THE IDEAL PENSION SCHEME

Niall O'Callaghan, Mercer

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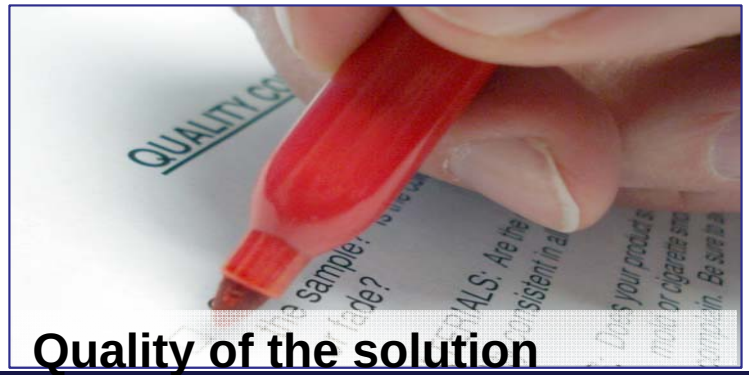
TALENT • HEALTH • RETIREMENT • INVESTMENTS

4 critical factors



The Pensions Landscape

1. Simplify the system
2. Auto - enrolment

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4 critical factors

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Scheme Design

1. Target
2. Contributions
3. Framework

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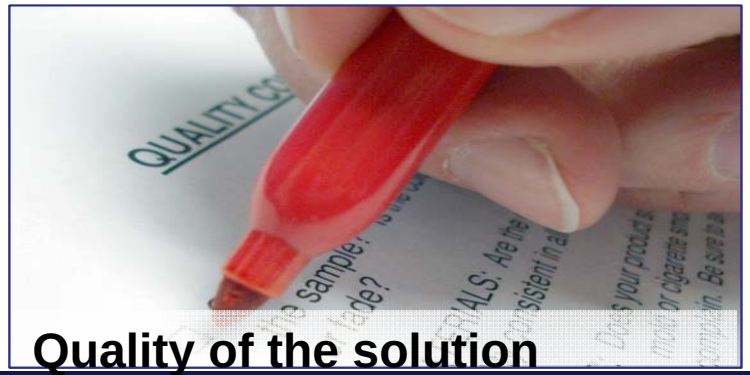
4 critical factors



Quality of the Solution

1. Member Zones
2. Investment Framework
3. Default option

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Member Zones

It's about building simple connections

"Do It For Me"	"Help Me Do It"	"Leave Me To It"
I like to make one decision that will last for a long time	*I like to think about this every two or three years*	*I just want the information and I'll take it from there*

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Investment Framework

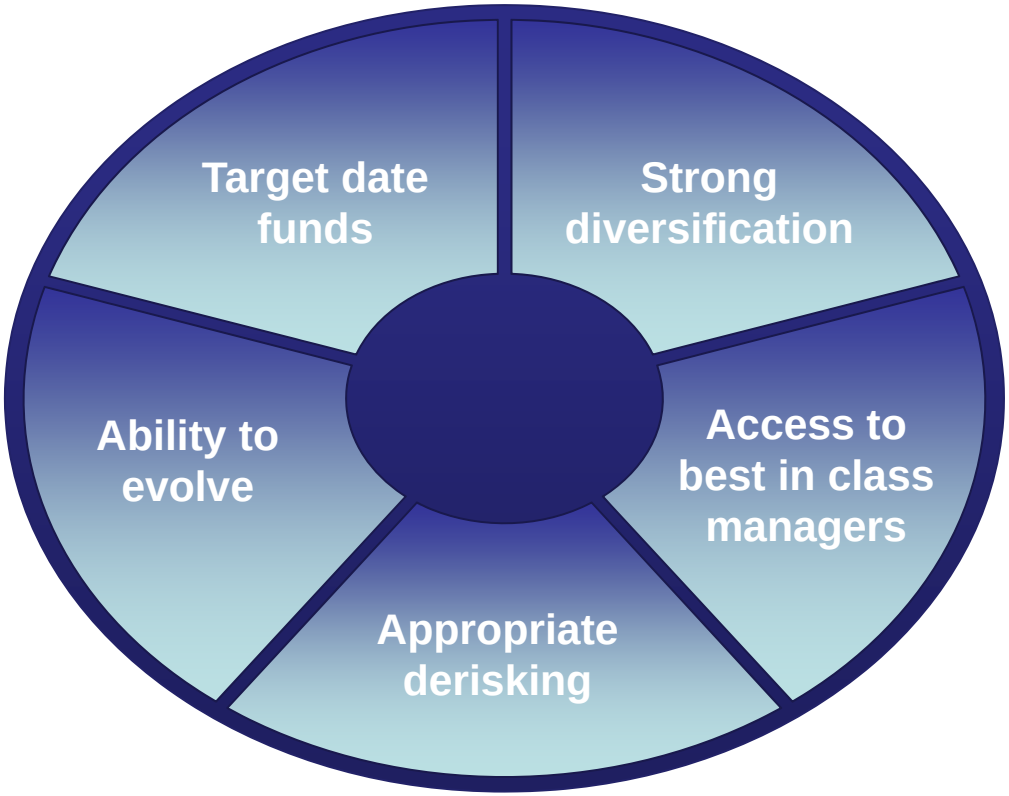
White labelled risk-rated funds

Enables trustees to dynamically change the investments without expensive communication and transition programmes

Facilitates a focus for members on the items of importance by removal of a layer of complexity in the decision making process

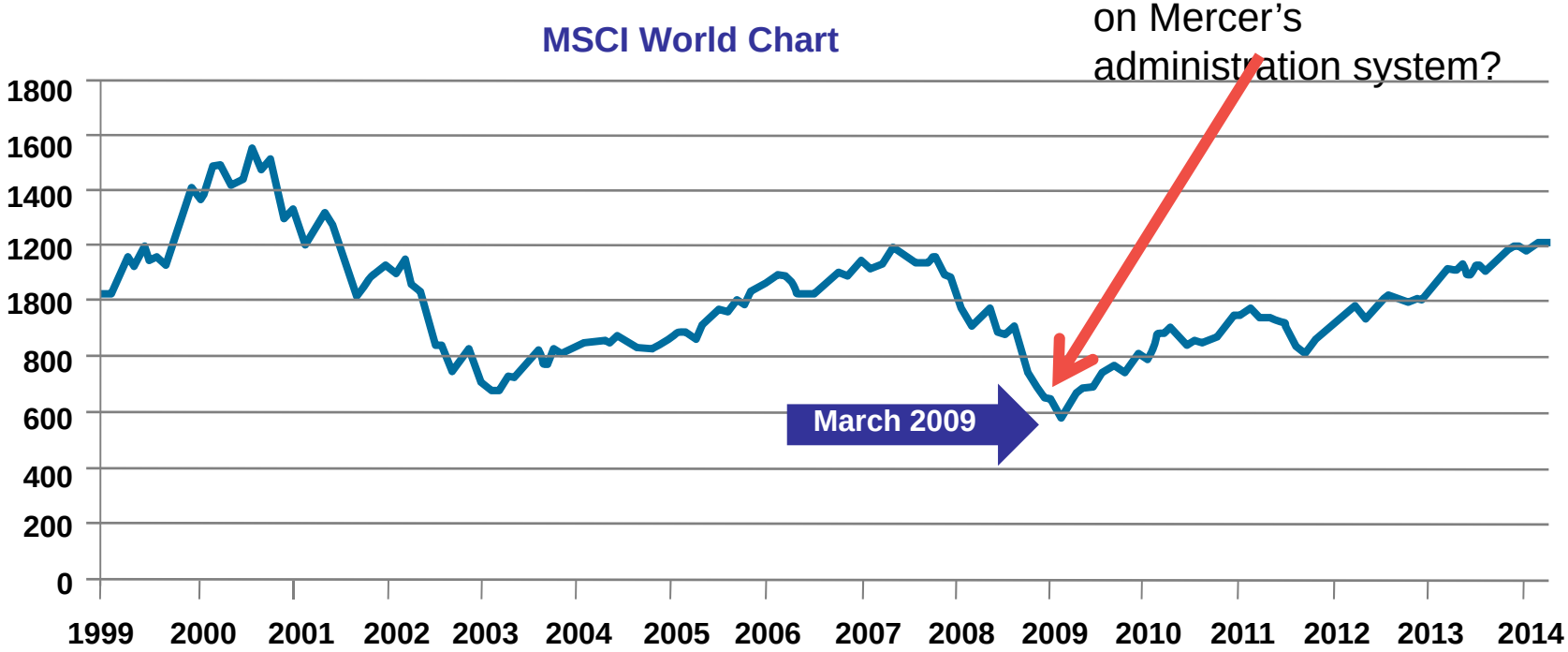
It's about building simple connections

Default Investment Option

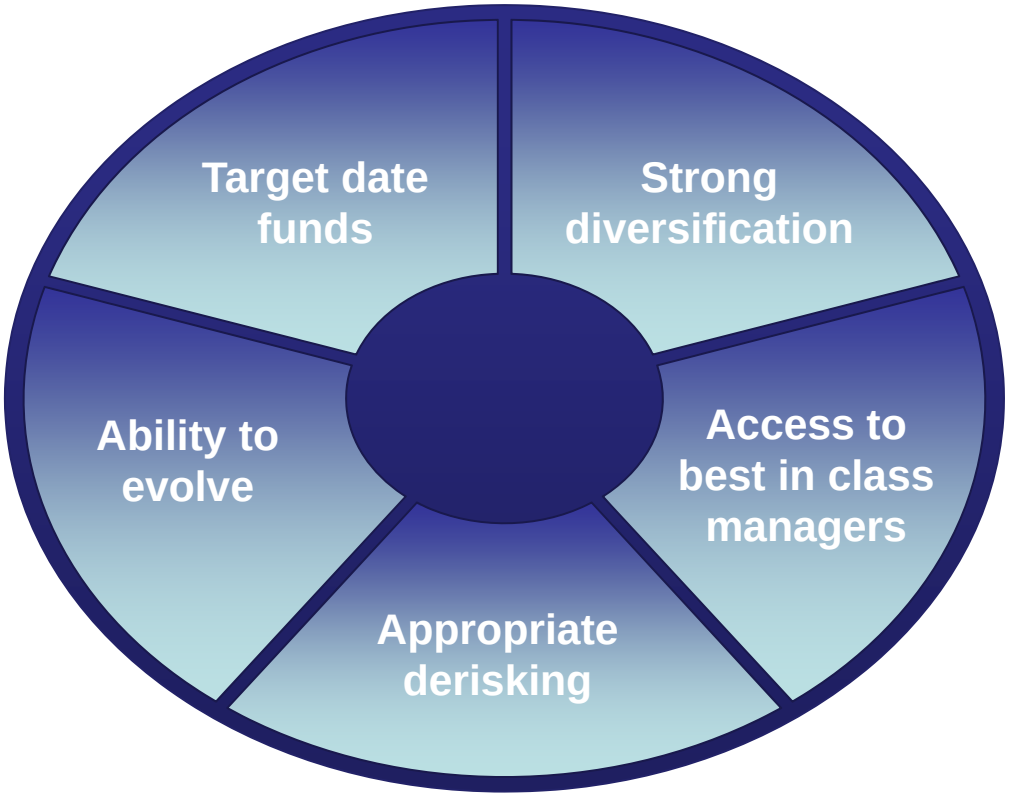


Diversification

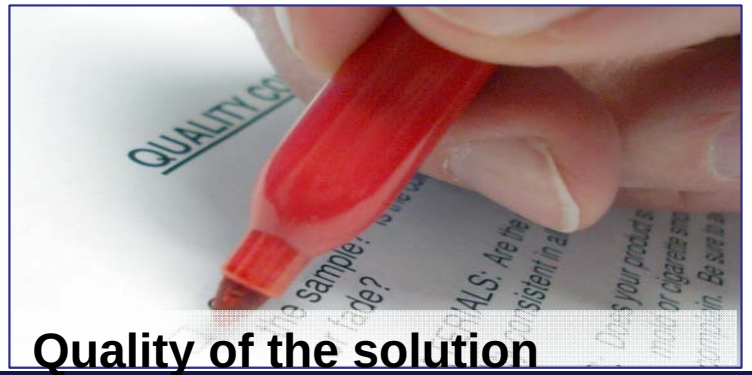
Highest volume of switches on Mercer's administration system?



Default Investment Option



4 critical factors



How we communicate & engage

Earning years | Nearing retirement | Retirement

30 Years

40 Years

50 Years

60 Years

Retirement

Member Website

Member Helpline

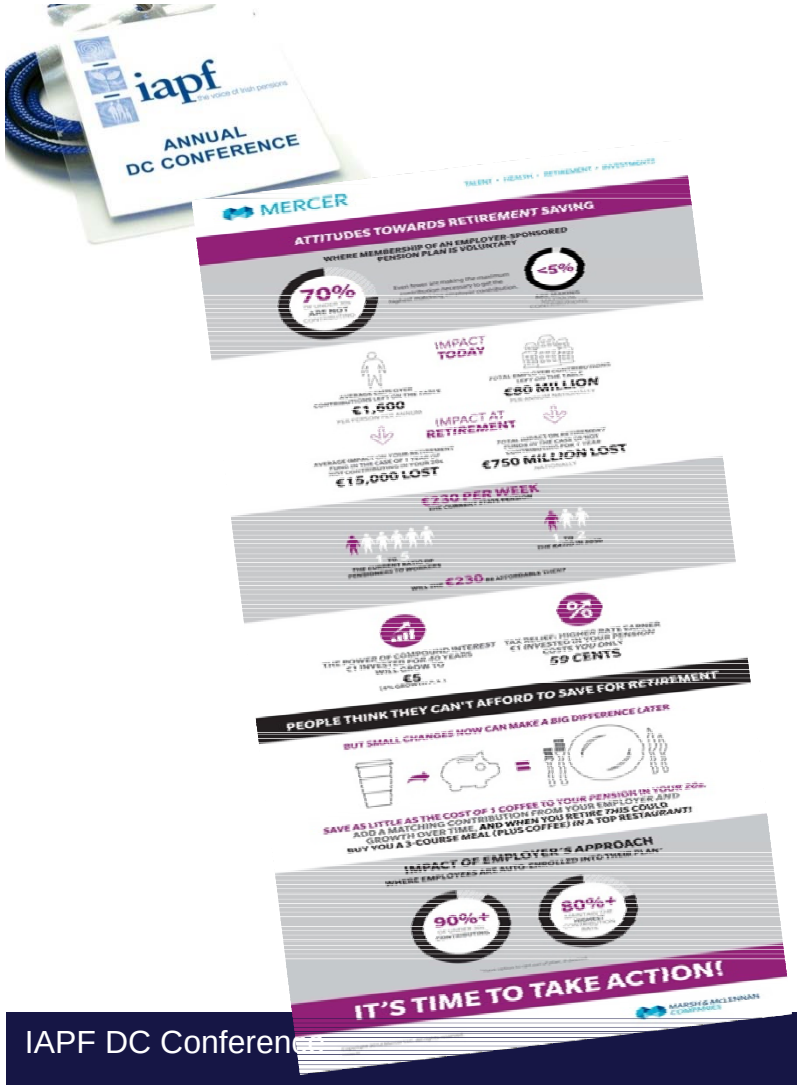
Emails

Booklets

Presentations

Newsletters

One to one meetings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ANNUAL
DC CONFERENCE
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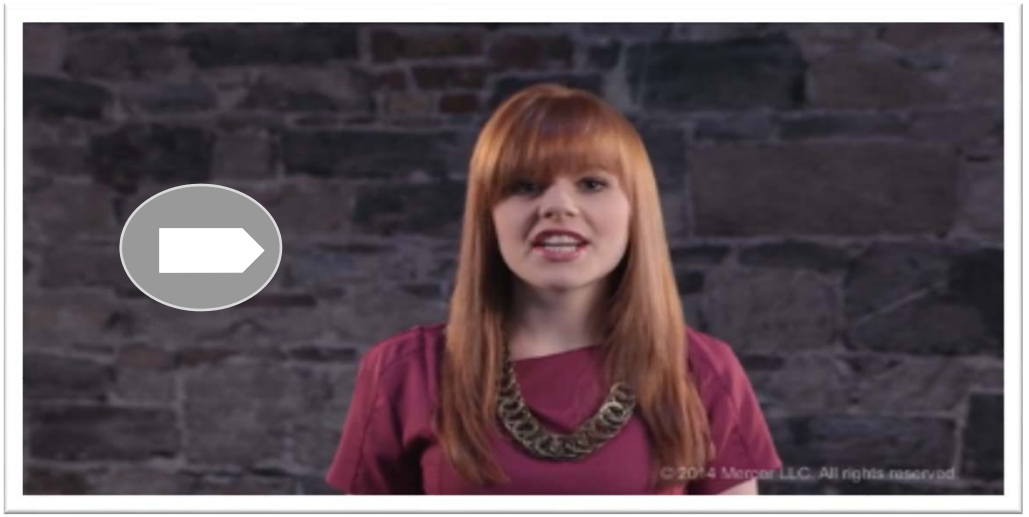
ATTITUDES TOWARDS RETIREMENT SAVING
WHERE MEMBERSHIP OF AN EMPLOYER-SPONSORED PENSION PLAN IS VOLUNTARY
70%
<5%
IMPACT TODAY
€1,600
€80 MILLION
IMPACT AT RETIREMENT
€15,000 LOST
€750 MILLION LOST
€230 PER WEEK
€230
THE POWER OF COMPOUND INTEREST
€1 INVESTED FOR 40 YEARS
WILL GROW TO
€5
TAX RELIEF: HIGHER RATE EARNER
€1 INVESTED IN YOUR PENSION*
COSTS YOU ONLY
59 CENTS
PEOPLE THINK THEY CAN'T AFFORD TO SAVE FOR RETIREMENT
BUT SMALL CHANGES NOW CAN MAKE A BIG DIFFERENCE LATER
SAVE AS LITTLE AS THE COST OF 1 COFFEE TO YOUR PENSION IN YOUR 20s.
ADD A MATCHING CONTRIBUTION FROM YOUR EMPLOYER AND
GROWTH OVER TIME, AND WHEN YOU RETIRE THIS COULD
BUY YOU A 3-COURSE MEAL (PLUS COFFEE) IN A TOP RESTAURANT!
IMPACT OF EMPLOYER'S APPROACH
90%+
80%+
IT'S TIME TO TAKE ACTION!
MARSH & McLENNAN COMPANIES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Behavioural science

THANK YOU

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