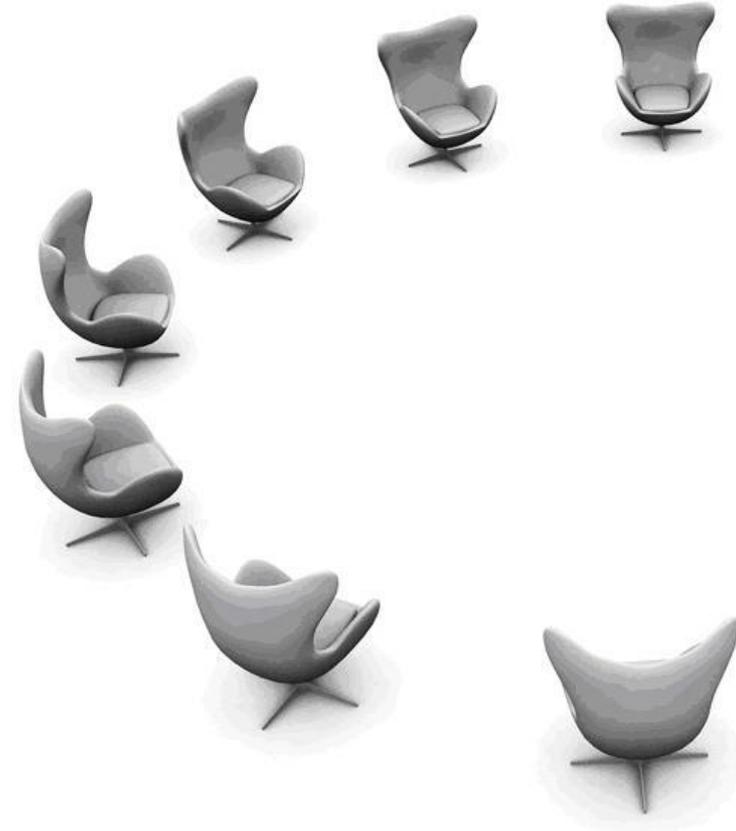


# PENSION COMMUNICATION

*then & now*



Prof. dr. Yves Stevens

5 February 2019

EAPSPI – FIND YOUR PENSION - ESIP

2013

## Four questions

What do member states (MS) communicate? (extent of information)

How do MS communicate (manner of communication)?

To whom do MS communicate (communication targeting)?

What is the legal value and the authenticity of the communication?

### POLICY OPTIONS

The form of the communication

The periodicity of the communication

The language and the register of the communication

The layers of the communication

The integration of the communication

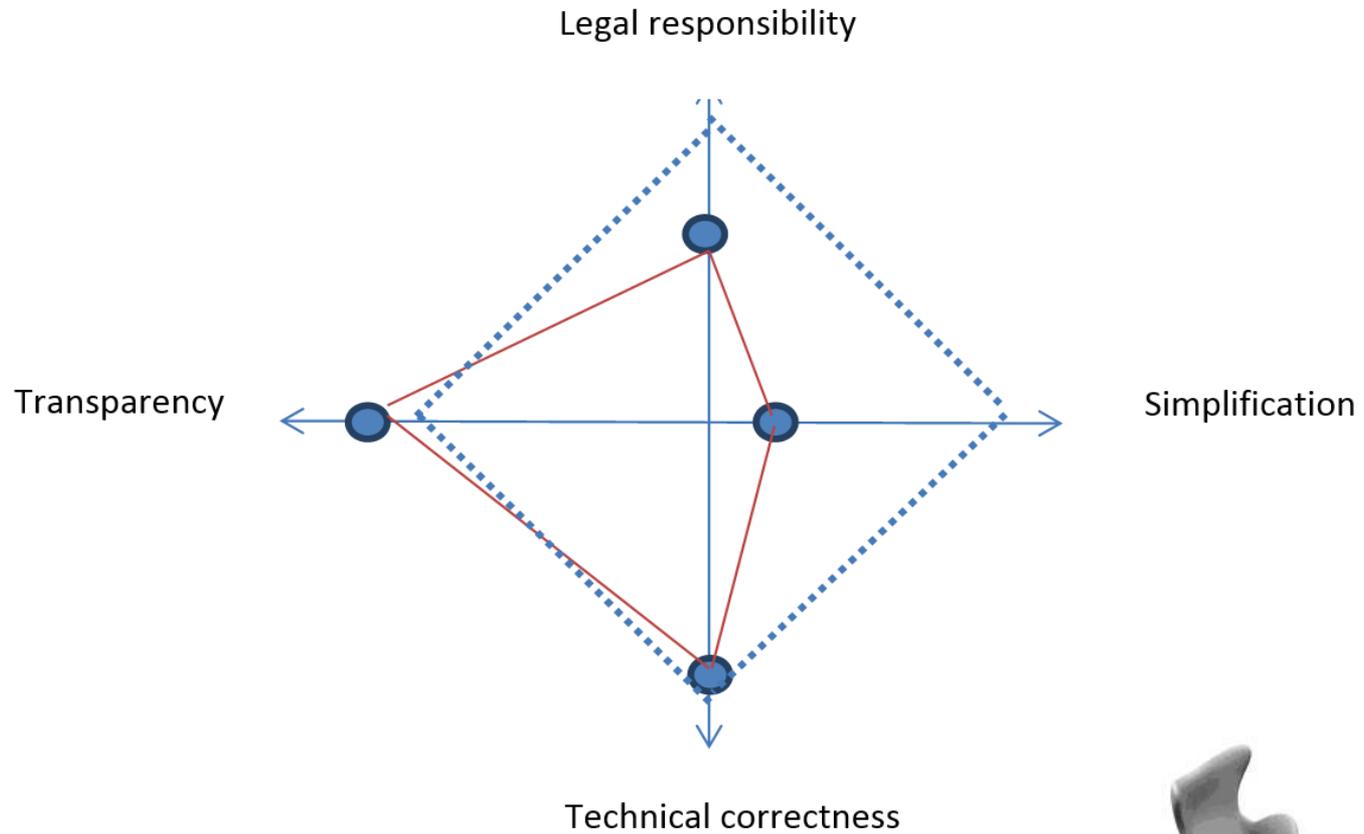
The centralized or decentralized communication

The embedded or non-embedded communication

The deterministic and static or amendable communication



# 2013 Four inherent tensions in communication



# 2013 background

## 1. Legitimacy of pension reforms

A good understanding is a prerequisite for pension changes and reforms and thus legitimate pension systems communicate transparently.

## 2. Financial and pension illiteracy

- “A combination of awareness, knowledge, skills, attitude and behaviour **necessary to make sound financial decisions** and ultimately achieve individual financial well-being.” (A. ATKINSON

and F.-A. MESSY, “Measuring Financial Literacy: Results of the OECD INFE Pilot Study”, *OECD Working Papers on Finance, Insurance and Private Pensions* 2012, No. 15, OECD Publishing, 3.)

- Attention aspects: older respondents, lower educated, minorities, women, non-home owners, respondents with lower incomes, respondents with lower wealth



PRESUPPOSITION

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INFORMATION

Empowers

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Protects

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=?



The issue has changed...

CAPABILITY

Are people capable of understanding?

OR

Should people be capable of understanding?

The answer is highly ideological...

The answer depends on societal view and individual capacities and responsibilities.

e.g. opting out of auto-enrolment schemes



Fundamentally, why do we  
(need to) communicate?

**And try to ascertain that  
people really understand?**

**TRUST**

Why should or would anyone distrust his or  
her pension scheme?

Because it doesn't deliver what it is  
supposed to deliver or what the  
individual thinks it should deliver?

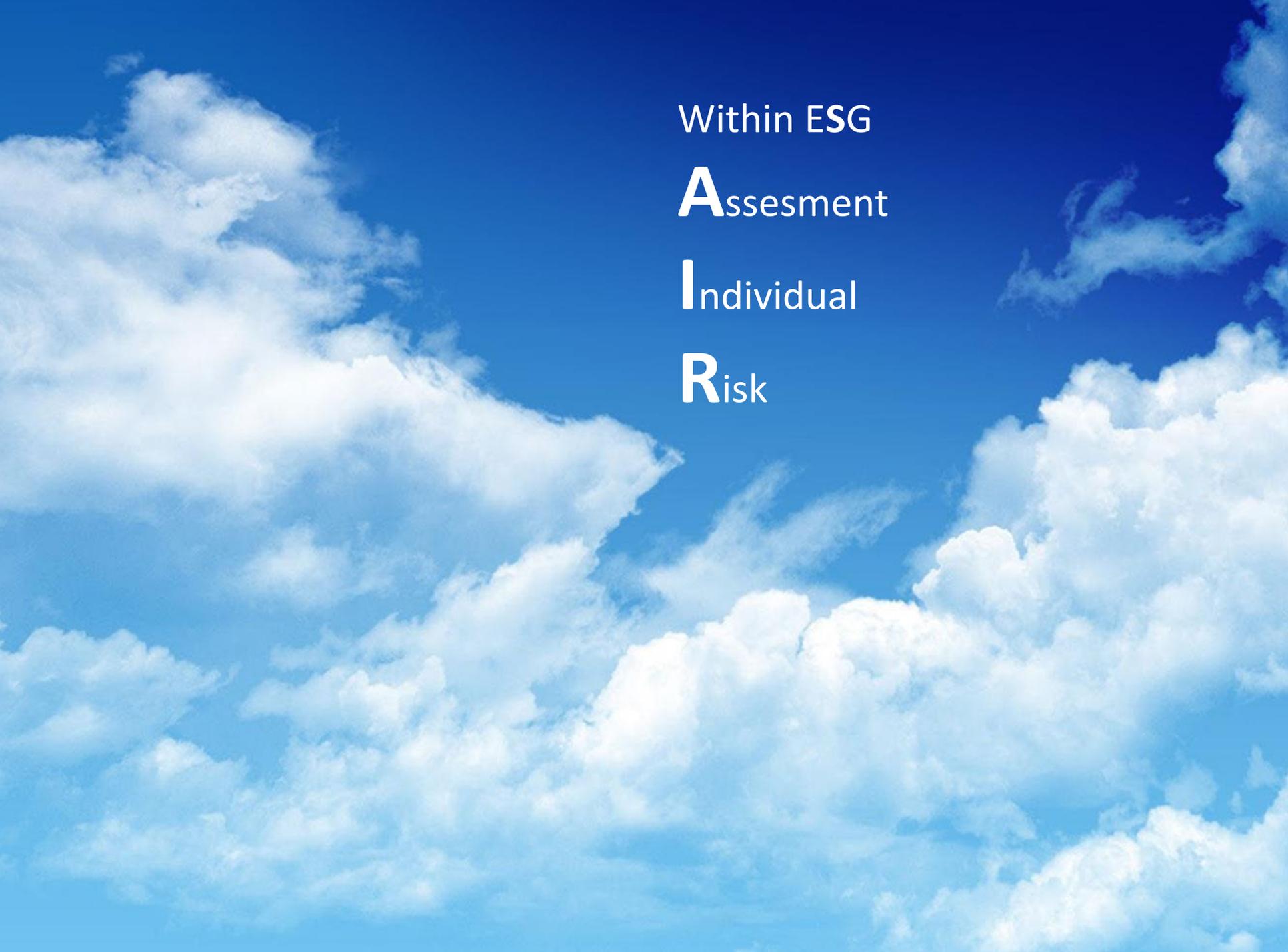
Why?



BECAUSE THERE ARE  
INCREASING SHIFTS of  
RISKS TOWARDS THE  
INDIVIDUAL.

- Lower average state pensions
- Higher average need for personal backup
- DB to DC
- Longevity
- Investment
- Insolvency employer
- Insolvency pension provider
- ...





Within ESG  
**A**ssessment  
**I**ndividual  
**R**isk

Prof. dr. Yves Stevens  
Coördinator Pension Law Course  
Faculty of Law  
University of Leuven  
Cell. +32 473 473 207  
Email: [Yves.Stevens@kuleuven.be](mailto:Yves.Stevens@kuleuven.be)