HOUSE OF COMMONS
LONDON SW1A 0AA

Darren Jones MP
Chair
Business, Energy and Industrial Strategy Committee
House of Commons
London, SW1A 0AA

Ref: LA8905
Friday 9th April 2021

Dear Mr Jones,

I am writing in my capacity as the Member of Parliament for Ashfield and as a former Mineworker who represents a coalfield community.

Since 1994 the Mineworkers Pension Scheme surplus arrangement has been widely criticised by scheme members, families and MPs who all believe that successive Governments have been overcompensated and scheme members have been misled over the scheme guarantee and the risk to Government whilst the 50/50 split still remains in force.

Whilst I agree that the guarantee provides certainty for scheme members it is very difficult to see how the 50/50 surplus arrangement is fair and represents a fair return as successive Governments have not paid a single penny in to the scheme throughout.

In the Mineworkers Pension Scheme Actuarial Review on 30th September 1993 report conducted by the Government Actuary the actuarial advice was a surplus split of 70% for the mineworkers and 30% for the Government which mineworkers felt to be a fair deal in return for their pension to be guaranteed. However, at the last hour of negotiations I have been advised that Government verbally demanded a 50/50 split of the surplus or the offer to guarantee scheme would be rescinded. The advice had always been the scheme had to be guaranteed, therefore at a time when coal mines were closing and thousands of miners were being made redundant and faced an uncertain future the Trustees at the time reluctantly accepted the 50/50 split. In my mind this is not the proper way to act when dealing with people who have kept the lights switched on this country for over 100 years and it is felt by many scheme members that although they are grateful for the guarantee they are adamant that the surplus split is unfair that the Government at the time knew what they would profit massively from guaranteeing the scheme. To date Governments have taken over £4 billion from the scheme without ever having to pay a penny in.

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It is quite obvious that the scheme is a low risk but high yielding revenue source for the Government and it may be worth noting that once the last scheme member dies then the scheme including all its assets is inherited by the Treasury. After years of toil ex mineworkers see this as deeply unfair as many of them now have major health problems or indeed have had shortened lives which has left their widows financially insecure.

A greater share of the surplus for scheme members would go a long way to help coalfield constituencies as part of the 'levelling up' agenda in places like Ashfield and Eastwood as these are areas that have never really recovered from the pit closures of the 1980's and 1990's.

Now is the time to right some of the wrongs of the past I would like to thank the Committee for taking the time to consider this important issue which is long overdue as thousands of Scheme members are dying every year. The Scheme can improve the lives of thousands of miner's families throughout the UK and based on the past 25 years, it will not cost the Government a single penny.

Finally, Scheme members quite rightly believe that the investment reserve fund of the Pension Scheme should be passed over to the trustees in order to benefit the ex-miners that are still alive today and the surplus share ratio should revert to what the Government Actuary advised in 1993 which is a 70/30 split in favour of the miners.

I hope that justice can finally be delivered.

Best Wishes,

Lee Anderson MP
Member of Parliament for Ashfield

L Anderson