

Alok Sharma, MP for Reading West

7th November 2016

Dear Constituents,

Thank you for contacting me about public sector pensions.

I welcome the Government's commitment to keep public sector pensions sustainable. Reform in the last Parliament will save over £400 billion in the long term and the recent Budget took further steps to ensure those pensions remain sustainable.

The regular revaluation of the discount rate, used to set employer contributions to the unfunded public service pension schemes, has been carried out. As a result, public sector employer contributions will rise. Importantly, this will not affect anyone's pension. The discount rate is being set at 2.8 per cent and the higher contributions from employers will be paid from 2019-20.

The Government will also support proposals by local administering authorities to establish a small number of British Wealth Funds, by combining Local Government Pension Scheme assets into much larger investment pools by 2018. These will deliver annual savings of at least £200-300 million. A national Local Government infrastructure investment platform will also be established to boost infrastructure investment.

I am also pleased that the Government will ensure that the industry designs, funds and launches a pensions dashboard, a digital interface allowing an individual to view all their retirement savings in one place, by 2019. A prototype of the Pensions Dashboard will be ready by March 2017. Given that over a third of people approaching retirement find it difficult to keep track of their pension pots, I believe this is a positive step.

Thank you again for taking the time to contact me.

Yours sincerely,



Alok Sharma MP