

Pensions Action Group Newsletter

Issue 29

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Fighting to get our pensions back

“No more cash” says Minister

But there always seems to be plenty for bankers’ pensions to be protected

Six members of PAG with Ros Altmann met with the Pensions Minister Steve Webb in his office on 1st November, where we were told that all his attempts to obtain further funds for the FAS had come to nothing and that there was nothing further he could do.

Over the past year, he had been investigating taking over the annuities of members of schemes covered by the FAS which had already annuitised. The annuity provider has an obligation to pay the annuity, but also has the purchase cost with which to do it. The Minister’s idea had been to take over both the obligation and the money, on the basis that Government may be able to provide the service more efficiently. However, the provider was only prepared to transfer the annuities at book value (i.e. after all the profit has been taken) so, unsurprisingly, there was no margin left for Government to work with.

He explained further that the FAS was currently running substantially over budget because of a greater than expected number of eligible members and schemes coming through this year, so that it was not a propitious time to be asking for additional funds from the Treasury, particularly in the context of savage cuts in Government spending.

Finally he said that there was no possibility of freeing up funds by making savings elsewhere in the departmental budget, as all such savings go directly back to the Treasury.

Both Ros and the PAG members made the point forcefully that this was about justice and reminded

him of the comments which he and other members of the Government had made whilst in opposition. We also vigorously explored his position to see whether there was any possibility of movement, but the Minister would not budge.

This means that, under the current FAS and PPF, your pension is being eroded every year. Indexation is capped at 2.5% per year, so if inflation is running at 5% (as it is now) that means that your pension will be reduced by 2.5% in real terms, not just this year but for the rest of your life. And if you made any contribution prior to 1997 the situation is even worse, because there is no indexation at all on that part of your pension. That’s like taking a pay cut of 5%. And it will be the same next year, and every year. Thousands of people will end up with less than half of what they were expecting. You could be one of them. If you are happy about that, fine. But if you think you should get what you paid for, and what you were promised, then you need to help us to fight for it.

As things stand, there is unlikely to be further movement from the Government. Our job now therefore is to change their perception, so that they see that it is indeed in their interests to improve the FAS and, by extension, the PPF.

The first step in this process is to create a political climate in which the Government will feel obliged to make some concessions. We have significant support in Parliament, and also in the financial industry, where people who understand pensions also understand how shoddily we have been treated. On Tuesday 22 November Jonathan Evans, who is an expert on annuities, as well as

Conservative MP for Cardiff North, organised an Adjournment Debate where he spoke powerfully about our plight and asked the Government to intervene. The Pensions Minister Steve Webb was forced to respond, and he gave the same response that he had given to us privately. 11 MPs came to support Mr Evans, mostly from the South Wales area. The reason for this is that a small group of ASW workers have been pestering their MPs since 2003 and they are now rock solid in their support. But there are pension members from all over the country who have been just as badly affected – if they made the same effort with their MPs we would have an unstoppable parliamentary force.

So we need to build on that support and to this end, we need you to write to your MP, to go and see him or her and to get the injustice of our position across. And we need you to get your old work mates to do the same. MP's need to understand that this was not sorted out in 2007 (as most of them seem to believe) and that it needs to be sorted once and for all. If you get no satisfaction from your MP, write to your local paper and tell them about it. MPs hate being seen not to support constituents.

The next action within parliament is an 'Early Day Motion' which MPs can sign to show their support. This one is number 2348, proposed by Jenny Willot (MP for Cardiff Central), and it reads:

"That this House notes the bankruptcy of Allied Steel Wire (ASW) in 2002 and the deficits of its company pension schemes; recognises the dedicated campaign of John Benson, Denis Kelleher and others aimed at restoring the pensions of ASW members; welcomes the expert advice and support they have received from Dr Ros Altman; and calls on the Government to negotiate with insurers to investigate the unwinding of the annuities of existing ASW pensioners to release additional funds, examine the case for allowing ASW employees to restore their contracted-out rights through deemed buyback and examine the case for raising the indexation cap within the Financial Assistance Scheme to bring to a close the long-running financial insecurity of the former ASW employees."

So far it has been signed by 11 MPs. Have a look and see if yours is there by going to <http://www.edms.org.uk/2010-11/2348.htm> If he or she has signed, why not write and thank them? (After all, MPs are human too). If not, ask if they could do so. Explain the position you find yourself in, what the loss of your pension will mean to you and ask for their help. Some MPs refuse to sign EDMs on principle. If yours is one of these, ask what else they are prepared to do to help. If the answer is nothing, tell your local

paper or radio station. Make them justify in public why they are abandoning you, a constituent.

Over half of the signatories to the EDM so far are Welsh – which just goes to show the effect that can be achieved with patient discussion and a bit of persistence.

If you feel unsure what to write or how best to pursue your MP, write to the email forum at Pensionstheft and someone will help you. (This is an email group, where submitted emails are redistributed to all subscribers. You can join by sending an email to subscribenews@pensionstheft.org)

Together, we can and will get justice!

Pensions Conferences

As we have seen over the last few years, the financial industry is not without influence in this country, and by no means all of its members are overpaid bankers who have no thought for anyone but for themselves (although there are plenty of those too).

As part of our campaigning, PAG members have been regularly attending conferences on pensions and related subjects where ministers have been making speeches and asking awkward questions from the floor. One of the key planks of Government policy is to get everyone saving in pensions. Our position is that, when we have had our pensions taken away from us when we did nothing wrong, why should anyone trust the present system. It takes an enormous amount of trust to pay into a pension scheme for 40 years or more in the expectation that, when you can no longer work and are dependent, the promised benefits will be delivered. We are the living proof that you can't trust Government promises on pensions. We therefore have the opportunity to derail their pet policy.

What we are finding at these meetings is that the delegates are broadly supportive, and that the chairmen are often surprisingly helpful in calling PAG people from the floor to ask questions. In fact the Financial Times (who organise the annual Pensions Summit conferences) have invited PAG to arrange their own panel discussion at next year's event.

Adrian de Segundo and Alan Marnes have been particularly active in this area. If you would like

to join in, they would be delighted to show you the ropes. Send an email to me at: newsletter.pensionstheft.org and I will forward it to them.

Party Conferences

This year we demonstrated at both the LibDem Party conference in Birmingham on 20 September and the Conservative conference in Manchester on 3 October. We had a good turnout for both and performed our usual "stripped of our pensions" street theatre for the amusement of the journalists and sundry passers-by. A new departure this year was the use of air horns which meant that, although we had been marshalled to an area well away from the entrance to the venue, they could certainly still hear us inside!

The demonstrations this year were particularly important, because they showed the coalition parties that we are still here, we are not going away, and when the electoral reckoning comes, our voices will still be there to call them to account. The Libdem activists are particularly sensitive to the feeling that they have betrayed their supporters through the compromises which they have made while in office and can be vociferous advocates for our case within the confines of the party. We should encourage them in this.

Thanks to all who came. They were fun days out and we look forward to seeing you (and some fresh faces) next year.



Manchester 2011

Write to the Minister

Most people feel that it is a waste of time writing to a minister, because they don't expect it to get anywhere near him. "It will just get answered by a junior official". And that's often true if you write direct. However, it is not well known that if you write a letter to a minister, but send it to your MP and ask him to forward it for you, the Minister himself has to reply. At the very least that means that he will personally sign a response prepared for him by his staff. And it would be a brave minister who signed such a letter without reading it, and hence also reading your letter. And even if your MP is not sympathetic, he is obliged to pass such a letter on, and pass the reply back to you.

So if you want to challenge the Minister on any particular aspect, or even if you want to let off steam about the injustice of your position, if you do it this way, you can be sure that the Minister himself will have to read it.

FAS/PAG Meetings

PAG has regular meetings with the FAS management where we get information about the workings of the scheme and where we can raise individual cases where things may have gone wrong. This is not a forum for pushing for policy changes (which have to be decided in Parliament) but it is very useful for influencing the way in which the regulations are interpreted and for breaking the logjam for individual cases.

If you are not receiving your FAS payments or have any other problems, you should take them up with the FAS in the first instance. However, if you can't get any satisfaction, post a message on the pensionstheft group or send a message to: newsletter.pensionstheft.org and we will raise it with them on your behalf.

Keep in Touch

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

To receive notification when future copies are available, send an email to subscribenews@pensionstheft.org