

DWP Central Freedom of Information Team

e-mail: freedom-of-information-request@dwpgsi.gov.uk

Our Ref: VTR IR 834 & 861

DATE: 28 November 2013

Dear Mr Morley,

I am writing in response to your review requests received on the 09 and 22 November. An internal review has been carried out by someone of a senior grade to the person who dealt with your original request. I am now in a position to respond to you. In your review requests you said:

a) Dear DWP Strategy Freedom of Information,

The opinion of one man - Steve Webb, is not grounds for doing nothing. His view is not the view of parliament and that is where this decision should be made. If it is the treasury that are leaning in him then they should be held to account because as with the case in the Lords for part time judges it was said that cost can never be used as a reason to discriminate and the case was won.

If there is to be a rule for the judges then the same rule should apply to pensioners. Deal with it.

Yours sincerely,

George Morley

and

b) Dear Department for Work and Pensions,

Please pass this on to the person who conducts Freedom of Information reviews.

I am writing to request an internal review of Department for Work and Pensions's handling of my FOI request 'Responsible pension financing.'

Irrespective of the answers received so far I would like to make this comment in support of the claim for uprating all pensions and thereby stopping the discrimination that is caused by the freezing policy currently imposed by regulation 3 not to mention clause 20 which should never have been included in the new Pensions Bill passing through parliament at this time.

Recently a case came up in the Lords regarding part time judges in the UK and they were awarded a pension that could cost (worst case) £2 billion.

Paul Epstein QC representing the plaintiff said, "The court decided in the end that all those reasons came down to cost, and that cost can never objectively justify discrimination"

To now find that the case for pensioners is any different would be unacceptable surely if the honesty and integrity of those making decisions is to be upheld.

A full history of my FOI request and all correspondence is available on the Internet at this address:

https://www.whatdotheyknow.com/request/responsible_pension_financing

Yours faithfully,

George Morley

The Department's response of 21st October to your query:

You said –

From Hansard source (Citation: HC Deb, 8 October 2013, c159W) the annual cost of uprating the frozen pensioners would be 700 million GBP per year. This is less than 1% of the annual pensions budget and a review of cost against the saving made by not having the following benefits must be made if cost is to be used as an excuse to continue the discriminative deprivation of the indexing.

- 1. What is the annual saving to the NHS due to the pensioners retiring abroad where no indexing is given.*
- 2. How much is saved by virtue of these frozen pensioners not being eligible for the many benefits available to those in the UK and the EU ?*
- 3. What is the annual cost of maintaining a department to uprate the frozen pensioners who return to the UK for a period and also to answer the numerous questions and queries that the freezing policy generates.*
- 4. Has any assessment been done to evaluate the benefit to the Department should they index the pensions taking into account the points made in 1, 2 and 3 and if not why not?*

The non up-rating ("frozen" pension) is a long standing policy of successive governments, and there are no plans to change this policy, or to review costs or undertake an evaluation. The Oxford Economics Report set out similar arguments suggesting there could be savings to the UK through unfreezing of pensions, however the Minister For Pensions responded to the House of Commons (Oral PQ 10, 10 Sept 2012);

"I have indeed read that report, which I think is flawed on a number of grounds. To give an example, it assumes that if we uprate pensions, far more people will emigrate, and it counts savings from health and social care that might not materialise for 15 to 20 years while counting the costs up front. Our colleagues in the Treasury are not so far seeking policies with large costs for the current comprehensive spending review period that will give savings in 2030."

We do not hold information concerning NHS costs, which would be a matter for the Dept of Health.

No information is available concerning overseas UK State Pension recipients and their entitlement or eligibility for UK or EU benefits. It is for the individual to determine their eligibility, to UK or EU benefits based on their personal circumstances.

No information is available concerning the costs for maintaining a department to uprate frozen UK State Pension for those pensioners who return to the UK.

has been reviewed.

The reviewer is satisfied the responses fully complied with the requirements of the Freedom of Information Act.

On point 1 – matters relating to the National Health Service are, as stated in the response, the province of the Department of Health

On point 2 – there are insufficient data available to the Department on the individual circumstances of recipients of UK state pension living in those countries where the state pension is not uprated to estimate what other pensioner benefits these individuals would be eligible for if they lived in the UK, hence the information you requested is not held.

On point 3 – the Department does not collate data on the activities associated with restoring state pensions to the UK level when a person returns to, or visits, the UK, hence the information you requested is not held.

On point 4 – points 1 – 3 of your request reflect the arguments raised in the March 2011 report by Oxford Economics “Up-rating frozen-rate pensions” - the reply reproduces the Minister for Pension's response in the House of Commons to that report in September 2012.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Central FoI Team

Your right to complain under the Freedom of Information Act

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF www.ico.gov.uk