

## Explicability of the new pension system

“The importance of communication for an understandable and acceptable new pension system”

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In the new Dutch pension system, participants have more choices but also more uncertainty. Therefore, communication should focus on enabling individuals to understand the system so that they can make appropriate pension choices. But communication also influences acceptance: do people experience the new system and its outcomes as justified? Finally, communication should manage expectations to avoid disappointment in the future.

### Principal Findings

- Involve pension communication professionals in all new developments to safeguard simplicity and explicability.
- Make clear agreements between government and social partners about how the transition to the new system is communicated and which terminology is used.
- Regularly inform participants en retirees about the transition process: the choices made, the values and arguments involved, and the consequences.
- Ensure individuals are aware of their rights and the actions they can take.
- Communicate fluctuations in pension prognoses proactively and transparently and emphasise that these concern the pension from the employer and not the state pension.

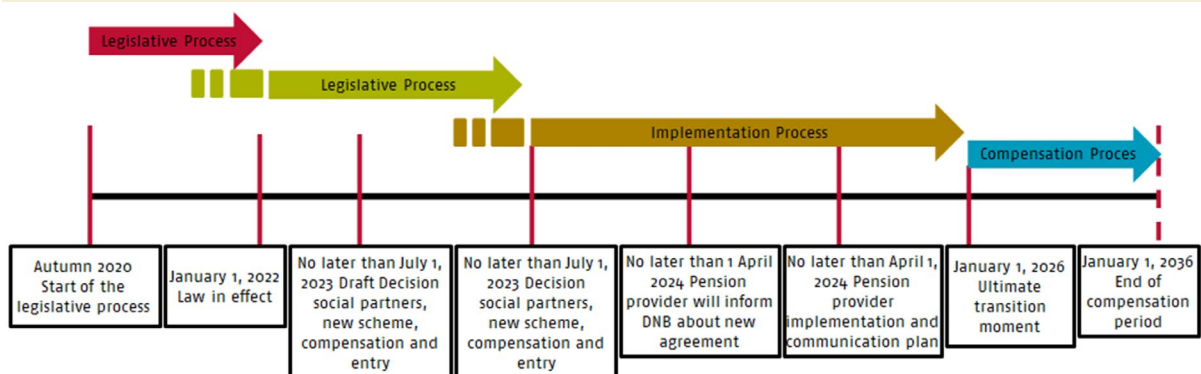


Figure: Timeline pension agreement (<https://centraalbeheerapf.nl/actueel/publicaties-persmaterialen/aan-de-slag-met-het-pensioenoverzicht/>)

### Key Takeaways for the Industry

- Do not make golden promises about the new system, as these will lead to unrealistic expectations and therefore disappointment in the new system.
- Prepare for increased communication with the public, differentiate communication processes according to client needs, and provide staff with appropriate training.
- Produce a set of tools to test explicable pension communication. The pension sector and government could realise this in consultation with the Netherlands Authority for the Financial Markets (AFM).



Want to know more? Read the paper

'De uitlegbaarheid van het nieuwe pensioenstelsel' (in Dutch)