

(This email is going out to 230 Regimental Secretary's & Webmasters. Royal Navy, Army and RAF forums. Royal Navy, Army & RAF Family Associations, RBL and other veteran associations - Please pass on to as many organisations as possible)

ARMED FORCES VETERANS

PRESS RELEASE

PROTECT THE MILITARY PENSION PETITION

The Coalition Government have failed to observe the Military Covenant and has sanctioned the devaluation of the Armed Forces Pension Scheme. We, as veterans are disappointed by the failure to discharge their promise to uphold the Military Covenant and have therefore organised a petition to help voice our concern. Currently the petition has achieved 4,000 electronic and actual signatures and can be found online at:

<http://www.ipetitions.com/petition/protect-our-military-pensions/>

The Royal British Legion, the Forces Pension Society and a number of senior serving and retired generals have written to the Government voicing their concerns but we, as veterans wished to voice our own concern. The petition provides that opportunity and has been supported by a range of people from very senior officers in all three services to junior ranks, along with many veterans and civilians, many with gallantry medals and decorations for their service.

THE FACTS

The Coalition Say

It is right to use one index for state, public private pensions and social security benefits and the Consumer Price Index (CPI) is appropriate.

The Veterans answer that with

The Armed Forces Pension Scheme stands apart from other public schemes for many reasons the greatest being the Military Covenant (see newsletter 3). The Armed Forces Pay Review Body adjusted previous pay recommendations over the years by taking into account RPI and the none-contributory pension scheme and adjusting the X factor. Unlike other public pensions the RPI has been imbedded within the Military Pension for many years.

The Coalition Say

CPI is the headline measure of inflation in Great Britain forming the target for the Bank of England Monetary Policy Committee (MPC)

The Veterans answer that with:

This clearly is not the case, the primary role of the MPC is to keep the inflation rate within the government's target set for them. Interest rates are not set with pensions in mind although it clearly has an impact.

The Coalition Say

CPI excludes mortgage interest payments, which are not relevant to the majority of pensioners and benefit recipients: only 7% of pensioners have mortgages

The Veterans answer that with

This is a misuse of statistics, the figure does not include service personnel. In fact following a request under the Freedom of Information Act the DWP admitted they have no figures for service pensioners who have a mortgage.

The most relevant point to note is that a service career often comes to an end after 22 years at the age of 40. Getting on the housing ladder then becomes an option that is taken much later in life for Armed Forces personnel rather than those in civilian life. This is one of the main reasons why it is so important to align service pensions with the RPI.

The CPI does not take account of the mortgage interest rate, rent, and many other costs associated with housing, which can be the largest item in any family budget.

Many spouses of service pensioners gave up working to be with their husbands/wives and children when they were posted within the UK or abroad, reducing their ability to accrue a private or public sector pension or a career. This is reflected in the military pay structure, through the X Factor.

The Coalition Say

The methodology used to calculate the CPI takes into account the fact that many people tend to trade down to cheaper goods when prices rise - the RPI does not

The Veterans answer that with

The stated aim of the DWP's is to "protect the purchasing power of pensions" it seems contradictory to use the CPI, which takes account of those needing to trade down.

The Coalition Say

Such is the scale of the economic problems that we inherited that no part of society, not even the armed forces can be fully exempt from the need to find ways to reduce the budget deficit.

The Veterans would suggest

The Armed Forces face restraints on their budget just the same as everybody else, however, the Armed Forces are unique in their pension needs and this must be taken account of.

This Press Release can be viewed online at:

http://jlrrac.org/gallery/albums/userpics/Press_Release.pdf

Previous Newsletters

Newsletter I

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