

Employee Attitudes to Pensions & Retirement Savings

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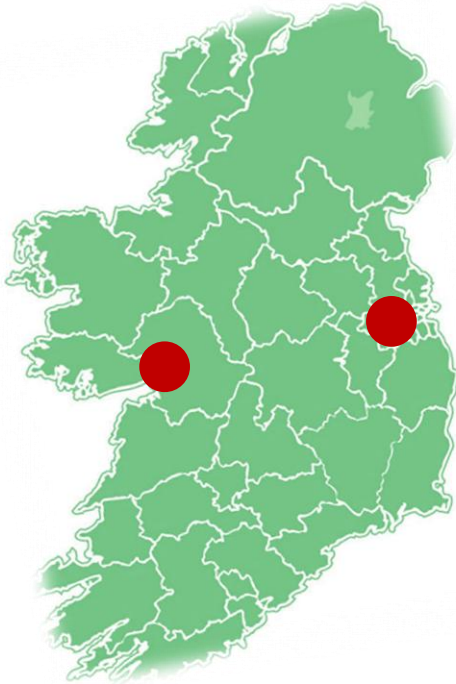
HP Ireland & IAPF Survey

Why we took part?

- ✓ support work of IAPF
- ✓ add to pension education in IAPF community
- ✓ valuable opportunity to survey staff via independent source
- ✓ information gathered will be fed into ongoing organisational pensions communications strategy



HP in Ireland



Mid 1980's

1900 + Permanent Employees

70:30 gender balance

Schemes - Main scheme is DC

2 legacy DB



What do our employees think of their pension scheme?

Section 1: Understanding

What do employees know about pensions in general and their scheme in particular

Section 2: Valuing

How much do employees value the pension scheme in relation to the other elements of their comp. & bens. package?

Section 3: Communications & Engagement

How well are we delivering the pensions message to encourage greater engagement with and ownership of each individual's retirement savings?



Methodology

General results	
Response Rate	21.5%
Female Respondents	29.1%
Male Respondents	70.8%
20-35 yr olds	19.2%
36-45 yr olds	43.3%
46 yrs +	37.6%
Do you know what a pension is?	98.9%



The word... 'Pension'



Growing Old



Saving



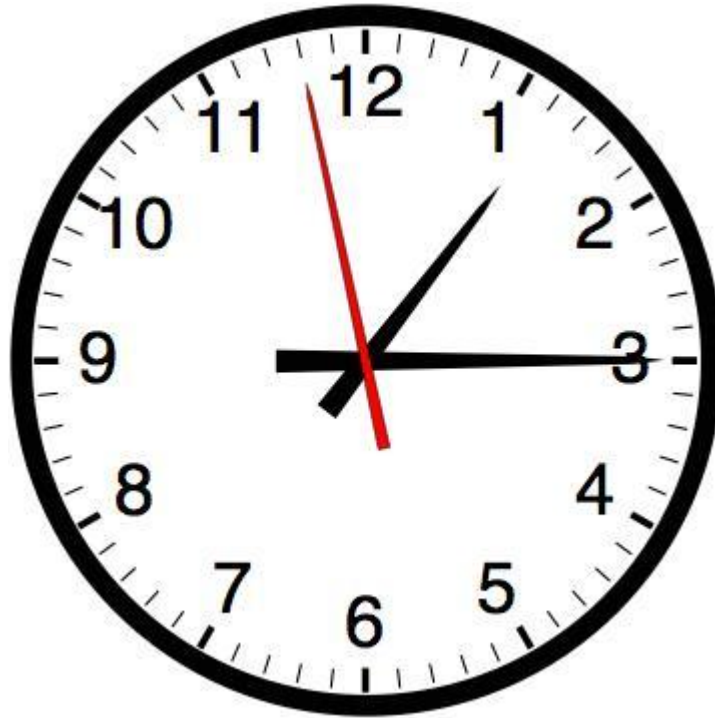
The word... 'Pension'

		Millennials			GEN X		BABY BOOMERS
	All	20-25	26-30	31-35	36-40	41-45	46 & over
Old people	9%	0.0%	31.3%	13.6%	11.3%	5.1%	5.8%
Saving for my future	74%	50.0%	43.8%	75.0%	72.6%	80.8%	75.2%
Investment Risk	11%	0.0%	18.8%	9.1%	8.1%	6.4%	15.7%
Taxation	2%	50.0%	0.0%	0.0%	4.8%	1.3%	0.8%
Other	4%	0.0%	6.3%	2.3%	3.2%	6.4%	2.5%



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The word... 'Retirement'



The word... 'Retirement'

	All	Millennials			GEN X		BABY BOOMERS
		20-25	26-30	31-35	36-40	41-45	46 and over
Travel	15%	50.0%	12.5%	20.5%	8.1%	15.4%	17.4%
Free time	75%	50.0%	81.3%	68.2%	82.3%	75.6%	72.7%
Golf	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Poverty	7%	0.0%	6.3%	6.8%	4.8%	5.1%	9.1%
Illness	2%	0.0%	0.0%	2.3%	4.8%	2.6%	0.0%
More money	1%	0.0%	0.0%	2.3%	0.0%	1.3%	0.8%

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Perceived retirement?



202 HP members surveyed **NOT GETTING** State Pension until they reached 68

Over 72% had no idea this was the case

41% would like to retire btw 60 & 65yrs

Over 70% of those had **NO IDEA** how much they need to have saved to have a pension valued at 50% their current salary on retirement



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Realistic retirement

32% see themselves working to 69 and over

Main group that saw themselves working longer
= 20-35 yr olds @ 41.3%

Why? Unprecedented financial challenges = working longer than their parents' generation



"By the time I get there (retirement) I expect the retirement age to be 75+ "

"struggling to keep mortgage payments going"

"Why should I focus on this pension thing that's going to be a moving target down the road, when we're in trouble now?"

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* Aegon: *The Changing Face of Retirement: The Young, Pragmatic and Penniless Generation*



Do employees still value their pension scheme?



Benefits Valued by HP Employees		
	Most Valued	Least Valued
Bonus	83%	3.7%
Pension Scheme	81.4%	4%
Insurance	73.7%	5.3%
Increased Leave	45.8%	18.6%
Other Benefits	25.4%	34.7%



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HP & IAPF PQS Award



PENSIONS
QUALITY
STANDARD



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Communications



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What did we learn?



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Communications

More Pensions Information?

82% said Yes Please!

But

85% of these want it in
“Plain Simple English”



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Education

“Who is responsible for educating you about the importance of retirement saving?”

12% = Employer

67% = Themselves

“I should be more comfortable with it but I'm not because I don't take the time to understand it fully. I'd know where to comment on any improvements that should be implemented if I was more engaged with it.”



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What did we learn?



Our new method

- ✓ 100 % Electronic
- ✓ Plain and Simple English
- ✓ Simple brief Explanation
- ✓ No Waffle
- ✓ Set Format
- ✓ Directions to the online system

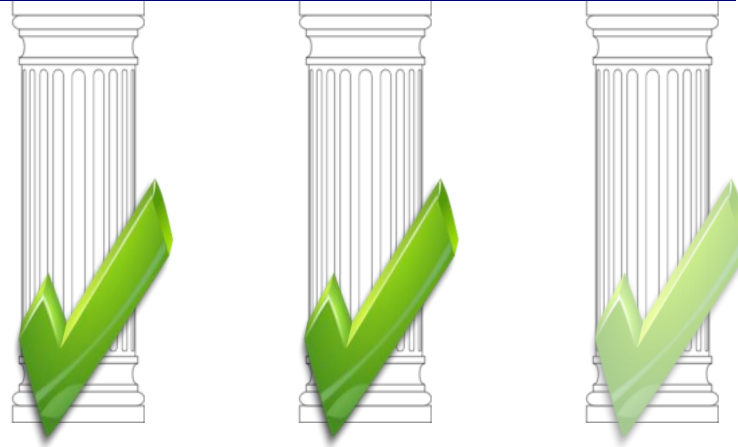
Results

- ✓ 56% Increased Engagement
 - ✓ 50% Increased Usage
 - ✓ Avg 15% increase in user activity following Pension email comms
 - ✓ Online = measurable
- IT WORKS!!**



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PENSIONS



- Educate employees about HP pension scheme & using their on-line system
- Educate employees about Investment & Risk
- Educate employees about financial options on retirement

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The future...

- ✓ Strengthen pillars 1 and 2 of our strategy
- ✓ Significant work on pillar 3
 - 32% of workforce see themselves working until 69 and beyond
 - 72% of workforce don't know options available to them on retirement
- ✓ Continuous education of HP workforce



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*Your Future
is Bright!*

A landscape photograph featuring a bright sun low on the horizon, casting a golden glow over a green field. The sky is a mix of blue and yellow, with scattered white clouds. The overall mood is optimistic and bright.