

Advisory body adds voice to calls for emergency savings

The Pensions Advisory Service has joined the clamour for employees to be given emergency access to their pension pots.

Speaking at the Pensions Management Institute's (PMI) Spring conference, Baroness Hollis, director of the Pensions Advisory Service, said: "Personal accounts are generous and decent, but locked away for too many years. Why not let people use the money to pay off harmful debts or stop their house being repossessed?"

She added: "It could act as a lifetime savings account with an emergency savings pot. It would encourage young people and women in particular to save if it is not locked away for 40 years."

Research by the Pensions Policy Institute last year reported that 42% of members would pay more into a scheme if 'emergency loans' were made available, with a similar amount of non-members saying they would join a scheme that offered the loans.

Also speaking at the conference, Alan Pickering, chairman of Bestrustees, said the government's recommendation of £120 as a minimum weekly pension should be guaranteed by the taxpayer.

He said: "We need a decent basic state pension that can be delivered with confidence. Now is exactly the right time to get these building blocks of pension provision laid, while the government is being open with money and bailouts."

Steve Bee, head of pensions policy at Scottish Life, agreed with Pickering, but added that savers need to know what it is they are getting.

He said: "We need a decent state pension that we can understand. If people don't understand it, they won't rely on it."

"We also need to make sure that every pound in private pension savings makes you one pound better off than people who don't save." **NR**