

# Challenge of being Pensions Minister Key Issues to Tackle Now

PERSONAL FINANCE SOCIETY CONFERENCE

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# Pensions Minister – State Pension

- DWP responsible for paying State Pensions
- But Treasury in charge of National Insurance
- DWP considers pensions are a benefit
- Treasury considers pensions are a cost
- DWP also responsible for retirement rules – fuller working lives



# Split responsibility for Private Pensions

- DWP Minister:
  - All Defined Benefit pensions
  - All trust-based Defined Contribution pensions
  - Auto-enrolment
  - Pensions Regulator, PPF, Pensions Ombudsman, TPAS, PensionWise
- Treasury/FCA:
  - All Contract-based and Personal Defined Contribution Pensions
  - Annuities
  - Tax relief or other incentives
  - Pension contribution and withdrawal rules

# Challenges to address



- Defined Benefit schemes – planning for the end game
  - No room for complacency, prepare for pooling or consolidation, cpi
- Auto-enrolment – safe roll-out, extend coverage and adequacy
- Injustice of Net Pay schemes
- Improve financial education, guidance and access to advice
- Governance, transparency
- Specific problems for women

# Barriers to overcome

- Political power weak if not in Coalition
- State Pension Age and triple lock
- Rethinking retirement
- Social care crisis – combining work and care as immigration falls
- Brexit challenges

