



LANCASHIRE UNISON CAMPAIGN TO PROTECT OUR PENSIONS

SECOND HIGH LEVEL PENSIONS MEETING HELD

The second of three scheduled meetings to discuss public sector pensions took place on the 26 July 2005 under the umbrella of the Public Services Forum (PSF). Alan Johnson Secretary of State at the DTI again chaired the meeting and was accompanied by John Hutton also a member of the Cabinet and Public Services Minister. Every UK government department and Scotland was represented at senior level.

Alan Johnson replied in more detail to the key issues raised by the unions at the first PSF meeting

held earlier in July.

His most significant comment was to indicate his willingness to look again at the period of protection for existing scheme members. Under the proposals dropped just before the General Election the government was proposing to fully implement changes to the normal pension age (NPA) for existing members from 2013. Johnson said that they were prepared to move on this but "only by a few years". However, he restated the government's commitment to an NPA of 65 for all schemes. We reiterated our strong opposition to any compulsory

increase in the pension age.

With regard to timetable, he said he wanted to agree a number of key principles with the unions by September 2005 that would underpin scheme specific negotiations. He said he then expected scheme specific negotiations to take place over the following six months. We have made it clear that all the negotiations must be given sufficient time to reach agreements. The issues are complex and we will not be rushed into ill thought out and unacceptable changes to our members' pension schemes.

Evidence challenged

We also challenged the Governments reasons and evidence for change.

Negotiators are familiar with a view often expressed by employers in negotiations that public sector workers should get more modest increases than their private sector counterparts because their pension arrangements are better. The government is now standing this argument on its head to justify worsening our pensions. Our evidence strongly refutes claims that public sector pay is comparable with pay in the

private sector and that it has risen more rapidly in recent years. We will be publishing our detailed rebuttal shortly. Graduate pay in 2005 was 8% higher in the private sector. And the Treasury's other evidence on average pay generally is meaningless as it fails to compare similar jobs.

On longevity, we agree that life expectancy is increasing but the number of years spent in good health is rising much more slowly. And the regional and social class differences are stark and widening!

The evidence from

the Treasury also shows how little we spend on pensions compared to the rest of Europe. Indeed the European Union (15) is forecasting that by 2050 an average of 13.3% of GDP will be spent on public pension provision compared to just 4.4% in the UK.

We have asked for more details of the Treasury's financial estimates and we will be putting these under greater scrutiny over the next few weeks.

The next and arguably most crucial meeting of the PSF will be held on the 21 September.

LGPS

Preliminary discussions on the scope of future negotiations on the Local Government Pension Scheme (LGPS) are taking place with the Office of the Deputy Prime Minister (ODPM). In addition to those in local government, the LGPS covers thousands working in further and higher education, police,

probation, community and voluntary organisations, transport and elsewhere.

We have asked for detailed additional information on scheme funding, scheme benefits and their distribution. The union's negotiators are being supported with actuarial advice and research.

We have made it clear that any principles agreed at the PSF talks must apply to the LGPS and Scottish LGPS. We have warned the government that we will strongly oppose any move to treat those in the LGPS as the poor relation.

Further information will be circulated in due course.