



Building Society

Engaging Employees with Pension Savings

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Nationwide Building Society

The world's largest building society

- The UK's second largest mortgage provider
- One of the largest savings providers
- Major provider of current accounts, credit cards and personal loans
- 15 million customers and members – no shareholders
- Over 700 branches across the UK
- Around 18,500 employees and a head office in Swindon



Summary of employee pension arrangements

Nationwide Pension Fund – DB

- Closed to new members
- Open to future accrual
- c.5,600 current employees are members

Nationwide plan with Aviva - DC

- Open to all employees
- c12,000

Employees not making pension savings

- c700 i.e. 3%



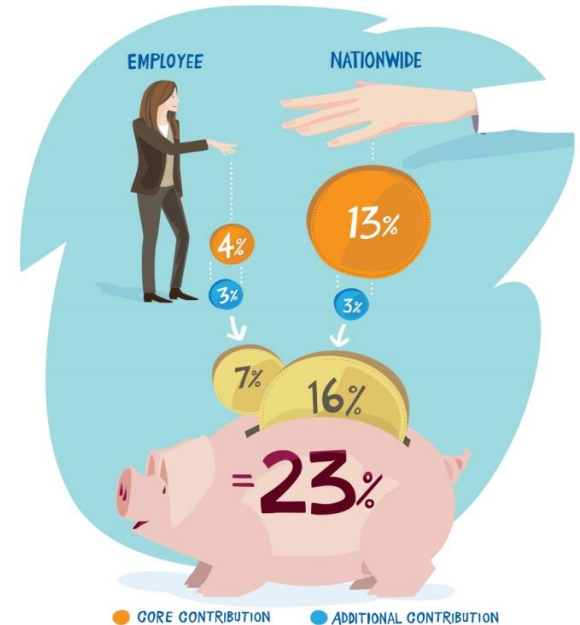
DC enhancements in 2015

Old DC benefit design

- Life assurance of 4 x salary
- 2 year vesting for full Nationwide contributions (to receive matching additional contributions up to max 3%)
- Core 9% Nationwide contribution (5% if <2 years)
- Core 4% employee contribution set as default

New DC benefit design

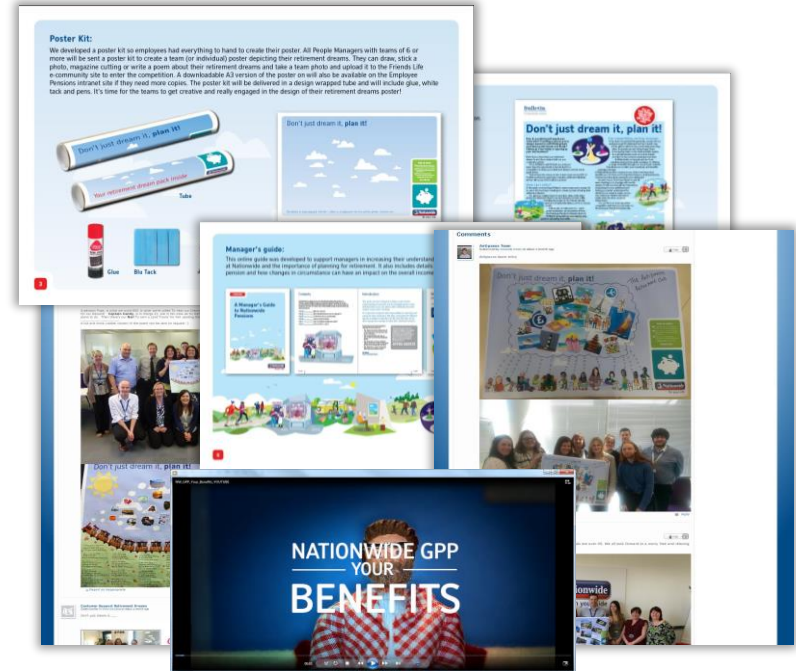
- Life assurance of 8x salary
- No vesting
- Core 13% employer contribution regardless of length of service
- Core 4% + **additional 3%** employee contribution set as default (and Nationwide matching 3% additional)
- Incapacity benefit of 2x salary



Three phase engagement 2015/2016

- 1. Education & Awareness:** March /April 2015 – Don't just dream it, Plan it! campaign:
- 2. Introducing the changes** in July 2015
- 3. Implementation of the changes** in September 2015 and January 2016

Employee contributions are reset each January



Results

- Following implementation, DC plan members paying more than 4% core employee contribution increased from **c9%** to **c80%**
- Heightened pensions education has influenced employees in DB paying additional voluntary contributions - increasing from **c8%** to currently **c13%**
- Improved employee engagement - logging on to websites, attendance at seminars, staff surveys etc.
- Employees not in any Nationwide pension fell from **c5%** and to currently rate of **c3%**



What came next ...

Printed and e-statement
[First Name] [Surname]
[Address 1]
[Address 2]
[Address 3]
[Town]
[Postcode]
[Country]

[Statement Date]



Your GO statement

Hi [First Name]

You've received this statement because the Government has introduced a new pension. As a member of the pension, you should be making enough - you've need to understand what that means. We're here to help you understand your pension and the cost of it. We'll be in touch when you need to know more.

How much should you be saving each month to hit your GO? How you can benefit from the new pension. We'll be in touch when you need to know more.

Members of the new pension (NPS) - a new way of paying your pension. We'll be in touch when you need to know more.

Your identity:
See Name
See Address

[Nationside logo] On your side

ABOUT YOU

This is the information we use to create your GO statement.

First name	[First Name]
Last name	[Surname]
Your date of birth	[Date of Birth]
Your National Insurance number	[NI Number]
Your pensionable salary	[Gross Salary]
Your current chosen retirement age	[Retirement Age] (Your LAR LAR Retirement)
Your job	[Employer Contribution Percentage] (Employee Contribution Amount)
How often you pay your pension (Statement Date)	[Total Pension Account Value]

Your contributions benefit both you and your partner. You pay by taking tax relief, you pay for National Insurance too. This means that a saving investment of £100 contributes around £100 to your GO. (We know that's a lot of money.)

If you're responsible to check whether your partner's savings take you over the lifetime of annual allowance, please contact a financial adviser - see page 5 for details or for more general financial advice, you can speak to a financial planning manager.



TOTAL TARGET RETIREMENT INCOME

[TTRI] a year

GO estimates that's how much you'd need for an average cost of living when you retire - based on your current salary of [Gross Salary].

On this page you'll see how much you're on track to get from the GO and how much you'd need from other sources to meet your total target retirement income.

*As defined by the Pensions Commission in 2004 and updated by the CMI in 2014.

YOUR GO ASSESSMENT

Reaching your total target retirement income

Attaining a retirement income of [TTRI] may require money from a number of sources. For example:

- State Pension income (available from [State Pension Age] years old)
- Accumulated pensions from previous pension plans (and/or other sources)
- Target retirement income from your Nationwide GPP



This information is based on the assumptions and calculations made by GO, as detailed here in the GO notes.

NATIONWIDE GPP

GO indicates that at [Retirement Age] years old your selected retirement age in the GPP:

- Your personal retirement income from the Nationwide GPP is [LSR] A YEAR*
- The target retirement income you need from the Nationwide GPP is [STR] A YEAR*
- With GO you're on track to reach your target [TARGET LIFELIHOOD]

*These calculations are based on an average of between [LSR] and [STR] that you're on track to get from the GPP. This range depends on a number of different factors such as your future salary increases, investment returns and the cost of an income in retirement. For more information about the assumptions GO uses, visit the GO notes (page 6).

OFF TARGET? GO CAN HELP

Good news, you'll be offered the opportunity to access a secure lifetime GO pot when you can close and manage your pension savings - but you'll need to do so within the new year which will allow you to meet your target.

The GO pot will be split into an approach to get you closer to your target retirement income from the Nationwide GPP.

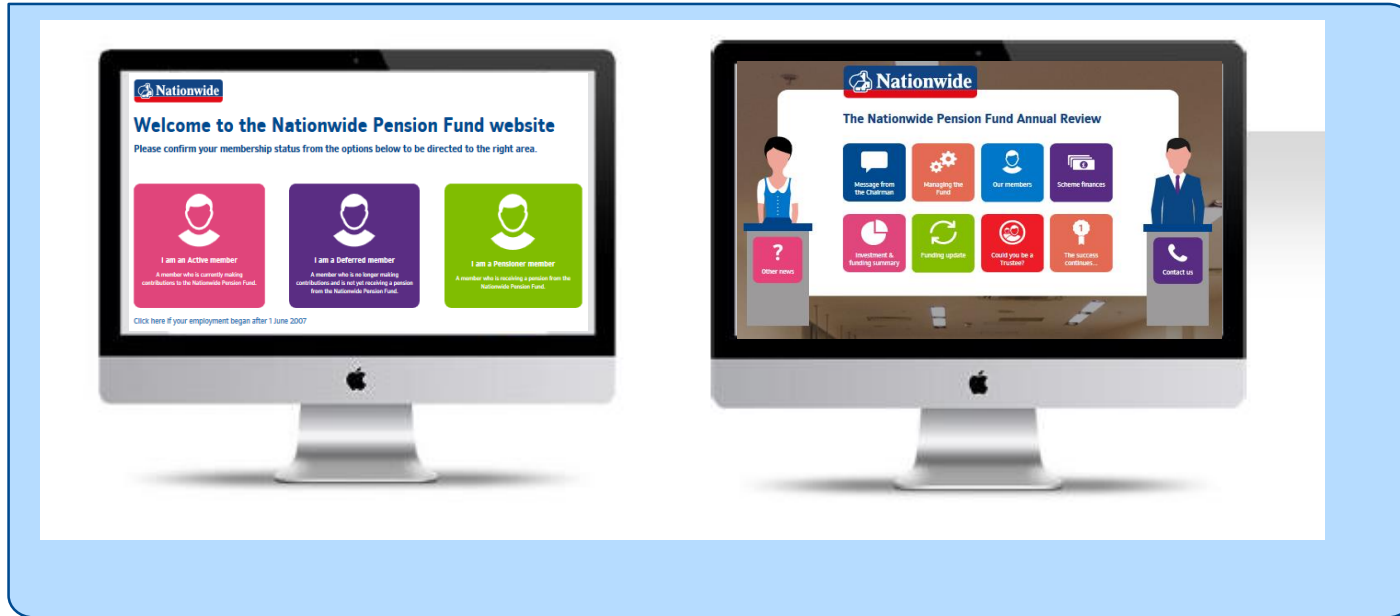
Like the GO statement, the pot will include an assessment of how likely you are to get your target retirement income from the Nationwide GPP. It will also:

- provide details of the suggested GO approach
- allow you to see the level of support you need to help you get your target retirement income from the GPP through different settings, choices, decisions or changes
- provide you with regular updates about whether you're on track.

More information can be found in the GO notes.

DC: Example Statement - October 2016

What came next ...



DB: Launch of new external website introducing online communications –October 2016

What came next ...

The screenshot shows the 'my money' pension forecaster interface. At the top, there's a navigation bar with 'Home', 'My scheme options', 'Help me plan', 'About the scheme', and 'My Account'. A 'Welcome F' message is displayed. On the left, an 'Account summary' table shows a Flexible Retirement Account with a value of £19,986.75. A central banner reads 'Helping you save for a brighter financial future' with an image of a family. The main content area is titled 'Pension Forecaster' and includes sections for 'My forecaster choices', 'Payments from your salary' (set to 2.00%), 'Your employer's contributions' (4.00%), and 'Direct Debit contributions'. An 'Important information' box contains a warning icon and text about the illustrative nature of the forecast. At the bottom, a callout box states 'You could receive an annuity income of £410.17-£502.17 a month in today's money.'

my money

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Back

Home My scheme options Help me plan About the scheme My Account

Welcome F

Quick links: Please choose

Account summary

	Value	Action
Pension		
Flexible Retirement Account	£19,986.75	Manage now
Total value	£19,986.75	

Helping you save for a brighter financial future

Pension Forecaster

Working out what you might get back in the future can be daunting, but the Forecaster can help.

The Forecaster aims to:

- Forecast what income you could receive when you retire as an annuity, based on the current value of your Flexible Retirement Account and any future payments from you or your employer.
- Allow you to see how changes to the amount you're paying in might affect your future retirement income. It shows you how a little extra, with the benefit of tax relief, could make a difference to your retirement. If you have elected salary exchange you will not receive tax relief on your contributions but you may benefit in other ways.

If you'd like to go ahead and make a change, the **Want to make a change?** section below explains what to do next.

Important information

This Forecaster graph is for illustrative purposes only and has been based on a number of assumptions. The forecast values are not guaranteed and are not a reliable indicator of future performance; short term forecasts of less than 3 years can be particularly unreliable. Your actual results could differ substantially from the forecast provided. The projected figures can go up or down. You could get back less than you've paid in.

The Forecaster can go up to a maximum retirement age of 75. If you want to consider a retirement age beyond this, please contact us for a personal illustration.

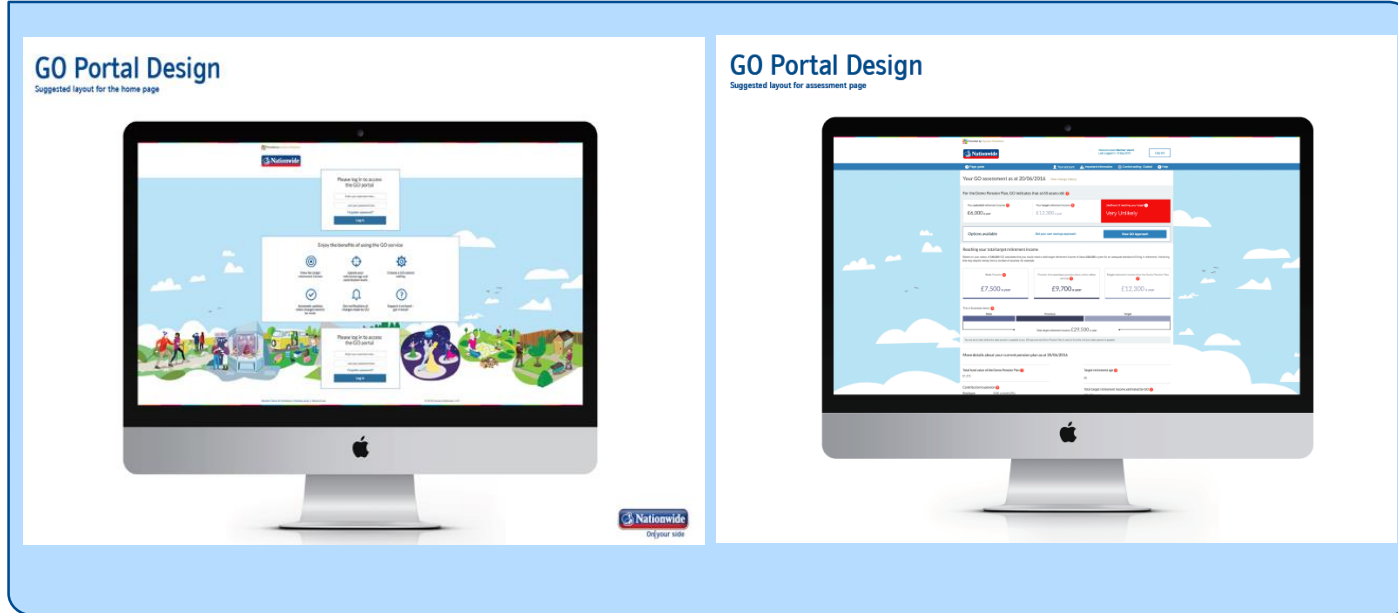
You should read our Important information to see the assumptions used before taking action. If you have an Investment programme selected on your pension, any future changes to your investments as a result of the programme will not be reflected in your forecast.

You could receive an annuity income of
£410.17-£502.17 a month in today's money.

What are other people

DC: New 'my money' platform – January 2017

What came next ...



DC: Guided Outcomes Portal for members –
July 2017

What came next ...



Nationwide
Building Society

Pensions e-learning

Welcome to the pensions e-learning module for Nationwide employees.

A Nationwide pension is a valuable benefit and forms part of your overall pay, reward and benefits package.

At Nationwide we're committed to making a significant investment in our people. As well as the wide range of development opportunities that are available, we look to provide an exciting total reward package.

When the times comes we want you to be fully prepared for retirement to allow you to enjoy it the way you want to ... Don't just dream it, plan it!

During this e-learning, there is a video to watch and listen to. You'll need some headphones so you don't disturb colleagues. Please be aware that if you access this e-learning remotely the videos may buffer.

Click anywhere to begin.



Pensions e-
Learning Module –
Mandatory for ALL
employees in
September 2017

What came next ...

Good Morning Nationwide!

September 2017

- Knowledge Knockouts across all Branches
- Huddles across Contact Centres
- Will be used wider through intranet



“Just received the GO statement this morning. This is a fantastic and valuable service, really well written, clear and easy to understand. Well done team!”

(GO Statement) “I received my pack this week and I have to say it is best pension’s communication I have ever received. It made a lot of sense and was very straight forward and easy to read. I was really impressed & for first time in my life actually understood what my pension could be and how I could improve it. “

(23% News) “That’s got me even more excited about retiring! As if I wasn’t looking forward to it already! 😊”

“The GO portal is amazing (had a look around today) user friendly and the ‘guidance’ to help me take more charge.”

“The e-learning and principle behind raising pension awareness as a really crisp and concise way to demonstrate the added value of our pension/employee proposition.”

Still to come ...

- We continue to encourage invitations to team meetings - either in person or via Video Conference.
- We actively invite ourselves to events such as roadshows, team meetings and conferences.
- Frequent news stories used for short sharp reminders.
- Reinforce the need for employees to “own” their pensions savings.
- Use of MI from Guided Outcomes (GO) to identify segmented communication messages & nudges.

Conclusions

- Behavioural “nudges” can definitely work i.e. the new norm for employees in the DC plan is “to pay more to get more”.
- A good communication strategy is important but it shouldn't all be about the numbers and logic it also has to focus on emotional levers:-
e.g. “ Don't just dream it plan it!” campaign.
- Support from the business and alignment with business goals and culture is essential. As is support from other key stakeholders e.g. trade unions.
- It also helps to have a great pension provider and a great adviser.
- And the Secret to Good Employee Engagement isits never finished!

