

Unite pensions policy statement



Unite believes that all its' members at the end of their working lives, whether spent in paid employment or as carers, should receive a secure pension income by right. This should bear a reasonable relation to their income whilst working and at least lift them above the poverty level.

Unite is committed to policies which will close the gap between the level of pension received by men and that received by women, and to a system where incentives to make pension savings to supplement state benefits are not undermined by loss of means-tested benefits.

The Basic State Pension should be enhanced to reinforce its role as the foundation of an adequate pension system.

Unite objectives

- Immediate restoration of the 'earnings link' to ensure pensioners receive a share of rising living standards
- A phased increase in the level of the Basic State Pension with the initial objective of taking it above the Pensions Credit threshold
- Further reform of the National Insurance contribution conditions to extend its coverage and so recognise the contribution to society made by carers and those on very low incomes

The State Second Pension should play a continuing role as a defined benefit and earnings-related addition to the Basic State Pension. Unite rejects the view that its members should increasingly have to rely on defined contribution pensions for the majority of their pension income.

Unite objectives

- State Second Pension benefits should, in payment, rise in line with average earnings
- Reversal of the evolution of State Second Pension to a flat-rate benefit
- Extension of credited benefits to a wider range of carers

The planned National Pensions Savings Scheme will from 2012 compel employers, who have failed to make contributions under the present voluntary system, to the private (non-state) pensions of their employees. Unite campaigned strongly to establish this principle.

Unite objectives

- Employers should be compelled to make contributions even if their employees choose to opt-out
- To secure an increase in the level of the employer contribution so that they rise to a level double that of employees.

Pension ages should take account of the fact that life expectancy, and the associated ability to prolong a healthy working life, varies widely by income, by occupation and by geographical area. Raising pension ages disproportionately restricts the ability of those less-advantaged in pension terms to retire, and also reduces their lifetime pension income relative to those who are more advantaged.

Unite objectives

- To stop increases in pension age in relation to both state and private pensions and
- To seek greater flexibility in retirement ages on terms which give all members a reasonable choice



Company pensions are deferred pay and an important element in members' remuneration. For this reason occupational schemes should be fully subject to collective bargaining and form a part of members' contracts of employment.

The Government has accepted our demand that changes in public sector scheme pension schemes should be negotiated and also accepted that changes in company pension schemes should be subject to prior consultation.

Unite objectives

- Where unions are recognised they should always have the right to negotiate on pension changes;
- Consultation rights should be strengthened to ensure meaningful consultation takes place and
- Pension benefits should be fully recognised as terms in contracts of employment

Final Salary and other defined benefit schemes are the type of schemes favoured by members as they offer a more predictable benefit to employees who can ill afford to take risks with their retirement income.

Pensions protected. Unite has led action which has persuaded the government to offer a real measure of protection to workers who lose their pensions after employer insolvency or compromise deals prior to the implementation of the pension protection fund (PPF) in April 2005. Unite was instrumental in the introduction of the Financial Assistance Scheme (FAS) a scheme brought in by the government in 2004 to help compensate these people. The union's campaign to establish the principle of the FAS being equal to the PPF resulted in the government ordering a review by Andrew Young. The Young review issued in November 2007 confirmed the unions view that FAS could, with government support be brought in to line with the PPF. The government in December 2007 agreed with the Young report and has now confirmed the FAS will have similar benefits to the PPF.



Unite objectives

- Support for all members who take action to resist unjustified changes in their company schemes
- Press for government support for employers who are prepared to underwrite employees pensions

Equal Member Representation should be a feature of the management of all company provided pensions whether they are trust-based or contract-based (with an insurance company). The government has conceded to us the principle of 50% member nominated trustees. Unite objectives:

- Early implementation of the requirement for 50% member trustees with all trustees selected by members of the scheme or their elected representatives and
- Joint management committees to be established to oversee the operation of all non-trust-based company arrangements.

