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## Pension Basics: 5 things to do now

**Kim Brown:** Hello and welcome to our trustee talk session, which today is all about pensions basics. So firstly, introducing a basic about your pension is that as a scheme member your benefits are being overseen by a trustee and that's the purpose of these videos. It's to hear from one of your trustees and talk to them about a topic that's of interest to them and hopefully to you.

And I'm joined today by Moira. Moira is one of our longest serving trustees and sits on our Operations committee and our Governance, Risk and Audit Committee. So she's a very busy trustee, and I know you and I, we live and breathe pensions, and we find it a very fascinating topic, as you said, but members, less so sometimes. So why should our members be now thinking about their retirement?

**Moira Beckwith:** Yes, a great question, isn't it, and I'm sure a lot of people don't think about pensions, with it being so remote, and it seems so complicated, and it is complicated. But I'm sure we'd all like to think that we're going to have a comfortable retirement, because after all the years that we've been working we feel we deserve one, and we plan to have one. But for a lot of people, I think that would mean supplementing the state benefit that they get, and usually that's through a private pension scheme, and often the scheme that your employer provides for you.

A pension scheme is actually a very tax-effective way to save because you do get tax relief on your contributions, your employer contributes as well. That money is invested and can grow over time. And nowadays there's quite a lot of choices that you can have about the way that you take your pension as well, and also you can leave that money to your loved ones, when the time comes. So it's a tax-effective, long-term savings vehicle. The problem is, I think that, is that a lot of people are enrolled in their pension schemes, but might not know if they're saving enough for this comfortable retirement that they're planning to have, so I think it's always very important to remember the value of trying to contribute as long as you can over a period as long as you can, because that money then has longer time to be invested and to grow.

**Kim Brown:** Thanks Moira. And I think sometimes one of the barriers is people think pensions are very complicated, so let's help our members out now - what are five, the top five tips that you might have that members should be thinking about?

**Moira Beckwith:** Right, OK, so I think the first one that is quite fundamental, is to make sure that you've got good access to the information about your scheme. So, if you prefer written communications, making sure that your postal address is always kept up to date. If you prefer digital communications, then make sure that you're registered with the on-line tools, so Manage Your Account, you can see information about your scheme, and, if you prefer, the app Coll8, is an app where you get information about your scheme as well. So that's probably a fundamental position to have.

Also then I'd say consider the contributions that you pay in, so, what contributions you put in, what contributions your employer puts in as well, and get to know, really, what you have signed up for within your pension scheme. And then you probably want to consider whether the contributions that you're paying in are going to provide you with the type of retirement that you're looking for. And so it would be good to look at a retirement tool to project the contributions and see the sort of level of retirement that you will probably be able to afford with the contributions that you are putting in over the timescale that you've got until you retire. And that might help you to decide if you want to put in more, if you want to change your retirement age, that sort of thing, so you can see different things with the retirement tool as to whether you're on track for the pension that you're trying to achieve.

I guess also, looking at the investments that you're in, because a lot of people are invested in our default fund, which is fine, you might want to look and see, check if that's what you want to be in, to see if that's the right thing for you. You might want to take more risk, you might want to take less risk in the investments that you're in, or you might want to consider funds that are slightly more aligned with your beliefs, for example. So, there are some funds that are even 'greener', shall we say, than our default fund, so people might want to look at the funds that they're in and just check that they are the ones that they want to be invested in over the longer term.

Then of course, um, it's not something that people also want to think about but it's always a good thing to complete a nomination form, because, as you said before, I work on the Operations committees as well and we look at the distribution of benefits when people pass away, and it's good then for the trustees to know what people's wishes are. So it's good to complete a beneficiary form, particularly if your circumstances change, so if you get married, if you get divorced, if you have a new partner, if you have children, that sort of thing. Anyone else that's financially dependent upon you or you would like your benefits to go to, that's always very useful for people to do, is a nomination form.

And then I guess, finally, because people move around a lot more now than they did in their employment, um, they might have pension schemes in different companies and different schemes all over the place, so it's good to consolidate these. So it might be good to do that because then you've got a better idea of all of your pension provision in one place, and there are tools on-line that you can do that as well. So it will give you a better idea of how you are achieving your plans to a comfortable retirement. I'd say those are a good starting point for tips.

**Kim Brown:** That's great, thank you so much Moira, that was really, really helpful and thank you to those that have watched this video. I think you're already taking that first step to engaging in your pension by clicking on it. And if you want to do those five steps, just a reminder of the points Moira mentioned:

Make sure you've got access to information, whether on-line or we've got the right address.

Engage with it, review what you're contributing, and tell us important information, such as your nominated beneficiary.

Think about if you're saving enough now for the retirement that you want in the future.

Look at the key essentials in the scheme, such as where you're investing.

And think about if it's useful to pool your contributions into one place, so you can consolidate and see what you have for retirement.

And thanks again for joining me.