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# Government dodges PAC demands claiming they are 'policy matters'

By **Pádraig Floyd** | August 15, 2023

The government has rejected recommendations made by Parliament's Public Accounts Committee (PAC) that it should review the indexation of the Pension Protection Fund (PPF) and initiate an independent review of **AEAT members' complaints**.

The committee's recommendations were published in June in [a damning report](#) about [the treatment of AEAT pension scheme members](#) by various government departments.

AEA Technology was the former commercial arm of the UK Atomic Energy Authority which went into administration in 2012. Despite government assurances of the new scheme being a 'mirror' of the previous public sector scheme, the business went into administration in 2012, leaving members with benefits covered by the PPF.

The PPF does not index pre-1997 benefits to inflation, while increases on later benefits are capped at 2.5% of the consumer price index (CPI).

Many AEAT members had considerable pre-1997 benefits accrued and some were in a separate section that allowed members to make higher contribution levels to provide a bigger pension. As a result, all have experienced a considerable reduction in pension.

## Nothing to do with us – it's a policy matter

The government's response, issued in a [HM Treasury minutes document](#) while parliament is in summer recess, said it disagreed with the committee on a review of PPF indexation.

The minute stated that the rules for PPF indexation rules are set out in paragraph 28 of Schedule 7 to the Pensions Act 2004 and reflect the the legal requirements for defined benefit pension schemes for post-1997 increases.

It added that "the department cannot respond further to this recommendation as to change these indexation rules would require a change in legislation and is therefore a policy matter."

The recommendation that the government ensure "that members' complaints about the AEAT pension case can be independently reviewed, for example by a relevant ombudsman" were also rejected.

The government said that a number of "relevant government bodies" – including the Pensions Ombudsman and the Parliamentary and Health Service Ombudsman –, have reviewed their powers and found them to be outside their remits.

The statement said the department cannot respond further on this matter, either, as changing the remit of an ombudsman would be a policy matter.

## Why are we waiting?

Andrew Turner, an AEAT member and one of the campaign's leaders, told *Pensions Expert*: "I am not surprised at their mean and disrespectful treatment.

"They probably hope we'll all die off before they are forced into to doing anything about it."

Derek Whitmell, also an AEAT member, said: "The response from the government is, sadly, not unexpected.

"Both the Pensions Ombudsman and the PHSO found ways to claim that it was out of their remit. That is not an investigation of our complaint. The reply flies in the face of PAC's findings that we had a valid, unanswered complaint.

"Instead, they claim "it has been investigated". They have buried their heads in the sand, again."

Two recommendations were not only accepted, but placed on the government's schedule.

The request for DWP to inform PAC of the extra steps it will take to support people to make informed financial decisions, including current consultation and on the dashboards programme, was given a target date for a Government response of September 2023.

The request for ombudsman arrangements to be reviewed to ensure "all aspects of people's interactions with their pensions have an adequate route of appeal" was also accepted and given a deadline of Autumn 2024.

Turner said the acceptance of this last recommendation is "puzzling", given that it has now been investigated by the National Audit Office and PAC and that it was the government that blocked previous three attempts by Ed Vaizer MP and David Johnston MP in 10 minute bills to enable the PHSO to investigate.



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