

As I am billed as President of the National Association of Pension Funds, it is fairly obvious that as my great interest for the past quarter of a century has been dedicated to pension matters my contribution to the subject might have a Pension slant.

There has been a great evolution of pensions during the past 25 years & perhaps I can mention three major areas which impinge on this subject of responsibility in the inflationary world in which we are living.

1. I was delighted to find when I joined Imperial that their Pension Fund, which was founded in 1929, was far sighted enough to base its pensions on salaries & wages in the last year or two prior to retirement & thus give some measure of protection to pension going on pension against the effect of inflation up to the date of retirement. (25 years ago it was much more common for pensions to be based on average salary & wage throughout service - which in an inflationary age produced some poor pensions).
~~It is doubtful~~ Possibly the Imperial ^{Tobacco} Companies approach was made possible by the fact that at that time profits were relatively easy to make in the manufacture of tobacco goods, but nevertheless they accepted their responsibility.

2.

The next area of responsibility was the question of whether an employer felt it a duty to keep pensions in course of payment up with the ever rising cost of living.

I am glad to say that Imperial have been doing this for many years. The only question I ask myself about this is "Would they have been so generous had it not been for the fact that a successful investment policy in the Pension Fund meant that this generosity did not cost the company or the members any additional contribution."

3.

The third area is that of Transferability or preservation of Pension Rights in the event of an employee leaving the service of the Company.

The modern feeling is that Pensions are deferred pay, so that when an employee leaves he is entitled to have the benefit of what the employer had already put aside towards his Pension.

I.T.C. were slow to move towards this. You will appreciate that Transferability or preservation is in the National Interest in that it facilitates movement of labour.

Many companies however took the parochial view