

countries in Western Europe the UK has an ageing society. It knows that 10 million of us are not saving enough for retirement and are at risk of having an inadequate pension: women and those over 50 are at high risk in this respect. The Government also knows that the birth rate has declined. This is important because it means the ratio of workers to pensioners will decline and it will be more difficult for governments to fund the increased pension, health and social care needs of an ageing society. The Government asked the Pensions Commission to look into the issues. The Pensions Commission advised that if people in the UK are to avoid an inadequate retirement they must work longer and/or save more. This advice has underpinned the Government approach. The Government has:

- made it easier for people to save for their retirement
- encouraged pensions to be portable as you move from one employer to the next
- provided greater protection of occupational pension funds if the company falls into liquidation in order to increase confidence in pensions
- introduced age discrimination legislation to prevent discrimination on age grounds
- allow those who are competent and fit to work to 65 and enabled employees to ask to work beyond if they would like to do so
- passed the 2007 Pensions Act and introduced a further Pensions Bill that provides for new pension arrangements to be introduced including new Personal Accounts into which

those not in an occupational pension scheme will automatically be enrolled unless the individual opts out

- allowed, subject to the rules of the company pension scheme, individuals to take their pension and continue working for the same employer thereby allowing individuals to adopt a phased retirement by working reduced hours or downshifting and still maintaining their level of income
- provided financial incentives for those who defer taking their state pension at State Pension Age
- provided for the age at which pensions can be taken to increase.

21st century retirement offers greater life expectancy, opportunity, choice and flexibility. The increased life span offers a rewarding 'third age'. But it also brings the challenge of the additional 10 years: how to fund them, how to divide the additional years between work and retirement, how to benefit from the 'new style' retirement patterns, how to avoid being forced unwillingly and prematurely from work because of caring, health, or lack of relevant skills or training issues.

21st century retirement makes you responsible for your planning and actions. It is for you to find the best way to optimise your work, income, spending and saving bearing in mind your family situation.

What are you going to do to take control?