



FIRE BRIGADES UNION

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TO: ALL MEMBERS

Dear Brother/Sister

HANDS OFF OUR PENSIONS - RPI/CPI CHALLENGE - POST-TRIAL BRIEFING

Members will be aware that the FBU has been instrumental in challenging the Government's decision to switch the way pensions are uprated from a process using Retail Price Index to one using Consumer Price Index. This followed the budget statement by the Chancellor of the Exchequer in June 2010 which announced that this switch would take place from April 2011.

The challenge was originally initiated by the Fire Brigades Union, the Prison Officers Association (POA), the National Association of Schoolmasters/Union of Women Teachers (NASUWT) and the Public and Commercial Services Union (PCS) and was later joined by Unite and Unison.

A post trial briefing from Thompsons' solicitors can be viewed on the FBU website www.fbu.org.uk.

Summary of the briefing

The judicial review took place between 25 and 27 October 2011 at the High Court in London.

The challenge highlighted that the Unions felt that deficit reduction was a consideration in this decision, a decision that would provide savings of around £6 billion from public service pensions over the length of this Government and reduce public service pension scheme members' benefits by around 15%.

A further decision to apply this switch to private sector pensions as well would see a reduction in the value of private sector pensions by around £73 billion.

The Union's case took the form of four arguments:

1. The construction argument - That Government acknowledged that a factor in their decision was to reduce pension expenditure and benefits which is not permissible under the statutory provisions.
2. The legitimate expectation argument - That members had previously received statements that indicated that pensions would be indexed by RPI. It was a legitimate expectation that this would not be changed without consultation. (A similar argument also covered the accrued rights of a scheme member).

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3. The equalities duty argument - That Government failed to properly consider all equality implications and therefore breached the Equality Act 2010.
4. The supplementary misdirection/irrelevant considerations argument - That Government's decision to change from RPI to CPI didn't take due regard to other relevant considerations.

These arguments are explained in more detail in the post-trial briefing document.

A separate challenge from several other organisations, including the GMB and the Police Federation, on a much narrower issue was included in the hearing.

Thompsons' solicitors expect that the judgment will be handed down within the next six weeks and members will be informed of the outcome as details are made available.

Best wishes.

Yours fraternally

A handwritten signature in black ink that reads "M. Wrack". The signature is written in a cursive, slightly slanted style.

MATT WRACK
GENERAL SECRETARY

MW/sll