Fight back for public sector pensions

Public sector pension facts

- Five million employees working in the UK public sector qualify for pensions, including:
  - 1.3 million in NHS
  - 1.6 million in local government
  - 600,000 teachers
  - 600,000 civil servants
  - 200,000 in armed forces
  - 150,000 police officers
  - 50,000 fire-fighters
- The value of the main schemes in the public sector for new entrants is similar to a medium private sector final salary, at around 21% to 24% of salary on average.
- The average council worker's pension is about £4,000 a year. Meanwhile top city bosses can expect over £200,000 a year.
- UK local government pension funds provided aggregate investments of over £145 billion in 2008. This is equivalent to 13% of UK GDP.

The attack on public sector pensions

Every day, it seems, there is a fresh attack on the pensions of public service workers. These attacks often use misleading statements referring to public sector pensions as 'gold-plated' or claim that there is 'pensions apartheid' between public and private sector workers.

This attack on our pensions is part of a wider campaign to cut the public sector, in order to pay for the economic crisis caused by greedy bankers.

Time to bust the pensions myths

Unlike the fat cats, public service workers earn their pensions and contribute towards them. Public sector pensions should not be cut back. They are important for our members and their families, they are vital for our economy and society as a whole and they are affordable.

The real pensions divide

The real pensions divide is not between public and private sector, but between rich and poor. Ordinary workers in the public or private sector do not get inflated pensions like the city fat cats. The average occupational pension in the UK is around £8,100.

In particular, public sector pensions are far from 'gold plated'. In fact, the average council worker's pension is around £4,000 per year. And half of all women pensioners who have worked in the NHS get a pension of less than £3,500 per year.

UNISON
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Gold plate for fat cats

Meanwhile, the TUC's 2008 Pensions Watch study of 346 directors from 102 of the UK's top companies found that they were set to earn an average yearly pension of £201,700. That is 25 times the £8,100 average workplace pension that ordinary workers receive.

Unlike the fat cats, public service workers earn their pensions and contribute towards them. They are deferred wages, providing vital income for people in well earned retirement.

Cutbacks would increase social costs

Many more retired public employees would have to rely on various forms of means tested benefits if the quality of public sector pensions was substantially reduced. Many in the public sector are low paid workers, who will receive quite low pensions.

If these were reduced further, more pensioners would become eligible for benefits such as Pension Credit. According to the Department of Works and Pensions over 2.7 million pensioners already receive Pension Credit, with an average payout of £52.69 per week. Pension Credit is often regarded as a 'passport benefit' - meaning that those who receive this benefit automatically receive a wider range of benefits including housing and council tax benefits.

There is already an issue with pensioners not applying for all the benefits to which they are entitled. One recent study estimated that in Scotland alone, pensioners were missing out on over £570 million of benefits. Delays in completing benefit application forms as well as errors in applications can result in delays in benefits being provided not just to pensioners themselves but also the councils who rely on this income to provide essential services.

Funds are vital for the economy

Meanwhile, the value of public sector pensions to the economy as a source of investment capital is huge, as shown in recent research commissioned by UNISON from the Public Services International Research Unit at the University of Greenwich.

There are over 100 local government pension funds (LGPFs) in the UK, with a total aggregate value of about £145 billion in 2008, or about 13% of UK GDP. To put this in perspective, this is as large as the combined sovereign wealth funds of oil-rich states Kuwait, Qatar and Oman.

The LGPFs are major investors in the largest private companies on the London Stock Exchange - in 2008 they had over £1 billion invested in each of the top 4 companies - Royal Dutch Shell, HSBC, BP and Vodafone; and owned at least 1.3% of 7 out of the top 9 companies. These funds are more vital, rather than less, in the face of a downturn in private investment.

Scottish LGPFs had £19.8 billion invested in 2008, which equates to over 21% of Scottish GDP (£93.3 billion). The Strathclyde fund with £9.3 billion invested is the largest in the UK.

Public sector pensions are affordable

The Treasury produces estimates of the cost of paying public sector pensions as a proportion of GDP (not taking into account contributions). They show an increase from 1.5% of GDP to 2% by 2027-28. After this projections show a slight decline in the proportion of GDP taken up by public sector pensions.

It is not surprising that there is some cost increase in the next few decades as we live in an ageing society. Either the cost of pensions will increase or many more pensioners will live in poverty. But public sector pensions take up a much smaller share of GDP than state pensions and long term care - also both set to increase in the face of longer lives.

Another way of looking at the cost of pensions is to examine the difference between benefits paid out to today's pensioners from unfunded schemes and current contributions paid by current staff. In the current financial year this is estimated to be £4.1 billion or about 0.3% of GDP.

Your pension is under attack...

Join UNISON

Fair and decent pensions for all

Despite ill-informed media and political attacks, public sector pension schemes are certainly not gold standard. This description more accurately reflects the pensions that company directors award themselves, often 25 times the pension of their workforce.

Any savings made by cutting back on public sector pension funds would result in increased spending on a range of means-tested benefits including pension credit, housing and council tax benefit.

A reduction in public sector pension schemes would also impact heavily on the economy as such schemes provide billions of pounds of investment every year in the UK economy.

Fair and decent public sector pensions are affordable as well as essential.

UNISON Scotland believes that the UK Government should act to ensure that every worker – including those in the public sector - has a decent pension scheme.

Join us

UNISON is Scotland's leading public services union, with a proud record of fighting for and winning decent pensions for our members. We are campaigning to defend the well-earned pensions of ordinary public service workers.

Join us now. You will gain all the benefits and protection of UNISON membership, and you will be part of the campaign to protect the future for yourself and your colleagues at work.

You can join UNISON online at:
www.unison.org.uk/join/

Or please complete and return the application form on the reverse of this leaflet to:
UNISON Scotland
Freepost EH104,
Douglas House
Belford Road
Edinburgh
EH4 0HU

Join UNISON to fight for fair pensions

UNISON Scotland

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YOU CAN JOIN UNISON ONLINE AT **WWW.UNISON.ORG.UK/JOIN/** OR FILL IN THIS FORM USING BLOCK CAPITALS IN BLACK INK AND GIVE IT TO YOUR UNISON REP, OR SEND TO:

PENSIONS 2010, UNISON SCOTLAND, FREEPOST EH 104, EDINBURGH EH4 0HU

1. YOUR PERSONAL DETAILS

Please tick or fill in the boxes below

Mrs | Ms | Miss | Mr | Other

First name

Other initial(s)

Surname/Family name

Date of birth / /

Home address

Postcode

National insurance number (from your payslip)

Please tick this box if you require materials in a different format (eg large print or Braille) – be sure to supply contact details below

How would you describe your ethnic origin?

- Bangladeshi
- Chinese
- Indian
- Pakistani
- Asian UK
- Asian Other
- Black African
- Black Caribbean
- Black UK
- Black Other
- White UK
- Irish
- White Other

Please give a telephone number/voice/text/email address for UNISON to contact you – indicate if work or home

Contact tel/voice/text/email

2. YOUR EMPLOYMENT DETAILS

Employer's name

Your job title/occupation

Department/section

Workplace name and address

Postcode

Payroll number (from your payslip)

3. WHAT YOU WILL PAY – FROM 1 October 2003

Please tick the appropriate box for your earnings before deductions.

Weekly pay		Annual pay	YOUR SUBSCRIPTION—WHAT YOU PAY per week	per month	Band
Up to £38.47		Up to £2,000	£0.30	£1.30	A
£38.48–£96.16		£2,001–£5,000	£0.81	£3.50	B
£96.17–£153.84		£5,001–£8,000	£1.22	£5.30	C
£153.85–£211.53		£8,001–£11,000	£1.52	£6.60	D
£211.54–£269.23		£11,001–£14,000	£1.81	£7.85	E
£269.24–£326.92		£14,001–£17,000	£2.24	£9.70	F
£326.93–£384.61		£17,001–£20,000	£2.65	£11.50	G
£384.62–£480.76		£20,001–£25,000	£3.23	£14.00	H
£480.77–£576.92		£25,001–£30,000	£3.98	£17.25	I
£576.93–£673.08		£30,001–£35,000	£4.68	£20.30	J
£673.08+		over £35,000	£5.19	£22.50	K

Please tick the appropriate box to indicate how often you are paid

- Weekly
- Fortnightly
- Four Weekly
- Monthly

Please tick this box if you are a student member in full-time education (including student nurses or Modern Apprentices). Your subscription is £10 per year.

4. POLITICAL FUND

UNISON's Affiliated Political Fund (APF) is used to campaign for and promote UNISON policy and the need for quality public services within the Labour Party, locally and nationally, in Parliament and Europe. UNISON APF affiliates to the Labour Party.

UNISON's General Political Fund (GPF) is used to pay for campaigning at branch, regional and national levels of the union and for research and lobbying in Parliament and Europe. It is independent of support for any political party.

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Your subscription shown above includes a political fund payment so you do not pay any more by being in one of the funds.

5. YOUR AUTHORISATION

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- I authorise deduction of UNISON subscriptions from my salary/wages at the rate determined by UNISON in accordance with its rules to be paid over to them on my behalf and I authorise my employer to provide information to UNISON to keep my records up to date
- I authorise deduction of the following Political Fund payment as part of my subscription: Tick one box only

Affiliated Political Fund | General Political Fund

Now please sign and date below

Signature

Date

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If you have been a member of a trade union before, please state which one:

....

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We may also send you newsletters, journals and surveys and let you know about educational and campaigning matters. We will disclose your information to our service providers and agents for these purposes.

If you do not want any mailings from UNISON besides those required by statute as shown in bold above, please tick this box.

We may share your information with organisations with whom we have a business relationship for your benefit. We, or they, may contact you by mail, telephone, SMS, fax or e-mail to let you know about goods, services or promotions which we think may be of interest to you.

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