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Getting member communications right on the journey to buy-out

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When defined benefit (DB) pension scheme trustees consider the journey from buy-in to buy-out, securing members' benefits with the insurer is often front of mind. But for trustees working towards buy-out, one challenge is around understanding what members need to know, and when they need to hear it. Those that leave communications until the last minute may find themselves trying to explain complex decisions, consult members or support member actions within increasingly constrained timescales.

Our research[1] found that 67% of members' top priority is having confidence that their pension will be paid for the rest of their life. Buy-out could deliver that security, but if communications aren't delivered at the right moment through the journey, with the right messaging, members may feel anxious at exactly the point they should feel most reassured. Poor communication can lead to confusion and even complaints, which can delay buying out and winding up the scheme.

Planning early is key to delivering good member outcomes

A good communications strategy

Member communications should be considered early on the journey to buy-out. Planning early doesn't mean communicating early. It means identifying the key messages, decision points and member actions in advance, so communications can be delivered confidently when the time is right. This helps members feel part of the process, understand what buy-out means for them and feel reassured about the security of their benefits.

Starting early gives trustees time to map where members may need information, make a choice or respond to a request. It also helps maintain a consistent tone and feel across communications, from annual newsletters and summary funding statements through to buy-in, buy-out and wind-up.

A strong strategy answers three simple questions: what do members need to know, when do they need to hear it and how should you engage with them?

What **Tell a clear story**	When **Time it around the journey**	How **Use the right channels**
Set out the messages from buy-in to buy-out and wind-up, keeping the tone consistent with past communications and aligned with the insurer where possible.	Map communications to the expected path to buy-out, spotting where messages can be combined and where members may need time to respond.	Choose formats that fit the message and audience: letters, videos, webinars, workshops or digital media.

[1] Survey conducted by Censuswide in August 2025, across a sample of 1,002 UK consumers aged 18+ with a DB pension.

We explore each of these areas in more detail below, using surplus distribution as a practical example. Surplus distribution can be an emotive topic, with members likely to have different views. But the same principles apply whenever members need to understand a change, make a choice or respond to information.

What: define the member message

Start by agreeing what members need to understand and what could matter to them. Think about any differences between current scheme benefits and the insured benefits, such as higher pension increases, the loss of discretionary options or changes to additional voluntary contributions. The aim is to give members clarity and confidence in the trustees' decisions, to avoid surprises.

In practice: Be clear on the decision, the rationale and what you're asking members to do. If some or all of the surplus is to be returned to the employer, members need to be notified and given the opportunity to make representations.

When: plan the timing carefully

Timing can make or break a communication. Write too early and there may be unwanted accounting implications, setting member expectations too soon, or even potential project uncertainty to navigate. Write too late and trustees may be forced to manage complex messages under pressure. A timetable helps trustees decide when messages should land, and when members may need time to respond.

In practice: Build the statutory process into the buy-out timetable. For example, refunding surplus to the employer requires a formal two-stage member consultation process, where the first informs and allows members to feedback, and the second confirms the proposal and allows members to make representations to the regulator on the process.

How: choose the right engagement approach

The channel should match the message. Straightforward updates may work well in writing, whereas sensitive or complex topics – such as benefit changes, surplus distribution or member choices – may need tailored engagement. This can come through guides, webinars, videos, workshops or other interactive formats, alongside the usual paper-based communications. The goal is to reassure members that the transition to buy-out is well managed. Regardless of how you communicate, it's important to keep messages simple.

In practice: Formal notifications and member responses usually need to be in writing. But channels for other communications should match the sensitivity of the message. Where questions or concerns are likely, seminars or other engagement can improve member understanding and certainty.

Planning is critical – but early planning isn't the same as early communication

The run-up to a buy-in is one of the busiest times in the journey to buyout. Trustees are making significant decisions, and often working through a demanding schedule of calls and meetings in timescales shorter than many are used to. It's understandable that planning future member communications can be pushed back after the buy-in transaction has completed.

But waiting too long can create its own risks. Some schemes are targeting as little as six months between buy-in and buy-out. This leaves little time to plan, draft and issue the communications members may need before buy-out, especially if members need to make decisions. For example, fitting in a two-stage notification process on refunding surplus to the company could be challenging within such a tight timescale.

At the same time, communicating too early can be difficult. Accounting treatment, affordability, data cleanse issues and uncertainty over surplus can all affect what trustees are able or willing to say. Telling members too much too soon may create expectations that later need to be managed or reversed.

The challenge isn't whether to communicate, but how to **strike the right balance between planning early and communicating at the right time.** As schemes and insurers become more efficient, and buy-in to buy-out journeys become shorter, getting that balance right is becoming increasingly important.

Trustees don't need every answer before they start shaping the strategy. But they should identify the messages, decision points and member actions in advance, so communications can be delivered clearly and confidently when the time is right.

If your scheme is moving towards buy-out, we can help you identify the key member messages, decision points and communications needed along the way.

Please get in touch to discuss how to plan this early and deliver it at the right time.

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