

Countdown to Retirement

Taking personal responsibility is one of the key requirements, and indeed challenges, for members of a DC pension plan.

With the additional freedoms introduced in 2015, members face an array of important choices. This is particularly the case during the latter stages of accumulation and when taking their benefits, whether this is done through a lump sum or series of lump sums, a guaranteed income, regular withdrawals or a combination of some or all of these.

Unsurprisingly, the demand for workplace financial guidance is significant. In our Employee Insight Report 2016, 60.3% of over 3,000 employees surveyed said they believe their employer should provide access to financial education to help with retirement planning. Furthermore, it is increasingly recognised that a more engaged workforce underpins productivity, profitability and business continuity.

A financial education programme to help individuals prepare for retirement offers a number of benefits: enhancing employee engagement, supporting corporate goals, underpinning risk management, and corporate and trustee governance responsibilities.

Helping members get ready for retirement

Our Employee Insight Report 2016 shows that 51.4% of members don't know how much they should be saving.

Pensions are complex for many people; few will have had any formal education regarding finance at school or college. This leaves members vulnerable to poor decision-making, particularly in the run-up to starting to take the benefits built up in their pension plan. To address this issue we have created a structured education and guidance programme – Countdown to Retirement.

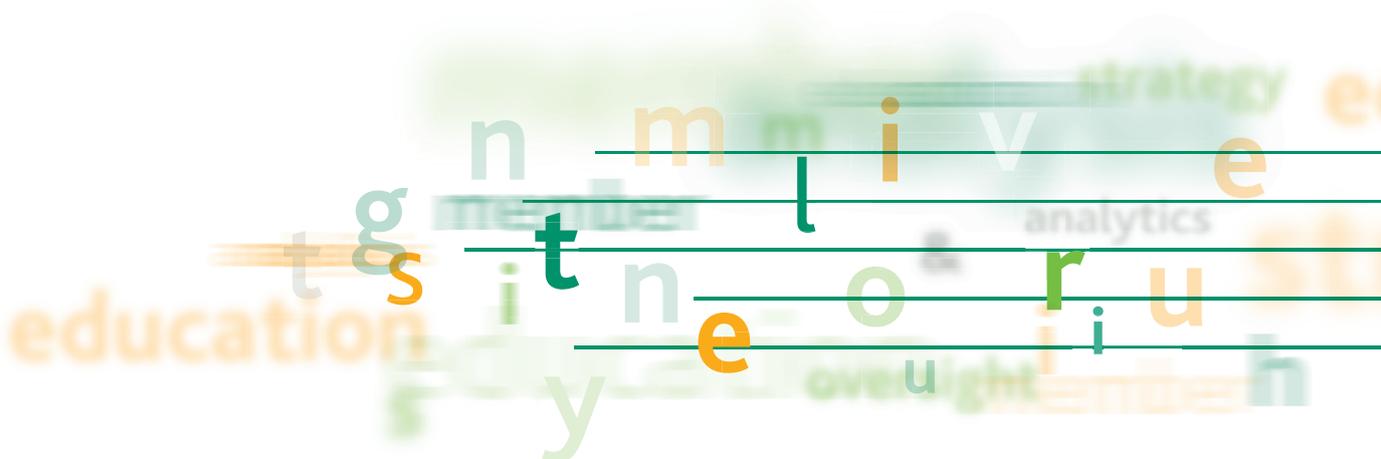
This structure is born of our own considerable experience and draws on academic research regarding adult education. It is designed to help:

- Individuals to adequately prepare for retirement
- Individuals avoid common pitfalls and to make informed decisions
- Provide individuals with easy access to advice if they require it – either online or face-to-face
- Employers/trustees meet their legal and regulatory duties
- Employers meet their HR and risk management objectives
- Raise awareness of financial and lifestyle considerations in retirement

60.3% believe their employer should provide access to financial education to help with retirement planning

51.4% don't know how much they should be saving

(Employee Insight Report 2016)



Countdown to Retirement

Countdown to Retirement is a three-stage programme which helps individuals generate better financial outcomes, and also considers the non-financial aspects of retirement. The programme creates a pro-active and timely planning cycle for individuals.

The structure ensures that the interactive elements are naturally engaging and timely. Support sessions (which can be online or face-to-face) happen at the appropriate moment and focus on areas that are relevant to the individual at that particular stage, as they progress through their personal 'Countdown to Retirement' journey.

The content and the media used, whether online or face-to-face, is driven by the demographic being targeted.

The first two stages of Countdown to Retirement are about helping individuals as they prepare for retirement, looking at both the financial and non-financial aspects of retiring. The final stage of the programme is 'Living it', where members are helped to execute their decisions.

Thinking about it (7 – 10 years before retirement) 	Planning for it (2 – 5 years before retirement) 	Living it (3 – 6 months before retirement) 
Content <ul style="list-style-type: none"> • Awareness • Educational and practical • Financial, lifestyle and psychological • More strategic than tactical • Member pack 	Content <ul style="list-style-type: none"> • More in-depth • Educational and practical • Financial, lifestyle and psychological • Tactical, rather than strategic • Member pack 	Content <ul style="list-style-type: none"> • Guidance and information • Non-advised • Robo-advice • Face-to-face advice
Media <ul style="list-style-type: none"> • Workshop • Web-ex • Online 	Media <ul style="list-style-type: none"> • Workshop • Web-ex • Online 	Media <ul style="list-style-type: none"> • Online • Telephone • Face-to-face

Living it

Our unique service at the point of taking benefits tailors for each circumstance, whether this means help with buying an annuity, providing 'Robo advice' or offering face-to-face financial advice from one of our selected panel of financial advisers, including access to proportionate and affordable advice where needed. It is a three-tier model designed to meet the needs of a range of members:

Non-advised – for those members who know what they want, this offers access to the best rates on the market for a guaranteed income (annuity).

Robo-advice – for those members who need advice and are only planning to take an income from their pot, rather than

those who require advice on wider financial issues. A retirement recommendation report is generated online, with a safety-net follow-up phone call provided by a regulated adviser to ensure that the member understands the contents of the report.

Full financial advice – for those members who require advice on their wider wealth issues (e.g. estate planning), who have complex needs or who would prefer to speak to an adviser rather than use an online service. It provides access to an expert panel of financial advisers, either over the phone or face-to-face, with support right through to product set-up.

Delivering DC excellence: Better education supporting better member outcomes

Employee benefits

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