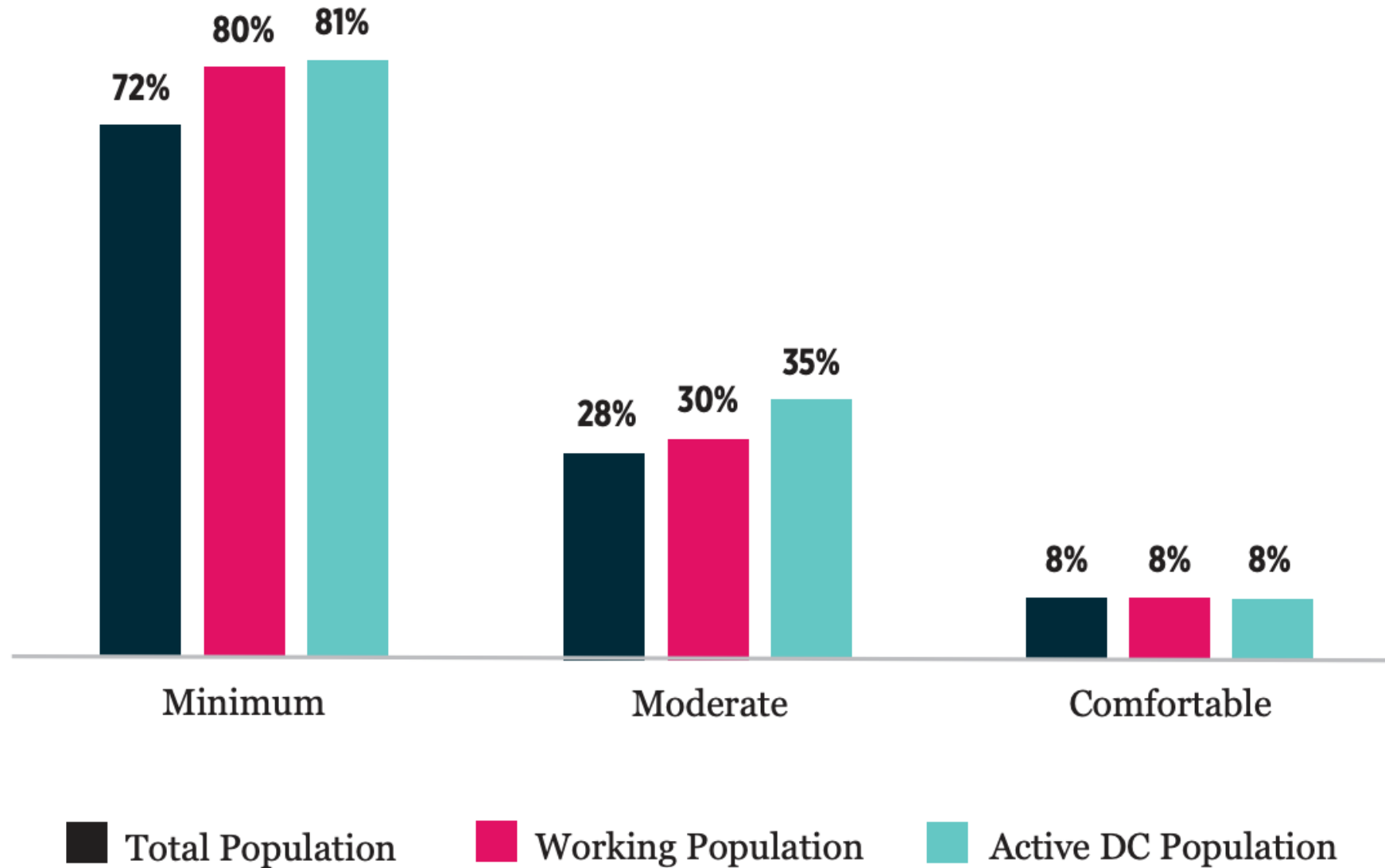


# **FIVE STEPS TO BETTER PENSIONS – TIME FOR A NEW CONSENSUS**

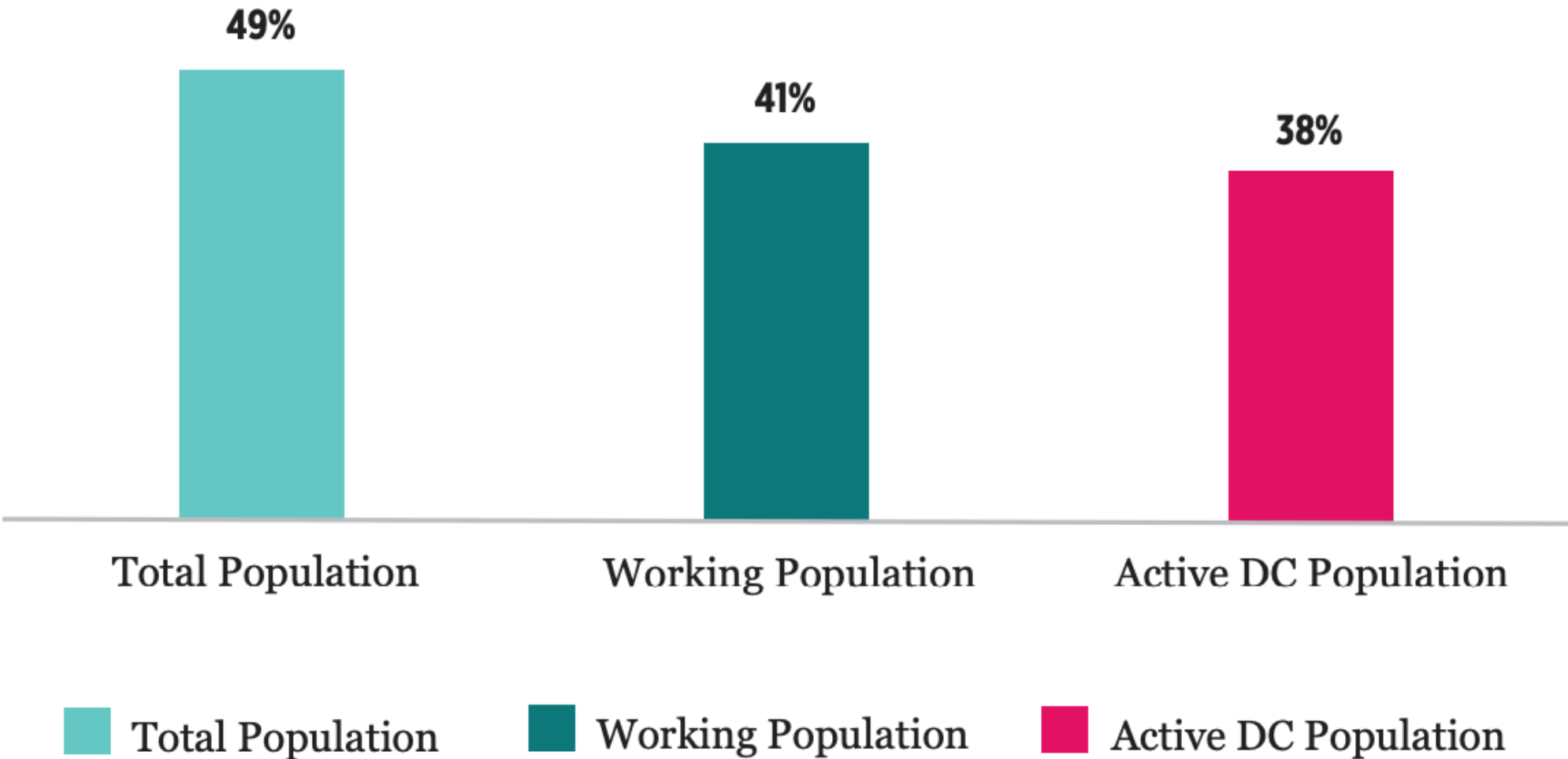
**EMMA DOUGLAS, CHAIR PLSA,  
MANAGING DIRECTOR, WORKPLACE PENSIONS, AVIVA**

**NIGEL PEAPLE  
DIRECTOR OF POLICY & ADVOCACY, PLSA**

## Percentage of households reaching each retirement living standard



**Percentage Households projected to achieve Pensions Commission Replacement Rate**



**LACK OF OBJECTIVES AND  
GOALS, AND MONITORING**

**LACK OF EXTRA HELP FOR  
CERTAIN GROUPS**

**STATE PENSION DOES NOT HELP  
AVOID ALL POVERTY**

**CONTRIBUTIONS AT THE  
INCORRECT LEVELS FOR MANY**

# FIVE STEPS TO BETTER PENSIONS

1 |

SET AN OBJECTIVE: ADEQUATE,  
AFFORDABLE, FAIR



2 |

STATE PENSION:  
MINIMUM  
RETIREMENT LIVING  
STANDARD

3 |

MORE PEOPLE  
SAVING, HIGHER  
CONTRIBUTIONS









4 |

EXTRA HELP FOR THOSE WITH VERY  
LOW PENSIONS

5 |

INDUSTRY WORK FOR SAVERS

# RETIREMENT LIVING STANDARDS

	MINIMUM
SINGLE	£12,800 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun
 HOUSE	DIY maintenance and decorating one room a year.
 FOOD	£54 a week on food (including food away from the home).
 TRANSPORT	No car.
 HOLIDAYS & LEISURE	A week and a long weekend in the UK every year.
 CLOTHING & PERSONAL	Up to £580 for clothing and footwear each year.
 HELPING OTHERS	£20 for each birthday present.

1 |

SET AN OBJECTIVE: ADEQUATE,  
AFFORDABLE, FAIR



2 |

STATE PENSION:  
MINIMUM  
RETIREMENT LIVING  
STANDARD



3 |

MORE PEOPLE  
SAVING, HIGHER  
CONTRIBUTIONS



4 |

EXTRA HELP FOR THOSE WITH VERY  
LOW PENSIONS



5 |

INDUSTRY WORK FOR SAVERS

# FIVE STEPS TO BETTER PENSIONS

# TIMELINE

2023  
Set  
objective

2026  
Begin to  
remove LEL

2030  
Contributions  
reach 10%

2040  
State Pension =  
RLS minimum

2025  
Lower age  
to 18

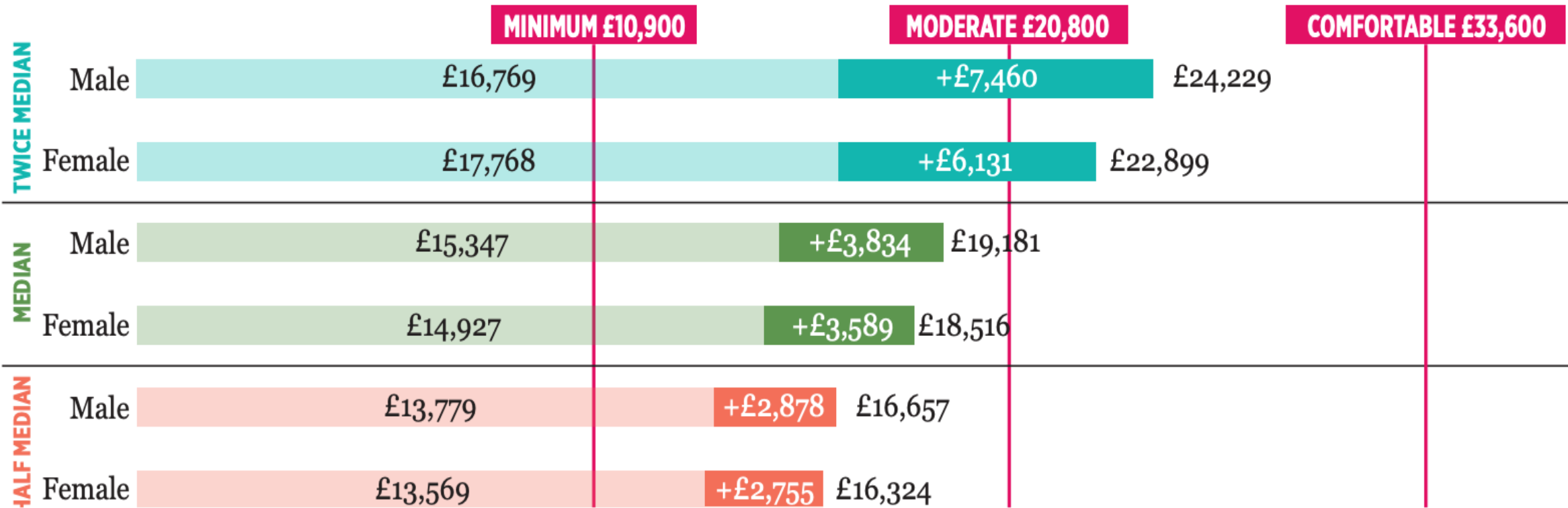
2027:  
Combined £10k  
threshold

2033:  
Contributions  
reach 12%



# IMPROVED OUTCOMES

## CURRENT RETIREMENT OUTCOME VS CUMULATIVE PLSA POLICY RECOMMENDATIONS TO 12%



# FIVE STEPS TO BETTER PENSIONS

1 |

SET AN OBJECTIVE: ADEQUATE,  
AFFORDABLE, FAIR



2 |

STATE PENSION:  
MINIMUM  
RETIREMENT LIVING  
STANDARD

3 |

MORE PEOPLE  
SAVING, HIGHER  
CONTRIBUTIONS



4 |

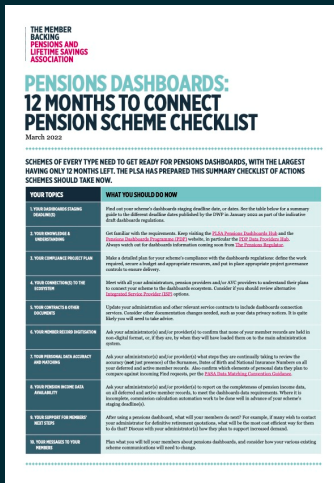
EXTRA HELP FOR THOSE WITH VERY  
LOW PENSIONS

5 |

INDUSTRY WORK FOR SAVERS

## INDUSTRY INITIATIVES

# RETIREMENT LIVING STANDARDS



**PENSION  
QUALITY  
MARK**

Your 2018  
Statement

## Your Allied Widgets Pension Plan Annual Statement

Your name Jo Bloggs  
 Your membership number 01234 567890  
 Your address 1 Smith Street, Smithtown, Smithshire, SM1 2SH  
 Statement date 3 May 2018

Your Annual Statement shows you three things:

- How much money you already have in your Pension Plan
- How much money you could have on your 67<sup>th</sup> birthday (8 March 2040) – when you told us you plan to retire
- What you could do to give yourself more money

### 1. How much money you already have in your Pension Plan

**£14,004**

Money you've saved  
into your  
Pension Plan since  
you started

+

**£21,223**

Money added by  
Allied Widgets, the  
government and  
from investments

+

**£3,000**

Money you've  
transferred in from  
other pension  
schemes

=

**£38,227**

Total amount of  
money in your  
Pension Plan on  
5 April 2018

#### Last Year

Total amount of money in your Pension Plan on 5 April 2017 £ 30,595

#### This Year

	Money out	Money in
You have saved into your Plan		£ 1,249
Allied Widgets has added		£ 1,561
The government has added – through tax relief		£ 312
After charges, the value of the investments in your Plan has gone up		£ 1,510
You've transferred money in from another pension scheme		£ 3,000

**Total amount of money in your Pension Plan on 5 April 2018**

**£ 38,227**

If you'd asked us to transfer your money to another pension scheme on

5 April 2018, we would have transferred

£ 38,136

Find out about the costs and charges that apply to the Allied Widgets Pension Plan, whether we think they're good value for money; and how they might affect the value of your Plan over time at [AlliedWidgetspension.co.uk/costs](http://AlliedWidgetspension.co.uk/costs)


If you visit the website, you can also find out:

- How money goes in and out of your Pension Plan – [AlliedWidgetspension.co.uk/myaccount](http://AlliedWidgetspension.co.uk/myaccount)
- How to transfer money to another pension scheme – [AlliedWidgetspension.co.uk/transfers](http://AlliedWidgetspension.co.uk/transfers)
- How we invest your money if you don't choose the investments – [AlliedWidgetspension.co.uk/investments](http://AlliedWidgetspension.co.uk/investments)
- How the pooled funds that your money is invested in work – [AlliedWidgetspension.co.uk/pooledfunds](http://AlliedWidgetspension.co.uk/pooledfunds)

**PENSIONS AND  
LIFETIME SAVINGS  
ASSOCIATION**

# **RETIREMENT CHOICES: THE EVOLUTION OF PRODUCTS AND SUPPORT**

June 2022

An illustration of a person with dark hair, wearing a light green shirt and dark pants, holding a green briefcase with a white '0' on it. The person is standing and pointing towards a large, light grey diamond shape that contains a complex maze of green and grey arrows. The arrows point in various directions, creating a path through the maze. The background is white.

# FIVE STEPS TO BETTER PENSIONS

**1** | National Objectives: agreed principle. No-one challenged, “adequate, affordable, and fair”.



**2** | State Pension: agreed vital role and need to maintain value. Some challenged RLS Min due to cost.

**3** | AE Reform: Most agreed 12%, some higher (EE), some lower (ER). All agree from 1st£. All agree expand AE scope: MJHs, low earners.



**4** | Under-Pensioned: all agreed additional action, including research, is needed, eg on women’s pensions, ethnic minorities, and the self-employed.

**5** | Industry Initiatives: all said action (RLS, Pensions Attention, Mid-Life MOT) could help – but insufficient without AE reform.

PENSIONS AND  
LIFETIME SAVINGS  
ASSOCIATION

**FIVE STEPS TO  
BETTER PENSIONS:  
TIME FOR A NEW  
CONSENSUS**