12,000 Public Sector Pensioners Getting over £50k a Year

More than 12,000 retired senior public sector employees are receiving pensions worth more than £50,000 pa. and many are also in receipt of annual pensions above £100,000, according to new research from the Intergenerational Foundation (www.if.org.uk).

That number, revealed in answers to Freedom of Information requests by IF, is also set to rise rapidly over the next 5 years as the Baby Boomer generation of public sector workers start to retire.

IF believes top civil servants, doctors, head teachers, judges and union members over 50 are rewarding themselves huge pensions to the detriment of their younger members, many of whom will be funding their older colleagues' pensions until 2050.

Angus Hanton, Co-founder of IF comments, "Younger union members are being encouraged into protecting much more generous pensions than they themselves will get. Unions have a responsibility to ensure that they protect the rights of all members."

Most of the public seem unaware that the UK public sector pension scheme is run like an enormous 'Ponzi' scheme, a phrase coined to describe suspect pyramid selling schemes in the US that rely on new members coming into the scheme to pay those further up. There is no "pot of money" being saved in the UK; instead each member's contributions are used to pay a current retiree's pension. Any shortfall has to be made up from already overstretched public spending. This explains the outrage from private sector workers who have seen that government workers have been paying 6% contributions and receiving pensions worth 36%.

IF calls for the creation of a new 'funded' public sector pension fund in order to protect the sustainability of public sector pension provision for the future with strict rules preventing successive governments from raiding the pot in a down-turn.

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The figure of £6,000 unions give as the average annual public sector pension, is also misleading since part-time and short service pensioners are included in order to bring the average annual pension figure down.

Furthermore, IF research shows the extent to which the UK taxpayer has been subsidising the private school system and private medicine by subsidising the pensions of private school teachers and doctors taking on private practice.

"We need to call government and unions to account", adds Ashley Seager, IF Co-founder. "Subsidising private education, fudging the figures and not sharing pensions fairly across the public sector age divide reeks of cronyism.

"Younger generations may decide not to pay these pensions when they realise that the government and unions have between them racked up a national pension liability of over £1 trillion with each household now in debt (just on public sector pensions alone) to the tune of £38k."

Angus Hanton concludes, "Because the practice of paying senior executives overly generous pensions is prevalent across both private and public sectors, a windfall tax may have to be considered."

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Note to Editors:

IF used a combination of Freedom of Information (FOI) requests to government departments and a Parliamentary Question in the House of Commons to find the following figures.

Hansard reference:

http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm111102/text/111102w0002.htm#11110210900109 2

No of public sector retirees collecting in excess of £50k annual pension:	12,082
No of public sector retirees collecting in excess of £100k annual pension:	148

Of those collecting over £50k, doctors dominate with 8,714 (72%) irrespective of private practice work undertaken

Angus Hanton and Ashley Seager, Co-founders are both available for interview.

Please contact Liz Emerson on liz@if.org.uk Mob: 07971 228823 to arrange.