

UNISON Pension strategy factsheet

This factsheet informs the union of the agreed industrial strategy in respect of the threats to UNISON members' pension schemes. It includes a question and answer section and a timeline.

Background

UNISON members who are affected by the government's pension proposals are in a number of public sector pension schemes. There are very small numbers of members in the Teachers Pension Scheme and the Civil Service Pension Scheme. Primarily UNISON members are in:

- The Local Government Pension Scheme
- The National Health Service Pension Scheme.

Government proposals

UNISON members in these pension schemes face a number of threats from the government including:

Reductions in pension benefit increases

Benefit increases were changed by the government this April linking them for retired and deferred scheme members to the Consumer Price Index. This will cut pension benefit payments for public sector workers by £84bn over the next 15 years.

Contribution Increases

Which have been proposed by government as part of their cuts and austerity programme. This could see member contributions rising by 50% or more.

Scheme overhaul and new benefit systems

These changes have been proposed by the Independent Public Sector Pensions Commission (also called the Hutton Report).

Fair Deal for Pensions

This is a separate consultation established by the Tory-led government, which seeks to end the requirement to have a broadly equivalent pension provision if members are TUPE transferred out of the public sector.

Change to State Pension

This is a separate consultation that proposes just one flat rate State Pension incorporating the Basic State Pension and the Second State Pension and the phasing out of the Pension Credit. If it goes ahead it would mean increased national contributions and could result in lower levels of benefits being provided in pension schemes in the future. UNISON will respond in mid-June and talks with government, including ones through the TUC are likely to take place throughout the rest of the year.



Negotiations with government

Contributions increases, scheme overhaul and Fair Deal for Pensions are subject to a set of discussions with the government cabinet and treasury ministers Francis Maude and Danny Alexander. UNISON is working with the TUC and UNISON general secretary Dave Prentis chairs these negotiations. The deadline for these to finish is the end of June 2011.

The content and objective for these negotiations is to establish a set of key principles that will form the basis for separate sector discussions in the NHS and local government.

UNISON's current position

UNISON will need to see the full details of the proposals before we can establish who we have a trade dispute with and the nature of it.

Pension schemes across the public sector are very different and the nature of how the pension contribution increases will be calculated and determined will vary across each scheme.

It would only be at this stage, if discussions break down, that UNISON will consider taking steps towards lawful industrial action to protect our members' pensions.

To comply with legislation we have to demonstrate an accurate database and full ballot of members affected. This process takes some 17 weeks to complete and we must make sure that there is little room for the employers to challenge the ballot if we need one.

It is therefore highly unlikely that any attempt at industrial action will take place before autumn 2011.

We know that teacher and some civil service trade unions are aiming to take ballot for industrial action in June. It is likely that there will be a rolling programme of different trade unions taking action at different times as the issues become clearer.

There may be co-ordinated action through the TUC public services committee or through trade union staff sides in the LGPS or NHS but we will have to wait and see how all of these issues develop. UNISON will be supporting any lawful action taken by other public sector trade unions in defence of their pension schemes.

What is paramount is for the union to prepare for industrial action and part of that programme of work has already begun.

We have recruited over a 1,000 pension champions and contacts in the last six weeks.

We must ensure that members are involved and understand what is at stake. We must deliver a high turnout in any ballot and deliver a resounding "yes" vote for industrial action.

We must make every effort to recruit and organise non-members so that we make sure we have a solid dispute with little room for employers to break it.

We must push hard to make sure every affected UNISON branch has the necessary resources and training to build a network of pensions activists to help deliver a successful dispute. This is the key to making sure we repel the government's attacks.

Question and answer guide

Question	Answer
Is the union challenging the government over the change from RPI (Retail Price Index) to Consumer Price Index for pension benefit increases?	Yes! UNISON has joined a judicial review application (legal challenge of a government decision) to have this change to the pension schemes reversed. The union has signed up with other unions through Thompsons Solicitors
Why don't we just go on strike now?	UNISON members need to know what they are going on strike against in order to make sure there is a high turnout in a ballot and a resounding "yes" vote – at the moment we do not know enough about the details to give them the answers. Strikes are not built in a few weeks and it takes 17 weeks to prepare for a ballot – it is possible that we will be balloting over a million members, so we need to get it right.
What is the point of negotiating with the government – they want to attack our pensions?	It is our obligation to inform the government of where they are going wrong and to consider all of their proposals in depth. Like many issues this government has not thought through the full implications of their ideas. We need to make sure that there is a good quality pension system for all public sector workers and that means we have to talk to government
What is the government's timetable for pension contribution increases?	First they want to increase scheme member contributions in April 2012; this means they need to lay the legislation to do so no later than January 2012. We expect the legislation to be laid in 2011. There has to be a 12-week consultation period before they can do that. So that is why the campaign and any plans for industrial action must be considered against this timeline.
How will the pension increases be negotiated?	We are not negotiating the increases as a point of principle. No TUC affiliated union is. Once the negotiations with the government end in June each government department will come forward with its proposals.
How will the changes to my pension scheme and benefits be negotiated?	These discussions will take place in the government departments after June. The timetable is very tough to deliver brand new schemes and implement the 27 recommendations of the Hutton Commission.
So could there be industrial action over the pension contribution increases and the new pension scheme proposals?	It is possible that the pension contribution increases and the new pension scheme proposals will be the cause of industrial action.
What is UNISON policy on these issues?	The national policy of the union is to negotiate, but to oppose detrimental changes to our members' pension schemes and organise a ballot for industrial action if necessary to defend the current pension system.

Negotiations and campaign timetable

Below is the predicted government timetable for negotiations, consultation and implementation. The critical period will be between June and October.

Began April 2011

Negotiations with government on public sector pensions

April/May 2011

UNISON regional briefings/branch meetings

May/June onwards 2011

UNISON training for pension champions and contacts

June 2011

Negotiations with government due to end

July 2011

Government departments consult on legislation that will increase contributions

July 2011 – September 2011

UNISON consults with members on action they wish to take

October 2011

Government issues statement on the 27 Hutton recommendations

October 2011

Negotiations with government departments Hutton recommendations

April 2012

Scheme member contributions start going up

January 2012

Negotiations on new pension schemes continue

2012/2013

UNISON members consulted on new scheme proposals

2014/2015

New schemes implemented