

A Stocktake on State Pension Reform

Pensions Policy Institute

Updated October 2005

This presentation gives more detail to Briefing Note 18 and updates Briefing Note 16 and the stocktake presentation made at a PPI seminar on 25 November 2004.

Proposals for first tier of state pension

PENSIONS POLICY INSTITUTE



Basis of entitlement	Contributory		Not addressed	Review		Citizen's Pension/Universal	
	BSP	GC		BSP	GC	Partial	Full
Amount per week (for singles)	BSP	GC	GC (or higher)	BSP	GC	BSP	GC (or higher)
Who	<ul style="list-style-type: none"> •Tories 	<ul style="list-style-type: none"> •CBI •EEF •IPPR •PRG •SPC 	<ul style="list-style-type: none"> •GMB •Mercers •Prudential •Scottish Widows 	<ul style="list-style-type: none"> •ABI •Current govt. policy 	<ul style="list-style-type: none"> •AC •ACA •NPC •Standard Life •Which? 	<ul style="list-style-type: none"> •AEGON •EOC (or higher) 	<ul style="list-style-type: none"> •BCC PMI •FP OECD •HtA TUC •HBW WW •HoL •IOD •Lib Dems •NAPF •NCC •Norwich Union

KEY : **BLUE** : Earnings linked : **PINK** : Prices linked : **BLACK** : Index link not addressed

BSP = Basic State Pension : **GC** = Guarantee Credit

Proposals for second tier state pension (S2P)

PENSIONS POLICY INSTITUTE



State Second Pension	Reform	Review	Stop	Stop
Contracting-out	Reform	Review	Reform	Stop
Who	<ul style="list-style-type: none"> •AEGON •ABI •AC •CBI •EOC •GMB •Legal & General •SPC •TUC •Which? 	<ul style="list-style-type: none"> •Current Govt. Policy •Lib Dems •NCC •NPC •Standard Life •Tories 	<ul style="list-style-type: none"> •Prudential •Scottish Widows 	<ul style="list-style-type: none"> •ACA •BCC •EEF •FP •HBW •HtA •HoL •IOD •IPPR •NAPF •Norwich Union •Mercers

Other issues

Issue	Compulsory employer contributions	Review tax/ National Insurance incentives	Increase state pension age	Against increasing state pension age
Who	EEF* HtA GMB* TUC* Which?*	ABI NCC AC NPC ACA NU AEGON Pru BCC SL CBI SPC EEF SW HBW Tories HoL TUC HtA Which? IOD WW L&G Mercers NAPF	AEGON NAPF ACA NU BCC OECD CBI PMI FP PRG HBW SPC HoL SW IOD WW IPPR Mercers	AC ABI GMB HtA NCC NPC Tories TUC Current govt. policy

* Also, compulsory employee contributions

Acronyms used

ABI	=	Association of British Insurers
AC	=	Age Concern
ACA	=	Association of Consulting Actuaries
BCC	=	British Chambers of Commerce
CBI	=	Confederation of British Industry
Current Govt. Policy	=	Current Government Policy
EOC	=	Equal Opportunities Commission
FP	=	Friends Provident
GMB	=	GMB Union
HtA	=	Help the Aged
HBW	=	Hewitt Bacon & Woodrow
HoL	=	House of Lords Economic Affairs Select Committee
IOD	=	Institute of Directors
IPPR	=	Institute for Public Policy Research
L&G	=	Legal & General
Lib Dem	=	Liberal Democrats Party
NAPF	=	National Association of Pension Funds
NCC	=	National Consumer Council
NPC	=	National Pensioners' Convention
NU	=	Norwich Union
OECD	=	Organisation for Economic Co-operation and Development
PMI	=	Pensions Management Institute
PRG	=	Pension Reform Group
SW	=	Scottish Widows
SPC	=	Society of Pensions Consultants
SL	=	Standard Life
Tories	=	Conservative Party
TUC	=	Trade Union Congress
WW	=	Watson Wyatt