

From: [Redacted]
Sent: [Redacted]
To: Reg Finance <RegFinance@ofgem.gov.uk>
Subject: Pension scheme arrangements for National Grid employees

[Redacted]

I write in response to the "Call for Input – Pension scheme arrangements for National Grid employees transferring to the Future System Operator (National Energy System Operator or NESO)"

I am [Redacted]

The current scheme rules, allow for full RPI increase to be applied to pensioners every year, however, if the value of RPI is greater than 5% the scheme sponsor can limit the increase to a value between 5% and RPI.

A number of scheme sponsors have taken this approach over the last few years.

In addition to the above, if an independent trustee is appointed to the board of the group then the decision rests with that person and not the scheme sponsor.

This limiting of the full RPI increase is becoming a serious issue now for members, and a number have now contacted their MP's regarding this situation.

To make matters worse, a large number of members feel that they were disadvantaged by Contracting Out.

And indeed don't feel that their current payments meet the GMP requirements of Contracting Out.

In addition to this they are also seeing that as a result of contracting out, they also don't qualify for full state pension even with over 35 years of NI contributions, and are now having to top up their NI contributions.

You will no doubt be aware of the similar situation with the BP pensions group, and [Redacted] members are currently watching this court case very closely!

With the creation of the new NESO, that will be a public company, owned by the government, if the rules regarding limiting the increase to less the RPI still apply, you will have the bizarre scenario, that members in receipt of state pension will get full RPI, due to the triple lock, but wont get full RPI on their NESO pension, which will also be paid by the government.

Regards

[Redacted]