

Tuesday 13 September 2016

Pensions industry sets out top 5 priorities for new Under Secretary of Pensions

mallowstreet, the platform bringing the institutional pensions industry together to help solve the pensions and savings crisis, recently surveyed the mallowstreet community on what they believed the top priorities were for the new Under Secretary of State for Pensions, Richard Harrington.

The passionate response from the community, which is made up of 3,000 industry members who control over £2 trillion of pension fund assets, was striking. Five clear issues emerged as a priority for Government to focus on in the coming weeks and months:

The industry's top pension priorities:

- **Auto Enrolment (AE) – keep it simple:** Auto Enrolment is the number one priority. The industry believe that the success of pensions going forward depends on the success of AE. There was a clear emphasis on the need for simplicity to understand savings, with messaging being engaging and easy to implement.
- **Political Collaboration:** Working closely with the Business Secretary will ensure potential conflicts between Defined Benefit (DB) recovery plans and the need for increased investment by businesses are resolved to the overall benefit of employees and shareholders (which include pension schemes). The combined efforts of the Treasury and the Department for Work and Pensions (DWP) will be needed to establish a new simplified pensions and savings system that encourages a higher level of savings across the workforce, with AE as its base.
- **Women and Pensions:** A topic that has received endless coverage in the national press especially - the industry would like to see a review of the issues surrounding the group of women identified as missing out significantly on State Pension due to the rise in State Pension Age.
- **Lifetime Allowance (LTA) and Annual Allowance (AA):** Parts of the industry surveyed felt the LTA should be removed to ensure that Auto Enrolment does what it was intended to do. Others felt it should be the AA, believing it is reasonable, in principle, to have a limit on tax-favoured pension saving.
- **Regulation – no more rabbits:** The overwhelming consensus is that the industry spends too much time reacting to rabbits pulled from hats, as well as pre-empting surprises and visualising how they may or may not shape the industry and overall pensions landscape. Quite often these things do not come to fruition – pensions tax relief being one example. The industry would also like to see: just one regulator for occupational pensions; the triple lock turned off by 2020 given its unaffordability; and the regulation of Master Trusts.

Commenting, Stuart Breyer, CEO at mallowstreet said: “The message is clear. After successive years of changes to pensions, the industry now wants time to focus on making what is already in place work. With regards to AE, the focus should be on getting members on board and helping them to understand the value of saving and, importantly, engaging in their retirement prospects. If AE fails or shows any sign of failing, it could completely undermine the industry and pensions as a whole. What is clear is the absolute need for ongoing collaboration within the industry and education. A continuance of working in silos will, ultimately, achieve very little in the long term - as a combined group of experts, a difference can be made.

“From a political standpoint, the hope is the appointment of an ‘Under Secretary’ implies that there will be less political tinkering and interference in pensions. Time will tell whether that underlying message is the case. Quite possibly the most important message is a direct call to Richard Harrington to avoid any more ‘rabbits out of hats’ or surprises, which would only cause distraction and diversion from getting the best out of the many good things that are already in place.”

- ENDS -

NOTES TO EDITORS

About mallowstreet

mallowstreet’s mission is to help solve the pensions and savings crisis, ensuring that everyone who has a promised pension receives it in full. We recognise that there are unnecessary barriers among different stakeholders within the industry, and so we built mallowstreet to enhance connectivity and collaboration. mallowstreet helps community members build and strengthen relationships, access top quality education, collaborate effectively and enhance distribution.

The community has over 3,000 members who control over £2 trillion of pension fund assets.

Membership includes: Chief Investment Officers, Chair of Trustees, Investment Committee Members, Plan Managers, Scheme Secretaries, Member Nominated Trustees, Investment Consultants, Lawyers, Actuaries, Accountants, Administrators, Specialist Advisors, Academics, Investment Bankers, Asset Managers, Hedge Fund Managers and Buy-Out Providers.

Media Contacts

For all media enquiries please contact KBPR using the details below:

KBPR

kate@kbpr.agency – 07930 442883

adam@kbpr.agency – 07444 407138

joanne@kbpr.agency – 07815 425381