**The Cuckoo in the State Pension Nest**  
Is your state pension adequate for your needs? Could it be more generous? The NPC certainly believes so!  “Do we get all that’s paid in to National Insurance?” is a good question!  
The National Insurance Scheme was established on 5 July 1948 to provide unemployment benefit, sickness benefit, retirement pensions and other benefits in cases where individuals meet the contribution and other qualifying conditions. The fund also makes a net contribution to the demands of the National Health Service. The National Insurance Fund (NIF) accounts present the receipts and payments for the financial year, as well as the balance on the Fund at the end of the year.  
The income of the NIF consist of contributions from employees, employers and the self-employed, plus interest on its investments. The NIF is used to pay for social security benefits such as state retirement pensions, but not for means tested Pension Credits and Tax Credits. Each year there is a working surplus of the order of £2 billion and, added to the opening balance, last year Great Britain NIF had a closing surplus of over £24 billion.   
However, this was paid into an ‘Investment Account’ (loaned to the government) set up years ago to pay off the national debt on which it receives ‘Interest’ paid back into the Fund.  
Like a cuckoo, the surplus is diverted away from its supposed rightful recipients and loaned to the government through the Debt Management Office, which is part of the Commissioners for the Reduction of the National Debt.  
Incidentally, levels of benefit and contributions are set following the advice of the Government Actuary, who recommends that a prudential balance of two months contribution revenue (about £8 billion) should be kept in the fund so another source of raising the state pension is ‘frozen’ by this system!  
The way I see it, our government should be championing its hard-working past workers through a decent pension for their valour in war, and industry in peacetime, to make this a great nation. Government should not act like a cuckoo in diverting elders’ just rewards to pay off Its own Debt.  
  
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