

INDUSTRIAL ACTION UPDATE

Members should now have received a letter from the General Secretary giving details of the Industrial Action ballot and confirming the days of strike action as being the 16 and 17 of July. If you have a workplace steward or contact, they should have been talking to you about supporting the action and passing comments back to the Branch Office.

In this bulletin we will give details of the level of deduction you can expect for each day of action and the pension contribution for each day of action.

SALARY

As a result of an Employment Tribunal case won by UNISON, the deductions will be 1/260th of annual salary, deducted for each day of action. Obviously any deductions from salary are difficult but especially so in times of rising

costs etc., which we are all facing. The Branch has a Hardship Fund to assist those members who find themselves in financial difficulties because they have taken strike action. There are strict guidelines for accessing this fund and members will have to disclose personal financial information to gain that access. Any member needing this assistance will be dealt with in the strictest confidence, on a case by case basis by our Welfare Officer and a couple of Welfare Committee members. These are Branch Officers who assist many members in this way and no one should have concerns about making an application.

PENSION CONTRIBUTIONS

This information is dealt with later on in this bulletin and hopefully answers all questions members have on this issue.

STRIKE DAYS

We expect all our members to support the action – solid support will be needed to bring the employer back to the negotiating table. Please contact us as soon as possible to tell us what is happening in your workplace and especially if you are prepared to picket, what assistance you need.

We have supplied posters to all workplaces so make sure non members see them and encourage them to join and take part in the action. This is a fight we must win and the more members we have, the stronger and more effective the action will be

WHAT AFFECT WILL STRIKE ACTION HAVE ON YOUR PENSION?

Introduction

One question the Branch Officers are often asked, when there's any suggestion of a strike or other industrial action, is "what would happen to my pension?" It is also an issue that management raise, in an attempt to stop people planning such action. So this factsheet is intended to spell out the position.

What is the position?

For every whole day a member is out on strike s/he will lose one day's pensionable service. The lost days would not count in any way for pension purposes.

Therefore a member would effectively lose 1/365th of a 60th for each and every full strike day's action.

Example

If a member retired after 25 years service with pensionable pay of £15,000 the pension would be $25/60\text{th} \times £15,000 = £6,250$. If the member lost 6 days through strike action, the loss would be $£15,000 \times 1/60\text{th} \times 6/365 = £4.11$ per annum.

As can be seen from the example, a strike of a few days would not normally have any significant

effect on benefits because benefits are calculated on a daily basis. If the strike was in the last year of service however the situation could well be different in that pensionable pay could be lost.

This is because in most cases an employee's final salary is their earnings in the year before retirement and hence any period of employment which does not attract a salary because of unauthorised absence will reduce pensionable earnings.

Any loss of service could also have an effect on entitlement to unreduced benefits under the Rule of 85 and this needs to be considered.

Buying Back Service lost through strike action

It is possible to buy back the service lost, at your own cost, at a rate of 16% of the lost pay for that period.

It follows that the amount you pay is based on the method your employer adopts to deduct your pay.

It is likely that many employers will deduct pay based on 1/260th of annual salary for each whole day a member is on strike. For weekly paid staff this will be 1/5th of the week's wage. For other workers who work less than full time hours then a different formula would apply. For example, a member who works three days a week could have 1/156th of annual salary deducted for each day on strike.

However, it should be pointed out that for some employers this method may not be the basis used due to locally negotiated agreements. It is therefore important that any member checks with their respective employer concerning the exact terms of payback that applies.

How is the back payment made?

The extra contributions will be deducted from pay. Normally this is as a single payment, but the employer has the discretion to spread it over a longer period.

Either the Pension Office or Payroll Section of your employer can provide a form for people to fill in and send back, if this is what they want to do. Think carefully - once you have made the decision it cannot be changed.

The administrator for the LGPS usually advises anyone in this position to telephone their payroll section first, to get an estimate of what the cost to them would be, before they sign the form. You have 30 days from the date you return to work (longer if the employer allows) to make up your mind.

In most cases, the effect of a short strike on your pension is going to be too small for buying back to be worthwhile, though you might want to consider it if you were involved in lengthy action.