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UK learns retirement policy lessons from NZ

Retirement Commissioner Diana Crossan said New Zealand's retirement income policy can provide valuable lessons for other countries.

"While we can never be complacent, many features of our retirement income system in New Zealand are positive.

Ms Crossan's comments followed recent research from the London-based Director of the independent Pensions Policy Institute Alison O'Connell, currently visiting New Zealand.

Ms O'Connell says that the UK system is complex. An increasing number of pensioners are at risk of being under-pensioned in the United Kingdom and the current system discourages them from saving for their retirement.

She believes that New Zealand's retirement system is not only straightforward, but is also cheap to run, provides an incentive to save and is fair. Retirees receive adequate support and they can 'top up' their retirement income with their own savings without being penalised.

"The current UK pension system is not sustainable, and the UK could take lessons from New Zealand's retirement income policy" she says. "A Citizen's pension, like New Zealand Superannuation has a lot of merit and is an attractive alternative for the UK" said Ms O'Connell.

Ms O'Connell is giving a presentation arranged by the Retirement Commission, on her recent research "*Lessons for the UK from New Zealand Pension Policy*" to the savings industry, officials, academics and others.

Ms O'Connell, an actuary, is convinced that the consequences of demographic trends are not yet fully appreciated in policy making.

"Like most other OECD countries New Zealand concerned about the costs of pensions", says Retirement Commissioner Diana Crossan. "We're not alone in that. While each country must evolve its own retirement income policy, it is pleasing to see other countries looking at the lessons they can learn from New Zealand - many of these lessons are positive ones."

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