



## Case Study

In a world of constant pension worries IBM reviewed the sustainability of their final salary pension provision, which consisted of at least five different legacy schemes. Following this, employees were offered the choice of moving to a new money purchase scheme with enhanced terms or of remaining with their final salary schemes on adjusted terms.

IBM recognized that this would be a very major decision for individuals and their families with lifelong consequences. A broad strategy of assistance was put together to lead employees through the potential minefield of pensions choices. This provision included an intranet site, a series of roadshows and a sophisticated comparator tool to allow predictions to be made on an individual basis.

Following this, employees were offered the benefit of one to one sessions with clarity consultants. IBM wisely chose to use the £150 tax-free allowance per employee for these consultations. A large number of those affected opted to exercise this benefit with clarity. Meetings were arranged at different IBM sites to add convenience for the employees. Where this was not possible, telephone meetings took place. This flexibility of approach increased the number of the affected population able to make use of the benefit before the deadline for a decision was reached. In addition, clarity set up a dedicated website to support questions and answers as well as allow individuals to research around pension issues in general.

Employees, in the difficult position of having to make a choice for their long-term future, have found the face-to-face sessions with independent consultants to be most useful. Each one has felt more able to make their decision knowing that they have considered all the factors relevant to their particular circumstances. The long-term ramifications of the options available were explained in a one-to-one environment. In this setting, aspects of the choices, ones which may not have been obvious from other sources, could be highlighted and incorporated into the decision making process for each and every employee.

Claire Brooks of clarity said. "This situation was potentially very confusing for all those affected. A well thought out strategy was put in place to overcome this. Face to face meetings were a most valuable part of this strategy. Every employee was able to discuss their own personal circumstances and to end the process in a strong position to make the best decision for their own future."