

UNITE LOCAL AUTHORITY SECTOR NEWSLETTER



subject LOCAL GOVERNMENT PENSION SCHEME

DATE:

28th September 2011

LOCAL GOVERNMENT PENSION SCHEME – LATEST POSITION

Dear Colleagues

I write to you in respect of the scheme specific discussions on the Local Government Pension Scheme and the latest position. These discussions have been on-going and although no agreement has been reached contact will be maintained with the employers and we have agreed to continue to discuss all issues. However, it is clear that central government have placed the talks in such a tight strait-jacket that this has prevented the talks from making any progress. The employers told us at the last meeting that they would be making proposals to the Secretary of State, of their own volition.

The employer proposals are broadly as follows:

- An increase in the retirement age to 66 from the 1st April 2014
- 2-2.5% increase in contributions for earners over £21,000 per year
- 1.5% increase for £15,000 - £21,000 earners
- No increase in contributions for those below £15,000 per year
- Retention of 1/60th accrual rate for those people earning below £15,000 per year
- Worse accrual rate of 1/68th for those above £15,000 per year
- People earning below £15,000 per year can reduce their contributions for a worse accrual rate
- Earners above £15,000 per year can pay higher contributions to keep 1/60th accrual rate

The Department for Communities and Local Government will shortly issue a consultation the contents of which will be determined by the Secretary of State, Eric Pickles and may contain some or none of the proposals which the employers have made.

These employer proposals would by 2015 give the £900M saving from the scheme that the Government have demanded be taken from members. There would be separate discussions in October and beyond on further reforms to the LGPS taking into account the Hutton Report. The local government employers says that this means that there is no change until 2014 but the net effect on members of the scheme is the same in that the Government will have taken £900M out of the scheme by making it more costly in terms of contribution increases and benefit reductions for members of the scheme.

You will see from this why the Trade Unions have decided to ballot for or against industrial action and to prepare to take industrial action on the 30th November. When the scheme specific discussions were agreed it was on the basis that we felt there would be a real opportunity to do something different in the LGPS and recognised the sacrifices that local government workers had already made given that the scheme was reformed in 2008.

It is time now to prepare to send that powerful message to the Government that local government workers have been pushed too far and this is really the final straw. Please do all you can to maximise the turn out of the vote in our ballot and of course encourage everyone to vote Yes in that ballot but additionally let us use this as the real opportunity of getting ourselves organised and non members joining Unite to fight back against this plunder of your Pension Scheme.

PETER ALLENSON

“Local Government Pension Scheme”

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