

Essar Oil UK and Liverpool Victoria

Freedom & Choice in action

Due to the additional choice and complexity introduced by the Pension Freedoms, it is clear that members of DB schemes will need support from their employers and trustees to help them make better retirement decisions.

It is expected that for the majority of members, remaining in their defined benefit scheme will be the right decision. However, for those whose personal circumstances mean that a transfer to an alternative arrangement might be appropriate, giving them access to relevant and timely information and support will be key. LV= Pension Compass is an innovative solution developed by Liverpool Victoria (one of the UK's largest mutual insurance companies) to do just this.

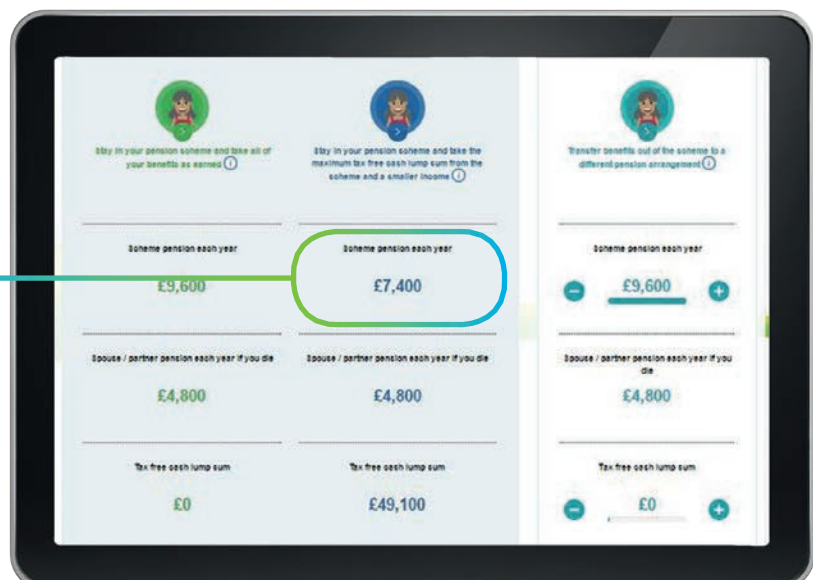
The Essar Oil (UK) Pension Scheme (a client of Hymans Robertson for a number of years) is one client whose members are already benefiting, having adopted the solution in July 2016. Essar Oil (UK) Limited was keen to implement a solution that:

- Provides members with secure access to up to date and relevant educational materials and 'real time' pension information;

- Has access to competitive and quality financial advice and receiving products;
- Helps protect members from pension scams; and
- Was pre-packaged and therefore relatively low cost and simple to implement.

After considering a range of options, it was apparent that LV= Pension Compass ticked all of these boxes and more. It is a dedicated and secure online platform full of useful information and personalised tools that support with the engagement and education of members in relation to their retirement choices. A key benefit is that it allows members to compare their key retirement choices and view their current pension summary creating a more tailored and personal approach. Furthermore there is an option to take regulated advice from a professional LV= financial adviser who will help find a suitable retirement solution.

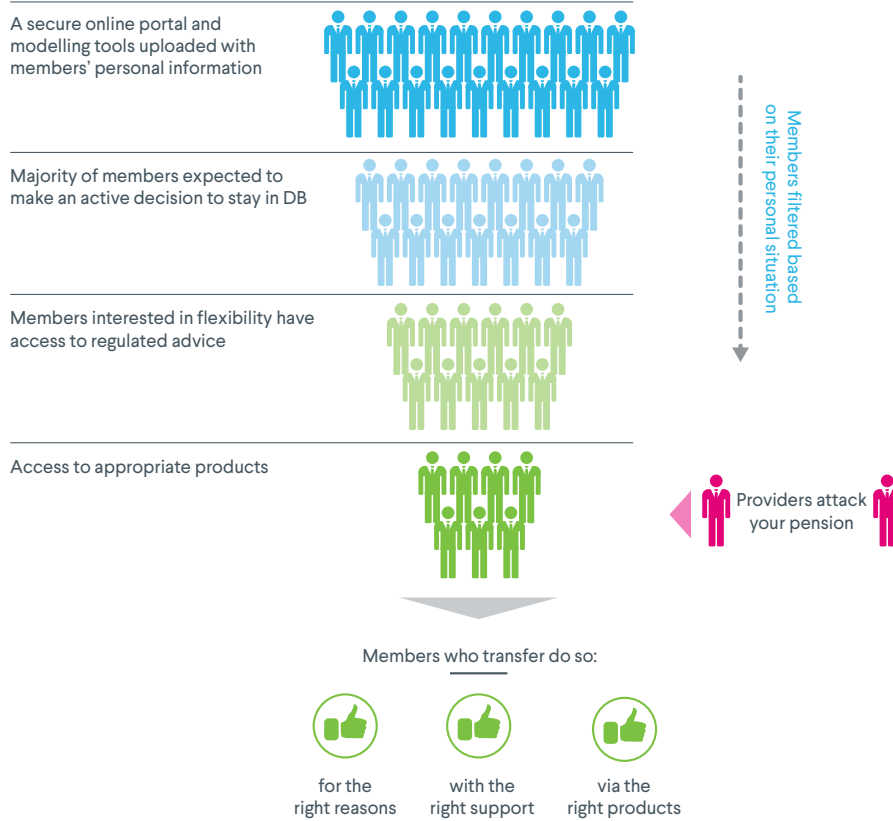
The freedom to see what they could get under the flexible option



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After only 4 months in operation we are delighted with member engagement levels in this solution. It was great to see the Company, Trustee and LV= working together to develop and implement a user friendly but robust solution that is ultimately in the best interests of our members. ”

Member journey



...leading to good outcomes and reduced risk

Importantly, the solution allows members to benefit from a streamlined and lower risk retirement journey. This can only help in improving member outcomes in the long term. Further, the solution is designed to filter members throughout this journey with advice costs only therefore being incurred where it could be of genuine interest/ benefit to the member of moving away from DB.

As well as having clear benefits for members, this solution has benefits for the Trustee and Company which include:

- Through education and understanding, members can make better retirement decisions;
- financial risk is reduced to the extent that members choose to transfer benefits away from the scheme; and
- the potential for members to challenge that they were not made fully aware of their retirement options (and hence made inappropriate decisions) is materially reduced.

Since going live in July 2016, 65% of eligible members have engaged in the tools and educational materials, with c25% already engaging with a financial adviser to discuss their options. c10% of the eligible group of members have completed the advice and decided to transfer their benefits out of the Scheme into a flexible pension arrangement. David Lowe, the HR Operations Manager at Essar Oil UK had the following to say about the solution:

18 months on from the Pension Freedoms it is great to see the development of solutions such as this for supporting DB members to take better retirement decisions. If you would like to understand more about this or other solutions and how they can benefit your members, please get in touch with Ryan.



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