

GMB WELCOMES THE PENSION REGULATOR'S MOVES TO STOP EMPLOYERS PRESSURING WORKERS TO GIVE UP PENSION RIGHTS

For too long members have been duped and bullied into accepting derisory cash sums in exchange for valuable pension rights says GMB

GMB today welcomed the stance taken by the Pension Regulator, David Norgrove, that trustees should be on notice that cash incentives to give up pension rights are rarely in the workers' interest. Up and down the country contributing, former and retired members of pension schemes have been approached with an offer of a cash sum to give up some or all of their pension rights. This results in a huge saving for the companies responsible for these pension schemes and a significantly greater risk of poverty in retirement for members and increased tax spending on state benefits.

GMB raised concerns earlier this year about increasingly disreputable practices used by some employers and advisers to encourage members to give up their pension rights and is pleased that the Pensions Regulator has made a clear stand against this activity.

Naomi Cooke, GMB's National Pensions Officer said, **"For too long members have been duped and bullied into accepting derisory cash sums in exchange for valuable pension rights. GMB has been increasingly involved over the last couple of years in correcting misleading information put out by those seeking to persuade members to give up their pensions. We wholeheartedly agree with the Regulator's view that where pressure is put on members to accept a transfer, it is not in their interest to do so.**

However, the problem goes further than simply giving up pensions already saved. Even before automatic enrolment was introduced we hear of employers offering cash if individuals agree to opt out of certain pension arrangements. The Pension Regulator needs to use all his powers to ensure that these practices are stamped out.

The country needs individuals to save for their retirement and individuals need to have secure and sustainable means of doing so. The regulatory system must ensure that employers play their part in supporting this."

Ends

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Notes to Editors:Text of David Norgrove's speech can be seen at www.thepens