



Institute
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The Future Pensions Landscape Working Party: The Pensions Dashboard

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Who are we?

- Late last year the IFoA advertised for members for several working parties
- The 'Future Pensions Landscape' working party was proposed to look at
 - Triple-lock
 - Auto-protection
 - Pensions Dashboard
- Focus on the dashboard



What we are planning to cover today

- The story so far
- What we think the dashboard should include
- How we think this might be achieved
- Any questions?

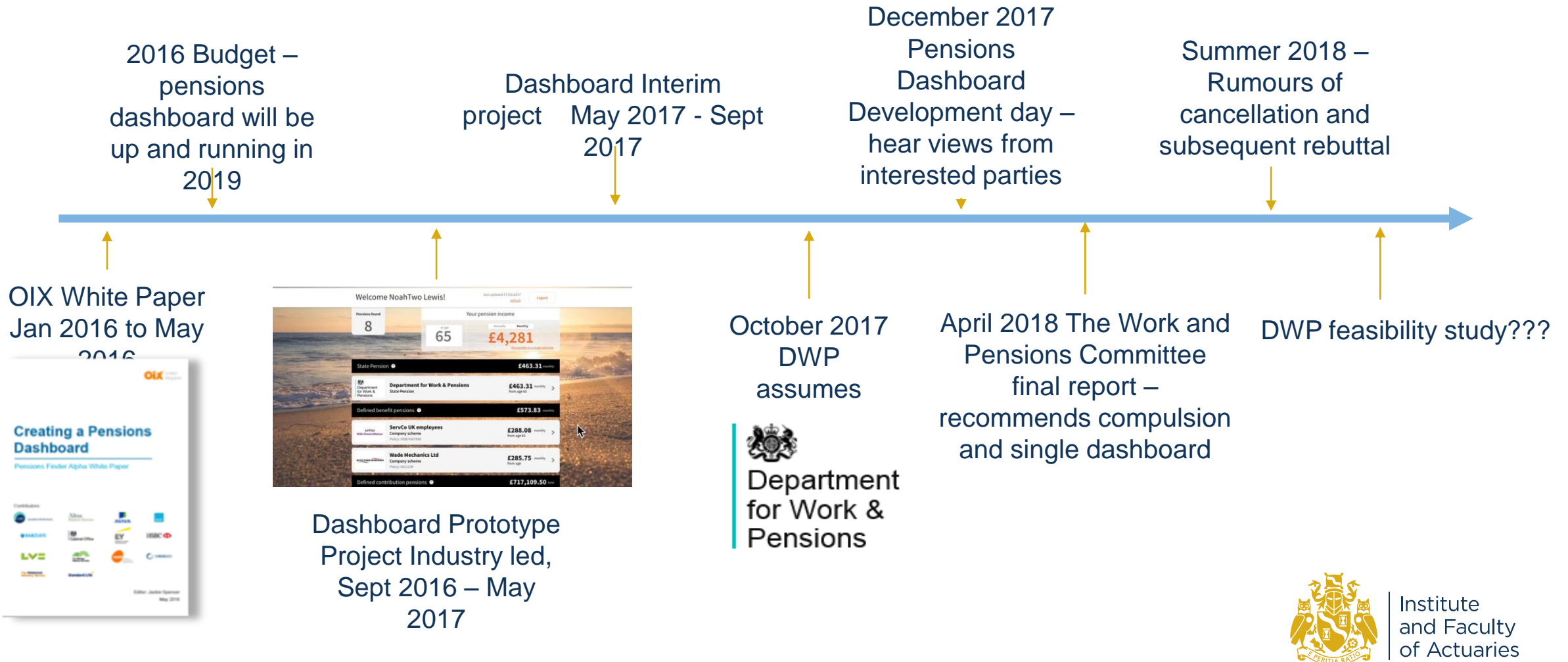


The story so far

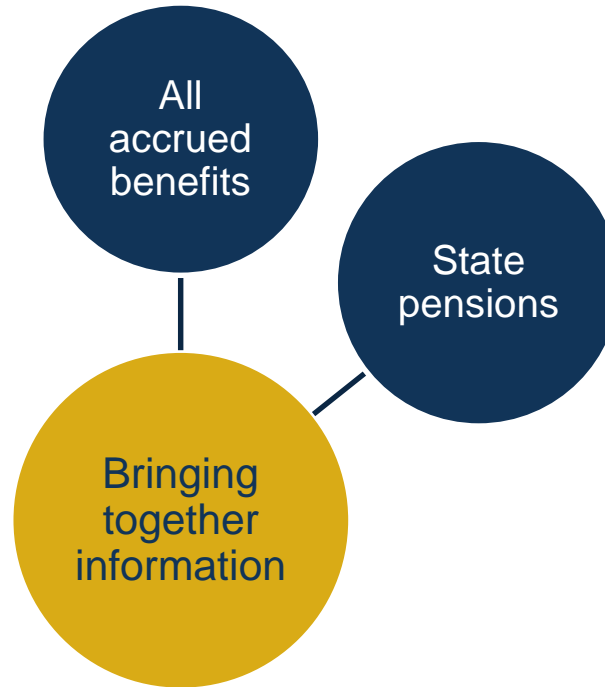
- What is the Pensions Dashboard?
 - Pensions Dashboard is a free-to-consumer online resource that enables people to find and check their pension savings. *OIX White Paper*
 - “The dashboard offers a great opportunity to give people straightforward access to their pension information in a clear and simple form – bringing together an individual’s savings in a single place online.” *The Minister for Pensions and Financial Inclusion's speech about the Pensions Dashboard, Pensions Dashboard Development Day, published 12 December 2017.*
- Why do we need a dashboard?
 - Engagement with pension savings
 - Information online
 - Lost benefits and many small benefits (multiple employments and auto-enrolment)
 - More retirement choice



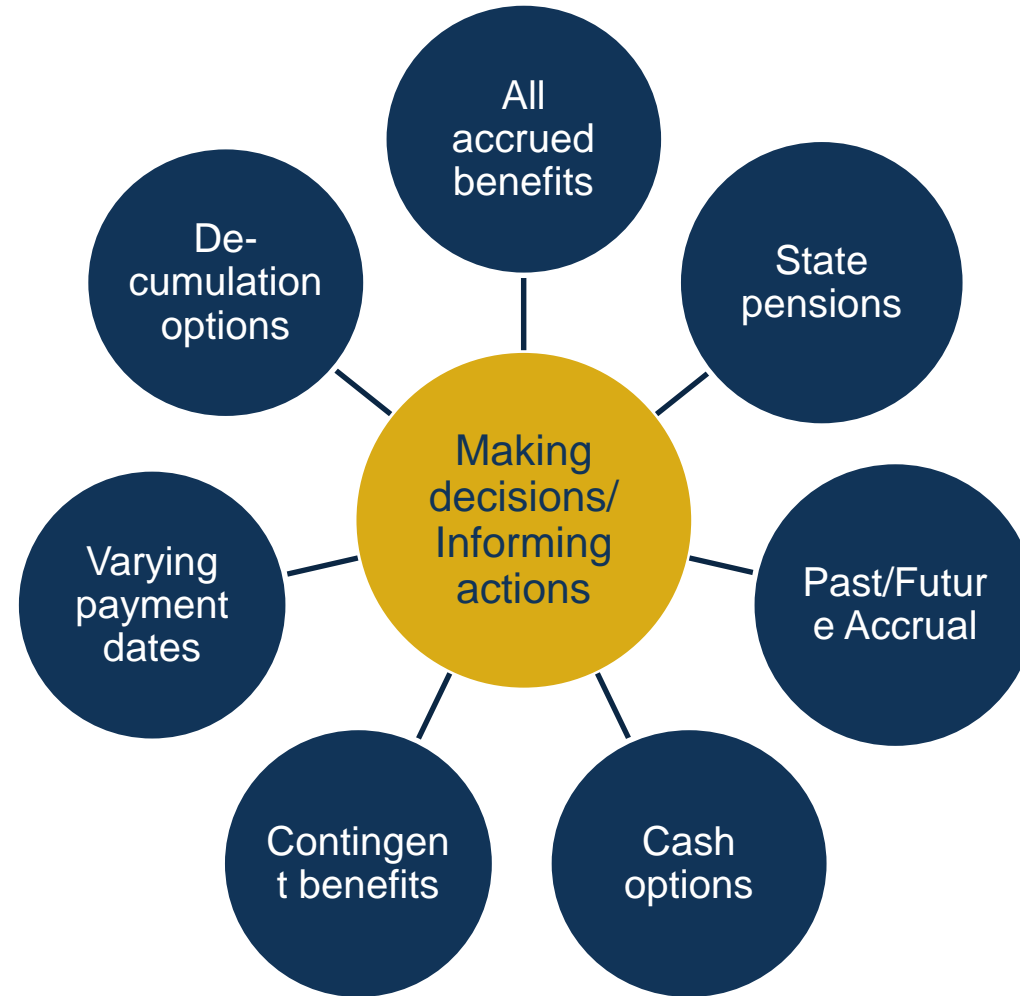
Timeline



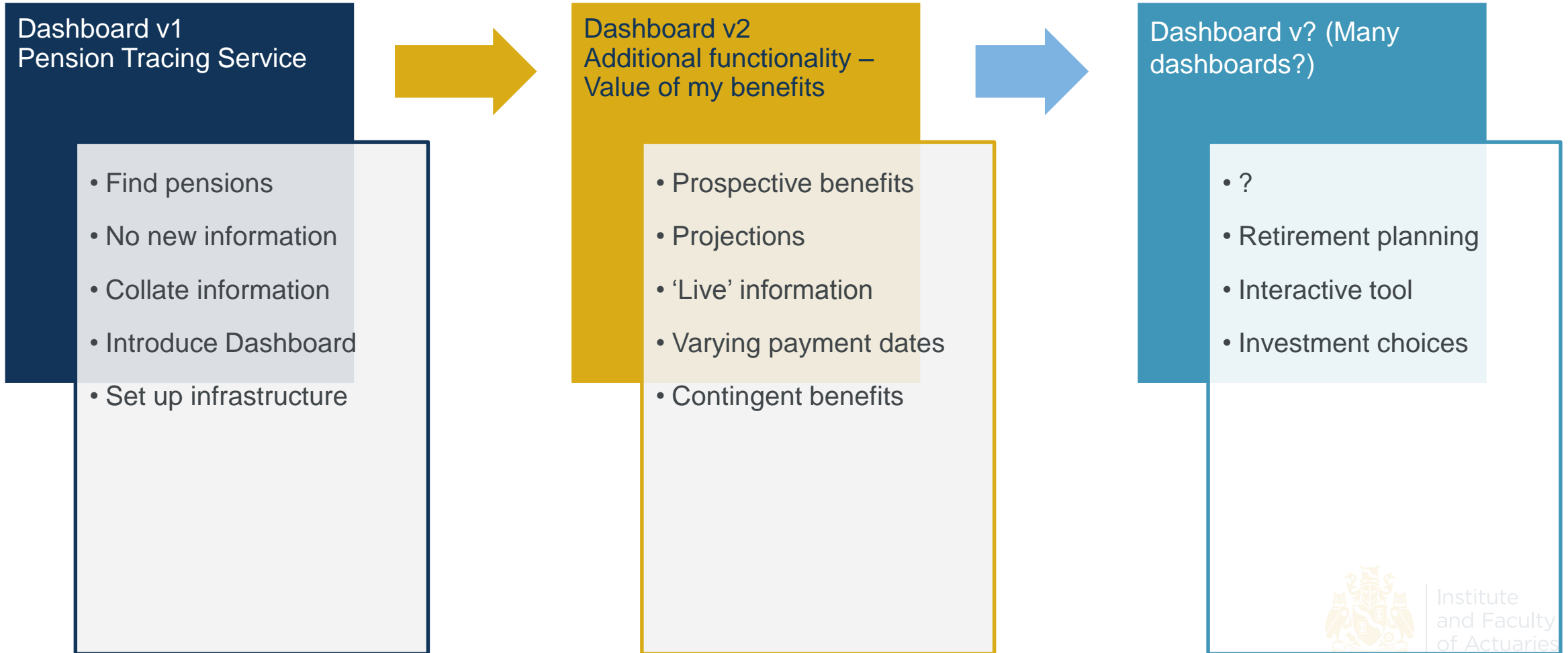
What should the Dashboard include?



What should the Dashboard include?



How do we deal with...including everything?



How do we deal with...DB and DC

Defined Benefit

- Default decumulation – scheme pension
- Normal Retirement Ages (varying by scheme and often multiple) crucial to interpreting accrued benefit promise
- Defined pension increases
- Defined survivors' benefits
- Option factors
- Market insensitive
- Limited choice of revaluation methods
- Fragmented occupational market

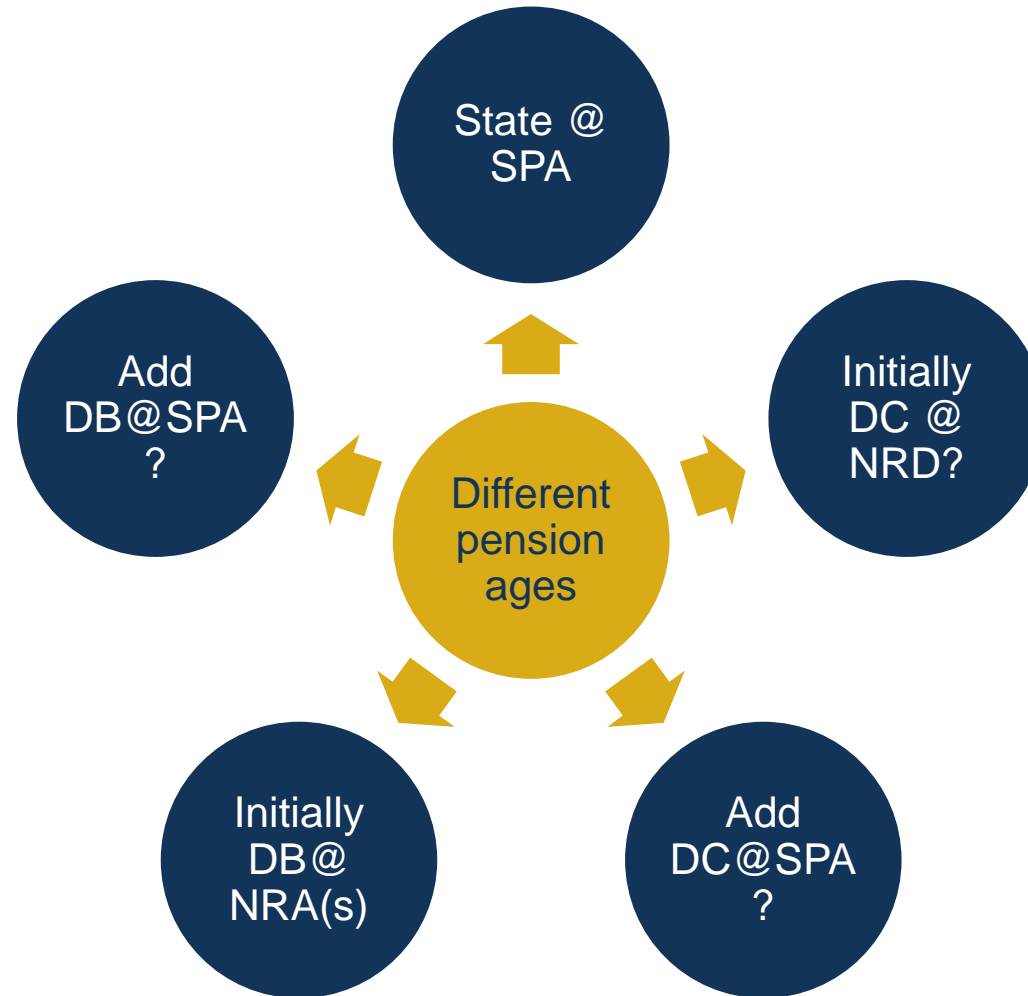


Defined Contribution

- No default decumulation option
- Normal Retirement Age irrelevant?
- Optional pension increases
- Optional survivors' benefits
- Factors less important?
- Market sensitive
- Expected returns on assets differ widely
- Concentrated occupational market, but lots of individual personal arrangements too



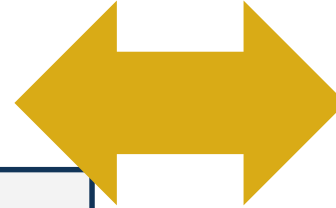
How do we deal with...DB and DC



Who sets DC expected return assumptions?

Provider-set

- Builds on SMPI approach, and can be consistent with it
- Captures variety and complexity of asset strategies, lifestyling and expenses.
- Can cope with scheme-specific features, e.g. guarantees and factors
- Requires providers to do projections (at least to retirement)?
- Expected return competition?

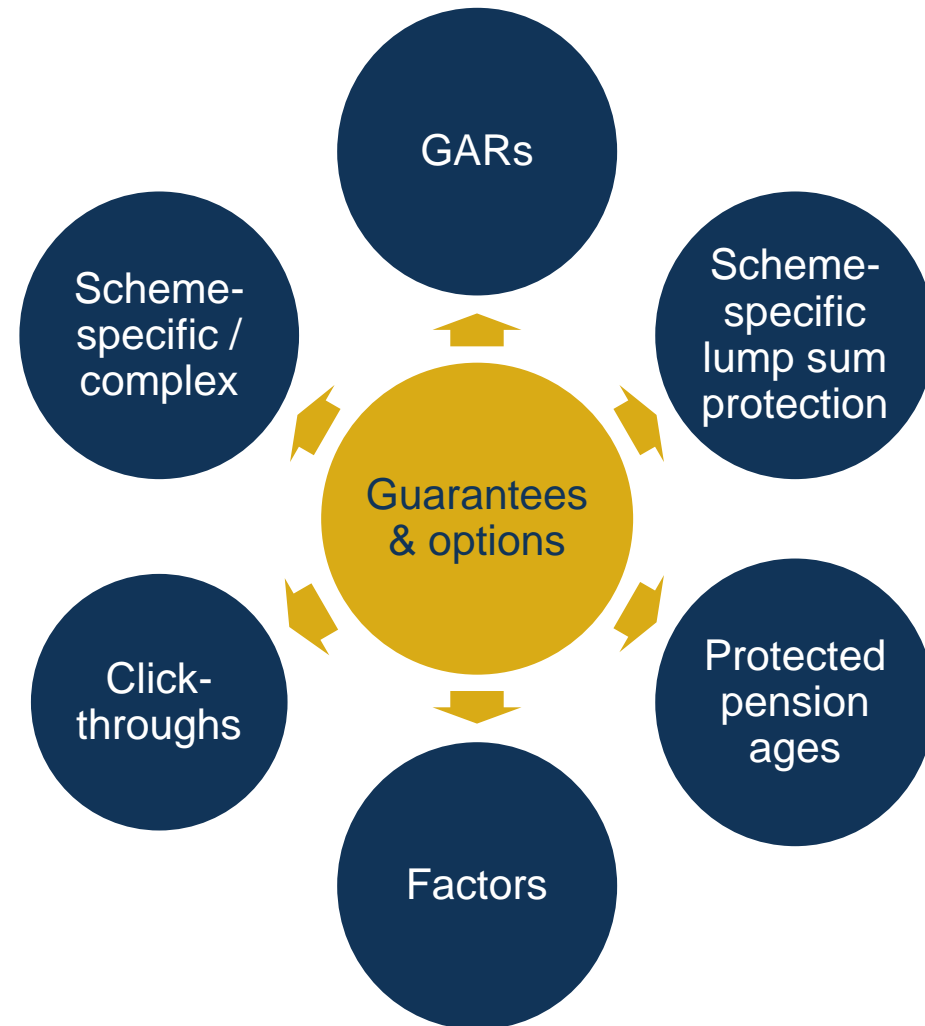


Dashboard-set

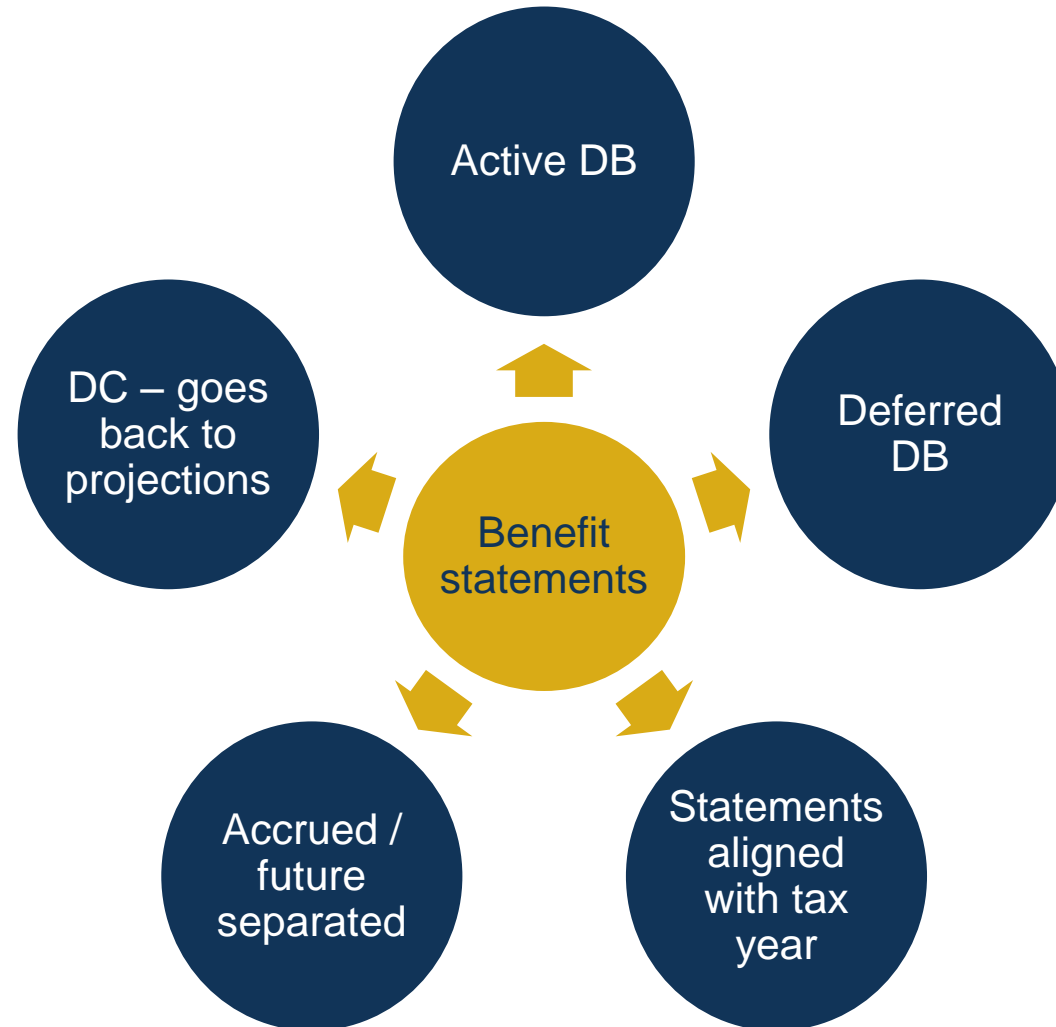
- Reduces provider work
- Same expected returns for similar assets
- Loses variety and complexity of asset strategies, lifestyling and expenses – and therefore less accurate?
- No scheme-specific features
- Inconsistency with SMPIs...unless SMPIs aligned with dashboard methodology



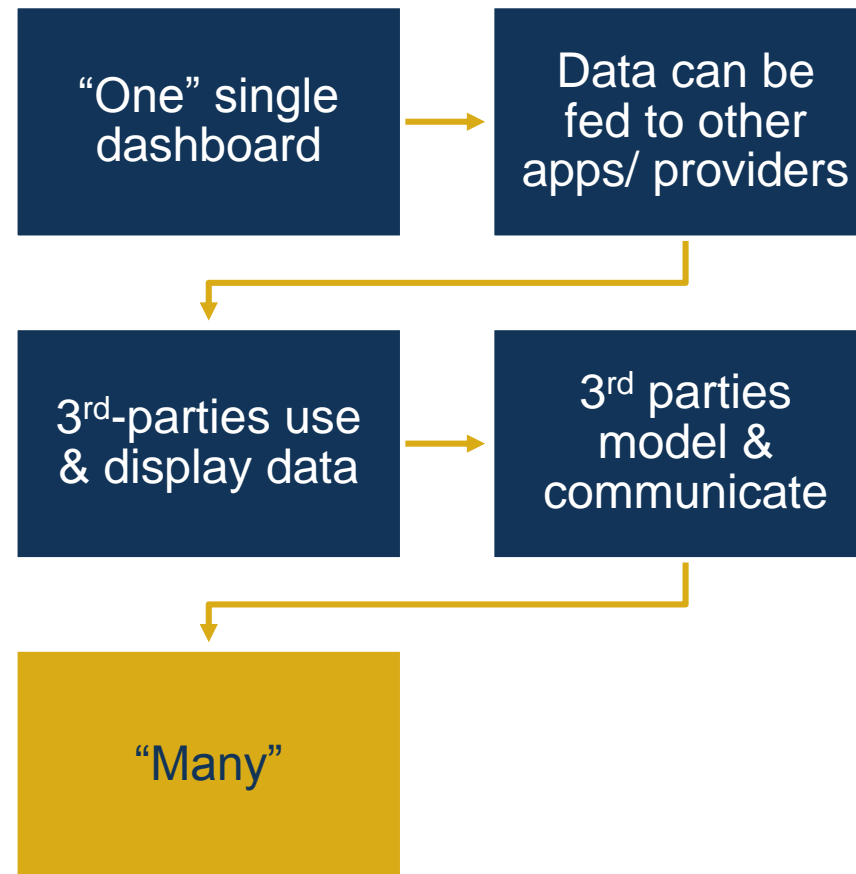
How do we deal with...guarantees and options?



How do we deal with...benefit statements?



One versus Many?



What happens next?

- Working party:
 - Further insight and working with key stakeholders
- Dashboard:
 - DWP Feasibility Study
 - Dashboard launched (2019?)



Questions

Comments

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