

Pension Policy Around the World

Alistair Byrne
State Street Global Advisors

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Four steps to retirement success



Join the Plan



Pay in enough

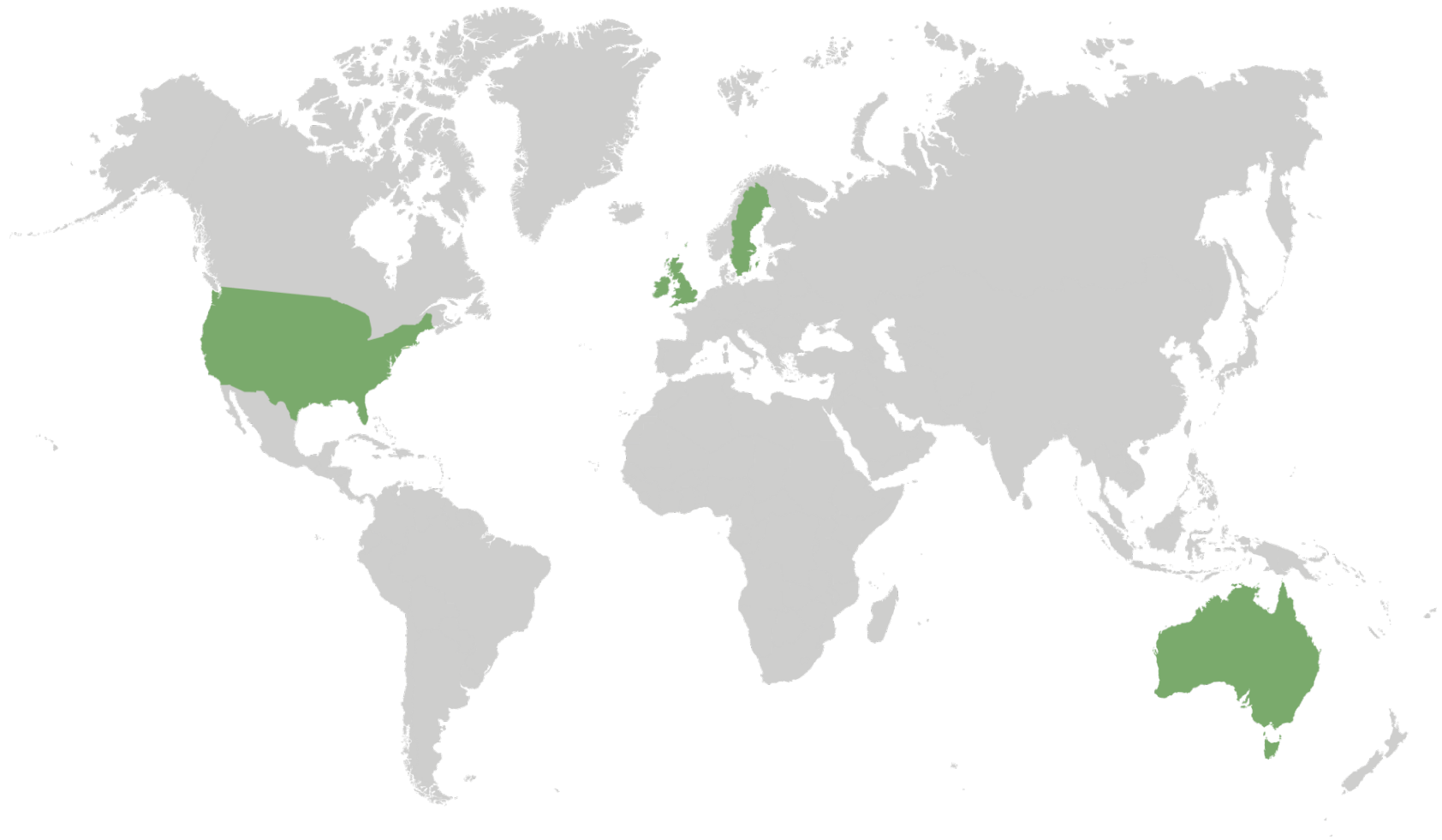


Invest wisely



Spend carefully



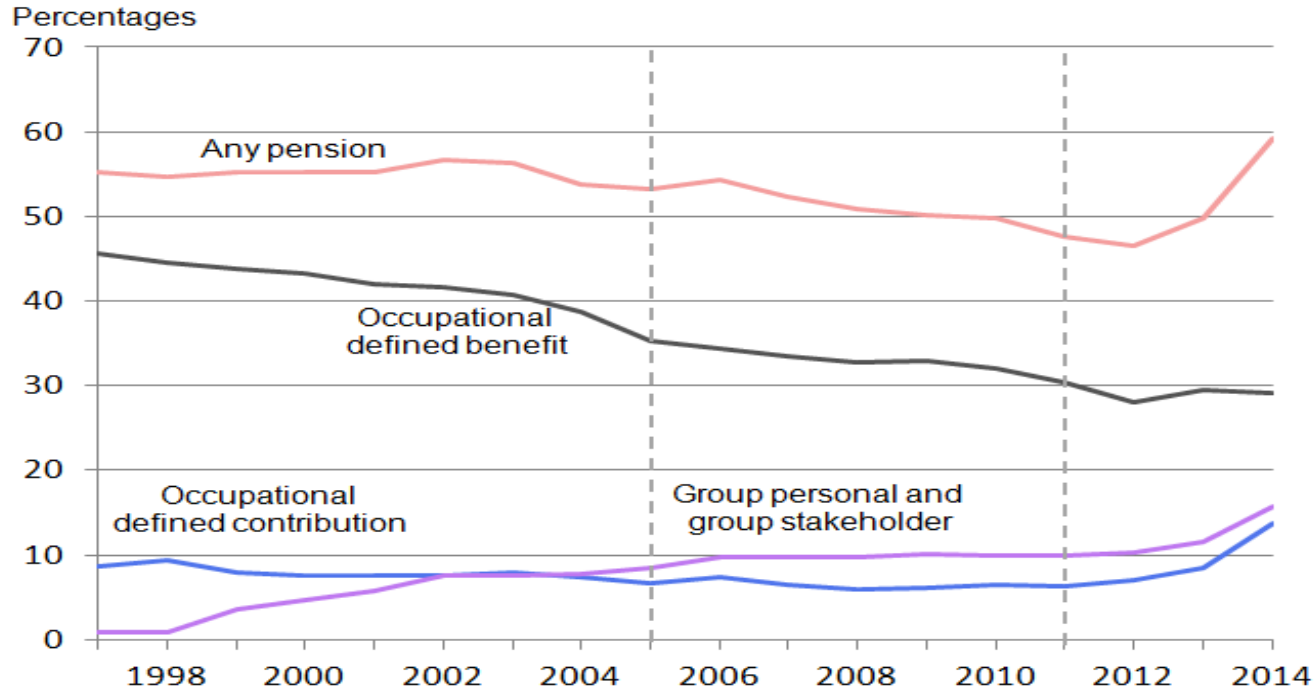


Join the plan

50%

Autoenrolment in the UK

Proportion of employees with workplace pensions: by type of pension, 1997 to 2014



Source: Office for National Statistics, Annual Survey of Hours and Earnings

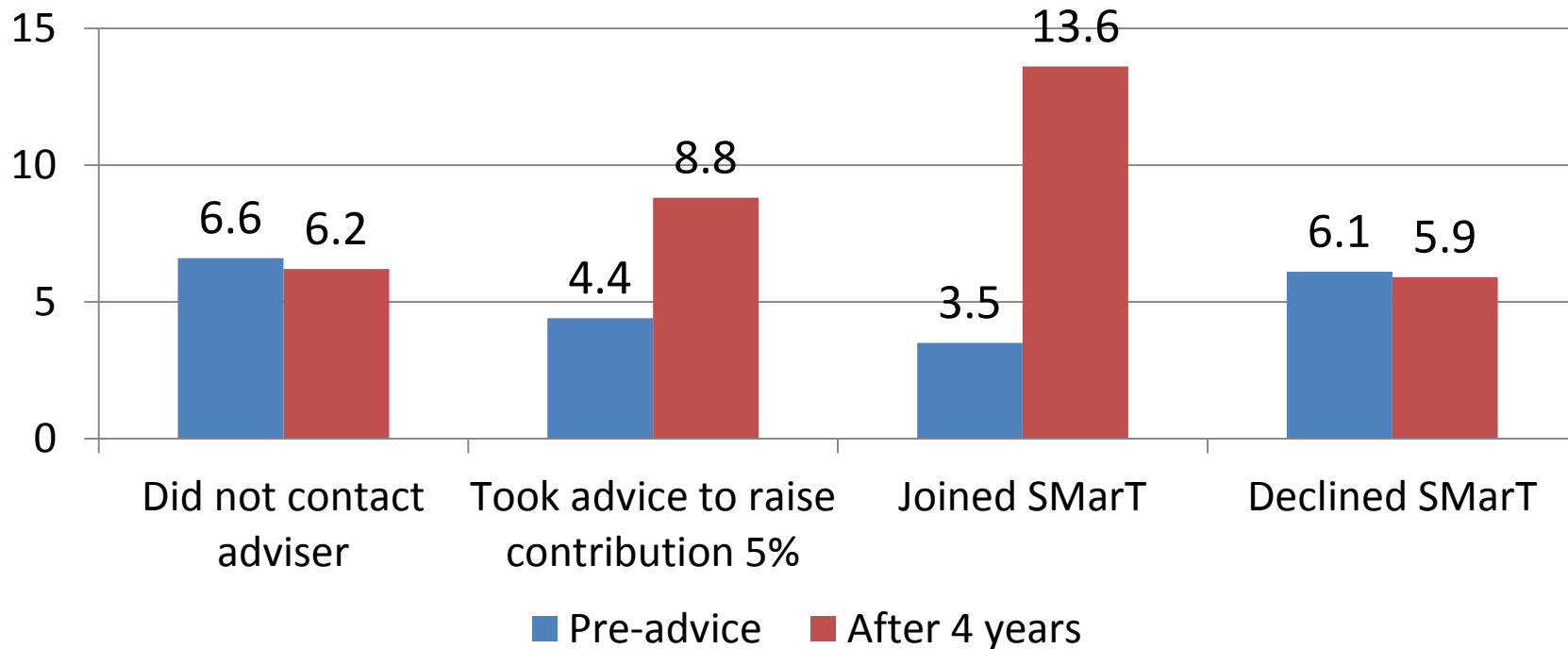
<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacepensions/bulletins/annualsurveyofhoursandearningspensiontables/2015-02-26>

Pay in enough



Save More Tomorrow™

Contribution
rates in %



Source: Thaler and Benartzi 'Save More Tomorrow' Journal of Political Economy, 2004.

Invest wisely

Investment choice in Sweden

	Default	Self-select
% of members	33%	67%
Average % to Swedish Equities	17%	48%
Average management fee	0.17%	0.77%
Performance (Oct 2000- Oct 2003)	-30%	-40%

Source: Cronqvist and Thaler 'Design Choices in Privatised Social Security Systems: Learning from the Swedish Experience' American Economic Review, 2004.
Past performance is not a guarantee of future results.
The information contained above is for illustrative purposes only.

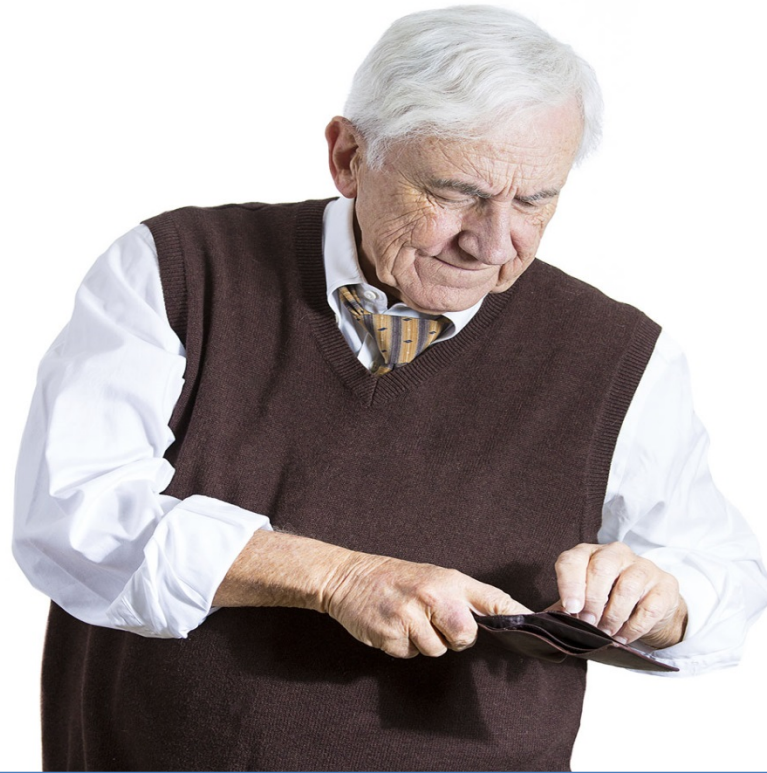
Spend carefully

“I am announcing today that we will legislate to remove all remaining tax restrictions on how pensioners have access to their pension pots. Pensioners will have complete freedom to draw down as much or as little of their pension pot as they want, anytime they want.”

No caps. No drawdown limits.

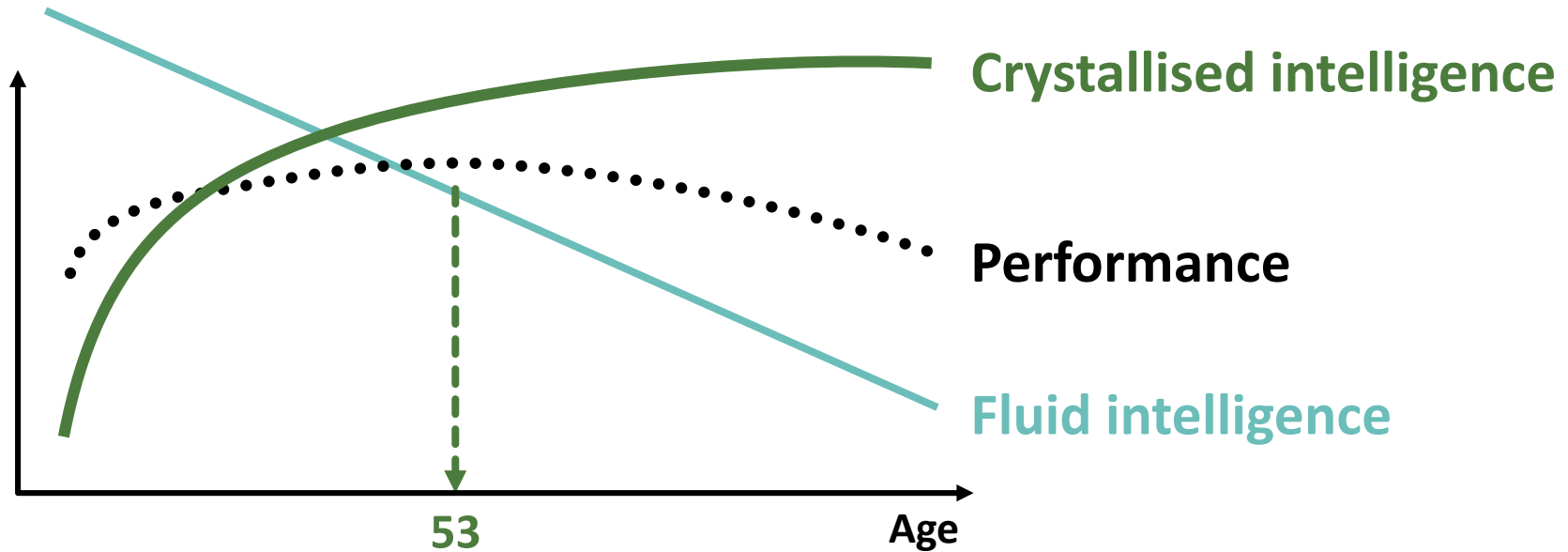
Let me be clear. No one will have to buy an annuity.

George Osborne, UK Chancellor, 2014 Budget Announcement



Source: ThinkStock; <http://www.thinkstockphotos.co.uk>

Decision making gets harder as you get older



Source: Laibson, Harvard University, "Behavioral Finance: Psychological Barriers to Optimal Investing", 2014 Presentation. The information contained above is for illustrative purposes only.

In conclusion



Join the Plan

Autoenrolment



Pay in enough

Autoescalation / SMT



Invest wisely

Smart defaults



Spend carefully

Deferred annuities

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