

Trustee toolkit downloadable



How a DC scheme works (2014)

Extra resource: Communication timeline

The trustee toolkit includes a number of 'extra resources' providing you with practical tools to help you transfer the learning to your own scheme or to illustrate key learning points.

Trustees should plan their communications with members in the years leading up to their expected pension age so that members are prepared for the decisions they need to make.



This extra resource is linked to the **Decisions at retirement** tutorial.

The Pensions
Regulator

The regulator suggests the following timeline in the lead up to pension age (the age at which members are able to access their benefits) or retirement:

Time before pension age	Trustees' actions
<p>Stage 1 Throughout period of scheme membership</p>	<p>Start education and warm-up process to enable members to make informed and effective decisions at pension age. For example, include messages in annual benefit statements with links to tools, resources and information. This should include information on costs and charges paid by members across the previous year and statements which highlight the relationship between member contributions and good member outcomes. Also remind members how lifestyling works and the importance of advising the scheme of when and how they plan to access their benefits.</p>
<p>Stage 2 At least four months and not more than two years before the start of lifestyling</p>	<p>Notify members who are lifestyling that their fund is about to start switching into lower risk investments. This allows members to consider whether this is still appropriate to their circumstances and consistent with their planned retirement date.</p>
<p>Stage 3 Between two and five years before planned retirement</p>	<p>Continue communicating with members about the different options for accessing their benefits; encourage them to start considering these and introduce them to the decisions that they need to make. Remind members who are in volatile or illiquid funds to consider whether they want to switch funds where this option is available.</p>
<p>Stage 4 Member has reached pension age and contacted trustees about taking benefits OR it is four months before a member's planned retirement date</p>	<p>Send the required information, including estimate of pot value, details of options offered by the scheme, 'Your pension: it's time to choose' leaflet or equivalent. Signpost to Pension Wise and The Pension Regulator's scorpion leaflet. Do NOT send out an application form for any of the options offered by the scheme at this stage.</p>
<p>Stage 5 Member has received guidance from Pension Wise or financial advice from an FCA-regulated adviser and confirms to trustees that they wish to take their benefits or transfer to another scheme to take their benefits.</p>	<p>Send out generic or personalised risk warnings and an application for any options offered by the scheme and/or a transfer form. Remind members of the availability of pensions guidance and regulated advice and encourage them to read the risk warnings. The application form should incorporate a request for the member to confirm whether they have received advice/guidance and confirm they have read the risk warnings.</p>

Time before pension age	Trustees' actions
Stage 6 Member returns form	Process the request using the normal procedure.

Communications with members should continue for as long as they have benefits in the scheme, including where they have partially accessed their benefits (eg used all or part of their pot to provide a flexible income from the scheme, or taken part of their pot as a lump sum).

To learn more about this topic refer to the guide on Communicating and reporting at www.tpr.gov.uk/communicate.

