

Home > Finance > SNIPEF Continues Pushing for Changes to Devastating Pensions Legislation

Finance

SNIPEF Continues Pushing for Change to Pensions Legislation

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BACK ROW: Garry Forster – PEAG spokesperson Wendy Chamberlain MP – Liberal Dem – NE Fife Baroness Ros Altmann Patricia Gibson MP – SNP – North Ayrshire and Arran Alan Brown MP – SNP – Kilmarnock & Loudon FRONT ROW: Fiona Hodgson – SNIPEF – CEO Pete Wishart MP – SNP – Perth & North Perthshire Richard Thomson MP – SNP – Aberdeenshire

SCOTLAND's leading trade body for plumbing and heating professionals has met MPs as part of its continuing campaign to amend pensions legislation that is having devastating consequences

its continuing campaign to amend pensions legislation that is having devastating consequences for hundreds of UK businesses.

Established in June 2018, the All-Party Parliamentary Group (APPG) for Plumbers' Pensions was re-convened on February 5 following the General Election. The group continues to be chaired by Pete Wishart MP, who along with other politicians met leaders from SNIPEF and the Plumbing Employers Action Group (PEAG) to reconstitute the APPG.

SNIPEF – the Scottish and Northern Ireland Plumbing Employers' Federation – has been pushing for changes to pension legislation, which has left businesses participating in the otherwise financially sound Plumbing and Mechanical Services (UK) Industry Pension Scheme, with potential staggering liabilities.

The Scheme was established in 1975 and is a multi-employer scheme covering businesses throughout the UK. Under section 75 of the Pensions Act 1995 as subsequently amended, participating employers become liable for what is known as a section 75 employer debt under certain circumstances, including when they withdraw from the Scheme.

SNIPEF chief executive Fiona Hodgson – who was at last week's cross-party gathering of MPs and Lords with an interest in this issue – said she was extremely frustrated that despite continued lobbying to change legislation, the proposed 2019–20 Pension Schemes Bill does not address the unintended consequences of Section 75 legislation.

“This debt legislation places a huge financial liability on employers if, for example, they want to retire, sell or cease operating their business,” she said. “This is even though they have paid all contributions properly due to the scheme, which is well-funded and able to pay out its benefits.

“This is highly detrimental to these businesses as it means they have no incentive to take on apprentices, create jobs or grow their operations.

“We welcome this opportunity to engage with lawmakers on this issue, and hope to find a speedy resolution to a situation that has taken a grave financial and mental health toll on our employers.”

Garry Forster, spokesperson for PEAG, added: “Trustees of the Plumbing Pensions Scheme are also seeking debt payments from people who retired many years ago, the size of which mean they are at serious risk of losing their homes and life savings.

“More recent legislation has provided some easements for limited companies, but none are available to sole traders and retired plumbers, hence they face personal bankruptcy.”

Others at last week's meeting included: Wendy Chamberlain, MP for North-East Fife; Baroness Ros Altmann; Patricia Gibson, MP for North Ayrshire and Arran; Alan Brown, MP for Kilmarnock and Loudon; Richard Thomson, MP for Aberdeenshire; and Drew Hendry, MP for Inverness, Nairn, Badenoch and Strathspey.

