

How UK DC schemes are using  
technology for better  
communication & decision making

Laura Myers – Lane Clark & Peacock

# How UK DC schemes are using technology for better communication & decision making

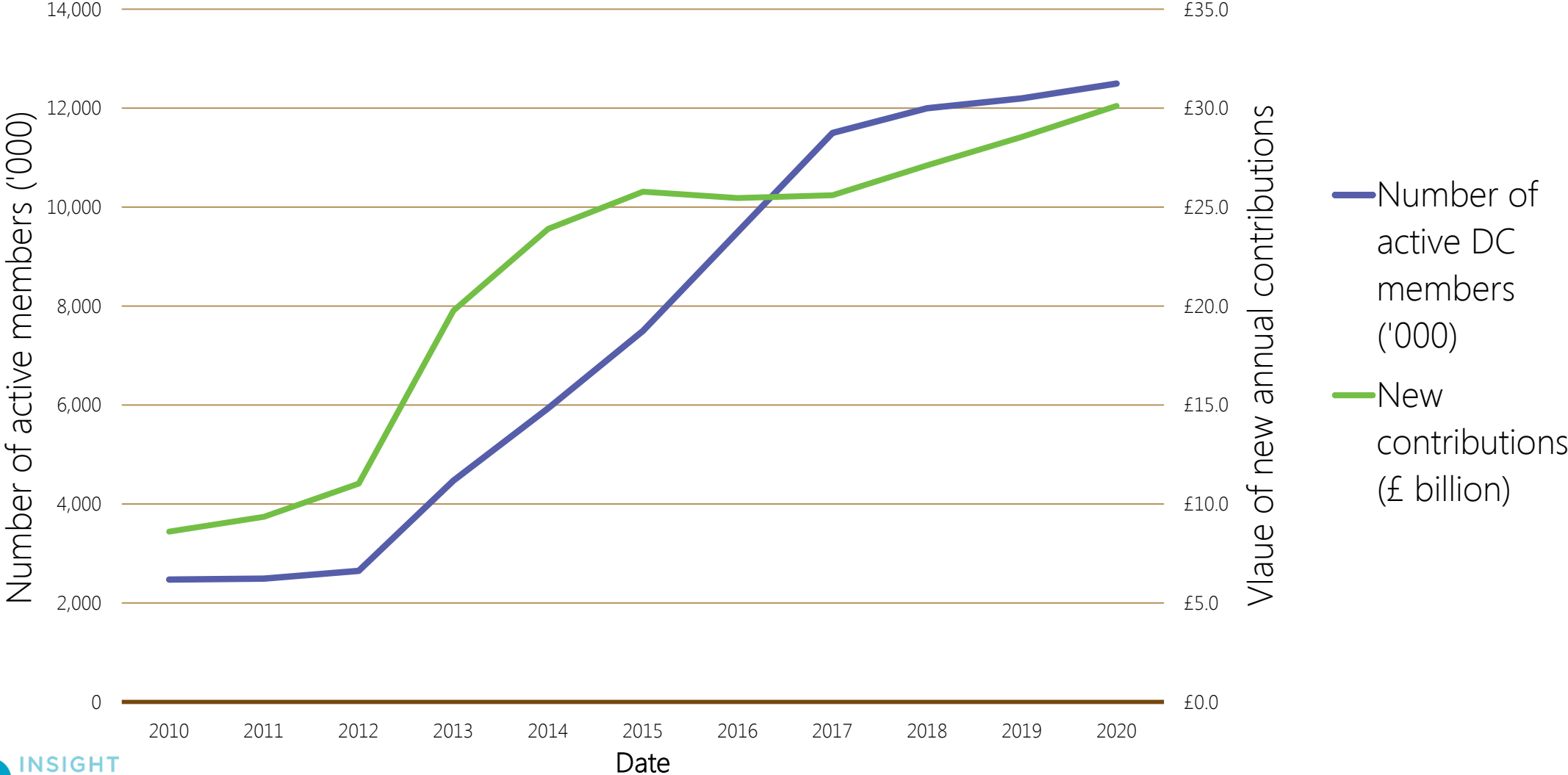
Laura Myers – LCP



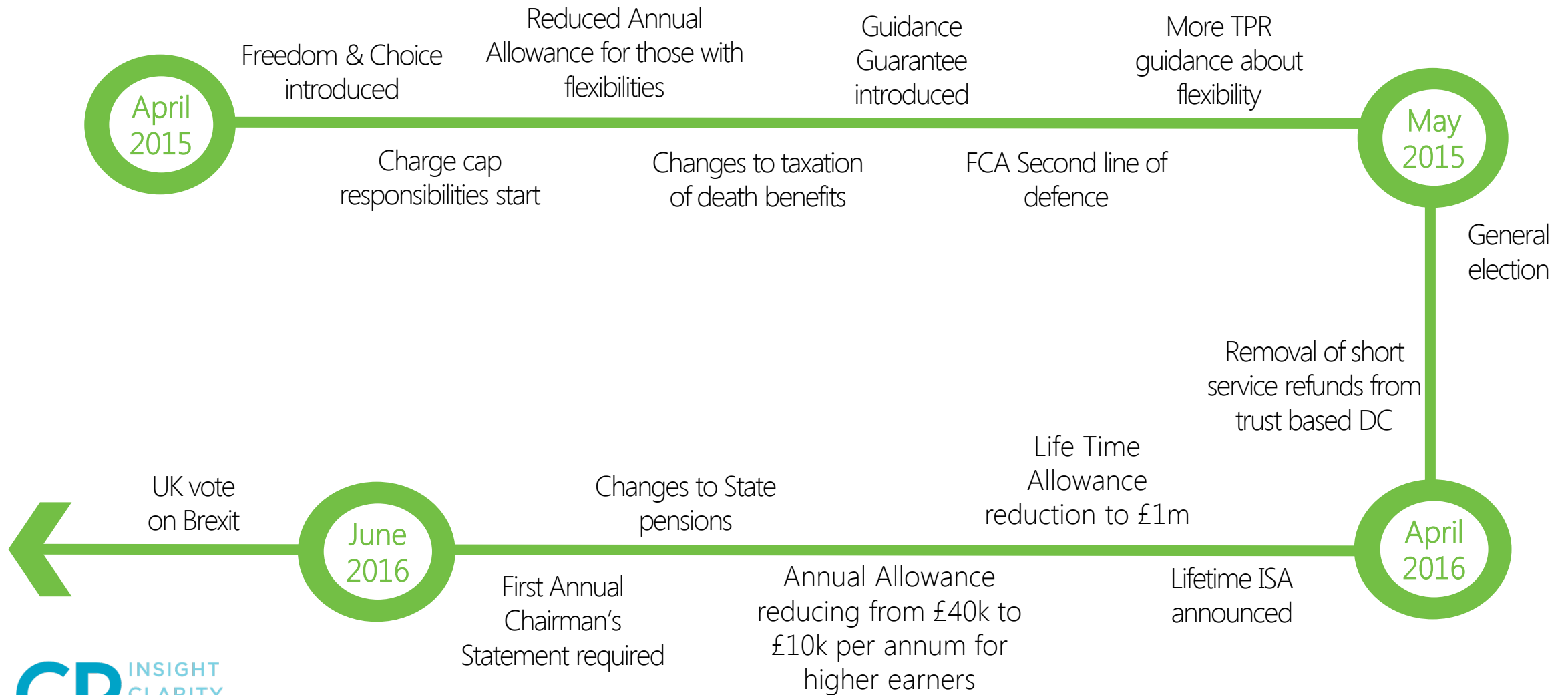
# How technology has helped UK DC schemes' challenges



# Estimated total active DC membership and annual contributions



# It's been busy...



# Media in a typical day



Chart analysis

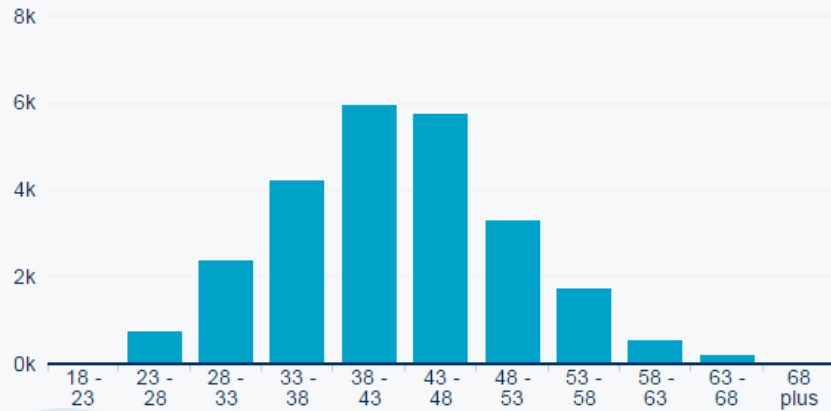


Chart data: Number of members

Chart by: Age bands

Number of members

25,040

Total fund value

£1,078m

Average fund value

£43,000

Total contributions per month

£4,813k

Average member contribution per month

£201

Average member contribution

3.8%

Average projected fund at retirement (nominal)

£205,000

Average percentage of target retirement income

46.6%

Nominal

Membership filter

reset

download data

By sex



By member age



By pensionable salary



By member contribution



Status



Matching contributions



Years to retirement



Normal retirement age



By service



Fund value



Projected fund at retirement (nominal)



0k

200k+

Contact LCP

Terms of use

Privacy policy

All content © copyright 2016 Lane Clark & Peacock LLP All rights reserved

# The Three T's

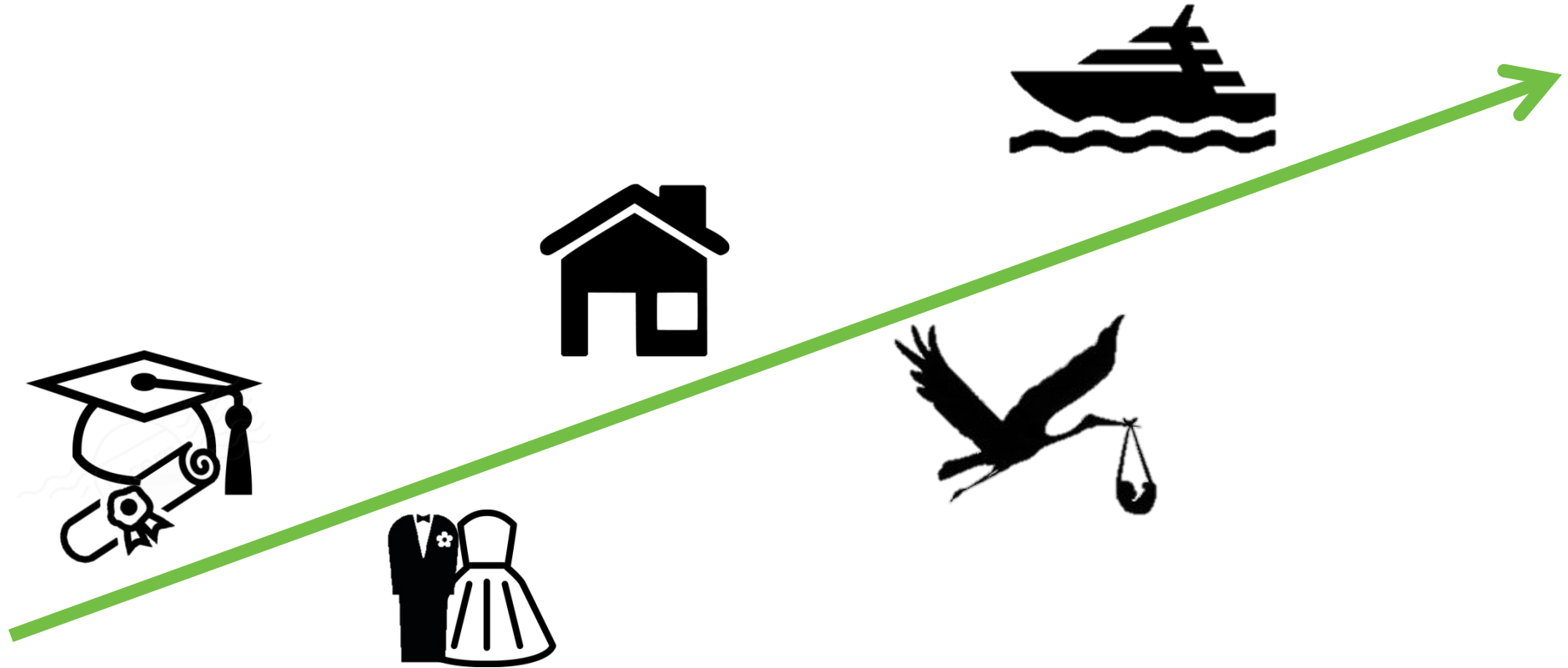
Tailored

To the point

Timely



# Lifelong learning



# Simple nudges



Want to double your savings?  
Click [here](#) to find out how

# Effective warnings

## Pensions tax warning!

Now you're 55, watch out for new tax limits if you access your savings

[Watch this video to find out more](#)



# Send segmented communications instantly and monitor their impact



Pre-  
budget



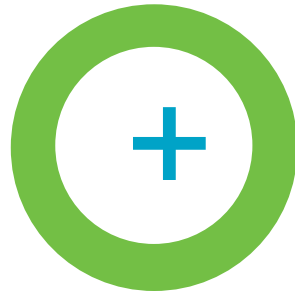
90%

Members buying  
annuities at retirement

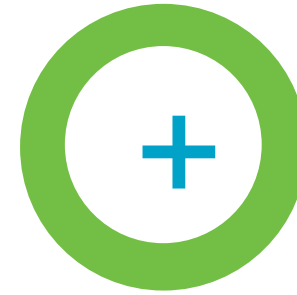
6 April  
2015



Cash



Annuity



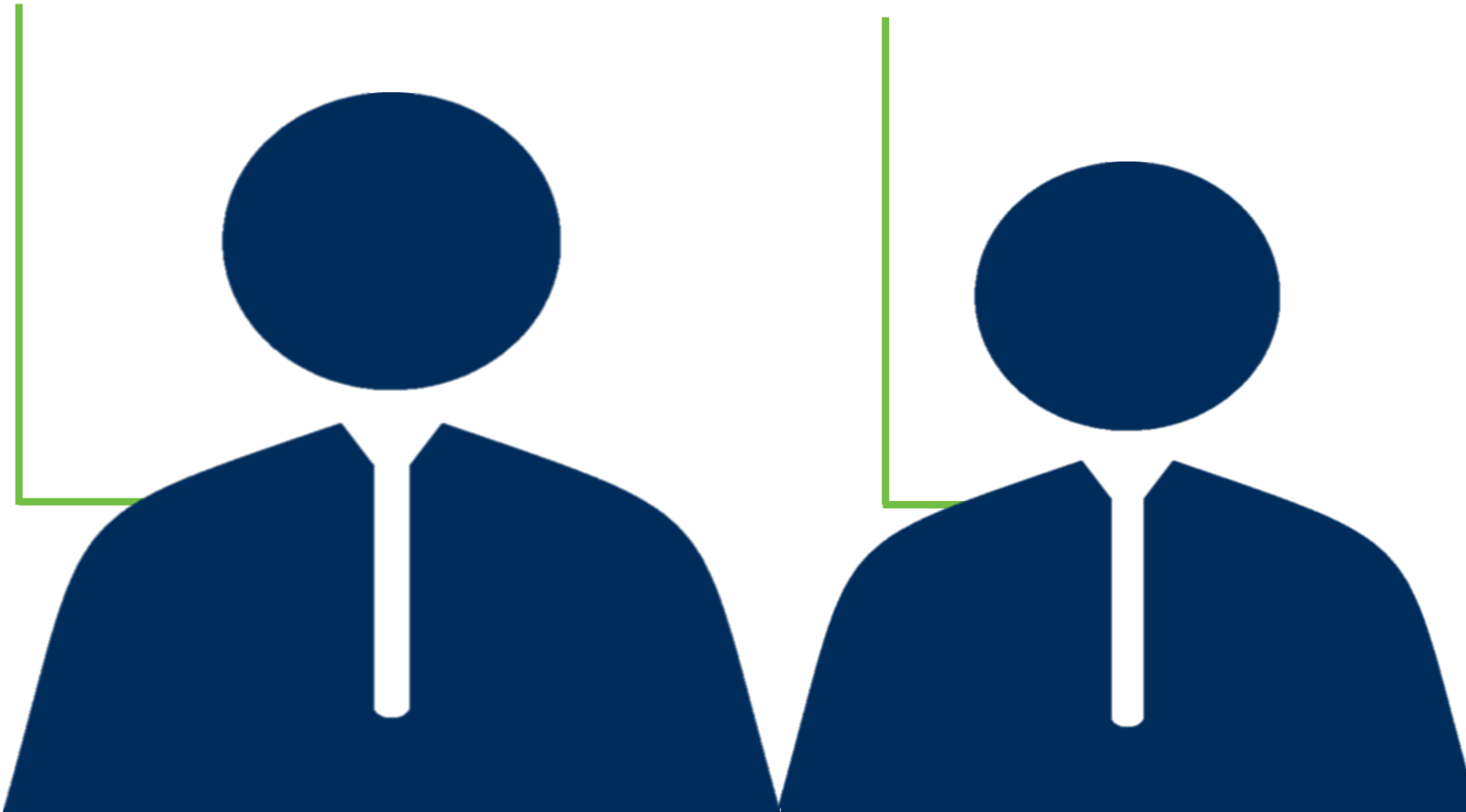
Drawdown

So how have our UK DC scheme's changed their default investment strategy?



Projected pot size  
Salary band  
Contribution level

Age  
Gender  
Position in Company



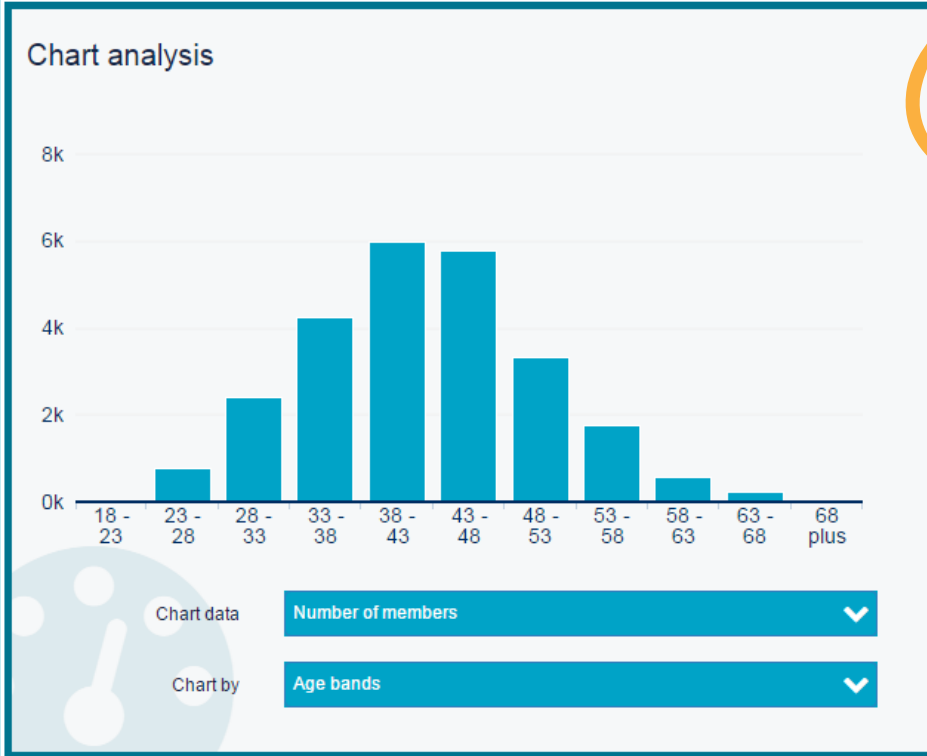


CASE STUDY

# INVESTMENT BANK

# BACKGROUND

- ✓ Range of member groups
- ✓ High salaries mixed with low
- ✓ Undertook detailed segmentation



Number of members <b>25,040</b>	Total fund value <b>£1,078m</b>
Average fund value <b>£43,000</b>	Total contributions per month <b>£4,813k</b>
Average member contribution per month <b>£201</b>	Average member contribution <b>3.8%</b>
Average projected fund at retirement (nominal) <b>£205,000</b>	Average percentage of target retirement income <b>46.6%</b>

### Membership filter

reset

download data

- By sex
- By member age
- By pensionable salary
- By member contribution
- Status
- Matching contributions
- Years to retirement
- Normal retirement age
- By service
- Fund value
- Projected fund at retirement (nominal)

0k 200k+

### Chart analysis

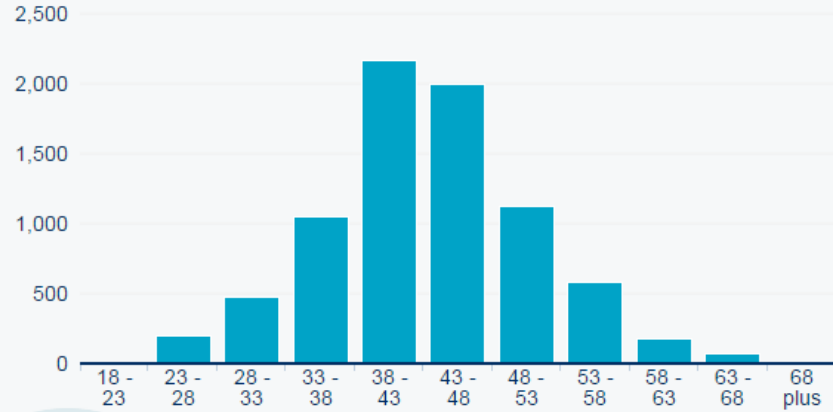


Chart data: Number of members  
Chart by: Age bands

Number of members  
**7,820**

Total fund value  
**£69m**

Average fund value  
**£8,900**

Total contributions per month  
**£29k**

Average member contribution per month  
**£26**

Average member contribution  
**1.1%**

Average projected fund at retirement (nominal)  
**£20,000**

Average percentage of target retirement income  
**21.1%**

#### Membership filter

download data

- By sex
- By member age
- By pensionable salary
- By member contribution
- Status
- Matching contributions
- Years to retirement
- Normal retirement age
- By service
- Fund value
- Projected fund at retirement (nominal)

0k 40k

# THE STRATEGY

- ✓ Default targeting drawdown for most but cash for under £40k
- ✓ Additional alternative lifestyles
- ✓ Gives membership flexibility





Laura Myers

DC Investment Partner, LCP

[laura.myers@lcp.uk.com](mailto:laura.myers@lcp.uk.com)

[www.lcphorizon.com](http://www.lcphorizon.com)