

# Communicating pension reforms

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## **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

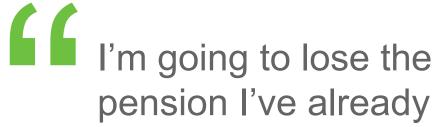






I haven't heard about What pension reforms? the pension reforms





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





I think these pension changes are because of the economic downturn



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





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

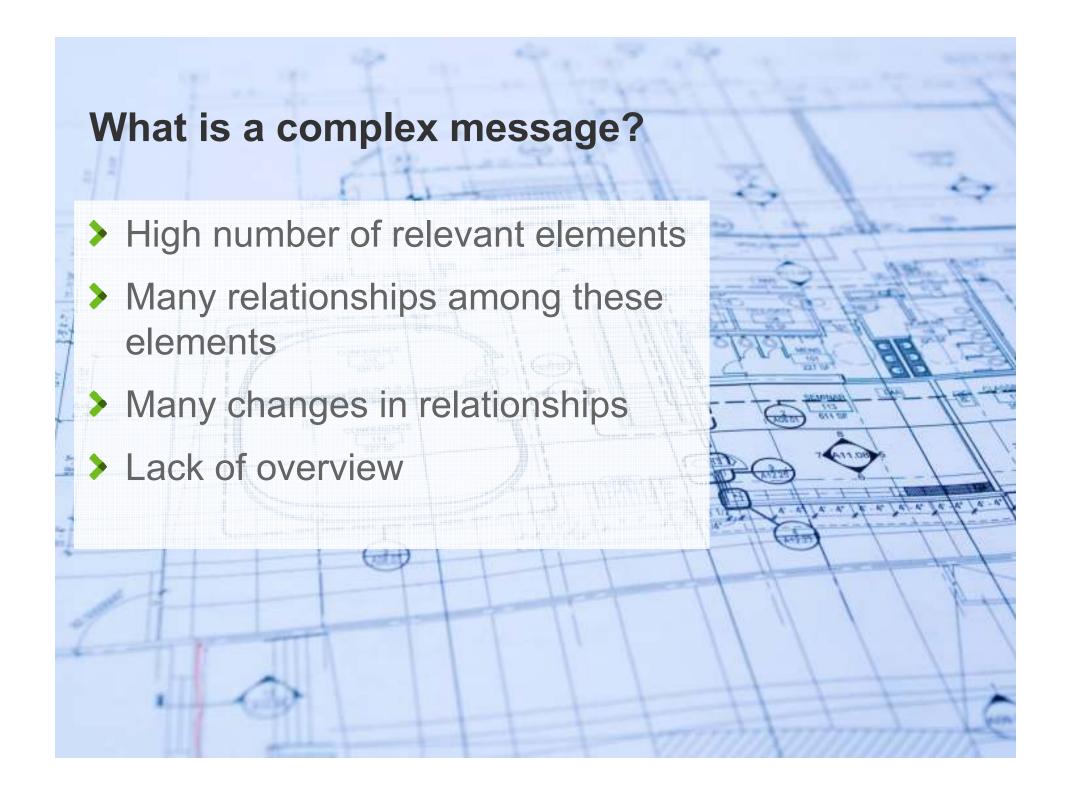
- Very poor levels of understanding
- Mistrust in pensions
- Confusion
- > What's in it for me?
- Loss of appreciation and value of benefit
- Education urgently needed



#### How?

Make sure your message is clear and simple!







## 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?