

New Pensions Bill offers hope for future

A new Pensions Bill, giving protection to workers who pay into occupational pension schemes only to be left with nothing when their companies go bust, was announced in the Queen's Speech at the state opening of Parliament.

However, the Bill has been criticised by campaigners, including Age Concern England, because it does not provide any help for current pensioners who have already lost the pensions they saved for throughout their working lives.

During her speech on November 26 the Queen announced: "A Pension Protection Fund will be set up to protect employees and pensioners if companies become insolvent."

The Government says the Bill has been designed to rebuild confidence in the pensions industry, as well as encouraging employers to provide good quality pensions and individuals to save more

effectively for their retirement. It will take forward some of the proposals outlined in the December 2002 pensions Green Paper *Simplicity, Security and Choice: working and saving for retirement*, including the introduction of a legislative framework for a new, more proactive pensions regulator. People who defer collecting their state pension will be allowed to receive a lump sum payment.

Commenting on the new Bill, Gordon Lishman, Director-General of Age Concern England said: "Legislation to protect workers who lose their pensions because of company insolvency will improve the system for tomorrow's pensioners. But many people are already suffering through no fault of their own and the Government must investigate how they should be compensated."

"Proposals in the Bill only amount to minor surgery of

occupational pensions when we really need the Government to perform a major operation on the whole system. To really improve the health of our pensions, the Government must examine the bigger picture, turn its back on means-testing and increase the basic state pension to at least £100 a week."

Other Bills announced which will potentially have an impact on older people include the draft Disability Bill, which will include a duty on public bodies to promote disability equality.

See this month's Viewpoint on page 4 for Gordon Lishman's full response to the Queen's Speech.

Measures in the proposed Pensions Bill

- Introduce a Pension Protection Fund (PPF) to ensure members of occupational schemes get the pension promised to them
- Create a new Pension Regulator to root out fraud and misadministration
- Introduce an on-line retirement planning service to help people calculate their pension needs and address any shortfall
- Reward people who take their state pension late with increased weekly pensions or a one-off sum
- Give pension schemes greater flexibility to simplify and restructure their benefits
- Relax the Limited Price Indexation requirement and simplify contracting-out rules by removing the requirement for the Guaranteed Minimum Pension, provided firms maintain the value of the promise made to workers



The traditional splendour surrounding the Queen's Speech, which announced protection for occupational pensions

Inside this issue...

MEP calls for end to ageism • Campaigners victorious over Mental Incapacity Bill
The Queen's Speech and older people • Chancellor spells out future for caring and training

Breaking the Age Barrier in the South West



Jo Osorio, Director of Age Concern Swindon reports on an employers' seminar promoting the role of older people in the workforce.

Fighting ageism is not only fair, it's good for business too. That was the message to large and small employers at a seminar in the South West in November attended by around 50 delegates from the region. Age Concern invited them to sign up to its Business Pledge and help *Break the Age Barrier* at work and in the market place.

Professor Phyllida Parsloe, a long-time campaigner for equality for older people in goods and services, chaired the meeting. She introduced Philip Williamson, the Chief Executive of the Nationwide Building Society, which is firmly committed to the Age Concern campaign and was one of the first signatories to the pledge, and Ian Wolter, Managing Director of the

recruitment consultants Eden Brown, which strongly supports and promotes age equality. Jane Barmer, the New Initiatives Training Manager at Age Concern Training and Libby Lisgo, Chief Executive of Age Concern Somerset also spoke about the importance of including older people in the workforce.

The seminar delegates shared their experience of combating ageism in their workplaces and discussed what more they could do in the future. Around a third of the organisations publicly stated their support for the Business Pledge during the seminar and we were also delighted to receive a commitment from Nigel Hutchings, the Chief Executive of the South West Chamber of Commerce, to promote the campaign to 6,000 chamber members in the region. The NHS's human resources team in Dorset and Somerset also pledged to break the age barrier with staff in the health service.

The seminar showed how many employers are already

aware of the value of older workers. The day highlighted the need to get rid of mandatory retirement ages, and for the Government to stick to its commitment to do this. Age Concern England is concerned that the Government is consulting firstly on the option of employers being able to justify requiring their employees to retire at a certain age and secondly on a national 'default' retirement age of 70 or

above. A person's capability of carrying out a job should be based on ability and not age. By outlawing mandatory retirement ages the Government will send a strong signal to society that age discrimination in the workplace should be a thing of the past. Many companies have already scrapped retirement ages, proving that their abolition does not prove a burden for business.

Key Facts

In the South West Region people over 60 are the largest growing sector of the population. At the same time fewer babies are being born and people are living longer, healthier lives. This matters because:

- It will impact on everyone
- Employers will need to make better use of older people
- New markets and opportunities for products and services will open up. Existing customer bases will age, financial planning and provision will change, and leisure and learning wants will be redefined.

By signing up to the *Break the Age Barrier* Business Pledge, business leaders underlined their commitment to:

- Take action on wiping out age discrimination
- Value the contribution of older workers
- Harness the benefits that can be gained by having older workers in the workforce

MEP calls for rapid end to work and training ageism

Claude Moraes, Labour MEP for the London region, called for the rapid and effective implementation of the age and training related elements of the European Council's Employment Directive in the UK at a meeting of AGE UK on December 5.

He reminded representatives of age organisations present that while some European Union (EU) countries agreed to implement this law designed to improve the position of older people in employment on December 2, 2003, that the UK would be postponing its introduction until October 2006.

Mr Moraes, a long-standing campaigner against discrimination and member of the Intergroup on Ageing at the European Parliament, argued that the law will protect older people and enable them to get and keep jobs.

The MEP discussed his role in monitoring the implementation of EU anti-racist legislation as a member of the Employment and Social Affairs Committee and drew AGE UK's attention to the additional discrimination suffered by older black and minority ethnic groups. He said he would use his experience of

monitoring the implementation of EU anti-racist legislation to help get the age elements of the employment directive implemented effectively.

Mr Moraes reminded the audience that whatever their view of the EU, it has an effect on their lives, the age elements of the employment directive being an example. He reminded them that they had an opportunity to influence the EU by using their vote at the June 2004 elections for the European Parliament.

• The European Parliament's Intergroup of Ageing has called for the age related elements of



Moraes: new European law good for older workers

the Employment Directive to be implemented across the EU. Some states are in breach of the Directive.

Mental Incapacity Bill “by May”

Campaign groups are delighted that this year’s Parliamentary business will include a Mental Incapacity Bill, despite the fact that it was left out of the Queen’s Speech in November.

Steve Broach of the National Autistic Society and co-chair of the Making Decisions Alliance, said: “We’ve been waiting 14 years for this, and we were concerned that because the joint committee studying the draft Bill reported just after the Queen’s Speech it would miss out again this year.”

However, the joint committee, chaired by Lord Carter, recommended that the Government adopted the Bill, although it made 99

recommendations for amendments to the draft legislation.

Lord Filkin, the Minister in the Department of Constitutional Affairs with responsibility for the Bill, told a joint meeting of the All Party Parliamentary Groups on Ageing and Older People, Autism, Disability and Mental Health on December 2 that the Government would respond to the proposed amendments by February. He said the Bill could be introduced by May.

As the law currently stands people who are unable to make decisions for themselves have no clear legal rights, unless they live in Scotland.

Campaigners want legislation for the rest of the UK to acknowledge that people’s ability to make decisions may change, with periods of greater and lesser capacity. Those currently left unprotected include people with severe learning difficulties, autism, accident victims, brain damage and dementia.

Mr Broach said: “Most people, including many politicians, have no idea about how poor the current levels of legal protection are for those unable to make decisions, and for their carers. As things stand, if your husband, wife or partner was knocked over in the street and suffered head injuries

you’d have no right to be involved in decisions about their treatment, care or where they’d live.

“We have had support from both the Conservative and Liberal Democrat front bench spokesmen on this legislation. Now we need to get constituents throughout the country to lobby their MPs to support the Bill.”

He added that the Making Decisions Alliance, which includes Age Concern England, was concerned that the Bill does not become a forum for argument about euthanasia. “Euthanasia is illegal in this country. This Bill is not about ending life. A very small part of it is about allowing people to make advanced directives that would give them the same rights as everyone else to refuse treatment if that is what they wish.”

Michelle Mitchell, Head of Public Affairs at Age Concern England, said: “The Making Decisions Alliance should be proud of its contribution to bringing this Bill before Parliament, benefiting millions of people. The lack of legislation means there’s still a gap in the law around those who find it difficult to make or communicate decisions. People are currently left vulnerable and unsupported.”



The Mental Incapacity Bill is designed to protect vulnerable people and their carers

Photo: www.JohnBirdsall.co.uk

Meeting with Pensions Minister



Wicks: quizzed over Government mandatory retirement

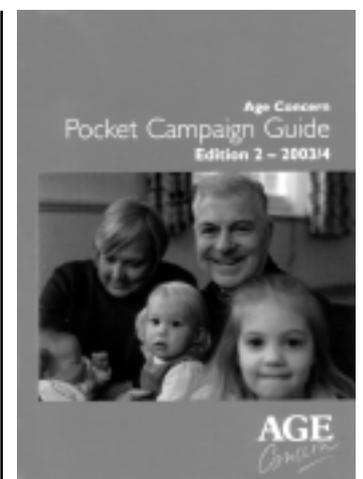
The Pensions Minister Malcolm Wicks MP met the All Party Parliamentary Group (APPG) on Ageing and Older people on December 16.

The group was keen to learn more about the forthcoming Pensions Reform Bill and to air its views on the contents of the pensions Green Paper, particularly the issue of female pensioner poverty, which promises to be a serious problem for decades to come.

The group’s officers recently

responded to the Government’s *Age Matters* consultation on the implementation of the European Union Directive on equal treatment in employment and vocational training. The APPG takes a keen interest in age equality issues.

Eddie O’Hara, MP, who chairs the group, said: “We were particularly anxious that the Minister should know why we are urging his Government to stick to its commitment to end mandatory retirement ages.”



See the Pocket Campaign Guide for information on the European Union and older people. Copies from 020 8765 7200.

Some progress – but still a long way to go



Gordon Lishman, Director General of Age Concern England, looks at the impact the legislation proposed in this Parliament's Queen's Speech will have on older people today and in the future.

The Mental Incapacity Bill was not named in the Queen's Speech, but Age Concern England welcomed the statement made by Peter Hain MP, the Leader of the House of Commons, in December, giving an assurance that it will be included in this Parliament. Following an excellent report from the joint committee reviewing the draft Mental Incapacity Bill, the House may debate this long-awaited legislation in May this year.

Along with many other pressure groups working for the rights of people who are unable, temporarily or permanently, to make decisions for themselves, Age Concern

England is delighted that (after 14 years) a Mental Incapacity Bill is on the cards. This Bill is essential for the protection it will offer people who, either permanently or temporarily, are unable to take decisions for themselves. It is vital that this Bill is not hijacked by those who want to use it as a forum to debate euthanasia. This Bill is not about ending life – it is about giving vulnerable people and their carers clear legal rights. We must not lose the opportunity to bring the rest of the UK in-line with Scotland, which already has clear legislation to protect those without the ability to make decisions for themselves.

There was some cause for optimism in the Queen's Speech this year. Age Concern England is pleased to see proposals in the Pensions Bill that will offer workers peace of mind about their savings for retirement with the establishment of a Pension Protection Fund. We are also pleased that the draft Disability Bill was included. This Bill will mean that thousands of older people who have disabilities will gain from a new positive duty on public bodies to promote disability equality. We want to see similar legislation promoting age equality.

This Queen's Speech offers some choices for people who choose to work later in life, including the opportunity to receive a lump sum in return for deferring the state pension. It also takes positive steps towards achieving equality in our society. However, there is still a lot to be done to eradicate ageism, not just in the workplace, but in all walks of life. We would like assurances from the Government that people who do want to work in later life will receive the opportunities available to other workers, including better access to training. We strongly urge the Government to use the forthcoming legislation to outlaw age discrimination in the workplace by 2006 to stick to its commitment to outlaw mandatory retirement ages. A person's ability to carry out a job should be based on ability and not age.

We would now like to see the Government move forward on its "opportunities for all" agenda by committing to a Bill in the Queen's Speech 2004 to create the proposed Commission for Equality and Human Rights. For the first time ever a statutory body will protect older people against discrimination. The Government has made a lot of progress, but there is still a long way to go before older people have the rights that they deserve.



Queen's Speech: Peace of mind for future occupational pensioners?

Other people's viewpoints:

"We are delighted that Government Ministers have given a commitment that a mental capacity Bill will be introduced during the current session of Parliament. We expect that when the Bill is introduced it will focus more on supporting and empowering people to make their own decisions. We will be asking our supporters to lobby on behalf of the Bill when it is introduced in 2004. Thanks to the efforts of everyone who has taken part in the Making Decisions Alliance campaign so far, we are nearly at the end of a 14-year process to achieve this important change in our law."

Steve Broach, Making Decisions Alliance

"The proposals to safeguard company pensions and outlaw age discrimination at work by weakening the value of future occupational pensions and encouraging individuals to work longer are not the answer to the pensions crisis. Most older people will see the Queen's Speech as yet another missed opportunity."

Neil Duncan-Jordan, National Pensioners Convention

"The Pensions Bill has yet to be published, but will be a key measure in this session. It must provide meaningful protection for pension scheme members, and offer real incentives to improve pension savings: it must improve on the rather luke warm ideas in the Green Paper."

Mervyn Kohler, Help the Aged.

Photo: Nick Hayes

Carers miss out on family support

Age Concern England is calling on Gordon Brown MP, the Chancellor of the Exchequer, to bring in policies which reward people for caring, not just for children but for older relatives. This follows his pledge to give more help to young families in his Pre-Budget Statement on December 10.

In his speech to the House of Commons, Mr Brown gave details of children's trust funds for each new born child, tax incentives for employers to fund workforce childcare, as well as proposing changes to the child tax credit system.

Michelle Mitchell, Head of Public Affairs at Age Concern England, said:

"We welcome proposals to assist parents caring for young families. We believe carers of all ages make an enormous

contribution to the economy and society and would like the Chancellor to recognise this. We would like to see policies in place which reward people for caring, not just for young families, but older relatives."

She added: "Age Concern England also wants a fairer system in place for crediting carers. This would ensure that those people who are making contributions to society by caring do not face financial insecurity as a consequence of their caring roles. For example, many women miss out on the opportunity to save adequate amounts of money for their retirement because of anomalies in the pension system that penalises them for caring. We would like assurances from Government that time spent caring will not result in poverty in old age."



The Chancellor gives his commitment to young families and low skilled workers in his Pre-Budget Statement

Calls to action: Age Concern England's proposals to Government to make caring fairer for all:

- Address the gender gap in incomes in later life by implementing the proposals in the joint Age Concern England/Fawcett Society *Let's Make Pensions Work for Women* campaign
- Replace the current Home Responsibilities Protection (HRP) system, which reduces the number of years needed to build up a pension (rather than contributing directly to a pension) with a carer's credit. This should work on a weekly basis, rather than the inflexible whole year arrangement of the HRP
- Include people who care for an ill or disabled adult for less than 35 hours a week in any credited caring system
- Consider lowering the Lower Earnings Limit (LEL) to include more of the 1.4 million women and 0.5 million men who currently earn less than £77 a week. Create opportunities for low paid workers to build up state pensions. Look at the issue of people who earn more than £77 a week but from a variety of jobs, who may not be included in the NI system at present
- Put an end to the unfair 25% rule, which means that people who have made NI contributions for less than 10 years currently receive no pension at all in their own right
- Make second pensions work for women: ensure that tax credit can count as earnings for the second state pension (S2P) and make them more accessible by allowing people who have taken time out of work to build up a higher rate of S2P after fewer years. A more generous S2P in combination with a more accessible basic state pension would offer a more inclusive and fair system that would go a long way in protecting women from poverty in later life

Training for over-50s is essential

Age Concern England has welcomed the Chancellor's vision of a Britain with full employment, outlined in his Pre-Budget speech on December 10. Gordon Lishman, the charity's Director General said: "We hope that this will mean that the one third of over 50s who are not working have the choice and opportunity to re-enter the labour market.

In his Pre-Budget report Mr Brown outlined proposals to ensure that people moved from low to higher skilled work. The windfall tax reserve will be re-allocated to a New Deal for Skills training programme, extending employer training pilots to a third of the country. This will benefit 80,000 employees, most of whom left school early without qualifications. Around three million people between 50 and state pension age are those workers who are classed as low skilled.

Proposals such as the £190 million a year, which would enable employers to offer workers training and time off work could be of enormous

benefit to older workers. Age Concern England has heard from workers in their 40s who feel they are not receiving the same amount of training opportunities as other workers because of their age.

Mr Lishman said: "We would now like to hear from the Government how plans for full employment will help older people who would like to be in the labour market. Older people's productivity is crucial for the economy's wellbeing. We need a clear strategy for how full employment can be achieved for all, regardless of age.

"Crucially, reforms for full employment will need to be backed up by moves to stamp out age discrimination: the reason for the exclusion of great numbers of older people from working life. Legislation to outlaw age discrimination in employment and vocational training is three years away and concerted effort needs to be put into convincing employers of the economic benefits of employing older people and preparing for business legislation."

Information

House of Commons Recess Dates 2004

Christmas 2003

Thursday December 18 to Monday January 5

Constituency Recess

Thursday February 12 to Monday February 23

Easter

Thursday April 8 to Monday April 19

Whit Recess

Thursday May 27 to Monday June 7

Summer Recess

Thursday July 22 to Tuesday September 7

Appointments

Jacqui Smith, Deputy Minister for Women and Equality is to chair the Commission for Equality and Human Rights Task Force. Taskforce members include Katie Ghose of Age Concern England, Tessa Harding of Help the Aged, Patrick Grattan of the Third Age Employment Network and Katherine Rake of the Fawcett Society as well as representatives from existing commissions, faith groups and academics.

Reports

Guidelines for the Closure of Care Homes for Older People: Prevalence and Content of Local Government Protocols.

Councils were surveyed to see how they manage closures in the absence of statutory guidance.

www.pssru.ac.uk

The Closure of Care Homes for Older People: Relatives' and Residents' Experiences and Views of the Closure Process. Based on interviews with relatives and residents who have been involved in home closures.

www.pssru.ac.uk

Entitled But Not Claiming? Pensioners, the Minimum Income Guarantee and Pension Credit. DWP Research Report 197. Findings of research on why some pensioners entitled to MIG were not claiming and reactions to the new Pension Credit. A four-page summary is available free on the internet.

www.dwp.gov.uk

Guide to Domiciliary Care Regulation from the National Care Standards Commission (NCSC). Explains the process of registration, including how the NCSC assesses whether the service and the responsible person meet registration criteria.

www.carestandards.org.uk



Winter wonderland or an annual nightmare? Older people are more likely to live alone (around half of those aged 75 and over are single occupants) and winter is an important time for good neighbours to keep an eye out for older residents. An offer of help with the shopping, a lift into town or an invitation to come round for a cup of tea could be all it takes to make a difference to an older person's life this winter.

Thousands of older people die unnecessarily in cold weather, with 8,000 extra deaths for every degree the temperature falls below average. Age Concern England says the most vulnerable people are those who are isolated, living alone in poorly insulated homes without enough money to pay for effective heating. The Government offers the Warm Front Plus Grant to improve insulation in the house or install central heating in the main living areas. Contact Age Concern locally for more details.

Photo: David Trainer/Photofusion

www.epolitix.com/forum/age-concern

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