

UNISON NORTHERN REGION PENSIONS NEWSLETTER

Pensions: Its your Future!

Your Pension is Under Attack—Join us in Defending it:

Clare Williams
Regional Convenor:

“We face an unprecedented attack on the pensions of public service workers. We are keying in to the anger that members across the country are feeling. It cannot be right to ask workers to pay more, work longer for a worse pension deal. The Government plans to take nearly £4 billion out of our pension schemes to pay for the financial crisis which was not of our making.

Members in this Region are at the forefront of UNISON's campaign to defend public sector pensions. We will be organising a strong and effective fight-back and making sure that our members are ready for action.

The Tory lead Government is ideologically committed to destroying the public sector and demonising public sector workers. It is not right that we are being made to pay for the excesses of the banking sector; while bankers' bonuses continue to roll in.”

Dave Prentis, UNISON General Secretary:

“We are still negotiating with the Government and hoping for the best, but it would be foolish not to plan for the worse.

We are at a cross-roads in the talks. Through the **Pensions Summit** held on 19 July we brought in senior activists and staff from every sector and from across the whole of the UK, to plan for the difficult months ahead.

Any actions will have to be carefully co-ordinated with other unions and we will look at a ‘smart strike strategy’ aimed at keeping the action rolling.”

Dramatic changes to public sector pension provision are being proposed by the Tory-led coalition Government. Urgent negotiations and consultations have been taking place with the Government but if we cannot make them see sense it is extremely likely that we will move to an industrial action ballot.

Where are we at and where do we go next in the battle to defend members' pensions?

These were the questions a UNISON pension summit set out to answer in London last week.

The union gathered key lay activists from across the union from every service group and every region as well as the National Executive Council's strategic committees and senior officers met at the UNISON Centre to hear an update on talks with the government over its pensions plans, and plan the campaign ahead, leading to possible industrial action in the autumn.

The meeting came a day after the TUC public service liaison group met to take stock of the talks with cabinet secretary Francis Maude and treasury minister Danny Alexander, and coincided with Mr Alexander laying a statement on the talks in Parliament.

General Secretary Dave Prentis, who chairs the public service liaison group and has been leading the talks with central government, alongside TUC general secretary Brendan Barber, stressed that all 29 unions involved had signed up to an agreed way forward of continuing talks with central government while opening talks on the individual pension schemes.

Dave Prentis said, “Our aim is to get a final offer so that members can see whether or not their pension schemes will be maintained or reduced.



“We expect these talks to be serious and any proposed changes must be based on clear evidence and not simply an excuse to find money to pay off the country's financial deficit.

“The TUC will be co-ordinating the timetable and the talks will take place over the coming months and are scheduled to conclude by the end of October.

“In the meantime, we are accelerating our planning of future industrial action strategy so that we can move quickly and effectively, should those talks fail.”

And he stressed that neither UNISON nor the TUC unions in general had conceded any of the government's major points, despite government claims of agreement on principles.

'GOLD PLATED PENSIONS'— Myth Buster

Cameron and Clegg, backed up by much of our very right-wing media, claim that public sector pensions are 'gold-plated', 'unaffordable' and that the cost of pensions is soaring.

UNISON and the other trade unions have been making the case that pensions are not a 'benefit' or a hand out; they are workers' wages that are deferred until retirement. Many public sector workers are relatively low paid and the majority of public sector workers get less than £5,000 a year in pension benefits.

Are our pensions over generous?

The average benefit payout in Local Government is already very low at just over £4,000, falling to £2,800 for women. The average NHS pension has not gone up at all over the last decade and teachers' pensions have fallen by 4%.

Do people living longer cause the problem?

For most working people life expectancy has only risen by less than two years since the 1970's/. Many people, especially manual workers, are still only predicted to live until the age of 65. In a period of high unemployment it would make more sense for most people to stop working earlier.

Is the cost of our pensions spiraling out of control?

The £10 million funding gap being purported by Clegg appertains to the so-called 'unfunded' pension schemes in which current workers

contributions pay for today's pensioners through central government. This funding gap is a result of cuts in jobs and the pay of those who remain, meaning lower contributions to the various schemes.

Governments have repeatedly slashed the cost of public sector pensions, most recently by £13 billion by raising the retirement age to 65 for new entrants in the review of the Local Government Pension Scheme (LGPS). Even the Hutton report admits that the cost of public sector pensions amounts to 1.9% of GDP and this will fall to 1.4% by 2060.

Are we 'all in it together'?

The government has announced that all 'pay as you go' public sector pension schemes, such as the NHS, should make savings of £2.8 billion by 2014/15. This will come from increased employee contributions phased in from 2012. All public sector workers will end up paying more, working longer and getting less out of their schemes.

Are Public Sector Workers to blame for this crisis?

Bankers and investment managers are being paid vast sums of money to 'manage' and gamble with pensions money. UNISON says these private leeches cost up to £250 million a year.



WHOSE PENSIONS ARE GOLD-PLATED???

The real gold-plated pensions are the ones that fat cat company bosses have. According to the TUC the biggest director's pensions is at BP and is a staggering £21.5 million.

The vast majority of company directors get to retire at 60 or earlier—with 'golden goodbyes' worth millions of pounds tax free. When Fred Goodwin quit RBS he walked away with a £345,000 a year pension plus a £2.8 million lump sum.

The richest 1% in society get 60% of all pension tax relief—£10 billion a year. That means that for every pound spent on public sector pensions, we pay £2.50 subsidising the pensions of this tiny minority.

The top 10% of earners in the private sector account for nearly 90% of pensions in that sector.





What the proposals could mean...

The wide ranging proposals include:

Linking the pensions to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) will reduce benefits

A plan to increase contributions by 50% or more

Closure of the current final salary schemes and a move to less favourable career average scheme by 2015

The introduction of the so called 'Fair deal for Pensions' would end the requirement to have a broadly equivalent pensions provision for members who have TUPE transferred out of the public sector (this basically makes it easier to privatise public services)!

Proposed 'Changes to State Pensions' could mean the introduction of one flat rate State Pension incorporating the Basic State Pension. This will mean the phasing out of Pension Credit, increased NI contributions and lower levels of benefits.

Proposed 'savings' for Local Government Pension Schemes are around £900 million a year. This will make the schemes unaffordable for a higher proportion of members and if there is a large number of people dropping out or new employees not joining, it will mean those left will have to shoulder the burden.

BRANCH PENSION CHAMPIONS

Branches in the Region have or are in the process of appointing Branch Pension Champions and Contacts. 90% of branches have appointed their Pension Champion. **Contact your branch to find out more if you are interested in becoming a Champion or Contact.** The Region is organising specific training for Branch Pension Champions and the next course will be held on **9 August** in the Regional Office, Pilgrim Street, Newcastle.

Further information is available from: **Keith Hodgson or Ann Lewins**

Email: a.lewins@unison.co.uk

WHAT YOU CAN DO

- ◆ You have the right to a decent pension and dignity when you retire. **You need to be ready and prepared to defend your pension, even if it means going on strike.**
- ◆ Make sure that you read all the UNISON information and attend workplace meetings in your branch or area.
- ◆ Talk to colleagues. If they are not already members of UNISON ask them to join at unison.org.uk/join *Defending our pensions involves everyone.*
- ◆ Help organise the campaign in your branch.

Remember no one person can do everything, but every one of us can do something!

Become a branch pension contact.

UNISON needs Pension Contacts in every workplace. You would take on the role of discussing with colleagues the issues we face, passing on news about campaign activities.

You don't have to be an expert on different types of pension schemes. You just need to be good at talking to colleagues and keeping them up to date with our campaign.

You would be a guide, giving members information on how they can find out what UNISON is doing, what changes the government wants to make to their scheme and how they can get involved.

As well as talking - we need you to listen. You would tell us what your colleagues are saying about the government's plans and what they want the union to do on their behalf.

You would also talk to non-members about their pensions and persuade them to join UNISON and get involved in the campaign.

REGIONAL PENSIONS CAMPAIGN GROUP MEETING

A meeting of the Regional Pensions Campaign Group is scheduled for Monday 15 August 2011, at the Regional Office, 140 Pilgrim Street, Newcastle upon Tyne, NE1 6TH, from 12.00 noon to 2.00pm

Branches have been invited to send up to two delegates (one of whom should be the Branch Pensions Champion).

Contact your Branch for Further Details.



To become a pensions contact please Email:

northern@unison.co.uk

Work Longer! Pay More Get Less!

UNISON continues to fight to defend our members' pensions against government attacks.

The Tory led coalition wants you to work longer, pay more and get less, while bankers continue to rake in millions in bonuses.

The key threats are:

- Higher pension contributions
- Increases in retirement age
- Closing the current schemes and creating new ones
- The end of pension protection if you face privatisation

Its time for everyone to get involved: remember no one person can do everything, but every one of us can do something.