

PAG Event: Do Pensions matter?

Written by PAG

Saturday, 13 August 2016 00:00 - Last Updated Monday, 21 November 2016 22:59

PAG PUBLIC MEETING

Do Pensions Matter?

a presentation by

Tim Boles, M D Equilibrium Pensions Ltd

Manx Legion Club, Market Hill, Douglas

7.30 p.m. Monday 28th November 2016

For its final public meeting of the year PAG tackles a topic that many of us ignore to our cost.

None of us wish to be worse off in retirement.

The subject of a pension is one of the most important decisions facing us all, but the details of which are notoriously complex - to the point that recently even one of the Bank of England Directors confessed to not understanding their operation. With average longevity having increased so dramatically over the last 30 years - with mid to late 80's now considered our typical life expectation - provision of a "good pension" is necessary for at least 20-25 years, and for some, up to 35 years or so.

The basic state "old age pension" is generally regarded as one of the least generous in the whole of Europe - and currently at just £119.30 per week (+ a Manx Supplement if eligible) will certainly not provide a luxurious retirement. It is to be noted that the IOM is in process of breaking the link with the equivalent UK state pension - to be actioned in 2019 - when the Manx State Pension is headlined to be a basic £170 per week, subject to details in the fine print (but only applicable for those retiring from that date).

It is clear that, to enjoy retirement, a healthy additional pension - or other substantial assets - are required.

For the 20% of the workforce in the public sector, the defined benefit final salary scheme goes a long way to providing that assurance - though its sustainability, affordability and fairness to the taxpayer has long been a subject of debate...

For the other 80% of the workforce, working in the private sector, pension provision is far more contentious. A large percentage (probably a majority) have no pension arrangements whatsoever, whilst a further percentage, who might once have had a company final salary scheme pension, have had their schemes replaced with defined contribution schemes which give much reduced returns (companies and their shareholders having found final salary schemes too onerous a burden).

Many workers in the private sector, therefore, need to understand the need to take responsibility for their own pension provisions - and the earlier the better.

Meanwhile the role of government is - or should be - critical in encouraging pension provision. However, the UK government has on one side, encouraged company pensions via auto-enrolment into defined contribution schemes, but on the other side, used pensions as a cash asset - raiding pension funds via taxation to raise short-term revenue, but jeopardising the long-term viability of schemes.

What has our government done ? What is perhaps being planned ? And what should you be doing about a pension ? Or your employer ?

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Our speaker, Tim Boles, is a highly qualified expert in the field of private sector pensions. ♦He is a Fellow of the Chartered Institute for Securities & Investment, Fellow of the Royal Geographical Society, Fellow of the Royal Society of the Arts, Fellow of the Institute of Leadership and Management. His presentation on the problem of pensions, will concentrate on the way forward for both the individual and for government.

♦Join in the discussion.

♦All are welcome. Admission is free.