
THE UK PENSIONS CONTEXT

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BACKGROUND

- Balance of state and private provision: 60/40
- Reforms of last 20 years seeking a sensible balance between sustainability and adequacy
- Focus in 1990s on:
 - increased security and reward for today's pensioners
 - changes to second tier of state system
 - extending private provision to low-middle earners
- Focus now on further measures to promote provision by future pensioners, based on:
 - informed choice
 - regulatory reform - simplification and protection
 - extending working lives

INFORMED CHOICE

- More co-ordinated cross-Government approach to information and education
- Greater role for employers. Pensions as part of overall remuneration
- Improved and extended pensions forecasting

SIMPLIFICATION AND PROTECTION

- Shift from defined benefit to defined contribution schemes
- Commitment to range of forms of private pension provision - key issues are level of pensions saving and matching labour market trends
- Range of simplification measures for traditional occupational schemes
- Exploring scope for greater protection for pension scheme members through principle of mutual insurance
- New simpler stakeholder products
- Introducing a new pensions regulator

EXTENDING WORKING LIVES

- Enhancement to State Pension deferral
- Extending New Deals
- Changing the age that pension benefits can be taken