



PENSIONS Q&A

Greetings to all in GMB world from the pensions bunker. In this edition we have the re-branding of Personal Accounts, the global plot to keep the GMB Pensions Department permanently hyperactive and the vague rumour we've heard that there might be an election soon.

NEST

Out with Personal Accounts - in with NEST. In its infinite wisdom, government has spent £363,000 discovering what I would happily have told them for a considerably lower fee (£360,000): if you want to stop people running a mile whenever you talk about pension saving – don't call it pension saving. Through this impeccable logic, and did I mention £363,000, the new occupational pension saving scheme that will operate as the national minimum pension to reflect Labour's greatest achievement – the national minimum wage, is to be known as ... wait for it ... (the) National Employment Savings Trust. By the way, the logo's shaped like an egg. See what they did there, nothing to do with that scary pensions malarkey, this is totally different!

Now we've got that settled I should also point out that it's exactly the same set up as I've described in previous Q&A's but with implementation extended by a year so now employers will have an extra year to find the remarkably small amount of money they will be obliged to contribute.

PRE-BUDGET REPORT

This dramatic announcement of a delay to NEST was part of the Pre Budget Report, effectively the Chancellor's run up at the full budget on 22nd April. Much of this was repeating previous announcements; but some was new. Take public sector pensions for example where it was announced that the recent introduction of the cap and share in these schemes would save the Exchequer a small fortune (£1bn over the next couple of years). The unfunded schemes: NHS, Civil Service & Teachers can take this in their stride – they were consulted, they debated, and broadly speaking they agreed, or at least did not object to this approach.

Not so Local Government. Cap and share has not been introduced, recently or otherwise and we've always pointed out that such a formulaic approach wouldn't work for the LGPS. In fairness no one has ever put forward an argument that it is workable. Instead it seems to be being slipped into law like a Kraft cheese slice into a Cadbury's Curly Wurlly.

Why not contact your MP and ask them to sign EDM 697 to clarify this ...



MAJOR NEW REPORT

While we're on the subject, GMB has published a new report on public sector pensions that should be essential reading for those passing judgement on the pension provision of others (as well as those with acute or chronic insomnia). It can be found at www.gmb.org.uk/pensions

The next time you hear someone quoting a horrendous sounding Council pension bill or vilifying gold plated public sector pensions – ask them if they've read our report, and feel free to quote from it the next time you're replying to a rabid media attack on quality pension provision. In fact, send us a copy of your rebuttal – we may even offer a prize for the best one (be warned the prize could be the complete works of the GMB Pensions Dept and even our mothers have passed on that particular box set).

QUESTIONS FOR CANVASSERS

It can't just be me who gets rudely disturbed on a Saturday/Sunday morning by canvassers from political parties who think unions are as relevant to modern Britain as the telegram and thrupenny bit. Having answered the door however, here's a few questions I like to throw into general conversation (you can try this with other door knockers too, I've actually got better responses from some Jehovah's Witnesses and people selling double glazing):

- Do you think the best way to persuade people to save for retirement is through good quality pension schemes?
- Should government promote or cut quality occupational pension schemes where they exist?
- How much do you think the taxpayer is going to have to pay in future as a result of inadequate pension saving in the private sector and among low earners?
- What do you think the basic state pension is and what do you think it should be? (if the response to the first part is 'about £30' you're talking to Nick Clegg and you can claim your £5 – accurate answer £95.25)

If you get any interesting/amusing answers – let us know!

That's all for now, back to trying to push employers off the bandwagon that says "The economy's bad, but it's a great excuse to cut the workers' pensions". More next time when we may address such questions as 'When is a consultation not a consultation?' and 'Goodness me, didn't May 6th come round quickly?'