

PROFESSIONAL PENSIONS AWARDS 2021

SEI New ways.
New answers.®

RETIREMENT INNOVATION OF THE YEAR



HIGHLIGHTS

We help each member make better decisions

In a world that feels increasingly uncertain, the one constant is that people entering the workplace and those already in the workplace will have more than one employer in their lifetime. Whilst moving jobs can be an enriching experience, in a world of auto enrolment there is always part of your last employer that will stay with you throughout the rest of your career: your pension. This means that, as a population, we will end up with a number of pension accounts to keep track of. In the past this was hard to do as updating your details with your pension provider was never highest on the list of priorities.

These days, technology exists to help you keep track of your pensions and financial accounts. The first generation of these apps have been pretty one dimensional, they will update you on the value of your pension with the one provider and little else. We can do better than that.



INNOVATION

Our open banking app can change spending in retirement

Open banking starts with increased data-sharing between financial institutions to advance public sector transparency and integrity. This is done through secure conduits known as application programming interfaces (APIs), which allow for seamless flow of data. This type of technology is quickly being adopted in other areas of financial services for retail customers.



But open banking is more than a tool for just the high street and online banks. Open banking is in line with the pensions dashboard project, a directive from the FCA, which seeks to improve access to information in the form of a dashboard. The idea is to have data from providers accessible in one place and be updated in real time, which is exactly what SEI's app does. Both pensions dashboard and open banking allow for frictionless finance, an open platform in which to engage with your money and savings, and allow members to make financial decisions more easily.

This open banking app supports the new pensions regime we're living in now by having the pension pot alongside all your other finances. It not only gives you a holistic view of your finances, but allows you to see how you might put more money in to help fund your retirement.

We partnered with MoneyHub to create this app. MoneyHub's award-winning app offers secure open banking integrations, connecting to many financial services accounts (including pensions, savings, investments, loans, mortgages, property, bank accounts and credit cards).



PERFORMANCE

What benefits can this bring to a member?

The FCA recently **released data** showing that of those members who accessed their DC pensions for the first time this year, over half of them emptied their retirement pot in the first withdrawal. Most of those people are putting their money into riskier equity-based accounts and are withdrawing money at a high rate. This may work out for some, but is unlikely to be sustainable for everyone, and when members are making these important decisions without any professional advice, they may find themselves running out of money in their retirement.

To avoid this problem, SEI's member website has a modeller, based on the money in your pension and your expected years of retirement, that can tell you what to take out and what is a sustainable drawdown rate. It removes the guesswork from dealing with your retirement savings.

OUR FLEXIBLE RETIREMENT OPTIONS



Our Flexible Retirement Options are designed to help members manage their needs through retirement. We were ahead of the game, creating a separate Flexible Retirement Section in 2014, before the regulations were enacted. Over the past six years we have continued to develop our offering, and these retired members now have:

- › Annual video statements
- › Drawdown and annuity modellers
- › Our open banking app

These innovations help members budget and plan their retirement. We let members take money how and when they need it, whether it's monthly, in lump sums, or tax-free cash withdrawals, all at no additional cost. We want members taking only as much as they need when they need it, but we also want them to be living a lifestyle of their choosing, knowing they have enough cash to last through their retirement.



CONCLUSION

The Power of Your Pension

During periods of huge uncertainty, such as what we've experienced with COVID-19, having your financial net worth in one place allows you to see just how much money you have saved for the future. With greater knowledge of your finances, you might find it easier and less stressful to make important financial decisions.

The app also brings to life the benefit of an employer-sponsored retirement scheme. It's easy to think of retirement as something far off in the future, but when members utilise our app, they can instantly see the increase in their retirement pot every time their employer contributes to their pension. That's a tangible way to demonstrate the power of an employer-sponsored pension.

With DC in particular, it is extremely important for the member to be aware of what their retirement saving looks like now and in the future. Our Open Banking App can be far more than an interesting visual to look at. For years we have thought about how to make sure members are not over or under drawing from their pensions savings during retirement. Combining the analysis of spending habits with the unlimited flexibility to alter the amount of income drawn from the SEI Master Trust really puts members in control of their retirement for the first time.

Important Information

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