

**THE-PENSIONS-NET-WORK CONCLUDES A NEW APPROACH  
TO "LATER LIFE SAVINGS" IS REQUIRED**

**At a special meeting to discuss the Treasury consultation document on "Freedom and choice in pensions" The-Pensions-Net-Work (TPNW) concluded that a new jargon-free approach to "later life savings" is needed to acknowledge the reality of an increased blurring between "working" and "being retired." To support this conclusion only two of the thirty five members of TPNW present at the meeting envisaged a day when they would stop work and "retire".**

Other key recommendations to emerge from the meeting which were subsequently incorporated into TPNW's response to the consultation proposals included:

- An optimal model for the delivery of guidance is critical especially as there's only just over 9 months left in which to devise, agree and implement a process model crucial to achieving beneficial and reasonable outcomes for people approaching retirement. Clarity around just what is meant by "guidance" is vital.
- For many it will be more beneficial to receive guidance at 55 or even earlier - alerting them to the new options which have become available in the budget. We believe an independent body such as The Pensions Advisory Service (TPAS) represents the best chance of introducing the guidance model provided a significant investment in excess of the £20million government investment proposed is made.
- A new approach to regulation of this segment of the pensions population will be required which reflects and focusses on the need for an ongoing interaction with "later life savers" rather than on a single decision point.
- A lot more work is required to make advice before, at and through retirement accessible to more people on an affordable basis.
- DC pension scheme trustees will have to adapt their investment strategies to meet the new freedoms and engage with members to better understand their retirement intentions. The Pensions Regulator may have an important role to play in securing the engagement and support of small companies.
- 100% of the membership was opposed to a ban on DB to DC scheme transfers in the private sector. There was more support for only allowing transfers out of DB schemes where regulated advice has been given.

There was considerable concern over the industry's ability to cope adequately with these changes from April 2015. In a straw poll at the meeting only 50% of those present were confident that the industry would be ready in April 2015.

Commenting the chairman of TPNW John Moret said: *"Our response represents our collective thoughts on these important proposals. Given the make-up of our membership we are a unique contributor to this consultation, having an unparalleled breadth of expertise and no particular axe to grind. The proposals imply a marked contrast between the accumulation phase – where there has been a shift towards less choice and flexibility – and the new decumulation environment where any element of compulsion will be removed. This cultural shift may have significant ramifications and presumes that consumers are able to understand their retirement options - with guidance or advice – and take appropriate decisions"*

**-End**

**Notes to editors:**

**The-Pensions-Net-Work (TPNW)** is an independent think tank of senior pensions professionals, ranging in age, experience and industry sector, which provides an opportunity for debate and discussion behind closed doors on topical pensions and related issues. TPNW is chaired by John Moret, backed by the experience of the Management Board, which exists to guide and support it; it is sponsored by Altus Limited, providers of consulting & business systems to the financial services industry.

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