Comments Template on CP-15-011 Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members		Deadline 22 March 2016 23:59 CET
Name of Entity:	**Actuarial Association of Europe (AAE)**	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential:	**Public**

Please follow the following instructions for filling in the template:

- ⇨ Please insert the name of your entity in the box next to "Name of Entity". Please also specify the sector of your entity in brackets (Consumer Associations, Training/Eductaion bodies, Industry), as well as your Country.
- ⇨ Please fill in your comment in the relevant row, giving reference to the page/Good Practice/Question to stakeholder number where given. If you have no comment on a paragraph or a cell, keep the row empty.
- ⇨ Do **not** change the page numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool.
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The numbering of the pages/Good Practices/Questions to stakeholders refers to the Consultation Paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members.

Comments Template on CP-15-011 Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members		Deadline 22 March 2016 23:59 CET
Reference	**Comment**	
General Comment	We believe that it is important to aim for member-focused communication. Information should be relevant for an individual or an household. Generally this means that it should link with the life the member desires to live and that the information is personal. General information such as technical and/or legal pension information is generally not "consumer binding". We further believe that it is important to show in addition to an expected outcome, the outcome in a "bad weather" scenario. This could of course go together with showing the outcome in a "good weather" scenario as well. We will need to discuss how to define bad and good weather, but it is key in managing expectations of the members to show these outcomes in addition to the expected outcome. Further thoughts on managing expectations and providing clarity to members of pension schemes can be found in our paper "Clarity before Solvency (May 2015)". http://actuary.eu/documents/AAE-Clarity-before-Solvency-19-05-2015-FINAL.pdf Different approaches to communication should be considered for defined benefit and defined contribution schemes.	
Page 4		
Page 5	Although we very much support the Good Practices mentioned, we believe that any communication should start with the member of the scheme and the needs the member has. First reading of the Good Practices on this page is very much from an industry perspective (IORP, Insurer) and although we would generally support these Good Practices we believe the starting point should be the members, the households. The Good Practices on this page are very much about technicalities and very pension focused. Members and households are generally not interested in the specific details of their pensions, but much more in whether they can live the life that they would like to live and if not what to do in order to get as close as possible. The concept of 'interim' targets during a member's working life would be very helpful to members in this context.	

	We suggest that a reference to Good Practice 7 be included on this page under "Firstly".	
Page 6	It should also be borne in mind that generally members only engage on pensions at certain times of their working life e.g. on joining, leaving and as they approach retirement.	
Page 7	We do support the four main components of communication campaigns. We would like to add that such campaigns would preferably include all pension entitlements of first, second and third pillar. For members/households it is less meaningful to be informed separately by the government (State pension) and the IORPs and insurers (second and third pillar). Tracking services are key in order to enable an integrated communication approach. For further information on our work and view on tracking services we refer to the two reports we have published earlier : 1) Report on key issues from the review of national tracking services (October 2013) http://www.actuary.eu/documents/Report%20national%20Tracking%20Services%20Sw-Fi-DK-NL%20Final.pdf, 2) Key Issues for setting up national pension tracking services in six EU countries (February 2015) http://actuary.eu/documents/AAE_Tracking_Services_Feb2015.pdf Information should be technically correct and complete. Complete information includes information on good and bad weather scenarios in addition to the expected outcome as a way of managing expectations.	
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Page 16	Reference is made to communication in the accumulation phase. We have said it on other occasions and we would stress it here again, that the accumulation phase should preferably be informed by the choice how to decumulate. There is a big difference when in the decumulation phase a member is buying a lifelong annuity at a certain age, taking a lump sum, or remains invested and takes a (variable) pension amount each year in retirement or any combination of these options. Further background can be found in our report "Survey of Decumulation Regimes (February 2015)" http://actuary.eu/documents/AAE_Decumulation_Report_Feb2015.pdf	
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Page 22	We would like to add to the other communication tools/channels that are mentioned gamification. Singapore offers a whole range of interesting tools (https://www.cpf.gov.sg/members/tools/calculators) including the Financial Literacy Game STA$H: https://www.cpf.gov.sg/Members/Tools/games We do realise that our example is not European, but why not look wider and learn from good practices globally.	
Page 23		
Page 24		
Page 25	Reacting to footnote 67 : we think that EIOPA Good Practices would also be relevant in these countries and could be used as guidance when legislation is renewed or updated. So we would disagree that EIOPA Good Practices should not apply in some situations. And good practices are not mandatory anyway, but a way of improving the current state of play.	
Good Practice 1		
Good Practice 2	We would suggest to broaden this to one online space for all citizens and not limit it to members of a particular scheme. If somebody has been a member of more than one scheme it would still be more than one platform to visit in order to gather all information. It would be good practice if the information of all pension entitlements of all scheme and the social security would be accessable in one online space. This could also be referred to as a tracking service.	

Good Practice 3	This would certainly be a good practice from an employer perspective. An employee would probably like to have an overview of all pension entitlements including those of former employers as well as the State pension presented in such a way that it becomes clear what the total pension will be (including indication of what a bad weather scenario might look like) and preferably in terms of present money on a monthly basis and net of tax.	
Good Practice 4	Even better would be income calculators (monthly, net of tax) in combination with household expense information. This would make it even more relevant to members and households as they are probably not interested in "just" pension, but would like to know whether they have enough financial means to live the life they would like to live. This would need to include information on household savings, investments, value of an owned house etc. and as well about their expenses. We further have to acknowledge that probably only a small proportion of pension scheme members will actively use these tools. Thus when making a pension calculator available consideration of the costs involved is another important factor. Combining a pension tracking service with a pension calculator could be a cost efficient way to use a pension calculator rather than developing calculators on an individual IORP/insurance basis.	
Good Practice 5		
Good Practice 6	We believe it is key to test in advance what information fits the expectations of the members and households best. And once the information is disseminated it should be tested whether the information has indeed been accessed, used and understood and what members and households feel they require to even better fulfill their needs.	
Good Practice 7		
Question 1 to stakeholders	The Good Practices should focus on whether and how they achieve their purpose. Can they prove that the communication was effective and that members acted on the information? We would put a heavy weight on the first criterion (50% or more): level of scheme member engagement. Cost efficiency and accessibility are in our view of less importance.	
Question 2 to stakeholders		
Question 3 to stakeholders	In line with our response to Question 1 we believe there should be a difference in the weight of the different criteria. We repeat what we have already said as our general comment: We believe that it is important to aim for member-focused communication. Information should be	

	relevant for an individual or a household. Generally this means that it should link with the life the member desires to live and not "just" (technical and/or legal) pension information. We further believe that it is important to show in addition to an expected outcome, the outcome in a “bad weather” scenario. This could of course go together with showing the outcome in a “good weather” scenario as well. We will need to discuss how to define bad and good weather, but it is key in managing expectations of the members to show these outcomes in addition to the expected outcome.	
Question 4 to stakeholders	The process of developing information is very important. It means that neither the pension provider nor a communication bureau decides what is good information for the member, but that the opinion of the scheme member is vital in this process from the beginning until the end.	
Question 5 to stakeholders	Test in advance whether the information fits with the expectations of the members. Also test afterwards whether members have read through the information.	
Question 6 to stakeholders	With digital tools one can track the clicks on the internet. For example the time spent on certain parts of the tool says a lot about the use. One can also use different templates for the same message and test the relative difference between the different templates. This is applying what many commercial websites are doing and what some of them are really very good at. One can also review actions from members as a result of communication e.g. if a communication is issued about new fund choices and no member uses the new fund choices, then the communication probably has not been suitable.	
Question 7 to stakeholders	Digital information provision is almost essential if you want to present information in different layers.	
Question 8 to stakeholders		
Question 9 to stakeholders	It has become very relevant in most Members States to communicate the expected retirement age. The retirement age for the State Pension is more and more linked to the development of the life expectancy. Citizens usually only know the current retirement age but for themselves this could be many months or even many years later. Example in The Netherlands: retirement age used to be 65 and is now quickly going to 67. Most people think they will receive their State Pension as from 67. Although a person who is now 55 will likely receive this only as from 68 years and 10 months and somebody aged 25 only as from 74 years.	

	Second Pillar pensions are generally not automatically linked to, but have the tendency to follow sooner or later the State Pension retirement age.	
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