Newsletter

East Midlands Retired Members Branch

University and College Union

No.28 September 2016

In this newsletter

1. Branch meeting

Wednesday October 19th 2016

11.00 – 13.00
(Speaker at 12.00)

Speaker: Chris Mason
UCU Pension Official.
Our Pension, Present and Future.

The Swan in the Rushes, 21 The Rushes
Loughborough, LE11 5BE

---

2. More information and news can be obtained from these websites. We suggest you have a browse.

UCU National Website: http://www.ucu.org.uk
AgeUK: http://www.ageuk.org.uk/
68 is too late: www.68istoolate.org.uk
National Pensioners Convention (NPC): http://npcuk.org
East Midlands NPC: http://leicesternpcgroup.btck.co.uk/

Your branch now has its own website at http://www.ucu-em-rmb.org.uk

---

Please inform us of change of address or email

We encourage retired members to use their **home** e-mail for when you give up your work e-mail address. We send out a quarterly newsletter by email, but only an annual newsletter by post. Sending the newsletters by post is increasingly expensive.

3. Report from 2016 Congress

Representatives of the Retired Members Branches met on Thursday June 2nd. A minute's silence was held in honour of Russ Bowman.

Reports were tabled from Branches, most of which had seen some increase in their membership. There were reports from representatives on National Pensioners Convention and Public Sector Pensioners Committee. Consideration was given to Congress motions from RM Bs on Personal Independence Payments and Climate Change, both of which were sent to NEC. Mention was given to the Pensioners Parliament to be held in June, 14th-16th, and the Liverpool conference, "Generations United against austerity" on the 12th November 2016 organised by Merseyside Pensioners Association.

Tributes were paid to Geraldine Egan on her last Congress meeting. She has been a great servant to UCU and to Retired Members, in particular. Our splendid flowers were delivered.

At the main Congress our motion on The Crisis in Social Care was passed unanimously. I was thanked by the Chair for proposing it formally as time was running out.

Brian Hambidge

---

4. Pension post BREXIT

The Bank of England's post-Brexit decisions to counter the risk of recession by increasing the potential QE and by lowering base rate have had a devastating effect on the health of pensions. The Bank's decision to cut interest rates to 0.25 per cent and launch a new £70bn round of asset purchases, would push more schemes "over the edge" according to Baroness Altmann, former pensions minister. "The Bank wants to stimulate the economy by bringing down interest rates, but the Bank is not acknowledging the negative impact these measures are having on pension deficits, and neither is the Government. We need a national inquiry by MPs so they can look at the damage QE has done to pension funding and it needs to look at the ways that the damage can be mitigated." The total deficit of the UK's 6,000 private sector defined benefit pension schemes climbed by £24bn last month, as gilt yields fell to record lows, according to Pension Protection Fund estimates.

A Freedom of Information (FOI) request to the DWP asked for information as to what plans the Department had made for the impact of Brexit on pensions. The reply was chilling: 'The DWP conducted no assessments ahead of the referendum on the potential impact of the referendum result on UK pensions.' The Department continued: 'No specific estimate was made either before or after the referendum on the staff resources the DWP would require in the event of the UK leaving the European Union.'

In early August the aggregate deficit of the 5,945 schemes in the Pension Protection Fund (PPF) 7800 Index has increased over the month to £408bn at the end of July 2016, from a deficit of £383.6bn at the end of June 2016. The funding ratio worsened from 78% to 77.4%. Total assets were £1,401bn and total liabilities were £1,808.9bn. There were 5,020 schemes in deficit and 925 schemes in surplus. This means some fund trustees are bound to attempt to lower the returns to their scheme members.

There are also pressures on the State Pension. It now seems that the triple lock on this pension is safe until 2020 if Theresa May is to be believed. The triple lock has been in force for just seven years and it is wrong to talk about scrapping it. The basic state pension, one of the worst in the EU, is just over £119 per week and even the Department for Work and Pensions does not think that is enough to live on. Baroness Altman has declared that the triple lock is not sustainable since it is too expensive and the clamour from such voices will increase. This is difficult to understand since the New State Pension (single tier) is designed to save money. Indeed, recent Government figures imply 100,000 fewer people than expected will get the maximum state pension in the first ten years of the new deal. Just one in three workers will receive the full £148 flat-rate state pension next year, which is far fewer than first estimated.

Age UK research shows that the poorest and most disadvantaged are set to be hit the hardest if state pension age continues to rise based on life expectancy alone. Increases in average life expectancy have led to a rise in the SPA in recent years. It is currently on course to reach 67 by 2028 for both men and women but the increased acceleration of current SPA has hit women hardest.

But while most people will live to 67 and beyond, there are many – particularly men in more deprived areas and lower social classes – who are unlikely to make it to state pension age in good health. In Glasgow City, for example, additional figures show that healthy life expectancy at birth is just 55.9 years for men and 58.5 years for women – nearly 10 years below the current state pension age. The evidence shows that it is those in manual work or with caring responsibilities who are most likely to be hard hit by state pension age increases.

Julian Atkinson

5. Pensions and the Gender Gap

Women retiring this year expect to have an average £14,450 a year to live on - some 27 per cent less than men, according to annual research by the Prudential. Women's pensions are currently at their highest level since the Prudential started carrying out the research nine years ago. Nonetheless the gender gap has widened in the past year, because men's pensions have risen faster.

There has been a shift since 2008, as back then women retired on £11,300 which was 46 per cent less than men. Before hurrahs are unleashed that the gap is narrowed it is also necessary to remember how disguising percentages can be. Men's pensions have dwindled from £20,800 to £19,850 in that period. So the closing of the gap is not all gain.

The Prudential research also found that only 40 per cent of women retiring this year expect to have enough income to live comfortably, compared with 60 per cent of men. Furthermore, the gender gap appears to be opening up.

Before we make the comfortable assumption that both TPS and USS arrangements are gender neutral, we had better remember that child care, part-time working , zero hours contracts and casualization differentially affect women. So our pensions are still inequitable between the sexes.

6. Miners' Pension now. Whose next?

Thanks to a Freedom of Information request, the web news site "The Canary" has publicised a major Government scandal. Successive Governments have funnelled money, to the tune of £8bn, out of the Miners Pension scheme while leaving many miners destitute.

Michael Newton, from the UK Mineworkers Pension Association (UMPA), said in 2015:"In real terms our pensions have been slashed in half by successive Governments. We have been financially penalised all the way to the grave. In 1987 they took a 'pensions holiday' and British Coal and the Government stopped paying some £870 million for three years. There were more pension holidays in 1991 and 1994. They creamed off a surplus of over £5 billion [during that time]. The industry was privatised in 1994 and they said it was in our best interest for the pension to be ring fenced."

After the British Coal sell-off, the then Conservative Government agreed to underwrite the miners' pensions scheme. This was to ensure, in theory, that the miners' pensions were protected. The deal was that the scheme would track the rate of inflation, and rise accordingly. But in return, the Government would be able to take half of any surplus cash that was generated.

The scheme hit the headlines in 2003, under Tony Blair's Labour Government. At the time, the pension funds were facing a £1bn shortfall in cash. But Blair's Government was still insistent on taking its share of the money. As *The Evening Standard* reported at the time:

"The Government is enforcing a nine-year-old deal that allows it to drain billions from miners' pension schemes. Even though the funds are heading for a deficit of nearly £1 billion because of depressed stock markets. And with the Treasury draining the funds at the rate of £400 million a year, the move threatens the pensions of more than 390,000 retired pitmen. Almost £5 billion has been moved out of the funds, according to estimates by the fund's trustees."

By 2008, the Government had made over £3.5bn out of the pensions scheme. But at that time, alarm bells were already being rung. As *The Telegraph* reported, the money the Government was taking did, in fact, not actually exist:

"The surplus that has helped to boost the Government's coffers is based on calculations by the Government actuary …The schemes currently have a combined £1.9bn surplus. Based on an "expected return on assets" calculation by the actuary. But, on the basis of the index-linked gilt rate, that surplus becomes a £900m deficit. The payments … are being made from "fictitious surpluses". And it's not just the calculation of the surpluses … we should be worried about. Despite being mature schemes, with the vast majority of members collecting their pension, 70% of the funds' assets are held in equities."

Energy Minister Andrea Leadsom told parliament this June: "the total gross payments to the Treasury would be £8bn. This would have been both gross of any payments from the Government and also in cash terms i.e. allowing for the returns achieved on the funds before payment." As the Freedom of Information (FOI) request says:

"Over the period 1997 to 2015 there have not been any payments from HM Government as a result of the guarantee of the benefits in the Mine Workers Pension Scheme. Therefore, during this period the guarantee has not directly "cost" the Government anything." The Government has made £8bn out of thin air.

It is scandalous that successive Governments have turned a pension fund into a cash cow based on the abstract valuations of actuaries. The further lesson is that such valuations could provide an avenue for Government or employers to loot pension funds and deprive pension members in other funded schemes.

7. Intergenerational Fairness or Young versus Old?

Recently most of us will have become more aware of issues and discussions concerning poor prospects for younger generations compared with supposedly more comfortable if not wealthier situations enjoyed by elderly and retired people.

“The intergenerational climate is chilly” Catherine Shoard told us in the Guardian on August 18th, and gave her explanation of ways in which an “increasingly brutal youth has less and less patience with its elders”. Apparently such strong feelings have become much more pronounced since the Brexit vote happened, leading to suggestions that voting should be capped at the age of 65. “How dare people who have less time to live with the consequences, have an equal say in the outcome?”

The Intergenerational Foundation meanwhile, was ostensibly started to promote fairness between generations. They present an impressive array of statistics, backed up and referenced by a range of academic research and other studies on their website. Many of these have obviously been used by the press and media outlets to support controversial reports about the contrasts between struggling young people and their much better off elders.
Some information they give, includes among many other points:

- Nearly 60% of house owners are aged 65 and over.
- Average house prices have risen by 2.8% while incomes for the young have only risen by 1%.
- Deposits for house buyers can be an average of around £30,000.
- 47% of graduates are working in jobs that do not require a degree.
- The number of retirees who are still working has tripled and is now up to 1million, 300,000 of whom are over 70.

Other statistics relate to health, money and politics:

- Hospitals are spending much more on the elderly. For example, at times 25% of hospital beds are occupied by those suffering with dementia.
- Winter fuel allowance, free TV licences, and bus passes are alleged to be too generous as over 100,000 people claim some of these even when they have annual incomes of over £100,000.
- By 2020 it is possible that over 50% of voters will be 50+ and some constituencies will interestingly have “Grey Majorities”.

The Foundation states “...younger generations are.. losing out disproportionately to older wealthier cohorts” It believes that each generation should pay its way proportionately.

The National Pensioners Convention in their submission to the Work and Pensions Select Committee, Intergenerational Fairness Inquiry, make more positive points about the contribution retired people make and have made to society, but also emphasise the problems they too face. They stress alternative facts such as:

- Pensioners have <u>not</u> escaped austerity ... health, property wealth and income are not evenly or equally distributed among the baby boomer generation.
- Older people make a huge financial and social contribution to the life of the nation.
- Fuel poverty and winter deaths among Britain’s elderly are a national scandal.
- The media, think tanks and some politicians have created a phoney war between generations when the real unfairness in society is between the wealthy and the rest of the population.
- UK state pensions remain some of the lowest in the developed world.

While appreciating the difficulties faced by younger generations, last year the TUC produced a pamphlet, *“Young against Old? What’s really causing wealth inequality?.”* This challenges the myths that all pensioners are rich and explains that “there has been growing concern about the economic outlook and lifetime prospects of younger generations”, including “growing focus in public policy debate on the contrasting positions of the young versus the old”.

All the issues outlined above are thoroughly, explored and the report draws on “new analysis, arguing that “ young people’s deteriorating prospects are a consequence of growing wealth inequalities across UK society.” Important aspects of this are shown to be reduced opportunities young people have to access well-paid work, to save and get mortgages. This means policy makers should focus on ways to support wealth accumulation such as improved earnings levels and job security that will lead to an ability to invest in property and other assets. Tackling these problems effectively will require a far more ambitious strategy than advocates of cutting pensioner benefits admit.

Rowena Dawson

8. Nottingham, Mansfield and Nottinghamshire Trades Union Council

July Meeting

Council observed a minute's silence in tribute to Lee Probert, who had tragically died at the age of 51. Lee was the Council's Women's Officer, a Unite member, formerly NUT. She was a Mansfield District Councillor and a tireless supporter and activist in many local organisations.

Council received reports on the UCU and NUT strikes; the NUT strike being particularly effective in the acadamies.

Preparations were made, in conjunction with the People's Assembly, to oppose the EDL March in Nottingham on August 6^{th}. On the day over 400 people turned out with trade union banners (pictured).

Scores of police protected the fascists from anti-racist demonstrators

Arrangements were also made for attendance at the Durham Miners Gala and the Stop the War Meeting on the Chilcott Report.

A view was taken by Council that Jeremy Corbyn's position was closest to the official policy of the Council and the TUC.

Reports were received from Unite delegates that membership at Sports Direct had doubled.

August Meeting

Kumran Bose from the Bakers Union, victimised as a Union activist at Samworth Brothers, gave a report on the current dispute and Company attempts to cut overtime and Sunday payments. Samworths (also involved in Academy chains in education) produce Melton pies and the Ginster range and supply to Marks and Spencer's and Tesco. Council donated £100 to the strike fund and collected a similar amount from delegates and urged all branches to support the strike fund appeal.

Preparations were begun to support the official TUC demonstration which was to take place at the Tory Party Conference in Birmingham on October 2^{nd}. A coach would travel from Nottingham.

An email of support was sent to the City of London cleaners.

Support was arranged for the Green Festival to be held on Sunday September 11^{th} in Nottingham. Council agreed to have a stall at the event.

Barry Donlan

9. Chesterfield Trades Council Report

Despite August being a holiday month when Chesterfield Trades Council does not meet, delegates have continued to actively support a wide range of work-related campaigns and events.

May saw a well-attended demonstration in Matlock against the Tory attack on education. A public meeting was organised and supported by a wide range of trade unions against the proposed academisation of schools. Trade unionists and the public demonstrated against the threat to nationally agreed contracts which would result in a detrimental effect on education.

On 17^{th} June, delegates supported the official send off from Chesterfield Town Hall steps of the Convoy to Calais delegation, arranged by Stand Up To Racism (SUTR). The mayor of Chesterfield and a range of Labour councillors and trade unionists delivered speeches in support of the initiative. An open letter was circulated, to be printed in the Derbyshire Times, supporting refugees in Derbyshire. It had been signed by thousands of people. Additionally, £1000 and many useful items had been raised locally to be given to Care for Calais, the charity overseeing the distribution of aid to refugees. The following day, disgracefully, the Government did not allow the convoy to proceed across the channel. Fortunately, the aid has now been delivered, but with an unnecessary delay and waste of resource.

June 18th saw the Chesterfield Trades Council banner taken to the Silk Mill Turnout in commemoration of the 1834 Turn Out, Derby's general strike. The event was well attended with speeches from trades unionists and a range of family entertainment.

In June, Dick Turpin came to Chesterfield, complete with his horse Black Bess. He was greeted in Rykneld Square by a large crowd of trade unionists, Chesterfield Trades Council delegates and the general public. This was part of a series of events to publically highlight the 'daylight robbery' taking place at Sports Direct in Shirebrook, where many employees were receiving below the minimum wage and employed on highly exploitative terms and conditions. Mike Ashley, CEO of Sports Direct, has subsequently been found guilty in court and is to be charged huge sums in back pay.

Early July also saw Trades Council delegates attend a public meeting organised by Chesterfield against Climate Change in response to proposed fracking in the East Midlands. Environmentalists from Nottingham explained the environmentally devastating methods of fossil fuel extraction and further publicity was organised for the autumn in response to identified local areas.

Sunday 27th July was the date of the 2nd Chesterfield Pride, held in Queen's Park. The event was very well attended, the stall presented jointly by Chesterfield Trades Council and Stand Up to Racism was very popular and further donations for refugees in Calais were collected.

The last Trades Council meeting in July saw the initiation of a process for reviewing the constitution to bring it in line with changed employment circumstances in the Chesterfield area. Many large employers no longer exist and so currently fewer trade union delegates attend the meetings. In September a new constitution is to be constructed which would better reflect the needs of trade unionists in the area.

Lucretia Packham

---

10. UCU Retired Members Branch

Our branch has been meeting since 2008 and now has over 300 members. Our aims are listed below.
We meet three times a year, often in places of interest to make part of a day out. Meetings focus on important issues for UCU pensioners and provide a chance to talk with other retired members.
A termly newsletter with articles of interest to retired UCU members is e-mailed to all branch members for whom we have addresses and to UCU branch secretaries in the East Midlands.
Please let us have your personal e-mail address and let us know if it changes.

RMB Roles and Functions

- To represent the interests of retired members within the union.
- To represent the interests of retired union members within the wider union and pensioner movements.
- To provide a forum within the union for retired members to come together to consider and debate matters of mutual interest.
- To provide a resource of collective memory, advice and expertise in support of the union, in particular to those still in active employment.
- To provide active support, where appropriate, by involving the broadest section of the branch in support of the wider interests of the union and its members, including support for those still in active employment.

For more information
please contact Julian Atkinson
e-mail: secretary@ucu-em-rmb.org.uk
telephone: 01773 532105

East Midlands Branch officers and committee
Chair: Angus McLardy chair@ucu-em-rmb.org.uk
Vice-Chair: Rowena Dawson vice-chair@ucu-em-rmb.org.uk
Secretary: Julian Atkinson secretary@ucu-em-rmb.org.uk
Assistant Secretary: Rob Kirkwood asst-secretary@ucu-em-rmb.org.uk
Treasurer: Brian Hambidge treasurer@ucu-em-rmb.org.uk
Equalities officer: Vacancy equalities-officer@ucu-em-rmb.org.uk
Membership: Greg Cejer membership@ucu-em-rmb.org.uk
Newsletter: Bob Haskins newsletter@ucu-em-rmb.org.uk
East Midlands regional UCU committee representatives: Brian Hambidge, Rowena Dawson