

Five top tips to get DC savers contributing more

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With the continuing roll out of automatic enrolment, DC (Defined Contribution) savers are becoming an ever increasing part of the pensions landscape. It is estimated that automatic enrolment will increase the number of individuals enrolled in DC workplace pension schemes by around eight million by 2018.

Many experts (such as the Pensions Policy Institute) would argue that the contribution levels imposed by automatic enrolment, even in the next few years, will not be enough to provide a sufficient income in retirement for a significant proportion of these new savers. This is where good communication can help, by encouraging and showing the benefits of actively saving. With this in mind, here are our top five tips to get DC savers to think about contributing more.

tip 1 Keep it simple

This should be the first rule for anyone involved in pension communications. Pensions are complex enough. You don't need to overcomplicate it with long words and sentences. All communications should be written in a clear, concise way with the employee in mind.

tip 2 Consider your key messages

What are you trying to say to DC savers? Is it that they should contribute more to enable them to really enjoy their retirement? Or is it that they should look at what their current lifestyle costs and then think ahead to how much income they'll need in their retirement? Whatever the message or messages are, you need to make sure they're up front and clear to see. There's no point hiding the benefits of increasing contributions, like the 'free money' from the government, midway through a communication.

When you look at what you're trying to say, you also need to look at the bigger picture. Are there any issues or developments in the wider world that you should take into account? There's so much in the press about pensions, on a regular basis, that you should always take on board anything that might have an impact on the employees' pension scheme.

tip 3 Think about your audience

It's crucial to think about your audience and write for them. This will involve taking into account a number of points, for example their average salary, their level of pensions knowledge and any specific concerns employees might have.

Making it personal is one of the keys to success. You need to show what a difference contributing more will make, i.e. giving up some money now for a better life in the future. Relating the benefits, and the actions needed, directly back to them is the answer.

tip 4 Utilise technology

How does technology play a role? To our mind, it's vital.

Technology provides us with alternative and effective ways to engage with employees, in addition to more traditional methods, such as print. Whether it's through mircosites, interactive pdfs, Twitter, Facebook or any one of the many communication mediums available, you have the ability to simplify, summarise and visualise complicated topics – like why savers should save more. You can also be interactive – a picture can say a thousand words, but an interactive picture is even more powerful.

tip 5 Listen and react – it's a two-way process

By definition, communication is the ...*"exchanging of information by speaking, writing, or using some other medium"*.

If you are trying to encourage employees to save more, they need to understand what it will mean to them if they do or don't contribute more towards their retirement. In return, you need to listen to their reaction and any concerns, and adapt your messaging accordingly.

Little and often works well. It's the old saying of *"say it once, say it again and then again..."* Through an ongoing dialogue you'll be able help them understand the benefits and any actions involved.

For more information and materials to help with communications to your employees, take a look at the resource library on The People's Pension website.

Summary: top five comms tips

- Keep it simple
- Consider key messages
- Think about your audience
- Utilise technology
- Listen and react