

Pensions Action Group Newsletter

Issue 16

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Breakthrough!

On Monday 17 December the Secretary of State for Work and Pensions, Peter Hain, presented a written statement to the House of Commons in which he put forward the Government's latest proposals for assisting those who have lost all or part of their company pensions during the period 1997 - 2005.

These new proposals represent a potentially dramatic improvement on the earlier scheme and offer the real possibility of an end to our long-running campaign for justice.

The Pensions Action Group, led by Ros Altmann, worked closely with the DWP and the Minister during the days leading up to the announcement, arguing our case and trying to get the best possible deal for the greatest number of people. We will continue to work with them, seeking to ensure that the detailed programme is also as favourable as it can be and that it delivers effective and speedy payments.

The announcement contained just the bare bones of the new proposal, with a full report to be issued in the New Year, so we will need to wait for that until we will know whether the promised benefits will in fact be delivered but, in the meantime, Ros Altmann has presented her analysis (below) of what this new development means for us.

The announcement is based on the final results of the Young review, which was looking at alternative sources of funding for a compensation package, and in particular whether the remaining assets in schemes still winding up could be used more efficiently. You can download the full report from here: <http://tinyurl.com/2qr74b>

The Minister's statement is available in full online at: <http://tinyurl.com/34st85> and the DWP press release can be found at: <http://tinyurl.com/3cwg1p>

Letter from Ros Altmann

Dear Pensionstheft members,

Now that I have a few moments, I am writing to try to help clarify the events of the past couple of days.

Firstly, I think that this FAS deal is a very decent compromise and, quite frankly, I really did not know if we would manage to get it. It is effectively ensuring that FAS recipients will get effectively about the same as they would if the PPF had existed in 1997.

I know it is not everything you deserve - you really should have 100% plus compensation, as the Parliamentary Ombudsman said. However, it is a deal on the table now and one that I feel is at least fair in most respects. After so many years of

fighting and false promises, there really has been a change of mood at the DWP. At last, we have two Ministers who are willing to take responsibility for what has happened, rather than denying responsibility, as has happened for so long. Indeed, Peter Hain and Mike O'Brien have behaved as I would have initially expected the Government to, by listening to what has happened, considering the issues and then saying 'we can't let this happen and must find a way to sort it out'. The officials at the DWP have also been far more helpful.

We could, of course, have gone on fighting for more, going through the Courts, having more vigils and demonstrations around the country and continually begging the media for more coverage but my honest view is that now is the time to call a

halt. The improvements we have achieved yesterday are hugely significant:

- a) The FAS will now include members of ALL solvent employer schemes
- b) FAS payments will start from scheme pension age and anyone who is already past scheme pension age will have their payments backdated to May 2004, so they will get a lump sum of money for arrears
- c) Payments will rise to 90% of pension (and the concept of 'core' pension is being ditched I believe)
- d) There will be a tax free lump sum
- e) The £26,000 cap will be protected
- f) There will be inflation linking up to 2.5% for all post -1997 accruals
- g) There will be allowance for ill-health early retirement from age 60 (this is the one point that I find really difficult and will hope to get changed, but the Treasury would not agree to allowing ill-health early retirement before age 60, even with people applying on a discretionary basis!)
- h) Scheme assets will no longer be used to buy annuities. The assets will be taken in by the Government (£1.7bn going to the Treasury!) and the Government will underwrite the FAS payments so that you have a proper underpin to the FAS payouts.

Let's face the facts. We have fought and battled for well over 5 years and this at last recognises that you should have a proper deal, not just spin.

It is a really good set of important improvements, but obviously not perfect. It does not pay 100%. It does not pay any inflation-linking before 1997 (of course most schemes did not offer pre-97 indexation, but a few did). There is no recognition or compensation for the suffering and distress so many you have been through and there are still some issues to sort out about mechanics and logistics, but we are almost there. I do think it is a cause for real celebration.

I know you deserve more and I wish I could have achieved more for you, but the reality is that none of the Opposition parties or the media called for you to get more than PPF, so achieving that would have been almost impossible. The ECJ specifically said that the Government was not obliged to compensate 100%. The ECJ ruling said as long as

people got over 50%, but they did not need to receive 100%.

Of course, the Parliamentary Ombudsman recommendations were what I believe you all should have in an ideal world, but we just don't live in an ideal world. To fight on for more years and watch more people die while waiting for justice seems to me to be unwise.

The DWP has promised to hurry through regulations and legislation to enable this to happen quickly - I think it could take a few months, but at least we know it is coming. The DWP would also like to ensure that there is no need for long consultation on these terms, so that we need the Opposition parties to agree to this. I hope that won't be a problem, because having to stick to the statutory 12-week consultation period will add a huge delay.

Of course, if payments do not start in the next few months and the DWP drags its heels on this, then we will come back with a vengeance, but for now I am willing to give the Government the benefit of the doubt and I truly believe that the DWP will do its utmost to sort this out, not string it out any longer.

The one point that needs work, the ill-health provision for people under 60, is something that I feel strongly about, but at the moment I'm exhausted and need a rest, so I will try to take this up with the DWP in the new year.

Finally I would like to pay tribute to a huge number of people (including, of course, Andrew Young) without whom this victory could never have been achieved. There are so many that by naming them all, I would risk leaving out someone inadvertently and I would hate to do that. So let me just say a huge thank you to:

- a) all the great leading members of PAG, all of you who came to the demonstrations, organised the newsletters, contacted MPs or media and who campaigned so tirelessly and selflessly on behalf of all the (apparently now) 140,000 people affected
- b) all the wonderful MPs, Peers and the PASC who supported this campaign so bravely for so long - MPs from all parties who acted often against their party political interests and in favour of justice, integrity and decency - on a cross party basis
- c) Many Government officials who encouraged me behind the scenes

d) all the fantastic media supporters from newspaper, Pensions press, TV, radio and other publications

e) The Parliamentary Ombudsman and all her office for putting together such a detailed and excellent report f) Our legal team who worked so hard on the court cases

g) Saga (who supported the campaign and funded some of our demonstrations), the Police (who were so helpful at our demos) Ronnie Sloan (who provided invaluable behind the scenes assistance on actuarial and other issues) and Alan Pollock (who was so supportive and encouraging with his ideas from the war widows campaign)

h) and so many others who have contributed to making this possible and keeping up the pressure. Please forgive me if I haven't mentioned you specifically.

Well done to you all, it has been a privilege to meet so many of you good people and I congratulate PAG on your bravery, honesty and tenacity in keeping together, despite the occasional major disagreements, to see this campaign through to this point.

I hope that you will all now have a really good Christmas and be able to look forward to the New year, instead of fearing it as in the past.

With my very best wishes

Ros Altmann
18 December 2007

Letter from Alan Simpson MP

(Alan Simpson, Labour MP for Nottingham South, has been one of our staunchest supporters in the House of Commons throughout the campaign.)

I just wanted to send a note of hopeful congratulations. If the Government's announcement that the new settlement on stolen pensions is true, it looks as though the battle to get payments at the same level of PPF has been won. Because of how much of a battle this has been, I'm reluctant to offer a complete endorsement until we get confirmation from your members themselves. If, however, it is the victory that it seems then there are a number of things that need to be put on record.

The first is to acknowledge what a remarkable campaign you have run. I have never worked in a campaign that was so full of people with determination, principles, imagination, and humour. Ros Altmann should be made a saint. The rest of you should be in the honours list, (but probably haven't made enough anonymous donations to be considered). Somewhere along the line, your lawyers deserve a big hug too.

I hope you will now all take the opportunity to celebrate this remarkable victory, (and to give some credit to Peter Hain, who must have fought really hard to get the Treasury to concede). The only sad part is to recognise the number of your members who have not survived to be part of the celebrations. They, and the ones whose health has been damaged are the human costs of a campaign that should never have had to be fought in the first place.

I know there will be large numbers of MPs who will now pat themselves on the back for the decision the Government has just taken. Such a pity they voted against doing this on every possible occasion. It is those who are unafraid to stand up for what they knew to be right, when the official party line was to say the opposite, that I will respect the most.

I now regard those of you who have been the backbone of this campaign as friends as much as fellow campaigners: a group of people who represent all that is best in the notions of solidarity, decency and dignity. I would be grateful if you could pass this message onto everyone who, at long last, has brought about a result you deserved. Best wishes.

Alan

Labour's Roll of Honour

As Alan Simpson mentioned above, we owe a particular debt of thanks to those Labour MPs who were prepared to defy their own whips and put their careers at risk by voting for the all-party rescue lifeboat in the Summer:

Richard Burden
Michael Clapham
Jeremy Corbyn
David Drew
Frank Field
Mark Fisher
Ian Gibson
David Heyes

Kelvin Hopkins
 Lynne Jones
 Michael Meacher
 Julie Morgan
 Sandra Osborne
 Gordon Prentice
 Alan Simpson
 Robert Wareing
 Tony Wright

Frank Field in particular helped to force the Government's hand by threatening to relaunch the Lifeboat proposal as an amendment to the new Pensions Bill currently going through Parliament if substantial new proposals were not put forward. He said: "I will put down an amendment to bring justice - until this happens, why should anyone believe that their pensions are safe?"

**All-night vigil
 20th/21st November 2007**

(Campaigning continued throughout the month leading up to the Government's announcement.)

The weather in November is not really suitable for our traditional "Stripped of our Pensions" protest, so it was decided to organise an overnight vigil timed to draw media attention to the imminent publication of the Young Review. Over sixty people took part in shifts allowing us to run from 4pm on the Tuesday afternoon to 10am on the Wednesday morning. Despite the absolutely foul weather people came from all over the UK to join in, notably John Benson from Cardiff who actually managed two demonstrations (in Cardiff and London) in one day, Mike Marsden from St Helens, and Keith and Pat Sargent from Gainsborough.

The vigil was held in Whitehall directly opposite



the entrance to Downing Street. We were pleasantly surprised when Pensions Minister Mike O'Brien visited us early on the Tuesday evening. He spoke with everyone present and spent some time with widows Jean Wade (front) and Marlene Cheshire. He said he sympathised with our position, but could not say anything further until the review had been published.



The Shadow Secretary of State Chris Grayling also appeared (and left a very welcome bottle of malt whisky to help fight the cold). The photo shows on the front row from the left, Dave Allen, Marlene Cheshire, Chris Grayling MP, Dr Ros Altmann, Mike Penning MP, David Gauke MP and Alan Marnes. During the vigil many other MPs arrived to give support including Jenny Willott, Bill Cash, Julie Kirkbride, Nigel Waterston, Paul Rowan, Derek Wyatt, Alan Simpson, Danny Alexander and Liberal Democrat peer and campaigner Lord Oakshott. Apologies for any omissions, it was hard to track who came to see us in the heavy rain!

During the vigil a letter was delivered to Number 10 Downing Street. The letter assured Gordon Brown that the protests will not end until the pensions are restored, and said his actions were causing great harm to peoples' trust in pensions. Numbers accessing Number 10 are limited and the letter was delivered by (Back Row from left) Pete Humphrey (Dexion), Marlene Cheshire (Dexion), Andrew Parr (ASW Sheerness), Carol Herring (Bradstock), Jean Wade (ASW Sheerness widow) and at front (in the wheelchair) Phil Healy (ASW Sheerness). Phil is currently awaiting a replacement hip operation. Disappointingly a standard reply was received just two days later which thanked us for the letter and said the government had noted the contents. On the way out Jean & Marlene suddenly wondered if Gordon

Brown was in, and returned to Number 10, knocked on the door and asked to see him. The rather surprised official who answered assured us he wasn't.



A simultaneous protest was held outside the Welsh Assembly building in Cardiff. Amazingly John Benson, the organizer, was present for the Cardiff start then came up to London by bus for the overnight shift. Assembly Members from the Conservatives, Lib Dems, and Plaid Cymru came out to speak to the protesters, but as usual Rhodri Morgan and the Labour members never appeared.

There was excellent press, radio and TV coverage of both events. Special mention should be made of Jeff Prestridge from the Mail on Sunday who came and spent the overnight shift with us. Jeff has publicised our campaign for over five years and we would like to acknowledge his continuing support

Overall, then two very successful, if rather damp, protests. Thanks to everyone who came, particularly Dr Altmann who rearranged meetings to join us, the Metropolitan Police for their usual good humour, Alan Marnes for doing all the police paper work, Andrew Parr for the liaison with Number 10, Richard Nicholl for arranging a nearby hotel to allow comfort and rest breaks during the night and Adrian de Segundo for the gas fire (even if it did go out at 2:30 am!)

Mass Lobby of Parliament

The first sign that the Government was about to change its mind came during Prime Ministers Questions on Wednesday 12 December, when a group of PAG members were in the Parliamentary

Lobby seeking their MP's assistance in arranging a meeting with the Treasury.

In response to a question from Adrian Sanders (LibDem, Torbay), the Prime Minister replied: *"As the hon. Gentleman knows, the Young report is considering how we can move to a 90 per cent. guarantee for the 125,000 people who have lost their pensions through no fault of their own. As he also knows, we have already provided £8 billion over a number of years to make good the provision of pensions. The Young report is now showing that there are more resources available, and I am confident that in the next few days we will be able to announce that there will be a 90 per cent. guarantee for all the 125,000 pensioners."*

We would like to thank those MPs who came down to the Lobby to show their support for their constituents.

Questions about the FAS

PAG are now holding regular meetings with the FAS Operating Unit to ensure that payments are made as quickly and efficiently as possible and to help them to disseminate information. If you have any general questions about the FAS (as opposed to questions about your particular case), post them on the PAG noticeboard at <http://tinyurl.com/ruams> and we will include them in the agenda for the next meeting.

Previous issues

You can download previous issues of the newsletter (inserting the number of the issue you want) from:

www.pensionstheft.org/newsletters/newsletter01.pdf



**Happy Christmas
Everyone!**