In today’s current landscape, and with the influx of pension reforms over the past year, innovation is key to keep up with this ever-changing industry. This award looks to reward a firm that has truly added value to the pensions space with its originality and innovation.

The Pension Scheme Innovation Award of the Year went to BlueSky Pension Scheme for displaying excellence and a true commitment to the needs of its members. The BlueSky Pension Scheme is a master trust that has been operating for almost 30 years, something that it has achieved by adapting to the market; it was the first scheme in the UK to offer target-date funds and in 2014, in conjunction with AllianceBernstein, they extended the product with the launch of a new trust, Crystal, using Retirement Bridge.

Having spent a significant amount of careful planning in development, BlueSky Pensions was proud to unveil the UK’s first low-cost decumulation strategy that is designed to be used as a default. This dynamic product provides a sustainable, growing income in the early stages of decumulation, achieved by investment in a range of age-based retirement income funds. Unlike other drawdown products in the UK, it is available to defined contribution savers aged 55 to 75, regardless of the size of their pension pots. Best of all, Retirement Bridge allows customers to keep control of their accumulated pension savings until they have decided on their retirement plans.

This simple and intuitive product used a target-date fund structure to provide a simple solution for members to understand, administrators to implement and for trustees and employers to oversee. The target-date fund’s age-based multi-asset structure means investment risk is reduced as members move closer to drawing income from their pension.

Actively managing the fund pre- and post-retirement using the target-date fund gives investors more sophistication than the traditional lifestyle approach. It also provides greater flexibility, with access to open architecture and a huge choice of funds to suit.

Crucially, this product gives members a huge potential for growth because of the attention for detail the investment manager puts into the daily oversight of markets. Research shows that, for a member retiring at 65, Retirement Bridge will increase the total income payout by the age of 75 to more than 20 per cent above that of a traditional non-escalating joint-life annuity.

This solution offers the ultimate flexibility to members by giving members the time they need to make decisions for their retirement but allowing them to change their mind tomorrow. This is key from the high levels of uncertainty surrounding retirement decisions.

Research by AllianceBernstein revealed 73 per cent of 55-year-old DC members do not know what they want. For example, at 55 people tend to want cash but at the point of retirement income becomes more important. Furthermore, at 55, most people cannot predict how their circumstances will change in 10, 15 or 20 years.

It is this commitment to product development that has lead the BlueSky Pension Scheme to be awarded the Pension Scheme Innovation of the Year award.
INNOVATIVE SOLUTIONS

BlueSky Pensions UK Ltd provides a range of workplace pension services to any employer, trustee or consultant in the UK.

As one of the most forward thinking businesses in the UK, our knowledge and understanding of clients’ needs ensure innovative solutions which are tailored to each individual client.

Crystal is a new product launched by Bluesky, designed with the new flexible income drawdown options in mind. Allowing the freedom to use your pension savings, full control of your fund, and the ability to change your decision at any time.

For further information please visit www.blueskypensions.uk or email info@blueskypensions.co.uk