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MONEY BOX LIVE

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DUGGLEBY: Few people would argue with the need to save enough money to provide for income in retirement, of which the main plank is undoubtedly a pension fund. The problem is getting to grips with rules which never seem to stay the same from one year to the next. We know that private sector employers have virtually given up on the idea of final salary or defined benefit schemes, shifting the risk to their employees - except for the state, which continues to provide indexed pensions at the taxpayers' expense. Many commentators believe that this simply cannot be sustained in present economic conditions. And then there's the question of tax relief, which has already been restricted for high earners and which could come under further threat as the government seeks to cut spending and reduce debt. Working out how much to save also depends critically on investment returns, which in the stock market have been little short of amazing in the last 6 months. But look back 10 years and the picture is far from rosy, especially when you consider the sharp fall in annuity rates. Remember that once you draw your pension, the terms are fixed for the rest of your life - a decision which calls for professional help. 03700 100 444 is the Money Box Live number for your questions on pension planning, and with me to provide the answers: Malcolm McLean, Chief Executive of the Pensions Advisory Service; Amanda Davidson, Director of independent advisers Baigrie Davies; and Tom McPhail, Head of Pensions Research at Hargreaves Lansdown. And our first call comes from Noreen in Belfast. Noreen?

NOREEN: Hello. I'm aged 56 and I'm aware that there has been changes in the pension system. How do they affect me?

DUGGLEBY: You're right, there have been changes - of which I think the main one, Malcolm, is this cut in the contribution level as from next April.

McLEAN: Yes, we are talking here about the state pension, I think, and there are two changes - sort of good news and bad news really for Noreen. The first is that women's state pension age is being pushed back from 60, as it is now, to 65 over the next decade, starting on 6th April 2010. And in your case, Noreen, at age 56, your state pension age will probably be in the order of around about 63. You can find out your exact date by going into the Pension Services website. But you won't be able to draw your pension at 60. You will only get it from that age, whatever it is. The second change, as Vincent mentioned there, is - and this is the good news - is that to qualify for the full basic state pension, you will only actually need 30 national insurance qualifying years. A national insurance qualifying year is a year in which you've paid or had credited sufficient national insurance contributions to make that count as a qualifying year. At the moment, a woman reaching her state pension age needs 39 of those years to get the full state pension. From 6th April 2010, that will drop (for both men and women actually) to 30 qualifying years. So that will help many more wome, I think, qualify for the full basic state pension.

DUGGLEBY: Further along the line, Tom, the government of course is dedicated to moving the pension age steadily down the line towards 70, aren't they?

McPHAIL: Well the current legislation accounts for raising the state pension age to 68 by 2046; and I think we should also note that the opposition has said that if they get into power, they will move to raise state pension ages sooner. And I think whoever is in power, we are going to have to see a fairly rapid rise in the state pension age because we're going to have trouble paying for all of this otherwise.

DUGGLEBY: Amanda?

DAVIDSON: It's worth saying that this applies to state pensions because obviously if you’ve got your own private pension, you’re not restricted to taking it at 60 or 65.

DUGGLEBY: Yeah but even there, of course, next April has got a pretty important date.

DAVIDSON: It has indeed because the earliest you’ll be able to take your pension is going to be 55, whereas currently it can be 50.

DUGGLEBY: Yes, so anybody aged 50 to 55 has got to make up their mind between now and April whether they want to go for it or they’ll lose the opportunity of early retirement forever.

DAVIDSON: They will indeed.

DUGGLEBY: Okay, Noreen, thanks for that call. Now Anne in Rowlands Castle, I think it is. Anne?

ANNE: Hello. I’m going to be 60 in two weeks time and I’m a retired teacher; and as well as my teacher’s pension, I’ve got an annuity … an AVC that I need to buy an annuity with. What I wanted to know was would it be better to actually wait because interest levels are so low, or would it be better to buy the annuity straightaway?

DUGGLEBY: This is a question I think we get asked every single time, Tom; and every single time I put you on the line it’s what’s the latest thinking on the trend in annuity rates?

McPHAIL: *(laughs)* Okay, we’ve got a long … there’s a couple of answers to this question. This is a long-term trend, and the long-term trend in annuity rates is still very much downwards. There are regulatory pressures, there are life expectancy pressures, and there are evolutions going on within the annuity system that mean there are reasons to expect that the long-term trend in annuity rates will continue to be downwards. However, there is also the very short-term issue of the government’s quantitative easing programme, which had the effect when it was introduced of pushing down bond yields - if bond yields go down, annuity rates go down - and logically, therefore, when this programme comes to a close and the Bank of England says it's going to wind this programme up fairly soon, you could see a short-term bounce in annuity rates. The only other thing I would like to add to that is when you come to buy the annuity, make sure you consider all the other options - the death benefits, the inflation proofing. Shop around. See who can give you the best rate. Shopping around could increase the amount of income you get from that annuity by 10 or 20%, so it's very important.

DUGGLEBY: Indeed. We had an email saying that once you've bought an annuity …This particular caller said they found a better one in the market but it's too late now.

McPHAIL: Too late, too late.

DUGGLEBY: So it is a once and for all decision.

McLEAN: Just an additional complication on this, Vincent, which always intrigues people. And that is that in trying to use your crystal ball to work out when the rates are going to be best, the other factor to take into account, of course, is that the older you are when you actually take the annuity, the better you get, because the insurance company is effectively concluding that they will have to pay the pension annuity for a lesser period. So there is a sort of swings and roundabout element here. If you pick the wrong time to take the annuity because the rates have gone down, you might actually get some of it back by being older. So it is quite a difficult area, Vincent. Very difficult to time the market.

DUGGLEBY: An email from Bernadette in Dorking. Maybe you can answer this, Amanda. She's torn between a straight annuity or a with profits annuity. And she actually says would I be mad to choose the straight annuity? Obviously inflation is at the back of her mind, you know. She's in her 50s. This is a personal pension.

DAVIDSON: Not at all. If she's thinking of an investment linked annuity, she needs to look very carefully at what the investment performance has been and whether she wants to take that risk. She might just want to take a straightforward annuity, whether it's a level not increasing or an indexed linked one, dependent on her circumstances.

DUGGLEBY: This is certainty versus question mark.

DAVIDSON: *(over)* Uncertainty, yes.

DUGGLEBY: Tom, what's the record been of these with profits annuities in recent years?

McPHAIL: Actually there's probably only one company's with profits fund I would even consider looking at, and generally they've not been a particularly good investment recently. You've got to remember a 'with profits' fund is still taking on investment risk. Probably around half the fund, maybe more, will be going into the stock market. So you're taking on uncertainty. On the upside, investment growth could increase your retirement income. On the downside, you could see your retirement income not going up for several years if the fund fails to perform.

DUGGLEBY: Bernadette says she's in her 50s. I'm just wondering whether she might go to an adviser and say look, run me some figures on draw down because that might be a better solution rather than go for an annuity at this particular stage. This gives her an income, but of course then she's got the option of deciding what sort of percentage of income she needs to take up to, what is it, 120% of current annuity rates?

DAVIDSON: It is, but I mean it will carry more risk. And also it depends …

DUGGLEBY: *(over)* Yeah it carries risk on the fund itself, of course, growing to compensate for the draw down.

DAVIDSON: But it also depends on how much she's got in her pension fund; if it's of a sufficient size to make it worthwhile.

DUGGLEBY: *(over)* She doesn't say …

DAVIDSON: *(over)* She doesn't say. But if it is …

DUGGLEBY: … but I get the impression that it's quite a big fund.

DAVIDSON: Well then she should certainly look at that option.

DUGGLEBY: Okay, right, we'll move on now to John in Dunbarton. John?

JOHN: Yes, I'm in a civil partnership with my partner and I want to know the exact status of a surviving civil partner in regard to inheriting my partner's pension, private works pension. His company is in the process of taking out an annuity with an insurance company. They're transferring the funds to that. There was a case in the House of Commons, an MP stood up and brought this to the attention as a Pensions Bill was going through the House of Commons in the summer, that his two gay constituents would not be treated exactly the same as a heterosexual couple. They would have to rely on the discretion of the insurance company or the private pension company. But that's not really good enough. I want to know the status of the law.

DUGGLEBY: Okay, John. Yes, well thanks very much. I mean, interestingly enough, I think they're always quite clear on this; that civil partnerships have to be treated in exactly the same way as married couples. I think the issue also, which we may come onto in a moment, is the role of the trustees, which is absolute. Now who can tackle first of all the question of civil partnerships versus marriage?

McPHAIL: Okay, so on civil partnership, yes you should be treated exactly the same way …

DUGGLEBY: Well you *must* be treated …

McPHAIL: Yeah, absolutely. The fact that it's a civil partnership, the fact that you might be same sex shouldn't make any difference at all. You should have exactly the same rights as a sort of traditional married couple would have.

DUGGLEBY: But the trustee question is different because of the discretionary factor. Malcolm, can you comment?

McLEAN: Yeah, well it does depend on the scheme rules as to quite what discretion the trustees have; and if the trustees have got the power to exercise their discretion and that is not overridden by national legislation, then it will be a decision that they will have to take. There is one little quirk in relation to civil partners, just to mention. At the moment when a woman gets to a state pension age, a woman gets to a state pension age, she can claim 60% of her husband's state pension providing she hasn't got that equivalent amount in her own pension. And from 6th April 2010, that is going to be allowed to work in reverse. In other words, a man will be able to be claim 60% of his wife's pension, and it will also be extended to civil partners. So you've got a change coming along there, which doesn't apply at the moment. So this thing is evolving slightly as we go along, and certainly, as far as the state pension is concerned, we're not quite there yet insofar as some civil partners would like it to be.

JOHN: To me, that's still discriminatory. I don't want to be elected at the discretion of some individuals and these trustees that are very religious and have a very dim view of gay people. There should be a clear legal law. It should be exactly the same as married couples. There should be no discretion allowed. This is why this MP brought this to the attention of the government front bench to try and bring this loophole to a close. What's the point of having a civil partnership if we're not going to be treated financially the same as married couples? To me, it should be transferred to an insurance company called Paternoster. That's a religious connotation. I don't know if my partner dies - he's not been very well the last few years - I'll have to fight to get what I'm entitled to. So we really need legislation to make sure the position is clear.

DUGGLEBY: Indeed, John. We take your point, of course. What we're trying to do though is to explain the position. And obviously what we're saying is that trustees do have these discretions. How they exercise them has got to be subject to the law and in the event … Tom, you want to come in here?

McPHAIL: Yeah, I think one point to make on that is it's always a good idea … whatever your personal circumstances it's always a good idea to write to your pension scheme, whether it's an insurance company or an occupational pension, and notify them of what you would like to have happen. Because the trustees do have discretion, and they must have discretion for tax reasons, it's always a good idea to let them know what you would like to have happen. And they will take account of your wishes in deciding how the death benefits should get paid.

DUGGLEBY: Okay, well thanks for raising that issue, John. And now we'll move to Malcolm in Weston-super-Mare.

MALCOLM: Good afternoon. I'm 64. I'm in full-time employment. I'm due to retire next September, but I've been given the opportunity to work for an extra year. If I draw my retirement government pension, I will be taken into the 40% bracket. If I defer it for a year, will I be taxed on the lump sum that I'm due at the end of that year at 40% or 20%?

DUGGLEBY: Well a tax free lump sum is tax free.

McLEAN: Well I think what Malcolm's actually referring to there is rolling up his state pension …

DUGGLEBY: Ah right.

McLEAN: … not actually drawing it. And then, providing he does that for a full 12 months, will be allowed to take that money in the form of a lump sum, which will be taxable. That lump sum, incidentally, with the amount of pension that you haven't drawn, plus a rate of interest which will be 2% above the Bank of England base rate. Now when you actually get that lump sum, you'll obviously get it in the form of a lump sum in a particular tax year. Now the rules are that if the impact of that lump sum were to lift you into a higher tax bracket than you would have been in had you not have drawn it, then that won't happen. So, in other words, if without that lump sum you're a 20% taxpayer, then that 20% figure will be levied on the lump sum. It will not be bumped up to 40%.

DUGGLEBY: Yeah, but let's get quite clear. When we're talking about lump sums on that score, the lump sum that you get when you commute part of your occupational or your personal pension *is* tax free.

McLEAN: Absolutely. But this one is taxable.

DUGGLEBY: Yeah, that's fine, but I didn't want to confuse listeners that maybe they didn't believe that the lump sum from an occupational scheme wasn't tax free. Amanda?

DAVIDSON: This is simply a deferment of state pension benefits, so they're taxable. But you could choose to take an increased income rather than a lump sum from the state pension.

MALCOLM: Yes, I understand that.

DAVIDSON: Or you might decide that if next year you're going to be a higher rate taxpayer that you defer again.

DUGGLEBY: Okay, Tom?

McPHAIL: Amanda's absolutely right, you can defer it for as long as you like. Looking at the current rates of return, my inclination would be more towards taking it as additional state pension income. You defer for one year. You've got to live for around 9 years, give or take, in order to be in the money on that - so for most people of reasonable life expectancy, you'll end up in the money by deferring and taking it as income rather than taking it as a lump sum. And, as Vincent said, 2% above bank base at the moment is still not a spectacularly good rate of return.

MALCOLM: I was just anxious to avoid the 40% on the combined amount. But thank you very much indeed.

DUGGLEBY: Alright, thanks for your call. The answer we gave about the 30 year rule change on contributions seems to have provoked a hornet's nest. I'll take a couple of emails here. Here's Mike in Aberdeen. He says, 'I'm 53 years old and I've been working since 15. It looks as though I've paid 20 - or will have paid by the time I reach 65 - I'll have paid 20 years contributions for absolutely nothing.' What do you say to that, Malcolm?

McLEAN: Well national insurance contributions are effectively a payroll tax. I think we have to say that and have to accept it. It's like any other insurance policy - in effect you pay in and sometimes you draw on it and sometimes you don't - and that's what national insurance is. What the government has done is reduced the requirement for both men and women to enable more women in particular to qualify for the full basic state pension, and of course many people are now saying well that's a bit unfair because I'm now paying national insurance contributions above what I have to do. But that's the way it is.

DUGGLEBY: Now more interesting, I think, is the email we've had from Lesley. Now she has been paying into the state pension voluntary contributions - that's the ones that you pay to make up the number of years or you *used* to pay to make up the number of years to get you a larger pension than you otherwise would have, a larger *state* pension that is. Now what she finds is that as the level has reduced to 30 years - she doesn't retire till February 2011 - she's been buying in voluntary contributions which are now proved to be unnecessary.

McLEAN: Yes, other people have raised this point. There are two crucial dates here to bear in mind. The announcement that the number of qualifying years was being reduced to 30 was made in a white paper on 25th May 2006, and then the Pensions Act came into force on 26th July 2007. Now if somebody was actually paying voluntary contributions between those two dates and didn't know the reduction was taking place and didn't need to make those contributions, it is possible to get a refund of those contributions just for that period - 25th May 2006 to 26th July 2007. And you go to the Inland Revenue, the Revenue & Customs National Insurance Contribution Office, get a form and fill it up, and you ought to be possible still to get some sort of refund for that period.

DUGGLEBY: Okay, thanks for that. Now back to the calls and Doreen on a mobile. Doreen?

DOREEN: Oh hello. My question is straightforward. Defer or do not defer drawing down the state pension? If I can explain: I'm 60 years old this month, I have a pension from my old company of about £9,000, and about 26 years, qualifying years for the state pension. Now I haven't drawn down yet, and in the blurb that they sent me, they said that if I didn't draw down for up to 3 years, my pension would be enhanced by up to 25%. So my question is do I defer or don't I defer?

DUGGLEBY: First I would ask you, can you live on £9,500 a year?

DOREEN: Yes at the moment because of other things happening, I'm quite comfortable at the moment. But I'm worried that when I'm I…

DUGGLEBY: *(over)* So the money would be more valuable to you in 2 or 3 years time?

DOREEN: Yes.

DUGGLEBY: Okay, Amanda?

DAVIDSON: I think that's straightforward. I was going to ask exactly the same thing, Doreen. If you can afford to live on what you have at the moment in terms of income, then defer the state pension. And you could make that a year by year decision in terms of deferment just in case your circumstances changed.

DUGGLEBY: Not a bad return, is it?

McPHAIL: No, not a bad rate of return. If you go for a deferral and then take it as additional income, you'll be getting a rate of return of 10.4% a year. Now you're going to have to look quite hard to get a guaranteed government backed rate of return of 10.4% a year at the moment. And live for around 9 years and you'll be in the money on that. I would say if you can afford to, it's a good deal.

DUGGLEBY: Okay, moving to Gubhinder now in Loughborough. Your call?

GUBHINDER: Hi. My name's Gubhinder Mann. I'm calling from Loughborough. What it is, over the last 10 years I've been working, I've worked for three to four companies and I've got sort of small pension pots with each company. I'm currently working for a blue chip company and due to be going up for redundancy just before Christmas, so I've also got a small pension with them. I'm just thinking the way forward here. Would it be beneficial for me to try and pool my pensions together or is it best to leave them in place as separate entities?

DUGGLEBY: Right. Now I hesitate to combine your call with Dave in Stockport who has a very similar question, Gubhinder, so bear with me. He's got AVC's, he's got a stakeholder pension, he's got a private pension and he's got a company pension, and he's asking exactly the same question: how do I pull these together? Now, Tom, you've been looking at this problem, but I think you want to ask sort of exactly what these pensions are and what they're worth?

McPHAIL: Yes. Do you have any final salary pensions in there, these various pots of yours, Gubhinder?

GUBHINDER: No, there's not a final salary pension. It's all employee contributions.

McPHAIL: I think you need to look at whether there would be any penalties for moving the money. So check if you're going to be penalised - any contract charges, any fund charges if you've got a 'with profits' investment - before you move the money. I think in answer to your question, in principle yes it makes sense to put them all in one place - it's easier to administer them, it's easier to keep oversight of your investment strategy, so you can run your pensions more efficiently if you've got one pension in one place. If you've got any final salary benefits - it comes back to the other question Vincent highlighted - then you almost certainly shouldn't move those. Keep those separate, keep them where they are because they're generally pretty valuable and worth hanging onto separately.

DUGGLEBY: But you haven't got an occupational pension, so it's possible for you to combine these, Gubhinder. But, on the other hand, Dave, you see, has got this occupational pension and an AVC, which, Amanda, would of course be tied. It would be as a result of wanting to pay additional voluntary contributions on top of your occupational pension. Now can you combine those two together when you come to draw the pension?

DAVIDSON: Pension benefits. Yes you can. There may be special features on that. The only way to look at this is to look at each of those individual pensions separately and assess them and see whether they should be moved or not, and also bear in mind what your overall plans are in terms of retirement. It's certainly going to be more efficient if they are under one roof and you may well get better options in terms of the range of funds that you can actually invest your money in. But if you've got special features such as an occupational scheme as a final salary, then you would want to keep that in place.

McLEAN: One advantage that is often true is that if you've got a number of small, very small personal pension pots, there is often an advantage in bringing them together shortly before you actually buy an annuity because you're getting a bigger pot and probably getting a better deal. And indeed, in some cases, with very small pots it's actually quite difficult and not impossible to get somebody to give you an annuity in that situation. So there are arguments there as you're coming up to retirement. If you've got a number of pots, seriously consider bringing them together, see whether you can get a better deal by doing that.

DUGGLEBY: One of the oddities of the current rules, of course, is that you can take your pension and actually continue to pay into a pension, which some people find very odd. Tom, just briefly on that one?

McPHAIL: Yes, so on that point - yes the administration is an absolute pain with annuities, so having them all in one place before you get there, it will make your life a lot easier. As for the question of taking a pension and then continuing to pay in - yes you can do this, you can take money out, and then keep claiming tax relief on money going in. Just watch out for the recycling rules if you're going to do that.

DUGGLEBY: That's right, we did have an email from somebody who's unemployed saying can they make contributions. Well yeah, if you've got the money.

DAVIDSON: Yes they can, yes they can. Yes and get tax relief on the contributions.

DUGGLEBY: Exactly, because you don't have to pay tax to get the contributions on the … to get the tax relief on the £3,600.

DAVIDSON: That's the maximum, yeah.

DUGGLEBY: Okay, Helen in West Yorkshire, your call now?

HELEN: Yes, good afternoon. My question is regarding the state pension. Both my husband and I get the state pension. He's over 70 and collects an enhanced state pension of £177.09 per week. I, on the other hand, just have the married women's part of that of £56.26, so that's a total of over £230 … £220. If anything happened to him, would I be able to claim part of his enhancement?

DUGGLEBY: Yes, this is probably state earnings related, I suspect, or second pension is it?

HELEN: Yes, yes. And what percentage of that would I be able to get?

McLEAN: You'll certainly be able to take over the basic state pension element that your husband was drawing. As regards the additional pension, the state earnings related pension - or the second state pension as it's now called - you would get a percentage of that, and that would normally be half of that money. You would inherit half of the SERPS element, plus the full element of the basic state pension.

HELEN: Oh right. So are you saying that the difference between the £177 and the state pension is the earnings related part of it?

McLEAN: Probably. Sometimes there's other little bits and pieces in. There was an old graduated scheme. You might get a few pennies in from that. Literally pennies it will be. So basically it's half the extra above the basic state pension rate, which is £95.25 a week at the moment. That would give you an indication of the level.

HELEN: Oh jolly good then. Yes, thank you very much indeed. I was worried that, should anything happen to him, I would be just stuck on the basic statement and those earnings would have been lost.

DUGGLEBY: No. Thanks very much for the call, Helen.

HELEN: Thank you.

DUGGLEBY: A couple of emails now. Kerry in Oxford wants to know what she should do. She's had a job for two years and now she's left it and she's gone to another company. What should she do with the pension payments she's made for this two years? They're saying they'll pay it back to her if she wants. Tom?

McPHAIL: No, don't take the money - not unless you really, really need it. If you're desperate - fine, take the money, but otherwise leave it in the pension because you'll need it later.

DUGGLEBY: Yeah, she says what if I can't actually put it into the new scheme. Would it go into a stakeholder or something?

McPHAIL: You can always … If you're not being allowed to leave it in your current scheme - and sometimes they won't let you leave it there - then you can always have the option of transferring it, as you say Vincent, to a stakeholder pension. So there's always somewhere you can put it, and it's better in the pension system unless you're absolutely desperate for cash.

DUGGLEBY: Okay. And then we have Robert in High Wycombe who says he hasn't got a pension at all. He's 57 years old. But he does have a fairly big amount of savings, £100,000 plus. Is it too late to start it and how would he go about it?

McPHAIL: Well the pension contribution rules allow you to put up to 100% of your salary into a pension every year. So we don't know how much he earns, but …

DUGGLEBY: Suppose he earns say £40,000.

McPHAIL: Within a couple of years, he could get all of that lump sum into a pension, get tax relief on all of that money. So no, it's not too late. And, yes, you could still use the pension system to your advantage there, use the tax system to your advantage. So I think it's worth looking at.

DUGGLEBY: So you think the tax would sway the decision then?

DAVIDSON: It could well do. He should take some advice about it in terms of setting up a pension, but it's not difficult to do. He just makes single payments into it on a year by year basis.

McLEAN: Again it really does depend what plans he has for this money he has saved at the moment. If he's got some plan for that, a mortgage to pay off or other things like that, then that might come first. But tax planning for pension purposes is something that many people don't actually appreciate.

DUGGLEBY: Jan in Bedfordshire is very disillusioned with her pension plan, which she says is an insurance based one and has performed appallingly in the last few years and thinks ISAs are a better bet. I must say I think in the case of the previous email, I think that Robert should certainly put some of his money into ISAs because after all you've got £10,000 a year and of course you keep the money then. You lose it … Well you don't lose it, but I mean you can't get it out in any other way than a pension. So what about this disillusionment factor, Amanda? Do you think she's justified in saying well, come on, I should be able to do better than this?

DAVIDSON: Well it's not the pension that's the problem. It's the underlying investments that have dropped. And if she'd had it in an ISA, then the chances are that that might have dropped as well. But she ought to have a look at the fund and see whether it's performing as well as it might and take some advice and see perhaps whether she should move it.

DUGGLEBY: I think she says where shall I invest my … Well she implies from her email that she has to invest in the insurance based thing. Well that's because she's got a plan with it. It doesn't mean to say she's got to carry on contributing. She just sets up another plan.

McPHAIL: Absolutely. She can move the money. The world is your oyster and, as Amanda says, you know, you need to take control of that investment choice. It is *your* investment. The fact it's in a pension is secondary. Invest the money wisely and hopefully you *can* make it grow.

DUGGLEBY: Okay.

DAVIDSON: She'll have other funds she can invest in within the same pension.

DUGGLEBY: I'm going to take one more very quick call. Caroline in Goathland in Whitby. Just your call very quickly please.

CAROLINE: I chose to receive my retirement pension weekly at the Post Office and now, even though I still wish to receive my pension at the Post Office, as of April it will only be credited to my account four weeks in arrears. So what do I have to live on in those four missing weeks?

McLEAN: There's a lot of debate about this actually and it's made people very unhappy about this. There are circumstances, I understand, where you can claim hardship and ask for the payment to continue, but it does depend on your actual circumstances and what they are prepared to concede.

DUGGLEBY: But not impossible?

McLEAN: I don't think it's impossible, no, although there is a lot of debate about this at the moment.

DUGGLEBY: Okay. Well I'm afraid we've run out of time. Thanks for all your calls and emails. It's been a very busy programme. But I've been joined by Malcolm McLean, Chief Executive of the Pensions Advisory Service - you've just heard him speaking there; Amanda Davidson, Director of Baigrie Davies; and Tom McPhail, Head of Pensions Research at Hargreaves Lansdown. You can get more details by ringing the information line about the programme on 0800 044 044 - the calls are free - or there's a website, bbc.co.uk/moneybox. And there's the website with the transcript of the programme, podcasts and all this technological stuff. In the meantime, Paul Lewis will be here to present Money Box at noon on Saturday and I'll be back same time next Wednesday afternoon with Money Box Live to take your calls on renting and letting.