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UNISON Scotland

BRIEFING FOR UNISON MEMBERS - STAFF PENSIONS & THE NATIONAL CARE SERVICE BILL

"Warm Words are Cold Comfort"

Introduction

The National Care Service (NCS) Bill proposes a fundamental reorganisation of adult social care, and if passed will enable the inclusion of children's services, justice social work and drugs and alcohol services. Over 200,000 people work in this sector, including those employed by councils, the third and private sector, and the NHS.

There is no clarity about pensions provision within the bill. It could see 75,000 workers transfer out of local authority employment with no knowledge of how this will affect their pensions. UNISON wants decent pensions for all care staff regardless of who employs them but there is nothing in the bill that will ensure that either.

So what will the National Care Service Bill mean for your pension?

If you work for a council

Councils employ 75,000 workers in social work and social care, who may transfer to work in the third or private sector. The Scottish Government has avoided giving any assurances about pensions, and the law does not properly protect pensions. If you are in the Local Government Pension Scheme (LGPS) then you can rely on a pension based on your salary. Typically, you pay in about 6% and your employer pays in about 19%. After you transfer, you may only get "money purchase" pension where you build up a pot of savings, and hope to 'buy' a pension when you retire. You and your employer both pay in up to 6% of your salary. This is only half what you need to avoid poverty in retirement.

If you work for a third sector or private employer

Contracting regulations say councils should ensure outsourced staff can keep their existing pension scheme, or a similar one. New starters working alongside them should get access to the same pension, and other care staff at least get a modest pension. In future, if the National Care Service issues a contract, this will not apply and we don't know if there will be any safeguards.

If you work for the NHS

As with council staff, if you are in the NHS Pension Scheme and you are outsourced, you only get minimum protection and a much inferior "money purchase" scheme.

How this affects employers

Pension schemes often run with a deficit, and if staff transfer then part of this deficit transfers with them. This means new employers may be required to pay a debt. If the debt doesn't transfer to the new employer, then the council will be left with it, when council finances are very tight already. About a third of workers in the LGPS are care staff, and their pension contributions are invested to help pay their pensions. If they are forced out, or new starter can't join, then pension fund finances may be destabilised, and worker contributions and pension benefits may have to change.

Want to find out more? *Read the full Pensions briefing **here***
Find out about UNISON's *National Care Service Bill campaign* here.
Take action! *Email your MSPs by clicking **here**.*

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