

PENSIONS



10 DOWNING STREET

David

Walter keeping.

Figures you requested
on "contracting out"
etc. attached

Peter, do you know
what this was to do
with? PENSIONS?

SUE
1/9/85

Margo

30/8

DOM 6 / 10 / 85

Earnings between £35.50 - £54.99

Contracted in figure = 5%

Contracted out figure = 0.9%

Earnings between £55.00 - £89.99

Contracted in = 7%

Contracted out = 2.9%

Earnings between £90.00 - £129.99

Contracted in = 9%

Contracted out = 4.9%

Earnings between £130.00 - £265.00

Contracted in = 10.45%

Contracted out = 6.35%

● If earning exceed £265.00 —

Contracted in figure is 10.45% on
all earnings.

Contracted out figure is 10.45% on
all earnings in excess of £265.00

From 6-4-85 until 5-10-85
employers contributions are:

Contracted in = 10.45% up to £265.00

Contracted out = 10.45% up to £35.50

Between £35.50 and £265.00 the
employers contribution is 6.35%



cc Press office

Econ. Pol.

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Joint Parliamentary Under Secretary of State

Private Secretary
10 Downing Street
LONDON
SW1

*It tells Mr Joyce
this is OK. Wm 8/11*

3 November 1982

Dear Private Secretary

OCCUPATIONAL PENSIONS BOARD REPORT

It is proposed that Lord Trefgarne should send the attached corrective letter to The Guardian. Our Secretary of State is content. Could we have early clearance please?

*Yours sincerely
Christopher Joyce*

C C JOYCE
Private Secretary



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Joint Parliamentary Under Secretary of State

The Editor
The Guardian

2 November 1982

Dear Sir

I read with interest your "Special Report on Pensions" of Thursday 28 October. Your article will I am sure do much to increase public awareness on this important matter. However, as your various writers agreed, this is a complex area full of pitfalls for the uninitiated. May I therefore just set the record straight on three major inaccuracies.

First you say that recent Occupational Pensions Board report on greater security made a series of proposals but stopped "short of the legislation to back them up". On the contrary, the Board did recommend legislation on disclosure of information to members of pension schemes. The Government, on the day that Report was published announced that we accepted in principle the need for legislation on this point and have invited those concerned to comment by the end of the year.

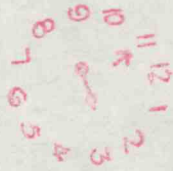
Secondly, on early leavers there is the statement "a Central Fund for early leavers is available". I am afraid no such fund exists at present. Recently, detailed proposals for the establishment of such a fund have been received by the Secretary of State for Social Services. The Occupational Pensions Board have been asked for their comments. However, it appears that enabling legislation will be necessary if the fund is to operate as intended by its promoters.

Lastly, again on early leavers there was a reference to the "notorious GMP franking"- "It is time the message was heard." I quite agree. On 19 October we announced that the Government intend to legislate on franking and would introduce regulations to prohibit the practice in the first half of next year. This underlines I believe the Government's determination to secure a fairer deal for early leavers.

Yours faithfully,
Trefgarne

LORD TREFGARNE

-4 NOV 1982





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