



10 DOWNING STREET

LONDON SW1A 2AA

3 September 1987

*From the Private Secretary**Dear Bruce,*PES 1987: OUTSTANDING SOCIAL SECURITY SAVINGS COMMITMENTS

The Prime Minister has seen your Secretary of State's letter of 21 August to the Chief Secretary which discussed measures to deliver outstanding commitments for social security savings.

The Prime Minister is firmly of the view that the Government should not seek to introduce an earnings rule for widows. It would be a retrograde step and she recalls the relief on all sides of the House when it was abolished. She does not believe it would be possible for the Government to secure the necessary legislation in the House. She has asked that your Secretary of State should consider and propose other ways of meeting the outstanding commitment to find savings.

Your Secretary of State also proposed to lower from 60 to 55 the age at which occupational pensions over £35 are offset £1 for £1 against unemployment benefit. The Prime Minister has asked that this proposal should also be discussed with the Secretary of State for Employment before it is put to a wider group of colleagues.

I am copying this letter to Jill Rutter (Chief Secretary's Office) and to Mike Eland (Lord President's Office).

*Jms,**Daid*D. R. Norgrove

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Department of Health and Social Security.