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Pensions Week

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Ford on the ropes over Visteon investigation

Ian Smith

Stephen Metcalfe MP will meet work and pensions secretary Iain Duncan Smith imminently to press for a select committee investigation into the Visteon pension dispute.

As *PW* went to press, Unite had also emerged from a meeting with Ford, ahead of the union issuing its legal claim, expected today, against the car manufacturer for allegedly mis-selling the Visteon employees their pension.

Metcalfe said he hoped to meet Duncan Smith "in the next week or so" to discuss protection that can be given to employees who transfer to a spin-off company.

"[I will be] discussing whether or not he would think a select committee inquiry into this would be useful," he added.

Meanwhile, a source close to the discussions said: "Ford is obviously feeling very concerned now that it is warming up to a crescendo. It's building up with the legal side and the MPs."

Following the ministerial meeting, a core group of 13 MPs – who met Ford representatives at the December showdown, exclusively revealed in *PW* (*PW* 22/11/10) – will again quiz Ford officials in the spring.

Following discussions, Ford has taken away a series of documents given to them by the Visteon representatives for investigation, *PW* understands.

There was also a disagreement considering an employee information pack Ford contends was issued to employees at the time

of Visteon's breakaway from its parent company.

The ministerial meeting will be the first direct contact between any Visteon advocates and Duncan Smith, who agreed to meet the South Basildon and East Thurrock MP to discuss the issue in answer to a question in the House of Commons.

To secure the select committee, the MPs are seeking to widen the issue – previously dismissed by the Work and Pensions Committee as "single item" – to a full investigation of companies' promises in transferring pensions.

A Ford spokesperson said Friday's meeting was a regular occurrence, not called to discuss the Visteon dispute, though it "may well have been covered".

Unite was unavailable for comment.

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BT fund stops short of full shift to CPI

BT has backed away from a full shift to the consumer prices index (CPI) for pension increases to its defined benefit (DB) plans.

Trustees and unions have been told the telecoms giant will not seek the shift for a section of its DB scheme which has the retail prices index (RPI) written into its rules.

In a November announcement, BT said it was taking "further legal advice", together with trustees, on whether pensions in payment for those members would be "affected" by government RPI/CPI announcements (*PW* 22/11/10).

Now the telecoms company has confirmed to *PW* it will not seek the index shift for DB mem-

bers designated 'section C' – those who joined post-1986.

A BT spokesperson said: "Following discussions with the trustee and unions, BT will, for now, continue to use RPI (capped at 5%) for increases to pensions once in payment for section C members."

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