

Independent  
Public Service  

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**Pensions Commission**

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02 July 2010

As you will no doubt be aware, the Chancellor of the Exchequer has invited me to conduct an independent review of public service pension provision and to make recommendations on provision that is sustainable, affordable and fair in the long term. The full terms of reference are attached.

In the first phase of my review ahead of my interim report in September I will be assessing the current provision, identifying problems and considering the objectives that should set the framework for any change. This represents a significant task and I would like to invite evidence and views from you by the end of July that will assist me with considering:

- Affordability, fairness, impact on mobility and plurality of current public service provision of the current public sector pension schemes and;
- The objectives that should guide public service pension in future.

In addition, as set out in the terms of reference, I have been asked to consider the case for delivering savings on public service pension ahead of the Government's spending review. I would welcome any thoughts or observations on whether given the long term nature of structural reform there is a case for more immediate action on public service pensions, in the context of affordability and fairness, and if so, what options there might be to deliver savings within the spending review period.

After my interim report I will conduct a further round of evidence-gathering on what alternative pension provision should look like. This first round of evidence is designed to set about identifying the problem and establishing the framework for solutions.

I look forward to receiving your input by the end of July emailed to [pensions.commission@hmtreasury.gsi.gov.uk](mailto:pensions.commission@hmtreasury.gsi.gov.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Hutton". The signature is written in a cursive style with a long, sweeping tail on the final letter.

John Hutton

Chair, Independent Public Service Pensions Commission