

THE FIRE BRIGADES UNION

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Public service pensions - unions launch High Court challenge to CPI switch

Four key public service unions have launched a High Court challenge to block the move by Government that would see massive cuts in the value of public service pensions. The unions lodged an application for judicial review at the High Court today.

The four unions are trying to reverse the switch from using the Retail Prices Index to uprate pensions to the Consumer Prices Index. The move was made by Order in Parliament in March.

The immediate effect of the move was to lower the increase to public service pensions that would have taken place in April from 4.6% under RPI to 3.1% under CPI. As CPI is up to 1.5% lower than RPI, which it usually is, the move will save the Treasury £6 billion a year by 2014-15.

The Hutton review estimated that the switch to CPI will cut the value of pension entitlement for existing pensioners by around 15%. The amount is higher for staff who are currently paying into pension schemes who would see the value of their pensions slashed in the future.

The application for judicial review says it was unlawful for the Government to impose the move in the way it did and for the reasons it set out. The application also refers to the fact that Government should have consulted on the issue before it was implemented. The four unions are the FBU, NASUWT, POA and PCS representing a range of workers across the public sector.

FBU General secretary Matt Wrack said “We believe the Government actions are unfair and unlawful. This is a vicious attack on existing and future pensioners that could cost them tens of thousands of pounds.

“We’re being told to work a lot longer, pay a lot more and now get a lot less. Public sector pensioners don’t feel ‘we’re all in it together’.

“Pensioners are being forced to bear an unfair burden for the financial crisis caused by the banks. Public sector pensioners are being robbed of tens of thousands of pounds each while the City counts up its multi-billion pound profits and bonuses.”

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