



Blunkett warns gov't on pensions

THE newly appointed secretary of state for work and pensions has said it will be unforgivable if the government ignores the UK's retirement funding crisis.

David Blunkett told the Commons that an all-party consensus was vital to make sure the estimated £57bn pension gap was plugged.

He said people would not forgive any politician who did not look 30, 40 and 50 years ahead and come up with a solution.

He said solving the crisis would prove a challenge for political parties, individuals and business.

Mr Blunkett added: "Until we face the challenge of people living longer and wanting to work less and retire earlier, and people believing that they will enter the labour market at a later age, we will be in a fool's paradise."

The pension credit was praised by the secretary of state for helping to overcome pensioner poverty. He refuted claims that the decision to end the dividend credit on shares held within pension funds had damaged equity-based pension programmes. He said it was the collapse of world equity markets that had contributed to the gap.

Ray Young, chief executive at wealth management expert 3Q Solutions, said Mr Blunkett had delivered the pension crisis into the nation's lap, making it clear that citizens needed to take control of their own financial destiny.

Mr Young said: "The problem at the moment is that the pension and investment advice provided to the public is often complex and archaic.

"The financial industry should do more to empower individuals to manage their finances."