



The Netherlands Country Report



## A Retirement Wake-Up Call

The Aegon Retirement Readiness Survey 2016

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# Introduction

Now in its fifth year, the Aegon Retirement Readiness Survey explores how increasing life expectancy is impacting the ways in which individuals plan for retirement.

Countries around the world are facing unprecedented change, creating both challenges and opportunities. The concept of retirement is evolving; life expectancy continues to increase; pressures on governments and pension systems are intensifying; and, greater responsibility is shifting to the individual.

People are having difficulty keeping up with this rapid pace of change. Too few are adequately saving and planning for retirement. Most need greater access to financial advice and planning tools in order to navigate the future and improve their retirement outlook. Moreover, people's expectations of how they will transition to retirement may be unrealistic unless employment practices change.

This report evaluates the current state of retirement readiness in the Netherlands and delineates key areas warranting focus and attention, including the need for: sharing the responsibility for retirement preparation, inspiring habitual saving, making retirement plans more inclusive by design, facilitating the new flexible retirement, and promoting active living and healthy aging in retirement.

The conclusion is that the Dutch need a retirement wake-up call. Solving the retirement challenge must be recognized as a shared responsibility. It requires engaging all stakeholders – governments, the pensions industry, employers, and individuals – to actively take responsibility, and create a dialogue for an inclusive retirement, and implement solutions so that everyone has the opportunity to achieve long term financial security.

Our research finds that Dutch workers have made no noticeable progress since 2012 in most of their retirement saving behaviour and have lost momentum in retirement preparedness that would enable them to enjoy a comfortable, secure life in retirement.



# Key Findings

- **The Netherlands ranks ninth in the 2016 Aegon Retirement Readiness Index (ARRI).**

With a score of 5.6 out of 10, the Netherlands has a low level of retirement readiness, slightly lower than the global average of 5.8. The Dutch ARRI score has fallen since 2015 and the Dutch have made no significant improvement over the course of the past 5 years.

- **Dutch attitudes to contributing to retirement readiness have been in decline.**

The majority of Dutch workers feel personally responsible for ensuring that they will have sufficient income in retirement and are aware of the need to plan financially for retirement. However both measures have fallen since 2012.

- **Dutch behaviors driving retirement readiness have also been in decline.** Levels of retirement planning and financial preparedness have fallen slightly since 2012, while the proportion of Dutch workers that say they will achieve 75 percent or more of their needed retirement income has dropped from 48 percent in 2012 to 43 percent in 2016.

- **Of the 15 countries surveyed the Dutch are the least likely to agree that individuals should fund their own retirement through private pensions and investments.**

Just over a third (36 percent) of the Dutch agree that individuals should save for themselves through private pensions and investments compared to 62 percent globally.

- **Dutch workers and retirees anticipate that the government and employers will fund the majority of their income in retirement.**

The Dutch will largely depend on government and employer funding estimating that they will provide 80 percent of their income in retirement collectively (41 percent and 39 percent respectively).

- **The proportion of Dutch workers that save habitually for retirement is on par with the global average.**

Habitual saving among the Dutch is on par with the global average, having fallen very slightly from 38 percent in 2012 to 36 percent in 2016.

- **The appeal of auto enrollment is low among the Dutch.**

Almost half (49 percent) of the Dutch find auto enrollment appealing at a 6 percent deferral rate compared to the global average 65 percent. At an 8 percent deferral rate 44 percent of the Dutch find it appealing compared to 61 percent globally. The Dutch however, have long been familiar with retirement systems that operate by automatic

processes whereby participation in pension funds and workplace retirement plans is obligatory. The idea is not new to them and enthusiasm for auto-enrolment is somewhat muted.

- **Dutch employers are not keeping up with offering digital retirement tools to their employees.**

Digital retirement tools should be widely available in the Netherlands with Dutch pension providers, pension funds and insurance companies typically providing them as a standard part of their service. However many workers are still unaware of such tools, in fact less than a quarter of Dutch workers report having access to digital tools such as online retirement modelling tools, digital access to view and manage their retirement savings, webcasts and seminars about saving for retirement to help them prepare for retirement or to shape and manage their retirement accounts.

- **Fewer Dutch workers have retirement strategies than the global average.**

Fewer Dutch workers (9 percent) have a written plan than the global average (13 percent), and fewer Dutch workers (35 percent) have a non-written plan than the global average (45 percent).

- **Few Dutch workers have backup plans if they become unable to work and have to leave work earlier than planned.**

Only 19 percent of Dutch workers have a backup plan and of those that do, many say that they will use their personal savings (52 percent), rely on their partner (22 percent) or downsize their home/ sell a second home (20 percent).

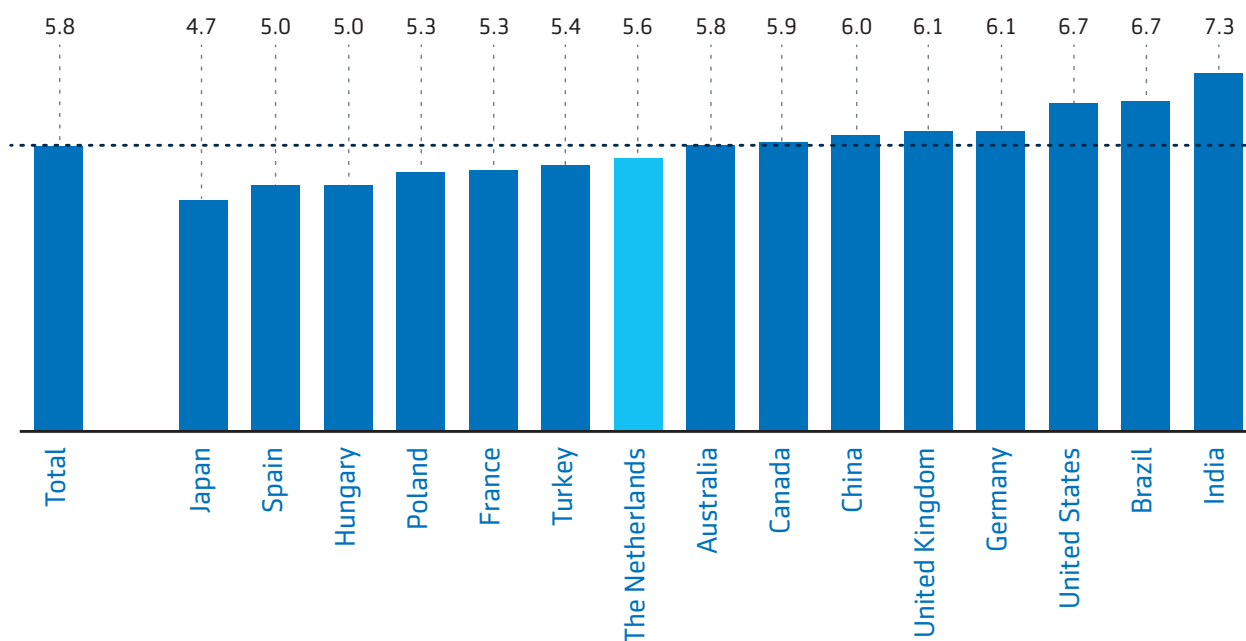
- **Half (50 percent) of Dutch workers say that they will continue working to some extent into retirement.**

Those who say that they will continue working into their retirement years largely say they will do so for positive reasons, for example, to keep active or to keep their brain alert (53 percent), or because they enjoy their work or career (36 percent). Others however are anxious about funding their retirement. Nearly a quarter (24 percent) say they will continue working due to general anxieties about their retirement income and whether their savings will last, while 32 percent are concerned that Social Security benefits will be less than expected.

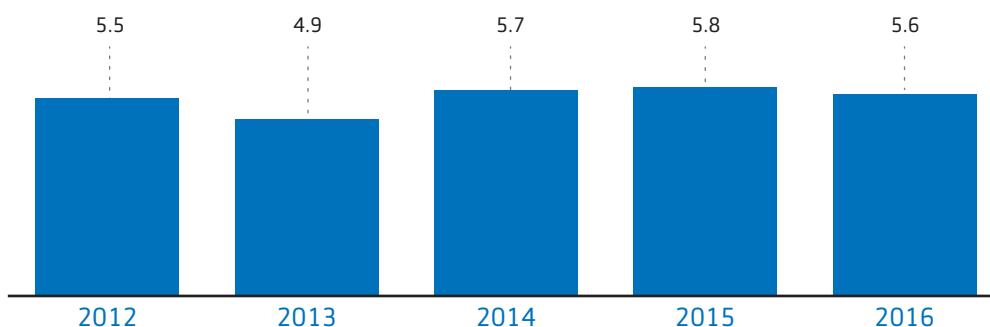
# Part 1: The state of retirement readiness: 2012 to 2016

The Aegon Retirement Readiness Survey is now in its fifth year. A cornerstone of the research is the Aegon Retirement Readiness Index (ARRI), which was created in 2012 to assess the relative levels of retirement preparedness across the participating countries. Individuals are grouped according to whether they achieve a high index score (eight or above out of 10), a medium score (between six and 7.99) or a low score (below six). With a score of 5.6 this year, the Netherlands achieves a low score and ranks ninth in retirement preparedness out of the 15 countries surveyed.

**Chart 1** *The Netherlands places ninth in the 2016 Aegon Retirement Readiness Index*



**Chart 2** *5-Year trend: The Netherlands Aegon Retirement Readiness Index*



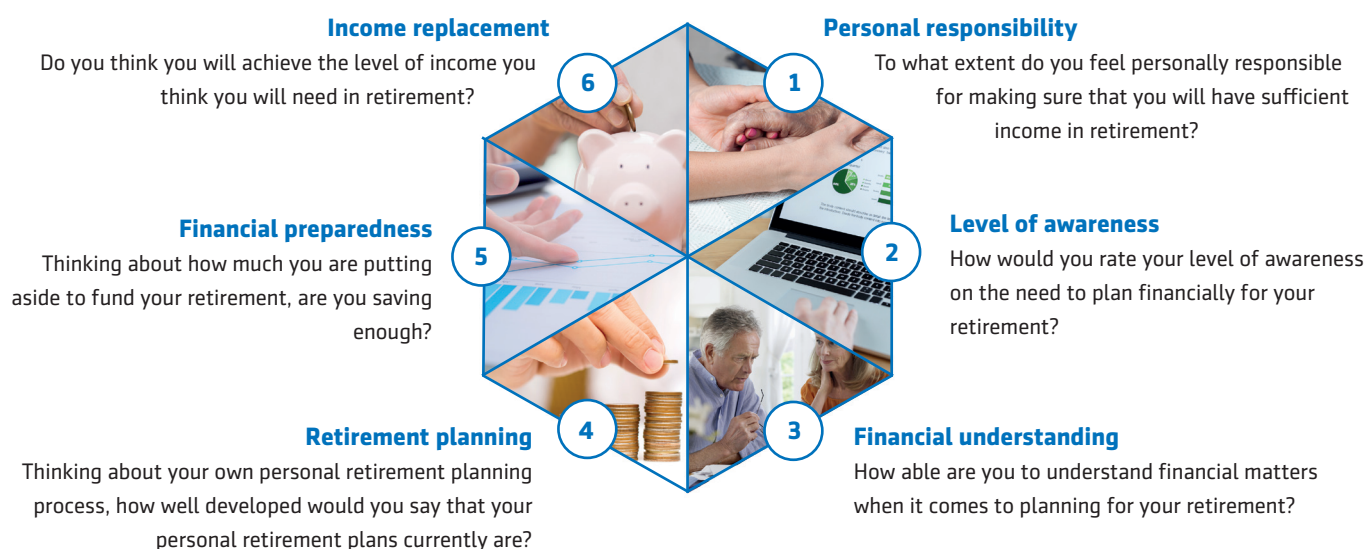
With an ARRI score of 5.6 the Dutch have a low level of retirement readiness. Dutch ARRI scores have remained low over the past 5 years and aside from 2013 when the ARRI score dropped to 4.9, they have changed very little. The Netherlands has currently got one of the most secure pensions systems in the world with one of the highest pension asset to GDP ratios worldwide (184 percent) in 2015.<sup>1</sup> Given the strength of the government AOW pension system and occupational pension schemes, under which 91 percent of employees are covered in the Netherlands,<sup>2</sup> it is perhaps little wonder that the Dutch appear somewhat disengaged or even complacent about saving for retirement. However, the aging population and low interest rates are starting to challenge the sustainability of the system.

The stability of the wider economy in the Netherlands is also likely to do little to shake-up the Dutch mindset either. Year-on-year GDP growth in the Netherlands (1.50 percent)<sup>3</sup> is on par with the Euro Area (1.70 percent) and while the jobless rate is relatively high for the Netherlands at 6.3 percent, this has fallen over the past 2 years and is below the Euro area average 10.1 percent.<sup>4</sup> Nearly half (47 percent) of the Dutch think that the economy will stay the same over the next 12 months (compared to 40 percent globally) and almost the same proportion thinks that the economy will get better (26 percent) as thinks it will get worse (24 percent). When thinking about their own financial situation over half (54 percent) of the Dutch think their own economic situation will stay the same over the next 12 months, which compares to 48 percent globally. The proportions that think their own financial situation will improve versus get worse again almost cancel each-other out, 22 percent think their own financial situation will get better compared to 23 percent that think it will get worse. However with the statutory pension age gradually being raised to 66 in 2018 and 67 in 2021, there is at least some evidence that the Dutch recognize that reform is needed to make the system sustainable. Almost two-thirds (65 percent) of the Dutch think that future generations of retirees will be worse off than those currently in retirement (compared to 53 percent globally).

### Aegon Retirement Readiness Index Components

The ARRI is based on responses to six survey questions, three broadly attitudinal and three broadly behavioural in nature. There have been small decreases across all six measures since 2012. The level of personal responsibility and awareness Dutch workers feel for the need to plan financially for retirement have fallen the most, signs that more needs to be done to get them motivated and engaged in their retirement planning.

**Chart 3** What factors shape the ARRI findings?



<sup>1</sup> Willis Towers Watson (2016): Global Pensions Assets Study 2016

<sup>2</sup> OECD (2015) Pensions at a Glance 2015: Country Profiles

<sup>3</sup> Trading Economics: Statistics Netherlands

<sup>4</sup> Trading Economics: Statistics Netherlands

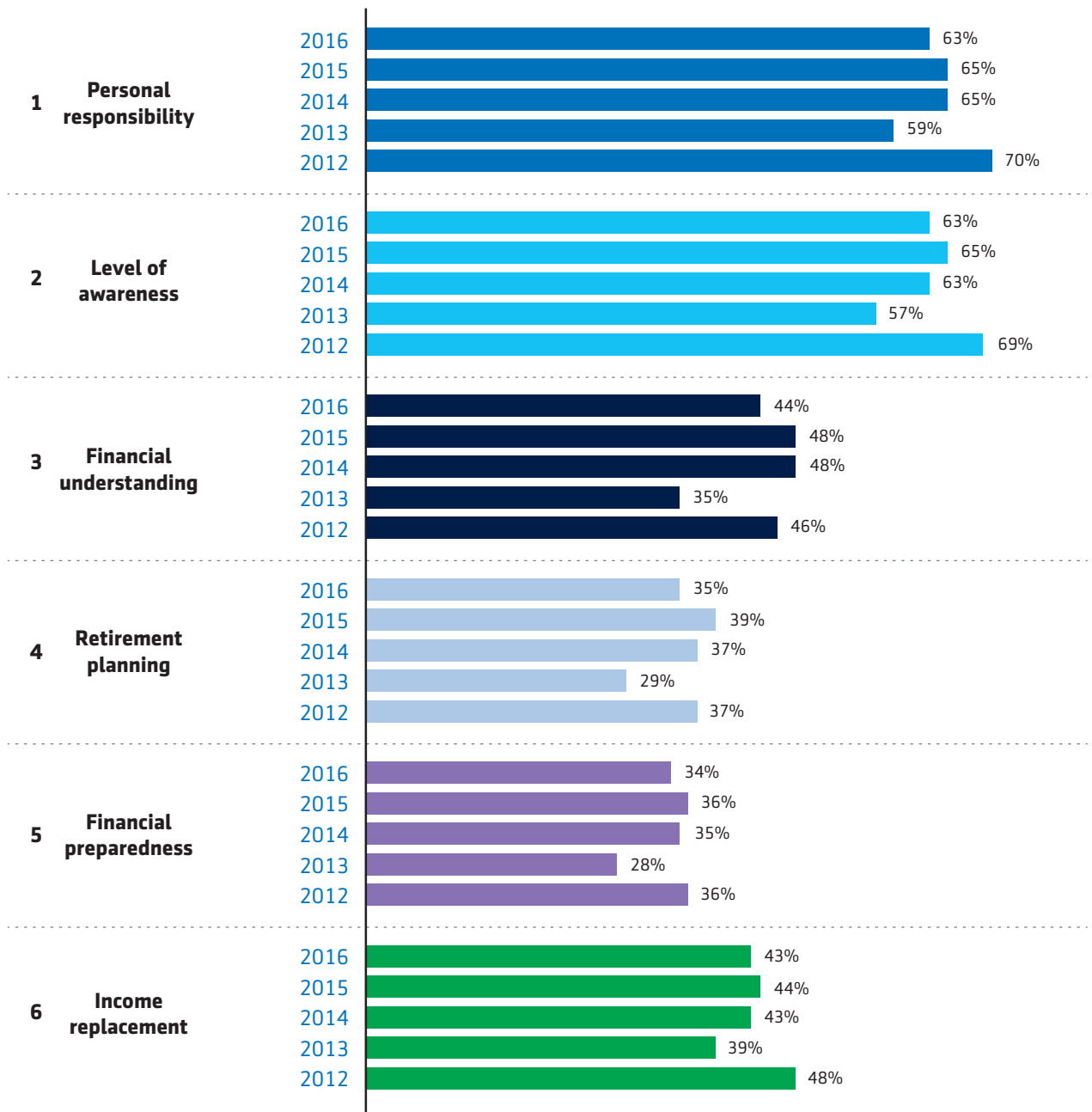
### Chart 4 Dutch 5-year trend: ARRI Components

The six index questions are answered on a five-point scale. Bars show the proportion of “top two option” (4 and 5) responses between 2012 and 2016.

For the first five questions from top to bottom, workers were asked to rate their level of agreement with a statement, e.g., “To what extent do you feel personally responsible for making sure that you have sufficient income in retirement?” From code 1 “I don’t feel responsible at all” through to code 5 “I feel very responsible.” Bars represent top-two options (4 and 5), for example, that workers feel “somewhat or very responsible.”

For the sixth question, “income replacement,” workers were asked what proportion of their current income they expect to need in retirement, followed by “Do you think you will achieve this income?” This is answered on a scale from code 1 “I don’t know if I am on course to achieve my retirement income” through to code 5 “Yes I am on course to achieve my retirement income.” The bars represent top-two options (4 and 5), that they are on course to achieve at least 75% of their needed retirement income.

N.B. While “Top two option” responses to all six ARRI component questions have trended downwards since 2012, these decreases are stable within 95 percent confidence levels. The ARRI score is calculated using the means from these questions and has remained stable since 2012 (5.5 in 2012 to 5.6 2016).

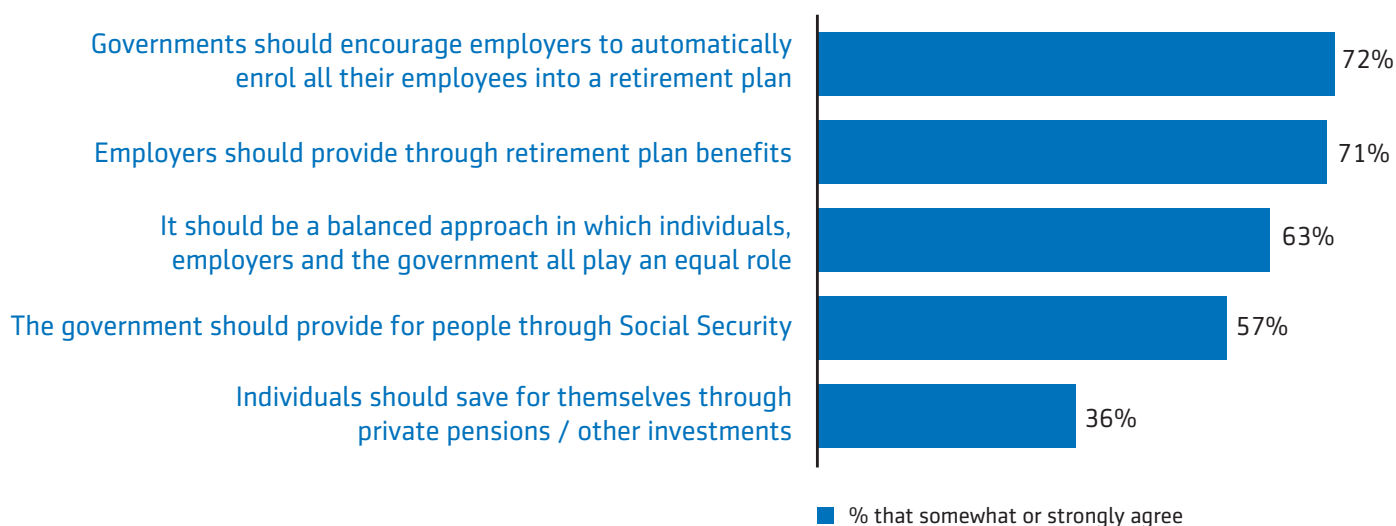


# Part 2 - Retirement readiness is a shared responsibility – and it requires a shared solution

With increased longevity, retirement is lasting longer and people are enjoying more time after their working life. Funding this longer retirement rests on three pillars – firstly, governments must provide appropriate vehicles to invest in and guidance on how to do so, secondly, employers must engage with employees on planning their retirement as well as contributing their part financially. Finally individuals must take personal responsibility and put aside and invest a sufficient proportion of their salary. And start doing so in time.

The Dutch overwhelmingly think that the government and employers should shoulder the bulk of responsibility for funding people's retirement. Seven-in-ten (72 percent) agree that governments should encourage employers to automatically enroll all their employees into a retirement plan and the same proportion (71 percent) agree that employers should provide through retirement plan benefits. Of all the countries surveyed the Dutch are the least likely to think responsibility should rest with the individual. Just over a third (36 percent) agree that individuals should save for themselves through private pensions and other investments (compared to 62 percent globally).

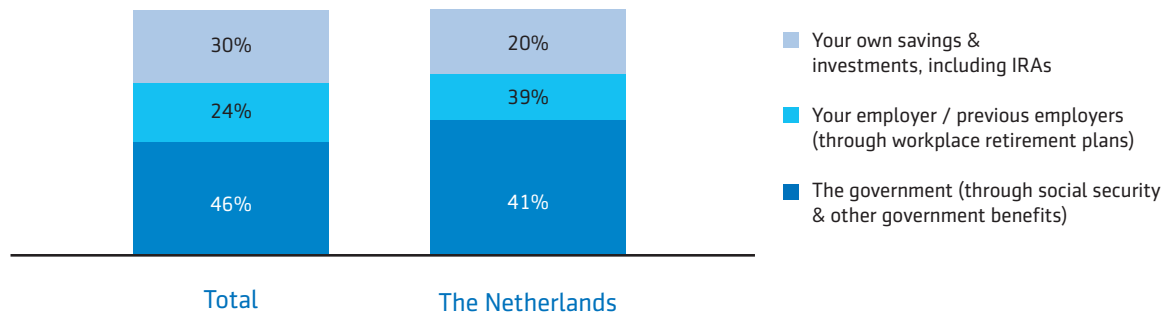
**Chart 5** Dutch attitudes on how to fund retirement



In line with their funding attitudes, the Dutch expect a large proportion of their retirement income to come from the government (41 percent) and employers (39 percent). They expect just 20 percent to come from their own savings and investments (compared to 30 percent globally) and this is the lowest proportion of all the countries surveyed. However expectations do differ by age, those in their 60s expect 13 percent of their retirement income to come from their own savings compared to 27 percent among those in their 20s. There is a growing realization that the way in which people fund their retirement is set to change.



**Chart 6** Proportion of retirement income by three broad sources



Asked which retirement pension provider gives them the most confidence that they will receive the best possible income in retirement, two-in-five (42 percent) Dutch workers say pension fund. Confidence is much less in banks (12 percent) and insurance companies (6 percent). Asked what they would do with the money put towards their retirement pension by their employer, given the choice, almost half (48 percent) said that they would continue to put it towards their retirement pension. This differs by age, with around two-in-five workers in their 20s (41 percent) and 30s (39 percent) saying they would continue to put it towards their retirement pension compared to 55 percent of workers in their 50s and 59 percent in their 60s. If pensions rules permitted, 28 percent of the Dutch would use at least some of their retirement pension savings to help pay off their mortgage and this peaks in people's 30s (35 percent) and 40s (34 percent). Almost one-in-five (18 percent) would use at least some of their retirement pensions savings to help pay for healthcare costs, with a peak in people's 20s (22 percent) and 30s (23 percent) which falls by the time people reach their 60s (14 percent) and 70s (12 percent).

Given that the sustainability of government retirement systems around the world are under strain as a result of growing aging populations and longer life expectancies, all social partners need to take a more balanced, and realistic approach in which governments, employers and individuals are working together to fund retirement.

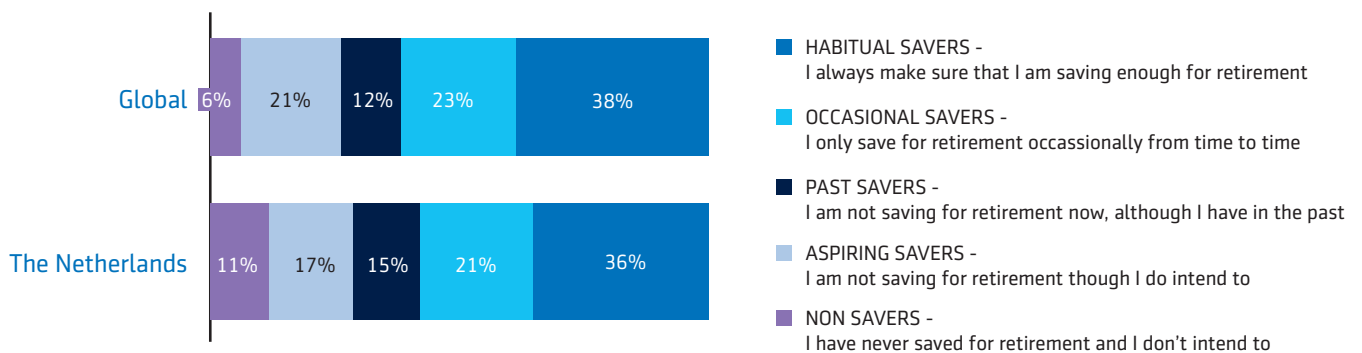
# Part 3 – Habitual saving is critical for success

The importance of habitual saving cannot be stressed enough. People who save habitually are in a better position in planning for their retirement, feel more responsible, and have a better understanding of what retirement will mean for them financially.

The proportion of Dutch workers that say they always make sure that they are saving for retirement is broadly in line with the global average (36 percent of Dutch workers say that they save habitually for retirement compared to 38 percent globally). However, the Dutch retirement system is one of the most inclusive systems worldwide with over nine-in-ten (91 percent) Dutch employees participating in retirement plans by default. This highlights that a large proportion of Dutch workers are either unaware that they are contributing to such plans and do not realize that they are saving for retirement on a habitual basis; or that they are aware that they are contributing to such plans but do not feel that this means that they are personally saving regularly for retirement. Despite being aware that they are making contributions to a retirement plan, they may attribute responsibility to their employer due to the default nature of it – they do not see the money and are not actively putting it aside for themselves in retirement.

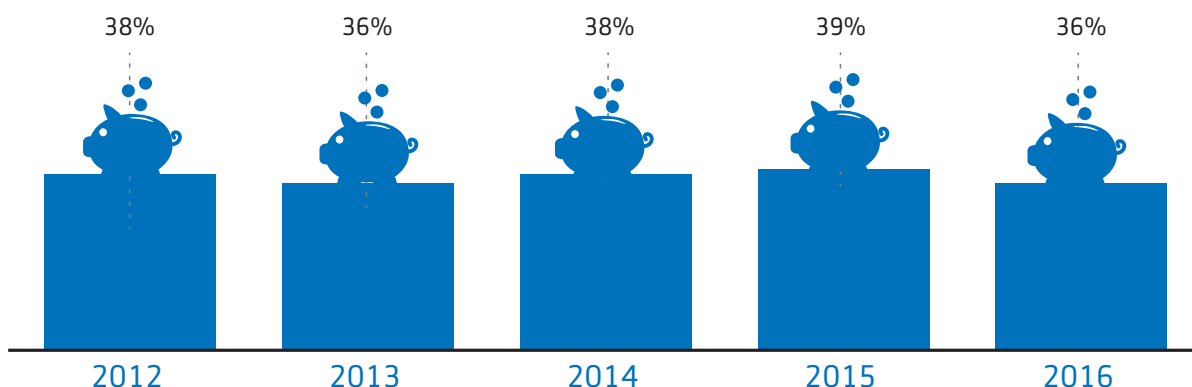
It is worth noting that a relatively large proportion of Dutch workers are past savers (15 percent compared to 12 percent globally) and of all the countries surveyed the Netherlands (along with Poland) has the largest proportion of non-savers (11 percent compared to 6 percent globally). Again, this highlights a lack of engagement among the Dutch.

**Chart 7** Approach to saving for retirement



The level of habitual saving among the Dutch has changed little since 2012.

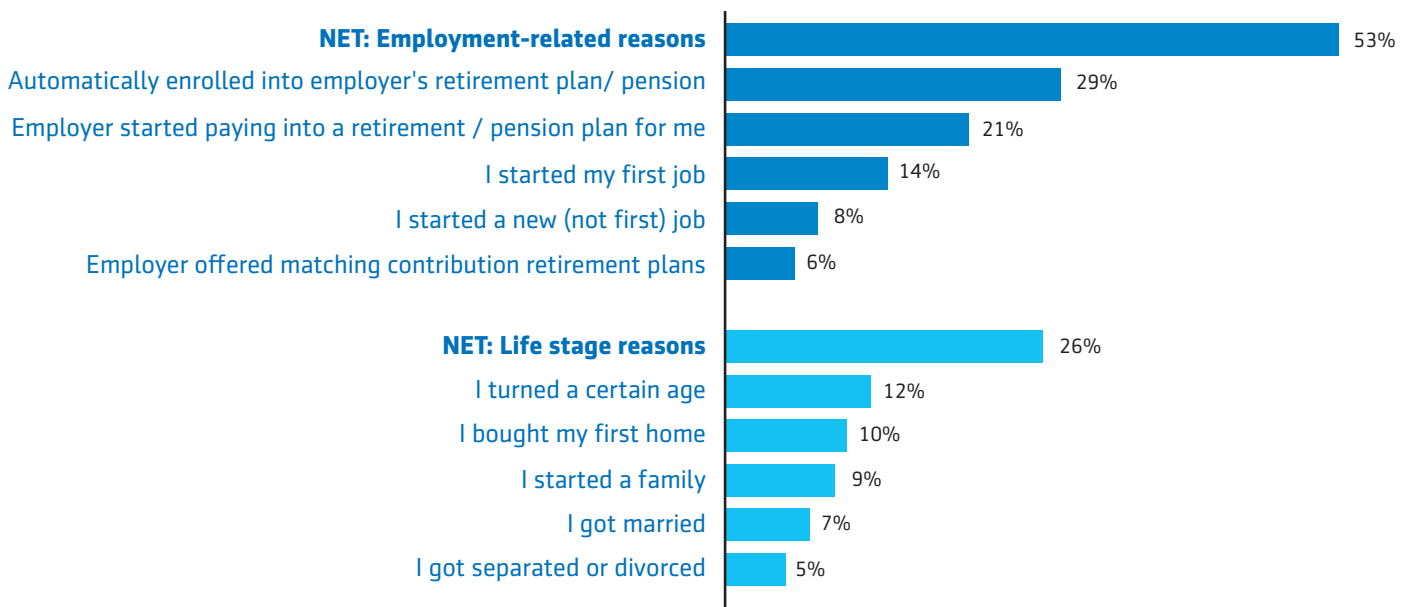
**Chart 8** Dutch habitual savers: 5-Year trend



Triggers that start workers saving for retirement can be put into two broad categories. Firstly, encouragement from employers can have a strong influence on individuals to take that first step to start saving for retirement. Secondly, major life stage events can be just what's needed to energize workers to focus more on retirement.

Over half (53 percent) of those already saving for or intending to save for retirement were prompted by their employer. Employers automatically enrolling employees into a plan or starting to pay into a retirement plan or pension, provided that initial nudge for many. For those motivated by a life stage change, turning a certain age was a key factor to instigating their retirement saving.

**Chart 9** *What prompted retirement saving among savers and intenders*

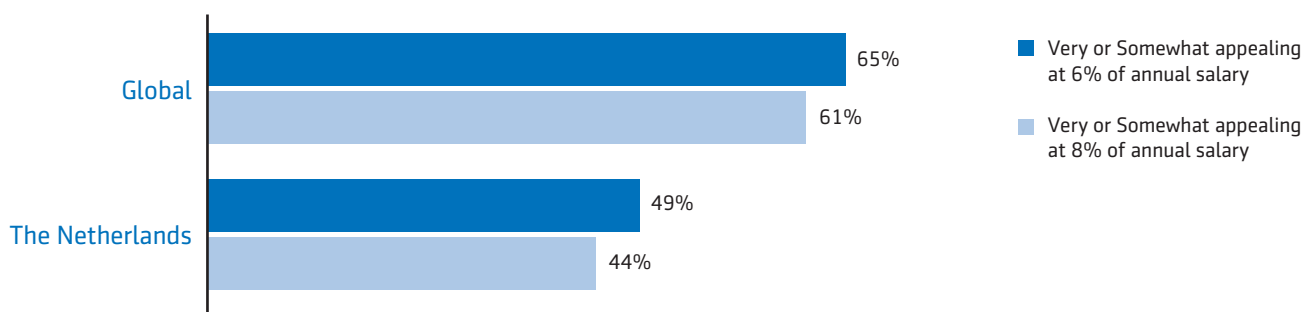


# Part 4 – Making it easy and more convenient to save

Workplace retirement plans can provide an impetus to start saving for retirement. Automatic enrollment into a workplace retirement plan, whereby workers are automatically enrolled and a set proportion of their salary is invested into a retirement plan has wide appeal globally. Although technically the Dutch do not have an auto-enrollment retirement system, the likes of which we find in the U.S. and the U.K., they have long been familiar with retirement systems that operate automatic processes whereby participation in workplace retirement plans is the default. The idea is not new to them and enthusiasm for auto-enrollment among the Dutch is somewhat muted. At a 6 percent rate of deferral 49 percent say they would find it appealing and at an 8 percent deferral rate only 44 percent say that they would find it appealing (compared to the global averages of 65 percent and 61 percent respectively).

Segments of the population that are vulnerable – women, part-time workers, lower income earners, those with less education – who tend to enjoy fewer opportunities to achieve retirement readiness would particularly benefit from more structured arrangements in terms of auto enrollment in workplace retirement plans. However, appeal at both a 6 and 8 percent deferral rate is actually lower among all of these groups in the Netherlands.

**Chart 10** *The appeal of auto-enrollment*



## The role of workplace retirement plans





The workplace is a primary channel for encouraging retirement savings, yet only 38 percent of all Dutch workers feel their employers provide enough information and support to help with their retirement planning.

Dutch employers do well in providing services to help workers prepare for retirement. Two-in-five workers say that they receive annual retirement plan statements (42 percent) compared to 19 percent globally. However, this is a statutory requirement among Dutch employers which suggests that many Dutch workers aren't aware of the benefits they do actually receive. One-in-five (19 percent) provide employer/ retirement plan administrator website access compared to 13 percent globally. Easy access to clear and concise information is a key component to staying engaged with one's savings and investments – Dutch workers need to make better use of the workplace information that they are already entitled to receive.

In this digital age, nearly all Dutch pension providers, pension funds and insurance companies offer access to online retirement tools as a standard part of their service. Employers therefore have the opportunity to help their employees with retirement planning through making such tools available and raising awareness around them. However, very few Dutch workers report having access to such tools. In fact less than a quarter (24 percent) of workers enjoys digital access to view and manage their retirement savings and only 15 percent have access to online retirement modelling tools. Notably, when workers are offered such services, a majority find them extremely or very helpful, particularly the ability to view and manage their retirement savings and access to online modelling tools.

**Chart 11** *Very few Dutch workers are offered digital tools from their employers to help them prepare for retirement*



|  | Percentage of workers offered this service | Percentage who find the service very / extremely helpful (among those offered) |
|--|--|--|
|  Digital access to view / manage retirement savings               | 24%  | 65%  |
|  Online retirement modeling tools                               | 15%  | 66%  |
|  Webcast meetings/seminars about pensions/saving for retirement | 7%   | 35%  |
|  Company-sponsored blogs and/or online network groups           | 3%   | (low base size)  |

Employers offer a wide range of benefits to attract and retain workers. Paid time-off and flexible working hours are among the most popular. As the workforce grows older the demand for flexibility around retirement age is likely to increase, yet few Dutch workers have access to services to prepare them for the transition. Currently, only a third of Dutch workers are offered the ability to work past normal retirement age (33 percent), or a phased retirement or other employer programmes providing for a transition into retirement (31 percent). Over half (53 percent) are offered a retirement plan with employer contributions, while just under a quarter have access to a retirement plan without employer contributions (23 percent).

**Chart 12** *Workplace benefits provided to Dutch workers*

|  | <b>Percentage of workers offered this service</b> |
|--|---|
| <b>Vacation/ paid time off</b>   | 82%   |
| <b>Convenient location of workplace</b>  | 68%   |
| <b>Flexible working hours</b>  | 61%   |
| <b>Retirement plan with employer contributions</b>   | 53%   |
| <b>Access to good training provision</b>   | 52%   |
| <b>Overtime and bonus pay</b>  | 51%   |
| <b>Medical health insurance</b>  | 46%   |
| <b>Opportunities for career progression</b>  | 46%   |
| <b>Ability to work past the normal retirement age</b>  | 33%   |
| <b>Phased retirement or other employer programmes providing for a transition into retirement</b> | 31%   |
| <b>Retirement plan without employer contributions</b>  | 23%   |
| <b>Life insurance</b>  | 16%   |

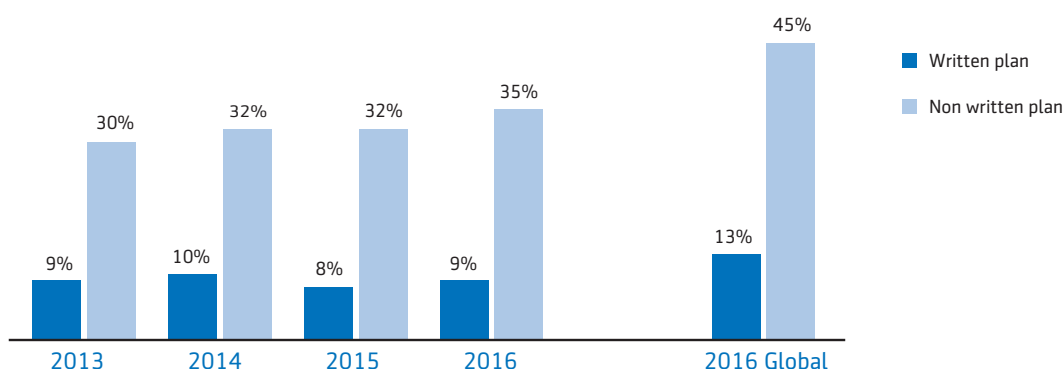
When asked which sources Dutch workers currently use to prepare for retirement, 46 percent said that they are seeking financial retirement planning advice digitally, choosing to use digital services such as retirement plan provider websites (25 percent), government websites (20 percent), personal finance websites or online retirement planning tools (19 percent), or financial services provider websites (14 percent). Workers are seeking retirement planning services and advice digitally outside of their employment, highlighting that there is an opportunity for employers to help their employees prepare for retirement by offering them online information about employment based retirement plans. If workers have easier, faster access to their retirement plans, they may be encouraged to become more involved and take greater charge of their retirement planning. Improved access will provide workers with more control and focus over the planning and management of their retirement funds.

Nineteen percent of Dutch workers consult their friends and family for retirement advice which may not always be the most prudent source of information, as friends and family may not be qualified to offer sound advice. Others rely on professionals - professional financial advisors (19 percent) or bank advisors (7 percent).

# Part 5 – The imperative for retirement literacy and planning

A written retirement strategy is not merely a piece of paper but is often the outcome of a process where future retirees have taken the time to consider what their post working life can look like and how they can fund it. Overall, 44 percent of Dutch workers have a retirement strategy, well below the global average (58 percent). Only 9 percent have a written plan again below the global average (13 percent).

**Chart 13** Dutch workers with a retirement strategy



Vulnerable groups, such as people who work part-time, lower income earners and people with low education, are less likely to have had the opportunity to formulate a strategy to prepare financially for retirement. Among these vulnerable groups there is a higher incidence of people without any retirement strategy: low income earners (57 percent), women (52 percent), part time workers (55 percent), young workers age 20-29 (55 percent) - compared to 48 percent among the Dutch overall.

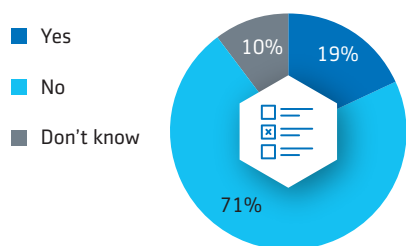
**Chart 14** Which of the following best describes your retirement planning strategy?

|  | Total | Women | Young<br>(age<br>20-29) | Work<br>part-time | Low<br>income<br>(personal) | Low<br>education<br>(less than<br>undergrad<br>degree) | Aspiring<br>savers | Non-<br>savers |
|--|-------|-------|-------------------------|-------------------|-----------------------------|--|--------------------|----------------|
| <b>I have a written plan</b>                     | 9%    | 6%    | 5%                      | 8%                | 5%                          | 7%   | 1%                 | 4%             |
| <b>I have a plan, but it is not written down</b> | 35%   | 33%   | 33%                     | 28%               | 30%                         | 30%  | 16%                | 6%             |
| <b>I do not have a plan</b>                      | 48%   | 52%   | 55%                     | 55%               | 57%                         | 54%  | 77%                | 81%            |
| <b>Don't know</b>                                | 8%    | 9%    | 7%                      | 9%                | 8%                          | 9%   | 6%                 | 9%             |

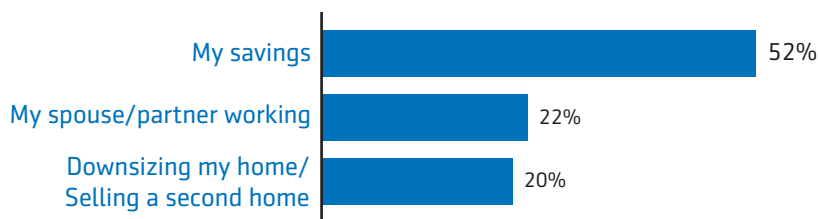
Less than one-in-five (19 percent) Dutch workers say they have a backup plan to provide them with an income should they be unable to continue working before reaching their planned retirement age.

Of these people, 52 percent say that they will rely on their savings as part of their backup plan. Just over one-in-five say that they will rely on their partner (22 percent) or downsizing their home or selling their second home (20 percent).

**Chart 15** *Just under one-in-five Dutch workers have a backup plan*



**Chart 16** *Their 'backup plan' includes...*



## Part 6 – It’s personal: Making the case for the new flexible retirement

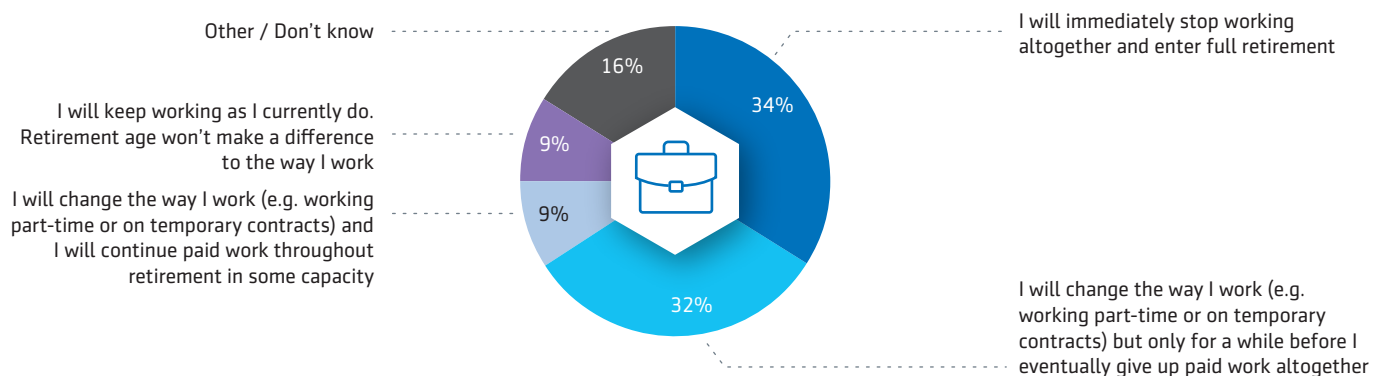
The Dutch expect to live an average of 17 years in retirement, but the reality is that they may live even longer. Increases in longevity may result in individuals needing to work longer in order to adequately fund retirement. Working longer can also promote active living and healthy aging.

Half (50 percent) of Dutch workers intend to work into retirement, which may involve shifting from full-time to part-time work. For others, it may involve working in a different capacity or pursuing an encore career. However, employers are falling short in accommodating workers in extending working lives and transitioning into retirement. Thirty-seven percent of Dutch workers find phased retirement to be a very or extremely important occupational benefit, yet only 31 percent are offered it.

Among those who envision working to some extent in retirement, 53 percent want to do so mostly to keep active and to keep their brain alert or because they simply enjoy their work or career (36 percent). Others have general anxieties about their retirement income and whether their savings will last (24 percent) or whether Social Security benefits will be less than expected (32 percent).



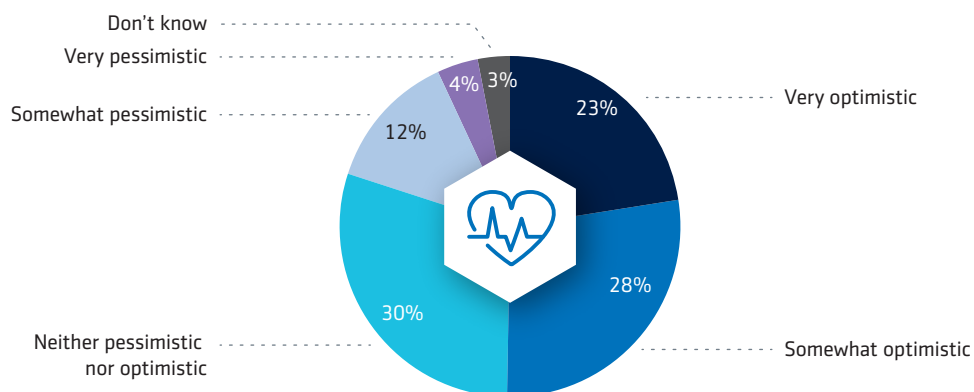
**Chart 17** Working into retirement will become the norm



# Part 7 – The promise of active living and healthy aging

Sixty-seven percent of Dutch people claim to be in good or excellent health. Being healthier for longer opens up opportunities to stay active and engaged, travel, and enjoy things considered to be important to them. Just over half (51 percent) are optimistic that they will be able to maintain good health in retirement.

**Chart 18** When thinking about their retirement, half of all Dutch people are optimistic about maintaining good health



With increasing life expectancies, there is a need for many to extend their working lives and retire at an older age. Doing so can help bridge retirement savings and income needs. It's also an opportunity to stay involved and enjoy more years filled with active living and healthy aging.

# Recommendations

The world is ready for its retirement wake-up call. The fifth annual Aegon Retirement Readiness Survey finds little improvement, and in fact, even inertia in the Dutch retirement preparedness since 2012. Around the world, many workers expect to rely heavily on government benefits and are not saving enough to adequately fund their retirement income needs. The reality is that people are living longer than ever before, yet inadequate attention is being given to address the costs and implications associated with increased longevity. Governments, employers, and individuals must continue to expand upon actions that have proven effective while innovating new solutions for the future.

With the Dutch retirement eligible age set to increase over time, and rising in line with life expectancy, the Dutch need to reconsider if the government will be able to fund two-fifths of their retirement income. They will need to assume greater personal responsibility in saving either directly or through company plans.

1. Most (91 percent) Dutch workers participate in workplace retirement plan. Almost all Dutch employers pay the major part of the pension contributions through these plans and all contributions are tax deductible. This serves as a good example not only to the rest of the world, but also to those employers in the Netherlands that are in the minority and do not offer retirement plans. They should be encouraged to set up employer retirement savings plans. Policymakers should work to increase incentives to employers, remove barriers to setting up plans, and open them up to all workers.
2. Dutch pension providers, pension funds and insurance companies typically provide online retirement tools as a standard part of their service. Currently, very few Dutch employers are taking advantage of these tools which could help promote good retirement planning and management among their workers. This presents a missed opportunity to encourage workers to save for retirement. If given easy and quick digital access to planning and management tools to enhance the retirement experience, workers would be more likely to become involved and take charge of their retirement planning, resulting in a better retirement planning journey. Pension providers should nudge employers to make such tools available to all workers. Employers should do more to raise awareness and promote online retirement tools among their employees. And workers themselves should take the time to seek out and take advantage of the tools at their disposal so that they can become more engaged, better informed and ultimately better prepared for retirement.
3. Employers and workers should agree on triggers for automatic increased savings by payroll deduction (auto-escalation). Depending on when a worker started saving consistently and how long they have before retirement, the automatic enrollment default rate may not be adequate to provide sufficient retirement income. Increases in the amount people save can be made automatically at predetermined times, such as pay raises, or upon reaching a certain age.
4. Employers and governments should continue to promote financial literacy and raise awareness, not only of the need to save for retirement, but also how to invest long term savings, and the benefits of working longer.
5. Governments should consider engaging family and friends in their campaigns to help increase awareness of the benefits of establishing a retirement savings strategy, especially for those not covered by an employer-sponsored retirement plan. No age is too young or old to start. Parents can instill good savings habits in their children by teaching them how to budget and invest.
6. Parents and adult children can begin to discuss topics that are typically sensitive, such as getting one's legal affairs in order, inheritance, caregiving, and other financial matters.
7. Individuals should create a retirement strategy to fund retirement and manage their retirement savings to last a lifetime. A retirement strategy should be tailored to the individual's plans for retirement (e.g. travel, continued working, etc.), other possible sources of income in retirement, and the individual's health. Individuals should take advantage of any professional financial advice or other tools in modeling their retirement. Online tools and robo advice can help individuals assess the amount they will need to save and how to invest their savings.

8. The retirement plan or strategy should help people to manage retirement savings to last a lifetime. Building up adequate retirement savings is one half of the solution. Individuals should also plan to manage their retirement savings during the decumulation phase to provide them an income for life that includes possible pension income and government benefits. Lifetime income can be achieved through a guaranteed lifetime income product (annuity) or through a combination of other solutions and/or products, without any guarantees
9. Individual retirement strategies should also include a backup plan to enable the individuals to pay for unexpected expenses and events. A wide range of insurance products including life, income or critical illness policies, for example, can provide a cost-effective way of helping individuals and their families in the event employment ends prior to expected retirement date because of an illness, disability or death.
10. Governments and employers should encourage individuals to work longer or, at a minimum, facilitate their working past normal retirement age. As many individuals and employers tie retirement age to the date of receipt of government retirement benefits, any increase in the age of entitlement (when people can draw on their social security pension) would likely influence a change in behavior and encourage individuals to work longer.
11. Employers can also facilitate workers remaining in the workforce past their normal retirement date by developing age-friendly workplaces and by implementing phased and flexible retirement options (e.g., flexible work arrangements, reducing hours, working in a different capacity). Employers are encouraged to consider the benefits of retaining older workers in the workforce, such as the experience they bring, their loyalty and understanding of the business. Employers and governments should facilitate continued training to enable individuals to maintain skills to perform their job. Individuals should take advantage of training and phased retirement programmes and consider the benefits of remaining in the workplace (e.g., maintaining an active mind and body, fulfillment, community, increased income).
12. Finally, as individuals consider their preparedness for retirement, actions to keep healthy and active can increase their confidence in their retirement security and their ability to work longer. Employers should be encouraged to promote greater vitality through wellness programmes in the workplace and governments and employers should consider incentives for healthy and active lifestyles.

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