

Pensions Action Group Press Release

Immediate Release

FAS & PPF Protest, Parliament Square, Wednesday 3rd June

On Wednesday the 3rd of June the Pensions Action Group are holding a demonstration in Parliament Square with the following timings

- 12.00 Noon Assemble
- 13.00 Demonstration (with the traditional Stripped of our Pensions & John Bull)
- 14.00 Close

We expect the attendance of many supportive MPs

“We thought it was all over, why are you demonstrating again?”

It has become quite clear that MPs believe that the December 2007 announcement by the Government promising us 90% of our lost pensions was the end of our campaign, and that our pensions had been restored

This is not proving to be the case, and bit by bit through the detailed regulations, we have seen the headline figure eroded.

We paid for, expected, and thought we were guaranteed 100% of what we had saved for, but not only are we not getting 100% we are not even getting the 90% promised by the Prime Minister

So far we have seen our pensions eroded by

- Unfair treatment for seriously ill members
- Almost no post retirement protection against inflation
- Failure to apply the benefits before May 2004 (when the Government eventually introduced the first version of FAS)
- A restrictive CAP on our benefits which penalises members with long service
- Regulations that fail to recognise the benefits members have sacrificed
- Fair treatment of contracted-out benefits
- Restrictions on some members' rights to draw benefits

We will be available to explain the impact of these “points of detail “ on the 3rd of June.

We are still very angry, particularly when our treatment is compared to how the Government have treated the banks and investors in offshore savings accounts

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Notes for Editors

The Pensions Action Group is a non-political organisation representing people who lost most, in some cases all, of their occupational pension when their pension scheme was wound up, either because their employer became insolvent or the employer (perfectly legally) decided to close their scheme.

Such members now receive some payment from either the Financial Assistance Scheme (FAS) or the Pensions Protection Fund (PPF) depending on the date of the wind-up, but MPs and the public are being misled about the level of protection these schemes provide.

The Government encouraged people to join occupational pensions without warning of the risks and stopped people from diversifying their savings. Official booklets included statements such as *"You are guaranteed a certain level of pension when you retire"*. This pledge was worthless: when it came to the crunch, John Tine of the Financial Services Authority (FSA) stated *"We never said that 'guaranteed' means 'guaranteed in all circumstances'"*.

The Parliamentary Ombudsman, a Select Committee, the European Court of Justice, the High Court and the House of Lords have all found in our favour, yet the Government still prevaricates and refuses to apologise or accept full responsibility.

Although improvements have been made to the FAS during 2008 which basically bring equality with the PPF, both schemes only provide protection against inflation for post-1997 service and even then the protection is very limited. The ignoring of pre-1997 service unfairly penalises those with long service, as does the imposition of a cap.

Protection for members who fall seriously ill before retirement is also very limited, essentially rejecting those whose conditions are not "progressive", a term which mainly applies to cancer sufferers. People with a high risk of strokes or heart attacks, for instance, are not included.

The cost of providing the promised pensions for the 140,000 affected people is similar to the sum provided in recent months for the rescue of the RBS pension scheme (see article *"£800m injection of taxpayers' funds into RBS pension scheme"*, in *The Times* 10/03/09 page 38). Note, this is for employee's pensions, not Sir Fred Godwin; their pensions are non-contributory, will be fully index-linked and not subject to a cap.

We have been fighting for over seven years and the government has obstructed our campaign at every step of the way. Compare this with the immediate aid handed out to investors in the failed Icelandic banks who received restoration (with interest!) of their savings even though they had transferred money out of the country and had received no assurances from the government that such investments were safe.

Pensioners experience much higher inflation rates than the rest of the population because their main expenditure is on energy, food, travel and council tax, all of which are rising much faster than the RPI or the CPI. They will also be badly hit when the measures taken by the government to fight the credit crunch inevitably cause high inflation in the years to come.

www.pensionstheft.org