

## PENSIONS UPDATE

As announced in previous bulletins, GMB, alongside most other unions in the public sector will be balloting for strike action to support the 'Defend Your Pension' day of action on **Wednesday 30<sup>th</sup> November**.

In order to allow maximum opportunity for negotiations to succeed the GMB ballot will be held at the end of October. We will be holding separate ballots for the LGPS, NHS and Civil Service schemes with all these ballots being sent out to members' home addresses on **31<sup>st</sup> October**. The ballot will be counted on **16<sup>th</sup> November**.

Please ensure new members join GMB now to be able to vote in the ballot and have their say on their pension.

### Why the Decision to Ballot Now?

GMB has been heavily engaged in talks with government for the last six months seeking proper negotiation over reforms to public sector pension schemes. In addition there have been talks at scheme level in the LGPS, NHS and Civil Service. Unfortunately these discussions have revealed only intransigence from government. They have refused to show any flexibility on the vital issue of employee contribution increases and remain determined to impose this pensions tax ahead of any discussion of other planned cuts to pension benefits. The government have refused to hold any meaningful discussions with GMB and therefore it has become necessary to start the ballot process. GMB will continue to seek to negotiate with government but in the absence of progress it is vital that members step up efforts to build for a strong YES vote in the forthcoming ballot.

### Scheme Updates

#### LGPS

Secretary of State, Eric Pickles, remains determined to impose a £1billion tax on members of the LGPS in addition to the £2billion a year savings the scheme is already generating. GMB, employers and LGPS funds have publicly expressed fear that an increase in average member contributions from 6.5% to 9.7% will cause hundreds of

thousands of people to leave the scheme jeopardising their futures and that of the scheme.

GMB has highlighted the savings benefiting employers through the scheme reforms introduced three years ago, the impact of the pay freeze and redundancies and the reduction in pension indexation. When combined, these elements generate more than twice the savings the Chancellor has demanded yet Eric Pickles is insisting that £1 billion more must be paid by members.

Council employers have suggested cutting benefits instead of generating all the saving through contribution increases but they have no power to introduce changes to the LGPS and the risk of mass opt outs remain.

Government has not yet published the detail of their intended contribution increase for the LGPS but this is expected soon ahead of the introduction of higher rates from April 2012.

### NHS

Government published its intended first year increases to contributions in the NHS scheme in July, this is the first of three increases designed to increase the average member contribution by 3.2% taking it to 9.8%. The formal consultation on the Year 1 increase closes on 21<sup>st</sup> October, Department of Health have been clear that they will not withdraw the plan to increase contributions from April 2012. Members are asked to submit a response to this consultation either in writing to NHS Pensions Policy Team, Cabinet Office, Room 2W12, Quarry House, Quarry Hill, Leeds LS2 7UE or via email to [nhsensioncontributions@dh.gsi.gov.uk](mailto:nhsensioncontributions@dh.gsi.gov.uk) GMB has drawn up a template response to help with this which is available on the GMB website at [www.gmb.org.uk/pspc](http://www.gmb.org.uk/pspc) GMB continues to meet with Department of Health representatives to discuss the future of the NHSPS but we need the freedom to negotiate the best deal possible for members. However, progress is continually stifled by government's position that contributions rises are non-negotiable.

### Civil Service

As in Health, Government has published the Year 1 contribution increases to be imposed on members of all Civil Service pension schemes from April 2012. GMB will submit a formal consultation response in due course and members are also asked to respond to the consultation either in writing to Pension Consultation, Cabinet Office, Area 4.23, 1 Horseguards Road, London SW1A 2HQ or via email to [pensionreform@cabinet-office.gsi.gov.uk](mailto:pensionreform@cabinet-office.gsi.gov.uk) A template letter is available on the GMB website at [www.gmb.org.uk/pspc](http://www.gmb.org.uk/pspc)

Formal talks finally began between GMB and the other civil service unions and the Cabinet Office on 22<sup>nd</sup> September, less than a month before the end of the contributions consultation on 20<sup>th</sup> October. Again the department has made it clear that they do not intend to negotiate over the imposition of contribution increases to the schemes.

**Protection of the Low Paid - False Hope for Millions of Scheme Members**

While government has committed to minimal protection from the contributions rises for the lowest paid it has not been so open about the fact that millions of part time members, whose income in many cases is very low, will miss out and have to pay more or stop saving for retirement. Protection, for example for those earning under £15,000 a year only applies to those whose full time equivalent salary is less than £15,000. For many workers in schools, hospitals and throughout the public sector this means that although they are low paid, the contribution increases will apply to them.

*Example: a member working half hours (50% of full time hours) earning £8,000 a year is deemed to have full time equivalent earnings of £16,000 and therefore pays the same percentage contribution rate of someone earning that amount, not their actual pay.*

## Next Steps

- Government is due to make further announcements on the cuts they intend to make to public pension scheme benefits in the next few weeks.
- The formal consultations on Year 1 contribution rates for the NHS and Civil Service close on the 21<sup>st</sup> and 20<sup>th</sup> October respectively.
- Discussions between government and unions are due to start on further scheme reforms and contribution increases in October.
- Members should talk to their colleagues and encourage them to join GMB in order to vote in the ballot - [www.gmb.org.uk/join](http://www.gmb.org.uk/join)
- GMB members should check their membership details are correct, if the address we have for you is wrong, you won't get a ballot paper - [www.gmb.org.uk/login](http://www.gmb.org.uk/login)
- Keep checking the website for latest news - [www.gmb.org.uk/pspc](http://www.gmb.org.uk/pspc)

*Brian Strutton*

Brian Strutton  
National Secretary - Public Services Section

**Join GMB at [www.gmb.org.uk/join](http://www.gmb.org.uk/join)**

GMB NATIONAL OFFICE  
22-24 Worples Road, London SW19 4DD Telephone: 020 8947 3131  
[www.gmb.org.uk](http://www.gmb.org.uk)

CONTACT: Brian Strutton  
Tel: 020 8971 4255 Fax: 020 8944 6552  
email: [brian.strutton@gmb.org.uk](mailto:brian.strutton@gmb.org.uk)