



# Liberal Democrat **policies for older people**



**change that works for you**

**BUILDING A FAIRER BRITAIN**



Liberal Democrats recognise the enormous contribution older people make to our society. In government we would make sure that all of our public services, and businesses like energy companies, treat older people with the respect they deserve.

A while ago an elderly couple wrote to me. They're both retired and life isn't easy on their pension. They can't afford to heat their house through the cold winter months, and they've even been reduced to spending the days riding around on buses just to keep warm.

It's a scandal that 2.5 million pensioners live below the bread line in Britain today. Ever since the link with earnings was broken back in the 1980s, the basic pension hasn't been enough to live on. In order to get more money pensioners have to fill in complex and demeaning forms. Many struggle to pay their fuel bills, and many are forced to sell their homes simply to pay for the care they need.

Liberal Democrats will change things for older people, putting fairness into social care and pensions. But it's about more than that – we will also bring an end to age discrimination and stop people being written off or forced to retire once they reach a certain age. Liberal Democrats recognise the enormous contribution older people make to our society. In government we would make sure that all of our public services, and businesses like energy companies, treat older people with the respect they deserve.

**Here, we outline six of our key policies to building a fairer Britain for older people:**

- Restoring the earnings link immediately
- No-one to pay tax on the first £10,000 of their income
- Scrapping the default retirement age
- Fair energy prices
- A review of social care
- Keeping Post Offices open

Only Liberal Democrats will bring change that works for you.

A handwritten signature in blue ink that reads "Nick Clegg". The signature is written in a cursive, slightly slanted style.

Nick Clegg  
Leader of the Liberal Democrats

## restoring the earnings link immediately

It is unfair that as each year goes by, pensioners slip further behind. It is only fair that, at times when the country is getting richer, retired people share the benefit.

Today, almost 1 in 4 pensioners live below the bread line. More than half of pensioners are on such low incomes that they are entitled to means-tested benefits, yet many don't get the extra help they need because they are put off by complicated forms and sharing personal information.

Liberal Democrats will immediately restore the link between the basic state pension and earnings. We will use growth in average earnings, prices or 2.5 per cent, whichever is higher, to determine the increase in the state pension. For personal pensions we will give people control over their own pension by scrapping the rules that compel you to buy an annuity when you reach 75.

## no-one to pay tax on the first £10,000 of their income

We live in a country where people on low and middle incomes pay too much tax on their income while those on high incomes are able to avoid large amounts of tax. Liberal Democrats will radically rebalance the tax system by cutting taxes for people on low and middle incomes meaning that no-one pays tax on the first £10,000 of their income.

This means that anyone between 65 and 74 with an income of £10,000 or more will have their income tax cut by at least £100. Those over 75 will get just under £100 in their pockets. As higher personal allowances for people aged over 65 are only for those on lower incomes, anyone over 65 with an income of over £29,500 will see their income tax cut by £700.

The change will be paid for by a new mansion tax, closing loopholes that benefit the wealthy and ensuring airlines pay for the damage they cause.

## scrapping the default retirement age

Forcing people to retire on their 65th birthday is age discrimination, which we want to end. We believe that employers should never be allowed to use someone's age as a reason for taking away their livelihood. People should be judged on their ability to do their work, not their age.

Liberal Democrats would remove compulsory retirement ages. Obviously, to continue working, employee and employer have to be agreed that it is to their mutual advantage. Those who go on working should accept a periodic assessment of their capacity to be able to continue doing their job effectively. The age from which these assessments would be required will be decided through consultation with stakeholders, including employers and interest groups such as Age Concern and Help the Aged.

## fair energy prices

Energy bills are too expensive for too many people, especially pensioners who often spend all day at home. Under the current rules, a pensioner trying to heat a single room in their home pays more per unit than a millionaire does heating a five-storey mansion. No wonder nearly 37,000 people died from the cold last winter, most of them elderly.

Liberal Democrats will require energy companies to reverse the charging regime so that the first units of energy consumed are at the lowest price. This will reward those who use less energy and encourage investment in energy efficiency.

There are also currently massive differences in how energy companies decide who is eligible for a 'social tariff'. Liberal Democrats will force energy companies to introduce mandatory social tariffs, lower than their other prices, to protect vulnerable people on means-tested state benefits from high fuel costs. We will require that these social tariffs are less than or equal to the cheapest market price available regardless of how these customers pay their bill.

## a review of social care

The long-term funding system for adult social care in England is not fit for purpose and funding for services is likely to become more difficult in the future. Liberal Democrats want to create an independent commission to reach a consensus on social care and sort this problem out once for all. We will seek agreement based on the principles of fairness, sustainability and affordability.

Liberal Democrats will support the million family carers in Britain who provide 50 hours of care a week for a loved one with a guarantee of a week's respite a year. This is affordable because we will cancel Labour's plans for 'free care at home', as they are so badly funded they will lead to cuts in social care support for many vulnerable people or an increase in Council Tax.

## keeping Post Offices open

Pensioners and older people often rely on their local Post Office, but Labour and the Conservatives before them have closed down more than 10,000. This simply isn't fair.

Liberal Democrats will give the Post Office a sustainable future by splitting Post Office Ltd from Royal Mail, allowing each to focus on their separate challenges. When market conditions allow, 49 per cent of Royal Mail will be sold generating proceeds that will become available to fund improvements in the Post Office network depending on need at that time.

The Post Office, on the other hand, will remain in public ownership in order to provide an essential, locally-based, lifeline to all communities and will be supported in developing new sources of revenue. These include the creation of a PostBank, acting as the shop window for Government and as a collection/delivery point for internet shopping.



Liberal Democrats have championed the devolution of powers to Scotland and Wales, and many decisions made in Westminster now apply to England only. That means that policies in those nations are increasingly different from those in England – reflecting different choices, priorities and circumstances. Our Scottish and Welsh Parties make their own policy on those issues. This document sets out our priorities for a Liberal Democrat Government in Westminster.

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