

Resolution passed by the TUC

C5 | Pensions

(Motions 28 and amendments, 29, 30 and amendment, 31, 32, 33)

Our pensions represent the most important condition of employment after pay itself, enabling workers to survive into old age without poverty. Workers' pension funds represent the single largest source of investment finance and are central to growing our economy from recession.

Congress congratulates unions for the successful industrial action on 30 June in defence of pensions which exposed the government's pensions plans to closer scrutiny, raised a public debate, and mobilised hundreds of thousands of people on pickets, rallies and marches.

Congress reaffirms its support for the existing public sector pension schemes, and its opposition to the government's attempts to impose unnecessary cuts on those schemes and present those cuts as an economic necessity rather than a political choice on its part.

Constant attacks on public and private sector pensions, fuelled by this coalition, threaten their viability, meaning that the rights of current and future pensioners to draw their pensions are under threat. This includes the decision to change the uprating measure from RPI to CPI thus reducing the value of benefits by around 15 per cent, a government attack now being opportunistically replicated across the private sector.

Congress notes the Chancellor's statement in the 2010 CSR that "from the perspective of filling the hole in the public finances, we will seek changes that deliver an additional £1.8bn of savings per year in the cost of public service pensions by 2014–15". Congress condemns the government's continuing attempts to impose contributions increases, which are simply a tax on public sector pensions. The intention to increase contributions by 50 per cent plus will cause many members to reconsider their membership.

Congress condemns misleading statements by government ministers on the affordability of public sector pensions and notes that the Hutton report showed costs falling, and that the NAO report showed the reforms agreed in 2007/08 "reduces costs to taxpayers by 14 per cent". Congress notes that the total cost of providing tax relief to higher rate taxpayers is more than five times the cost of public sector pensions. Congress believes that the so-called 'reform' of public sector pensions is

about making them ‘affordable’ for privatisation.

Abolition of the Fair Deal arrangements will lead to a critical point in schemes where government will be liable for finding additional money to pay current pensioners because there are not enough people contributing to the schemes.

Provisions for Admitted Body Status must be preserved to ensure that workers who are TUPE’d in and out of local government do not have their pension entitlements eroded and that private companies are not given an unfair advantage when bidding for local government contracts.

Congress recognises that pensions are an important element of the reward package and are in fact deferred pay. As the government seeks to dramatically cut the value of pension provision for millions of public sector workers, it is vital that the impact on this total package is addressed.

Congress further recognises that many public sector workers, particularly those in more senior managerial and professional roles, are paid significantly below levels they could achieve in the private sector. The government’s own evidence suggests that for the civil service, this results in rates of between 20 per cent and 50 per cent below private sector comparators for some of the more senior grades, even accounting for pension provision. This situation will only deteriorate as a result of the freeze on public sector pay increases and the disproportionate impact this has on the civil service where structural pay progression has already been abandoned.

Congress calls upon the government to recognise the value it gains from committed public servants and the need to ensure that they are rewarded fairly for the work they do for the public. Congress further calls upon the government, as an integral part of any pension reform, to commit to open and transparent pay arrangements for public servants that includes reference to external pay comparators as part of a process for pay determination.

Congress further recognises that occupational pension schemes must be designed around the demands of the occupation, including the physical demands of those occupations.

Retirement age cannot simply be determined by general conclusions around life expectancy but should be based around the requirements of the relevant profession.

Congress notes the probability of another round of crisis in teacher recruitment and retention if the government imposes its proposals for public sector pension reform, in the forms of a large volume

of premature retirement, difficulty in recruiting graduates who are deep in debt, and increased unattractiveness of headship. Congress notes also the threat to the teacher pension scheme from a high opt-out rate.

The government are putting public sector pensions at risk and have failed to act on the private pensions scandal. Further, with some 14 million workers in the private sector having no workplace pension provision, Government and employers should be encouraging people to save for their retirement, not attacking those workers who do.

Congress restates its commitment to fair pensions for all private and public sector workers and existing pensioners and to continuing to campaign, including with pensioner and other organisations. Congress reaffirms existing TUC pensions policy, including for increases in the state basic pension and for a requirement on all employers to contribute adequately to occupational pension schemes for their employees.

Congress asserts that attacks on pay and conditions of service, including pensions, should be challenged by all appropriate means, including legal action.

Congress therefore welcomes the coordinated action by TUC affiliates, securing a judicial review of the imposition of a stealth tax switch to CPI pension indexation.

Congress condemns the undemocratic, underhand and dishonest way in which the coalition government went about changing the index used for public service pension increases from RPI to CPI. Congress notes that this change also affected millions of members of private sector schemes.

Congress is particularly concerned about the retrospective nature of the change that has also resulted in on-going windfall savings for employers whose liabilities have been slashed as there is no obligation to use these savings to improve scheme funding levels. Congress calls on the General Council to work with affiliates in campaigning for the reversal of this government policy.

Congress welcomes the TUC's support for public sector workers in coordinating and leading talks with the government on public sector pensions.

Congress calls on the General Council to ensure that the TUC continues to coordinate opposition to the government's proposals, including support for further coordinated negotiations and for further industrial action as necessary, coordinated as far as possible among the public sector unions.

Congress recognises that the TUC and public sector unions must continue to work together in order to secure fair outcomes for every scheme. Congress agrees that the government must not now be allowed to "divide and rule" through individual scheme negotiations.

Congress calls on the government to respect the experience and knowledge brought to pensions negotiations by the trade unions, who have close to their hearts public service delivery as well as the interests of staff.

Congress expresses its concern at the unsatisfactory response of the Labour leadership and instructs the TUC General Council to press for support for future action in defence of the agreement signed with the last Labour government.

Congress calls on the General Council to:

- i. robustly defend public sector pensions and campaign for affordable pensions for all workers on the basis that provision should be based on levelling up and making private companies face up to their responsibilities rather than cutting public sector pensions
- ii. support and co-ordinate close collaboration between affiliates in defence of schemes
- iii. mobilise, politicise and campaign with pension groups and civil society to prevent poverty in the future.
- iv. give full support to industrial action against pensions cuts, including action planned for this autumn, and maximise its co-ordination
- v. use the media to dispel the myths and falsifications around pensions
- vi. campaign for Fair Pensions for All.

Mover: UNISON

Seconder: Public and Commercial Services Union

Supporters: National Union of Teachers;

Association of Teachers and Lecturers; Transport

Salaried Staffs' Association; FDA; Unite;

NASUWT; Union of Construction, Allied Trades

and Technicians; Fire Brigades' Union