

The Combined Armed Forces Federation UK
Researched Report

ADDENDUMS

The following extract from Issue 234 Autumn 2008 of the Civil Service Pensioners Alliance, and written by the retiring General Secretary Brian Sturtevant, arrived too late to be included in our Researched Report. The extract from the Social Security Act 1973 should also have been included and follows the comments on the National Insurance Fund by the Combined Armed Forces Federation.

National Insurance Fund Surplus - CSPA

For years we have been saying that not only is the National Insurance Fund in surplus, but also the surplus is being spent on things other than National Insurance benefits. At first the Government did not even acknowledge there was such a thing as the National Insurance Fund, then we were able to get the Government Actuary's report which detailed the surplus, namely for the last financial year £47 billion, with a forecast rise to the financial year 2012 – 2013 of £114 billion. The Government had to acknowledge the money was there, and now finally, the Government acknowledge that this money is being spent on things other than National Insurance. Mike O'Brien QC, MP, the Pensions Minister, in reply to one of our local groups who was pressing the campaign for spending the National Insurance Fund on National Insurance benefits, replied that "The surplus is invested in public services such as schools and hospitals. The National Insurance Fund operates within the wider fiscal framework and it gives the Government the flexibility to determine its spending priorities in light of the overall economic conditions prevailing in the UK. If this were not the case, the Chancellor would need to raise the equivalent through other means such as raising taxes".

So there you have it. The Alliance was right all along. The money is there to pay improved pensions; the Government instead want to use that money to keep other taxation low. It seems immoral to us that money is taken from working people and their employers to pay National Insurance benefits, the principal one being the State pension, and then it is used on other items. We therefore can afford to re-link the State pension to earnings now and can afford a significant improvement in the basic State pension. The money is there, it is being used for other things. We need to continue to press our MPs that money put aside for pensions is spent on pensions.

Comments by the Combined Armed Forces Federation UK

We are indebted to Brian Sturtevant and the CSPA for pursuing this matter.

It just about sums up the thanks and gratitude you get for paying Income Tax at 33% all your working life, rebuilding this country after the devastation of World War 2 and providing latter day Government Ministers with a free University Education. They shift the burden of taxation onto pensioners and people on low incomes, then, as if that was not enough, use our pension contributions to limit their own burden of taxation!

We wonder if J.K. Rowling knew where the money for new schools came from and whether she would be prepared to donate £1 million to The Combined Armed Forces Federation UK for our pensioners to share? And would any future Government please stop using taxpayers money to run the rest of the world and concentrate on using it to run this country instead? Let other country's taxpayers pay for the "Red Carpet" treatment for a change!

SOCIAL SECURITY ACT 1973 38/SCHEDULE 16

Section 63 (1)

SCHEDULE 16

Requirements as to Preservation of Benefit under Occupational Pension Schemes.

Part 1
Interpretation

Paragraph 3 (1)

"Pensionable Service", in relation to a scheme and a member of it, means service in relevant employment which qualifies the member (on the assumption that it continues for the appropriate period) for long service benefit under the scheme, **including service before the appointed day.**

If you wish to quote from this Researched Report please do so.

David Robson (Editor)
Secretary General
The Combined Armed Forces Federation U.K.