



Pensions Discrimination.

The latest bad news from the Office of National Statistics (ONS) highlights the discriminatory pension system we are developing in this country: One which is leading to the creation of a privileged elite who will retire on gold plated final salary pension schemes

Firstly some of the statistics, in 2007 the total membership of occupational (workplace) pension schemes was around 26.7 million people. But 'membership' is a widely misunderstood term. It includes pensioners, existing members accruing pension rights and deferred pensioners (those that are no longer members but still retain pension rights with a previous employer).

The breakdown of the breakdown shows that the total 'membership' of 26.7 million includes 8.5 million pensioners and 9.4 million deferred pension holders. That leaves just 8.8 million employees in 'active' membership and accruing pension benefits, that represents a fall of 0.4 million people compared to just a year before in 2006. That's right a drop of over 400,000 people in one year.

Drilling deeper into the data, however, throws up some other worrying trends. The 8.8 million employees currently accruing pension benefits in occupational pension schemes fall into two distinct groups; those employed in the private sector and those employed by the government or at least employed in the public sector if you like. Of the 8.8 million people currently accruing company pensions 5.2 million work for the government (up from 5.1 million in 2006) and just 3.6 million work in the private sector (down from 4 million in 2006 – a staggering 10% drop!)

There's also a worrying acceleration in the number of schemes that are closing off to new employees. The number of 'open' pension schemes has reduced by about 12% in the last year from 32,729 to 28,812. I doubt that many, if any, of those that have closed were in the public sector.

So that's the snapshot then. Our public sector schemes are holding their own during this economic downturn and even managing to make slight gains (at considerable cost to the public finances), while our private sector pension schemes are getting battered into submission.

You may want to ask the pensions minister, our very own James Parnell MP, why he is presiding over such a discriminatory pension regime.

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