

Campaign!

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

Pensioners bruised by Budget but tax freeze sparks angry backlash

The Chancellor launched a bruising attack on pensioners in his March Budget statement, with a proposal to freeze the personal tax allowances from next April of those aged 65 and over with incomes between £10,500 and £25,400.

The surprise move was accompanied by a 5% cut to the tax rate of those earning more than £150,000 - and was widely seen as the last straw in a wave of attacks that pensioners have suffered, including a cut to the winter fuel allowance and the change in the uprating of pensions by linking rises to the lower Consumer Price Index rather than the Retail Price Index (RPI).

It has also emerged that the tax freeze goes against what the Chancellor had promised in the 2011 Budget Red Book, where it is stated that the age related allowances would rise in line with the RPI for the lifetime of the Parliament.

Mr Osborne also announced that the government was pushing

ahead with plans for a single-tier state pension of £140 a week for those who retire after 2015/16 and moves to raise the retirement age beyond 68 for future generations.

But the government was unprepared for the anger the tax freeze caused amongst older people.

The NPC has been inundated with requests to join and get involved in the campaign for pensioners' rights.

Dot Gibson, NPC general secretary appeared on TV, radio and in the national press to condemn the Budget move saying: "The decision to freeze the age related personal tax allowances effectively means around five million pensioner tax payers will no longer get additional reductions in their tax over the coming years - whilst those on the top rate of tax will see their bills reduced."

"Many older people will feel they are being asked to forego their reduction in tax to help out the super rich and pay for the mistakes of the banking sector."

Budget in Brief

- From 9 April, the Basic State Pension (BSP) will rise in line with the Consumer Price Index (CPI) figure for September 2011 of 5.2%, giving a rise from £102.15 to £107.45 per week for a single pensioner and from £163.35 to £171.85 for a couple. Had the Retail Price Index been used the single pensioner would have received £5.70 a week rather than £5.30
- From 9 April, the Pension Credit Guarantee for a single pensioner will rise by 3.9% from £137.35 to £142.70 per week and from £209.70 to £217.90 per week for a couple
- Personal Tax Allowances will rise this year as follows:
 - Up to 65 - £7475 rises to £8105 and then to £9205 next year
 - 65-74 - £9940 rises to £10,500 and then freezes
 - 75 + - £10,090 rises to £10,660 and then freezes
- The Government will propose a single-tier BSP of £140 a week for those retiring after 2015/16 and an automatic mechanism for raising the state retirement age
- There will be a further £10bn worth of cuts to welfare spending by 2016/17

Sign Arthur's Petition

The NPC has thrown its weight behind Bath pensioner, Arthur Streatfield's online petition calling for the freeze on age related tax allowances to be reversed. The petition already has over 40,000 signatures - and the aim is to secure 100,000 names so that a debate in Parliament can be triggered. Please add your support by signing the petition at: <http://epetitions.direct.gov.uk/petitions/31778>.



National Pensioners Convention

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Campaign Dates

12 April 2012
Second Annual Jack Jones Lecture
The National Pensioners' Education and Welfare Centre will stage the second Jack Jones lecture in the Town Hall, Liverpool from 6-8pm, with TUC general secretary Brendan Barber. Free tickets available from the NPC office

30 May 2012
NPC Care Conference
Afro-Caribbean Centre, Leicester.
Guest speaker Dot Gibson, NPC general secretary. For more details contact the NPC office

19-21 June 2012
NPC Pensioners' Parliament
The event includes an opening march and rally, various discussion groups, exhibition stands, guest speakers and entertainment. Tickets priced £5 are available from the NPC office

Campaign for Fair Care launched

The day before the Budget, the NPC launched a new campaign for a National Care Service (NCS) funded through general taxation, under the banner of the *Fair Care Campaign*.

At a meeting in the House of Commons with Kelvin Hopkins MP, Allison Roche Unison, Baroness Sally Greengross from the Equality and Human Rights Commission and



Kelvin Hopkins MP speaks in support of the Fair Care Campaign © Barry Todman

Margaret Hodge MP from the Public Accounts Committee campaigners heard how a NCS was the logical solution to the current crisis in

social care.

Frank Cooper, NPC president said: "Social care must be funded by society as a whole rather than left to individuals."

Fuel poverty to get new definition

The NPC has expressed its disappointment at the recommendations in the Hills Fuel Poverty Review to scrap the current definition of fuel poverty (spending more than 10% of one's income on energy bills), and replace it with a complicated and less price sensitive mechanism.

The review has incorrectly placed equal weight on three main factors of fuel poverty:

income, price and energy efficiency.

It claims that the current definition of fuel poverty is too sensitive to price fluctuations, but the proposed alternative formula shows no change to fuel poverty levels over the last 15 years.

However, between 2003 and 2008 domestic gas prices rose by 143% and electricity by 94%, resulting in an average domestic fuel bill of around £1300.

The NPC believes the resulting increase in the scale of fuel poverty was therefore entirely attributable to higher energy prices – but this new definition would not have recognised that.

Pat Healy, NPC vice president said: "It's vital that the government does more to curb the profits of the big six energy companies and raise the winter fuel allowance for all pensioners."

Pension cheques replaced

The Department for Work Pensions has begun sending letters informing pensioners that they will no longer be able to receive their state pension and any benefits by way of a giro cheque.

The letters 'encourage' individuals to instead use a bank or building society or Post Office Card Account.

Whilst for some this might be the most convenient choice, for those without any accounts, or who live too far away from the Post Office, there is an alternative form of payment known as the Simple Payment service that uses PayPoint outlets in high street shops.

Over the years the NPC has been critical of the move away from pension books and has now produced a briefing paper, available on request, to offer guidance on this new system.

If you know of anyone who would like to receive this bulletin please send their email address to the NPC