

## Stephen Bates: New Conservative candidate selected for Newcastle North, says new pensioner bond will reward savers in Newcastle North in their retirement

Stephen Bates, the recently selected Conservative candidate for Newcastle North at the General Election has welcomed the launch of a new National Savings and Investments Bond for pensioners.

The new bonds for people aged 65 and over will offer market-leading rates and support people who rely on their savings in retirement. Two bonds are being launched:

- **A one year bond** will offer returns of 2.8 per cent gross/AER interest,
- **A three year bond** will pay 4 per cent gross/AER interest.

£10 billion has been made available to allow these bonds to be issued – this should ensure these bonds are on the market for a period of months, giving those pensioners who wish to take advantage of the rates plenty of time to do so.

Stephen said:

“A key part of our long-term economic plan is to support savers and boost hardworking peoples’ financial security at all stages of life.

“That’s why we’ve introduced government-backed savings bonds for people aged 65 and over that pay the best interest rates in the market. They have already been a huge success and because this is the biggest ever retail bond offer, these bonds will be available for many months.

“This is great news for pensioners in Newcastle North. It’s time savers were rewarded and these bonds do that by giving older savers the certainty and comfort of a good return over the life of their investment.”

Stephen - who was born and bred in Gateshead and studied at Newcastle University for his second of three degrees - is also delighted to have been selected as the Conservative candidate for Newcastle North at the General Election.

"It is a huge privilege for me as a passionate Geordie to seek to represent the people of Newcastle North at Westminster. As a compassionate Conservative, I want to free Newcastle from the shackles of Ed Milliband's Labour party."

"My three priorities are: first, to work to put Newcastle at the heart of an economic powerhouse through which, like our football team, we are no longer intimidated by 'big clubs' in the South nor squeezed out by Scotland.

Second, I want to relentlessly focus on waste - whether that be financial; waste of human talent; or indeed waste of our natural resources.

Third, having built the right economic foundations and taken difficult decisions, I want to make sure we do our utmost to support those most in need in Newcastle.

As such, I want to echo the words of John Wesley who re-invigorated a spiritually shackled nation centuries ago, by creating an environment where you and your families are able to “work all you can, save all you can and give all you can”.

ENDS

### **Notes to Editors**

Stephen Bates was born and bred in the North East, attending a comprehensive school in Gateshead before going on to Nottingham University, then Newcastle University before completing a PhD in Economics at the University of London. Stephen has worked in a variety of senior roles in industry and currently heads up an European Insight team for a multi billion pound global food manufacturer. He has undertaken professional business training at Harvard Business School and regularly travels with work right across Europe. Stephen is a lifelong Newcastle United supporter and has never lost his passion for the North East, nor his Geordie accent!



*Stephen Bates talking with constituents in Chapel House*

*Stephen Bates, delighted to have been selected to represent the people of Newcastle North for the Conservatives at the General Election*



### **A new pensioner bond to support people who have worked hard and saved**

- **Creating a new pensioner bond to help retired savers get a better return on their savings income.** NS&I will offer a one year bond and a three year bond. The rates will be 2.8 per cent gross/AER on the 1 year bond and 4 per cent gross/AER on the 3 year bond; and will be subject to an investment limit of £10,000 per bond per person. This is a market leading rate and will support people who rely on their savings in retirement. It is estimated this product will attract one million pensioners and raise up to £10 billion.

### **This builds on what the Government has already done to support pensioners**

- **Guaranteeing the value of the state pension.** The triple lock guarantees that the Basic State Pension always increases in line with the largest of earnings, prices, or 2.5 per cent. From 2011/12 to 2012/13 that meant a rise of £5.30 – the biggest ever cash rise. Since 2010 the annual basic state pension has risen by £800 (House of Commons library, *State Pension Uprating*, 31 March 2014, [link](#)).

- **Abolishing the default retirement age.** Hardworking taxpayers who wish to work past retirement age now have exactly the same job security as young people, as employers are no longer able to compulsorily retire workers once they reach retirement age (*BIS press release*, 13 January 2011, [link](#)).
- **Simplifying the state pension so people can be certain of what they will get.** The Single Tier pension reforms will introduce a single flat rate pension set above the means test and based on 35 years of National Insurance contributions. It will particularly benefit women, low-earners and the self-employed (*DWP Press Release*, 14 January 2013, [link](#)).
- **Giving people more freedom over how they access their pension savings.** From April 2015 those retiring with a defined contribution pension will have total freedom over how they access their pension. 18 million people will be able to benefit from the reforms which are ending the system where people can be forced to buy an annuity, and removing the punitive 55 per cent tax rate people had been charged for taking out more than their tax free lump sum (*HM Treasury press release*, 22 July 2014, [link](#)).