

Key Facts

Client :	Large Mid-Western based employer with several hundred employees
What they needed help with	Help employees approaching retirement
Service(s) we provided:	On-site presentation and advice sessions for employees in groups One to one meetings at age 55 and at retirement age
Results achieved	Positive client and member feedback to date. We are still rolling out this programme with the client, given the age profile of the employees involved.

Details of our approach

Background

Our client, based in the mid-west, operates a facility which is key to the transport infrastructure in the region. They have several hundred employees with an average age over 40 and many employees in their 50's.

All staff had until very recently been members of a Defined Benefit pension scheme, which is now closed to new entrants and to future accrual. All staff will receive an agreed, fixed benefit from this frozen DB scheme. Invesco was appointed to launch and administer a new DC scheme for all staff, following an open tender competition.

The Challenge

With a significant proportion of employees in the 50+ age group, with many being between 5 - 10 years from retirement, their situation was unusual. This group are also faced with the challenge of having to approach retirement and secure their financial futures from the perspective of a DC investor – a concept with which few if any of them are very familiar. Invesco was asked to come up with a

programme to work with these members and prepare them for retirement in a structured manner.

The Solution

We devised a specific programme for the employees in that age category which looked at several issues, including:

- Adequacy of contributions – member and employer
- Developing a tailored investment strategy, based on risk profiling each member
- Aligning each member's investment strategy with their most likely post retirement outcome
- Advising on the range of available retirement options

The programme is rolled out over three phases:

1. A group presentation with all relevant employees.
2. A detailed financial review meeting with each employee aged 55, 5 years out from retirement. The output was a detailed Retirement Plan, including recommendations

reflecting their unique circumstances, risk profile and specific goals.

3. Two years out from retirement we meet with each member again to review the Retirement Plan and ensure that it remains aligned with the employee's retirement expectations.

At retirement, we guide the employee through the various retirement options now available to DC scheme members. Members of this client's plan will have benefits from multiple sources and will require assistance on how best to maximise their benefits at retirement while remaining compliant with Revenue rules and guidelines. These options may include a mix of tax free cash, annuity and Approved Retirement Funds, depending on the member's fund size and individual circumstances.

Invesco has Authorised Advisor status with the Central Bank, so our advisors are obliged to offer completely independent and unbiased advice when it comes to recommending post retirement options to DC scheme members.

The Outcome

We are still in the process of rolling out this programme with the client, given the age profile of the employees involved. There have been a number of retirements from the scheme already and the feedback from the client and the members

The perfect solution for your company

Through our Client First approach we provide tailored solutions based on our understanding of your business needs and requirements.

Our multi-disciplined team are recognised as thought leaders in their respective fields. They have gained considerable experience, both national and international, helping our clients with their employee benefits programmes. We pride ourselves on being innovators, with a deep understanding of all aspects of Defined Benefit, Defined Contribution and Hybrid pension plans.

