



No. 24

June 2011

## Scottish Government attack pensions increase

Cabinet Secretary for Finance, John Swinney MSP made a [statement](#) to Parliament that increased pension contributions will place an unnecessary burden on public service workers who are already suffering from pay restraint and rising living costs. He also said that this would damage the Scottish economy, undermining consumer confidence. UNISON Scotland welcomed this recognition from the Scottish Government of the unfair and unnecessary attacks on public service workers' pensions by the UK government.

However, the statement was less clear on those pension matters that are the responsibility of the Scottish Government – including pension contribution increases. He set out the limitations of his powers in relation to the NHS scheme and confirmed his greater flexibility in relation to the local government scheme (LGPS). The financial numbers he gave were somewhat confused and he avoided MSP questions on the cost in relation to the LGPS.

In a letter to UNISON he states that he is waiting on developments at UK level while continuing the dialogue in Scotland. Negotiations with the UK government are continuing into July. UNISON will argue that the Scottish Government must face up to the challenges facing Scottish workers and will urge him not to blindly follow the ConDem's plans.

You can view our [MSP briefing](#) issued on the day of the statement at the pensions page and our [media](#) reaction.

## Pensions increase needed?

UNISON argues that additional contributions are not necessary to fund pensions in Scotland. They are simply a 'tax' on staff to pay back government debts that were raised to bail out the banks. The NHS scheme is a 'Pay as you go' scheme with contributions and benefits paid out of revenue. In the last three years net cashflow (UK) has been around £2 billion (positive) in each year.

The Scottish Local Government Pension Scheme (SLGPS) is a funded scheme, currently subject to a triennial valuation. Under an agreement reached between the Scottish Government, CoSLA and the unions in 2008, increased costs will be shared between employees and employers. However, indications are that the Scottish funds will no longer need to increase contributions in the next few years. Strathclyde Pension Fund (covering around half of scheme members) said at their AGM that they anticipated no increase in contributions for the next three years. This will result in a big saving for councils. In contrast large scale opt-outs could cost £m's in NI increases and fund guarantees.

At UK level there is a good analysis of pension affordability at the [False Economy](#) site.

## Don't Panic!

With all the publicity given to public service pension increases there is a concern that members will start to opt out before any changes kick in. Some funds indicated much larger than normal opt-outs after the Chancellor's announcement last October.

It is important to remind members that none of the changes that impact on active members have happened yet. Pension contributions are still good value for money at around 4% of pay (after tax relief). An equivalent private pension would cost about 25%. Members opting out will pay higher tax and National Insurance, lose the employers contribution and all the other benefits (ill health, death benefits) that come with scheme membership. Most of Scotland's pension funds have staff who are please to come and talk to groups of members about pensions. Just contact your local fund.



## NHS Scotland Pension regulations

The SPPA are consulting over the draft The National Health Service (Superannuation, Pension, Injury Benefit, AVC and Compensation For Premature Retirement Schemes) (Scotland) Amendment Regulations 2011. A copy of the changes can be viewed at the [SPPA website](#). These are primarily technical updates to existing regulations.

## Pension Champions

Only a few branches have yet to appoint a Pensions Champion. Over 80 members attended training courses in May. There will be a mop up course for those who missed the training in Glasgow on 13 July.

## Pensions Campaign Materials



The latest UNISON Scotland leaflet is available from our [pensions](#) page. This is a general awareness leaflet that can be used in connection with branch pension campaign plans.

There is also a recruitment leaflet available from the UK [website](#)

### More information at:

**Scottish Pension Web Pages:** <http://www.unison-scotland.org.uk/pensions/index.html>

**UK Campaign Web Pages:** <http://www.unison.org.uk/pensions/protectour.asp>

**Advice on Pensions:** <http://www.unison.org.uk/pensions/index.asp>

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