

PRIME MINISTER

14 October 1985

MISC 111

It is vital to rescue something from the rubble of SERPS reform.

This is the only way in which the boundaries of individual responsibility can be increased. The rest of the welfare state is politically inviolate and well defended. Norman Fowler has lost ground over SERPS by consulting twice instead of once; and by failing to prime the lobbies who are in favour of change, whilst allowing those against change to be too vocal.

You now need decisions quickly; there is neither time nor need for further consultation.

I still favour complete abolition of SERPS and its replacement by personal saving schemes. However, the timetable for this is now tight, given the delays.

The best parts of Norman Fowler's watered down proposals are

(a) giving everyone the right to opt for a contracted-out personal pension; and and



- (b) making contracting-out simpler for occupational schemes.

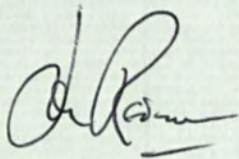
You could add to this:

- (c) a change in the relative cost of National Insurance Contributions for contracting-in - it should be made much dearer, to reflect the future costs of SERPS and to discourage people from contracting-in in the first place; and
- (d) giving members of all existing pension funds unit values, to bring home the relationship between occupational savings and their future provision for retirement; to underline the improvements made for early leavers, who could then take their money with them on changing jobs; and to prevent employers pocketing pension fund surpluses when they are generated - as they are doing at the moment.

If we are driven back onto draining SERPS rather than abolishing it, it is important to set fairly penal rates for those remaining in SERPS, and to allow as many categories of people as possible out of it. Norman Fowler should be invited to produce final proposals along these lines to a future meeting of MISC 111, which should then be issued promptly as a White Paper and as a Bill.



I attach copies of leaflets circulated in the Reading area as examples of the kind of propaganda we are encountering. I am told these are not the worst, but they are the only ones I have so far been able to track down.

A handwritten signature in dark ink, appearing to read 'J. Redwood', with a horizontal line underneath.

JOHN REDWOOD



Is THIS in store for 1986?

CLOSING DOWN SALE!

*Substantial  
Reductions!*

LAST  
FEW MONTHS

Rate Rebates  
Maternity  
This Grants  
year only  
for many!

Death Grant  
Must Go!  
"DIE NOW!"

FREE School Dinners  
Eat Now!  
Must End with  
FIS.

CALL IN NOW

MUST END APRIL '87  
The  
Welfare  
State pic

Reading Campaign Against Benefit Cuts is a broad-based, non-Party Political Campaign set up to defend the Social Security system. It welcomes help, support, and donations from interested people/organisations

or THIS for 1987?

**MOTHERS!** Always broke?  
Missing your FIS Book?  
Ask your husband to apply for a Family Credit in his wage packet!  
Apply: Any DHSS Office

PS. Pensioners and single people - and most pension schemes - are affected too!

WHAT YOU CAN DO

TELL YOUR MP the proposals are unacceptable:

- write to him at the House of Commons or
- send him the tearoff overleaf or
- go and see him at his surgery.  
(Reading East - Sir Gerard Vaughan  
Reading West - Tony Durant.)

TELL NORMAN FOWLER his proposals are unacceptable - write to him c/o House of Commons, London SW1.

TELL DHSS HQ the proposals are unacceptable - write to DHSS, Room D406, Alexander Fleming House, Elephant & Castle, London SE1.

GIVE LEAFLETS to friends, neighbours, relatives, workmates. TELL them what the proposals really mean. URGE them to write to their MPs.

JOIN Reading Campaign Against Benefit Cuts.

HELP RCABC with its activities.

DISCUSS THE REVIEWS at any club, society, church, or organisation you belong to - eg put down a motion, suggest RCABC send a speaker, or both.

PUT OUT LEAFLETS at meetings.

GET SIGNATURES on a petition.

Published by, donations to, and more information from:-  
READING CAMPAIGN AGAINST BENEFIT CUTS, 54 Bedford Road, Reading, RG1 7HS (Tel: 589036)

# "The Social Security Reviews"

for.....

FAMILIES,

WIDOWS, & PREGNANT WOMEN

and.....

What YOU

Can DO

Scuse me sir - can you lend me £.50 for a cup of tea and 20% of the rest?





The GOVERNMENT is PROPOSING:-

FAMILIES

- everyone will have to pay at least 20% of their general rates bill, plus all of their water rates.
- "Income Support" will replace Supplementary Allowance; an 'average' amount for water rates, 20% of general rates, and "additional requirements" (heating, diet, laundry, etc) will be built into the scale rates.
- anyone with a partner in full-time work will be barred from claiming Income Support.
- help with rent and rates will go down except for those on wages at about Income Support levels.
- the FIS order book will become a Family Credit paid via the wage packet.
- free school meals and welfare foods will end except for families on Income Support. Nearly 1300 Berkshire kids will lose their free school dinners.
- Child Benefit won't be taxed, or means-tested, or improved. It could be frozen, or cut.

- there will be a specially reduced scale rate for Income Support for everyone under 25, single or married (except single parents). It will not be enough to live away from home on.

PREGNANT WOMEN

- the universal £25 Maternity Grant goes. Low-income mothers, on or off Income Support, will be able to apply for about £75 from the 'Social Fund'.
- Maternity Allowance will have a new 'recent work' test - but more flexibility about the period for which it can be claimed.

WORRIED ?

• These are only proposals - so far. They won't happen if most MPs oppose them. Write to your MP or send him the tearoff opposite. (Tony Durant for Reading West, Sir Gerard Vaughan for Reading East.) • Turn to the back page for what else you can do.

The WELFARE STATE:

- GOING -

- GOING -

APPLY NOW WHILE IT LASTS

To:....., MP  
House of Commons, Westminster, London, SW1

I find the proposals in the Green Paper 'Reform of Social Security - Programme for change' unacceptable and I ask you to oppose them.

Signed.....Name(printed).....

Address.....



## Will YOUR Pension be enough to live on ??

The Government Green Paper "Reform of Social Security"

### PROPOSES ON PENSIONS:-

- \* ABOLISHING the State Earnings Related Pension Scheme (SERPS) for men under 50 and women under 45 in April 1987. Instead you will HAVE to join an employer's pension scheme, OR buy a "personal pension".
- \* ALLOWING and encouraging occupational pension schemes to provide lower pensions than now.

### PROPOSES FOR PENSIONERS:-

- \* REPLACING Supplementary Pensions with a flat rate "Income Support". There will be no extra payments for special needs like heating, or high rates bills.
- \* MAKING everyone pay all of their water rates and at least 20% of their general rates bills.

### WHICH REALLY MEANS.....

- \* SERPS makes pensions inflation-proof. THIS WILL GO!
- \* SERPS protects pension rights for people whose wages fall with age, and for people who have long periods when they can't go out to work. THIS WILL GO!
- \* Existing pensioners will mostly have LESS MONEY!
- \* Few people working today can be sure they will have ENOUGH MONEY to live on when they retire!

### WORRIED ?

These are only proposals - so far. They won't happen if most MPs oppose them. Fill in the letter overleaf and send it to your MP. (Tony Durant for Reading West, Sir Gerard Vaughan for Reading East.)

PS. Other Benefits are to be cut too!

Published by, and more information from:

Reading Campaign Against Benefit Cuts  
54 Bedford Road, Reading, RG1 7HS (Tel: 589036)

Address

To:

House of Commons  
London  
SW1

Dear

Reform of Social Security - Programme for Change

I am very concerned about the proposals for the abolition of SERPS and other changes to the pensions system and ask you to oppose them.

Yours sincerely,

Name



## THE SOCIAL SECURITY REVIEWS

### SOME KEY POINTS FOR....

Today's Pensioners - The Bereaved - Tomorrow's Pensioners - Families - Single People - Disabled People - New Widows - Pregnant Women - Jobs

AND....

What you can do.

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### TODAY'S PENSIONERS

- all householders will have to pay at least 20% of their rates bill, plus water rates.
- Supplementary Pensions will be replaced by "Income Support"; an 'average' amount for water rates, 20% of general rates, and for "additional requirements" will be included in the scale rates.
- the Income Support scale rates will be the same for all pensioners, except the very elderly, whether householders or living with someone else.
- pensioners with income a bit above the "Income Support" levels will get less help, or no help, with rent and rates. The rules on treatment of savings will change completely. 600,000 pensioners will lose all help; another 1.2 million will get less help than now.

### THE BEREAVED

- the universal £30 Death Grant abolished.
- help with funeral expenses, from a new "Social Fund", will usually be repayable - either from the deceased's estate or from whoever asks for the help.

### TOMORROW'S PENSIONERS

- Occupational Pension schemes will be encouraged, and legally allowed, to provide lower pensions.
- for those now "contracted-in", the State Earnings Related Pension Scheme (SERPS) will be abolished in April 1987 for everyone under 50(men) or 45(women). But you will have to buy a 'personal pension' instead.
- The inflation-proofing, by SERPS, of a part of everyone's pension is to go.
- the pension protection under SERPS for those out of the labour market for some years, and for those whose earnings fall with age, goes.

/....



#### FAMILIES

- everyone will have to pay at least 20% of their general rates bill, plus all of their water rates;
- "Income Support" will replace Supplementary Allowance; an 'average' amount for water rates, 20% of general rates, and "additional requirements" (heating, diet, laundry, etc) will be built into the scale rates.
- anyone with a partner in full-time work will be barred from claiming Income Support.
- help with rent and rates will go down except for those on wages at about Income Support levels.
- the FIS order book will become a Family Credit paid via the wage packet.
- free school meals and welfare foods will end for all families not on Income Support.
- Child Benefit won't be taxed, or means-tested, or improved -- but it could be cut or frozen.
- there will be a specially reduced scale rate for Income Support for everyone under 25, single or married (except single parents); it will not be enough to live away from home on.

#### SINGLE PEOPLE

- help with rent and rates will go down except for the very low-paid.
- those in work will be expected to pay a larger share of the household rent and rates if the head of household is on Income Support.
- students will not be able to claim Income Support or Housing Benefit at all.
- unemployed people under 25 will all get a specially reduced rate of Income Support. Grants for furniture etc, to set up home on their own, will be abolished.
- but single parents under 25 will qualify for the full adult Income Support scale rates.

#### DISABLED PEOPLE

- help with rent and rates will go down, except for the very low-paid.
- those on Income Support will get a flat scale rate which will include an 'average' amount for water rates, 20% of general rates, and the present "additional requirements" payments (heating, diet, laundry etc).

#### NEW WIDOWS

- new widows will get a £1000 lump sum, instead of the £1300+ now paid, as Widows Allowance, at £50.10 a week for 26 weeks.
- new widows with dependent children will get Widowed Mothers Allowance at once.
- other new widows will get nothing else if they are under 45, and a reduced widows pension if under 55 (compared with under 40 and under 50 now).

#### PREGNANT WOMEN

- the universal £25 Maternity Grant goes. Low-income mothers, on or off Income Support, will be able to get about £75 from the "Social Fund".
- Maternity Allowance will have a new 'recent work' test -- but more flexibility over the period for which it can be claimed.

#### JOBS

- Dinner ladies will have about 300,000 fewer free school meals to prepare and serve.
- Council officials will have less claims to Housing Benefit to assess (though they will have to collect 20% of general rates from everyone).
- DSS will lose at least 3,000 staff, giving no improvement in their service to the public.

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TURN OVER for "What You Can Do"

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GET SIGNATURES on a petition.

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p&p: RCABC; 54 Bedford Rd, Reading, RG1 7HS. Tel: 589036

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To:....., MP, House of Commons,  
Westminster, London SW1

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Signed..... Date.....

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