

Press Release

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Campaign marks 100 years of the state pension

Britain's biggest pensioner organisation - the National Pensioners Convention (NPC) - will today (1 January 2008) launch a new 12-month campaign to mark a century of the state pension and demand that today's payment is increased by more than £40 a week for all in retirement.

Back in 1898, a number of individual social reformers, backed by the trade union movement of the day, began a campaign to secure a universal state pension.

A decade later, figures such as Rev Francis Herbert Stead - a non-conformist social worker, Charles Booth - a Victorian philanthropist, Margaret Bondfield a leading trade unionist and Edward Cadbury - a successful businessman, were the leaders of a nationwide campaign that had secured the first ever state pension.

The Old Age Pensions Act was passed in August 1908, and on 1 January 1909 the first state pensions of 5 shillings a week were paid at the post office to all men and women on reaching 70 years of age.

Even though the pension was means-tested, it was clearly a tremendous advance in social policy and represented the first time that the state had recognised it had a responsibility to look after those in old age.

Today, the NPC begins the first stage of its year-long campaign to pay tribute to those original pension pioneers and call for an increase in today's state pension, with the launch of a new website at www.pension100.co.uk.

Throughout the year there will also be rallies in the same cities where public meetings were held a 100 years ago - Glasgow, Newcastle, Leeds, Manchester, Birmingham, Bristol and London - as well as a national petition and a lobby of parliament.

Joe Harris, NPC general secretary said: "We owe the original pension pioneers a great debt of gratitude for securing the very first state pension, that sought to end the threat of the workhouse for millions of older people. But a hundred years on and we still have over 2m pensioners living below the poverty line and many more struggle to make ends meet. In fact, today's state pension is worth even less in relation to average wages than it was in 1908."

"We must use this centenary year to put pressure on the government to raise

the state pension, for all men and women, above the poverty level of £134 a week and restore its link to earnings as a matter of urgency. We must take up the cause of the pension pioneers and finish what they started by once and for all ending the fear of poverty in old age."

ENDS

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Pension facts & figures - then & now

1908

- **Non-contributory pension**
- **Payable to men and women at 70**
- **5 shillings a week: represented between 20-25% of average earnings**
- **Means-tested and based on character**

2008

- **Contributory pension**
- **Payable to men and women at 65 in 2024 and rising to 68 by 2044**
- **£90.70 a week: represents around 15% of average earnings**
- **Pension not means-tested, but means-testing still exists for those who need additional income**

- **One in five of today's 11m pensioners live below the official poverty line, the vast majority of them women. In 1891, 1.3m people were classed as paupers – of which 31% were over 60-years-old**
- **The government has said it will restore the link between pensions and earnings in 2012, but by that time 3m of today's pensioners will have died**
- **Today's state pension of £90.70 a week from April 2008 is widely regarded as the least adequate in Europe**
- **The National Insurance Fund currently has a surplus of £38.4bn, which is forecast to grow to £72bn by 2012. This money is primarily intended to pay for state pensions, but today's pensioners are being denied a higher pension because the government is using the money to fund other expenditure**

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