

Secretary General's Report
8th September 2008

We are now beginning the important stage of our - "Demand by The Combined Armed Forces Federation UK for the immediate recognition and payment of our Pre-1975 accrued years of Occupational Pension Rights and Gratuities as recognised and paid to Pre-1975 Members of Parliament and Civil Servants".

Our Researched Report, undertaken over the last five years, demonstrates that Members of the Armed Forces Pre-1975, have been entitled to recognition and payment of their Occupational Pensions and Gratuities for their accrued years of service in accordance with existing Parliamentary Legislation.

Additionally it has not been possible for the Treasury or Ministry of Defence to prove, or state categorically, that pay levels Pre-1975 were not abated for Pensionable purposes. In the 1950s and 60s, Government Ministers claimed whenever service pay lagged considerably behind civilian pay levels – which was systematically the case, that –

‘Service Pay Levels had to be considered in relation to the Pensions they receive!’

Although the ‘Armed Forces Pensions Group’ were unable to demonstrate there had been an abatement to pay levels for pensionable purposes in the case of Hudson and Others v MOD and Treasury, there is ample circumstantial evidence in our Researched Report that in fact they were. However this circumstantial evidence was not included in the ‘Particulars of Claim’ made by the Armed Forces Pension Group. The present claim by Ministers of Defence therefore that our entitlement to pensions has been tested by the Courts and rejected is a distortion of the facts and incorrect. What was tested in the Courts and rejected was whether there had been an abatement to pay levels for pensionable purposes.

In order to prevent our Researched Report being pre-empted or compromised, prior to its distribution to each and every Member of Parliament, and Defence Representatives in the House of Lords, we have felt unable to keep our Members updated with exactly what was going on and whether our time consuming efforts into Research were making progress? For obvious reasons this situation was very much regretted and in turn we wish to thank our Members for keeping faith and continuing your financial support.

The Researched Report has at last been completed and is already in hand with the Printers for an initial run of 700 copies for M.P.s, House of Lords, National Press and T.V. Companies. Arrangements are being negotiated with the House of Commons for a bulk delivery. Security and other issues are yet to be resolved for delivery at the beginning of this coming session of Parliament which returns on October 15th 2008.

As you will appreciate the printing and distribution costs are considerable but within our budget for the present. However although we will be informing M.P.s they are

welcome to treat their copy of the Report as a complimentary issue, we have invited them to make a contribution to the costs of printing and distribution if they wish to do so.

The cost of the Report, less distribution costs, is £25. Due to its 'Commercial Sensitivity' we will not be incurring the additional costs of placing it on the Web-site. It is possible many additional copies will be purchased in the months ahead and we wish to keep that option open for as long as possible.

At the last A.G.M. it was decided that for the benefit of our members who may wish to purchase a personal copy, our funding should allow us to do so at a cost of £12 each, including postage. For any Members wishing to purchase a copy of the Report, it would be helpful if you could let me know as soon as possible so that I have some idea of the additional printing requirements for the future. Payment to CAFF UK will only be required after delivery and there may be a delay of some time due to our initial commitments until the end of this year. Two of these commitments will be an approach to the 'Pensions Ombudsman' and the Minister of Work and Pensions.

At the end of October all Members are requested to write to their M.P. letting them know, in no uncertain terms, their personal feelings regarding this issue and, what they are requesting him or her to do about it, without any further delay! We are not looking for any 'favours' or 'hand outs', apologies, condolences or commiserations. We are demanding what we are legally entitled to as decreed by Parliamentary Legislation and, as demonstrated in the Report they have been provided with – immediately!

A sample letter will be posted on the Web-site once the Government is back in business and finished congratulating itself on the return on all the money invested 'Team Great Britain' and decided what honours to award our Olympic Champions. Members are invited to download the letter and add their personal details or write making your own observations. The coming session of Parliament is critical if we wish to drive home our message.

Unfortunately we have recently had to accept the resignation for medical reason of our Chairman Chris Watkin. This was very disappointing at this critical time since Chris will be a hard act to follow. We wish him a full and speedy recovery and convey our thanks and gratitude for the support he has given us, and myself in particular since the inauguration of the Federation in 2004. He still wishes to be kept informed however and his advice is always welcome.

What follows are two extracts from Issue 234 Autumn 2008 of the Civil Service Pensioners Alliance written by the retiring General Secretary Brian Sturtevant. We are most grateful to him and the C.S.P.A. for their perseverance on both issues.

National Insurance Fund Surplus

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.

Civil Service Widow's Pensions

Members will remember that we were not able to persuade either the Government or the Trade Unions that changes to the Civil Service Pension Scheme should be introduced to provide pensions for widows if they re-married or co-habited, or widows pensions for those of post-retirement marriages with service prior to 1978. We did agree to continue to pursue the human rights aspect of the case, and the Alliance therefore consulted a leading firm of employment rights solicitors in London. We provided them with all the evidence and they spent some time investigating options and alternatives, but eventually, reluctantly, advised us that in their considered opinion the rules of the PCSPS concerning the availability of :-

1. survivor benefits when the widow/widower re-marries; or
2. survivor pensions to those who marry after retirement

Are not unlawful, whether by reference to the European Convention on Human Rights or otherwise.

We could have gone on to take a test case through the UK courts and thence to the European Court of Human Rights, but the Government would have defended that action at every step and if we finally lost at the European Court of Human Rights, all the costs would have been appropriate to the Alliance. This was likely to have been in the region of many hundreds of thousands of pounds, and in view of the advice that

we did not have a case, we felt it was just not worth risking that money. Therefore, at the present legal options are closed but it does not mean to say we have given up campaigning on the two issues. On the contrary, when the conditions are right we will re-open the campaign with the Government of the day and press for these very reasonable humanitarian changes.

David Robson
Secretary General
The Combined Armed Forces Federation UK