

Retirement Matters

Wednesday 25 September 2024 – Royal College of Physicians, 11 St Andrews Pl, London NW1 4LE

Schedule of the Day

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|-------------------------|-----------|---------------------------|--|--|-------------------------------------|---|--|---|
| Platt Room | 0845-0930 | Breakfast | Informal networking - Over breakfast and coffee | | | | | |
| Seligman Theatre | 0930-0940 | Keynote | Welcome, setting the scene. With James Goad , Managing Director, Owen James and Andy Seed DC & Retirement Strategy, Goldman Sachs Asset Management | | | | | |
| Seligman Theatre | 0940-1010 | Keynote | An overview of current Pension Policy. With Paul Johnson , Director of the Institute of Fiscal Studies, will set the scene for Retirement Matters by sharing some of the preliminary findings of their substantial Pension Review* - its goal to comprehensively assess the consequences of current pension policy. By September he may well also be able to shed some light on the new Government's thinking in this area | | | | | |
| Breakout Rooms | 1015-1115 | Roundtable Session | <i>Talking about the next generation</i> | <i>Guaranteed retirement income</i> | <i>Changes to the tax treatment</i> | <i>What your clients are too smart to know</i> | <i>Solutions for UK retirement income</i> | <i>How to spend a hard-earned pension</i> |
| Platt Room | 1115-1135 | Coffee | Grab a refreshment and catch up with your peers | | | | | |
| Platt Room | 1135-1210 | Networking | Structured networking - An opportunity to meet some new faces | | | | | |
| Breakout Rooms | 1215-1315 | Roundtable Session | <i>Talking about the next generation</i> | <i>Guaranteed retirement income</i> | <i>Changes to the tax treatment</i> | <i>Is your retirement proposition more Netflix or Blockbusters?</i> | <i>What your clients are too smart to know</i> | |
| Platt Room | 1315-1400 | Lunch | Buffet lunch with networking | | | | | |
| Seligman Theatre | 1405-1435 | Keynote | Learnings & Predictions from the Global Retirement Landscape. Headline sponsors Goldman Sachs' take on the trends shaping the Defined Contribution market and the emerging paths for employers and providers in retirement income solutions. With Chris Lyon , Head of Defined Contribution for Goldman Sachs Asset Management and current chair of the Defined Contribution Institutional Investment Association | | | | | |
| Breakout Rooms | 1440-1540 | Roundtable Session | <i>Unlocking housing wealth to meet retirement goals</i> | <i>Geopolitical uncertainty and the retirement risks</i> | <i>Changes to the tax treatment</i> | <i>Is your retirement proposition more Netflix or Blockbusters?</i> | <i>Solutions for UK retirement income</i> | |
| Seligman Theatre | 1545-1615 | Keynote | What does a reasonable standard of living in retirement look like, and what societal issues must we address to ensure the majority achieve this? With Steve Webb , Partner at LCP and former Pensions Minister during the Coalition, will highlight some of the potential solutions and pitfalls | | | | | |
| Platt Room | 1615-1700 | Farewell and Fizz | We thank you for joining us over a glass of bubbly | | | | | |

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* The IFS are carrying out this review in collaboration with Abrdn Financial Fairness Trust. It will be finalised in the summer of 2025.

RETIREMENT MATTERS

THE ROUNDTABLE AGENDA Wednesday 25 September 2024

The Royal College of Physicians, 11 St Andrews Place, London NW1 4LE

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| TAXATION..... | 1 |
| 1. What changes to the tax treatment of pensions, inheritance and allowances should we anticipate from the Labour Government? | 1 |
| STRUCTURING THE PENSION PORTFOLIO | 2 |
| 2. Talking about the next generation: designing solutions for evolving decumulation needs | 2 |
| 3. Developing Solutions for UK Retirement Income..... | 2 |
| 4. Guaranteed retirement income: Stability vs flexibility? How do we get the pension portfolio mix right for clients?..... | 2 |
| 5. Unlocking housing wealth to meet retirement goals: an untapped opportunity? | 3 |
| 6. Oh, and by the way, you can actually spend your hard-earned pension. Look your cashflow model says you can!..... | 3 |
| REGULATORY IMPACTS | 3 |
| 7. What your clients are too smart to know and how the regulator thinks you should handle that. Shaping holistic client journeys that lead to fully compliant outcomes | 3 |
| 8. Let's face it: With so much geopolitical uncertainty, living off invested savings in retirement is risky. One might argue that filling out a risk profiling form is mere window dressing. Discuss..... | 4 |
| LEVERAGING THE TECH | 4 |
| 9. Is your retirement proposition more Netflix or Blockbuster? | 4 |

TAXATION

1. WHAT CHANGES TO THE TAX TREATMENT OF PENSIONS, INHERITANCE AND ALLOWANCES SHOULD WE ANTICIPATE FROM THE LABOUR GOVERNMENT?

Well, we have already seen the winter fuel payment and the proposed cap on care costs removed. So, what comes next?

- Two of your key roles as a retirement wealth manager are those of tax adviser and estate planner, and understanding all the different nuances of a sophisticated tax regime are key.
- We will invite a tax specialist to provide their thoughts on how far they think the Government will go.
- Can you do anything to prepare? Hang on to your hats!

STRUCTURING THE PENSION PORTFOLIO

2. TALKING ABOUT THE NEXT GENERATION: DESIGNING SOLUTIONS FOR EVOLVING DECUMULATION NEEDS

The needs of retirees are changing. By 2025 it's estimated that 35% of the world's wealth will be in women's hand. Tomorrow's retirees may seek a new decumulation approach.

How ready is your advice business to recognise emerging wealth, embrace the retirees of tomorrow and design solutions for modern decumulation needs?

Join speakers from LV= Investments and BlackRock to explore:

- The changing shape of tomorrow's clients and how the needs of retiring investors are changing.
- The importance of building stronger relationships with your female clients.
- How advisers are supporting their clients' risk composure by mitigating their behavioural biases.
- How you can design optimal decumulation strategies for modern needs.

*UBS, "Women and investing: Reimagining wealth advice," 2022

Expert: George Pullar, Partnership Development Manager, LV=

3. DEVELOPING SOLUTIONS FOR UK RETIREMENT INCOME

- Capitalizing on the transition from Defined Benefit to Defined Contribution to drive income generation for pension savers
- Product trends and opportunities – what do clients really want and need?
- Managing risk across the pension and savings lifecycle, from accumulation to post-retirement
- Our duty to the public: well-positioned and priced products, and ensuring financial literacy about retirement

Expert: Claire Felgate, Managing Director, Head of International, Global Consultant Relations, Goldman Sachs Asset Management

4. GUARANTEED RETIREMENT INCOME: STABILITY VS FLEXIBILITY? HOW DO WE GET THE PENSION PORTFOLIO MIX RIGHT FOR CLIENTS?

- The FCA's thematic review into Retirement Income Advice highlighted the need for firms to clearly assess and evidence clients' ATR and CFL, and pressed the importance of stringent fact-finding to demonstrate advice suitability – especially in respect of vulnerable customers. Has this review changed firms' fact-finding behaviours and their approach to guaranteed income solutions available to clients?
- Given rates for guaranteed income solutions are now even more attractive, these options are likely to take more prominence in retirement planning. However, there can be a reluctance among advisory firms, as buying a guaranteed income policy (fixed-term income products or a lifetime annuity) can lock away assets. Clients can also be biased against purchasing such products due to perceived lack of flexibility and wanting to leave an inheritance.
- However, the counter-balance is clients' continued exposure to market volatility, and the fear of running out of money in later life.

- What should robust pension portfolios look like in the future? If it is prudent to ringfence a portion of pension savings to guarantee essential income, keeping the rest in drawdown for flexibility and inflation protection, then what options are available to help financial planners strike the right balance between asset growth and income security? And how do they take clients on that journey? Your thoughts please?

Expert: Lesley Whyte, Head of Strategic Partnerships, Standard Life

5. UNLOCKING HOUSING WEALTH TO MEET RETIREMENT GOALS: AN UNTAPPED OPPORTUNITY?

- As part of the broad approach to financial advice you offer your clients at retirement, do you include a conversation around the housing wealth they hold? With significant financial wealth locked up in primary residences, retirees are increasingly looking to/needing to access this wealth to meet their retirement goals.
- With nearly 1 in 3 people (31%) with a mortgage saying they would consider a lifetime mortgage at some point in the future*, are we paying sufficient attention to the opportunity?
- This session will explore:
 - The market and consumer drivers for equity release and why equity release is no longer a product of last resort.
 - How UK consumers are using equity release to enhance their retirement income and lifestyles.
 - A balanced look at product options and suitability.

Expert: Chris Smyth, Equity Release Partnership Development Manager, LV=

*LV= Wealth & Wellbeing wave 17 July 2024

6. OH, AND BY THE WAY, YOU CAN ACTUALLY SPEND YOUR HARD-EARNED PENSION. LOOK YOUR CASHFLOW MODEL SAYS YOU CAN!

- In 2018, BlackRock commissioned a study of 1,150 American retirees. The survey showed that after nearly two decades of retirement, the average person still had 80% of their pre-retirement money saved. We're talking about people who were probably between the ages of 75 and 95. Only 32% reported feeling comfortable about spending what they had saved.
- So, how can we ensure our clients have more confidence to spend slightly more of their hard-earned cash? Are there different ways of illustrating this?

Expert: Colin Sloss, Senior Business Development Manager, Iress

REGULATORY IMPACTS

7. WHAT YOUR CLIENTS ARE TOO SMART TO KNOW AND HOW THE REGULATOR THINKS YOU SHOULD HANDLE THAT. SHAPING HOLISTIC CLIENT JOURNEYS THAT LEAD TO FULLY COMPLIANT OUTCOMES

- Client success elsewhere can lead us to assume financial knowledge which they don't always actually have.
- How can we get past that to shape holistic client journeys that lead to fully compliant outcomes? And how will regulatory changes affect both those journeys and the broader relationships we build with them?
- This session will explore how to help your clients at every life stage while also:

- Sharing wealthy client insight based both on new L&G research and the panel's broader experience of provider, regulator and government points of view
- Looking at how the Consumer Duty and the Thematic Review can shape and affect those relationships, and exploring ideal and not-so-ideal client relationship outcomes

Expert: Ali Crossley, Managing Director Distribution, L&G and Keith Richards, Chief Executive Officer, Consumer Duty Alliance (CDA)

8. LET'S FACE IT: WITH SO MUCH GEOPOLITICAL UNCERTAINTY, LIVING OFF INVESTED SAVINGS IN RETIREMENT IS RISKY. ONE MIGHT ARGUE THAT FILLING OUT A RISK PROFILING FORM IS MERE WINDOW DRESSING. DISCUSS.

- There is an increased regulatory focus on how firms demonstrate risk as part of suitability, especially for retirement advice.
- However, translating conceptual descriptions of risk into tangible outputs that clients can understand is tricky.
- It is likely that your client has a fairly shrewd idea of the risks they are taking but how do you assess this?
- So, the question is – how do you both satisfy the regulator as well as ensure that your client grasps the financial impact of volatile stock markets on their hard-earned savings?
- Fill out a form?

Expert: Andy Sutherland, Owner Director of Conduct Culture

LEVERAGING THE TECH

9. IS YOUR RETIREMENT PROPOSITION MORE NETFLIX OR BLOCKBUSTER?

Nearly a decade post-pension freedom, “freedom” couldn't be further from the experience customers face in retirement. Customers must navigate multiple disparate pots, lengthy consolidation processes, long withdrawal times, inflexible systems and multiple product restrictions when trying to turn lifetime savings into an income stream.

- **Opportunity:** With SIPPs projected to win 75% of asset flows at retirement over the next five years (Broadridge), it has never been more important for you to enhance your retirement proposition. SIPPs are projected to grow from £500bn to £750bn over the next five years (MoretoSIPPs)—a 50% growth rate.
- **Automate or Die:** Last year saw 40% of customers (c. 40,000 accounts) enter drawdown without advice (FCA). The surge in self-service customers necessitates scalable, efficient operations. Delays in consolidation, income drawdown, and tax refunds underscore the need for process optimisation. Technology is the key to improve customer experience, provide better support and increase profitability – so how do you unlock it?
- **Expectations:** Technology juggernauts like Uber, Amazon, and Netflix increasingly shape customers' expectations outside financial services. So, what barriers prevent us from offering similarly seamless, intuitive, and fast services to customers in retirement, and how can tech help?
- **Products:** With financial services evolving rapidly, customers approaching retirement have multiple sources of savings to generate retirement income, from cash savings, GIAs, ISAs, SIPPs, to workplace pensions. How do we better combine multiple disparate financial

products to help customers make fully informed, tax-efficient withdrawals? What about annuities and where do they fit in?

- **Competitive advantage:** In this session, we will explore how advisers and pension providers can effectively invest in technology and develop a competitive advantage over those who accept the status quo and the inefficiency of legacy systems.

Expert: Anton Padmasiri, Founder CEO, WealthOS and Shri Krishnansen, CCO, WealthOS