

Pensions Action Group Newsletter

Issue 14

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Labour Party Conference Demonstration Tuesday 25 September

The Labour Party will be holding its annual party conference in Bournemouth this year and we need to be there in force to get our message across – that we will not go away until we have received fair compensation for our lost pensions. The timing is particularly good because Gordon Brown is considering whether to call a snap election in October and ours is one of the few issues on which his judgement has been called into question. The media can therefore be expected to give us a lot of coverage, and especially to compare our treatment with that given to Northern Rock savers, who were given a 100% guarantee by the Government within days. Already, the new Work and Pensions minister, Peter Hain, has said in an interview that

“The Government will address the "scandal" of pensioners left destitute when their employers went bust with a multi-million pound rescue package.” We need to keep the pressure up to make sure that this actually happens – we have heard many fine words before.

Details for the day are given below. Please be there if you possibly can – don't leave it to others. There are 125,000 people who have had their pensions stolen from them. If we all turn up on Tuesday the conference would be paralysed and we would suddenly be at the top of everyone's agenda!

How, When and Where

There are two events planned for the day. A fringe meeting organised by the Conservative Party entitled “Labour's Destruction of our Pensions System”, followed by a march past the conference centre to the beach for our trademark ‘stripped of our pensions’ demonstration.

The details are as follows.

Fringe meeting

The meeting has been organised to show the Conservative Party's concern about Government spin and deception on pensions. Labour's treatment of these pension savers is destroying pension confidence and the Conservative Party is demanding fairness on this issue.

11.30am on Tuesday, 25th September 2007
Belvedere Hotel, Bath Road, Bournemouth

(There is a map at <http://tinyurl.com/3XGKL2>)

Guest Speakers will include:

- Chris Grayling MP, Shadow Secretary of State for Work and Pensions
- Dr Ros Altmann, Former Government Pensions Adviser
- Andrew Parr, former ASW worker, who has had a cardiac arrest, is past retirement age, but still working without a penny from Gordon Brown's 'assistance' scheme.

Demonstration

Assemble from 12:00 at Exeter Crescent (map at <http://www.tinyurl.com/YSVRQT>). March at 12:15 past the Bournemouth International Centre to the beach by the pier for our trademark ‘stripped of our pensions’ demonstration. Don't worry – we already have our volunteers for the strip itself, and public

decency will be maintained (we wear humorous baggy shorts). We do however need a large crowd of supporters as well for the full effect, so being there **will** make a difference.

We have always had an excellent relationship with the police who accompany us on our demonstrations (they know that their pensions are also at risk) and again we would like to thank them for their help and co-operation whilst planning this action.

Why are we still fighting?

By Ros Altmann

100% guarantees for Northern Rock at taxpayers' expense. Nothing for the naked pensioners betrayed by the Government. These people are angry. They are determined to keep fighting for justice. They did nothing wrong, have had all the independent verdicts in their favour, yet they have consistently been fobbed off by promises of an 'assistance' scheme which has not delivered. Cruel political spin, but no money - is that Labour's idea of social justice?

For the fifth year in a row, the Pensions Action Group have organised a protest march at the Labour Party Conference to try to shame the Government into finally treating them fairly and decently. They will be in Bournemouth on Tuesday 25th September, travelling from all over the UK to beg Gordon Brown to stop pretending and settle this scandal immediately.

After the breathtaking hypocrisy and double standards of the Northern Rock rescue, the Tories have decided to strongly support the betrayed pensioners. Shadow Work and Pensions Secretary, Chris Grayling, has organised an unprecedented Conservative Party fringe meeting at the Labour Party Conference, vividly demonstrating Tory concerns about Gordon Brown's consistent spin and deception on pensions. The Government defeated the cross-party lifeboat initiative, which would have provided a fast and fair resolution of this scandal. Instead, the robbed pensioners are being told to wait for yet another review of their situation. How many reviews do they need?

No review was called for Northern Rock! Its customers were 100% underwritten by the taxpayer at a stroke. This makes the Government's insistence that taxpayers cannot bail out pension victims unsustainable. If millionaire depositors can have all their money protected

immediately for political reasons, how can Labour deny fair treatment to the pensioners betrayed by this Government for years? This scandal has done untold damage to trust in politicians and has destroyed confidence in pensions.

The real rate of inflation

Figures from Prudential reveal that inflation for the over-65's has risen faster than the average household expenditure between 2002 & 2006. It's up 9% (10% if you are 75 or over) compared to 4% for everyone else. The Financial Assistance Scheme currently being offered by Government is fixed from the date of first payment - there is no provision for inflation whatsoever. So every £1,000 you receive at age 65 would only be worth £390 at this rate by the time you are 75, just at the age where care costs are likely to start to bite. And inflation is all set to rise during the next 10 years.

FAS consultation exercise

The government has released its draft regulations relating to the enhancements to FAS, which includes the abolition of the age tapering and de minimis criteria, provision for some of the solvent company schemes, and an increase in the FAS cap.

The full text can be found here:

<http://tinyurl.com/3DLB9L>

This consultation gives us all an opportunity to write to the DWP and express any views we may have regarding these regulations.

The PAG have written on behalf of us all, but this needs to be supported by individual letters from as many PAG members as possible. These should be sent as soon as possible to:

FAS Consultation
Department for Works & Pensions
Private Pensions Policy
Adelphi, 3rd Floor
1-11 John Adam Street
London
WC2N 6HT

email: fas-responses@dwp.gsi.gov.uk

The main points we want to raise include:

- The inclusion of all solvent company schemes.
- The cap of £26000 pa needs to be indexed in line with inflation.
- Payments need to be made from scheme retirement age, not just 65.
- The 'core' pension is unfair and needs to be redefined with the benefits currently enjoyed by the PPF.

Your letter must reach them by 9th October. Please try to make your letter as constructive and individual as possible. You should explain that you are writing as an individual, adding that you are a member of the PAG and of your particular pension scheme.

The more people that write to the consultation team the better, so that our views are properly taken into account.

FAS rule changes – do they affect you?

By Ros Altmann

The DWP has now decided that it will allow trustees to pay FAS payments themselves if they want to, rather than having to be paid by the FAS itself. This means that trustees who have not completed all the FAS paperwork will be allowed to pay FAS benefits to everyone over age 65, or terminally ill (meaning with less than 6 months to live).

Anybody in a scheme that qualifies for FAS, who is over 65, or is terminally ill or is a widow/widower of a member who would have been eligible for FAS please get in touch with your trustees straight away and ask them to make sure you receive your payments and all the backdating. You are entitled to this and you should have it. If the trustees have not filled in the FAS forms and data, then they should pay you the FAS benefit themselves from scheme assets.

It seems that some trustees have been far too slow in dealing with the FAS, so it's up to you to speed them up! Don't take no for an answer. Keep phoning and demanding your money and, if you have problems, contact the FAS and let them know, so they can help you get the trustees to pay.

The DWP is keen to get more people being paid, but you have to make sure your trustees are not letting you down. They are charging you and taking your money out of the pension fund, so they must make sure that they are doing all they can to give you any payments you are entitled to.

The DWP cannot force the trustees to pay, but they are now allowing them to and I hope that this will ensure far more of those eligible will get their money quickly, rather than having to wait and wait for all the bureaucracy to work.

Send this to your trustees and ask them to make sure everyone who qualifies to FAS is paid now.

This move by the DWP is welcome, but of course we still need to ensure that the FAS is improved to

1. pay from scheme pension age
2. include all solvent employer scheme members
3. stop pretending that 'core' pension is your pension and that you will get 80%
4. include at least the same terms as the PPF.

Solvent company schemes

The PAG is continuing to fight for those people from schemes where the company is still solvent, but there was no Compromise Agreement in place between the company and the trustees which prevented the company going insolvent. These schemes are currently excluded and members will receive nothing from the FAS.

Members of these schemes should have given their details by now to the Andrew Young Review team. If you have not done so please contact them immediately at:
adelphi.fas-review@dwp.gsi.gov.uk

Their report is due at the end of November and it will give recommendations about this sub group's future.

You MUST also be very active as you need to keep your current total exclusion from the FAS in the public eye. Make sure you have contacted your MP, your local media and come down to Bournemouth to lobby Labour MPs and join the protest march.

The PAG has this issue very high on it's agenda, but we need active people on the streets! You must not just leave this to others, it is YOUR pension that you should be fighting for!

Remember, your company fully complied with the law so legally there is no redress against them. You are personally in exactly the same desperate position as people from other schemes. The Parliamentary Ombudsman's Report and recommendations for compensation made no

distinction between solvent and insolvent company schemes. To leave you out is simply cruelty beyond belief. We estimate that there are only 12 such schemes involving about 2000 deferred pensioners, so there is not a huge cost involved to put it right.

Over to all of you!

FAS update

By the FAS team

The Financial Assistance Scheme (FAS) currently has 687 qualified schemes. There are 148 schemes that have completed wind up and 539 schemes that are still in the process of winding up.

Schemes that have completed wind up

Because these schemes have completed wind up and all the members received their share of benefits from their schemes some time ago, they no longer have trustees who are responsible for them. For this reason, it can sometimes be difficult to locate the scheme records and get the cooperation of the companies that hold them to provide the necessary information to allow FAS to assess the entitlement of members. Despite these problems, FAS has obtained the data on 85 of these schemes and made the payments to all eligible members.

Schemes that are still winding up

Whilst a scheme is still in the process of winding up, FAS are only able to make payments to eligible members, if the trustees apply for initial payments on their members' behalf and then provide the necessary data to allow an assessment of entitlement to be made. Currently there are 250 schemes where the trustees have chosen not to apply for initial payments. There are a further 50 schemes where applications have been made but we are still awaiting the necessary data.

FAS is has now begun to contact the trustees of the 250 schemes that have not applied for initial payments and is asking those trustees to reconsider their position in light of the recent extensions to the levels of assistance available confirmed by the Pensions Act 2007.

From around 5 September 2007, you will be able to check the position of your scheme on the FAS website. This new information will allow members to see what stage their scheme is at and work out how close it is to assessing members' entitlement. (Please remember that FAS payments are made from 65, so even if assessment has taken place on your scheme, you may not receive any notification from FAS immediately because you are not due to receive payment for some time.)

Weasel words

Northern Rock savers should be careful not to get too excited now that Government have said that their savings are "guaranteed". We have been here before, as this extract from the Financial Times in 2004 shows:

"The FSA lulled scheme members into a false sense of security because they misled them into thinking that their (occupational) pensions were safe and guaranteed," Ms Altmann told the FT. One booklet, published in 1999 and entitled "FSA Guide to the Risk of Pension Transfers" tells consumers: "Defined Benefits: You are guaranteed a certain level of pension when you retire, as well as other benefits."

On Tuesday, the FSA said: "These (booklets) are not advice. They are general information". It added that "they should be seen against the background of the time" in which the FSA was most concerned that people were being lured away from good occupational schemes into poor personal pensions.

"We never said that 'guaranteed' means 'guaranteed in all circumstances'," it said.

Beware of Government promises!

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>

To receive future copies of the newsletter direct by email, send a blank message to subscribenews@pensionstheft.org