

Tackle Pensions Now, Government told

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People's protest – pensions
have shot up the political
agenda

Following the Pensions Commission's first report, published last month, which gave the UK "four unavoidable choices" over future provision, the Government is being urged by NGOs, unions, business organisations and opposition parties to simplify the basic state pension as a first step to vital pension reform

In response to the Pensions Commission report, Age Concern England's Director General, Gordon Lishman, said: "The Government must commit to a complete overhaul of the system. One in five pensioners lives in poverty and half of all pensioners already qualify for means-tested support because their incomes are so low. The future tomorrow's pensioners face is even worse. "Increasing the basic state pension to £105 a week and moving away from means testing is crucial. Many people on low and average incomes now make a rational decision not to save because they will be little or no better off for doing so."

Mr Lishman said people should be able to work longer, but added that this must not lead to raising the age of entitlement to the basic state pension, which would increase inequalities:

"Average life expectancy amongst male manual workers is just 71 and many would die before reaching state pension age."

The Shadow Work and Pensions Secretary David Willetts MP said the current state benefit system was "far too complicated" and needed reform: "Means testing within the state system both increases the complexity and reduces, and in some cases reverses, the incentives to save via pensions which the tax system creates."

Liberal Democrat Shadow Work and Pensions Secretary, Steve Webb MP, said:

"Any solution to the pensions crisis must start with a decent basic state pension, payable free of means-testing, on which hard-working people can build their own savings."

The Pensions Commission report came after statements made at the Labour party conference by Prime Minister Tony Blair who announced that a third term Labour

government would provide "security and dignity for everyone in retirement" within a pensions system "with the basic state pension at its core." An end to means-testing was signalled by Pensions Minister Malcolm Wicks at a fringe meeting in Brighton when he stated that pension credit was a "short- to medium-term policy only."

The Pensions Commission's first report last month warned that:

- workers' incomes will be cut by a third when they retire
- 12 million people over the age of 25 are not saving enough for their retirement
- spending on pensioners will have to rise by £57 billion a year to keep pensions at the current level unless drastic action is taken
- 11.3 million workers are not making any contributions to a private pension, including 1.7 million self-employed people

The Pensions Commission's four unavoidable choices:

- future pensioners will be poorer than they are today
- taxes and national insurance contributions will have to rise or public spending will have to be cut
- each generation will need to save more and be reliant on the next generation saving more
- retirement ages will have to rise

Cardboard cut-outs tour south coast to remind parties of the power of the grey vote

The Age Concern England parliamentary team had more baggage than usual as they travelled to party conferences this year. **Helen Simpson**, the charity's senior parliamentary officer, reports on life on tour with a stack of postcards, an eye-catching stand and six large cardboard cut-out characters who, despite their two dimensional appearance, gave politicians of all hues an insight into the diverse views of the nation's baby boomer generation



Age Concern England prides itself on producing an eye-catching stand to attract the attention of passing politicians as they mill around at the annual party conferences. Last year we had them playing roulette, while this year in Brighton it was a special game of noughts and crosses – designed to find out just how closely MPs really are listening to the voices of older people. We had a lot of interest in all our activities at all three conferences – a reflection that politicians of all parties are well aware of the power which will be wielded by “grey voters” at the next general election.

Postcards

No visit to the seaside is complete without a postcard – and we gave out plenty in Bournemouth and Brighton emblazoned with our manifesto calls.

We believe there are three over-arching challenges which face a new government:

- The challenge of ensuring an adequate income for all
- The challenge of breaking age barriers
- The challenge of building efficient public services



Photo Credit: Mousetrap media

Theresa May MP, Shadow Secretary of State for the Family with Gordon Lishman at the Conservative party conference

Joint Working

Working with other organisations to achieve real and lasting change for older people was once more a key element of Age Concern England's conference activity. The charity hosted several joint events, including fringe meetings with End Child Poverty on tackling Child and Pensioner Poverty. The two organisations launched a report, **Family Misfortunes: the links between child and pensioner poverty** in September.

This argues that today's poor children are tomorrow's poor pensioners. While the Government has pledged to end child poverty within a generation there is no parallel pledge for pensioners. The two charities are calling on all parties to end poverty across all generations within a generation. During the meeting at the Conservative conference the Shadow Work and Pensions Minister, David Willetts MP, said he was sceptical about setting targets like this because they are “targeting the target not targeting the problem”, but clearly enjoyed the lively discussion chaired by Guardian columnist Polly Toynbee. At the Liberal Democrats' meeting Councillor Chris Clarke, from the Local Government Association, said there needed to be a consensus about child and pensioner poverty at a national level, and the Liberal Democrat Shadow Chancellor Vincent Cable MP said that it was a top priority to get pension policy right.

Celebrating Older Voters

Age Concern England hosted joint receptions with Help the Aged and the National Pensioners Convention at all three conferences. The theme of the receptions was celebrating older voters, and it was here that politicians and political activists came face to face with six arresting cartoon figures drawn very much from life, representing the many facets of the nation's baby boomers, who make up an increasingly large part of the “grey vote”.

These “voters” include the 60-something Healthy Wealthy, who's most likely to identify with the Tories (32%), worries about the cost of higher education for his children and has made financially astute pension plans; the Life-Lover, a backpacker in her 40s, who hates discrimination, has no intention of growing old gracefully, is most likely to identify with

Labour (26%) and prides herself on a better social life than her kids; and the 60-something Measured Traditionalist, who cares about the planet, makes careful financial decisions, is most likely to identify with the Conservatives (30%) and worries about MRSA in hospitals.

Alongside them stood the Home Comfort in her 60s, who doesn't have much money, is most likely to identify with Labour (41%), likes to potter in the garden, is frightened by new technology and worries about crime, badly behaved children and the state of the planet; the Worn-Out Worrier, who could be in his 40s, 50s or 60s, also most likely to identify with Labour (42%), likes to play the lottery, loves to watch TV and looks forward to a retirement looking after the grandchildren with some trepidation, fearful that his income will depend on eligibility to benefits; and, last, but by no means least, the 40 or 50-something Good-Time Grafter, who enjoys propping up the bar, going on package holidays to Europe and spending what he hasn't got because he works hard and deserves to enjoy himself. He's also most likely to identify with Labour (34%) but worries about how he's going to afford to retire, when he'll be forced to live on the State Pension.

Pensioner Backlash

All six received a lot of attention – not surprising when you consider how important the grey vote will be to

politicians from all parties in the next General Election. Research from Age Concern, published in the Observer newspaper on September 26, highlighted just how much damage a “pensioner backlash” could inflict on some of our most famous political names. For example, the junior Health Minister Stephen Ladyman MP, who is responsible for the crucial issue of long-term care, has a majority of only 1,792 and more than 16,000 people over the age of 65 in his constituency.

The analysis shows that the Conservatives are not free from the threat of losing their top names to grey power either: both Oliver Letwin MP, the Shadow Chancellor, and David Davis MP, the Shadow Home Secretary, are vulnerable.

Floating Voters

The baby boomers are still among the most likely to turn out and vote, but they're also now more likely to switch their vote. The fight for the allegiance of older women may be a particular battleground: research published by the Fawcett Society, the organisation working for equality between men and women, shows that Labour's support among females over 55 has fallen by five per cent since 1997. Women are at most risk of poverty in retirement, and the Fawcett Society and Age Concern England are running a joint campaign to bring about changes in policy which will help to lift older women out of poverty both now and in the future.



Photo Credit: Mousetrapp media

Liberal Democrat MP Steve Webb speaking at Age Concern's joint reception said “Action is needed now.”

We were delighted that the new Secretary of State for Work and Pensions, Alan Johnson MP, used our Labour reception as an opportunity to speak about the good work which Age Concern England, Help the Aged and the Pensioners Convention carry out. He also talked of the need to end the “cliff edge” between work and retirement. Ministers Baroness Hollis and Malcolm Wicks MP from the Department of Work and Pensions also attended this event, along with the Deputy Prime Minister, John Prescott MP.

Compulsory Pensions

Mr Wicks was also present at a meeting hosted jointly by the Co-operative Insurance Services, the Fawcett Society and Age Concern England, where compulsory pension contributions were discussed. He said that it was important to realise the rights and duties of individuals. Jeannie Drake, a member of the Pensions Commission and an official of the Communication Workers Union, talked about the pension crisis from the viewpoint of members of black and minority ethnic communities and women.

From the priority our politicians gave the issue at party conferences it's clear that pensions are going to rise further up the political agenda as the next election draws closer.



Photo Credit: Mousetrapp media

Alan Johnson MP, the Secretary of State for Work and Pensions, flanked by Age Concern's “Life Lover” and “Goodtime Grafter” at the Labour party event

Flexible working vital to new European economy

A recent meeting of European ageing organisations was told older people in the UK need to be given life-long learning opportunities and flexible working arrangements in order for the country to take advantage of the European Union single market's 455 million potential customers



Speaking to an AGE (the European platform on ageing) UK meeting on 17 September, MEP Richard Ashworth (pictured), who represents the south east of England, said "pushing back barriers and extending opportunities" was more important than ever. He called for effective implementation of the legislation to outlaw discrimination in employment and training, due to be in place in the UK by October 2006.

Mr Ashworth is a Member of the Intergroup on Ageing and Parliamentary

Private Secretary to the Leader of the Conservatives at the European Parliament.

He told the meeting that he looked forward to the reconstitution of the Intergroup on Ageing at the European Parliament and agreed with AGE members that MEPs should act to make this happen by signing the reconstitution document, which is currently being circulated by AGE.

AGE UK members were invited to access the AGE web debate on

anti-discrimination, by visiting www.age-platform.org. Contributors to the debate include the European Employment Commissioner, Stavros Dimas, and the European Commissioner for Health, David Byrne. Topics covered include whether a health insurance provider should be able to require older people to pay more for their premium and why older people are prevented from doing voluntary work after a certain age.

The AGE UK secretariat can be contacted on: kirkh@ace.org.uk

What's the secret to happiness in later life?

The first ever UK Inquiry into Mental Health and Well-Being in Later Life is calling for evidence of what helps people stay positive throughout later life.

Led by Age Concern and the Mental Health Foundation, the three-year inquiry will investigate this much-neglected area of research and challenge the misconception that mental ill health is a natural part of the ageing process.

Michele Lee, the Inquiry's Project Manager, said: "With an increasingly ageing population, it is vital for us to gain a better understanding of mental health issues that affect older people.

"We urge you to tell us your views on what helps people achieve good mental health and well-being in later life. The information you give us will be used to make recommendations for ways to improve older people's mental health and well-being."

The deadline for responses is 19 November. To submit evidence, please visit www.mhilli.org
For more information contact Michele Lee on 020 8765 7434 or Leem@ace.org.uk

Lots to laugh about – growing older might mean growing wiser,
but certainly doesn't have to mean growing sadder



Why it's time to act on pensions

Every time Neil Churchill, Age Concern England's Director of Communications and Marketing tells people where he works he gets a rush of complaints about the UK's pension system. Here he talks about the new report from the Pensions Commission, which has presented politicians with one of the biggest political hot potatoes they'll handle before the next election



Although the Government has worked hard to get more money to the poorest pensioners, with pensioner poverty reduced by a fifth since 1997, it has not yet responded to the clamours of ordinary working people, many of whom are finding it impossible to build a decent retirement income. The Pensions Commission report should spur the Government on to action.

Since the stock-market downturn employers have been putting less into our retirement pockets, while the Government plans to spend proportionally less on each of our state pensions. Instead, we are all being asked to do more for ourselves. But millions of us are saving

far too little to enjoy the kind of income we expect in retirement.

People working in shops, factories and small and medium-sized companies up and down the country are missing out on pensions from their employers. Many find other demands more pressing than saving for a pension by themselves.

Those relying on the state pension will see a massive drop in income. People on average earnings get a poorer deal from tax concessions and are less able to bear asset market risks than those who are well-off. We must not create yet another group of vulnerable older people.

The kind of action we need requires more than tinkering with the system.

The Pensions Commission suggests that a massive four per cent of our national wealth needs to be shifted into retirement savings in order for pensions to remain at the same level in comparison with earnings in the future. That won't be possible unless we are prepared to work longer, pay more tax and save more. The nation will have to make difficult choices about higher National Insurance contributions, higher savings, and later retirement.

Once in a generation, there is an opportunity to reshape our pension system to ensure everyone gets a fair chance to build an adequate retirement income. The Pensions Commission has presented politicians with that chance.

Age Concern England's three point plan to help present and future pensioners:

- Enable people who want to work longer to do so by challenging ageism in employment, making work flexible and ending arbitrary retirement ages
- Pay the Basic State Pension at £105 a week and raise it to keep pace with living standards
- Reduce means-testing. Currently two thirds of pensioners get means-tested benefits and this is going to grow

Other Viewpoints

“ The implications of the analysis of the report are clear: the state pension system must be dramatically simplified to give everyone a decent basic pension which would reduce the incidence of means-testing and create better incentives for people to save for their own retirement. And we must have a national debate about the age of retirement. ”

ippr (Institute for Public Policy Research)

“ If the Government is to restore trust ...and remove the risk associated with taking out a pension, it must embark on a truly radical reform of the entire system, including a simplified and improve state pension system. Only then will today's consumers know what choices face them, and future generations will not have to pay the price for today's pension policy failures. ”

Which? (formerly known as the Consumers' Association)



Photo Credit: Joanne O'Brien for portdigital.co.uk

A carefree retirement? Only if the government addresses the pensions crisis now

Grandparent of the Year 2004



Jean Boyd, 56, from Telford, Shropshire won the Olympic gold of British grandparenting when she was named the Age Concern Grandparent of the Year 2004. She was nominated by her granddaughter, Melissa Wolfe, 16, for all the love and support that she gave Melissa when she was diagnosed with a brain tumour when she was 8 years old and again when Melissa faced another traumatic incident when she broke her neck in a trampolining accident when she was 12.

Jean's dream is that Melissa will walk again. She regularly drives 1000 miles to a specialist clinic in France with Melissa, looks after her whilst she is there and helps her with exercises. She has even done the Great North Run three times to raise money so that Melissa can continue her treatment

Cherie Booth QC presented the award on September 23 at a ceremony hosted by GMTV presenter Fiona Phillips. The award is an annual celebration of the importance of grandparents in family life.

Pension Credit abroad campaign update

MPs have joined Age Concern England's campaign Let's Make Pension Credit Work Abroad, with more than 40 already signed up to an Early Day Motion (EDM) calling on the Government to end an unfair rule which means that recipients who travel abroad for

more than four weeks have to re-apply for the benefit on their return.

Many older people leave the country for long periods to visit relatives abroad. This is a problem that particularly affects members of black and minority ethnic groups for whom it is important to maintain

links with their country and origins.

Age Concern England is calling on MPs from all parties to sign EDM 1730, asking the Government for a change in the rules and to extend the length of time allowed to a minimum of 13 weeks in line with other payments such as Housing Benefit.

Your Say

We'd like to know what you think of the new-look Reportage. Please send any comments to Age Concern England's Parliamentary Assistant, Hannah Pearce, at pearceh@ace.org.uk

www.epolitix.com/forum/age-concern • www.ageconcern.org.uk

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