



Occupational Pensioners Alliance

Executive Officer's Report to the 2017 AGM

Since our last AGM we have had Brexit, a new Prime Minister and new Pensions Minister and a snap election called.

Defined Benefit pensions have remained under threat with a number of key events causing concerns at individual, industry and government level. Halcrow, Bernard Matthews, BHS and British Steel pension funds to name the main culprits.

As a result of the BHS and British Steel Pensions issue the Work and Pensions Select Committee announced an inquiry into Defined Benefit Pension Funds. The OPA made a submission as did the NFOP. As a result of the NFOP submission I was invited to give oral evidence to the Work and Pensions Select Committee, which some of you may have seen. Following the Committee's report the DWP issued a Green Paper and the final date for submission is the 14th May. The DWP have created a website that allows a tailored response to the consultation, this can be found at <https://getinvolved.dwp.gov.uk/pensions/db-pensions-green-paper>. As a result of my appearance at the Work and Pensions Select Committee, I have been invited to attend roundtables at the Pensions Policy Institute and the DWP. When giving oral evidence and at the roundtables I attempt to reflect not only the concerns of NFOP members but those of the OPA which are almost always aligned.

The inflation index used for uprating pensions continues to be debated with schemes locked into RPI seeking ways to move to CPI and the issue of uprating indices being included in the Work and Pensions Select Committee inquiry and the Green Paper. The present Government had indicated that they are not inclined to pass legislation to allow this to happen. The question remains as to how accurate the current inflation measures are in relation to what individuals actually experience. RPI is no longer recognised as a national statistic; CPI is a macro-economic measure, created to allow comparisons across Europe; CPIH is an attempt to include housing costs, but the methodology has been criticised. The RPI/CPI User Group continues to press for the adoption of a Household Inflation Index (HII) which has been developed by statisticians from the User Group. If the statistic gains national recognition, its adoption for increases in state pensions and as a consequence those schemes linked to it is not guaranteed. There is also a need to address the rate used for increases that affect households such as water rates, train fares etc.

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