TUC

Yorkshire & the Humber TUC's
Equality Fora
Led by the Retired Members' Forum

PENSIONS FOR ALL SEMINAR

held to emphasize the fact that pensions are important for EVERYONE
on
Wednesday 19 November 2014
10am – 3.30pm
The Tramways Club
1 Mill Street
York YO1 9PY

CONFERENCE REPORT

INTRODUCTION & WELCOME

Bill Adams, regional secretary of the Yorkshire & the Humber TUC, welcomed members to the meeting. He highlighted the way in which people can campaign to lobby for change for the better, and to fight back against detrimental changes being made to both state and work pensions.

Bill thanked the Retired Members' Forum for their hard work in pulling this event together, and for the excellent work which they do in the region, which is fully supported by the Yorkshire and the Humber TUC. Eddie Spence was especially thanked for the campaign work he has organised this year.

Finally, Bill thanked Unite the union for helping to sponsor today's event.

PRESENTATION FROM BRYN DAVIES
Director of Union Pensions Services Ltd

Bryn's presentation, *Pensions Overview: where are we now?* was distributed with the delegate packs, and is attached at the end of this report.

Bryn stated that he had worked for the trade union movement for many years and has been working to advise unions for the last 25 years.

There is a great deal going on and so many changes that it is hard to keep up, so Bryn proposed to give an overview of what is happening. He highlighted the contradictory way in which the media presents the pensions, issues: funds are in crisis but there is good news with "pensions and savings joy for all". There are positive and negative reports around pensions' issues on the front pages on a regular basis.

Defined Contribution Pension Schemes
With a defined contribution pension you build up a pot of money that you use to provide an income in retirement. Unlike defined benefit schemes, which promise a specific income, the income you might get from a defined contribution scheme depends on factors including the amount you pay in and the fund's investment performance.

Defined Benefit Schemes
Defined-benefit schemes usually provide a pension income based on:

- **The number of years you've been a member of the scheme** – known as pensionable service
- **Your pensionable earnings** – this could be your salary at retirement (known as 'final salary'), or salary averaged over a career ('career average'), or some other formula, and
- **The proportion of those earnings which you receive as a pension for each year of membership** – this is called the accrual rate and some commonly used rates are 1/60th or 1/80th of your pensionable earnings for each year of pensionable service

These schemes are run by trustees who look after the interests of the scheme's members. Your employer contributes to the scheme and is responsible for ensuring there is enough money at the time you retire to pay your pension. This is the approved trade union method.

There has been a shift in priority from Defined Benefit to Defined Contribution, which is an inferior form of provision from a working person's point of view.

The Labour Party is responding to the government's plans, but have not yet played a major role and are focusing on what happens with the Defined Contribution scheme and what needs to be done to improve it.

The whole game has made a big leap forward because of what George Osborne, Chancellor of the Exchequer, did in the last budget, ie proposed a scheme where people could use their pensions' savings with more freedom and discretion. They would no longer be required to buy an annuity (providing income for the rest of their lives), but could draw out the cash equivalent of their pension savings when they want. This has been supported within the pensions' industry, emphasising the increased freedom. However, we need to remember that people are not suffering because of lack of freedom, but due to lack of provision.

Death Tax

If money is left in a pension fund, it is heavily taxed when the recipient dies. This tax has now been abolished: a decision which has gained support from the right wing press. However, it is a very narrow focus on what is happening in the pensions' world, concentrating on people who already have a secure income in retirement.

There are only about 10-20% who have good pensions - the other 80-90% do not have good provision. So much of the pensions' provision in the UK is market based and issues outside that of profit are not considered. The people who market pensions dominate the whole issue.

> The fact is, if you do not have adequate money upon retirement, no amount of freedom in the way in which you spend it will be of any use

The Treasury

The Treasury is now a key player regarding pensions' issues, as illustrated by the recent pensions' changes which, in some way, work against what the DWP was trying to do.

The Pensions' Regulator is the UK regulator of work-based pension schemes, working with trustees, employers, pension specialist and business advisors and giving guidance on what is expected of them. They also have functions under legislation passed in 2008 and a statutory objective to maximise compliance with the employer duties under that legislation relating to automatic enrolment within occupational pension schemes.

Department of Work and Pensions (DWP)
This is the government department which is mainly responsible for dealing with pensions. Steve Webb has been the Minister for State and Pensions for the past five years – the only Pensions' Minister who has had such a length of involvement.

There has been an enormous change in how the state pension will be run. Eventually, this will be a simpler system, but not until the current system runs out – that is, within 40-50 years! It will currently have an effect upon people retiring after April 2016.

The creation of a supplementary state pension scheme which actually worked is one of the most overlooked but significant achievements of fomer Labour minister, Barbara Castle. As Health and Social Security Secretary from 1974 to 1976 during Wilson's Government, she created the state earnings-related pension scheme, which many advisers regard as one of the few steps forward in state pension policy.

In her late 80s, Baroness Castle was a formidable critic of New Labour as part of the National Pensioners Convention which campaigned for restoring the state pensions earnings link. She condemned New Labour's savings initiatives for increased use of means testing which she argued penalised pensioners who had saved. She also criticised the replacement of Serps with the state second pension.

We are now left with serious problems.

Increase in State Pension Age
This is highly controversial. The last Labour government introduced staged increases in the pensionable age, which have been brought forward by the current government.

Implementing Auto-Enrolment

It is compulsory for an employer to enrol their eligible employees into an automatic enrolment scheme. However, ongoing membership of the scheme is not compulsory, and an employee can choose to opt out. It is unsure what the take up will be: so far, more people are staying in than was expected, but that may be because the initial contributions are low. They will increase up to 8% when the scheme is fully implemented, ie 5% from the member, 3% from the employer. Again, this will not be sufficient to provide a decent pension, especially for those on low pay, and this issue must be addressed.

Conclusions

One of the first things which this government did when it came into power was to launch a full scale assault on public sector pensions' schemes, endeavouring to bring them down to the level of bad schemes rather than the reverse.

The idea that people would be able to obtain a better annual income than with an annuity causes considerable concern. It is extremely difficult to forecast for a private individual how much they need to provide, and has a lack of security. We need a more measured approach to annuities with increased information and debate.

The annual average of yield from 2.5% (index linked Treasury Stock 2016) illustrates why occupational pension schemes are currently in difficulty. It is necessary to balance what you need to pay out in the future against the judged value of assets and the interest you will earn from those assets. The lower the interest rate, the lower the amount of money available for future commitments. Because interest rates are currently low, pension schemes require more money now to be able to pay out in the future.

Longevity

We are constantly being told that people are living longer. National Statistics show that the death rate of people at 68 years of age has more than halved over the last thirty years. The projection is that children being born now, especially girls, are more likely than not to live to be 100. This has had a massive effect, with a large increase in older people. The problem is that these statistics still vary massively by socio-economic circumstances. Therefore, when the pension age is increased it hits those with the shortest lives the hardest.

Employers
The distribution of schemes by status shown in the presentation is for 2013, but there is no significant difference in the 2014 figures. Many people are still in occupational pension schemes but because there are no new members, the schemes are locked into decline.

Employers should ensure that their workers have a decent pension, as part of an overall employment policy to attract and retain staff.

Bryn Davies was thanked for his excellent presentation, and will be joining Dot Gibson in the Panel Discussion at the end of the seminar.

PRESENTATION FROM DOT GIBSON

General Secretary of the National Pensioners'Convention

Dot Gibson welcomed the opportunity to speak and said that her brief today was to talk about the Single Tier Pension.

For decades, governments have built the UK pension system on two pillars:

- A low state pension topped up by means-tested benefits
- Decent occupational pensions based on final salary pay outs

Although the trade unions took the most important lead in the campaign for the basic state pension over a century ago, their main concern for nearly 60 years has been occupational and private pension schemes.

Dot emphasised that the NPC supports all workers who are defending their occupational pension schemes and, over the past few years, NPC members have been out on the picket lines of firefighters, teachers, local government workers, civil servants and others who are defending their pension schemes.

But, it is the problem which has arisen in the basic State pension campaign which Dot wished to establish.

In the late 1950s, powerful insurance and finance companies promoted occupation and private pension schemes which would be an important top up to the basic state pension – in fact these would turn out to be the main pension for many workers. These billion pound pension funds were important for the capitalist system as a whole. Craig Berry's research shows that Pension Funds constitute a high percentage of GDP.

In the trade unions, occupational pensions became an integral part of their activity, with training for TU representatives as Trustees. The trade unions were basing themselves on the erroneous view that capitalism would continue to grow and flourish – upwards and onwards! That is, the continuation of jobs for life; the right to a trade union negotiated contract; apprenticeships and training etc.

In so doing, the trade unions lost sight of the basic state pension – it became something which was there, but somewhere in the background. The basic state pension was important to the unorganised, low paid workers but not for the main battalions of trade union workers and their occupational schemes. This drive for occupational and private pensions has resulted in the lowering of standards for the majority of pensioners, especially women.

The UK is the 36th of 37 OECD countries (**countries** who originally signed the Convention on the Organisation for Economic Co-operation and Development in 1960) in state pension provision, but the 6th richest country in the world. But 6 million UK pensioners have an income of less than £10,5000 per year. This did not happen in other European countries, where the trade unions negotiate the basic state pension and so represent today's and future pensioners. This situation means that millions of UK pensioners, particularly women, rely on the means-tested pension credit and universal pensioner benefits.

It is worth noting that, when there are big workers' demonstrations in France, Spain and Italy in defence of their state pensions and against an increase in the state retirement age, our members ask why we cannot mobilised in the same numbers here. The answer is, because there is a separation between today's and tomorrow's pensioners in this country and, although the trade unions support the NPC, they do not campaign for the basic state pension.

Single-Tier State Pension

The latest legislation introduces the single-tier state pension. This is being phased in over the next 65 years, and most experts agree that it will cause even more complications and divisions. In many cases, it will end up as less than the pension to which these workers would be currently entitled.

The state pension retirement age for men and women will be:

- 65 by 2018
- 66 by 2020
- 67 by 2028

And the Pension Act proposes a review of the retirement age every five years, with the threat of it accelerating in line with ***estimates*** of life expectancies (for today's 33 year old, it could be 70 and for a 21 year old, 75).

There is no acknowledgement that longevity is affected by profession, income, region or any other factors, so the poorest will suffer.

There is no serious concern about the urgent need for younger people to get into the workplace.

Those who retire after April 2016 will have the combination of the existing state pension and the new single-tier pension.

Many will have already built up an entitlement to £150 per week, and they will still receive this higher sum, providing they are not in a pension scheme which was contracted-out of the state second pension. If they are, it is possible that they will have an element of their occupational pension deducted from the £150 a week state pension.

To receive the full state pension under the new system, an individual will be required to have paid National Insurance, or have credits, for 35 years (compared with 30 years for those who retired after April 2010). Anybody with fewer years of National Insurance payments will get a pension on a pro-rata basis, and those with less than 10 years of NI payments will not receive any pension.

What is the effect on existing pensioners?
Anyone who is already on the basic state pension by April 2016 will not be included in the new scheme. This means that those current pensioners who are on less than the single-tier pension will be receiving less. The *single-tier* pension, in fact, brings in a *two-tier* system!

After April 2016, the single-tier state pension will be up-rated annually, in line at least with earnings, and anything above that figure will be linked to the Consumer Price Index (CPI).

Existing pensioners on a lower pension than the single-tier will be entitled to means-tested benefits, although details are not clear.

Under the new scheme, Savings Credit will be abolished and, for those who would previously have been entitled to Housing and Council Tax Benefit, there will be a five-year transitional arrangement to allow them to get help.

What is the cost of the new pension?
Analysis of the single-tier pension shows that as a percentage of GDP (Gross Domestic Product) by 2060 it will cost 0.4% less than if the existing system were left unchanged.

The government has made it clear that there is no new money going into the state pension system.

The Institute for Fiscal Studies predicts that the reform is likely to net the Treasury an annual windfall of at least £9.2m in extra National Insurance Contributions from employers.

The impact on occupational pension schemes
Since the state second pension is being abolished and merged with the basic state pension, workers in defined (final salary) occupational pension schemes in both public and private sectors will no longer be able to contract-out of paying full NI.

After April 2016, workers will be expected to pay an additional 1.4% and the employers 3.4% in NI.

The Act recognises that some employers may wish to make changes to their pension scheme to off-set this extra NI payment. Such private sector employers will have a five year period to change their pension scheme rules *without the consent of the Trustees*. This will mean either reducing future occupational pension rates or increasing employee contributions.

In the public sector, the employer will not be able to pass on the cost of the extra NI in pension rates or increased workers' contributions. But the Treasury expects them to fund the extra costs through other measures, such as wage freezes or staff cuts.

What is wrong with the Pension Act?
The current basic state pension remains completely inadequate and the Act does not give current pensioners a single extra penny.

It will cause a two-tier system, which will only begin to be ironed out in 65 years' time. Steve Webb MP introduced the Act by saying that this single-tier pension would be simple; would get rid of the complications. He now says that it is extremely complicated and difficult to understand!

Equalisation of the retirement age for men and women, at 65, will not be finalised until 2018. Introducing the single-tier pension in 2016 means that 350,000 women born between 6 April 1951 and 5 May 1953 will retire with a pension based on the old system. But a man born in the same period, will retire slightly later and receive the new pension.

Future pensioners are asked to pay five years' extra NI; get a state pension less than they could get in the current system and work longer for it.

The Institute for Fiscal Studies say that most people born after 1970 could expect to receive less from the state pension. To quote: "It is important to be clear that – while there will be a fairly complex pattern of winners and losers from the reform in the short term – the main effect in the long run will be to reduce pensions for the vast majority of people".

Auto-enrolment

Dot went on to say that her brief did not include auto-enrolment, but she wanted to say that according to many pensions' experts, this is a financial scandal waiting to happen.

Auto-enrolment is being phased in from October 2012, starting with big employers, and is expected to be completely rolled out by 2017. At this time, employees will pay 4% of their wages; employers 3% and the government 1%, making a total going into the pension pot of 8%.

The government scheme, supported by the trade unions, is the National Employees Savings Trusts (NEST), which is a not for profit scheme, but employers can use whatever scheme they want and there are many providers in the market. NEST's members can buy a retirement income product from the approved panel (ie Canada Life, Just Retirement, Legal & General Partnership and Reliance Mutual), or they can shop around. All employees above the PAYE threshold of £7500 will be automatically enrolled, but they can opt out.

Those aged below 22 or earning less than £5000 annually in a single job, will be excluded, even if their combined income from several jobs comes to over £5000, they will be excluded.

Every pension expert, including the TUC, knows that you need at least 15% of income to get anything like a reasonable pension, but this auto-enrolment scheme is only 8%. A pension pot of £100,000 will bring a pension of around £60 per week, but most people only have a pension pot of around £25,000 which will bring in around £10 per week! Even with millions on low pay, at 8% if you add up the auto-enrolment pension payments from these millions of workers, and multiply this by the number of years before they are pensionable age, you can imagine how much money the private insurance industry and the City will make from this scheme.

The NPC says that today's workers would do better to save their money in a teapot!

The NPC is determined to establish a generations united campaign – solidarity between the ages. The NPC stands up for today's and tomorrow's pensioners.

So, what is NPC policy?

- A **Citizen's Pension**, funded through the National Insurance Fund for a residency of 30 years.
- Raise the basic state pension to the official poverty level (currently £175).
- Uprate the basic state pension annually, in line with average earnings; Retail Price Index, Consumer Price Index or 2.5%, whichever is highest.
- Retain the state second pension – earnings related pension – to everyone with 7-50 years' contributions or credits (eg credits for time off for child-minding).
- Maintain the state retirement age at 65 from 2020.

How can this be paid for?

- Abolish the upper earnings limit on National Insurance Fund contributions (at the moment it is 12% of wages from £7956pa to £41,860pa and 2% thereafter)
- Use part of the National Insurance Fund surplus
- Reform tax relief on private pension contributions
- Tighten up on tax avoidance and evasion
- Do more to maintain and strengthen good occupational pension schemes
- Recognise that placing pensions in the hand of the financial markets is a danger.

Bill Adams thanked Dot for her excellent presentation, and emphasised the problems that we all face. The meeting then broke for lunch.

WELCOME

Eddie Spence welcomed members back to the meeting and informed them that information on our regional MPs was being taken around the meeting. Members were encouraged to note the constituency in which they live, as this can be used for future campaign action.

PRESENTATION FROM CRAIG BERRY
Research Fellow at SPERI
University of Sheffield

Craig's presentation, *Third Time Lucky? The 'Third Consensus' in post-war UK pensions policy, w*as distributed with the delegate packs, and is attached at the end of this report.

The First Consensus
This looked at collective provision and a contributory and redistributive state pension. Initially pension provision was private provision from employers, which was taken over by the State who set up SERPS (State Earnings Related Pension Scheme). It was a complicated system with some people still contracting out, in return for lower NI contributions, and others with more than one pension scheme. Employers saw this as part of the "social wage".

Private pension schemes were not inclusive and the State stepped in to provide a reliable pension scheme.

Social and economic change stretched the first consensus, and the growing power of business abdicated the traditional welfare role. There was perception of State overload and issues around regulation/de-regulation and the growth and expansion of the financial services.

The Second Consensus
Pensions were individualised and the value of both state and employer provided pensions was eroded. The 1980's Conservative government allowed companies to take "contribution holidays" and pensions were marred by mis-selling. It is felt that the change made to pensions by Margaret Thatcher was one of the most important legacies from her government. Thatcher broke the earnings link and set up means testing of social benefits.

This was never a strong consensus and was opposed by trade unions and other pensions' campaign groups. There was an increased onus on people to make private provision for their pensions, but many people did not trust the provision or the market.

Employers were no longer expected to provide a pension scheme – the State said that they could do so if they wish, but did not have to do so.

The Third Consensus

This was based on the Turner Commission's findings in mid-2000s, a Gordon Brown led initiative for a once in a generation change to pensions.

The results of the Commission's proposals were:

- A move towards a flat-rate State pension intended to take everyone above the poverty threshold.
- Employers had a legal compulsion to provide pensions for their employees
- State pensions were encouraged as a savings platform with the National Employment Savings Trust
- The NEST scheme was set up to benchmark the private pensions' industry. This is working to some extent, but could be a lot more effective.

The Good News: State Pensions

- The coalition government has gone further than Turner in proposing a single tier State pension, designed to remove means testing benefits entirely.
- There is certainty for retirement planning
- More will be offered to those without a State Second Pension

The Bad News: State Pensions

- A very low starting rate – significantly lower than promised.
- The system is not equal, as the single tier State pension is still below the poverty level
- The system is complicated with a messy contracting out legacy.

Employers cannot use Defined Benefit schemes, but must use Defined Contribution: even within these parameters, a lot of schemes are run by insurance companies providing schemes for the employer. Individual retirement outcomes are completely dependent upon financial returns.

The changes made by Osborne in the 2014 Budget were, essentially, a tax avoidance scheme for the well off, undermining the mass market in annuities.

The single-tier reform does have potential, but we need to phase in a higher rate or have a higher single-tier starting rate. 8% contribution is a myth, especially as low paid workers are excluded. Also, the benefits of tax relief are heavily skewed to higher earners, who do not pay it back.

When people move jobs, and most people move 11 times in their working life, they can use the automatic transfer system to established so called “super trusts”.

The State should provide its own annuities. This is a feasible alternative because of the numbers of working people who would pay into such a scheme.

We need to look at the whole investment issue and streamline how it is regulated. It is hoped that NEST will drive up standards in the asset market industry, but we need a NEST for asset management. What we do not need is to fund the move towards PFI and prop up the *Age of Austerity* by furthering the privatisation of public services.

Questions & Answer Session with Craig Berry

Questions:
Kevin Pattinson, CWU: Will trustees be able to stop Robert Maxwell type raids on pension schemes?
Margaret Gale, UNITE: Is there any truth in the suggestion that Gordon Brown led a raid on pensions in the 1990’s/early 2000’s and took £millions out of the funds?

Response from Craig Berry:
The question of Gordon Brown’s “pensions’ raid” is continually being raised by the right wing media. He changed some of the tax rules and pension funds suffered some losses as a result. However, the impact was not significant: the rate of scheme closure rose during this time so that tax changes did not make a huge difference. Pensions held at around 130% of UK GDP.

To secure pensions and annuities, schemes should be run through National Insurance. We need to develop a consensus to make changes in pension provision, working with employers and pension scheme leaders to take forward.

Regulations have been put in place to stop future raids on pension schemes, but money should be invested for the general good of the scheme’s members.

Question
Can we assume that you worked to the best EU models when forming the ideas you have presented today?

Response from Craig Berry:
There are different examples of pension schemes to be found throughout the EU, which produce fairer outcomes. There are, of course, different results, for example Germany has a much more efficient system, run through corporate government. We need a total change in our pension system.

PANEL DISCUSSION

Dot Gibson and Bryn Davies took questions from the floor

Tracey White, USDAW expressed her thanks to Dot and asked for a copy of her presentation to help with future campaign work and also asked for suggestions to get political candidates involved in these issues.

Dave Houlgate, UNISON asked how we can engage with young people to galvanise them into becoming active. He referred to the constant attacks being made on pensions and felt that, if the Tories get back into power, they will continue to take money from pensions.

Sheila Banks, PCS felt that the meeting has been excellent and welcomed the breadth of information. She reiterated what was said by the USDAW colleague and would welcome any feedback.

Chris Beastall, TUC stated that a full report with presentations will be distributed to everyone attending the seminar.

Bryn Davies stated that, as trade unionists we have been fighting for our occupational pensions, but future campaign work should include the State pension.

Ross Campbell, UNITE referred to the Citizens Advice Bureaux and the fact that, without much consultation, the Government has said that CABs will be providing guidance on pensions. The CABs have never given financial advice and many are operating with part-time specialist help and little staff training. If the CABs are also asked to give advice on State pensions, this would mean that other people would lose out on advice on things such as welfare benefits, and the bureaux would be overwhelmed.

Dot Gibson replied that the best way to get a response from MPs and Parliamentary candidates is to keep on pushing. There is an NPC Lobby of Parliament next week, at which a representative from each of the main parties will be speaking. Discussion will be centred around the Pensioners' Manifesto.

She urged people to continue to campaign, because this will bring the generations together. It is difficult but the NPC is starting to achieve this, with more young people becoming involved in the Pensioners' Parliament. Most older people have children and/or grandchildren that they can encourage to join our campaigns.

Dot said that she would be in favour of family membership of trade unions. The trade union movement is extremely helpful to the NPC, and without it the NPC could not operate as well or effectively. The problem is that the NPC is not given the opportunity to speak at TU demonstrations, or at high level TUC meetings, such as Congress. Dot will be meeting with the General Secretary of the TUC, Frances O'Grady, in the near future and will be raising this issue. She is also hoping to get NPC involvement in young people's conferences etc.

Bryn Davies endorsed everything that Dot said, and added that it was really good to hear her on the radio.

We are trying to engage young people, while the media is reporting a "war between the generations" or "older people are stealing young people's future". The war is not between old and young but between those with money and those without: there is inequality in every generation.

We are in recession, but we are overall still richer than people were 20 years ago. The issue is not that the money isn't there, but to whom does it go and why the few and not the many? Most young people support the provision of a decent income for older people.

The trade union movement has always struggled with the debate, and its emphasis has been on private pension schemes for everyone, negotiated through collective bargaining. The balance was more or less right under Barbara Castle's scheme: SERPS is a good scheme and the majority of people retiring after 2010 will be getting more than £150 per week because SERPS gave them a good occupational pension. When SERPS was established (and earning related) the flat rate pension would be higher than £150 per week if it had been maintained.

The CABs cannot be expected to give guidance on pensions, and trying to use them in this way feels like it will be disastrous. The PLP finds it difficult to oppose choice, but people do not really want choice, they want a decent pension. We are moving towards a situation where everyone will be an expert in making a difficult decision which is going to affect us for the rest of our lives. Pensions must work, they must be adequate and secure and provided by the State.

Bob Towner, York Older People's Assembly agreed with previous comments, and added that we need simplicity and certainty – the new system is far too complicated.

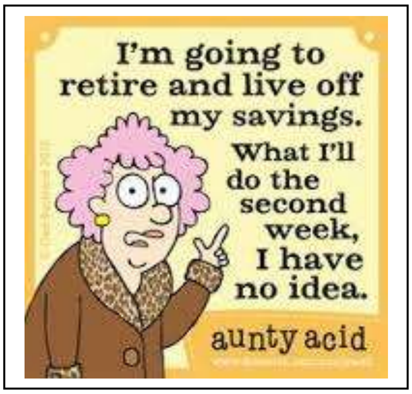
The aggression towards older people continues in the press, and we seem to be being blamed for austerity because of our bus passes, fuel allowances etc (fringe benefits introduced by the Labour Government). The NPC is campaigning to keep these benefits, even if they go out to people who do not need them.

The York Older People's Assembly is using NPC material and information and hopes to hold an election forum in York, where local prospective MPs will be presented with the Pensioners' Manifesto and asked to pledge support. This could be done in other areas.

Margaret Gale, UNITE asked what will happen if employers want to opt out of a pension scheme after a couple of years.

Chris Beastall, TUC asked for clarification around the specific issues affecting women born between 1951 and 1953.

Bryn Davies said that the position of women in this age category was a difficult one because the system that has been adopted is so complex and a special clause had been introduced to deal with discrepancies affecting these women. This affects women from 6 April 1951 to 5 April 1953, who will not be able to claim the single-tier pensions, but still have to work longer. Men of the same age will be able to claim the single-tier pension, but will not be able to retire until 2 to 4 years later than a woman. **Dot Gibson** added that the NPC will be issuing a briefing on this issue.



Dot continued:

What happens to the money?
People are auto-enrolled into employers' schemes and every employer is obligated to provide a pension scheme. If people opt out, they must be offered an alternative. The employers have a choice as to which scheme they provide and where the money goes, but they cannot opt out of providing a scheme of some sort. Employees can change their scheme, although expenses may be deducted when changing schemes.

Universal Benefits
If we are involved in discussions that some people are well off and do not need a bus pass, we lose the point. These are "universal" benefits, which have come into being because successive governments have tried to cover the fact that we do not have a decent State pension. 25p extra for the over 80s was based on the cost of a bag of coal!

The NPC is constantly campaigning for an increase in benefits and Dot firmly supported the idea of hustings and getting candidates to state their position around these issues.

Young or Old?
Over the last couple of years, on almost every occasion, the NPC has been invited to speak to the media about the suggestion that "older people are denying younger people a future". This is neither a fair nor truthful statement: the NPC has found that young people support their campaigns around pensions, social care, universal benefits etc. The only problems the NPC has with young people is getting them in the same room, but they are continuing to campaign to get the message across.

Bryn Davies added his support, saying that we do not have to be apologetic about universal benefits:

- We have paid for them
- We have worked for them
- Many more older people would be socially excluded without a bus pass

If there is a problem with too much going to older, richer people, then subsidise the social benefits through increasing taxation.

Peter Stirk, UNISON asked about the position of Trustees, and possible changes in EU regulations regarding the requirement of professional qualifications and the removal of "amateur" Trustees.

Also, will changes in the Pensions Authority (formerly known as the Taxation and Pensions Board) mean that more people will come out of the Defined Benefit scheme to gain access to their money, and will this be the next pension scandal?

Bob Dickson, PCS said that, given that the small pension schemes will be less cost effective to run, why do we not offer a super small scheme?

Mashud Haque, UNISON asked, if we can find money for wars in Iraq and Pakistan, what is stopping the government from giving current pensioners a decent State pension?

Bryn Davies stated that there has been a proposal to suggest that only professional Trustees will be allowed to fulfil this role, which will rule out nominated Trustees. It is hoped that this will not happen.

The proposals around DC schemes are that people will be able to take out their pension as a lump sum whenever they wish, but will pay tax on it. This cannot be done with a DB scheme which will only pay out the pension promised, although there will be a statutory right to transfer your money into a DC scheme where it will be possible to withdraw it as cash. Some people will do this, although it is not necessarily in their best interests.

Initial indications show that people are not very interested, but this legislation has not yet come into force, which will happen in April 2015, after which it may become a real concern.

With regard to annuities, two weeks ago there was an article which said that if people have £100,000 in the pension pot, 25% would not be taxed. The remaining £75,000 would be taxed and, if taken out when they are still at work and already earning, this could take them into the top tax rate for that year. Many people are worried about their grandchildren not being able to get anywhere to live, and are using their pension money to enable their grandchildren to put down a deposit. Others want to clear debts. We are not talking about spending on luxury items.

Bryn confirmed his total opposition to the war mongering of governments, but it is not a simple matter of moving money into pensions and benefits. However, there is money which could be used to pay for these things. We could build proper housing and put money into hospitals and globally into giving people a secure, healthy life.

CONCLUSIONS & CLOSURE

Dot Gibson urged people to join the NPC: joining as a Friend of the NPC will only cost £1 per year, but if every trade union member did this, it would enable the NPC to campaign even more effectively. Please support, and help the NPC to get the message out across the generations, to enable us to go forward together.

Bryn Davies said that this had been an intense event, with a lot of information and reiterated that it is not that we cannot afford to pay for social benefits, it is that we need the political motivation to make this happen.

Eddie Spence reminded people to give their details of their MPs, to enable the Retired Members' Forum to campaign effectively in the future. He also urged people to contact their MPs directly, and to look at organising similar hustings events as that proposed for York.

A full conference report will be distributed after the seminar.

Eddie thanked Barry Bothamley for organising today's venue. He thanked Dilys Beaumont for her hard work today and Chris Beastall, who has put in a great deal of work to make today's event a success. He also thanked everyone for attending and making today interesting and enjoyable.

DOCUMENTS DISTRIBUTED AT THE CONFERENCE

Presentation by Bryn Davies, Union Pension Services Ltd.
(attached)

National Pensioners' Convention:
NPC information, national and regional
NPC Pensioners' Manifesto 2015
Model Motion on State Pension
NPC Campaign bulletin, November 2014
NPC Bulletin, *Speaking Out*

Presentation by Craig Berry, University of Sheffield
(attached)

TUC Benefit Cuts by Household Type document

UNISON's Ethical Care Charter

Yorkshire & the Humber TUC
33 Park Place
Leeds LS1 2RY
T: 0113 242 9696
E: cbeastall@tuc.org.uk