



# IGC Value for Money Framework 2021

Workplace  
Pensions

Acting in your best interests



The Investment Governance Committee (IGC) has established a Value for Money Framework. This framework sets out the criteria that we would expect to be met by Fidelity's contract-based workplace pension products. It also defines the evidence that we look for when assessing whether the criteria has been met and to what extent.

The evidence is presented to the IGC through meetings of the full committee, or through its Investment, Communications and Administration Sub-Committees. The IGC meets with employers throughout the year in order to gain direct feedback.

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## Investment strategy

### Access to range of funds

- Self-select range (including Investment Pathways) is available and encompasses a range of funds in the principal investment areas (equities, bonds, diversified growth, and property)
- Aims and objectives of funds are clear

### A default strategy that needs no decisions

- A default strategy with clearly defined aims, objectives and risk parameters that is able to respond to market and regulatory change without disruption to employers and members
- Designed and executed in interests of members

### My drawdown funds are aligned to my objectives and inappropriate risk will not erode my fund

- The objectives and needs of the target client are aligned to the investment objective of drawdown funds including the Pathway investments.
- Investment, inflation, default, currency and any other relevant risks are highlighted to clients for their consideration pre-investment

### A good return on my money

- Alignment with interests of members and business takes firm action if needed. Performance of funds is regularly monitored.
- A default strategy exists which targets a reasonable end outcome for members and provides flexibility in how benefits might be taken.
- Full fund choice available
- Clearly defined investment objectives

### Sustainable investing

- Investment managers have a programme of active corporate engagement which holds companies to account for environmental, social and governance (Sustainable Investing) related policies
- Members can invest in funds which reflect their beliefs around Sustainable Investing
- Firm has in place policies on:
  - Sustainable Investing financial considerations
  - Non-financial matters
  - Stewardship
  - Other financial considerations



#### Costs and charges

### Charges in line with the market

- Reasonable charges that fall within industry ranges
- Competitive costs

### Transaction costs

- Transaction costs that are reasonable compared to similar funds
- Competitive costs



#### Member experience

### Accurate administration and reporting

- Good quality administration which is both timely and accurate
- Members are 100% invested at all times in most efficient manner

### Phone support

- A helpline is available to members when needed

### **Employer admin**

- Employers have access to good quality management and governance information to support their own governance processes so that appropriate decisions can be reached
- Efficient auto-enrolment and workforce management systems and processes

### **Fit for purpose**

- Communications are timely, relevant, clear and in Plain English.
- Accessible through a variety of effective media.

### **Properly take into account members' characteristics, needs and objectives**

- Members have access to relevant information and decision-making support at each stage of their pension journey.
- Targeted communications for specific segments and outcomes.

### **Feedback and KPIs feed into continuous improvement**

- Feedback and MI lead to improvements in member communications and engagement
- Collect feedback from members and improve call experience and communications effectiveness in retirement

### **Helping employers support their employees**

- Targeted communications support provided to employers and changes communicated effectively

### **Relevant tools and information are available to help set and achieve personal retirement goals**

- Suitable website content, references to external sources and tools are available to members to target an adequate contribution and pot



Improving  
inputs for better  
outcomes

### **Relevant tools and information are available to help with retirement planning and preparation**

- Wake-up letters outline choices and encourage retirement preparation.

### **Individualised guidance available to members when making at-retirement investment decisions**

- Call scripts effectively guide members' decisions on accessing benefits

### **Members kept informed in regular or one-off drawdown**

- Information sent at the right time to aid informed ongoing management of drawdown once benefits accessed and through retirement

### **Easy way to change contributions**

- Members should be able to make changes to contributions

### **Simple to transfer other pension savings in to this account**

- Easy to transfer in and out of Fidelity to consolidate different retirement savings accounts

### **Flexible options for how to take pension income**

- Full range of retirement flexibilities offered

### **Members understand that contributions are the key factor in achieving personal retirement goals**

- Communications refer to the importance of paying more contributions and the benefits of employer contributions

### **Members appreciate that workplace pensions are tax effective investments**

- Members understand that tax relief and concessions contribute to their pensions savings



## Security

### **Controls and safeguards**

- The provider has robust procedures and controls in place to manage operational risks
- Both the number of errors and impact of errors are minimised
- Members understand the security of their assets

### **A reputable, financially strong pension provider**

- The provider is durable and expected to be around in the long term. Investment is made into DC business.
- Brand awareness exists to provide comfort to members
- Provider has scalability and considers resource management

