Pre-97 Pensioners Left Behind Forever

A promise made in the 1970s. A surplus sitting there by 2026. Here is what happened to the difference — told the way the people who built the surplus tell it.

SUBJECT	AFFECTED	STATUS
Pre-1997 defined-benefit indexation	~1,000,000 pensioners, campaign estimate	DWP consulting on surplus-release rules, ahead of April 2027

The Promise

For decades, millions of people paid part of every wage packet into a workplace pension on a simple understanding: in exchange for years of contributions, the scheme would pay a retirement income that kept up with the cost of living. Not a fortune — just a promise that inflation wouldn't quietly rob it back.

That promise had a fine-print problem nobody noticed at the time. Where you land depends on a single date buried in a 1995 Act of Parliament — **6 April 1997** — and on which side of it your pension was earned.

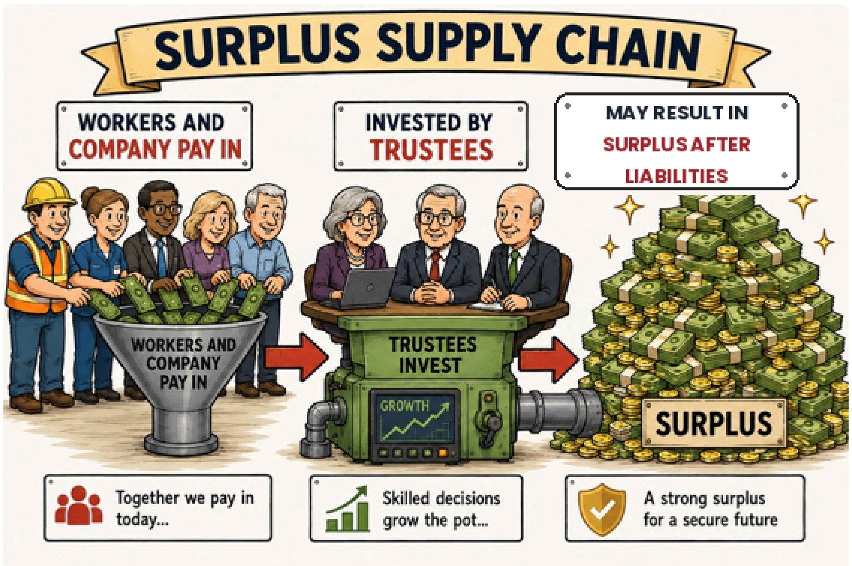
The Reality

FACT: A **£10,000** pension frozen in 1997 is worth approximately **£5,000** today (RPI adjusted).

How a Surplus Is Made

It starts as somebody's pay packet. A slice of every month's wage goes in, gets invested for decades, and — when the scheme's investments do well and life expectancy assumptions are met or beaten — grows into more than is strictly needed to pay everyone what they were promised. That extra is the "surplus."

Here's the part that rarely makes the leaflet: the workers whose wages built it don't get a vote on what happens to it. That decision sits with the trustees and the sponsoring employer.



Cashing Out

As scheme funding improved through the 2020s, sponsors increasingly moved to "de-risk" — buying in and buying out their pension promises with an insurer, or, under the new Pension Schemes Act 2026, releasing surplus straight back to the company. The Department for Work and Pensions is consulting on the regulations that will govern surplus release, ahead of an April 2027 implementation date.

Once a scheme buys out, the benefit is locked in at whatever value it holds on the day of the deal. For a pre-97 pension that inflation has already been quietly eating into for years, that locks in the loss — permanently, and with an insurer's signature on it.

Not Hypothetical

This isn't an abstract argument about one obscure Act. It affects tens of thousands of workers from these companies.

COMPANY	YEARS
Nissan	**26** since 2001
Wood Group	**24**
NCR Scotland (Atleos)	**23**
Hewlett Packard Enterprise (HPE)	**22**
STMicroelectronics	**22**
Atos/Sema	**21**
AIG	**19**
Pfizer	**17**
3M	**17**
Johnson & Johnson	**12**
American Express	**10**
Lloyds Register	**10** since 2016

Years without increase measured from 2002 unless noted. The campaign's point isn't that every scheme is sitting on gold it refuses to share. It's that where a surplus genuinely exists, pre-97 members have no statutory claim on any of it — and that gap is what the current legislation still has to close.

Vested Interests Outweigh a Million Pensioners

Every party with a seat at the table when a surplus gets divided — government, the sponsoring business, its advisers, its insurers — has a professional reason to want it kept, released, or reinvested on their own terms. The one party with the plainest claim on it, the people whose wages funded it in the first place, has no seat at all.

> *"Indexation of pre-1997 benefits... has had a disproportionate impact on women and older scheme members."*
> HOUSE OF COMMONS WORK AND PENSIONS COMMITTEE

NB: The Chancellor's 2025 announcement of changes to Pension Protection Fund schemes has no bearing on existing Defined Benefit schemes.

The Ask

1. **"Speak truth to power" and communicate our position to your Member of Parliament (MP), asking him or her to make our case to the Prime Minister, copy the Pensions Minister, and copy Jane@hppa.org.uk.**

Our Position

Before any scheme surplus is released to a sponsoring company, or proceeds to "buy-out", the value lost to its pre-97 pensioners over nearly thirty years MUST be restored first.

- **The DWP consultation — pensions.surplusconsultation@dwp.gov.uk — is open but closes at 23:59 on 2 September 2026.**

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