



# Lobbying government

✓ **The industry can sometimes have a fraught relationship with parliament, be it dealing with pensions being treated as a political football, raided when needed to fill Treasury coffers, or simply its cries for a respite from change falling on deaf ears. So what are the recommended approaches for the sector to have a meaningful dialogue with those in government? Those who regularly act as a conduit between the pensions industry and parliament give their advice**

**T**he SPP's approach to politicians is simply to share the technical and practical experience of our members in the hope that a better understanding might lead to better policies. We accept the policy direction will be set by the government of the day and try to explain in the best way how

to implement policy in practice, as well as highlighting any unintended consequences.

The freedom and choice reforms are a perfect example. Like many others, we have serious concerns about the risks for consumers, including outliving their savings, making poor investment choices, restricting spending too

harshly in case they live longer, poor tax outcomes and even outright fraud. Our engagement with government is then focused on how to mitigate these risks.

Politicians have to balance the popularity of policy, the security of benefits, and the tax revenue implications to choose their path and we'll rarely, if ever, persuade them



to forego accelerated tax income and a happy electorate with doom-laden warnings about a ticking time bomb of over-reliance on the state pension in 20 years' time. We might however, be able to explain the risks and what the government could do to address them, whether that is requiring financial advice to be taken, mandating partial transfer options, or educating consumers better.

The professional civil servants in the DWP, TPR and HMRC have an excellent grasp of the technical details as a starting point. They are also generally open to considering practical suggestions to improve the implementation of policy. Industry bodies can enhance the pensions environment for savers by making sure policymakers understand how their decisions will affect the real world in practice.

*Society of Pension Professionals president  
Hugh Nolan*

The Association of Consulting Actuaries (ACA) has made representations to government – both Westminster and Whitehall – since its inception in the 1950s. In particular, technical responses to consultation documents, which have burgeoned over the past decade or so, has been a priority of the ACA, with several technical committees – all made of members drawn from consulting actuarial firms – devoting considerable time on a voluntary basis, making recommendations designed, very often, to make policy initiatives ‘workable’. In truth, that has not always persuaded government to think again, when this would have been advisable.

The ACA has therefore over the years widened its activities, establishing closer contact with officials, notably at DWP, HM Treasury and HMRC, and as a result this has led on to greater engagement at an earlier stage in the policymaking process. For example, the ACA acted as the joint secretariat with the DWP in the development of the defined ambition proposals championed by Steve Webb, when he was Pensions Minister. And, more recently, the ACA produced a report on the pros and cons of reform proposals in respect of pensions taxation.

Another initiative has been to make the results of the ACA's annual surveys of pension trends available to policymakers on an open basis. Questions asked are often geared to topical issues and consultations, so the results can be useful to those developing policies, results being more immediate than survey schedules run by government.

The ACA also joins with other pension bodies from time to time and meets with officials on a regular basis through the Joint Industry Forum, alongside bodies such as the PLSA, ABI, SPP, APL, PMI and ICAEW. Separately, the ACA helped establish and acts as the secretariat to the All-Party Group on Pensions, which looks to inform and debate topical pensions issues with MPs and peers, who are active in developing and monitoring pension policies.

*ACA chairman Bob Scott*

Many people feel frustrated by government policies and can see clearly how they need to be reformed. Some of you will be angry about inefficiencies or deficiencies that are detrimental to the interests of retirement savers. If you feel strongly, I would recommend that you consider contacting your MP as a first port of call in trying to instigate policy change.

If there are major problems that impact your members or clients, or even your own operations, don't just assume that everyone knows about them. Very often the officials, who devise policy recommendations and are in charge of implementation, are not fully aware of how the industry works in practice. So many times, I have seen policies that may make sense in theory, but in practice they are too complicated or unworkable.

You can write, email or visit your MP. They are your representatives and, if you want to ask them to relay problems or suggestions to ministers, or to raise an issue in parliament, they will often be happy to do so. You can also make suggestions about problems in the regulatory system, whether it is issues relating to the FCA, The Pensions Regulator, Pension Protection Fund or the Pensions Ombudsmen.

It would certainly help if you respond to any consultations that are put out by the government, regulators or parliamentary committees on the issues that you would like to see changed – and then tell your MP what you have suggested. If you are already politically engaged, you could try contacting your local party to see if others might feel strongly about the issue as well.

In addition, of course, industry bodies are there to lobby on your behalf and you should make sure you let them know about areas that you feel need reform and keep in touch with what they are doing.

*Former Pensions Minister Baroness Ros Altmann*