

# Campaign!

The NPC's monthly bulletin for activists in the pensioners' movement

## Parties lay out their promises to pensioners

**W**ith just a week to go before the General Election, the main political parties have now laid out their plans for government.

One of the main issues during the campaign has been the Conservative's confusing proposal for the future funding of social care.

In a surprising announcement, the Conservative manifesto proposed taking property values into account, when assessing an individual's ability to pay for home care.

As a result, anyone with assets of more than £100,000 would, for the first time ever, have to pay the full cost of their care at home.

Someone needing an hour's care a day would therefore on average need to find an extra £140 a week.

For the those receiving care in a nursing or residential home, the rules would be the same - and those with assets or property of more than £100,000 would also have to pay the full costs.

This proposal is more generous than the existing rule that sets the limit at £23,250 (in England), but not as generous as the legislation that the Conservatives put through in 2014 that would have taken the figure to £118,000 and capped care costs at £72,000.

What made it even more confusing was the way in which a few days later the Prime Minister appeared to change the policy, by suggesting there would also be a cap on the amount that people would have to pay - but was unable to say just how much that would be.

Independent think-tanks, such as the King's Fund and Institute of Fiscal Studies both suggested the policy appeared to have been drafted by someone who had very little knowledge of the social care system or how it works.

By contrast, both Labour and the Liberal Democrats have proposed capping care costs along the lines of those contained in the Health and Social Care Act 2014.

In a separate development, the Conservatives also said they would scrap the triple lock on the state pension after 2020, and replace it with a



*Whichever party wins, the outcome of the General Election will have a major impact on issues such as the triple lock, universal pensioner benefits and the funding of social care*  
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double lock of the better of inflation (Consumer Price Index) or average earnings.

It was pointed out that based on current figures, this would actually give the same increase in the pension as the triple lock (because inflation is running at more than 2.5%) and therefore wouldn't save a single penny.

Again, Labour and the Liberal Democrats said they would keep the triple lock for the next five years.

But one of the most deciding issues is that of universal pensioner benefits.

All the main parties commit to the concessionary bus pass, but the Conservatives want to remove the winter fuel allowance from all but the very poorest pensioners, the Lib Dems will take it away from those with an income over £45,000 and Labour has said it will retain the payment.

It is vital that older people cast their vote on June 8, and to assist the NPC has compared the manifestos of the main parties and produced a briefing on our website [www.npcuk.org](http://www.npcuk.org).



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## Campaign Dates

### Annual Pensioners' Parliament

6-7 June: Tickets priced £5 for the Tuesday rally and £10 for the two day event plus evening social in the Winter Gardens, Blackpool are now available to order online or from the NPC office. The key theme throughout will be the priorities for the pensioners' movement after the general election.

### March for Homes

24 June: Demo against the Housing Act and for rent controls, tenants' rights, security and council housing. For info visit: [axethehousingact.org.uk](http://axethehousingact.org.uk)

### Join the NPC

If you are a member of a local pensioner group or trade union branch they can join the NPC. For details contact info@npcuk.org

# Is the triple lock such a problem?

Even before the general election, a host of voices from the Chancellor to the Institute of Fiscal Studies were arguing that the triple lock on the basic state pension was too generous and in need of reform.

However, figures from the Department for Work and Pensions paint a slightly different picture.

The chart below shows the basic state pension and, from 2016, the new state pension as a proportion of the average earnings of the working population.

The different colours (taken from left to right) indicate the basis used to increase pensions each year.

The chart shows how government policy see-saws between protecting pensioner incomes and containing cost, but what is quite clear is that the state pension as a proportion of average earnings is far from generous - even with the triple lock in place.

These figures also show the very real reduction in value that the basic state pension (BSP) suffered when the link with earnings was broken by the Conservative government in 1980.

In 2010, when the triple lock was introduced, the BSP would have stood at £161.30 a week had the earnings' link still been in place, compared to the actual figure of £97.65.

This loss, including when the triple lock was in place, has never been recouped.

Those against the triple lock argue that it is unfair on younger workers who are seeing state pensions rise faster than their own wages.

However, the pay-as-you-go National Insurance system that funds the state pension is based on today's workers

paying for today's pensions, just as today's pensioners did when they were at work.

This is a principle of generational solidarity rather than unfairness.

However, it is worth highlighting that the triple lock is actually unfair to those who retired before April 2016, because under the current rules only the BSP is linked to the triple lock whilst any state second pension such as SERPS or Graduated Pension is tied to the CPI.

We also know that millions of existing pensioners, particularly women who retired before 6 April 2016 do not receive a combined basic and second state pension of £159 a week.

Likewise, the actual number of new pensioners getting this figure is also said to be lower than suggested.

In the first year of the new state pension, an estimated 200,000 recipients missed out and many remained confused as to their entitlement.

The main reason for not qualifying for the full amount is because the individual was contracted-out of the state second pension and into an occupational scheme.

As a result, a proportion is deducted from the state pension and the shortfall in theory, should be made up by the occupational pension.

However, this is not always the case, especially in private sector schemes.

Even the former pensions' minister, Baroness Altmann has said the government should never have told people they should expect the full rate and give them "unrealistic expectations".

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