



**The future of occupational pension schemes:
Digitization of administration 2023
Survey Report**

Sylvia Heßler, Marie Rieber and Claudio Thum

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Digitization of administration 2023

Digitization is one of the top issues in the administration of occupational pension schemes. WTW surveyed German companies on the current status and future challenges. This report summarizes the key findings.

About the study

For more than ten years, WTW has been conducting a regular study on the market practice of occupational pension schemes and their administration. This study is based on an online survey of pension managers in Germany in February 2023. The survey covered 53 companies with a total of 700,000 members. The respondents represent all relevant industries and company sizes in Germany.

Digitalization to play a key role in the future of administration

The administration of occupational pension schemes faces several challenges that have arisen in recent years as a result of legislative changes, technological advances, and increasing demands on the scope and quality of services.

In addition, pension managers have had to prove in recent years that they can successfully overcome crises. This certainly includes the consequences of the pandemic, the direct and indirect effects of the energy crisis, inflation, and the shortage of skilled labor.

These challenges increase the tension of managers between current operational necessities and future-oriented development. To meet these challenges, digitalization plays a crucial role, especially in terms of increasing the efficiency, quality, and transparency of processes, as well as improving member satisfaction.

Key insights

To determine the current status of digitization in the administration of occupational pension schemes, WTW conducted a survey among pension managers in Germany. The survey also asked about current challenges, future issues and trends, and expectations for digitization.

The results of the study provide insights into the priorities and barriers to the digitalization of administration. Some of the key findings are

- Managers primarily want to digitize communication and implement self-service solutions for active employees. Digital communication for pensioners is (still) about to catch up.
- Large organizations are, on average, significantly further ahead than smaller organizations in terms of automation and self-service for corporate functions.
- The biggest barriers to digitalization are lack of resources, technical limitations, limited know-how, and costs.
- Demographic changes require the expansion of digital solutions for plan members near retirement.
- Managers have different views on the impact of inflation and ESG on occupational pension schemes.
- Long-term expectations are that occupational pension schemes will become more digital, faster, and more transparent, with a clear focus on the "total experience" of members.

The current study shows that the digitization of administration is a dynamic and multi-faceted process that depends on several factors. Managers must constantly adapt to changing needs and requirements while ensuring the sustainability of the occupational pension schemes and their organization.

Digitization is an opportunity for all stakeholders

Digitization is a major challenge, but also an opportunity for the future. It requires a company-specific strategy that depends on the structures and framework conditions of the respective company. Various aspects must be considered, such as legal requirements, technical possibilities, organizational processes, and the needs of target groups.

Digitalization offers many opportunities for the future design of the occupational pension scheme. It enables administration to be processed digitally, quickly, and transparently, with a clear focus on the overall experience of members. Digitization is therefore an opportunity for all stakeholders: Employers, participants, and service providers. The extent to which the chances are realized depends on how companies integrate it into their strategy and how much they prioritize it.



Sylvia Heßler

Lead Associate

Willis Towers Watson GmbH
Wettinerstraße 3
65189 Wiesbaden
Germany

Phone: +49 611 794-131
sylvia.hessler@wtwco.com
[LinkedIn](#)



Marie Rieber

Associate

Willis Towers Watson GmbH
Am Heilbrunnen 47
72766 Reutlingen
Germany

marie-kristin.riever@wtwco.com



Dr. Claudio Thum

Senior Director

Willis Towers Watson GmbH
At Heilbrunnen 47 | Wettinerstraße 3
72766 Reutlingen | 65189 Wiesbaden
Germany

Phone: +49 160 9622 3040
claudio.thum@wtwco.com
<https://www.linkedin.com/in/claudiothum>

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