

Model letter to Councillors

Dear Councillor

Local Government Pension Scheme

I am writing to you as a member of the Local Government Pension Scheme (LGPS) and the public service union UNISON.

You may know that there are currently problems with the LGPS, and that negotiations at a national level are proving very difficult.

The Government has recently decided to increase the pension age within other public service pension schemes for new employees to 65, but to fully protect the benefits and current retirement age of 60 for existing staff.

However, under pressure from the LGA, the Government now proposes to end the system that allows current members of the LGPS, who qualify under the Rule of 85, to retire with unreduced benefits at 60. Under the proposal only those members aged 53 or over on 31 March 2006 will still be able to take an unreduced pension at 60. The Government is consulting on Regulations that will bring about this change and the deadline for responding is 28 February 2006.

As a member of the LGPS I believe I am being unfairly treated in comparison to my public service colleagues. The LGPS benefits and normal pension age are already the least favourable of all the public sector pension schemes. The average LGPS pension in fact is only £3,800, and for women it is only £1,600.

Unless an agreement is reached there is a real prospect of industrial action, action which I believe will be overwhelmingly supported by the 2 million members of the LGPS.

This dispute is unnecessary. The Employers' Organisation and the trade unions put forward proposals to the LGA and the Government which would have enabled us to negotiate a fair replacement for the 85 Rule, protection for existing members and a revised scheme for the future. Negotiations would have taken place up to June 2006 and could have sensibly balanced the three elements of the new package. Sadly the LGA and the Government refused our proposals.

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UNISON's New Proposal

UNISON has put forward a new proposal to the Government and the LGA to fairly resolve this situation in light of the draft regulations, a proposal which I hope you will support.

When members draw their retirement benefits they have to take part of their benefits in the form of a cash lump sum (formula used is 3/80th of pensionable pay multiplied by service). The draft regulations propose that members be offered the choice of taking more of their benefits as a cash lump sum, up to a maximum of 25% of their benefits by exchanging pension for cash. Members would give up £1 of pension for every £12 they took in a lump sum. This is a poor commutation formula which only assumes post – retirement life expectancy of 12 years.

UNISON's calculations show that this new commutation will generate more than enough savings to allow current members of the scheme to have the same protection as their public service colleagues and fund improvements to the scheme for the future

UNISON has recently emailed a briefing with a detailed breakdown of its proposal to councillors in England and Wales, if you have not yet received a copy please email LGPS@unison.co.uk

I understand UNISON has asked councillors to support our campaign by taking the following steps:

- Write to, or email, Sir Sandy Bruce-Lockhart, Chair of the LGA urging the LGA to back UNISON's proposal.

Sir Sandy Bruce-Lockhart
Chair of the LGA
Conservative Group
Local Government Association
Local Government House
Smith Square
London SW1P 3HZ
sandy.bruce-lockhart@lga.gov.uk

- Write to, or email the leader of your political group at the LGA urging them to back UNISON's proposal.
- Debate the issue in your Group and submit a question for full council urging your authority to respond to the Government's consultation on the LGPS supporting UNISON's proposal (deadline for responding 28 February 2006)
- I would be very grateful if you could please let me know if you have, or will be taking any of these recommended steps.

I very much hope you can do everything you can to help achieve fairness and equality for LGPS members and help avoid a damaging dispute.

Thank you for your support,

Yours sincerely,