Who are we?

- Last year the IFoA advertised for members for several working parties
- We are on the ‘Future Pensions Landscape’ working party
- Glyn Bradley, Chair and Anika Nicholson, Deputy Chair
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

2016 Budget – pensions dashboard will be up and running in 2019

Dashboard Interim project May 2017 - Sept 2017

December 2017 Pensions Dashboard Development day – hear views from interested parties

DWP feasibility study

OIX White Paper Jan 2016 to May 2016

Dashboard Prototype Project Industry led, Sept 2016 – May 2017

October 2017 DWP assumes responsibility

Department for Work & Pensions

April 2018 The Work and Pensions Committee final report – recommends compulsion and single dashboard

What should the Dashboard include?

All accrued benefits

State pensions

Bringing together information
What should the Dashboard include?

- All accrued benefits
- State pensions
- Past/Future Accrual
- Varying payment dates
- Contingent benefits
- Cash options
- De-cumulation options

Making decisions/Informing actions

How do we deal with...including everything?

Dashboard v1
Pension Tracing Service
- Find pensions
- No new information
- Collate information
- Introduce Dashboard
- Set up infrastructure

Dashboard v2
Additional functionality – Value of my benefits
- Prospective benefits
- Projections
- 'Live' information
- Varying payment dates
- Contingent benefits

Dashboard v? (Many dashboards?)
- ?
- Retirement planning
- Interactive tool
- Investment choices
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

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**Different pension ages**

- State @ SPA
- Add DB@SPA?
- Initially DB@NRA(s)
- Add DC@SPA?
- Initially DC@NRD?
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?

GARs

Scheme-specific / complex

Click-throughs

Factors

Guarantees & options

Scheme-specific lump sum protection

Protected pension ages
How do we deal with...benefit statements?

Active DB

DC – goes back to projections

Deferred DB

Benefit statements

Accrued / future separated

Statements aligned with tax year

One versus Many?

“One” single dashboard

Data can be fed to other apps/providers

3rd-parties use & display data

“Many”

3rd-parties model & communicate

“Many”
What happens next?

• Working party:
  – Further presentations
  – Complete paper

• Dashboard:
  – DWP Feasibility Study
  – Dashboard launched (2019?)

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