

~~PRIME MINISTER~~

pa

14 October 1985

THE COST OF SERPS

1. In £bn, 1984-85 prices

<u>Year</u>	<u>Unchanged</u>	<u>Fowler Mk.I</u>	<u>Fowler Mk.II</u>	£bn
2013	9.6	7.1	6.7	
2023	15.7	8.3	9.9	
2033	23.1	6.4	13.6	

2. Contribution rates (National Insurance and compulsory private contributions) as a % of wages and salaries

<u>Year</u>	<u>Unchanged</u>	<u>Fowler Mk.I</u>	<u>Fowler Mk.II</u>	%
2013	6½	7½	7	
2023	8½	7½	7½	
2033	10½	6½	8	

David Willetts
DAVID WILLETTS

SECRET



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

Telephone 01-407 5522

From the Secretary of State for Social Services

David Norgrove Esq
Private Secretary
10 Downing Street

14 October 1985

Dear David

REVIEW OF SOCIAL SECURITY

In considering the proposals on the State Earnings-Related Pension Scheme (SERPS) set out in paper MISC 111(84)14, the Prime Minister may find it helpful to have the attached scorecard of the savings that would be achieved. I am sending a copy also to Brian Unwin (Cabinet Office).

Yours sincerely

A Laurance

A Laurance
Private Secretary

SECRET