

Defend your NHS pension

Vote 'Yes' for action to defend your NHS pension – the first day of action is being planned for 30 November

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Unite, along with the unions across public services, is balloting its membership to take part in a day of action on 30 November to defend decent public service pensions.

The negotiations

Unite, the TUC and other trade unions are committed to continuing talks with the government and employers in each of the major public service pension schemes. The government has so far failed to properly engage in negotiations with the unions.

The government has refused to budge from plans that would mean public service workers would have to work longer, pay 50% more now and get 50% less as a pension in the future. This is unjust. It is also unnecessary. The government is urged to bring new proposals to the table to make progress in negotiations possible.

Vote 'Yes' for action

If the government gets its way, those of you contributing to public sector pension schemes working in the NHS will be forced to work longer, pay higher pension contributions and get a poorer pension in retirement. We now have no option but to ballot members working in the NHS for industrial action commencing on 30 November.

Get ready to defend your pension – vote 'Yes'

- The NHS pension scheme is currently receiving £2billion more, each year, in contributions than it is paying out in benefits
- The NHS pension scheme was renegotiated in 2008 to offset the rising cost of pensions to the government. The government has rejected this agreement and now wants to force through more detrimental changes to workers
- CARE for all: the replacement of the NHS final salary pension scheme with a career average revalued earnings (CARE) scheme will mean much lower pensions for members who retire on higher grades than when they entered the NHS and women
- Linking normal pension age to state pension age, which will be 68 by 2020, is a major concern. In physically demanding roles such as ambulance paramedics, it will be unfair and unrealistic to expect workers to carry on to 68 (other uniformed services, eg police and fire service, have not been forced to work longer).

Your Unite ballot paper will have been sent to you during October. Make sure you vote for the national day of action on 30 November.

Public sector pensions: the facts

Despite government claims, public service pensions are not 'gold plated'. The median pension is currently £5600 and for women it is just under £3500, with 65% receiving less than £6000. In July 2010, the government unilaterally announced a change in indexation from RPI to the lower CPI measure, reducing pension benefits by around 15%.

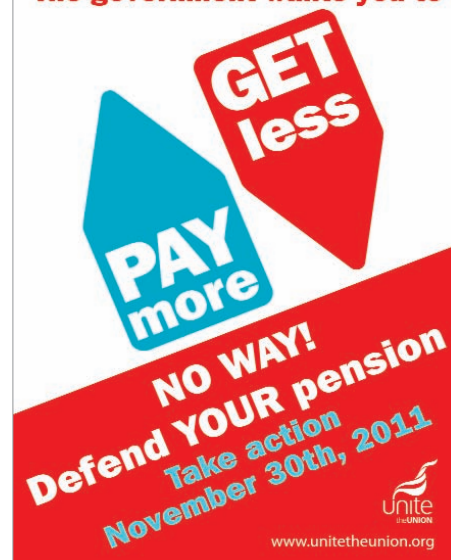
The proposals risk creating more pensioner poverty by reducing pension values and increasing numbers of those with no occupational pension at all. The government wants to increase the contributions members make now by a further 3.2%. Many will opt out of schemes they can no longer afford, putting the future of schemes in doubt by reducing contribution income overall – a danger that even ministers such as Andrew Lansley have pointed out in leaked correspondence.

Necessary to make pensions affordable?

In 2008, changes to the NHS Pension Scheme were negotiated and agreed. These included:

- A 1995 and 2008 section
- NHS Choice exercise
- Increased contributions
- Tiered and progressive contribution rates
- Employer cap of 14% on contributions
- Cost sharing arrangements between employers and employees.

The government wants you to



These arrangements provided stability and a formula to address cost and longevity. The government has unilaterally discarded the cap and share arrangement and imposed contribution increases for 2012, with further increases likely along with significantly reduced pension benefits. These changes are neither justified nor necessary. Cost savings will go straight to the Treasury and are an additional tax on health service workers.

A public drain?

For the Hutton Review, the Government Actuary's Department predicted public service pension benefit expenditure from unfunded schemes to reach 1.9% of GDP in 2010 to 2011, remain close to this for a decade and fall to 1.4% by 2060. Even this ignores the inflow of contribution income, and suggests that all of this is a straight drain on the taxpayer, which is not the case.

Schemes in deficit?

The so-called 'unfunded' schemes have a planned correlation between contribution and benefit expenditure over the long term, rather than at any particular time, so schemes are at times in surplus. In 2008 to 2009, the NHS scheme made a profit of £2billion. The government uses that money for other purposes, and in effect promises a fixed investment return for using it.