

The AEA Technology Pensions Scandal

March 2026

When the government decided in the 1990s that gas - not nuclear power - was the future, part of UKAEA was privatised as AEA Technology. The Act of Parliament which paved the way for this, specified that people must receive a pension *"no less favourable"* than their old one.

"We shall ensure that employees can join a scheme that overall is no less favourable than the authority's scheme. Therefore, employees should have no fear about their future pension scheme." Lord Fraser of Carmyllie 17Sep'95 HOL Hansard

No one told us that we would lose our government guarantee if we transferred our pensions into the new company scheme. The Government Actuary (no less!) assured people that they would receive the same pension benefits from the new scheme, and specifically advised them not to consider the security of their pensions.

At the same time, without telling anyone, the government pocketed more than half of the pension contributions that should have been transferred to the new scheme, leaving it underfunded from the start.

Fast forward to 2012, when AEA Technology went into a pre-pack administration. The assets of the pension scheme were handed to the Pension Protection Fund to invest. Those assets are now worth twice what is needed to pay the pensions that people had earned and paid for, including making up their losses to date. But the PPF only pays them about half their pensions, and it decreases every year! (PPF is not funded by the government or the taxpayer, but the government controls what PPF can pay.)

It's been one shady trick after another.

The government has not allowed any Ombudsman to look into the AEA Technology case. But, after an independent report by the National Audit Office, two cross-party parliamentary select committees (chaired by Labour MPs) recently decided that people had been given bad information, that they lost money as a result, and that compensation should be paid to them.

"The former civil servants who transferred their pensions to AEA Technology (AEAT) when it was privatised were badly informed by government at the time, with some losing considerable sums, and have not been treated well in trying to get their complaints heard."

"AEAT's pension scheme was not guaranteed by government, but it was not unreasonable for its members to think it was similarly protected. This was particularly due to the assurances that ministers had made at the time, and other privatisations coming with government guarantees"

"AEAT pension scheme members have been passed from one part of government to another, with no department taking overall responsibility for their complaints."

Public Accounts Committee, 14 June 2023

The Government should report back to us by the summer recess on how it intends to ensure an adequate means of redress for AEAT pension scheme members.

Work and Pensions Committee, 26 March 2024

The pensions minister in the last government accepted the select committee recommendations and instructed his officials accordingly. But in a bizarre reversal, the current government has now put forward a tissue of lies and evasions to 'justify' its position that

"There are no plans to offer specific redress to AEAT members"

Currently, a group of MPs are promoting an amendment to the Pension Schemes Bill, calling for a route to redress to be established. A clear route exists, at no cost to the taxpayer, using funds held by PPF which are attributable to the AEAT scheme.