

Pensions Action Group

Immediate Press Release

November 4th 2019

MP's retiring with full inflation proofing, unlike FAS pensioners!

We are advised that around 60 Members of Parliament have chosen to stand down at the end of this Parliament, and not to stand for re-election, for various reasons.

Of these MP's, 13 have been in Parliament since before 1997. Their final salary linked pension, paid for by their own contributions and the taxpayer, are fully protected against inflation, at a rate not now seen by many schemes in the private sector.

This inflation proofing will be calculated on their entire pensionable service, from both before and after 1997, yet workers who lost most of their company pensions after their schemes failed, and who are now in the Financial Assistance Scheme (FAS) are denied any inflation protection for any of their pensionable service accrued before 1997. This is despite rulings from the European Court of Justice relating to Article 8 of the EU Insolvency Act. Most of the schemes involved did originally provide both pre and post 1997 inflation protection, but the Government and the DWP decided that because full inflation protection did not become mandatory until 1997, anyone in FAS should be denied inflation protection relating to their pre 1997 pensionable service, whether or not their scheme provided for it!

In addition, our retiring MP's will also rightly receive their full Guaranteed Minimum Pension (GMP) relating to other elements of their pensions which they rightly expected and paid for, yet once again recipients of FAS are denied much of theirs!

We do not deny the retiring MP's their pension, with their full inflation and GMP protection, but why should the workers who lost their pensions, partly due to Government maladministration as detailed in the Parliamentary Ombudsman's 2006 Report 'Trusting in the Pensions Promise', be denied the same pre 1997 inflation proofing and full GMP payments that they had paid for? Surely this is totally unfair and simply not right!

After all, it is the taxes that these workers paid, and continue to pay, that help fund all MP's pensions, and without their full inflation and GMP protection these workers are left with a swiftly declining value to their retirement income.

We ask the Government and the DWP to act responsibly and to restore the full inflation protection to these workers without any further delay. During the run up to the General Election we are looking for firm, irrevocable pledges from all parties to correct this social injustice. We have had weak, empty promises before but we cannot pay our bills with them!

Ends

On Behalf of the Pensions Action Group

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