

# The Aon Retirement Options Model

Supporting defined benefit members at retirement





## How? With the Aon Retirement Options Model.

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## DB members have more options than ever

Since April 2015, the range of options open to members with DB pensions at retirement has been transformed.

Members want to choose the option that best suits their circumstances. Doing so means they need to know what their options are and what those choices mean in terms of their own retirement income, as well as income for any dependants.

For the DB scheme, the more members who transfer out, the lower the risk for the scheme and the higher the savings against funding and long-term targets.

Delivering the ultimate service to members as they approach retirement means providing them with the support they need to make an informed decision, based on their available options and at a sensible cost.







Signed in as John Smith  
Log out



get from each option

arison.

ity

Take a tax-free lump sum and get

£62,500

Followed by an annual income guaranteed for the rest of your life

ur life

£21,250

This income is based on having a 1% spouse income, no annual increases, having a health issue, and being a non smoker.

☆ Learn more

ension income will  
with inflation and your  
el/other will receive half the  
ome should you die first.

☆ Learn more

Explore your pension income increase option

Explore further >

to the top

Cash

Take it all as a lump sum and get

£176,221

Your transfer value of £250,000 would be reduced by £73,779 due to income tax on the money above your 25% allowance.

We've assumed you have not received any income in this tax year.

Followed by an income of your choice until the money runs out

£7,100 until age 90

We've assumed this income will increase with inflation and that you invest in a medium risk strategy.

☆ Learn more

☆ Answer 12 questions to tailor your investment risk

Explore further >

Explore further >

Easy-to-use  
web-based  
tool

Better member  
outcomes

Make the  
informed  
choice for  
retirement

Reduced costs  
and risks for  
schemes

Lower  
advice  
costs

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# Bridging the gap between education and independent financial advice

How do members compare all of their possible retirement options? Is buying an annuity, taking flexible drawdown or cash the best choice for them? Or are they better off staying within the scheme and taking their pension? The Aon Retirement Options Model is an easy-to-use online tool designed to make complex retirement options simple and, in doing so, provide DB members with timely, affordable and easy access to the IFA market.

From the Company's and Trustee's perspective using the Aon Retirement Options Model bridges the gap between education and full independent financial advice, leading to:

- **Better member outcomes** — By working through all the retirement options step-by-step, members are not only more educated but can make a more informed decision having explored in detail a range of choices and their financial impact.
- **Lower advice costs** — The cost of advice is reduced because:
  - When members are confident that remaining in the scheme is their best option, they come to that decision without the time or cost of obtaining full independent financial advice.
  - For members interested in transferring, an IFA can get most of the information they need from the model, allowing them to spend better quality time with the member.
- **Smoother transfers** — As it's integrated into the IFA market, members benefit from easier, more competitive access to IFAs.
- **Lower risk, higher savings** — Better information, a simpler transfer process and cheaper advice leads to more members making the right decision for their circumstances, more liabilities transferred out of the scheme, and reduced cost and risks for the scheme.

"The Aon Retirement Options Model provides a direct link to the IFA market"

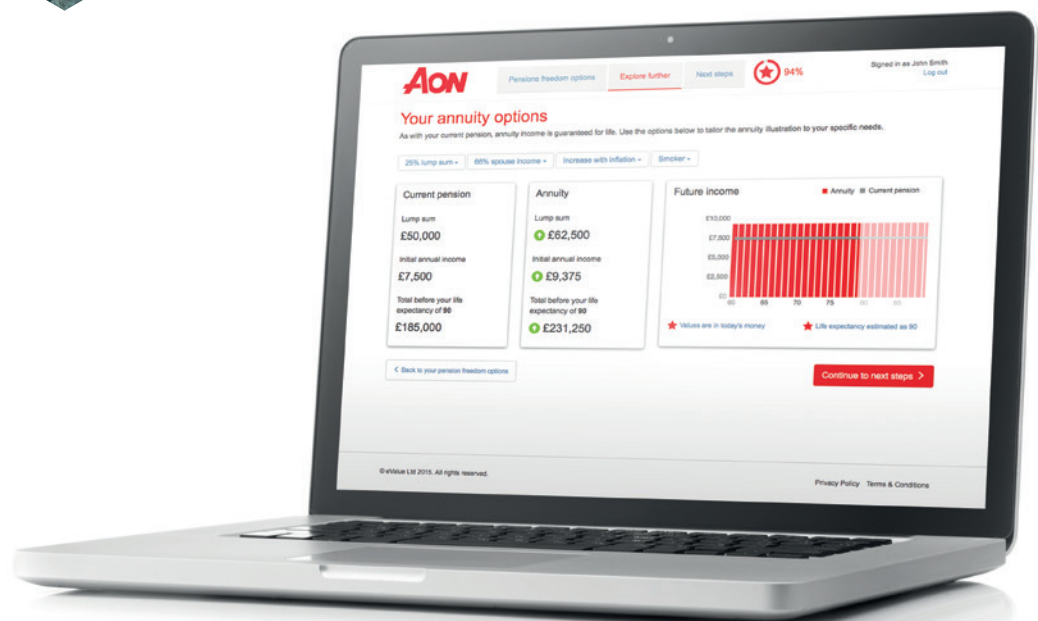




## Key features

### The main features of the Aon Retirement Options Model include:

- Pre-loading of member data by the scheme administrator
- Secure access to sophisticated models that summarise the alternatives into easy to understand choices that demonstrate the impact of each potential option
- Customisable so members can tailor the model exactly to their personal circumstances and attitude to risk
- Easier access to independent financial advice at competitive prices for those wishing to transfer
- Integrated with the IFA market allowing IFAs to give better service to members



The background of the slide features a large, abstract, and colorful graphic that resembles a complex network or a stylized map. It is composed of numerous overlapping, semi-transparent shapes in shades of blue, green, yellow, and orange, creating a sense of depth and movement. The overall effect is a vibrant, high-tech aesthetic that suggests a global or interconnected theme.

# Finding out more

If you would like to find out more or arrange a demonstration of the Aon Retirement Options Model, please contact your usual Aon consultant or:

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## About Aon

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For further information on our capabilities and to learn how we empower results for clients, please visit <http://aon.mediaroom.com>.

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