



# How your pension oversight group can optimise pension spend

With oversight of your pension arrangement in place, you'll want the best value from your pension spend. Below are examples and tips on how to make an impact and get stronger results.

We've split this between themes your oversight group should focus on and how you can get more from your provider.

Themes for oversight group	What areas your oversight group should focus on?	How can you get more value from your provider?
<b>Needs &amp; outcomes</b> 	<ul style="list-style-type: none"> <li>• First, ensure you understand your employees and their needs, then focus your efforts accordingly. Consider the following:                             <ul style="list-style-type: none"> <li>• The retirement needs of your employees and when they might want to retire.</li> <li>• What level of living standards your employees want in retirement.</li> <li>• The level of flexibility and guarantee to their income.</li> </ul> </li> <li>• Regular modelling checks on the changes to forecasted outcomes can then provide ongoing oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• A regular review of your provider and benchmarking against the wider market will help you identify gaps in their proposition and areas for development, ensuring they better meet the needs of your members.</li> <li>• For example, the tools, investment options and support routes into different decumulation paths all vary with providers. Some of these will affect future outcomes to significant degrees – so your benchmarking can really matter.</li> </ul>
<b>Engagement &amp; Management Information (MI)</b> 	<ul style="list-style-type: none"> <li>• Focus on improving engagement with employees. This will lead to better participation and appreciation of their pension scheme benefits. Engagement can be tracked extensively nowadays. By fostering digital habits or providing 1:1 support, you can generate valuable MI and insights for your oversight group. Targeted communications actively supported by the employer have been shown to materially improve engagement levels, reinforcing the positive cycle.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced and bespoke management information from your provider will arm your oversight group with better decision-making powers. Seek this out and check what reports can be customised for your members' needs.</li> <li>• Some providers can offer online employer portals with live feeds on scheme level data. For example, latest asset under management information, or the monitoring of registrations to online portals and mobile apps.</li> </ul>

## Objectives – scheme vs corporate



- Ensure your oversight group is always aligned with your overall scheme objectives. These are unlikely to be static. There will also be many tasks that are linked to the objective to improve outcomes for members. A key factor will be the consistency with your corporate, sustainability and wider wellbeing objectives, reflecting important executive level commitments for the organisation.
- Providers should be able to explain how Diversity, Equity & Inclusion is embedded into the proposition so you can highlight this to current and potential employees, eg Shariah funds or additional communications to those experiencing major life events.
- Similarly, investment defaults or customisable fund options from the provider should meet your Environment, Social & Governance ambitions (and potentially obligations.)

## Prioritisation



- Prioritise tasks that will have the biggest positive impact on members outcomes. For example, improving adequacy of retirement income through increases in pension contributions and positive contribution designs will have a big impact, but will need employer support.
- Staying up to date on new policy measures will help your oversight group extend its thinking on other potential solutions too.
- Regulations can drive change and innovation. However, pushing your provider to design innovative solutions that you know will improve outcomes for your members will put your scheme ahead of the curve. For example, some providers are considering solutions that pool risk for members – and these would dramatically increase retirement income levels.

## Support – digital vs human



- A dual focus is necessary here. Digital first solutions can provide efficient and effective methods to solving some key challenges. This could include easy digital access to foster benefit appreciation, education and engagement, a seamless online beneficiary nomination process to achieve better completion rates.
- Regulators are also quick to point to the critical need for human guidance support and advice sessions so that clearer retirement planning and more positive choices are being made across a membership.
- The provider market is rapidly evolving with new developments and services being released almost every month. Understanding your provider's future development plans and engaging with your provider to shape their roadmap will add value to your employees and their pension savings. For example, decumulation designs are rapidly evolving in the market, so ensuring your views are heard by your providers, will shape these designs. Expressing demand for meaningful guidance and advice support is also important.

Our clients and their oversight groups are expected to spend time governing the pension arrangement, but by structuring their approach they save time, resources and add more value to members' experience and retirement income.

If you have any questions about the areas your oversight group should focus on or how to get more value from your provider, we can help through our experience of

advising many clients on their pension scheme arrangements and the challenges they have faced. Please get in touch:



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