

Campaign!

The NPC's monthly bulletin for activists in the pensioners' movement

Pensions White Paper is little more than a "con trick"

Existing and future pensioners are being "conned" by the government's new White Paper on the state pension, the NPC has warned.

In the document published on 14 January 2013, the government has outlined plans to combine the current basic and second state pensions into a single-tier payment of £144 (at today's prices) after April 2017.

As part of the reforms, individuals will need 35 years of National Insurance contributions to qualify for a full pension, contracting out of the state second pension by those with final salary occupation pensions will stop and the state pension age will continue to rise.

Whilst some existing pensioners who currently get

more than £144 a week in state pensions, will be happy to be excluded from the changes the vast majority of older women with low pensions would clearly benefit from getting £144 a week without the need for means-testing.

In effect the plans will create a two-tier pension system - which will take around 70 years before it becomes simplified.

In the meantime, millions of today's pensioners will be left to struggle on with a low state pension and a complicated means-tested Pension Credit which 1.8m older people still don't claim, despite being eligible.

Dot Gibson, NPC general secretary said: "The White Paper offers nothing to existing pensioners and leaves many of them with

pensions that are nowhere near £144 a week."

"The outlook for future generations of pensioners is even worse because they are being asked to pay an extra five years' worth of National Insurance contributions, work longer before they can retire and end up with less than they can get today."

"No-one should be taken in by what is little more than a con trick."

Rather than put the proposals out to public consultation, the government has asked the pensions select committee to hold an inquiry - but evidence must be submitted before 15 February, giving just three weeks for people to make their views known.

A detailed briefing on the proposals is available from npcuk.org.

What does the White Paper say?

- From April 2017, the basic and second state pensions will be combined to make a single-tier pension of around £144 (at today's prices). In future it could rise in line with earnings
- Only those retiring after April 2017 with 35 years of National Insurance (NI) contributions will qualify for the full payment. Existing pensioners will continue to receive the pension they get now - regardless of whether it is more or less than £144 a week
- Contracting-out of the second state pension for those in final salary schemes will end and employees and employers will have to pay additional NI. Private sector employers will also have the right to unilaterally change the terms of their pension schemes
- The State Pension Age will be reviewed every five years, on top of the planned change to 67 by 2028

Department for Work & Pensions

The single-tier pension:
a simple foundation for saving

Department for Work & Pensions
14 January 2013



National Pensioners Convention

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Campaign Dates

28 February 2013
Transport Conference

11am-3.30pm, St Pancras Church Hall, Euston. Guest speakers will cover the campaign for improved public transport and details of the new trial of the bus pass for discounts on First Great Western trains. Booking essential. Contact the NPC office for details.

NPC Pensioners' Parliament 2013
18-20 June, Winter Gardens, Blackpool. New TUC leader Frances O'Grady will address the opening rally and there will be sessions on various subjects including pensions and benefits, transport, care and services in devolved administrations. Tickets priced £6 (including entry into prize draw). Bookings and initial programme are now available from the NPC.

Pensioners are being 'betrayed'

Prof John Ashton, incoming president of the Faculty of Public Health, has said a "debt of honour" is due to those older people who, despite the country being bankrupt after World War II, set up the welfare state.

In a blistering attack on the current care system, Prof Ashton said older people were being "betrayed" by a system that cannot afford to look after them.

He added: "The elderly are frightened of what is going to happen to them."

"There is a debt of honour we owe the elderly."

"They fought in World War II or contributed to the war effort and wanted to create a secure environment that came to be known as the welfare state but is now being portrayed as being about dependency and layabouts."

"It is an abominable betrayal."

Prof Ashton will be speaking at the opening rally at this year's Pensioners' Parliament in Blackpool on 18 June.

In an interesting development the Labour party has also launched a six month consultation on whether or not health and social care should be combined and funded through general taxation, like other public services such as education, the armed forces and the NHS.

Means-test bus pass says Burstow

Former care minister, Paul Burstow MP has suggested that universal benefits for pensioners, such as the winter fuel allowance and the concessionary bus pass should be withdrawn from everyone who does not qualify for the means-tested Pension Credit.

The Sutton and Cheam MP claimed that the money saved should be put into social care as a

way of ending the "something for nothing" approach.

But the NPC hit out claiming that the former minister's plan didn't add up.

Frank Cooper, NPC president said: "Introducing a means-tested system will create a costly and inefficient bureaucracy which evidence shows will result in those who need it most failing to come forward to make a claim."

"Our social care

system doesn't need this kind of tinkering at the edges - but a radical overhaul with extra funding."

"Taking money from pensioners who are trying to keep warm this winter on just over £10,500 a year and suggesting that they are somehow well off and should pay for the care of other older people is simply ridiculous."

A new NPC pamphlet on this issue will be published soon.

RPI gets a stay of execution

On 10 January 2013, the Office for National Statistics (ONS) made a surprise announcement regarding the future calculation of the Retail Price Index (RPI), by recommending there should be no change.

This supports the view submitted by the NPC to the ONS consultation and is significant to those whose occupational pensions are still linked to RPI - and all those who are campaigning to see the RPI reinstated for public sector and state pensions as well.

As part of the ongoing campaign to restore the RPI,

the NPC and a range of other pensioner groups are staging a day of action on 8 April - by asking individuals to send letters and emails on the subject to their MPs.

Copies of the model letter will be available on the NPC website www.npcuk.org.

If you know of anyone who would like to receive this bulletin please send their email address to the NPC