

Ministerial welcome for women's pensions campaign

A Government Minister used a fringe meeting at the Labour Party Spring Conference to praise Age Concern England and the Fawcett Society for their joint campaign *Let's Make Pensions Work for Women*.

Speaking in Manchester on March 13, Maria Eagle MP, the Parliamentary Under-Secretary of State at the Department for Work and Pensions (DWP), congratulated the two organisations for "their analysis and the work of the campaign" and confirmed the DWP was looking closely at the campaign's recommendations.

The Minister was one of three speakers discussing the issue of women pensioner poverty and ways to improve retired women's standard of living. She was joined by

Katherine Rake, Director of the Fawcett Society, a leading organisation working for equality between the sexes and Michelle Mitchell, Head of Public Affairs at Age Concern England. Diana Holland, the T&G union's National Organiser on Women, Race and Equality, chaired the meeting.

Ms Eagle said the Government was clear that pensioners should "not be written off to poverty in old age" and that they were seeking to address some of the "historic inequalities" of the pensions system.

Reflecting on the campaign, which was launched in May 2003, Ms Mitchell said the issue of female pensioner poverty was "shooting up the political agenda." She pointed out that one in four single

women pensioners live in poverty and that for every pound received by a man in a pensioner couple, his partner receives just 32p. A poll conducted at the beginning of the year found that 91 per cent of women think that the Government should make a higher basic state pension a priority.

Research conducted by the polling organisation ICM for Age Concern England and the Fawcett Society found that more than half of women do not save more into pensions because they have no spare cash. Given an extra £100 a month, just one in ten would put the money into a pension. One in four would use it to pay off debts or spend it on their children.

Ms Rake pointed out that,



Maria Eagle MP: supportive

despite rising divorce rates and separation, almost a quarter of all women say they are relying on their partner to provide for them in later life:

"Even among 25 to 34-year-old women one in five say they are relying on their partner for a pension. Our research shows that just three in ten women are confident that they have a good pension and are saving enough."

Summing up the discussion, Ms Holland said it was important that the Government's plans to improve the lot of the country's female pensioners found "a way where people are able to do more than just manage."



Manchester's G-MEX Centre some years before New Labour came to town for its spring conference

Four key proposals to combat women pensioner poverty:

- Reducing the Lower Earnings Limit (LEL) to bring more low-paid workers in the National Insurance system
- Introducing a fairer more accessible system of carers credits
- Paying pensions to everyone who pays National Insurance
- Making second pensions work for women

Photo: Manchester Evening News

Inside this issue...

Pensions bill Second Reading • Government's student loan policy 'ageist' • Budget analysis • Europe in the spotlight

Compensation calls at Bill's Second Reading

Hundreds of workers who face a bleak retirement following the collapse of their companies' pension schemes demonstrated outside Parliament on March 2 as the Government's Pensions Bill received its Second Reading.

One MP to plead for compensation was Labour MP Kevin Brennan, who is campaigning on behalf of ex-employees of Allied Steel and Wire who paid into an occupational pension scheme for more than 40 years but now face receiving only a fraction of what they are owed. Mr Brennan told the Commons there was a moral, legal and public interest argument for retrospective compensation: "We have here, effectively, a case of breach of promise."

However Andrew Smith MP, Secretary of State for Work and Pensions, said that it would be inappropriate for the Pension Protection Fund to extend payouts to the estimated 60,000 workers who have already been left high and dry by closures:

"It is essentially an insurance scheme and no insurance scheme can protect you against events that have already happened. None of us, if taking out car insurance next week, would expect it to cover us for an accident we had last week."

Age Concern England believes that the Government should consider options to compensate the people who have suffered in recent years because their under-funded pension schemes have been wound up. However, it does not want the new Pension Protection Fund to bear the brunt of retrospective funding.

The Pensions Bill also contains proposals to make schemes safer, easier to run and to encourage people to plan properly for their retirement. It would reduce the level of required built-in inflation protection from 5 per cent to 2.5 per cent to reflect lower inflation rates. (Some firms

have closed schemes because of the current high rate of inflation protection.)

Measures to encourage people to provide for their retirement include allowing people to delay taking the state pension in order to get higher payments or a lump sum later, improving pension information and requiring employers to advise staff.

Mr Smith said: "In extending TUPE (transfer of employment rights), in putting a pro-active and tough regulator in place, in cutting through the layer cake of complexity in regulation, in opening up new choices for

retirement and, crucially, through the Pension Protection Fund this Bill is a major step forward for pension security and confidence."

Nigel Waterson, the Conservative MP for Eastbourne and Shadow Economic Affairs Minister said the fund would be "extremely vulnerable" because of its funding mechanism and the potential for claims that had been stored up to be made against it.

He told MPs he was tabling amendments to the Bill to set up a separate interim protection fund, administered by the

Pension Protection Fund, to be endowed with any remaining assets of schemes in wind-up and drawing on unclaimed assets.

Vera Baird, Labour MP for Redcar, who supports the Age Concern England/ Fawcett Society campaign *Let's Make Pensions Work for Women* said:

"The Bill is good, but I am a tad disappointed that it does not do more, and especially that it will not tackle the poverty of those with incomplete contribution records and limited opportunities to save—they are usually called women.

"It is not surprising that pensions represent an issue for women. Pensioners' incomes have increased by £7 billion a year since 1997 and, primarily through means-tested benefits, poverty among pensioners has been reduced by one fifth. However, one in four single women pensioners still live in poverty, and only 13 per cent of women have a full state pension."

Ms Baird went on to suggest reforming the current Home Responsibilities Protection with a fairer, more accessible system of carers credits and reducing the Lower Earnings Limit to bring lower paid workers into the National Insurance system.

The Bill is now in Committee and will be debated during March and April.



Demonstrating for the future of their occupational pensions

Baird gets 156 signatures

Vera Baird's Early Day Motion on Women and Pensions has received 156 signatures from MPs concerned about the issue. The text of the EDM reads:

"That this House welcomes the launch of Age Concern and the Fawcett Society's report One in Four; expresses concern that one in four single pensioner women live in poverty and that only 13 per cent of all women pensioners

have managed to build up entitlement to a full basic state pension; recognises that this is a problem which will continue in the future with one in five women currently aged between 25 and 34 relying on their partner for a pension; and supports the report's call on the Government to take action to reduce poverty for today and tomorrow's older women pensioners."



Vera Baird MP

Photo: PA/Ian Nicholson

Photo: Parliamentary Recording Unit

Ageist loan policy stops lifelong learning

The Government's policy of refusing student loans to people over the age of 54 was condemned as "blatantly ageist" by Baroness Green-gross in the House of Lords on March 1.

She asked Baroness Ashton, the Parliamentary Under-Secretary of State at the Department for Education and Skills, about the Government's plans to amend rules for student loans to benefit older and part-time students.

The Minister replied: "The age limit is 50 for eligible students... Those aged 50 to 54 at the start of their course can also apply for a student loan provided that they plan to return to work after finishing their course. We already cancel loans at the age of 65 and have no plans to change the age restrictions."

Baroness Green-gross said she was "disappointed" by the Government's response and pointed out that the Lords Economic Select Affairs Committee recently concluded that "student loans were blatantly ageist."

"Given that people live longer and will have longer working lives, how can the Government's current policies really encourage lifelong

learning?" said the Baroness.

Lord Barnett quizzed the Minister about the position of part-time students, claiming that the Higher Education Bill's proposals for top-up fees would discriminate against part-time workers.

The Minister said that part-time higher education students would no longer be offered loans, but given non-repayable grants within a means-tested system that would "apply to all students, regardless of age." She said that part-time students should be recognised for their contribution to the Government's aspiration for all people to access higher education and that her department was looking into this issue.

Age Concern England believes that the current upper age-limit of 54 for new student loans is a clear example of age discrimination and has urged the Commons committee examining the Higher Education Bill to support a New Clause 3, which reads: "Access to Student Loans – In determining eligibility for student loans age may not be taken into account."

Michelle Mitchell, the charity's Head of Public Affairs, said: "Age Concern frequently

hears from people who have been unable to take out student loans because of their age. It is one of the most blatant pieces of age discrimination in any area of public policy. It is certain to be challenged in the courts when age discrimination legislation, which covers higher and further education and vocational training, is

introduced in October 2006.

"Our vision of society is one in which the wide range of capabilities that people of all age possess are recognised, and individuals are judged on their merits, rather than on the basis of uniform age-based policies. This is why we are urging committee members to support the New Clause 3."



Staying the course: a mature chemistry student at Keele University

Photo: Courtesy Keele University

MPs urged to join *Your Rights Week*



AGE Concern £millions unclaimed. Forget good luck, know your rights.
A guide to claiming your benefits

Your Rights Week: April 16 to 23

Age Concern England launches its annual *Your Rights Week* on April 16. This is a seven-day drive to help older people boost their income by claiming the benefits which are rightfully theirs.

Helen Simpson, Age Concern England's Senior Parliamentary Officer, said: "This year's slogan is 'Forget good luck, know your rights.' It aims to highlight the benefits older people are entitled to, and which many fail to claim. We hope that MPs will hold special surgeries during the week for

older people, and attend the advice sessions in shopping centres and supermarkets that local Age Concerns may be running in their constituencies."

More than two million pensioners now live in poverty yet older people are more likely than any other group to miss out on benefits cash. But unclaimed Council Tax Benefit is just the tip of the iceberg, with billions of pounds in benefits cash failing to reach pensioners' pockets every year.

Benefits that older people miss out on include Pension

Credit, Housing Benefit, Council Tax Benefit or non means-tested cash such as Attendance Allowance. In some cases, pensioners can double their income. Some older people are put off claiming because they don't realise they are entitled, others find the system too complicated or feel there is a stigma attached and would rather 'make do'.

For more information please contact Hannah Pearce on 020 8765 7274 or email pearceh@ace.org.uk

Budget Day 2004 – older people miss out again



Gordon Lishman, Age Concern England's Director General, examines the implications of the 2004 Budget for older people's lives

Older People are not winners in this Budget and once again they have been largely ignored. The Chancellor's promise to give an extra £100 to over-70s this year shows his recognition of the council tax crisis – but this is a short-term measure and not the answer.

While we recognise that the Government has been working hard to tackle the issue over recent years, one in five pensioners, and one in four single women pensioners, still live in poverty. It's a disgrace that the state pension is so inadequate that people have to rely on one-off payments to cover daily living costs. The Government must turn its back on means testing and increase the basic state pension to a minimum of £105 per week.

The Chancellor made a commitment at Labour's Spring Conference to end pensioner poverty. We look forward to this generation being the one that "eradicated child and pensioner poverty." However, there is a long way to go until this ambition becomes a reality, and Age Concern England looks forward to working with the Government and discussing ways to improve the situation.

All politicians would do well to remember that the 'grey vote' is growing: the over-50s cast one third of the votes at the last General Election. The Chancellor should listen to their voices.

We are also deeply frustrated that the Government has ignored pension reform for women and carers. It has publicly recognised the state pension system is failing them yet continually breaks its promise to act. Once again this group has been left empty-handed.

We had hoped the Chancellor would announce his intention to help women, adopting four modest proposals from the joint Age Concern England and Fawcett Society *Let's Make Pensions Work for Women* campaign. We would like the Government to: reduce the Lower Earnings Limit to bring more low paid workers into the National Insurance System; introduce a fairer more accessible system of carers credits; pay pensions to everyone who pays National Insurance and make second pensions work for women.

We welcome the Chancellor's announcement for

a New Deal for Skills. It is crucially important that people over 50 are able to benefit from the proposals and that those who are finding it hard to enter the labour market are given enough training, support and opportunities to do so. Improvements to training must be combined with a package of reforms to end age discrimination – including making mandatory retirement illegal.

The news that the Department for Work and Pensions (DWP) will be cutting staff by a fifth is a serious cause for concern. While we support moves to make government departments more efficient and to use technology where that will improve services, this announcement represents a significant cut in the budget and jobs in the DWP. Feedback from local Age Concerns and older people suggest that the Pensions Service is offering an improved service in many areas and we want assurances that these improvements will continue. There is still a great deal of work to be done by the DWP for example to ensure that Pension Credit is claimed by all those older people who are eligible for it.

Age Concern England's Report: Other Viewpoints

"For all the apparent generosity of the Chancellor's one-off gifts, in this Budget there was no bold bid to address pensioner poverty. The one-year £100 subsidy, nominally meant to help people over 70 with council tax bills, will clearly help, but 17 per cent of pensioners remain in persistent poverty. Up to one third of pensioners are not claiming council tax benefit, which would alleviate the need to pay some or all of the tax in the first place.

"The Chancellor confirmed his support for the means-tested pension credit, which is currently being claimed by only about half of those older people entitled to it. There would be no need for gifts like this if the government was to review its fixation with means testing. This Budget held no promise that the growing wealth of the country, during the most sustained period of growth since the industrial revolution, would be shared with the pensioner population."

Mervyn Kohler, Head of Public Affairs, Help the Aged

"The good news on saving is that the chancellor has confirmed the Government's plans to simplify the complex and unwieldy tax regime governing pensions. The new system will be better for savers and for the pensions industry. We are pleased that the Government has responded positively to our view that the lifetime allowance should be reviewed regularly and that there are plans to raise it to £1.8 million. The move of the implementation date to 2006 is sensible."

Mary Francis, Director General, Association of British Insurers

"We welcome the announcement of a New Deal for skills, an enhanced role for information, advice and guidance integrated with Jobcentre Plus and of further work on 'skills passports'. New incentives for workforce learning, more employer training pilots and strong regional skills partnerships are also good news."

Alan Tuckett, Director, National Institute of Adult Continuing Education



Spotlight on Europe's record on older people

Age Concern England's European Political adviser James Bridge reports on Age Concern's event asking if the European Union is working for older people

More than 50 per cent of older people intend to vote in this June's European elections, according to an Electoral Commission sponsored study. Age Concern England's new booklet *Creating opportunity – is the European Union working for older people?* argues that the older people voting in this election want to pursue opportunities, unhampered by age discrimination (especially in employment) and enjoy a decent, sustainable income. These demands were supported by the findings of an ICM poll carried out for Age Concern in February 2004.

To mark the launch of the booklet on March 1, Age Concern England held a "Question-time" event at the Foreign and Commonwealth Office, at the invitation of the key note speaker, the Minister for Europe, Dr Denis MacShane MP. The cross-party panel of MEPs was chaired by the broadcaster Jon Snow and Age Concern England's Director General Gordon Lishman gave the welcoming address.

The event also brought together key figures involved in older people's issues in the UK, including MPs and Peers. It gave its audience an opportunity to debate what impact the European Union (EU) has on older people in the UK, particularly in the light of the forthcoming elections to the European Parliament. Dr MacShane pointed out that from May 1 the UK will be part of a union of 25 Member States.

Questioned by Steen Langebaek, the President of AGE (The European Older People's Platform), the

Minister said he was keen to see the EU's Lisbon Strategy taken forward. The strategy plans to make the EU economies more "dynamic and effective", and gives a commitment for EU governments to exchange views on key areas such as pensions and employment. Dr MacShane told Eleanor Barker of Help the Aged that states must work together in the EU to combat discrimination, particularly by sharing good practice.

Mr Snow chaired a vigorous panel debate, which heard the views of the Liberal Democrat Nick Clegg MEP, Jean Lambert MEP of the Green Party, Conservative Philip Bushill-Matthews MEP and Labour member Stephen Hughes MEP. These MEPs are all actively involved in ageing issues and members of the European Parliament's Intergroup on Ageing.

Syd Ashby, the co-chair of AGE UK asked the panel's views on bringing in an EU law dealing with age discrimination, and what it thought about the proposed EU law to outlaw gender discrimination, particularly in the field of goods and services. Members were most positive about ideas to widen legislation in relation to age discrimination and access to goods and services. Ms Lambert noted the particular difficulties affecting women pensioners and reminded the audience that one in four single retired women in the UK are living in poverty.

On the subject of European Social Funds (ESF) in the UK, Mr Hughes agreed that in some cases there was more work to

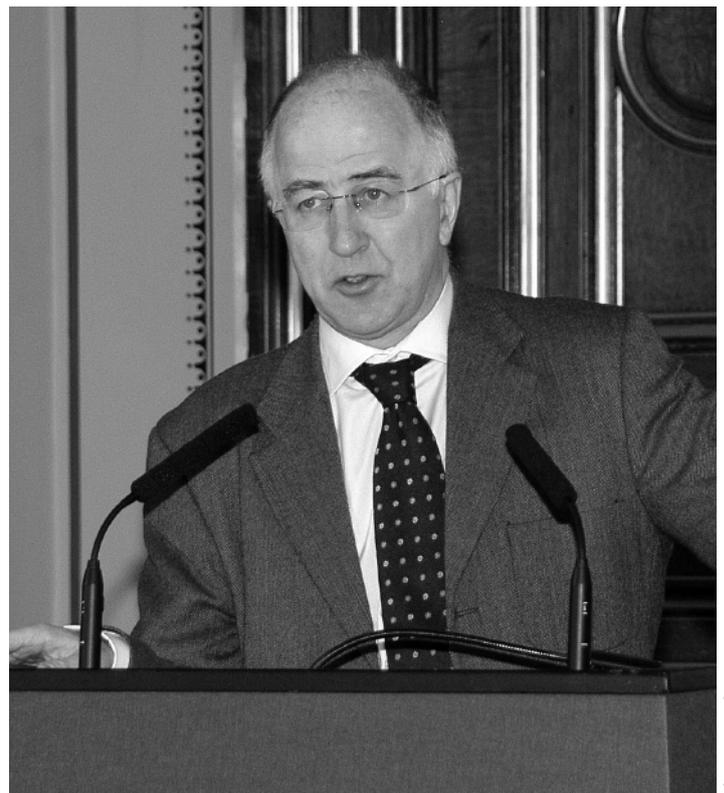
be done to ensure that the ESF's aims to support training and access to employment for older workers were met.

Responding to a question from Patrick Grattan, of the Third Age Employment Network, on discrimination in the recruitment procedures of the EU's own administration and other European institutions, members of the panel noted that they had succeeded in contributing to a decision to raise the recruitment age. Mr Bushill-Matthews and Mr Hughes agreed to raise the matter again.

The event emphasised older people's demands for better opportunities and affirmed that the need for legislation to outlaw age discrimination and provide adequate and

sustainable incomes is the way forward. Delegates agreed that Europe and its institutions have the capacity to provide opportunities for older people to improve their lives. They concluded that Europe will be judged on its results and that that the increasing strength of the "grey vote" will help to keep the question of whether the EU is working for older people uppermost in policy makers' minds.

Age Concern England's booklet *Creating Opportunity – is the European Union working for Older People?* And "key facts" papers are available on the European section of Age Concern England's website www.ageconcern.org.uk Contact James Bridge on 020 8765 7712 or email bridgej@ace.org.uk



Dr Denis MacShane MP: May 1 sees European Union expanded

Photo: Nick Hayes

Information

Diary Dates

April

- 6 Houses of Parliament Easter recess
- 16 Houses return from Easter recess

May

- 27 Houses of Parliament Whitsun recess

June

- 7 Houses of Parliament return from Whitsun recess

Reports

Office of Fair Trading's Response to the Super-complaint on Care Homes Made by the Consumer Association on 5 December 2003. Proposes to launch a formal study on care homes, including fees and other payments, and residents' choice.

www.of.gov.uk

Taking Equal Opportunities Seriously – The Extension of Positive Duties to Promote Equality, from the Equality and Diversity Forum. Considers the case for imposing a duty on public bodies to promote E&D, including age diversity.
www.equalitydiversityforum.org.uk

NICE Citizens Council Report on Age. Examines whether there are circumstances in which a person's age should be taken into account when deciding how treatments should be used in the NHS.
<http://www.nice.org.uk>

Robson Rhodes Independent Review of Supporting People: Briefing, from Homeless Link. Explores how the funding is being used and recommends actions on funding distribution and value for money of the programme.
<http://www.homeless.org.uk>

Asset Accumulation and Lifestage – An Analysis of the Wealth of Households as They Approach and Pass the Retirement Age. International Longevity Centre.
<http://www.ilcuk.org.uk>



Photo of Walthamstow Town Hall: Nick Hayes

As the spring bedding appears in municipal flower borders throughout the land, Council Tax bills are dropping through letter boxes – and four in ten pensioners are missing out on three quarters of a billion pounds worth of unclaimed Council Tax Benefit. The Department for Work and Pensions launched a new campaign on March 1 to encourage pensioners to claim what they're entitled to – which can be as much as 100 per cent of their Council Tax bill. Thousands of older people may also be entitled to arrears dating back to October last year. Leaflets with information on claiming Council Tax Benefit are available from local Age Concerns, the Post Office, doctors' surgeries and council offices.

www.epolitix.com/forum/age-concern

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Reportage

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