

What do participants expect from their pension? The most important results of the survey into the risk appetite of the participants and pensioners of the Avery Dennison pension fund

In the next few months the social partners (the unions and the employer Avery Dennison) and the board of the Avery Dennison pension fund have to take some decisions about the pension plan, mainly as a result of changing legislation. In order to make a well-balanced decision the board asked Consultancy agency Zegwaart and market research agency GfK to carry out a survey amongst the participants and pensioners of the Avery Dennison pension fund. Issues discussed involved among others the risks that the pension fund should take when investing the pension contributions, the importance of annual pension increases or the prevention of curtailments and the attitude towards the solidarity principle. Also discussed were the communication to the participants and their confidence in the pension fund.

The results of the survey are now available and below we have listed the most important conclusions.

The participants and pensioners of the Avery Dennison pension fund.....

- have confidence in the pension fund and appreciate the communication. However, they also indicate that communication could be less complicated with more examples. The Uniform Pension Overview and newsletter 'Pensioen Update' are easy to read.
- understand that the pension fund invests in shares and accept the risks involved.
- are at the same time wary of investments, often overestimate the risks of this and underestimate the impact of inflation on the future buying power of pension.
- accept limited shocks that inevitably go hand in hand with investments, but also think their pension should have a solid foundation.
- more frequently than average prefer a plan with minimal risk and a fixed, lower benefit. Their risk appetite is a little bit lower than at most other pension funds.
- do not just want security; approximately 50% of the participants also places great emphasis on a higher pension benefit and is willing to accept the risk of a lower pension as a result of poor investment performance. Also, pensioners want inflation correction and any curtailments should be limited and distributed over a longer period of time.
- consider a standard retirement age of 67 years as only just acceptable, but a majority thinks 68 years is a bridge too far.
- do not have any idea about the benefits they receive in return for the pension premiums paid by them and the employer. In reality this is three to four times as much as what they have paid and this often causes amazement.
- broadly support the principle of solidarity and prefer collective pension accrual with a pension fund over individual accrual.

The general conclusion that can be drawn is that the participants and pensioners of the Avery Dennison pension fund support a pension plan with limited risk to enable some inflation correction, without the downward risks being too high. The anchors that provide confidence in the future of their pension are a solid foundation and a shock-proof pension.