

# Why is Labour picking on pensioners?

<https://www.taxresearch.org.uk/Blog/2024/09/10/why-is-labour-picking-on-pensioners/>

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In this morning's video, I note that of all the groups in society anyone expected Labour to pick on when it came into office, pensioners were the least likely, excepting, perhaps, children in poverty. Now it turns out they are the two groups Labour thinks should pay the price for the mess that Labour claims it has inherited from the Tories. Political incompetence on this scale is hard to make up.

<https://www.youtube.com/watch?v=iN9vMYJlQIQ?si=9hFGB-tjrLDkicVB>

The audio version is:

[https://www.podbean.com/player-v2/?i=k4kin-16cac7c-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo\\_link=episode\\_page&btn-skin=ff6d00](https://www.podbean.com/player-v2/?i=k4kin-16cac7c-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo_link=episode_page&btn-skin=ff6d00)

The transcript is:

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## Why is Labour picking on pensioners?

What we know is that today, Labour MPs are going to have to troop through the lobbies in the House of Commons to vote to take away the winter fuel allowance of around 10 million pensioners in the UK, and the resulting saving will be little more than £1.5 billion, which in the overall context of government funding of nearly one trillion pounds a year, or a thousand billion, is what we might call neither here nor there.

Now we know that Lucy Powell MP, who is the leader of the House of Commons, has said that but for taking away the winter fuel allowance, the international financial markets would have thought the UK was about to suffer imminent financial collapse. But she was talking complete and utter nonsense. And so is any other Labour minister who makes a similar claim, including Keir Starmer and Rachel Reeves.

Talking of Rachel Reeves, let's just imagine that meeting that she had with her advisers and maybe some officials in the Treasury, very soon after the election, when she decided that she was going to announce this policy of taking away the winter fuel allowance, of which no mention was made, of course, during the election campaign.

They sat around a table.

They said, we're in financial crisis.

There's something we've got to do.

Someone has to pay.

Who might it be?

And they picked on pensioners.

Why? Of all the groups in society, apart from children in poverty that is, who she has also decided should stay in the situation they're in, pensioners were surely the last people that she should have picked on when it came to punishing someone for the state of the UK's finances, if any such punishment was necessary. And I wonder whether it was.

But she chose to pick on pensioners.

The backlash has been predictable, and I am quite sure that about 95 per cent of those Labour MPs trooping through that lobby tonight will be exceedingly uncomfortable with having to vote for this measure.

We're told that maybe 50 might rebel.

I suspect it's very unlikely that 50 will really rebel, and rebellion in this case will, by the way, be represented by an abstention, not a vote against, because we've already seen that seven Labour MPs have had their whips withdrawn as a consequence of voting against the continuation of the two-child benefit cap.

So Starmer will still face a rebellion, we don't know how big, but it will be indicative of a much greater disquiet.

That disquiet is justified. Of all the people to pick on, pensioners were the least likely to

have contributed to the crisis that we are in. There are plenty of others who should have made a contribution.

Large companies could clearly pay more and have had an absurdly low corporate tax rate and are going to continue to have an absurdly low corporate tax rate because despite the increase in the headline rate to 25%, they are now getting a 100% tax relief on all their capital expenditure every year, which means that their real rate of corporation tax pay will be much lower than that headline rate in most cases.

The wealthy are having a ball based upon the fact they aren't paying appropriate tax, either because they can shift their income into companies and pay no more than 19 per cent tax as a result, presuming that those companies are small, or they will be turning their income into capital gains and paying at about half the rate that is due on their income and that of everybody else who has to go to work for a living.

So, there are people who could pay tax now, easily, instantly, without there being any popular backlash, which Keir Starmer says he knows he's going to face for having picked on pensioners.

It's the weirdest political strategy of all time to choose to be unpopular by picking on the vulnerable in society.

And we know he is picking on the vulnerable in society. There are of course pensioners who do not need the £300 a year winter fuel allowance. I will put my hands up and say I am one of them. Because I am. I am a pensioner and I would get a winter fuel allowance if there still was one. But the answer to that is very straightforward. Tax the winter fuel allowance. In that case, I would at least pay part of it back. Why not?

But actually means testing this benefit is going to result in a great many, by which I mean millions, of people who are on the cusp of poverty not being able to meet their fuel bills this year. And we know that Keir Starmer is already nodding through a 10 per cent fuel price increases this winter, as if he has no concern about the fact that the oil and gas companies and electricity generating companies are making exceptional profits at our expense.

So, why did he do this? I don't know.

But it indicates that not only does he want to be unpopular, but he definitely knows how to be unpopular. And that is crass political judgment in play.

I wish I knew what Labour was doing.

I wish that everything I said about their incompetence before the election has not turned out to be true.

I wish they could deliver sound government for the people of this country, but right now it really doesn't look like it.