

Campaign!

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

Budget leaves millions of older people with financial headache

The Chancellor's Budget statement on 20 March gave very little comfort to millions of older people, the NPC has claimed.

Much of George Osborne's announcements for pensioners had already been covered by the media a few days earlier, so there were few surprises.

The two main issues of concern surrounded the government's plan to introduce a new single-tier state pension and the future funding of social care.

On the state pension the Chancellor announced that it would give future retirees an income of £144 a week in 2016 - one year earlier than had previously been suggested, and in relation to care, anyone with income or assets of £118,000 or more

would be expected to fund £72,000 of care costs before they received any financial help from the state.

Other changes to the level of the state pension, Pension Credit and tax allowances were as expected (see table).

During his speech, Mr Osborne reiterated that this was a Budget for an "Aspiration Nation", but in commenting to the media, NPC general secretary Dot Gibson said it was more like an "Aspirin Nation", given that the plans would leave millions of older people with a severe financial headache in the years to come.

"There's nothing in these proposals for today's pensioners - so we might get a single-tier state pension, but we'll have a

two-tier pension system," said Ms Gibson.

"This will only add insult to injury to those 5m older women who currently get nowhere near £144 a week and will be left to struggle on with the complicated means tested Pension Credit, which 1.8m people still don't claim despite being eligible."

On social care, she added: "Setting a lifetime cap on care costs of £72,000 will help just 10% of those needing care, whilst the majority will be left to struggle on with a third rate service."

"It's time we had a National Health and Social Care Service that was funded through general taxation."

A detailed briefing of the Budget and its implications is available at www.npcuk.org.

Budget in Brief

- From April, the basic state pension will rise by 2.5% to £110.15 a week for a single pensioner and £176.15 for a couple. For millions of women who do not qualify for a full state pension, their increase will be just £1.60 a week
- The state second pension and public sector occupational pensions will rise by the CPI figure of 2.2%
- The Pension Credit Guarantee will rise by 1.9% to £145.40 a week for a single pensioner and £222.05 for a couple. The maximum amount of Savings Credit available will be reduced from £18.54 to £18.06 a week for a single pensioner and from £23.93 to £22.89 for a couple
- Tax allowances are frozen at £10,500 for those aged 65-74 and at £10,660 for those aged 75 and over. This freeze is likely to last until 2015, after which time the allowances will rise by the CPI
- Combined basic and second state pension of £144 a week for those retiring after 2016
- Cap on care costs of £72,000 for those with £118,000 of assets



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Campaign Dates

NPC Pensioners' Parliament 2013
18-20 June, Winter Gardens, Blackpool. New TUC leader Frances O'Grady will address the opening rally, alongside John McDonnell MP, author Owen Jones and Prof John Ashton. The care minister Norman Lamb has also been invited to attend to explain the government's new proposals for the future funding of social care. In addition, sessions are being planned on pensions and benefits, transport, how to influence the new NHS structures and life for pensioners in devolved administrations. The entertainment at the Social Evening will be provided by The Merseybeats. Tickets priced £6 (including entry into prize draw). Booking forms and initial programme are available now from the NPC office.

UK declared "Cold Man of Europe"

The UK comes bottom of a fuel poverty league table for western Europe, according to new research from the Association for the Conservation of Energy (ACE).

Although many other European countries face higher energy prices than Britain, ACE believes that poor levels of home insulation now means that over five million households are

living in fuel poverty.

This figure is also set to rise to eight million within the next four years.

In the ACE report, *Cold Man of Europe*, the UK scores poorly against other EU countries on a range of measures including affordability of heating and the share of household expenditure needed to heat the home.

The UK also has

one of the highest levels of winter deaths, with over 24,000 older people dying of cold related illnesses last winter.

Ron Douglas, NPC President said: "It's disgraceful that when pensioners are facing rising fuel costs, bitter winters, limited incomes and poorly insulated homes the government has cut the winter fuel allowance and Warm Front programme."

Action on frozen allowances & RPI

The NPC is calling on its supporters to take action on two important areas this month.

On 8 April, the basic state pension will rise in line with 2.5% taking it to £110.15 a week for a single pensioner and £176.15 for a couple.

At the same time, the state second pension and public sector occupational schemes will rise by the Consumer

Price Index figure of just 2.2%.

Supporters are being asked to send a letter to their MP on the day the increases take place, calling for a restoration of the Retail Price Index for the future indexation of pensions.

A model letter can be found at <http://npcuk.org/wp-content/uploads/2013/01/RPI-Day-Letter-FINAL.doc>.

The NPC is also hoping that there

will be a fresh debate on 29 April over the government's decision to freeze the age related tax allowances.

Supporters are again asked to contact their MPs and ask them to take part in the debate and support the call for the freeze to be reversed.

Marion Wilson, NPC vice president said: "Here are two examples of where pensioners have not escaped the cuts."

Bus cuts lead to isolation

More than 340,000 people in Britain aged over 75 have been left "trapped in their own homes" because of cuts to local bus routes, according to the WRVS.

One in seven over 75s has seen public transport in their area reduced as a result of cuts to council budgets, and one in 10 older people said they now get out less.

A similar number said it had cost them their independence.

Even when there are regular services, many over 75s say they cannot use them because they are not adapted for people with disabilities.

Figures show that last year 40% of councils in England alone cut spending on bus routes.

Peter Rayner, NPC vice president said: "Cuts in public spending are having a dramatic effect on older people, but often the impact goes unseen."

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