

# Pensions Action Group Newsletter

Issue 2

8 September 2006

## Once more into the fray

The main campaigning activity this month will be not one but two demonstrations at the Labour Party Conference in Manchester on 26 and 27 September, organised by PAG and the unions. Book an overnight stay and come for both!

And the biggest news story is that Saga (the holiday, financial services and publishing group for the over-50s) has decided to back our campaign! They can see the justice of our case and are planning to back our actions and to take action themselves. Full details below.

Other news this month includes the expected rejection by the Government of the report from the Public Administration Select Committee, and small signs of movement by the Government in helping those who have lost their Guaranteed Minimum Pensions

### **PAG protests planned for the Labour Party Conference**

This year's Labour Party Conference will be held at GMex in Manchester. The Pensions Action Group have arranged a protest for Wednesday 27th September starting at 13:30. There will be a half mile march followed by a static protest for about an hour outside GMex entrance where our trade-mark "Stripped of our Pensions" act will be performed. The Manchester police have been very helpful with our planning. Further details such as the meeting point will be publicised nearer the date - keep an eye on our website at [www.pensionstheft.org](http://www.pensionstheft.org)

If you only attend one protest this year - this is the one to go for!

### **Union demo will demand full restoration**

The Unions are organising a demonstration on behalf of those who have lost their pensions which will take place on Tuesday, 26th September to coincide with Tony Blair's Conference Address and the Conference session on pensions. It will be led by Labour MPs who support the case for full compensation. All those who have been affected by pension loss are welcome to join in, whether

union members or not. Meet at 11:30 am for 11:45 am at Castlefields (off Liverpool Road) close to Deansgate Station and opposite the Science Museum. Contact: Brian J. Gallagher - Tel. No. 02074 208 903; Mobile No. 07957 995 947 or [www.amicustheunion.org.uk](http://www.amicustheunion.org.uk)

### **Saga joins the campaign**

By Ros Altmann

Saga, the holiday, financial services and publishing group for the over-50s has been following the pensions loss scandal through its magazine. However, in August, they decided that they should be not just reporting on developments but also trying to influence them.

On 15 August they issued a hard-hitting press release in which they said "Saga is calling for Government to rescue the members of failed pension schemes, and is urging its two million customers, readers of the Saga Magazine and Saga Radio listeners to lobby their Member of Parliament to call for justice to be done." Tim Bull, Director of the Saga Group, then did a round of 6 live and 9 pre-recorded interviews for local radio to reinforce the message.

Tim Bull has also written directly to James Purnell, Pensions Minister, calling on him to provide immediate relief to those already past pension age and to replace the Financial Assistance Scheme with a proper compensation package, instead of the arbitrary 'assistance' that is currently on offer.

In addition, Saga are writing to all interested MPs to put forward the case, and will be providing both financial and logistical support to the Pensions Action Group in its campaigning.

Saga have established a petition which will be presented to Tony Blair later this year and which calls on his Government to reconstitute our pensions in full. It already has 2,700 signatures after only a couple of weeks! You can sign it by going to <http://www.saga.co.uk/magazine> and then clicking under 'sign our petition' in the left hand column. Don't sign off without going to 'See signature' or it won't register. They will email you an acknowledgement with a reference number.

This is a tremendous effort by the company on our behalf and they deserve our full support.

Please everyone note that they will only keep doing this if you keep active too. They have seen the tremendous public response from you all to their articles and, as long as the public keep telling them that this issue must be urgently sorted they will keep helping. Please keep writing to your MP and your local press and local radio asking for their support and also get your friends, family and work colleagues to keep writing their support, make sure they sign the Saga petition and Alan Simpson's petition too.

If you don't keep up the pressure yourselves this won't succeed. If you put in the effort, we have more chance!!

Don't wait for someone else to do it, you must do it now.

### **Other petitions**

Alan Simpson, Labour MP for Nottingham, has launched a petition which he plans to present to MPs when they return from their Summer recess in October. Full details are available at: <http://tinyurl.com/p17nf>

There is also a private petition being circulated by John Benson from Glamorgan which will be delivered direct to the Government. You can download a copy from [www.pensionstheft.org/pagfiles/jb\\_petition.doc](http://www.pensionstheft.org/pagfiles/jb_petition.doc)

And of course you can still sign the PAG online petition at <http://tinyurl.com/1omny> (currently standing at 1,480 signatures).

### **Government still trying to tough it out**

The Department of Work and Pensions has, as expected, refused to accept the verdict of the Public Administration Committee in the House of Commons. The Minister, James Purnell, appeared on the Today programme in early August and was given a hard ride. He is still clinging to the line that Government never underwrote final salary pensions, did not cause schemes to fail, that it was the employers who made the promises and therefore that they should not use tax-payers' money to bail out failed schemes.

This conveniently neglects the following:

- Government chose to issue information leaflets to explain the 'benefits and risks' and educate the public (it did not have to) but failed to mention the biggest risk
- Government encouraged people to contribute to final salary schemes, assuring them these pensions were safe after the Maxwell scandal
- Government decided, behind the scenes, they need not actually be safe (designing the MFR to only give at best a 50:50 chance of full pension) but never told anyone
- Government Press statements also told journalists these schemes were safe, and they, too misled the public - everyone believed final salary schemes were safe
- Government leaflets discouraged people from taking financial advice if in final salary schemes, just referring people to other official leaflets, or scheme information!
- Government gave trustees wrong information about new funding standards after 1997
- Government determined what trustees had to tell members and did not require them to mention anything about the risks of wind-up
- Government weakened the funding standards over the years, but kept insisting pensions were fully safe
- Government put in rules which meant trustees could not divide assets fairly on wind-up but never told members or trustees what these rules would do
- Government denied people any chance to protect themselves

## **How to get payments from the Financial Assistance Scheme (FAS)**

Whilst the Pensions Action Group fully recognise the failings of FAS and will continue to lobby for full restoration of lost pensions as recommended by the Parliamentary Ombudsman, we nevertheless want to do all we can to help speed up the payments to members and their dependants.

The rate at which payments are being approved by the FAS is very low, although the DWP are looking for ways of speeding up the process and simplifying the data requirements.

Although eligibility has recently been widened, payments will only be considered at the moment to those who have already met the following criteria (or will do so very shortly):

- Have reached age 65 since FAS was introduced (14 May 2004)
  - Have lost more than 20% of their core benefits
  - Their remaining benefits are not more than £12,000 per year
  - The benefit due is more than £10 per week
  - FAS have accepted the scheme as a qualifying scheme - check the official list of schemes at: <http://tinyurl.com/nj19j>
- or
- You are the spouse or civil partner of a member who would have met the above criteria had that member not died

If your scheme has completed wind up and benefits have been bought out:

Full FAS payments can be made

If your scheme has not completed wind up:

Interim payments can be made at 60%

Only a couple of hundred members have received payments so far and the process is very slow, so what can you do to help speed up your own payments?

- Make sure that your trustees and FAS are aware that you are eligible but are not receiving payments
- Find out from your trustee or FAS if there are any reasons why your claim cannot be processed and, if so, obtain confirmation in writing.

- If you are unhappy with any FAS decision or if you don't understand the basis, you can ask for it to be internally reviewed and explained to you, either verbally or in writing, but it normally has to be within one month of the decision. If you are still unhappy, you may, in certain circumstances, complain to the PPF Ombudsman.

Remember unless FAS has been supplied with data by your trustees they will not be aware of your personal position so make sure that this has been done.

Note: This is just a brief summary – you should check the official details at the DWP site here: <http://tinyurl.com/j23jb>

## **Government may move on 'Guaranteed Minimum Pensions'**

In an interview on the Radio 4's Today programme in early August, the Secretary of State for Work and Pensions John Hutton hinted that Government might consider allowing people who have lost their 'Guaranteed Minimum Pension' (sic) back into SERPS. This would acknowledge that many people who have lost their company pensions through wind-up have also lost their state entitlements, but much will depend on the terms under which it is done. After the Maxwell scandal, members were effectively allowed back into the state scheme for free, although few are expecting this Government to be as generous as that, unless under pressure. And of course, any movement on the GMP, though welcome for those worst affected, would do nothing about the loss of our occupational pensions.

## **ECJ Legal Action – personal claims**

All bills for this have now gone out either by e-mail (where available) or post. If you haven't already, could you please settle your bill as soon as possible. Please contact us if you have filled in a Bindmans form but heard nothing from the Pensions Action Group.

## **Keep in contact**

If you would like to keep in touch with events as they happen, to chat and exchange notes with others in the same boat, why not join our email group? Full details at <http://tinyurl.com/ruams>