Most will be worse off under new pension

Just 13% of people reaching state pension age in the next 12 months will receive the new single-tier pension of £155.65 a week, according to the Department for Work and Pensions.

A staggering 55% of all recipients over the next few years are also expected to get less than the full amount - due largely to periods of time when they were contracted-out of the state second pension and into their occupational scheme.

Other losers in the next few years will be those with less than 10 years worth of National Insurance contributions or people who rely on a pension based on their spouse’s contributions.

In the longer term, anyone born after 1970 is also going to get less than they would have done under the current system.

Only an estimated 32% of future pensioners up to 2040 are expected to receive more than £155.65 after building up additional state pension (SERPS or S2P) under the current system.

IDS attacks benefits and the triple lock

In his much publicised resignation letter, former Work and Pensions secretary Iain Duncan Smith suggested that older people had been protected from austerity through policies such as the triple lock on pensions and universal benefits, such as the winter fuel allowance (WFA).

Like others, he said that rich pensioners should lose these benefits and the triple lock should be scrapped.

But the NPC has claimed his arguments appear to shed more heat than light.

The triple lock has actually only been more generous than the pre-2010 system of indexation in one of the last five years, and taking the WFA away from wealthy pensioners would raise around £150m a year.

Dot Gibson, NPC general secretary said: “IDS’s claims are economically illiterate and simply wouldn’t do anything to fill the £4bn gap in welfare spending his government is trying to find.”

“It’s really a smokescreen to attack the welfare state and the principle of universalism.”
Budget does little for the next generation

Chancellor George Osborne used his Budget statement on March 16 to claim that it was a settlement for future generations, yet there was little evidence to back up his claim.

Ron Douglas, NPC president, said: “Our grandchildren face huge university tuition fees, insecure employment, zero-hour contracts, low pay and rising house prices but here was no promise to improve any of those things in the Budget.” The truth is people don’t save for their retirement because at the end of the month they don’t have very much left, they are forced into private rented accommodation because a lack of affordable homes has pushed up the price of houses to buy and work that pays barely more than the minimum wage is not going to give them a decent pension when they retire,” he added.

The Budget also contained very little for older people. The funding crisis in social care was overlooked, and even the 2.9% increase in the basic state pension will only take it to £119.30 a week for someone with a full contribution record. For many women, it will be considerably less.

The state second pension and many occupational pensions linked to CPI will also receive a zero increase. A full briefing is available on the NPC website.

Care home owners may be avoiding tax

Large care home chains, which account for a quarter of the sector are rife with dubious financial engineering, tax avoidance and complex business models designed to shift risks and costs from care home owners onto staff, the state and private payers.

That’s the view from the Centre for Research on Socio-Cultural Change, in a new report entitled Where does the money go?

In it they cite the case of Four Seasons - the care home chain that went under in 2012, only to be bought up by private equity company Terra Firma Capital.

Under the new arrangement, Four Seasons consists of over 185 companies, registered in numerous countries including multiple tax havens.

Jan Shortt, NPC vice president said: “Simply putting more public money into the social care system, without fundamentally reforming the companies that provide the care will simply end up lining the pockets of private equity firms.”

“We urgently need a new National Health and Care Service that is funded by taxation, free to all in need and in the public sector.”

Death of the orange train ticket

The move towards combining smart phone technology with ticketless train journeys could leave many older travellers facing higher fares, the NPC has warned.

As soon as 2017, rail users will be able to buy journeys online using a computer or mobile phone and travel carrying just the credit or debit card with which they paid.

In time it could mean commuters will simply tap their card or smartphone against a digital “reader” at the barrier and there would be no need for a paper ticket. Campaigners are concerned that it could lead to older travelers becoming second-class passengers facing higher fares because additional charges could be added to the price of the fare for those requiring a paper ticket and fewer staff at ticket offices.

Sign a friend up to receive copies of the Campaign! E-Bulletin - simply send an email to: info@npcuk.org or follow us on Facebook and Twitter