Centre for Policy Studies

Pointmaker

PENSIONS: BRING BACK THE 10p REBATE

AND GOODBYE HIGHER RATE RELIEF

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SUMMARY

- At nearly £30 billion per year, the Treasury's spend on incentivising retirement saving dwarfs the budgets of many Departments of State. This paper makes nine proposals to improve the effectiveness of that spend.
- Proposals for reform include:
  - abolishing higher rate tax relief, part of the £7 billion annual saving being used to reinstate the 10p tax rebate on pension assets' dividends and interest income (costing some £4 billion per annum). Such income should then be truly tax-free for pension funds. See Appendix for an explanation of this rebate.
  - combining the annual contribution limits for tax relief on ISAs and pensions saving, at no more than £40,000, with the full limit available for saving within an ISA. This limit could be used as a key cost control lever, with adjustments to it (driven by affordability) becoming a regular feature in the Budget;
  - replacing the 25% tax-free concession on lump sum withdrawals at retirement with a 5% "top-up" of the pension pot, paid prior to annuitisation, which would be of much more lasting benefit, to most people (cost neutral);
  - catalysing a controlled trickle-down of wealth through the generations, within a tax-sheltered pensions framework;
  - providing an additional incentive to employers to encourage employees to boost their pension contributions.
- These reforms would save money and would help reduce pensioner poverty, and would encourage a savings culture.

1. INTRODUCTION

Today's incentives to save for retirement are essentially financial, comprising tax relief on contributions, the tax-exempt 25% lump sum at retirement, and NICs rebates on employer contributions. They are crude and mis-directed (primarily benefitting the wealthy), their effectiveness is woefully under-researched and they lack any emotional resonance. Behavioural traits such as loss aversion and financial myopia (our preference for £1 today rather than £2 next year) have far more influence on savings behaviour than financial rationale.

The challenge is to design incentives that resonate with people. And there are substantial obstacles to overcome: in particular, the pensions industry is widely distrusted and products are often mind-numbingly complex, mainly because of their multi-various tax treatments.

It is no surprise that consumers are bewildered, not least because product pricing signals are almost irrelevant. Unlike almost all other consumer decisions, the outcome of any purchasing decision is normally known only decades later.

Furthermore, the framework of saving incentives (as well as some aspects of the State Pension) is entangled with unrelated objectives (often political), notably wealth redistribution.

All this adds to complexity, confusion and aversion (to retirement saving).

2. TAX RELIEF

(a) Hugely costly

The state invests a huge amount in pensions tax relief, primarily in the form of up-front income tax relief on employee contributions (at a cost of £21.1 billion in 2009-10) and NIC rebates on employer contributions (£8.3 billion).[1] To put this into context, this is equivalent to three-quarters of the UK defence budget (£40 billion), and is 27% more than the Government spent on Transport in 2011-12 (£23 billion).[2]

(b) What is the purpose of tax relief?

Before savaging tax relief, its purpose should be considered. Many would accept that it should be, ultimately, to reduce pensioner poverty, by encouraging more long-term saving. But the current distribution of tax relief is heavily skewed towards the well-off: the 8% of taxpayers who earn more than £50,000 a year receive almost 50% of all pension tax relief.[3] Clearly, reducing pensioner poverty is not the result. Indeed, one could conclude that tax relief serves as a reverse form of wealth redistribution (the conventional approach being to favour the poor). Arguably, the wealthy do not need such an incentive to save, and even if it were deemed appropriate to reduce their tax burden, why not make the benefit apply to all higher rate taxpayers by ending higher rate relief and cutting the higher rate of income tax?

A thorough reappraisal of tax relief is required. *In extremis,* it could be abolished, the £30 billion annual saving being used to boost the basic State Pension (BSP, costing £51 billion) by roughly 60%. Such an approach

1 HMRC, *Registered pension schemes: cost of tax relief,* Table 7.9, 2010.

2 HM Treasury, *Budget 2011.*

3 HMRC, *Survey of Personal Incomes 2009-10,* Table 3.5, Income and deductions, 2012. (It is accepted that this distribution is not surprising given that the wealthy pay more into a pension and their relief is at the higher rates of tax.)

would be beautifully simple and, crucially, politically appealing, the beneficiaries (future pensioners) outnumbering the recipients of tax relief. Furthermore, such a move would catalyse a virtuous circle, by dramatically reducing the annual bill for Pension Credit (more than £8 billion, annually, including Guarantee Credit). A saving in administration costs would also emerge, releasing yet more funds. Ending tax relief would also represent a significant simplification of our income-in-retirement framework, whilst removing a state-funded prop of what is, in parts, an ailing industry.

(c) The Treasury's perspective

The proponents of higher rate relief claim that tax is merely being deferred. The data does not support this assertion. The Treasury is effectively co-investing with recipients of higher rate relief, anticipating repayment through post-retirement income tax. But only one in seven of those who pay higher rate tax whilst working, go on to pay higher rate tax in retirement. From the Treasury's perspective, this is a bad deal; higher rate tax relief is a huge cost to the state, not an investment.

In the meantime, standard rate taxpayers are increasingly convinced that the lure of 20% tax relief on pension contributions is insufficient to overcome the lack of flexibility of pensions. Immediate access to savings is, for most people, the key influence. Industry surveys[4] confirm people's preference for ISAs over pensions; ISAs are immensely popular (the brand is still trusted). In 2009-10, £45.1 billion was subscribed to more than 14 million ISA accounts, without the bribe of up-front tax relief, whereas £22.9 billion of employee contributions went into occupational and personal pensions (excluding SIPPs).[5] Whilst ISAs offer ready access, they are increasingly being considered as part of retirement saving. Furthermore, ISA withdrawals are tax-free (unlike income derived from a pension), and it is in retirement, when incomes are lower, that people need a lower tax burden.

(d) Generation Y's perspective

The word "pension" does not resonate with Generation Y (the under-35s). The lure of tax relief is insufficient to overcome the aspiration to own a home, the need to repay student loans and the financial myopia of the "spend-now" culture. The Government's stance, opposing early access to pension funds prior to retirement, is regrettable, and the pension industry's support for this is short-sighted. It risks the younger generation never engaging with retirement saving; indeed, the challenge is to encourage them to save at all.

Consequently, the annual contribution limits for tax relief on ISAs and pensions saving should be combined, with the full limit available for saving within an ISA. Furthermore, the annual contribution limit on which relief can be gained (currently £50,000, irrelevant to 99.5% of the population) should be reduced, perhaps to £40,000. Indeed, it could become a key cost control lever, with adjustments to it (driven by affordability) being a regular feature in the Budget. Any unused allowance could perhaps be "carried forward" on a rolling three year basis.

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4 For example, more people (38%) view cash savings (including ISAs) as a better route to a reasonable standard of living in retirement than personal pensions (30%). Source: Scottish Widows, *UK Pensions Report 2009,* June 2009.

5 HMRC, *Individual savings accounts,* Table 9.4 2011; and *Pension Trends*, Chapter 8, Pension contributions, Table 8.3, 2011.

Proposal 1: The annual contribution limits for tax relief on ISAs and pensions saving should be combined at no more than £40,000, with the full limit available for saving within an ISA. This limit could be used as a key cost control lever, with adjustments to it (driven by affordability) becoming a regular feature in the Budget.

Subsequently, up-front tax relief could be whittled away entirely (remember mortgage interest relief?) as the next generation places an increasing emphasis on ISAs for their retirement income, ideally built upon a bedrock of income certainty provided by a higher State Pension (as envisaged in a DWP's green paper[6]). The pensions industry would then need to refocus on delivering high quality asset management of (long-term) savings, the word "pension" having been consigned to history.

(e) The end of tax relief: gently does it

(i) End higher rate tax relief

The immediate abolition of all tax relief on pension contributions would not be politically pragmatic; a multi-step process is required, starting with putting an end to higher (and additional) rate relief.

Limiting tax relief to 20% would save the Treasury £7 billion per year; to be clear, this is an annual saving, repeating itself year after year. In return for the removal of higher rate relief, there are a number of *quid pro quos* that the Government could consider offering, including:

- reinstating the 10p tax rebate on pension assets' dividends and interest income (at a cost of roughly £4 billion a year); such income should be truly tax free for pension funds.[7] Retaining additional income within pension pots would ensure that the positive power of compounding benefits the individual, rather than the Treasury; and
- dramatically increasing the annual ISA subscription cap, to £40,000, say, as per Proposal 1. The cost to the Treasury would be limited to taxation foregone on dividends and income within the ISA wrapper.

Given that prevailing interest rates and dividend yields are so low, now would be a relatively cheap time to implement both these proposals. Furthermore, although the cost would increase with rising interest rates, this would probably coincide with a strengthening economy; affordability would be less of an issue.

Proposal 2: Higher rate tax relief should be abolished, the annual £7 billion saving being partly used to reinstate the 10p tax rebate on pension assets' dividends and interest income (costing some £4 billion). Alternatively, this would more than meet the cost of foregone tax on dividends and income, were the ISA subscription cap raised to £40,000.

A further reason for ending higher rate tax relief is that for many higher earners it is, in reality, an extension of their tax planning arrangements, rather than being primarily considered as an incentive to save.

6 DWP, *A state pension for the 21st century*, 2011.

7 In 1997 Gordon Brown scrapped the 10p rebate on dividends, thereby effectively imposing a 10p income tax on what were supposedly non-income tax paying bodies, notably pension funds. Estimates vary as to how much the Treasury has subsequently benefitted, with a corresponding reduction in the value of retirement funds; figures vary between £150 billion and £225 billion, to the detriment of millions of savers and pensioners.

(ii) A higher flat rate for tax relief?

A flat relief rate of 25% or even 30% could be considered as an alternative to 20%, if it were deemed appropriate to further incentivise low earners. Costs could be controlled by adjusting the annual contribution limit on which relief could be gained. Irrespective of the level of any flat rate for tax relief, it should not be less than the maximum rate of income tax that pensioners could face, thereby retaining high earners' interest in saving within a pension product.[8]

Proposal 3: To incentivise low earners to save, the Chancellor should consider replacing basic rate income tax relief with a higher flat rate, perhaps 25%, or even 30% once the economy has recovered. Costs could be controlled by adjusting the annual contribution limit on which relief could be gained.

As an aside, it is acknowledged that a flat rate of tax relief in excess of the standard rate of income tax would comingle wealth redistribution with a saving incentive, at the price of additional complexity. There are other permutations for tax relief, which would save the Treasury a lot of money without materially reducing most people's incentive to save for retirement. These are more fully discussed in a previous CPS paper.[9]

(iii) Re-characterise tax relief?

Given the extent to which people do not understand tax relief, it could be re-characterised to aid communication. A number of alternatives have been suggested, including:

- a "matched savings scheme", whereby for every £1 added to a pension pot, the state puts in a fixed additional amount, irrespective of the saver's marginal rate of income tax.[10] This would be more progressive than the current system, and the state's contribution to each individual could be capped to control the total cost;
- a "no-lose lottery", such as guaranteeing people a 50p return (which would then be automatically added to their savings) on their £1 "ticket" (the ticket price being retained within the asset pot)[11;] and
- a "persistency bonus", to tackle short-termism. Initially set at zero, the bonus would grow over time as funds are left *in situ*, thereby encouraging people to save for the long term.

8 Note that today's savers are making a leap of faith that in future, the basic rate of income tax will remain at 20%, but today's level is a historic low (ignoring the previous Government's very short term dalliance with 10%). Tax relief at 20% and pensioner income tax capped at 20% could be marketed as "20:20 vision".

9 Michael Johnson, *Simplification is the key,* CPS, June 2010.

10 Proposed in the Social Market Foundation's report, *Savings on a shoestring: a whole new approach to savings policy*, July 2011.

11 Based on an idea from Ros Altmann, Saga Director-General.

3. OTHER INCENTIVES

(a) The 25% tax-free lump sum concession: replace it with a pre-annuitisation reward

Another tempting target for the Treasury is the option for pensioners to take a 25% tax-free lump sum. This costs £2.5 billion a year in foregone income tax. Encouraging people to take a tax-free lump sum is a bizarre way of encouraging them to build up a pot of assets to subsequently provide a regular annual pension income. Furthermore, to Generation Y, the prospect of 25% of some distant, uncertain return being free of tax is unlikely to change behaviour in respect of saving. As an incentive for long-term saving, it is wholly ineffective.

Given that the objective for retirement saving is to supplement the basic State Pension, perhaps the expense of the lump sum tax concession should be reallocated to increasing people's annuities? A 5% pre-annuitisation "reward" (or "top-up") of the pension pot would, for basic rate taxpayers, be equivalent in value to the lump sum tax concession (which today saves them 20% income tax on 25% of the pension pot, i.e. 5%).[12] This would be of much more lasting benefit, to most people, than the 25% lump sum's tax concession.

Proposal 4: The 25% tax-free concession on lump sum withdrawals at retirement should be replaced with a 5% "top-up" of the pension pot, paid prior to annuitisation.

Many would agree that retaining the £2.5 billion a year within people's pensions is a better use for it than simply returning it to the Treasury (by simply ending the 25% tax-free concession). Payment of the "top-up" would be delayed if annuitisation were postponed (perhaps because the £20,000 Minimum Income Requirement (MIR) had been exceeded).[13]

(b) The Minimum Income Requirement should be extended to lump sums

Retaining the 25% lump sum within the pension pot would enable people to buy a larger lifetime annuity, i.e. a 25% larger pension than otherwise. Furthermore, research by Prudential shows that 79% of pensioners drawing a company or private pension in 2011 took a lump sum from their fund at retirement – and 10% regret doing so. People are increasingly questioning the wisdom of having taken the lump sum and spending it (perhaps frivolously), not appreciating, at the time, the corrosive impact that this would have on their retirement income.

Given this, it would make sense to also apply the MIR to taking income via flexible drawdown.

Proposal 5: To be eligible to make any lump sum withdrawal at retirement, the individual should meet the Minimum Income Requirement of £20,000 a year (subject to trivial commutation rules).

12 IFS, *Tax by Design (the Mirrlees Review); Chapter 14, Reforming the Taxation of Savings*, September 2011.

13 The MIR is the amount of secured pension income that a member must have for life, to draw an income via flexible drawdown. The £20,000 requirement is to be reviewed by the Government in the 2015-2016 tax year. Income payments that count towards the MIR include the basic State Pension, State Second Pension (S2P), lifetime annuities and scheme pensions.

(c) Salary sacrifice

Salary sacrifice schemes are offered by employers as a means for their employees to receive increased pension contributions.[14] Part of the salary is paid directly into the pension plan (i.e. "sacrificed") so that less National Insurance Contributions (NICs) is paid by both employer and employee (who may also then fall into a lower income tax band). The employer then pays all or part of his NICs saving into the pension plan.

Proposal 6: Salary sacrifice schemes are essentially a tax arbitrage at the Treasury's expense. As such, they should be banned.

(d) Employee share ownership schemes

There are four different types of HMRC Approved Share Plans[15] providing tax-efficient savings mechanisms. They encourage medium- and long-term saving amongst many low and middle income earners[16] but, collectively, provide administrators with a minefield of taxation-derived complexity. The Treasury has, quite rightly, requested that the Office of Tax Simplification (OTS) look at simplifying the Share Plan tax arrangements, reporting to ministers in 2012.

14 55% of companies offer salary sacrifice, either automatically or as an option for employees (43% in 2009). See Punter Southall Group, *DC pensions in the UK workplace: corporate DC survey results,* March 2010.

15 Save as you Earn (SAYE) Savings-Related Share Option Scheme ("Sharesave"), Share Incentive Plans (SIP), Company Share Option Plans (CSOP) and Enterprise Management Incentives (EMI).

16 A third of employees saving in an SAYE scheme, for example, earn less than £21,000. Source: IFS, ProShare.

(e) Incentives that resonate with behaviour

(i) Acknowledge that people value certainty

Tax relief is a reward for completing an activity, but it does not lead to any certain outcome. Perhaps tax relief should be replaced with an incentive that provides certainty, in what would otherwise be a DC (i.e. uncertain) pension pot? For example, the annual £21 billion currently directed to income tax relief on employee contributions could, instead, be used to subsidise the purchase of deferred annuities from the Treasury, i.e. certain income commencing at retirement. If done on an unfunded basis, the Treasury would enjoy an immediate cashflow benefit; this would also end the erosion of invested tax relief, care of annual industry charges.

(ii) Harness the emotional power of family

The current spend on tax relief could be redeployed towards incentives that span the generations. Leaving something for children (and grandchildren) is a powerful motivator, so why not permit pension assets to be bequeathed free of Inheritance Tax (IHT) limits and the seven year rule? Provided that the assets could only go into the recipients' pension savings, this would encourage a *controlled* trickle-down of wealth through the generations, and reinforce a sense of personal ownership of pension savings.

This would, however, only benefit the relatively rich (i.e. those with estates in excess of the IHT threshold[17]). A more egalitarian approach would be to more broadly reward those who contribute to the next generation's pension savings, irrespective of the recipient's income or marginal tax rate.

17 £325,000 for 2011-12.

Proposal 7: People should be able to bequeath unused pension savings assets to third parties free of Inheritance Tax (perhaps limited to £100,000), provided that the assets only go into the recipients' pension savings. Alternatively, contributors to the next generation's pension savings should be rewarded, along with the recipient, irrespective of the latter's income or marginal tax rate; perhaps 15% to each party (Donor's and Recipient's Bonuses), up to an annual cap?

Policy makers interested in cross-generational incentives should consider that the Generation Y (the under-35s) could be the first generation to experience a deterioration in their quality of life, relative to their parents (baby boomers and Generation X[18]). This trend could be accompanied by the emergence of inter-generational antagonism, as well as disillusionment amongst the young.

Policymakers should bear in mind that when seeking to encourage people to save, the optimal messengers are people they respect; often older family members (rather than politicians, say). In the meantime, we are already seeing a marked increase in grandparents making financial commitments to support Generations Y and Z (people born since the early- to mid-1990s).

4. INCENTIVISE EMPLOYERS

(a) NICs rebates on employers' contributions: retain them

The crucial role that employers' contributions perform in supporting occupational pension schemes should be acknowledged. Consequently, their NICs rebates should be retained; indeed, perhaps employers should be *further* incentivised to support retirement saving?

(b) A distribution reward?

Although employers may be reluctant participants in the retirement savings arena, their engagement is hugely beneficial. In 2009, they contributed £36.3 billion to funded occupational pension schemes and £9.7 billion to personal pensions (employees contributed £6.6 billion and £9.3 billion, respectively).[19] However, employers have been disengaging from pensions for decades; witness the demise of DB schemes. But the advent of auto-enrolment moves employers (consciously, or not) into the distribution arena, essentially acting as agents of the state, particularly in respect of those whom the industry finds hard to reach.

Today, the only explicit incentive for employers to participate in pensions is a NICs rebate on their contributions (£8.4 billion last year). It would makes sense for the state to harness the strong relationship between employee and employer (something that the industry rarely enjoys with consumers), and to reward employers who succeed in encouraging their employees to increase their pension contributions.

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18 Baby boomer were born between 1946 and 1964, Generation X from the early 1960s through to the early 1980s.

19 ONS; *Pension Trends Chapter 8: Pension contributions*, *Table 8.13*, September 2011.

An initiative such as this requires a cautious approach. It should be focused only on basic rate taxpayers (who are more likely to fall into the category of those who "save something, but not enough"), with the incentive paid in respect of employee contributions above the NEST minimum of 4% of band earnings.

Proposal 8: Employers should be incentivised to encourage basic rate taxpaying employees to boost their pension contributions. This could take the form of a 5% distribution reward from the Treasury, paid in respect of employee contributions above the NEST minimum of 4% of band earnings.

If, for example, such an incentive were to increase by 50% the amount that employees contributed to funded schemes (i.e. an extra £7.9 billion), it would cost an additional £1.58 billion in tax relief and £395 million in reward payments, annually. Contrast this with the £15 billion paid in higher rate tax relief to those earning over £50,000 per year. Enlightened employers could forward their distribution rewards to their employees' pension pots.

The industry could also benefit from such an initiative because it should help it cut its marketing and distribution costs (one advantage of auto-enrolment).

(c) Other initiatives

(i) Scheme membership: employer flexibility
Employers used to be allowed to make it a condition of employment that employees had to participate in the company pension scheme. Regretfully, this right was revoked in 1988, when the then prevailing political ethos was to encourage personal provision. Well-intentioned employers should be at liberty to require scheme membership, unless the employee can demonstrate that they already have adequate pension arrangements. That said, employers are allowed to write scheme membership into new recruits' contract of employment (occupational schemes and contract-based workplace pension schemes).

(ii) Pressure the management?
In the US, some senior executives can only receive employer contributions after they can demonstrate "substantial" employee engagement with the company's 401k Plan. The intention is to incentivise management to improve employee engagement with retirement saving.

The UK could amend this approach by denying tax relief to management unless employee engagement in NEST, for example, exceeds 70%. In practice this is unlikely to be productive, and could create resentment. Not all employers will participate in NEST, and it would have no impact on executives whose pension assets have already reached the £1.5 million lifetime allowance.

(d) Protecting employers: a safe harbour
In the US, a "safe harbour" principle exempts trustees, employers and governance committees from class actions, if it can be demonstrated that they were acting in the best interests of members. Prior to safe harbours being introduced (in December 2007), employers were increasingly reluctant to discuss pensions with their employees. Many deemed it too risky (which also provided them with a ready excuse not to do it).

A safe harbour arrangement in the UK is a pre-requisite to increasing employer engagement with pensions. It may also precipitate the use of more appropriate investment options (less defensive, more imaginative). Employers are unlikely to promote saving amongst employees unless they have clear guidelines (*not* regulation) within which they can safely operate. These should include the distinction between "advice" and "information", and what constitutes a "qualified" default fund.

Proposal 9: "Safe harbour" guidelines (not regulation) should be swiftly introduced (not least because of the onset of auto-enrolment), to exempt trustees, employers and governance committees from class actions, provided it can be demonstrated that they were acting in the best interests of scheme members.

5. CONCLUSION

Today's tax-based incentives to save for retirement are hugely expensive and, worse, ineffectively deployed. Skewed towards the wealthy, they do far less than they should to minimise pensioner poverty. Furthermore, they do little to catalyse a savings culture amongst younger workers, thereby exacerbating the looming generational inequality.

The savings incentives framework should be restructured, which will require a preparedness to confront deeply-entrenched vested interests within the savings industry. Before that, the Treasury should thoroughly research the effectiveness of tax relief, measured against the objectives of catalysing a savings culture and achieving value for money. The latter could be assessed against expected future tax receipts from pensioners (including consumption-related taxes). In parallel, the Treasury should determine what proportion of tax relief is ultimately captured by the industry, rather than savers. Its findings should be put into the public domain, to facilitate meaningful debate.

APPENDIX: THE 10P REBATE EXPLAINED

In 1997 Gordon Brown scrapped the 10p rebate on pension funds' dividend income. Scrapping a rebate is a form of double negative; it means "new tax", in this case on pension funds. The following explanation is based on a lucid summary by Evan Davis of the background to this 10p rebate.[20]

Gordon Brown's idea was to confront the awkward overlap between two tax systems (corporation tax and income tax), specifically in their treatment of company dividends.

In a *classical* corporation tax system, company profits are first hit with corporation tax. Dividends paid out of those profits are then hit with income tax in the hand of the recipient shareholders. Profits paid out as dividends are therefore hit, unfairly, by two taxes.

The opposite of the classical system is known as the *imputation* system, which removes this double tax. In 1973, Britain opted for *partial imputation*. Corporation tax was paid on all profits, but when receiving their dividends, shareholders were allowed to assume that basic rate income tax had already been paid on their dividends.

Thus, part of corporation tax was counted as a pre-payment of income tax (advance corporation tax, or ACT, paid at the basic income tax rate on dividend pay outs). Consequently, shareholders avoided paying the double tax on the same income. Later, any remaining corporation tax owed was paid (the corporation tax rate was higher than the basic income tax rate, and profits retained (i.e. not paid out as dividends) had to be taxed as well).

In keeping with the imputation principle, **those shareholders who were not meant to pay income tax, were thus entitled to an income tax rebate.** That mainly affected the pension funds.

Concern grew that this gave them too much of an incentive to seek dividend pay-outs (rather than capital growth). Consequently, Gordon Brown moved us some way back to the classical system. In a wide-ranging package over two Budgets, he cut the headline rate of corporation tax, abolished ACT, brought forward the payment of corporation tax generally, limited the degree to which income tax payers could deem income tax had been paid on dividends, and above all, **stopped the payment of the 10p tax rebate going to pension funds** (and others).

As an aside, this demonstrated that Gordon Brown understood the power of compounding. He took the view that it is better to retain funds within the Treasury (in this case, the rebate) rather than people's pension pots. Estimates vary as to how much the Treasury has subsequently benefitted, with a corresponding reduction in the value of retirement funds; figures vary between £150 billion and £225 billion, to the detriment of millions of savers and pensioners.

[20] Evan Davis, Notes on Real Life; *That pensions raid*, 2 April 2007.

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ISBN: 978-1-906996-55-0