

Workshop notes November 2016 - January 2017

Notes of organisation meeting 24 November 2016

Organisations	Organisations
Community Savings Ltd	Vantage Pension Trustees Limited
Citizens Advice Jersey	BWCI
Jersey Consumer Council	Jersey Farmers' Union
Institute of Directors Jersey	National Union of Teachers (NUT)
Jersey Business Ltd	Royal College of Nursing (RCN)
Jersey Chamber of Commerce	Jersey Advisory Conciliation Service (JACS)
Jersey Hospitality Association	Association of Jersey Charities
Jersey Pension Association	Standing Conference of Women's Organisations
First Actuary Limited	Caritas

Table 1

Discussion 1: What are the reasons for people worrying about their standard of living in retirement and what stops people saving for retirement?

- No disposable income
- Poverty- and therefore not a priority to save/ not able to save due to lots of day to day pressures Starting young or learning it too late
- cost of living
- goal posts keep changing (uncertainties in what "new" retirement age will be)
- Attitude of older people – believe they have paid in so should get something out of system
- Type of scheme- Defined contribution (more insecure) vs Defined Benefit scheme (more security)
- attitude and practice of employers – i.e. will cost them money
- Educate young on finances- life skills should be taught in schools

Discussion 2: Do you think the government should do more in any of these areas to help people prepare for retirement?

Personal savings and wealth:

- Not available to majority
- Government to reduce/ alleviate poverty (reduce poverty gap) and do more for the people to have more disposable income
- Means test old age pension
- States should do more to change of attitudes/ cultural ideologies- society many are living for today
- Provide incentives to save e.g. ISA type Schemes
- Accommodate flexible saving and flexible retirement

Work Place Pensions:

- Government to get employers back to the table to create better Work place pensions (incentives?)
- Encourage employers to pay into pot and government could have a matching scheme
- States could introduce financial products
- Be more careful with public money/ SSF

Social Security pension:

- Collating Collection of funds
- Tax incentive for Small enterprises/Developing GIG economy in Jersey (might involve legislation change)
- The “Pot” should be defined by industry (e.g. Finance, construction etc) and independent body to collate money on behalf of the employer (pension regulator)

Discussion 3: How do you think the department should change the Social Security scheme to keep it sustainable? What are the advantages and disadvantages?

1. Increase pension age above 67
 2. SS Pension goes up less quickly
 3. Tighten rules, or reduce range of contributory benefits
 4. Increase individual contributions
 5. Increase business contributions
- Group thought that First 3 will create more of a poverty gap and last 2 will have a damaging effect on economy and corporate (but more manageable outcomes and more measurable than first 3)- but need both areas to cover all population
 - Pension Rate increase cost of living rather than earnings index
 - benefits should means tested-Disagreement on this as deductions from earnings and should consider mothers/ spouses
 - Tighten rules will increase poverty gap
 - Fewer jobs for young when raise pension age
 - Last 2 points- means more money coming in but no incentive for entrepreneurial spirit
 - Government need to spend SMART and be accountable and more efficient on how money is spent
 - Gap between public and private jobs- need to think about where businesses would fit
 - There needs to be a long term education plan – gov led project- targeted purely for pensions.

Table 2

Discussion 1: What are the reasons for people worrying about their standard of living in retirement and what stops people saving for retirement?

- What stops working age people today saving for retirement?
Student Debts, Rentals/Mortgage
- High cost of living/ a lot of outgoings before able to save for pension.
- Not worrying about the future due to high costs at present.
- Lack of education in saving for future.
- How secure are your savings.

Discussion 2: Do you think the government should do more in any of these areas to help people prepare for retirement?

Personal Savings:

- Ideal

Workplace pension schemes/compulsory – Secure pots of money.

- Each individual should have a pension plan/ Social Security pension/ bolt on for additional pension or are we already paying too much.
- Working longer does it mean less jobs for the younger?

Discussion 3: How do you think the department should change the Social Security scheme to keep it sustainable? What are the advantages and disadvantages?

- Not sure if pension age should be more than 67
(Depending on your career)
(Physical job would be harder) and want to enjoy the quality of life.
- Removing the cap on contributions would be a good way to increase pension pool, but high earners would not see any benefit for themselves.
- Having tax deduction of pension amount?
- Awareness of financial training.
- Advice on how much our pension is and send information to public.
- Other class of contribution to pay in more and retire earlier.

IDEAS:

- Class 2
- Signed off not allowed to work. (Not being paid) any leeway?
- Class 1 (Training –Help)
- On the go visibility for contributions paid and pensions forecast.
- Lifestyle in retirement.
- In terminology that resonates with audience.

Table 3

Discussion 1: What are the reasons for people worrying about their standard of living in retirement and what stops people saving for retirement?

- a) Affordability, reliance culture, lack of awareness, lack of financial planning
- Fear of the pension scheme going bankrupt
- b) Lack of confidence in the system, early planning, education, are there enough incentives? Lack of trust in providers.

Discussion 2: Do you think the government should do more in any of these areas to help people prepare for retirement?

Working longer:

- Need to increase the age and in 15-20 years time – you won't have so many very old people
- Phased approach to retirement / wind down – **get a balance**
- France has very high taxes and very good benefits

Workplace pension:

- Autoenrolment
- Remove cap / soc sec threshold

Discussion 3: How do you think the department should change the Social Security scheme to keep it sustainable? What are the advantages and disadvantages?

- Need short term and long term fix
- A bit of everything, not just a few
- Means-testing as a long term solution
- Less generous rise in pensions, slowing the rate down
- Slower increase in pension alongside income support
- Means test the other contributory benefits
- Increase contributions for employees and employers
- Tighten rules on paying benefits – why pay when people are out the island?
- Increase contributions as part of the answer
- The more successful the business the higher the business contributions

Ideas

- **Government needs to help employees and self-employed more in order for them to thrive**

- Reduce red tape
- Foster innovation
- People must be made aware of the ageing demographic and be encouraged to save.
- Government must remove waste and therefore help people to save.
- Another class of contributions (Class 3 like UK) to top up your own contributions (personal pot).
- Change the expectation of a single fixed retirement date
- Encourage employers to use a phased approach to retirement now allowed under tax rules
- Bring any a flexible approach to Social Security pension, rather than a single retirement date to cushion any further increase in SPA,

Table 4

Discussion 1: What are the reasons for people worrying about their standard of living in retirement and what stops people saving for retirement?

- Unsure about whether job is stable – now is hard enough
- Public worried about paying for care and medical costs
- Public less reliant on States pension
- Pension scheme gives very little return
- Little information about what is out there
- Priorities are different – survival not pension
- Public not thinking about pensions at the moment
- Not earning enough to put money aside for pension
- Public are not saving and will need to rely on States funding
- Lack of understanding of public. The future is uncertain.
- People can choose not to work and contribute
- Jersey has become materialistic
- Culture change
- Public expect States pension.

Discussion 2: Do you think the government should do more in any of these areas to help people prepare for retirement?

Social Security pension:

- Thresholds of social security

Workplace pension:

- Small amounts to employee (manageable amounts)
- Mandatory pension schemes paid by employer
- Administration of schemes too expensive
- Employee should be able to opt in and opt out
- Self-employed can also join the scheme
- Encourage good habits
- Stop paying SS contributions and opt into workplace pension.
- More education to public about what they should do regarding pensions

Discussion 3: How do you think the department should change the Social Security scheme to keep it sustainable? What are the advantages and disadvantages?

Raising pension age

- Should not have raised the age from 65 to 67, this was a mistake
- Employer may not want a person over pension age
- Employee will want pension paid
- Just because we are living longer should not mean we have to work
- Should be down to the individual to look after themselves
- Government has a responsibility to the public
- More incentives to save
- Can't afford to save so how can we pay for it?
- Put more into tax
- Abolish social security threshold
- People who are not paying that could be paying (local companies are paying more and picking up the bill)
[Note: this example is a reference to Jersey's 0/10 corporate tax rules]

Increase individual contribution

- Get rid of the threshold
- Equal for employees and employers (6% for all)
- Increasing contributions would not be good for economy – public less money to spend
- Why should higher earners pay more?
- Higher earners would still be better off even if they pay 6%
- Based on how much earning – you should get out what you pay in.
- Most people do not want to pay in. Make own choice.
- What is the point? Not a lot of money comes out of the scheme.
- Employee and employers are both paying tax
- Further reforms to public sector pension.
- Reducing cost of running Social Security Scheme and simplifying it.

Tighten rules

- Reduce MA by two weeks and employer pays instead. Provide range of benefits (Redundancy)
- Have paid but cannot get anything.
- Benefits do not seem to be as good as use to.
- Why have a death grant?
- Survival benefit → Needs reviewed why?
- Being able to log into contribution records and seeing how much paid in + what they would pay out.
- Choice on saving it won't do and how person saves.
- Someone may want to pay more and receive it (pension) earlier and some people want to work longer and pay less.

29 November morning workshops 9:30 Income in retirement, 11:00 Social Security

Income in retirement

Comments

- Noticing more older people dying in 90s men and women
- Attendee in 70's used 'back to work' services but thought that employers didn't employ him because of things on his CV that suggest his age.
- used to get tax relief on life insurance policies, removing this has been detrimental
- Withdrawing income support makes a big difference to people. I moved to a flat to afford to live.

Suggestions:

- Looking at income support/spends. Deal with abuse of IS. Actions taken elsewhere.
- Deal with waste and fraud
- Entitlement > Benefit.
- Contribution record, impact of work record upon entitlement to benefit.
- Credits backdating.
- Top up, buying back years, as in UK, looking retrospectively
- Decide on a price for the year, have a set time limit, if this is not met the price rises, UK scheme.
- Childcare being so expensive that people cannot afford to go back to work sooner.
- Difficulties, different answers when asking for information/consistency needed.
- need to start with secondary education
- people don't trust private pensions
- hard for people to prioritise saving when they have a family
- need flexible pension schemes for our lifestyles
- my children think government will catch us
- we're not family friendly, employers won't match school hours, but if parents work they will contribute more and move back full time eventually. This helps the employer too.

1) Work place pension schemes

→Tax breaks for saving for retirement.

- States work place pension scheme – would be better to have a choice/opt out.
- Compulsory pensions/forced to/difficult for people to manage/start earlier in life.

- Multiple pensions pots running/ more opportunity to contribute/more information/make it more comprehensible.
- Simplify the pension system.
- Disparity of experience.
- Education, not thinking ahead early enough.
- Looking at outside agencies rather than just inside the system to find solutions.
- All changes must consider different types of people.

2) Personal Savings:

- Incentives/taxes/tax breaks/education about starting to save earlier/awareness.
- The system is so complex
- Taxes on other savings other than pension/government bonds.
- It is aimed towards people with lower incomes – disadvantage.
- Infrastructure of S.S. can do it fairer than private sectors.

→ other areas not strong enough to fix problem.

- Small increase in contributions to improve long term care reliance later in life – comfort in that.
- Onus on employee rather than employer.
- Disparity of people's expectations versus reality.
- Raise awareness, young people unaware of the realities.

3) Working longer:

- Quality of life.
- Disparity to the blue collar workers/white collar workers → Wide Spectrum.
- Guernsey/UK.
- Takes jobs from younger generation
- need more flexibility nearer pension age (London-Bristol companies)
- the old could stay on and train the young
- Working longer is also about mentality and health, not just money.

Social Security

Increase pension age:

Disadvantages:

- Lack of jobs available.
- Working longer/harder hours, not sustainable.
- Conditions e.g. arthritis can affect how long people work.
- Not freeing up jobs for younger people.

Advantages:

- More money.
- Some people want to carry on/this gives them more options/change in the mind set of employees/employers.

Ideas:

- Paying contributions after 45yrs? – Rising /occupation dependant.
- Flexibility in pension age/buying back years.

Pension going up less quickly:

Suggestions.

- Should go up by cost of living and remainder with income support.
- Balance with the two.
- I.S. help lower earners.

Contributions:

- Increasing individual contribution, the earlier it starts the better in the long run.
- Pay more now to get more.
- Reduce/remove the threshold.

Increase Pension age:

Depending when you start may have an impact

Number of years instead of age

System isn't as flexible as modern life.

No penalty if you continue to work.

Buy back for missing years.

50 years working –A lot longer in retirement

Career change or reduce hours.

Individual Contributions/Employer Contributions

Cap means higher earners pay lower %

Should tax pay more? Double taxed when you draw pension.

If you pay more you should expect more.

Broader base with lower contribution.

Employee pays enough. Any increase should be employer matched.

Employer will think twice about employing if contributions increase charges

LTC is stealth social.

Employment tax for 0% companies, different from employer to employee has reduced.

Self-employed don't just pay on earnings.

If everyone paid on other income could we reduce %

Social Security pension increases

Social Security pension increase go up by RPI not earnings.

Impossible to survive on just a states pension.

No decrease in pension.

Tighten rules

Simplify benefits. Means test-not the OAP

Better off going to work (should be). Should be a safety net.

Reduced IS money could be used for other benefits.

Would pay more if it was worthwhile.

29th November, 3pm Income in retirement

- Tackle issues of abuse and waste (e.g. Income Support) – would save fund money
- Lifestyle pressures stop people saving
- Statistics show disparity of experience be across different groups of people, and male/female, age etc.
- Education needed – people don't cotton on that they need to save for retirement until they are in their 40s at the earliest.
- Show them a day in a life of a 65 year old
- Canvas PECS / JTSF members
- Life insurance tax allowances reduced / ended means people save less
- Rents – high means some people have to work longer
- No other saving is tax deductible. ISAS?
- Soc Sec should be just the basics, the corner stone for pension income

Barriers / feeling confident about income in old age

- No trust in Pension Schemes (going bust)
- Teaching 2nd education teach the next generation
- People should not rely on (SS) pension only
- Change rate into Pension scheme, flexible Pension (very controllable / private)
- Private pension industry owned / not reliable

- Putting more in but not getting more out
- Cost of living – Middle Income Jersey being squeezed

Ways to support yourself

- Flexible workforce (old members training new younger ones)
- Employers re: people returning to work after maternity leave
- Some can work longer / some cant
- Possible part time working over a certain age

Ideas:

- Social Security becoming a separate pension provider (private pension provider)
- Personal option 50/50 option inforce
- Increase min wage and reduce what paid out in benefits

29th November, 4:15pm Social Security (Table 1)

SSF Part 1

Increase Contributions (Employer)

Advantages

- Currently low relative other countries
- Businesses might adopt new technology

Disadvantages

- Bigger impact on small business and some sections of society
- Higher prices
- New technology might replace jobs
- Could reduce number of employees /jobs
- Further fraud

Pension Age

Advantages

- Helps with challenge

Disadvantages

- Hard work / manual work – can they do it?
- Stealing jobs from next generation

Tighten rules / range benefits

Disadvantages

- Manual get paid STIA, clerical give cheque to company

Ideas

- Buyback years to actuarially boost your contribution record
- Change Contribution rates at milestones in your life. Can afford to pay more at different stages of life.
- Remove ceiling / no CAP
- Don't give LTIA to people who get large insurance pay outs, its not fair
- Insolvency benefit different – require industry insurance and don't offer insolvency benefit
- Tailor pension to individual

29th November, 4:15pm Social Security (Table 2)

Age above 67

Disadvantage

- 18 year old – average life expectancy depending on job eg office vs building site
- What can you do at 55 years old? Eg Police / Fireman
- Pay in longer
- How many years have you been working?
- Option to stay if you want – past retirement
- People being forced to leave due to age
- Is there work for a 60 year old?
- Change social structure for employers.
 - Job share
 - Part time

Advantage

- Self employed
- Increase funds
- Less pension claimants

Tighten Rules

Advantage

- Currently too many people claiming
- Making sure the right people receive the money
- Department needs to encourage / help people to go to work
- More regulation

Disadvantage

- Controlling it
- Right people in right place
- Need to make sure support is ongoing
- Could discourage people from 'changing'

Increase business Contributions

Advantage

- Have a sliding threshold
- Profit based contributions
- Easy to enforce / administer

Disadvantage

- Discourage companies taking on staff / flexible pension
- Could cripple business
- Staff working longer

Ideas

- Isn't a Pension age but how long you have paid in for?

- Different for men and women
- Look at individual circumstances – are they still working
- Make private pension / work place pension mandatory – tied in with UK
- Take away upper threshold limit for employee earnings
- Income tax and SSD need to work together

Notes of SS review public meeting (Income in retirement) 6th December 2016 1pm-2pm

What stops people feeling confident about financially preparing for retirement?

- Government changing their mind – inconsistent
- Confidence in Government – do things too late
- Ageing population spoken about in a bad way: young to old - 'you've spent all our money' – one person's family feel this way – between generations mum and daughter
- Lack of education and understanding – no one tells you
- Individuals made decisions when they were not well enough informed e.g red cards
- No life skills taught in schools
- No one understands SSD pensions / contributions
- People don't know how much old age cost – this is why people don't trust the Government
- People forget about year in arrears income tax
- Engagement with SSD / tax / private pensions
- People are frightened OAP will become means tested because people know people are living for longer.
- Uncertainty of the future – people don't know where they will be in the future
- People live for today
- The word 'pension' frighten people – should be called long term investment – need to modernise
- Learn to deal with the money you have
- Can't foresee the future – doctors / travel used up savings
- 'Older' generation saved used to saving discipline just after the war used to saving money
- Younger generation don't save – can't afford / not educated
- We're living in a 'now' generation
- Went to SSD to find out how much / what / when pension would be
- Why not pay SS contributions when working and when drawing pension ?
- Careful with money once drawing Old Age Pension – one person saved the money not paid as contributions whilst working at pension age.

Workplace pension savings

- Opt out scheme for employees – Auto enrol
- If people could see its their own money and how they will benefit from it – this need to be clear
- People feel there will be no money left for them
- Never thought about Pension until joining the States – if someone had said about it I probably would have joined – otherwise no one ever said
- Left to individual – good idea people are educated about it – young people
- Understanding employee benefits – what they get
- Personal pension – to you
- Peoples pay packages have moved away from providing many benefits/insurance covers to just pay and letting the individual decide what to do with it. Often people can't buy what they gave up in terms of income protection, pension payments etc.

Ideas

- Someone should breakdown where your money 'should' go whilst at schools – Pension / rent etc.
- Compulsory income tax 'pension' this is then paid to individuals – collected through income tax structured way of saving
- People who don't pay tax – auto enrolment deduct through percentage of earnings

Working Longer

- Should be working longer because we are living longer
- Should have a choice – what about physical jobs sweeping roads etc
- When can you take auto enrol – paid more money in get more money out – when you can start auto enrol but still work
- What about self-employed? Maybe private pension can draw this from 50 years old
- Self-employed / contracted / 0 hours – auto enrol – gap in this
- Age discrimination – pensions need to slot in
- Employed people pension based – discretionary benefit – is individual fit – company can't fund pension, contract benefit

Notes of 13th December meeting 1pm-2pm, Social Security theme workshop

Q – What is the priority for the Social Security scheme?

Is it helping people in old age / reducing poverty?

A → protecting all during times when we might not be able to earn a living. Pension for when we're unable to work in old age and to reduce poverty in old age due to this.

Department objectives also from annual report eg:

Trying to achieve - Support through life.

- Planning for ageing population etc.

1) – Working longer

- Not sure working until 67yrs is appropriate – or to suggest to people to work until then
- Can they carry out jobs properly (physically and mentally)
- Having to support someone who is working that long (As partner etc.)
- Less job availability for young people.
- Government may have to support more as well e.g.: more Long-term sick leave.

→ socially better to be in work –interact with others.

- Should be individual choice.
- If one is retired may be worth asking for contributions if they carry on working while receiving pension.

2) –Personal savings and wealth

- Soc Sec pay pensions to people who are very wealthy – could this be means tested.
- Can we get info on income assets of individuals as very wealthy individuals also get pensions?

IDEA – Everyone gets the same amount, However - a cut off for very wealthy people get means tested for what they will receive (Holland) So could have two parts to pensions – a universal part and a means-tested part.

- What about tax for the very wealthy?

- How can we be fair to all?
- Those who have saved and those who haven't.
- What should a pension cover?
- Tricky – how do you decide what a minimum income should be?
- Food, Homes, rent?
- Difficult → needs more consideration but principle good.
- Could cap be increased?

3) Individual Contributions:

- Rate of return could be higher if amount invested in external scheme over 47yrs compared to the SS Scheme.
- If individuals paid into individual scheme/pot rather than a shared pot.
- But part of contribution (eg:10%) can be shared so that can cover in case support is needed.
- Has anyone asked not to be part of the SS Scheme i.e. Opt out? (Currently this is via small income exception)
- What happens to one who opts out for a long time? (It affects their entitlement to Social Security benefits if they ever need them, and their State pension will be smaller)

4) Business Contributions:

- Private pensions/work place pensions(WPP) might be affected as businesses who provide them might take contributions away if they have to.
- Q UK→ All businesses should have WPP (Comparison to Guernsey)
- Will Brexit affect immigration/Migration policy i.e. less people to pay into Social Security?
- No help or advice re-pensions especially re private pension. Jersey Pension Association told me to talk to independent financial advisor.
- Should have provision for someone with a “Normal wage”, not just people who are wealthy.

Notes of public meeting 14 Dec 16 Income in retirement and social security workshop

Income in retirement

- Finance workers get workplace pensions and because it comes straight out of their pay packet they don't notice having less income.
- Others don't get a workplace pension and they don't have much money left to save for one.
- Any savings can be used up to cover unforeseen illness, job loss, mortgage costs, when the business isn't doing well.
- One attendee doesn't have time to find a private pension. She looked at it briefly but it was too hard and didn't know who to trust (financial advisors).
- Its very time consuming for businesses to set up perks.

- Her father was contracted to stop working at 65 even though he thought he was capable of carrying on. He struggled to find a job but eventually found one in tourism that he really loves. He is panicking about money despite having saved and having a pension. Her mum is 62 owns her own home but works long hours in a retail job. Not sure how much longer she will be able to do that.
- There is a perception out there that the harder you work, the more you are penalised
- Other attendee: her previous employer started a workplace pension (Normans) as a perk just before she stopped working for them.
- High cost of living means people have to choose between eating, heating and other comforts before saving (never mind pensions)
- She considers Jersey is her home and wants to start her own business here. However, she hasn't been able to get help when she needs it either because she didn't meet residency conditions, or because her household assets are too high.

Ideas:

- Government should set up a pension for people who don't have one / businesses that don't offer one. Something that is easy to do.
- Other comments:
- Doesn't think the long term care scheme is understood properly.
- There are people who play the Income support system and lie which isn't fair on people who tell the truth. Staff give conflicting advice. The system is hard to police.

Workplace pensions savings:

- Auto enrolment – bigger businesses might be OK
- Make it a choice for employers

Explained Guernsey example of scheme:

- Sounds like a good system
- But wages aren't currently covering what they need – how would they afford with 6.5% or 10% less?
- If we had 10% less we would be starving

Ideas:

- There should be a government guidance pack for people to learn what Social Security is.
- Employees should have an option to further top-up their pension pot and employer can match it.
- Consider a different % according to household situation

Social Security

Social Security pension:

- Remind people in terms of education – what social security is – she only learned as part of running her business. “drill” in to the next generation.
- Teenagers on work placements are “bone-idle”. (one example child saying she will have children like her mum to claim benefits)
- She thinks there are many people with back pain/problems who are mis-managed and don't need to be out of work / on LTIA list. They need hands on care – she has tried to get pilot schemes started with the head physio / back pain clinic but not getting anywhere.

- Question about why is tax going down when population going up (I explained tax isn't going up as quickly as expected and that this still causes a problem).

Ideas:

- Every person who pays contributions should open an account and receive benefits from that account. It would be for their retirement, when they're sick and time-limit benefits.
- people need to understand why we need extra people working and what the pros/cons are.
- Get older people looking for jobs to look after old people – some kind of scheme or work for them.
- Young people need to be educated /all educated to look after ourselves, exercise etc so we are able to work longer.

Tighten rules:

- Think Scandinavian model - high taxes/contributions and better services to provide better healthcare for example.
- Maternity benefits important
- Keep jobs open for women
- Cutting nursery places is going to make it difficult for women who can work and want to.
- One thought should reduce the range of benefits, but not sure which. / other disagreed some people really need these benefits, but we need to make sure only people who really need them get them.

Pension age:

- one thought should go up / other disagreed – some won't reach 67 and there won't be much time left to live. Some pay their contributions and die young.

Notes of SS review public meeting 9th January 2017 6:30pm

Income in Retirement – Discussion 1 (Group 1)

- 32, joined company scheme, wish I'd done additional voluntary contributions as contributions are patchy
- A second pension option should be mandatory – it gives people choices and makes them think about their retirement
- Had a red card and object to paying contributions now
- Had a property, when I sold it I put a chunk towards my pension
- On a low wage, contributions are very hard
- I find predicting long-term costs (cost of living, medical expenses) hard to know
- Changes to rules for people (what they need to afford) has a real impact on financially preparing
- I would only think about retirement now (40-50) if my employer hadn't offered me a pension scheme
- Australia has a great scheme – has the balance of carrot / stick right (tax relief on pension income)
- Current tax system doesn't benefit low earners (no tax relief on pension if you don't pay tax)

Income in Retirement – Discussion 1 (Group 2)

- There is little awareness and nowhere to go for advice! Also there is often a cost to current advice – people scared to go to financial advisors.
- Need more education – what is pension annuities?
- Parents should be responsible for educating their children
- **Suggestion:** schools should provide financial advice to students before they leave
- Larger employers should have to have pension schemes / private health for their staff
- There are often other competing priorities (job, career, property, etc)

- Individuals need to have more responsibility for their personal costs. Benefits should be reduced (pension / working age) and government should force people to take more responsibly
- **Suggestion:** Cayman Islands have a law to make employers provide advice for private pensions and social benefits.

Income in Retirement – Discussion 2 (Group 1)

- Prepared to work longer – depending on job
- Work place pension should be mandatory - Social Security Pension is the only way people save
- The ability to re-train for work key to maintaining employability into older years (especially if physical job). Train young & old for new jobs
- Employers should be responsible for assisting employees to transition from one job to another
- Mind-set needs to change – cultural shift required in type of jobs
- Should keep paying in if you are working (regardless of if you are a pensioner)
- **Suggestion:** Support needs to look different at different stages in life – should consider paying more / less at different times (age related proportion, i.e., 2 years work of contributions at 25-30 & 50-65 then less contributions 30-40 (family time). People should choose how / when they pay 40 years' worth of contributions.
- **Suggestion:** Education about retirement is so important and is lacking. Education to be different at different times in your life: government to have more of a role in making this available.

Income in Retirement – Discussion 2 (Group 2)

- People should be encouraged to invest in property and equity release (when down-sizing) should be a better way people save for retirement
- Some people want to work longer, but it depends on the type of job
- **Suggestion:** other contribution class for pensioners who are still working
- **Suggestion:** should have standard states pension and then the option to increase your contributions into an 'extra' pension fund for yourself

Social Security Scheme – Discussion 3 (Group 1)

- Pension age around 70 OK
- Prefer increasing individual contributions rather than tightening the rules
- Businesses should contribute more
- Suggestion: variable pension age (no two people the same)
- Death grant is 'laughable' – what is the point in having something if it doesn't do what it is supposed to do?
- If things are means-tested – more sensible levels that £25k. Middle earners (£40-60k) find costs very hard to bear. Those with income over £100k should not be able to access benefits.
- Remove ceilings or increase it

Social Security Scheme – Discussion 3 (Group 2)

- Maternity should be up to 1 year & fathers should get paternity pay too
- Death grant to be removed – people should be encouraged to pay for their own plan
- Reduce increases to states pension and make everyone have their own private pension
- Need a better assessment of usage of benefits (what do people do with their incapacity benefit?)
- Cap benefits on number of children (only 1 maternity grant for each family)
- **Suggestion:** instead of paying maternity grant to parents, why not put it into a savings scheme for child and have options of when they can get this money out in the future.

Income in Retirement – Discussion 1 (Group 1)

- Whole generation of 'savers' have been missed
- Financial advisors don't earn money off of low-value pension pots to justify helping people – business model for assisting not there (£1,500 to get client set-up)
- **Possible Information Action:** can review team get the statistics of people who die before they access Social Security pension and what their pension value was at time of death?
- Basic premise for Social Security Pension not that same as when the scheme started, do elder generations still need the money more than younger generations? Young people don't have as much disposable income as they used to have and buying a property now is a lot more difficult than it used to be.
- As a financial advisor – haven't sold a regular pension scheme since 2006
- Today's generation won't experience the growth previous generations have experienced (i.e., property prices, big salaries in finance)
- First advise as a financial advisor – get rid of debt, then start saving
- Idea of saving from disposable income not there for current generation
- Pension legislation can change in the future – not set in stone, making it difficult for people to trust pensions/government and financially prepare for their future
- You'd need to persuade a 3rd party Corporate Financial Services Company, such as Prudential, to put in place a Jersey work place pension scheme – This might not be feasible given the numbers of people in the island
- Have brought a property – this is how I'll save for my retirement in addition to Social Security and workplace pension.
- Anxious about workplace pension being enough
- A compulsory workplace pension might put off start-up companies and curtail innovation.
- Plan on leaving Jersey as cheaper to live elsewhere
- Pensions are a tax deferral vehicle
- **Suggestion:** change social security pension to be private pension
- People don't spend throughout retirement – actually struggle to spend money after first 5-10 year – at this point the Social Security Pension is too much. Need to consider what the Social Security Pension is designed to cover (in relation to other pensions).
- **Suggestion:** should be able to opt out of the Social Security Pension

Social Security Scheme – Discussion 2 (Group 1)

- Wean people off social Security scheme as it is unsustainable
- People prefer to pay for costs that pension
- People should know they need to expect £10k worth of social costs at retirement
- Get rid of short-term incapacity benefit – put money into income protection plan
- Suggestion: have the option to 'boost' your social security pension – this 'boost' should be into your own private pot (as opposed to a second pension), 'boost' should be incentivised. If no 'boost' you need to sort yourself out.

Notes of SS review public meeting 16th January 2017 6:30pm

Income in Retirement – Discussion 1 (Group 1)

- Not enough education on preparing for retirement – schools, starting work
- Level of knowledge poor – how its working (knowing what your pension will be)
- Employers not helping people plan for retirement
- I am actively engaged with getting regular updates on my workplace pension investment
- I started my private pension too late
- Higher contributions to pension scheme later in life difficult to manage
- Contributions for retirement take a hit when life events happen
- Low earners can't have second pension – no disposable income
- Pension replaces low earnings but doesn't cover other expenses (e.g., rent)
- Gap in support for 60-65 pensioners who take pension early

Income in Retirement – Discussion 1 (Group 2)

- Lack of education – awareness, generational, schooling
- Lack of income – high rents and mortgages
- Periods in life when unable to pay which affects pension
- Inflation – effects money and property. Lack of security with pensions
- Lack of employers offering pensions – low confidence in preparing
- Zero Hour contracts are an issue when it comes to pension
- Minimum wage – increased to reduce people 'claiming – 'living wage!'
- No guarantees in work place pensions – investments – employers
- Employee mobility – movability of people – need welcome pack when you move to the island which includes information about the Social Security scheme

Income in Retirement – Discussion 2 (Group 1)

- Having a mandatory workplace pension would be difficult for small companies.
- **Suggestion:** make it mandatory for businesses above a certain size (£300k) & government should support employer contributions into workplace pension for smaller businesses
- States Pension is a safety net
- Take cap away or increase cap
- Consider the social contract

Income in Retirement – Discussion 2 (Group 2)

- Age, penalising, overcoming age barriers, 50+, encourage employers to look at experience / knowledge over credentials
- Reduction of business licences – encourage more businesses to look at locally qualified residents
 - Tightening / strict checking/monitoring
 - Business licences, re-using when staff leave
- Politics vs economy
- Create more flexibility in the workplace / job sharing / beneficial to those who cannot do a 9-5, 5 days a week
- Prejudice against locally qualified individuals (stigma)
- Remove cap on high earners – still must pay some contribution

Social Security Scheme – Discussion 3 (Group 1)

- Should have a choice about your pension age

- Issue is that you don't know what state (physical, mental, etc) you will be in when you reach closer to pension age
- Tightening the rules is like 'robbing peter to pay paul' insofar as the support needs to come from somewhere
- People start 'proper work' later in life. Older generations started earlier in life.... Won't make it to 67
- Contribution rules need to change – caps should be removed (make no difference to business hiring decisions)
- Make pension contributions minimum 5 years (like Income Support)
- Make working age benefit contribution rules 5 years (like Income Support)

Social Security Scheme – Discussion 3 (Group 2)

- Encourage employers – look at prevention as opposed to curing problems – they need to look after their staff better (pension, stress, work-load). Penalise employers who don't.
- Pension age increase (disadvantage) – health, more a specific number of years working rather than a specific age, flexible increase in age, impact on families (grandparents looking after children)
- Tighten rules – target those who need it, means-testing has pros and cons – like everyone being entitled, reduce benefit levels and income support should top-up

Notes of SS review public meeting (Income in retirement) 17th January 2017 1pm

- Contributions lower earnings limit difficult for self-employed individuals
- 12.5% self-employed contributions difficult to pay for smaller business (eat into own wages)
- We need to prepare to have an 'aging' working-age population
- Many people happy to keep on working but it depends on the job
- You get sick more when you get older, even if you work in an office.
- Manual work in early years impacts on the body in later year and manual worker may not be physically able to work for longer.
- Mental faculties diminish as you get older
- Big life events make you more aware of the future
- Options to be available – working part-time / changing job
- **Suggestion:** if pension age increases, you need to make sure sickness benefits match
- The higher we increase the pension age, the more resentment you will have
- Need to educate people on pensions / retirement products (there is a fear of being scammed)
- Education & trust an issue (scammed, but also the rules of pension schemes being changed)
- "Don't trust the States"
- Changes need to be communicated clearly
- Make 6% non-pension and add pension contributions to tax (like LTC)
- Disposable income not there to pay for a second pension for low/middle earners. Desire is there but not the money.
- **Suggestion:** smooth contribution transition between class 1 (8hrs) and class 2 (full-time).
- Levers the scheme can pull have a bigger/smaller impact on your life at different times
- There is no perfect solution – it just has to be as fair as it can be
- Having a second pension that is your own gives you more confidence about your future
- Other options need to be available. They need to feel like they are in control.
- Hard for those who sit on the edge of Income Support
- Self-employed often a consequence of childcare arrangements
- Auto-enrolment (UK) still has problems for self-employed
- Means-testing Social Security pension unfair
- Don't negatively impact those who save – don't get rid of the incentive to save
- We value the insurance aspect of the Social Security scheme
- Working in part after retirement does have health benefits – keeping active. It may not be what you've done all your life, but it isn't less valued
- **Suggestion:** Financial education to be part of the curriculum in schools. Industry used to support this, but there isn't the money to do this anymore.