

Overview

Thank you for making the time to listen to our case

Who?

We are the latest team in a relay spanning more than a decade and several multinational companies.

Pre 1997 injustice has largely been hidden until recently when aging pensioners, some in their late 80s, connected across the country to get your attention and ask for your help to change pension injustice.

What?

This campaign represents at least 2600 pensioners from HPPA (Hewlett Packard Pensioners Association) which includes pensioners from Digital Equipment Corporation, Compaq, HP and HPE. Other companies have joined with HPPA to form an “Alliance” (American Express, Wood Group, Pfizer, 3M, FM Insurance, ATOS, AIG). After the recent article in the Times (included in the Press section of this bundle), other companies are coming forward to join, e.g. AIG. Based on government data, we believe the total population effected may be between 750K and 1.8M. But the current research underway should provide the answer.

We have contacted over 100 MPs and featured in the media. Lists are included in your package. We speak today for HPPA (explain) and our colleagues in the Alliance (explain) endorse our message.

Why?

For years, we have been unsuccessful in engaging Trustees and Company leadership, in UK and USA, to work with us to solve this problem. They repeatedly acknowledge the hardship caused by giving few discretionary increases (3 in 22 years).

With few exceptions, they refuse to deal with pensioners directly and refer us to the pension Trustee. The Trustee describes their role as “the meat in the sandwich”. Communications are long, drawn out and without result as the Trustee state “we have no power”.

The Company repeatedly states that they are doing what the law requires. They refute our claims that their behaviour is not ethical. They see no need to cooperate. They say they are legally compliant, which may be if you only look at PA 1995. They do not view Pension Act 2021 as having any implications for cooperation to solve the problem of pension devaluation.

Our view based on research shows that PA 1995 was largely successful in its intent; Approximately 80% of companies “do the right thing” for their pensioners including their pre 1997 pensioners. For example, Siemens, Fujitsu, and NEC treat their pre 1997 pensioners the same as other pensioners. Some companies, like IBM and Reuters, have negotiated an agreement with their Pre 1997 pensioners.

However, our research based on government data and information from Blackstone Publications also shows that approximately 20% of companies’ schemes have no “built in” protection for pension devaluation. This 20% cluster can cause pension devaluation by refusing to give affordable discretionary increases. For HPPA, pensions have been devalued up 70% and in some cases more. Again, in our case, even when increases have been recommended by the Trustee.

This 20% cluster causing pension devaluation is comprised of 200 schemes which effect 80% of the total number of pensioners in the segment. We know from the work of Patrick Hosking (The Times), that several of these companies are headquartered in the USA.

Way Forward

In our opinion, PA 2021 is the legislation that requires companies and Trustees to work together to create a strategy to meet pension obligations and other benefits. But that is not happening. In our opinion, the current TPR guidance is vague.

Our suggested approach is elegant in its simplicity – no new laws, just the voice of government publicly disapproving of the minority and clarifying TPR requirements.

We ask you to reinforce the message of PA2021 by instructing the TPR to issue guidance to companies to require them to work together with their Trustee to create a strategy to meet pension obligations and other benefits, including maintaining pension value.

In other words, sort their pre 1997 injustice themselves – before government intervenes.

We need your public voice to be heard. Clarify the guidance about what is required and deal with companies that are not “doing the right thing”.