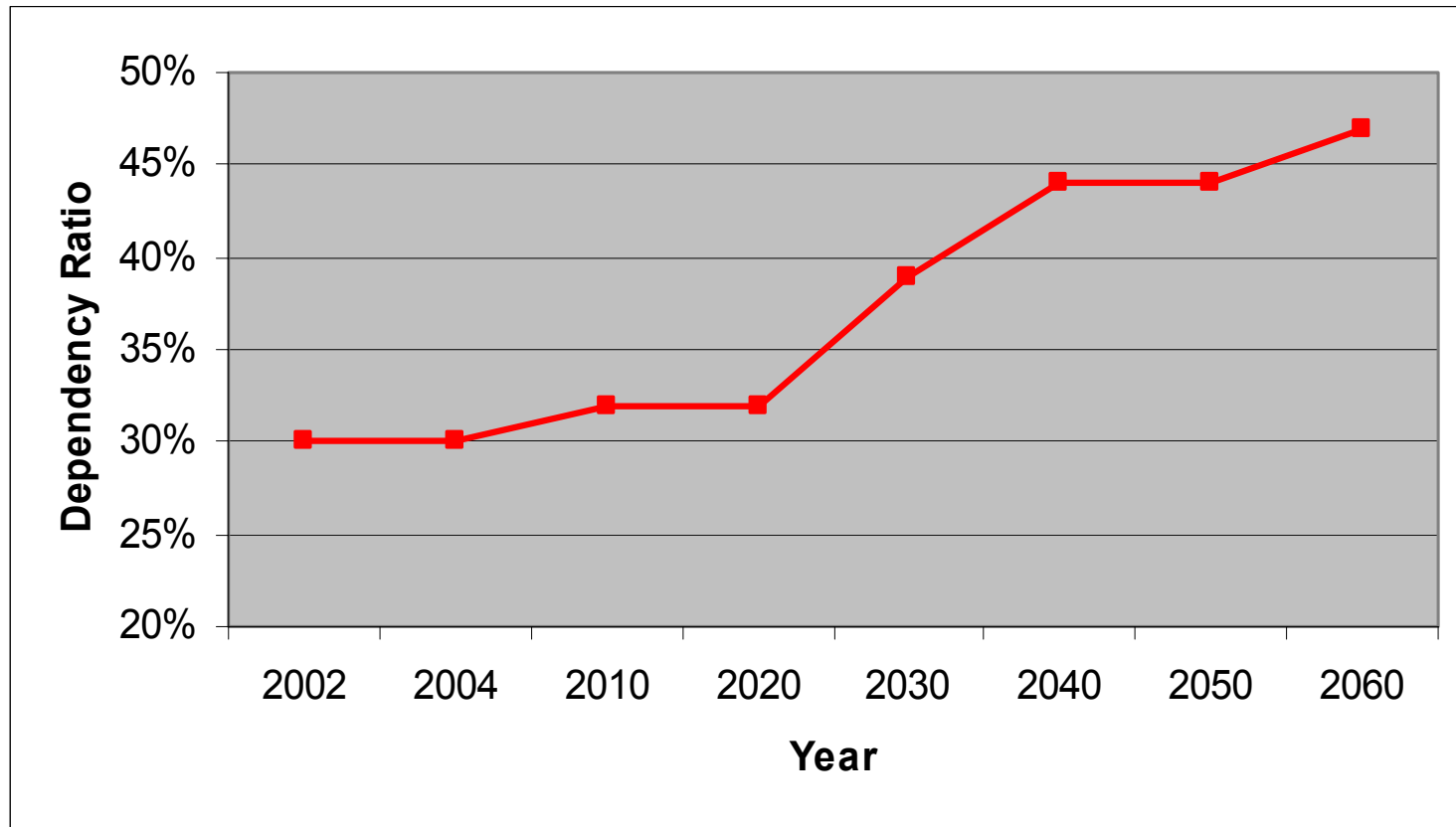
- State as foundation - aimed at alleviating poverty
- Occupational & private pensions:
 - long history
 - significant addition to state provisions
 - voluntary system

Government Objectives

There are three main objectives of Government policy:

- Combat pensioner poverty now, and in the future
- Maintain budget sustainability
- Help individuals make sufficient provision for retirement, on top of State provision

Demographics



Source: 2002-based population projections (GAD)

Informed Choice - Aims

- To put in place changes needed to support the voluntary aspects of the UK pension system
- To achieve a shift in attitudes and behaviours, so that people actively and regularly plan for their retirement

Informed Choice – Steps

The Informed Choice Programme is based around three steps:

- **Education** – improving financial education and raising people’s awareness of their pension options
- **Information** – ensuring that everyone has access to high-quality, accurate and timely pensions information
- **Activation** – helping people make the most of existing pension provision

Informed Choice – Education

The 'Education' strand has three key components:

- **Financial Capability**
 - partnership between voluntary and private sector leading to joint initiatives on retirement planning
- **Strengthening financial education for children and young people**
 - providing children with the necessary skills to make financial decisions throughout their lives
- **Financial education as part of Active Labour Market programmes**
 - linking pension savings and employment

Informed Choice – Information

The 'Information' strand has three key components:

- **Pension Forecasts**
 - accurate, timely, personalised, targeted
- **Pension Tracing Service**
 - tracking preserved pension benefits from previous periods of employment
- **Web-based 'Retirement Planner'**
 - projecting total pension income, identifying income shortfall and providing options to address that shortfall.

Informed Choice - Activation

- **Maximising membership**
 - promoting benefits of membership of employer pension schemes
- **Workplace information pilots**
 - testing a range of options to increase employees' awareness of pensions issues
 - encourage employees to make informed decisions to plan more effectively for their retirement

Informed Choice – Summary

Long-term programme – No ‘Quick-fixes’

Evidence gathering – trying and testing to establish what works

Mixture of behavioural techniques, education, information, advice and encouragement

Requires real partnership – Government, Pensions industry, voluntary sector, employers

Informed Choice

Thank You

Any Questions?