



● TIMETABLE FOR REFORM LOOKS SET TO REMAIN DESPITE WORK AND PENSIONS MINISTER'S DEPARTURE

Reform must go on despite Blunkett's exit, say experts

RADICAL reform of the UK pensions system should not be derailed by David Blunkett's departure from the department for work and pensions, industry experts have said.

As Mr Blunkett resigned from the post of secretary of state for work and pensions and John Hutton was named as his replacement last Wednesday, the industry said the timetable for reforming the pension system looked set to remain in place.

John Lawson, senior technical manager of Standard Life, said recommendations made in Adair Turner's Pensions Commission report, which Mr Blunkett pledged to push, were still likely to be published at the end of this month.

The government is expected to publish its response to Mr Turn-

BY EMMA ANN HUGHES

er's report, which is believed to call for some form of compulsion, in the spring.

Mr Lawson said: "Tony Blair wants to make his mark with pensions and therefore he will push ahead with the current timetable and back something that is probably quite radical.

"People have talked about the knowledge gap when it comes to Mr Hutton but I do not think that will be an issue with Steven Timms, minister of state for pensions, in place at the DWP.

"Mr Timms is hugely experienced in pensions and he will help Mr Hutton in the same way that I am sure he has already helped Mr Blunkett."

Ray Young, chief executive of

"Increasingly people need to be able to choose to work longer"

**DAVID BLUNKETT,
FORMER SECRETARY OF
STATE FOR WORK AND
PENSIONS**



wealth management experts 3Q Solutions, said Mr Blunkett's resignation could not have come at a more critical moment for the future of pensions.

He said all eyes would now be turned towards Mr Hutton, who

would have to use his appointment as a real opportunity to instil faith back into pensions.

Mr Young said: "Rather than just treading water, the government needs to take real action to resolve the savings deficit in the UK.

"If any sort of impact is to be made on the pensions crisis, the government has to pull its head out of the sand, take the reins and guide the public to plan more effectively for the future.

"Otherwise we are all in danger of being victims of Mr Blunkett's fools' paradise."

Ros Altmann, an independent pensions policy adviser, said Mr Blunkett's departure at this time could be great news for the industry if his successor was not in chancellor Gordon Brown's camp for cutting savings incentives.

Ms Altmann said: "If Mr Hutton is not in the Treasury's pocket, that would be brilliant news because the Treasury has been putting in place the wrong sort of measures to incentivise pensions, such as the pensions credit."