

Protect Our Pensions campaign

a million
voices
for
public
services

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Protect Our Pensions – Organise Now!

In March, hundreds of thousands of people stood up for public services at the TUC march in London. Now we must mobilise to defend our pensions.

The government's strategy on pensions is now clear: it wants us to:

- **pay more;**
- **work longer;**
- **get less when we retire.**

Public service pension schemes have around 7.3 million pensioners and 5.4 million active members. Including dependants, 20 million people could be with us in the fight to defend public sector pensions.

It's time for everyone to get involved – just remember no one can do everything, but every one of us can do something!

Every UNISON branch that has members saving in a public sector pension scheme needs at least one pension champion and a pension contact in every workplace.

Three things for you to do:

- **sign up to be a UNISON pension contact or champion at unison.org.uk/pensions/pop_involved.asp**
- **ask a fellow UNISON member to do the same;**
- **ask a non-member to join UNISON today.**

You can be a pension's champion!

The big challenge for us over the next few months is to build a network of at least one pension champion in every branch and workplace pension contacts.

Can you be a champion or contact? You will be trained and supported by your region and national union and will receive campaign packs, ideas for actions and news.

In this edition

- **Organise now!**
- **Become a pensions champion or contact!**
- **Latest news**
- **Public sector pensions – what is the government trying to do and how will it affect me?**
- **Negotiations and campaign timetable**

Branch pension champions will need to make sure they keep up with all the latest issues and negotiations so they can support the branch leadership and help build the campaign to defeat the attacks on our pensions.

Workplace pension contacts will take on the role of discussing the issues we face with colleagues, passing on news about campaign activities and asking people to get involved, both with the campaign and by joining the union. You will not be asked to represent or negotiate on behalf of members.

If you want to be a champion or a branch pension contact, or you are a retired member and want to get involved, please contact your branch secretary or email your details to protectourpensions@unison.co.uk

Retired members: get active

Retired members can be pension champions. Branches should set up and support retired members groups – we have 130,000 retired members who could be active and involved. They have a lot to offer, don't leave them out – together with young members they will be a real force for change.

Young members: get active

The national young members' forum is urging all young members to get in contact with their branches and regional committees so that they can join the fight to defend the future of pensions in the public sector.

Latest News

The Budget – 23 March: what did it deliver?

The government confirmed increases to our pension contributions by 3.2%. Interestingly, in Scotland the Local Government Pension Scheme is not required to increase contributions.

A proposed flat rate state pension from 2015 of £140 per week and an end to pension credits and means tested benefits for pensioners. A consultation paper on the future of state pension provision has been issued. UNISON guidance on the consultation can be found at unison.org.uk/pensions/pages_view.asp?did=12755

Banks and bankers

Britain's banks continue to rely on us, the taxpayer, for support according to the House of Commons public accounts committee. It has called for the industry's reliance on the state to end. The committee made nine recommendations for the government on ending the support for the banking sector which reached a peak of £1.2 trillion and now stands at £532bn. It was also concerned that taxpayer funds were used to pay bonuses and dividends rather than to improve stability of the financial sector. An example of this is the £7.7m pay package already approved for Stephen Hester, boss of the government-owned RBS bank.

What does the government want to do? – and how will affect me?

The Tory-led government wants to make major changes to our pension schemes, which will mean paying more, working longer and getting less in retirement. This brief guide will help you understand the key issues and how they will affect you.

Please remember no changes will take place without negotiation and you being informed by the union.

- Change to pension benefits increases as of April 2011.
- Change to pension contribution increase not until 2012.
- Change to your current pension system not until 2015.

Change to the way pensions are increased each year

Instead of increasing pensions every year by the retail price index they will increase by the consumer price index – this is a smaller increase

How will affect me?

- If you are a pensioner you will get a smaller pension rise.
- If you have left the scheme or remain in the scheme, your pension benefits will be less than you expected when you retire.
- A woman on the average LGPS pension of £2,600pa will be £40 a year worse off.
- A member with an average LGPS pension of approx £4,100 pa will be £62 a year worse off.
- A member receiving the overall average public service pension of around £7,800pa will be around £117 worse off.

Pension contribution increases

The government has cut funding to the NHS and local government by £3.8bn and expects scheme members to fill this gap by increasing their contributions.

How will affect me?

Depending on how much you earn ,you can expect to be made to pay up to 50% more in contributions. For example if you currently pay £100 per month, you will pay £150.

When is this due to take place?

Contribution increases are to be phased from April 2012 to 2014. So in our example above, where the contributions go up by £50, a month it will be by £20 in 2012 (£120), another £20 in 2013 (£140) and finally another £10 by 2014.

So by 2014 a scheme member will be paying £150 per month.

Increasing Retirement Age

The government has already brought forward the state pension age increase, which means that from November 2018 the it will be 65 for both men and women. From April 2020, it will be 66 for both men and women.

This is due to rise to 67 during 2034-6 and 68 during 2044-6. The Independent Public Sector Pension Commission, also known as the Hutton Commission, recommended that public sector schemes should follow suit.

What does this mean for me?

For people who are 34 or younger now, the retirement age would be 68. For anyone between 34 and 42, it will be 67. For those between 42 to around 57 it will be 66.

The Public Sector Pension Commission recommendations

There are 27 recommendations in all; the government has said it will make a statement on their implementation in the autumn. These are just three significant ones to consider here.

- The protection of all earned benefits so far.
- The end of final salary pension benefits and their replacement by career average.
- The creation of new public sector pension systems by new laws.

What will these mean to me?

The government, through negotiation with UNISON, will create a new pension system for Local Government and the NHS.

When the new system is agreed, your current scheme will be closed and you will move into the new one and start earning your benefits until you retire. All of the benefits you earned in the old schemes will be frozen until you retire.

When you come to retire you will get the benefits from the old schemes plus the benefits from the new scheme.

The salary you retire on will be used to calculate the benefits from the old schemes and not the salary you were on when the scheme was closed.

The government plans to start the new schemes in 2015.

Example: I have 20 years in the Local Government Pension Scheme at the point of closure in 2015. At this point, I earn £20,000.

I hope to be working another 10 years, so I will have that amount of time in the new scheme. So when I come to retire I will have 20 years of pension from the old LGPS and 10 years in the new LGPS.

I retire on £30,000. So my final salary LGPS 20 year's service will be calculated on that salary.

The new scheme will be a career average scheme, so let's say the average salary I had in those 10 years was £28,000: this will be the salary figure used to calculate those benefits.

Career average or CARE schemes

This is a scheme that bases benefits on your average earnings over the length of scheme membership rather than calculate them on your final salary at retirement it.

Such a scheme could potentially benefit members whose annual salary increases are generally less than inflation and who are unlikely to benefit from regular promotions.

There is no detail on what type of career average scheme in the commission's recommendations. That will be up to the negotiations.

Fair Deal on Pensions if you are privatised

On 3 March, the government started consultation on whether to scrap the requirements of the "Fair Deal" for comparable pension benefits to be provided to employees who are compulsorily transferred out of the public sector into the private sector.

The consultation is due to close on 15 June.

Among other measures, the government is looking at whether simply requiring statutory TUPE levels of benefits following a transfer would be enough for the purposes of reducing the cost for providing pensions for contractors.

Protect Our Pensions briefing and campaign requests can be found at -
http://www.unison.org.uk/pensions/pop_activist.asp

Negotiations and campaign Timetable

Here is the predicted government timetable for negotiations, consultation and implementation – the critical period will be between June and October.

