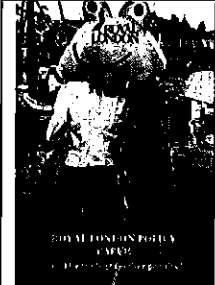


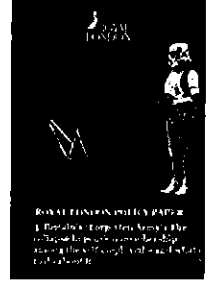




# Royal London Policy Papers and 'Good with your Money' guides – a summary

(downloadable at: [www.royallondon.com/policy-papers](http://www.royallondon.com/policy-papers) and [www.royallondon.com/goodwithyourmoney](http://www.royallondon.com/goodwithyourmoney) )

## Policy Papers 1-9

	<p>1. <b>The Living Together Penalty:</b> Elements of the UK social security system have failed to keep pace with social change. When the National Insurance system was designed in the 1940s, entitlement to benefit following the death of a partner was restricted to married women. At the turn of the 21st Century entitlement was extended to widowers, and shortly thereafter to civil partnerships. But the system continues to ignore cohabitating couples, despite the fact that six million people in the UK are now cohabiting, double the number just two decades earlier.</p>
	<p>2. <b>The Death of Retirement:</b> In this paper we look at the workplace pensions into which millions of people are currently being enrolled. Whilst the average contribution rate into an old-style final salary pension was around 20% of total wages, the statutory minimum for a new automatic enrolment scheme is barely one third of this level. Previous pension levels will be unattainable at these contribution levels, so this paper asks what individuals would need to do in terms of longer working lives in order to address this shortfall.</p>
	<p>3. <b>Pension Tax Relief: Radical Reform or Daylight Robbery:</b> This paper outlines the issues around reform of pension tax relief. As well as the desire to raise revenue he must think about the impact of any reform on the incentives to save both by individuals and firms. He will need to find ways of simplifying a hideously complex system and of making sure that the system genuinely does incentivise people to save for the long-term. Any reform must stand the test of time and put an end to the constant tinkering of recent years.</p>
	<p>4. <b>Britain's Forgotten Army (the collapse in pension membership among the self-employed, and what to do about it):</b> Britain's 4.6 million strong 'army' of self-employed people are generally not included in automatic enrolment and have therefore not been part of this huge growth in pension scheme coverage. In fact, coverage amongst the self-employed has plummeted in recent decades and is now at crisis levels. This paper sets out proposals for a pseudo automatic enrolment scheme for the self-employed to tackle this problem.</p>
	<p>5. <b>Pensions Dashboards around the world:</b> Citizens of Australia, Sweden, the Netherlands and several other countries can do something that British citizens cannot – they can go to a single website and see all, or most, of their pension rights in one place. Whilst there has been much talk in the UK about the need for a Pensions Dashboard, the current timetable to have something in place by 2019 looks very unambitious. This paper calls for government and regulators to actively drive forward the process, making sure that the consumer interest is front and centre.</p>
	<p>6. <b>The Downsizing Delusion:</b> A small but growing number of people report that they are planning to fund their retirement not through saving in a pension but through investing in their own home and downsizing at retirement. This report shows how this 'downsizing dream' could easily turn into a nightmare. It looks at how changes in family life, the mortgage market and the jobs market may mean that the assumptions behind the downsizing dream may be unrealistic and at how little income would be generated by typical downsizers in different regions.</p>

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	<p>7. <b>Renters at Risk:</b> The number of renters in paid work has risen sharply in recent years. Many of these renters may assume that if they became unemployed or were off sick, their rent would be covered by the State. But for millions of renters this would be a mistaken assumption. If loss of earnings continued for a sustained period these renters could find themselves unable to pay their rent and could be forced to move out. The research contained in this report suggests that the number of such 'renters at risk' is large and has risen substantially in recent years.</p>
	<p>8. <b>Time to end the 'salami-slicing' of pensions tax relief:</b> In recent years, HMRC's limits on pensions tax relief have been repeatedly reduced. The Lifetime Allowance (LTA) has fallen from a peak of £1.8m to £1m. The Annual Allowance has been cut from a peak of £255,000 to £40,000. In addition, annuity rates have fallen sharply over the last decade. This paper finds that the value of a pension that can be purchased by someone who stays within the HMRC limits has fallen by around two thirds in real terms and calls for an end to this constant 'salami-slicing'.</p>
	<p>9. <b>The Mothers Missing out on Millions:</b> Changes to the rules around Child Benefit for high-earning couples have led to growing numbers of new mothers deciding not to claim Child Benefit when they start a family. A by-product of this is that they may be missing out on valuable 'National Insurance credits' which protect their future state pension. We estimate that in just three years mothers may have lost out on nearly half a billion pounds in pension rights and we are calling on HMRC to tackle this growing problem.</p>

## Good with your Money Guides

	<p>1. <b>Topping up your State Pension – Everything you ever wanted to know</b> If you're looking to maximise your income in retirement, a good place to start is with your State Pension. If you're not getting the full amount or are not on track for it, then it's worth considering topping up. The cost of doing this is subsidised by the Government which means it can be very good value for money. The rules about who can top up, how much it costs and what impact it will have on your State Pension are complex and have changed recently. The aim of this guide is to help you navigate these various rules and make a more informed choice about whether or not to top up your State Pension.</p>
	<p>2. <b>Five good reasons to transfer out of your company pension – and five good reasons not to</b> Growing numbers of people are being offered very large cash sums in exchange for giving up all of their rights in their defined benefit company pension scheme (where the amount of pension you get is guaranteed and based on how long you worked for the firm and how much you earned). The purpose of this guide is to provide some basic factual information about the advantages and disadvantages of making a transfer of this sort, so that you are better informed prior to seeking impartial and expert financial advice about your circumstances. In an appendix, we also recommend some changes to the rules and regulations around transfers.</p>