@BRIEF

For Members of the Scottish Parliament



NHS (Superannuation Scheme and Pension Scheme) (Scotland) Amendment Regulations 2012

March 2012

The above regulations have been laid in Parliament and Health and Sport is the lead committee. They increase pension contributions for NHS staff in Scotland as part of the first year of the Treasury's cash grab from public service pensions. The Scotlish Government says it is opposed in principle to these contribution increases, but is implementing them anyway.

Scotland has a separate NHS pension scheme and the regulatory power, including contribution increases is devolved. The Treasury does have an effective power of veto over regulations and there are Barnett consequentials of £55m in the first year leading to a cumulative total of around £140m by year 3 (2014). However, the Scottish Government is not required to implement these regulations.

We believe that the Scottish Parliament should **not approve** these regulations for the following reasons:

- The contribution increases in the regulations are not the same as those in the draft regulation consultation. Therefore there has been insufficient time for negotiation over alternative solutions.
- There is no need for the increase as the NHS pension scheme across the UK is in surplus. Some £2bn last year. Not one penny of this increase goes to the pension scheme.
- Other options exist for funding the cost of these contribution increases. The Scottish Government's Efficiency Outturn Report 2010-11shows that Health exceeded its 2011 efficiency savings target by over £175m. This is money was saved by NHS staff and not budgeted for by the Government.
- They are a tax on hard pressed NHS workers who cannot afford to contribute more to their pension at a time of pay restraint. Ultimately these proposals and further plans for 2013 and 2014 risk mass optouts which will only serve to increase dependency on the State.

Further details are in the UNISON Scotland consultation responses (see below). UNISON NHS members are taking selective <u>strike action</u> across Scotland to highlight their concerns. The first two days of strike action on 13 and 14 March were at the Ayrshire & Arran Central Decontamination Unit. This will be followed by Finance Staff in Glasgow, Lanarkshire and Lothian on Tuesday 27 March.

We would therefore urge MSPs to reject these regulations and call on the Scottish Government to enter into meaningful negotiations to stop the pensions tax.

Useful links

- UNISON Scotland pensions website
- NHS pension amendment regulations
- UNISON response to draft regulations
- UNISON response to NHS pension consultation

For further information contact <u>Dave Watson</u> Bargaining and Campaigns Team on 0141 342 2840.

This UNISON e-brief is intended for Members of the Scottish Parliament. If you have received this email in error, or if your email address is changing, please <u>contact</u> us.













