Michael Mates MP for East Hampshire has introduced into Parliament a Bill to provide for equality in pension provision for the widows of servicemen. His purpose is to end the current discrimination against pre-1973 forces widows', who receive a substantially lower pension than widows whose husbands served after the date of the change.

Improvements to the Armed Forces Pension Scheme in 1973 led to an increase in the provision for service widows. As with all improvements to public sector pension schemes, the change was not retrospective. In this particular case an anomaly was created in that widows whose husbands served before 31 March 1973 receive only one-third of their late husband's pension whereas the widows of servicemen who served on or after 31 March 1973 receive one half of their husband's pension.

Those who served in the forces on or after 31 March 1973 contributed to the higher rate of widows' pensions through the deductions from their salaries. Although those who were serving at the time could "buy in" their pre-1973 service so as to ensure that their wife was eligible for a half-rate pension on their death, those who retired before the change could not do so.

In 2002 the European Court of Human Rights ruled on various challenges to the Armed Forces Pension Scheme in respect of widows and they rejected the argument that the changes in 1973 had unfairly treated service personnel.

Mr Mates' Bill does not provide an increase from one-third to one half of the relevant forces widows' pensions; to do so would breach the ban on Private Members' Bills spending public money. Instead, the Bill provides for the Government, within 12 months of the Bill becoming law, to provide pensions to the spouses or civil partners of servicemen who retired before 31 March 1973 and between 31 March 1973 and 6 April 2005 on an equal basis. This means that the Government can either increase the pensions of those currently receiving a one-third pension or reduce the pensions of those receiving one-half. Clearly it would be neither politically expedient nor, more importantly, fair for the Government to do the latter.

Details of the exact cost of raising pensions to one-half are not available. The Ministry of Defence has said that it does not know how many widows there are in this position. In evidence to the Defence Select Committee in 2002 the MoD estimated the cost of making the 1973 change retrospective at £25-£30 million a year (MoD memo, Legacy Issues for the Armed Forces Pension Scheme, HC188-I, 2002-03). The cost of course is falling all the time as widows pass on. The MoD figure is a gross cost; part of the expense would presumably be recouped through higher tax receipts.

The Government offers three arguments against the change:

• that it would be retrospective;

• that it would cost too much;

• that it would be unfair.

Each of these arguments is considered below.

Ministers say that governments have always made improvements to public service pension schemes on the basis that they are not retrospective. To single out the pre-1973 widows would be to break this fundamental rule. The difficulty with this argument is that the "no retrospection" rule has been broken before. In 1990 the Government made ex-gratia index-linked payments to pre-1973 war widows as a result of a campaign by Michael Mates and others; the threat to introduce a Bill on the subject by Mr Mates at that time led to the Government retreat.

The second commonly used argument is that improvements to public service pension schemes would be unaffordable if they were retrospective. "Improvements to pension schemes are not applied retrospectively as to do otherwise would make any worthwhile improvements unaffordable", is how the MoD put in its note to the Defence Committee in 2002. This argument implies that all improvements would have to be made retrospective; that is not the argument that Mr Mates is making with this Bill. To the contrary, he is saying that the widows of service personnel are a special case. People who join the armed forces risk their lives for their country in a way no other group of public sector workers do.

The final Government argument is that it would be unfair to single out a particular group of public sector pensioners to benefit from a retrospective change, because other public sector pensioners would be discriminated against and because those benefiting would not have contributed towards the additional benefits. This is absurd; public sector pension schemes are not all identical. They reflect the nature of the occupation, including the degree of risk involved in day-to-day employment. The armed forces are in a different position from other public sector employees in terms of both their conditions of work and the degree of risk involved. In addition, unlike the members of all other public sector pension schemes, they are not represented on the Armed Forces Pension Scheme by trustees or other independent persons – they are entirely reliant on the MoD to look after their interests. Where the MoD fails to do that, as in this case, Parliament must step in.