

PERTH & KINROSS / TAYSIDE PENSIONERS FORUM

NEWSLETTER

Fact File

Some older people will find their £1.95 pension rise is going towards the rise in Council Tax.

In 2002 retired people made up 18% of the UK population. (Hansard)

Older people are more likely to live in rural areas. 19.4% of the rural population are aged over 65 compared to 15.8% of the population as a whole. (Help the Aged Factsheet 2001)

In 2001, 92% of men and 49% of women over pensionable age were entitled to a full basic state pension. (Hansard)

If the link between prices and earnings and the basic state pension had not been broken in 1980, the pension in 2002 would have been worth £105.70 for a single pensioner and £169.00 for a couple.

In 1979 the basic state pension was 23% of male average earnings. In 2002 the pension was only 16% of average earnings. (NPC 2002)



Our Committee

A FUTURE WE CAN TRUST

There is a crisis of confidence in our pensions, this is not a new problem. For the last 20 years or so we have storing up problems for our future income in retirement. In recent months the problems have become blindingly evident. We need to make arrangements which will last, and not be swept aside at the whim of politicians.

A FUTURE WE CAN TRUST.

LORD IRVINE

LORD IRVINE WILL HAVE TO GET BY ON A PENSION OF £90,000 A YEAR AND TONY BLAIR ON HIS MISERABLE £96,724.

Lord Irvine, as he reminds us, is a superior sort of person so naturally he will need a big pension. Meanwhile, mere mortals worry that their private pension will go bust, or fail to deliver promised returns.

PENSIONERS POVERTY

Pensioners are much more likely to live in poverty than people of working age. There are nearly 11 million pensioners living in the UK today. The governments latest figures show that 27% of pensioners were living on incomes below the poverty line. One in five single pensioners fell into the governments definition of persistent low income. Older people are particularly vulnerable to fuel poverty and make up around half of the UK's 4 million fuel poor households.

NON TAKE-UP OF BENEFITS

Up to £1.8 billion worth of means-tested benefits went unclaimed by pensioners during 2002 according to government figures. Increases in MIG have brought even more people into entitlement.

MIND THE GAP!

There are a number of trends that suggest many consumers are not saving for the retirement. Many people are not adjusting their savings to reflect the increased responsibility placed on individuals to provide for their own retirement. With the State Pension so poor could you afford your present standard of living after you retire?

Income from annuity bought with £100,000 at various ages

Age Bought	MEN		WOMEN	
	Annual	Weekly	Annual	Weekly
50	£3,809	£89.40	£3,370	£84.81
55	£4,135	£79.52	£3,805	£73.17
60	£4,852	£93.31	£4,379	£84.21
65	£5,860	£112.69	£5,161	£99.25
70	£7,280	£139.62	£6,219	£119.60
75	£8,744	£168.15	£7,334	£141.04

Annuity is for one person, increases each year with inflation, is bought at the age shown. Annual figures rounded to nearest pound blow. Source: Annuity Direct

Fact File

In 2002/3 the level of the Minimum Income Guarantee is £98.15 for a single pensioner and £149.80 for a couple. Around 2.5 million pensioners are eligible for MIG. (Help the Aged Sept. 2001)

From April 2003 the personal tax allowances will be £6,610 for those aged 65 to 74 and £6,740 for the over 75's. (Help the Aged)

41% of pensioners do not have an occupational pension. (Hard Times. CPA 2002)

Research by Prudential shows that 3 million pensioners in the UK are not claiming the full range of benefits to which they are entitled. (Hansard 2002)

Older women are the poorest. In 1999, 25% of widowed older women were found to be living on incomes of £80 a week or less. (Help the Aged)

If the £10 Christmas bonus had been uprated in line with inflation it would be worth £95.

Perth & Kinross / Tayside Pensioners Forum work with
Help the Aged – Age Concern – The Police (Crime Awareness) – The Fire Service –
The Pension Service – The Community Education and Older Peoples Service of
Perth & Kinross Council – Scottish Hydro Electric – Care Together – NHS Tayside
– Perth Voluntary Service

How for many older people retirement means a huge drop in income

Research by the University of Essex this year has proved that entering retirement is the beginning of a period of being poor.

There are 7 main reasons –

1. Larger numbers of older people claiming pensions.
2. The decline in the value of State Pensions.
3. The decline in the value of investments.
4. The decline in value of occupational and private pensions.
5. Disability and health problems.
6. Women deciding to give up work and become carers.
7. Compulsory early retirement.

Pensions and Benefits make up 90% of the income of retired people. Invested income contributes 10%.

POETRY

Though my hair has turned to grey,
and my skin no longer fits,
On the inside, I'm the same old me,
It's the outside that's changed a bit.

Sylvia Völkel

THE WAY FORWARD

The key points on the new way forward are seven fold:

- People should be entitled to expect a decent income in retirement, funded by both tax/National Insurance and investment with a target of 60% of average earnings.
- There should be a solid triangular relationship between government, the employers and the working citizen in which both rights and responsibilities are clearly communicated, understood and upheld.
- An independent pension authority should exist to supervise this relationship and remove it from the 'short termism' of the political environment.
- All working people should expect to pay more for decent pensions, and should be compelled to do so on an income-related scale. Employers must be compelled to contribute, too.
- Social security benefits should be reserved for people with special needs.
- More working and contributing years will be necessary in an ageing society. The concept of a fixed retirement and pension age must be examined.
- Age discrimination must be outlawed, and the workplace must be transformed to encourage older workers.

REDUCED RIGHTS FOR WOMEN

Women continue to be much more likely to experience poverty in retirement than men. Many women retiring now are discovering that their state pension entitlements are not what they expected. Women who do realise their situation have ended up having no independent income until their husbands retire.

LETS STAMP OUT THIS NONSENSE

Government plans to pay State Pensions into bank accounts could affect the future of rural Post Offices. From April 2003 the Department of Work and Pensions intend to coerce pensioners to switch from a pension book to having the money paid direct into a bank, building society, or post office account.

LOCAL ACTION

We are committed to holding 6 Public Meetings, 4 Roadshows, 6 Speaking to Groups Meetings in 2003.

We attend Conferences, Seminars, and meet MP's, MSP's and Council Officers while speaking on behalf of pensioners. **LOOK OUT FOR MEETINGS IN YOUR AREA.**

WORKERS PENSION HOPES UNREALISTIC MP's ARE TOLD

Britain's workers are failing to invest enough for their retirement because of their ignorance of the pension system. Alan Pickering, author of a government-sponsored pension review said that the expectations were unrealistic because the system could not deliver as there was a savings gap.

CONTACT TELEPHONE NUMBERS

Help the Aged – Advice Service	0808 800 6565
9.00 am - 4.00 pm Monday-Friday and its free	
Perth & Kinross Council	01738 475 100
Police – Crime Awareness	01738 892 642
The Fire Service – Stewart Nelson Community Safety	01738 622 226
The Pensions Service	0845 6060 265
Minimum Income Guarantee Helpline	0800 028 1111
Retirement Pension Forecasting Helpline	0845 3000 168
Staywarm for over 60's. No surprise bills	Freephone 0800 1694 694
Lifelong Learning for Older People Community Education	01738 476 330
Perth & Kinross / Tayside Pensioners Forum	
Chairman – Jack Stewart	01738 625 130
Secretary – Jim Ferguson, 3 Feus Place, Perth	01738 632 206
Media/Communications Ron Macdonald	01821 650 674

Note This

Electric blanket testing will resume in the Autumn. Details in the Press nearer the time.

Byte Size Pieces

A new Perth & Kinross Community Education/Library joint venture for older adults to learn computer skills from basics is coming soon. See Press for details.

There is a manifesto pledge from the Scottish Executive that the Free Travel Scheme will be boundary free all over Scotland.

Perth & Kinross Council / The Pensioners Forum discuss Council issues at regular meetings.

The Police Crime Awareness Department and the Pensioners Forum address the concerns of older people.

The Fire Service and the Pensioners Forum highlight safety in the home for older people.

PERTH & KINROSS LEISURE Live Active Strategy

Inactivity is a killer. It accounts for more than a third of deaths from heart disease.

BE ACTIVE – LIVE LONGER.