



**Department for
Business, Energy
& Industrial Strategy**

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Our ref: MCB2020/08439/NB

21 April 2020

Dear Rachel, Nick and Stephanie,

Thank you for your letter of 27 February, to the Prime Minister, regarding the Mineworkers' Pension Scheme. Your letter has been passed to this Department and I am replying as this matter falls within my Ministerial portfolio.

The current surplus sharing arrangements were reached by agreement in 1994 between the Scheme Trustees and the Government. I continue to believe that they have worked well for all parties and so do not intend to review those arrangements. The Government provides a guarantee that ensures:

- a member's guaranteed pension, including inflation increases, will always be paid; and
- a member's total pension (including bonus pension) will not fall in cash terms.

The Government guarantee has enabled an investment strategy that has resulted in scheme members receiving payments 33% higher than they would have been if they received only their actual earned pension up to privatisation. The most recent valuation was completed in July 2018. Positive results mean that scheme members will receive an additional 4.2% of the guaranteed pension as bonuses for six years. Without the guarantee, the Trustees are likely to have invested more prudently, yielding lower returns, and scheme members would not have seen the increases that they have.

Furthermore, you will no doubt have seen the effects the current situation has had on world markets. This may well have a negative impact on the Scheme's investment portfolio, at least in the short term. However, the benefit of the Guarantee is the member benefits are not at risk and our recent agreement ensures accrued bonuses are also protected

In November 2019, I agreed to the Trustees' proposals for scheme changes that will protect bonuses that have already accrued. This will ensure that the scheme members get everything to which they are currently entitled. My officials are working with the Trustees on implementing those changes, which require amendments to the scheme rules. No further changes are planned at this time.

Thank you again for taking the time to write. I hope you find this information helpful.

Yours ever,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', with a horizontal line above the second name.

RT HON KWASI KWARTENG MP
Minister of State for Business, Energy and Clean Growth