NHS Pension Reform
A UNISON update
Spring 2012

Protect Our Pensions campaign
Headlines

• UNISON led the negotiations on pension reform with Government
• Final proposals for the structure of the NHS Pension Scheme from 2015 were published by the Government on 9 March 2012
• Some significant gains were made as a result of the 30 November action and campaign
• The proposals don’t meet all our aspirations but the Government will not move further in negotiations
• We are seeking views of members in a consultative ballot
Contents

• Proposed structure of 2015 scheme
• UNISON position
• Position of other trade unions
• Ballot timetable and materials
• Resources
The scheme would switch from a final salary scheme to a Career Average Revalued Earnings (Care) scheme

This means that all your pensionable earnings would be used to calculate your pension at retirement and not just your pensionable earnings near to retirement like in a final salary scheme.

You would build up a pension at 1/54th of your pensionable salary for each year of membership.

Each year’s pension earned would increase every year up to retirement by increases in the Consumer Prices Index (CPI) cost of living measure plus 1.5%.
The new scheme will have a Normal Pension Age (NPA) of 65 which will increase in line with increases in the State Pension Age.

This is currently due to increase to 66 from October 2020, 67 by 2028 and 68 by 2046 and could increase even further.

Members within 10 years of their NPA at 1 April 2012 will be exempt from retirement age increases and can stay in their current final salary section to retirement. This is called “full protection”.

Members between 10 and 13 years 5 months from their NPA can stay in their current Section for an extended period of time before switching to the new scheme - “tapered protection”.

Employee-funded Early Retirement provision.

Formal review of impact of working longer to look at particular groups e.g. Emergency workers.
Anyone with full-time earnings of less than £26,558 pa will not face a contribution increase this year. Those with full-time earnings between £26,558 and £48,982 will be asked to pay 1.5% more and anyone earning above £48,982 will be asked to pay 2.4% more this year.

There will be further consultations on potential increases for 2013-2014 and 2014-2015.

Members with full-time earnings less than £15,000 should face no contribution increase by 2015 and those earning between £15,000 and £26,558 will potentially pay no more than 0.6% more by 2015.

It is proposed that the new scheme will continue with tiered contributions but this will be reviewed.
THE MAIN PROPOSALS AT A GLANCE - MISC

- Members TUPE transferred will be able to retain access to the NHSPS – plus the terms of access to the scheme could be extended

- Existing pension benefits will be fully protected meaning these can be taken at current Normal Pension Age

- The pension benefits you build up before moving to the new scheme will still be calculated with regard to your pensionable pay at retirement

- The Government will legislate on the basis that there will be no further changes to scheme design or benefits for at least the next 25 years

- Survivors benefits and ill-health protection will remain
UNISON position

- Proposals will be put to members in a consultative ballot
- SGE recommendation: these proposals are the ‘best that can be achieved through negotiation’
- Members need to be aware that a vote to reject implies a commitment to take further – and sustained – action
- Rejection risks imposition of a worse scheme or at least the Fair Deal element removed
- Members should be given access to as much information about the scheme as possible and encouraged to have their say
Other NHS trade unions

- **RCN** – rejected; no plans to ballot
- **BMA** – rejected; ASOS ballot planned - May timetable
- **Unite** – rejected then balloted on a reject recommendation; held some lunchtime “protests” on 28 March; no mention of any further industrial action over pensions
- **GMB** - balloting with a recommendation to reject; no mention of further action.
- **CSP** – balloting; highlighting consequences of rejection
- **SoR** – as above
- **RCM** – as above
- **BAOT** – as above (members included in UNISON ballot)
- Timetables – aside from BMA, most decision-making will be in April
- To date no union in health has any plans for further IA

Protect Our Pensions campaign
Ballot timetable and materials

- Opens 11 April, closes 27 April
- Ballot paper plus insert to all health members with access to the NHS Pension
- Online voting option
- Turnout is a major issue
- Ballot turnout materials – poster, leaflet, sticker available
Resources

Support materials:

• Full Guide to the proposals, including case studies (40 pages)
• Short Guide to the proposals (6 pages)
• FAQs
• Pensions calculator

All available from www.unison.org.uk/pensions/protectour.asp

• Ballot helpline 0845 355 0845 (11-25 April)