

Press Release



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Pension Schemes must not ignore growing financial inequality, says PTL

PTL, the leading independent trustee and governance services provider, part of ZEDRA since last January, has today urged pension schemes not to ignore the challenges being created by growing financial inequality.

Richard Butcher, MD of PTL, commented: “The gap between the ‘haves’ and the ‘have nots’ has been growing since the mid-1980s. In 2020 the top 10% of UK households held 44% of the wealth, the bottom 50% held just 9%. In 2018 the top 20% of earners had disposable income of £69k, the bottom 20% just £13k. The statistics really speak for themselves.

“This inequality has a huge impact on all sorts of things when it comes to pensions and pension schemes themselves. These include: lower financial resilience – meaning increasing numbers of opt outs or opt downs; a growing life expectancy divide – creating a value for money divide; an increasing incidence of cognitive decline at the lower end of the wealth scale – meaning more vulnerable members; and reducing job security, also at the lower end of the wealth scale – resulting in more uneconomic small pots. Not a pretty list.”

Butcher continued: “We have answers to some of these problems, but we need to make sure we are geared up and ready for all of them. We also must commit some time and effort to thinking about some of the bigger challenges here – including for example, the value for money divide. There are no easy answers but if trustee boards start the conversation now, with employers and advisers we may start to mitigate the challenges.”

More information on financial inequality can be found [in this blog](#).

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NOTES TO EDITORS:

PTL is a top five independent trustee firm with offices in London, Leeds, Reading, and Birmingham.

PTL acts as an independent trustee and provides a range of governance services, predominantly to occupational pension schemes, including trust based defined benefit and defined contribution schemes and contract-based pension schemes including group personal pension plans. PTL also provides a range of governance services to other non-pension trusts.

PTL is a member of the Pensions and Lifetime Savings Association, the Association of Corporate Trustees and the PMI Independent Trustee Group.

Last January, PTL announced it was becoming part of ZEDRA, a global specialist in Corporate Services and Global Expansion, Active Wealth and Fund Solutions. ZEDRA has more than 100 years of inherited wealth of knowledge and experience acting as trustees for different types of trusts.

More information can be found on our website – www.ptluk.com or www.zedra.com

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