

Open consultation: Helping savers understand their pension choices

With a membership of close to half a million registered nurses, midwives, health visitors, nursing students, health care assistants and nurse cadets, the Royal College of Nursing (RCN) is the voice of nursing across the UK and the largest professional union of nursing staff in the world.

1. Do you feel that the information you receive from your pension scheme is enough for you to make informed decisions about using your pension savings, and if not, what do you think would have helped?

- 1.1. RCN members access a wide variety of pensions with different arrangements depending on employer or sector. However, the common themes amongst pension enquiries to the RCN concern a general lack of understanding on how pensions operate and what pension choices are available.
- 1.2. The RCN provide pensions information and offer a free consultation with an independent financial advisor however, employers often do little to encourage pensions uptake or to explain potential choices. The RCN would support a requirement on employers/administrators to deliver briefing sessions on pensions with paid time off for members to attend.

2. Do you feel that this information is clear and concise, and if not, how could it be improved?

- 2.1. Another common theme with pension enquires to the RCN concerns members not understanding the information they receive. The RCN believes members need to be presented with specific information with examples of how much various decumulation products may yield.

3. As an occupational pension saver, do you expect your pension scheme to offer you guidance and support on the options available to you when accessing your pension, and if you do, what do you think that should look like?

- 3.1. The RCN expects pension schemes to offer guidance and support on the options available and indeed, many do. However, there is not a 'one size fits all' option with such support. Pension members have different aptitudes and learning styles. Therefore, a range of support must be offered including

written advice, video explainers and face to face options, both group and individual sessions.

3.2. Recognising the difficulties that nurses may have in finding time available during their working day to access pension information, having it provided in a variety of formats (such as videos and infographics) is likely to be more flexible for them.

3.3. We are aware that many nursing staff are not supported by their employers to access compulsory training and development opportunities during their working hours. Nursing staff are therefore often expected to stay after their shifts or use their personal time to access necessary resources. As such pension schemes should be sensitive to the working environment of their customers when providing guidance.

4. Thinking about other potential sources of information and support, aside from your scheme, who do you see providing these and what do you expect from them?

4.1. The RCN believes support and involvement of the employer is key. Employers should grant paid time off for members to attend pensions sessions and/or access the necessary information. Trade unions can (and do) play a role, particularly in more partnership-oriented workplaces.

5. What information do members need in the run up to retirement such as from age 40-50?

5.1. The RCN believes members aged 40-50 should receive information to assess their understanding of risk and then help them determine their attitude to risk. Additionally, such members should be offered examples of financial models on how market fluctuation may impact both their pension pot and potential benefit.

6. What information do members need from age 50?

6.1. The RCN believes members aged 50 require information on pension freedoms and specific information on the potential yield of various decumulation products. Emphasis should be placed on planning for the future in the context of average life expectancy.

7. Should Nest be able to deliver the full range of income solutions for members unwilling or unable to access decumulation options without support?

7.1. Yes.

8. What products or lifestyle strategies should providers give?

8.1. The RCN believes providers should aim to provide as full a range of products and lifestyles strategies as possible. This should entail:

8.1.1. Multiple products based on attitude to risk beyond a simple low, medium high option.

8.1.2. Investing in long term growth options early/earlier during working life

8.1.3. Protecting the value of investments with lower risk option closer to retirement.

9. How could CDCs work in practice in the DC decumulation market?

9.1. The RCN is supportive of greater member choice with appropriate member safeguards. We consider for CDCs to work in practice in the decumulation market, uptake of at scale will be required.

10. In your opinion, would a structured solution in the style of investment pathways benefit members with trust-based pensions, and why?

10.1. Yes. Investment pathway options offer a better insight to members on the merits of various option in the context of their retirement plans.

For further information, please contact:

Chris Musgrave, National Officer, Employment Relations Department

chris.musgrave@rcn.org.uk 020 8253 9180.