talbotandmuir

Press Release

Date: 11 June 2014

Talbot & Muir respond to the 2014 Budget consultation paper - freedom and choice in pensions

Claire Trott, Head of Technical comments:

Pension ages
"The age at which private pension saving can be accessed should not be tied to state pension age. This goes against all the flexibility that the proposals are offering and those that have saved should be allowed to access their savings at a time that suits them. If they are able to retire or partially retire at age 55 then they should not be restricted in any way.

"We disagree that there should be a change in minimum pension age. If it is increased then the same age should apply across the range of pension schemes. Variation in the minimum pension age would mean more inclination for those that want to access monies early to transfer to a product that may not be suitable for them.

Guidance guarantee
"It is clear that providers cannot and should not provide guidance at retirement. One of the main issues is that retirement guidance needs to look at all areas of retirement income and outstanding debts. It is not possible to even guide a client based on the very limited information one provider will hold and many clients will be unwilling to disclose other assets, which is essential. If individual policies are to be subject to individual guidance the face-to-face option does not add any value and is an unnecessary cost that providers are being asked to fund.

"There is no difference between the retirement options for contract-based pension providers and trust-based pension schemes, so if a guidance guarantee is in place it should be for all those retiring. Those with defined benefits schemes should also be receiving advice near retirement to ensure that the benefits they going to get could not be better met elsewhere.

"We believe there needs to be more emphasis on guidance prior to retirement and education for members to manage their retirement income when it starts rather than only starting guidance when the member needs income or a lump sum.

"Once in retirement there should be reviews at least one every three years, if not more frequently. This should bring to life the level of income that can be sustainable, even without advice. Further factsheets should be available and maybe online calculators provided centrally to help test different assumptions and income levels. "

- ENDS -

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Notes to Editors:

Formed in 1993 initially as a specialist SSAS provider, Talbot & Muir are a high quality independent provider of SIPPs and SSAS products distributed via Financial Advisers. Talbot & Muir entered the SIPP market in 2000 in response to a growing need for tailored solutions for their clients who wanted something other than "insurance company mentality". The aim is to provide a personal and professional service to all advisers and their clients, with access to all levels in the business from named administrators to the principles of the company.