Engaging Employees with Pension Savings
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Nationwide Building Society

The world’s largest building society

- The UK’s second largest mortgage provider
- One of the largest savings providers
- Major provider of current accounts, credit cards and personal loans
- 15 million customers and members – no shareholders
- Over 700 branches across the UK
- Around 18,500 employees and a head office in Swindon
Summary of employee pension arrangements

Nationwide Pension Fund – DB
• Closed to new members
• Open to future accrual
• c.5,600 current employees are members

Nationwide plan with Aviva - DC
• Open to all employees
• c12,000

Employees not making pension savings
• c700 i.e. 3%
DC enhancements in 2015

Old DC benefit design
• Life assurance of 4 x salary
• 2 year vesting for full Nationwide contributions (to receive matching additional contributions up to max 3%)
• Core 9% Nationwide contribution (5% if <2 years)
• Core 4% employee contribution set as default

New DC benefit design
• Life assurance of 8x salary
• No vesting
• Core 13% employer contribution regardless of length of service
• Core 4% + additional 3% employee contribution set as default (and Nationwide matching 3% additional)
• Incapacity benefit of 2x salary
Three phase engagement 2015/2016

1. **Education & Awareness:** March /April 2015 – Don’t just dream it, Plan it! campaign:

2. **Introducing the changes** in July 2015

3. **Implementation of the changes** in September 2015 and January 2016

Employee contributions are reset each January
Results

- Following implementation, DC plan members paying more than 4% core employee contribution increased from c9% to c80%
- Heightened pensions education has influenced employees in DB paying additional voluntary contributions - increasing from c8% to currently c13%
- Improved employee engagement - logging on to websites, attendance at seminars, staff surveys etc.
- Employees not in any Nationwide pension fell from c5% and to currently rate of c3%
What came next …

DC: Example Statement - October 2016
What came next …

DB: Launch of new external website introducing online communications –October 2016
What came next …

DC: New ‘my money’ platform – January 2017
What came next …

DC: Guided Outcomes Portal for members – July 2017
What came next …

Pensions e-learning

Welcome to the pensions e-learning module for Nationwide employees.

A Nationwide pension is a valuable benefit and forms part of your overall pay, reward and benefits package.

At Nationwide we’re committed to making a significant investment in our people. As well as the wide range of development opportunities that are available, we look to provide an exciting total reward package.

When the times comes we want you to be fully prepared for retirement to allow you to enjoy it the way you want to ... Don't just dream it, plan it!

During this e-learning, there is a video to watch and listen to. You’ll need some headphones so you don’t disturb colleagues. Please be aware that if you access this e-learning remotely the videos may buffer.

Click anywhere to begin.

Pensions e-Learning Module – Mandatory for ALL employees in September 2017
What came next …

Good Morning Nationwide!

September 2017

- Knowledge Knockouts across all Branches
- Huddles across Contact Centres
- Will be used wider through intranet
The e-learning and principle behind raising pension awareness as a really crisp and concise way to demonstrate the added value of our pension/employee proposition.

The GO portal is amazing (had a look around today) user friendly and the ‘guidance’ to help me take more charge.

“Just received the GO statement this morning. This is a fantastic and valuable service, really well written, clear and easy to understand. Well done team!”

(23% News) “That’s got me even more excited about retiring! As if I wasn’t looking forward to it already! 😊”

(GO Statement) “I received my pack this week and I have to say it is best pension’s communication I have ever received. It made a lot of sense and was very straightforward and easy to read. I was really impressed & for first time in my life actually understood what my pension could be and how I could improve it.”

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Still to come …

- We continue to encourage invitations to team meetings – either in person or via Video Conference.
- We actively invite ourselves to events such as roadshows, team meetings and conferences.
- Frequent news stories used for short sharp reminders.
- Reinforce the need for employees to “own” their pensions savings.
- Use of MI from Guided Outcomes (GO) to identify segmented communication messages & nudges.
Conclusions

• Behavioural “nudges” can definitely work i.e. the new norm for employees in the DC plan is “to pay more to get more”.

• A good communication strategy is important but it shouldn’t all be about the numbers and logic it also has to focus on emotional levers:- e.g. “Don’t just dream it plan it!” campaign.

• Support from the business and alignment with business goals and culture is essential. As is support from other key stakeholders e.g. trade unions.

• It also helps to have a great pension provider and a great adviser.

• And the Secret to Good Employee Engagement is ….its never finished!