

30th September 2015

Pensions Consultation 2015
Pensions and Savings Team
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Dear Pensions Consultation 2015 Team

TISA response to Treasury Consultation on Pension Tax Relief

TISA is pleased to present a set of independently costed, evidence-based recommendations for delivering a more effective incentivisation for long term saving that also delivers annual saving of £2.7bn to the Exchequer. Our recommended approach provides simplicity for consumers, builds upon the success of Auto-Enrolment and the critical role of the employer in order to provide the strong encouragement that the public needs to save for retirement.

It is clear that consumers do not understand the current pension system, however the concept of replacing tax relief with matching contributions at a single national rate of “Buy 2 get 1 free” resonates very well with the public. We also propose to discontinue both salary sacrifice and lifetime limits on DC schemes. We have also considered TEE as an option and concluded that consumers will be worse off plus the system is unsustainable in the long term.

These proposals have been developed by The Savings and Investments Policy project (TSIP), an unprecedented pan industry group of 50 leading financial services and consumer groups dedicated to developing policy proposals that enhance financial security for low and middle income families. The Pensions Policy Institute independently verified the projected annual savings from our proposals, plus The Wisdom Council has undertaken independent research to validate the consumer reaction.

We are currently engaged with the Association of Consulting Actuaries, E&Y and Oxford Economics producing forecasts for retirement savings and the impact this will have on individuals and the economy. We expect this work will identify the compelling needs to enhance savings and we will share outputs with the Treasury upon completion in October.

Yours sincerely



David Dalton-Brown
TISA Director General



Tony Stenning
Chair of TISA Savings and Investments project
and Managing Director at BlackRock

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