

loud & clear ^{pensions} campaign bulletin **7**

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Lancashire UNISON Newsletter

extra

December 2005



LOCAL GOVERNMENT PENSION SCHEME (LGPS) - UPDATE

There have been some major developments in our campaign to protect the LGPS and achieve equal treatment for our members over the last week. They are:

- An announcement by the Local Government Minister, Phil Woolas, on 2 December
- Publication on 5 December of draft Regulations for England and Wales for consultation
- Action to pursue a legal challenge to the draft Regulations
- A decision by the Local Government and Higher

Education Service Group Executives to ballot for industrial action

- An informal meeting of representatives from the Local Government, Police, Higher Education, Water and Transport Service Group Executives to discuss our campaign

What are the Government proposing?

Ministerial statement

The Minister's statement of 2 December 'trailed' the publication of the draft

Regulations on 5 December. In it he announced that the Rule of 85 would go, under the auspices of age discrimination legislation, on 1 October 2006. He also announced that "appropriate safeguards" would only be available for "those nearest to retirement", but that this would be "subject to the outcome of the proposed consultation exercise".

The draft Regulations

The draft Regulations covering England and Wales detailed the Minister's statement. They said:

- The 85 Rule will go on 1 October 2006 under age discrimination Regulations (yet to be published)
- There will be protection for existing members of the scheme until 31 March 2013 only
- Discussions on protection, but within the existing cost envelope, could continue up to June 2006, when new Regulations could be laid to extend protection
- Tax and revenue changes arising from the Finance Act 2004 will be introduced on 1 April 2006. These include:
 - Ability of LGPS members to take up to 25% of their pension as a lump sum – on a voluntary basis
 - A new upper limit for contributions, with a salary cut-off point of £130,000
 - Flexible retirement provisions, with the right to retire with a pension, reduced hours and continue working and contributing to the LGPS
 - LGPS members will be able to opt to retire before 65 and pay additional contributions to receive an un-reduced pension

- The consultation period on the draft Regulations will end on 28 February

The statement and draft Regulations also both suggest that talks on the future LGPS should continue, despite unacceptable proposals to remove the 85 Rule with protection to 2013 only.

UNISON's response

Despite positive proposals from the Trade Union Side to the employers and Government, which would have provided for negotiations up to June 2006 on the whole future of the LGPS, they have decided to reinstate the key proposals of the Amendment Regulations (2) and remove the 85 Rule without a fair replacement, with very limited protection, up to 2013 only. **This is entirely unacceptable to UNISON and the whole Trade Union Side**, which is made up of Amicus, CYWU, FBU, GMB, Napo, TGWU and UCATT, alongside UNISON.

What are we going to do?

The Trade Union Side met on 5 December and agreed to explore a possible legal challenge to the draft Regulations. Work on this has been initiated.

The Trade Union Side has also discussed industrial action. Each of the unions is committed to hold an industrial action ballot if the Government and the employers pursue these proposals after the end of the consultation period. We will also be mounting a major campaign for justice and equal treatment for LGPS members. UNISON's Local Government and Higher Education SGE's have decided to ballot for industrial action in the New Year. The start of the ballot will need to reflect:

- Clear legal advice on the basis of the dispute
- The decisions of the other Service Groups and sector committees
- A joint approach by the Trade Union Side

Why are the draft Regulations unjust?

The 85 Rule is to be removed without a fair replacement. This is a major reduction to our members' pension rights, for which they have contributed 6% of their earnings, with legitimate expectations of retiring at 60 if they fulfil 85 Rule requirements.

- Existing members of the uniformed police, armed forces, NHS, civil service and teachers' schemes have all been given lifetime protection of their retirement age of 60 and pension benefits
- Once again, this tells local government workers and all other groups in the scheme that they are the "poor relations" of the public sector.

What happens next?

UNISON and the rest of the Trade Union Side are planning a major campaign to change the Government's and LGA's mind and make them see sense.

We have already received a detailed report from the Trade Union Side's actuary on the proposal to allow for 25% commutation of the pension into a lump sum. His research shows that this will generate up to £6 million in savings on benefits to date, with a 1% saving in the future. This is enough to cover the cost of revoking the 85 Rule from 1 April 2005 to 1 October 2006, lifetime protection for existing members and provide 1% of pensionable payroll for improvements to the scheme.

We need to generate a massive response from branches, members, regions, MP's, councillors and sympathetic employers to the consultation on the draft Regulations. At the same time, we need to win the hearts and minds of the public, show them that we are not "pension fat cats" and highlight the vital work our members do. To kick off the campaign we will be:

- Launching a postcard campaign aimed at Government and the employers and inviting other public sector unions to 'sign up for equality'
- Providing draft responses to the consultation on the draft Regulations for you to submit
- Providing new draft letters to MP's councillors and ministers
- Setting up electronic campaigning tools, such as e-mail petitions
- Placing adverts in major newspapers and starting a media campaign
- Lobbying Government and the Local Government Association

What must you do?

This will be a hard campaign to win. We need all members to be involved – together with your friends and families. It is vital that you:

Circulate this newsletter far and wide

Think up eye-catching stunts to grab press and media attention and send them to unison@unison.lancsc.gov.uk

Tell us how the Regulations will affect you. We urgently need details of members who will be badly affected by the proposals.

E-mail them to i.patel@unison.co.uk

Industrial Action Ballot

The date for the industrial action ballot has not yet been agreed. Co-ordination across UNISON Service Groups and within the Trade Union Side will be vital to its success.

Make the case for a 'yes' vote to members. If we need to use industrial action to change the Government's and LGA's minds, it will have to be solid and effective.

In the meantime ensure that you keep your eyes on the UNISON website for news and campaigning ideas.

SPEAK UP FOR THE LGPS!

**Please circulate to non-members and encourage them to join.
For an application form contact the Branch Office on 01772 533072
or email at unison@unison.lancsc.gov.uk**