

Pension letter - April 2005

Dear Colleagues

The Government's position on public services pensions has changed significantly and the diktat that the normal pension age of 60 will rise to 65 is now negotiable. This victory is the result of a combination of factors; our members determination, as shown by the local government ballot for industrial action, political lobbying locally and nationally, and co-ordinated trade union negotiation over recent weeks.

Last week I represented Amicus at 'The Pensions Summit'. The Summit was chaired by Alan Johnson, Secretary of State for Work and Pensions and was also be attended by David Miliband, Minister for the Cabinet Office and Ian McCartney, Chair of the Labour Party. The Cabinet now accepts that all aspects of the Government's proposals are open to discussion and negotiation. This includes the proposed plans to increase the normal pension age. TUC affiliates used this opportunity to press home our determined and united opposition to the common cause we share, no increase to the normal pension age. Amicus raised our very serious concerns that an imposed increase the normal pension age is a breach of trust as NHS employees opted to work for the NHS on the understanding that the NHS Pension Scheme was a secure entitlement. We also pressed home our concern that NHS employees deserve choice to work beyond the normal pension age if they wish but not to be penalised for leaving at the existing pension age.

Joint statement: www.tuc.org.uk/publicsector/tuc-9600-f0.cfm

Where does this leave the NHS Pension Scheme Review Consultation?

The joint unions have agreed that whilst it was not possible to halt the consultation that closed 11 April, the commitment to a 'fresh start' with 'nothing ruled out and nothing ruled in' completely changes the landscape. The consultation was conducted in a very constructive manner however the whole process was overshadowed by the government's policy to raise the public services normal pension ages. There will now be a meeting with the Minister of State for Health, John Hutton, where we will commence discussions to plan the 'fresh start' negotiations.

Attached are two documents. The Amicus consultation response and a paper detailing our analysis of a suggested Career Average pension based on Amicus scenarios. You will see that Amicus comes down on the side of a final salary scheme, however we ask you to carefully consider the analysis we have prepared in order you understand the basis of our judgement.

We will hold this response in reserve as during the consultation we achieved common ground with the Employer's Organisation on a number of proposals that could improve the scheme.

The level of activity among our activists in the health sector has undoubtedly made a great impression and it is important that we understand that the campaigning and lobbying may well have to continue to support our position during the forthcoming negotiations. We will keep members informed of developments.

Regards

Gail Cartmail
Gail Cartmail
Head of Health
Amicus, 40 Bermondsey Street, London SE1 3UD
(t) 020 7939 7077