



NEWSLETTER

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Dear Colleague

THE COALITION: OUR PROGRAMME FOR GOVERNMENT

Today, the new Coalition government published its programme for government. The following extracts are of particular interest to pensioners and confirm many of the assurances we were given in the run up to the General Election. The proof of the pudding will be in the eating.

Public Sector Pensions

- We will commit to establishing an independent commission to review the longterm affordability of public sector pensions, while protecting accrued rights.
- We will consult with the Independent Parliamentary Standards Authority on how to move away from the generous final-salary pension system for MPs.

Older people and pensions

- We will restore the earnings link for the basic state pension from April 2011, with a 'triple guarantee' that pensions are raised by the higher of earnings, prices or 2.5%.
- We will phase out the default retirement age and hold a review to set the date at which the state pension age starts to rise to 66, although it will not be sooner than 2016 for men and 2020 for women. We will end the rules requiring compulsory annuitisation at 75.
- We will implement the Parliamentary and Health Ombudsman's recommendation to make fair and transparent payments to Equitable Life policy holders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure.
- We will explore the potential to give people greater flexibility in accessing part of their personal pension fund early.
- We will protect key benefits for older people such as the winter fuel allowance, free TV licences, free bus travel, and free eye tests and prescriptions.
- We will simplify the rules and regulations relating to pensions to help reinvigorate occupational pensions, encouraging companies to offer high-quality pensions to all employees, and we will work with business and the industry to support auto enrolment.

Social Care

- We will help elderly people live at home for longer through solutions such as home adaptations and community support programmes.
- We will prioritise dementia research within the health research and development budget.
- We will establish a commission on long-term care, to report within a year. The commission will consider a range of ideas, including both a voluntary insurance scheme to protect the assets of those who go into residential care, and a partnership scheme as proposed by Derek Wanless.
- We will break down barriers between health and social care funding to incentivise preventative action.
- We will extend the greater roll-out of personal budgets to give people and their carers more control and purchasing power.

- We will use direct payments to carers and better community-based provision to improve access to respite care.

Rail

- We will grant longer rail franchises in order to give operators the incentive to invest in the improvements passengers want – like better services, better stations, longer trains and better rolling stock.
- We will make Network Rail more accountable to its customers.
- We will turn the rail regulator into a powerful passenger champion.
- We are committed to fair pricing for rail travel.

Energy

- We will establish a smart grid and roll out smart meters.

Council Tax

- We will freeze Council Tax in England for at least one year, and seek to freeze it for a further year, in partnership with local authorities.

Yours sincerely

John Amos

John Amos
Deputy General Secretary