



No. 62

March 2023

Fight to defend decent pensions!

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The alert has been raised that more employers are seeking to pull out of the LGPS and other Defined Benefit (DB) pension schemes. Three employers have been highlighted in the higher education sector (Dundee, Abertay, and Robert Gordon), and three in the CVS sector - River Clyde Homes, Autism Scotland and Citizens and Rights Fife (CARF). To their credit CARF pulled back from changes, and UNISON members in Dundee put up a terrific fight to minimise the damage, but elsewhere schemes are being downgraded; replaced with inferior “Defined Contribution” (DC) schemes, or closed to new members.



Apart from making big savings in employer pension contributions, one of the top excuses for cutting members benefits is to “reduce risk” for employers. Replacing a DB scheme with a DC one does this, as it moves the risk from employer to employee by removing any guarantee of a decent pension.

Some employers also raise concerns around the value of investments. Scottish LGPS funds are in good financial health, but inevitably the value of long-term investments fluctuates from year-to-year. The claim is that this is a “risk” to employers, even though the LGPS is over 100% funded and backed by the state. In addition, some employers would prefer to decide on the investments themselves, despite the LGPS investment professionals managing over £50 billion, and this being the workers deferred pay, not an employer piggy-bank.

If you hear any rumours about pension scheme changes, contact your branch or Regional Organiser straight away.



Pension scheme members celebrate a 10.1% rise

UNISON members across Scotland have been fighting for and winning pay rises. In terms of pensioners, the good news is that public service pensions will rise by 10.1% in April (based on CPI inflation from September 2022). Deferred pensions and past contributions in the ‘new’ (2015) schemes will be revalued upwards by 10.1%, and it is even better for Scottish NHS Pension Scheme members, who will see their past contributions be revalued

upwards by 11.6% in the 2015 scheme. It's one more excellent reason for being part of a pension scheme.

UNISON Scotland Pension Seminar 2023

This year's pension seminar will be face-to-face in **Glasgow** on **Monday 19 June**, 11am – 3pm. It's a great opportunity to share learning with pensions activists from other branches, and hear from experts. Sessions include:

- Campaigning to keep a decent pension scheme
- Pensions for a future – investing to stop the climate crisis
- The role of a branch pension champion

Everyone is welcome - please contact your branch secretary, and then email **grampianresourcecentre@unison.co.uk** with your membership number, branch, union position (if any), mobile number, and any special requirements.

Recently, over 50 people attended the "Introduction to Pensions" training, both online and in person. UNISON Head of Pensions Glyn Jenkins gave his usual polished performance as he took activists on a whistlestop tour of DB, DC, the state pension, auto enrolment, Final Salary, CARE and how a pension protects you and your family from ... the risk of dying! This is now available online for members. You can see it, and keep in touch, by joining our Facebook group at www.facebook.com/groups/unisonscotpensions.



75,000 care workers pensions in jeopardy! Take Action

The proposals for a National Care Service (NCS) are still staggering on, despite sharp criticism from many stakeholders, including [UNISON](#). A huge unanswered question for the 75,000 staff who may be affected is "what will happen to my pension?"

The Scottish Government envisage the NCS as a set of Care Boards overseen by government Ministers, which will buy in care services from public, private and third sector providers. This could mean that many existing staff - potentially 75,000 – might transfer to private or not-for-profit care companies and it's not clear what will happen to their pensions.

The Government have drough in private consultant Deloitte to advise them on pension issues, which is a concern in itself. The NCS Bill has been delayed, but MSPs may still be deciding on the fate of tens of thousands of workers without a clear idea what this will mean for their retirement. The potential disruption has also raised serious concerns about the stability of the pension funds themselves, if many staff pull out (or are pulled out). See the full briefing [here](#), and the impact on members [here](#).

Take action NOW by contacting your MSP - <https://bit.ly/NCSPensions>.

Pension shorts

Annual and Lifetime Earnings limits

Pension contributions are tax-free up to a point – the annual limit and lifetime limit. Most workers don't come close to these limits, but consultant doctors have been breaching them. The 2023 UK Government Budget removed the lifetime tax-free allowance on

pension savings, and increased the annual limit from £40k to £60k. This will significantly benefit very high earners.

Additionally, for this year, a quirk in the calculations meant that a big rise in inflation caused more workers to breach the annual limit, because the “revaluation date” of 1 April is different from the “financial year” start of 6 April. To address this, all public sector pension schemes are moving their revaluation date from 1 April to 6 April from this year, with an commitment of no detriment to anyone disadvantaged.

LGPS Contribution Rates for 2023/24

The contribution bands for the LGPS will go up on 1 April 2023. The new rates are below:

Pensionable Pay (2023/2024)	Rate (%)
On earnings up to and including £25,300	5.5%
On earnings above £25,301 and up to £31,000	7.25%
On earnings above £31,001 and up to £42,500	8.5%
On earnings above £42,501 and up to £56,600	9.5%
On earnings of £56,601 and above	12%

NHS Pensions updates

Pension Recycling

The most headline grabbing announcement has been a decision by Scottish Government to follow the UK Treasury and announce that a scheme would be introduced for scheme members who can demonstrate that they would be adversely affected by the annual allowance tax charge in respect of their pension savings.

The scheme allows scheme member who might incur increased tax liabilities on their pension to opt out of the pensions scheme and be paid the normal employers pension contribution as a top up to wages. UNISON and a majority of other unions opposed the scheme expressing concern that it was unfair that some NHS workers could leave the scheme, and benefit with increased wages, to avoid a tax liability, whilst others were being forced to leave because they couldn't afford to heat their homes.

Now that the annual tax-free allowance has been raised, this change is unnecessary and UNISON has written to the UK and Scottish governments calling for its withdrawal.

McCloud

Like most public sector pension funds the NHS Pension Scheme is working to ensure that any discrimination in the scheme after the Court of Appeal ruled in the McCloud/Sargeant judgment, that the ‘transitional protection’ offered to some members of the judges’ and firefighters’ schemes as part of the 2015 public sector pensions reforms gave rise to unlawful discrimination.

As a result Eligible pensioner members, including representatives of deceased members are to be offered an ‘Immediate Choice’ (IC) between legacy scheme and new scheme benefits.

The 2015 Remedy has been implemented in two phases, a ‘prospective’ and a ‘retrospective’ phase. The ‘prospective’ phase was implemented on 1 April 2022 when the legacy schemes were closed to all members and the remaining (protected) legacy scheme members were made eligible for new scheme membership.

The 'retrospective' phase must be implemented by 1 October 2023 and will retrospectively rollback new scheme service to the legacy scheme and establish the Deferred Choice Underpin (DCU) and Immediate Choice (IC) mechanism. At a future date, to be set in scheme regulations and no later than 1 October 2023, all members with eligible service in the remedy period will have that service rolled back to their relevant legacy schemes. They will then, dependant on status, be given either a DCU choice at retirement/benefit crystallisation or an IC choice as soon as is practicable to elect to receive new scheme benefits for any service they have built up in the remediable period

Member Contributions

Probably the biggest announcement of 2022/23 concerning pension was that there was to be a review of member contributions. All pension schemes are required by law to ensure that there is sufficient income to meet expected expenditure. This 'forecasting' is a complex business undertaken by specialist pension actuaries.

It was reported in 2022 that the NHS Scotland Scheme needed to review member contributions and there was significant consultation at that time. For various reasons the Scottish Government chose not to implement the findings of the consultation and has been underwriting the additional cost to the scheme since (with time limited UK Government Treasury approval). Work is therefore underway NOW to reopen the consultation and move towards a final decision.

You can keep up to date with all NHS Pensions issues by checking the SPPA webpage <https://pensions.gov.scot/nhs>

UNISON representatives on LGPS Boards

For information on your local LGPS Board, please contact your UNISON representative.

Borders	Kaymarie Hughes Kaymarie.hughes@scotborders.gov.uk Marc Everett marc.everett@scotborders.gov.uk
Dumfries	David Stainthorpe info@unisondumfries.org.uk Moira Weatherup moira.weatherup@gmail.com
Falkirk	Tony Caleary calearyt@stirling.gov.uk David Wilson dwilson@clacks.gov.uk
Fife	Ian Dawson Ian.Dawson@fife.gov.uk Colin Paterson colin.paterson@fife.gov.uk
Highland	Liz MacKay liz.mackay3@highland.gov.uk Donald Macsween dmacsween@cne-siar.gov.uk Domhnall MacDonald domhnall@cne-siar.gov.uk John Gibson unisonhighland@btconnect.com
Lothian	Jim Anderson jimanderson.loki@gmail.com Tom Howorth Tom.Howorth@unison-edinburgh.org.uk
North East	Morag Lawrence morag.lawrence@gmail.com Kenny Luke kennyl@aberdeencity.gov.uk
Orkney	Karen Kent Karen.kent@glow.orkneyschools.org.uk Eileen Swanney eileen.swanney@unisonorkney.org
Shetland	David Marsh David.Marsh@shetland.gov.uk Austin Taylor austin.taylor@shetland.gov.uk Kevin Briggs kevin.briggs@shetland.gov.uk Lyall Halcrow lyall.halcrow@shetland.gov.uk Michelle Goudie (Jt Sec) michelle.goudie@shetland.gov.uk
Strathclyde	Scott Donohoe s.donohoe@glasgowcityunison.co.uk Stephen Kelly tippleclown@googlemail.com
Tayside	Arthur Nicholl Arthur.nicoll@dundee.gov.uk Margaret McGuire margaret.mcguire@dundee.gov.uk



Pensions
Scotland

For more information: Simon Watson, Regional Organiser: s.watson@unison.co.uk