

**Client:** Home and Capital  
**Source:** Retirement Planner (Main)  
**Date:** 01 January 2009  
**Page:** 31  
**Circulation:** 0  
**Size:** 137cm2  
**AVE:** 767.2

---



## **Crisis? It's already here**

---

### **Dear Editor,**

I was interested to read that Dr. Ros Altmann has called for radical action from the Government to prevent an imminent pensions' crisis. I agree with most of what Dr Altmann said. However, there are one or two areas where I have to disagree. Firstly, she talks about an imminent pensions crisis: this implies that we are not currently in one. From where I sit, the evidence is all too clear – we are already in a pensions crisis. It is set to get significantly worse over the next twenty years, and it is probably too late to solve it for the generation planning to retire in the next ten years. The best that they can do is to look at their financial assets and obtain good financial advice on how they can convert all or some of their assets into some form of retirement benefits.

The alternative is to hope that the State will pick up the bill and ensure that all pensioners have some form of state pension provision. This will, indeed, be provided to those who have nothing in retirement, albeit at a basic level. The cost to the State will be significant and make the current debate on benefits seem like a drop in the ocean.

Dr Altmann also refers to the 'locked box' of people's contribution to retirement savings. She is, of course, referring to the pension schemes that people have been saving into. For most people in this country, the biggest 'locked box' is their homes. Perhaps now is the time to place property assets at the heart of the pension debate and consider a home to be a savings vehicle to which people have contributed to over many years. The emotional attachment we have to property doesn't have to disappear, just because funds are released to help with retirement.

So, I welcome what Dr Ros Altmann and others now say about possible solutions for the pensions crisis that we're already in, but surely now the time has come to put equity release firmly at the centre of this debate. Not to do so is likely to disappoint many people and put a reasonable retirement needlessly out of their reach.

**Simon Little is managing director of Home & Capital Trustee Company**