

From Ted Graham, M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

12th January, 1981.

Rt. Hon. Margaret Thatcher, M.P.  
Prime Minister,  
10 Downing Street,  
Whitehall,  
S.W.1.

Dear Prime Minister,

Public Sector Pensions.

I know that you like many others will be looking forward to the day when the Independent Enquiry into the cost of Index Linked Pensions in the public sector (The Scott Enquiry) is published so that we can give consideration to its recommendations.

The Enfield branch of the National Association of Local Government Officers recently invited me to discuss this issue with them, and arising from that meeting I am now writing to say that I hope very much that before any hasty action is taken on any recommendations, that the Government will reflect on the present situation which in my view is equitable and fair.

Public Service Pensions have been increased on account of inflation to a greater or lesser degree for the past 40 years, and by reason of long standing practice this has become an established condition of service. Public servants have accepted employment totally devoid of any of the perks in the Private Sector, such as: company cars, low interest mortgages, low cost travel, free holidays etc., Moreover the majority of public servants pay a contribution at 6 - 6 $\frac{1}{4}$ % for their pension benefits as against the average contribution rate in private schemes of 4 $\frac{1}{2}$ %.

I earnestly suggest that if consideration is to be given to the cost to the Exchequer of maintaining the present index linked basis, it be resolved not by abolishing the index linking but producing a more equitable mean of payment for it which, of course, could include an increase in payment by public servants.

Yours sincerely,

Ted Graham

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