

Pensions Dispute: Frequently Asked Questions

Look for the answer to your question about what's happening in the pensions dispute in our frequently asked questions.

What's happening - Why are we striking?

1. Why are we striking?

Following the Yes vote in our industrial action ballot, UNISON along with a large number of other unions such as UNITE and the GMB is planning an initial day of strike action on 30 November 2011 in opposition to proposals to change our members' public sector pension schemes.

2. What stage are negotiations at?

Negotiations are still going on. UNISON is completely committed to making negotiations work - but the government ministers have to be committed to the negotiations too if they are to be successful.

3. The negotiations are still under way and we don't know the exact changes proposed yet, so why strike now?

Strike action is very much a last resort for UNISON - we are not known as a strike happy union - quite the reverse.

We need to take action to strengthen our negotiating position.

We have submitted detailed evidence which simply gets ignored.

We believe that ministers assume that the myths surrounding our pensions will just be accepted by the general public and that they can just force through all the detrimental changes they like.

Already we see pay freezes, attacks on other conditions of employment and growing numbers of redundancies.

Ministers want us to just accept that the pension plans are an economic necessity when in fact they are just another way of making public sector workers pay for the banking crisis.

4. What exactly will the pension changes mean to me (as an individual)?

We know many - but not all - of the changes so we aren't able to answer that in detail yet.

However, changes already announced or implemented will mean most people will be

paying more, everyone will be working longer and everyone's pension in retirement will be worth less than it would have been.

We have **ready reckoners*** which help people eligible for the NHS, Local Government or Civil Service Pension Schemes to work out their own position.

* <http://www.unison.org.uk/pensions/yourpension.asp>

5. Will the strike make the government ministers change their mind?

We certainly hope so and would not call people out to strike if we didn't think so.

We are not a posturing or strike happy union - far from it. Strike action has always been a last resort in trying to force ministers to negotiate more seriously.

On the rare occasion that we have gone on strike across the union in the past we have made gains on previous proposals.

Although there is never a guarantee of all our demands being met, demonstrating the strength of feeling about our pensions is vital.

6. Why is UNISON taking action on pensions when we haven't on cuts?

The cuts are being implemented locally and therefore disputes have had to be local disputes - there have been local strikes and industrial action around the effect on terms of employment as the cuts directly affect employees locally.

Current industrial action law means that it is unlawful to call a general strike. All disputes need to be related to actions that directly affect the terms and conditions of employees balloted.

This is why we organised and took part in the hugely successful 26 March mass protest event about the cuts (which I'm sure you took part in).

However, the proposed attacks on pensions will be UK changes affecting our members contracts of employment and will be imposed by government ministers so a dispute across the UK administrations can be lodged as a dispute with the relevant ministers.

7. The media keep saying our pensions are unaffordable for the country, how can we get our message out better?

The media can be very biased sometimes and do not give the full picture. UNISON and other trade unions will be doing everything in our power to ensure that the public are told the real facts.

You can help by writing to your local paper, phoning your local radio station any time there is a phone-in or a money programme, or setting up a stall in your local town

centre and providing leaflets or talking to people.

Remember to make sure your own family and friends know that the common line that public sector pensions are "gold-plated" is a myth!

8. Will the hike in pension contributions improve my pension or make my pension scheme stronger?

No. The wider scheme changes which are due to kick in in 2015 are about reforming the schemes themselves (and making further savings for the Treasury).

However, the short-term 'savings' of £2.8bn a year, paid for by an average 3.2% rise in contributions that most people will be paying (or combination of extra contributions and reduced accrual rates proposed for members of the LGPS) is a separate initiative announced in the Spending Review by the chancellor, George Osborne and is being implemented by the relevant government ministers.

This is on top of the recommendations in the 'Hutton Report' which suggested ways to reform the schemes.

Most of the schemes are what are known as "unfunded schemes" in which contributions go to the Treasury directly and benefits are paid as and when they are needed rather than invested in a pension fund.

The Local Government Pension Scheme is different. It is a funded scheme in which contributions from both employers and employees are invested in a managed fund. Investment returns are put back into the fund or reinvested.

For the LGPS, ministers have made it very clear that the savings made by the proposed increase in contributions and reduced accrual rates should be spent in mitigating the effects of decreased central funding for services.

So where the larger scale reforms suggested by Lord Hutton are at least in principle intended to strengthen the schemes AND make savings the short term savings are just about getting money directly or indirectly to central government.

In effect this means that the separate announcement of a further 3% in contributions is simply going to directly or indirectly to the Treasury.

9. What is the 'Fair Deal on pensions' and why should I be concerned?

The Fair Deal on Pensions is a protection for your pension if your service is outsourced to a private company or the voluntary sector.

It means you will either be able to retain membership to the same scheme or be entitled to join a scheme that offers a broadly similar benefits package.

However, this is now under threat and could remove all pensions protection.

This would mean protection to your pension could be lost.

Fair Deal does not apply in Scotland.

10. Is this the same as NHS "Choices" exercise?

No. It is important to know that the current "Choices" exercise is about implementing the last round of pension reforms.

The current dispute is about a whole new set of proposals that are detrimental to your pension and are entirely separate from the current "Choices" exercise.

11. What happens after the day of action on the 30th November - will there be more strikes?

It is possible but at this stage we are planning just the single day of action.

The TUC unions will meet after 30 November to discuss further action

I want to strike but I'm worried about....

12. I can't afford to strike

UNISON understand your concerns and we know that you are feeling the rough end of the recession right now.

But it's important to think about what the proposed pension scheme changes could cost you in extra contributions, and the money you need in retirement to support yourself.

Public service workers have already had to put up a great deal and we are well aware there may be other very pressing difficulties you are being faced with right now on a local or personal level.

Government ministers are relying on workers and unions in the public sector being too weak and too scared to put up enough of a fight against this attack on your pensions.

We have to show them that they are wrong.

13. I'm a frontline worker - what about the clients I work with? They are vulnerable - I can't let them down

Of course we understand this concern.

Most people work in public services because they care about the service users they

work with and UNISON is committed to the best possible public services for everyone.

There will be emergency cover available (branches have received written advice on this) and the important thing is that it is the employer's responsibility to provide this cover.

The Nursing and Midwifery Council (NMC) has confirmed that taking lawful industrial action is not a breach of nurses' code of conduct.

UNISON believes that the same position applies to all regulated healthcare professions (including the Health Professions Council and General Pharmaceutical Council) and nothing in the professional codes prevents a registrant from voting for or taking lawful industrial action.

14. I work for a Charity / Housing Association / Voluntary Organisation so why am I affected by public sector pensions?

Although members in community and voluntary organisations and housing associations don't work in the public sector, many of them are in the public sector pension schemes.

When a public service is outsourced to the voluntary sector, the new employer has to provide a broadly comparable pension for employees who they take on from the public sector. Many employers fulfil this responsibility by participating in the Local Government or NHS Pension Schemes.

This means that many members working for a housing association or a community and voluntary organisation, are still in one of those public sector pension schemes.

They make contributions just like everyone else, and they are subject in the same way to the changes that ministers are proposing to make to the schemes.

Aside from this dispute, some changes have already been imposed: the value of public sector pensions will be uprated by the CPI measure of inflation, rather than the RPI. This will mean your pension is already worth less year on year in payment when you retire.

UNISON has therefore balloted thousands of members in voluntary sector employers and housing associations, so that you too can take part in the day of industrial action and make it clear to ministers that you will not accept what they're proposing to do.

15. I am facing redundancy. Won't going on strike make it more likely I am made redundant?

Many members are in a similar position and will share your concerns.

However employees are protected from dismissal during the first 12 weeks of any

lawful, balloted, official industrial action.

During these 12 weeks the protection is absolute.

Any dismissal regardless of how long the employee has worked, or their age, is automatically unfair unless a tribunal decides the dismissal was not to do with the industrial action.

Employers know this and in the most part are not about to risk breaking the law.

However, management may attempt to isolate - or indeed intimidate - individuals or small groups with the view to encouraging strike breaking.

There may be threats concerning your careers or of disciplinary action.

If this does happen make sure you report this to your Branch officers in the first instance.

They will take this very seriously and act upon it.

(Please note there are time limits for making a complaint - normally 3 months less one day - so let your branch know as soon as you receive a threat concerning your career or disciplinary action.)

16. My employer is saying that a one day strike would be seen as a break in service and that my continuity of service would be broken - is this true?

No. During a strike your continuous employment is treated as 'postponed'.

This means that the period you were on strike for will not count towards your continuous employment, but it does not break the continuity of your period of employment.

17. If I strike will that make my service be more (or less) likely to be outsourced?

It is difficult to anticipate the actions of all employers and there is unfortunately a lot of outsourcing going on anyway.

UNISON has members working on outsourced contracts and has recognition with most large contractors.

Potential bidders for services may not find a strong staff group that is willing to stand up for their rights so appealing to bid for either!

18. Legal protection for those taking industrial action

Employees are protected from dismissal during the first 12 weeks of any lawful, balloted, official industrial action.

During these 12 weeks the protection is absolute.

Any dismissal regardless of how long the employee has worked, or their age, is automatically unfair unless a tribunal decides the dismissal was not to do with the industrial action.

You should not be threatened with disciplinary action or any adverse impact on your career for taking lawful strike action.

If you do feel you are being pressured or intimidated on this basis you should inform your Branch Officers.

19. What if I'm on sick leave?

Workers who are absent on sick leave when a stoppage of work starts retain their right to statutory sick pay during the period of industrial action.

If an employee reports sick on the day the action starts, the employer can be expected to make their own judgment as to whether they should be regarded as on sick leave or on strike.

For the purposes of statutory sick pay payable in the eight weeks after a period of strike action, average earnings will reflect the lower earnings during the period leading up to the illness.

20. What if I take annual leave?

UNISON does not regard anyone who takes annual leave on strike days to be participating in the strike action.

If you can, we would like you to postpone your leave so that you can take part in any strike action

21. Are my pension contributions affected if I take strike action?

If your employer decides to dock your pay for the day of action, the employers do not have to pay pension contributions during that period and you will not have paid your portion of contribution for that day.

The impact on your final pension would be extremely small but you might want to consider replacing the lost contribution.

It is possible, with your employer's agreement, to pay a sum equal to the employee and employer contribution and receive full credit for the day's absence and continue to have full cover.

Any member wishing to do this must inform their employer in writing before the absence takes place.

Why should I strike?

22. I earn less than £15,000 (pro rata) so my contributions won't change so why should I strike?

You are right that under the current proposals your contributions are unlikely to change, but negotiations are not concluded and until there is a final agreement we cannot guarantee that ministers will stick to their word.

And if they do, the other proposals for long-term change to your pension scheme will still affect you.

The recent change in the rate at which your pension is updated in line with inflation each year is already going to mean your pension in payment will be around 15% less than it would otherwise have been and future proposals are likely to mean reduced benefits as well.

And of course you may earn more than £15,000 in the future.

Also, if you are part time your contributions increase will be based on the salary of a full time equivalent position so you may earn less than £15,000 but still end up paying more if you are part time.

23. Why should I strike when I can just leave the scheme?

Whether you leave the scheme or not, the benefits you have accrued so far will be protected.

The change in index linking will affect your pension either way as it is about how it is annually increased for future payment.

The benefits you will be contributing to from now on will be the ones affected.

Although we oppose the changes, and believe them to be grossly unfair, we would not advise anyone to leave their pension scheme as your benefits in service would still build up and be enhanced by further years in it.

24. I think I'd be better off under the 'career average' (CARE) scheme so why should I strike?

The change to a CARE scheme is just one proposal and whether it is fair or not will depend on the design of the scheme.

However, the change in up rating mechanism for your pension from RPI to CPI will already have cost you around 15% in lost pension income and the additional contributions would mean you paying much more for whatever scheme eventually comes into force.

We don't yet know the final detail of the final scheme changes but the increase in contributions and the change to CPI are already costing our members dear.

25. Do I have to strike?

As a member of a democratic union we would hope that you would participate in the strike now there has been a vote for strike action.

You cannot be forced to do so, but it is part of belonging to a democratic union in which decisions are made collectively.

26. Do I still have to strike if I voted 'No'?

Because the majority of the people balloted have voted 'yes' and a strike has been called we would hope you would join your trade union colleagues by participating fully in the industrial action, in line with UNISON's democratic decision-making process.

About the strike

27. What action is planned?

The first day of action is planned for 30 November 2011, starting at midnight and continuing for 24 hours but you should not actually take part in industrial action until called to do so by the union.

You and your branch will be notified if any further action is planned.

As always, UNISON will work with your employer to make sure there is emergency cover for essential services where necessary.

However, it is for your employer to arrange the necessary cover - if you are needed to provide emergency cover the branch will be in contact.

28. Do I have to tell my employer if I am going on strike?

No, we will officially inform your employer and they should assume that all members will be striking.

It is up to them to ask for any exemptions and to provide emergency cover.

See: *Emergency cover (Q.13)*

29. Will I lose pay and if so how much?

If employers decide to deduct pay from those taking strike action, branches are advised to seek agreement at local level for deductions of no more than 1/7th of weekly income (i.e. 365th of annual income) for a single day of strike action.

It is essential in these discussions that branches ensure that deductions are pro rata'd for people who work part-time or term-time.

Where branches already have existing local agreements on deductions for strike action then we would expect those agreements to be followed by the employer.

There are hardship funds within UNISON that you can apply to.

Branches are able to make payments to members to cover extreme hardship in line with guidelines being issued by the National Executive Council.

Part of your subscription will have gone into the hardship funds and they are for the exclusive benefit of members.

**If you can't find the answer to your question here, contact:
pensionsdispute@unison.co.uk**

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