

No Additional Cost to the Tax Payer

Unison's view is that even with some scheme improvements, the overall package provides savings which will not lead to additional costs being put onto the taxpayer.

Savings to be used

Former Deputy Prime Minister John Prescott made a commitment that up to 50% of the savings arising from the removal of the 85 Rule on service after 2008 - and the provision to allow members to exchange more of their pension for a higher lump sum at retirement - could be ploughed back into the new scheme.

Unison has calculated that, even with the improvements and the existing protections for the Rule of 85, less than 50% of the savings have been used. This means that the minimal cost of improving the protection simply removes the imbalance between the saving to the employer/taxpayer and the increase in the cost to the member.

Unison therefore rejects the CLG's view that members will need to pay for the change through reducing a benefit or increasing the employee contribution.

Employment and Labour Market Justification

The CLG letter asks for employment and labour market justifications for improving the protection.

In Unison's view there are a number of justifications, including the following:

- Members of the LGPS are central to the Government's public sector reform process. They are increasingly working alongside other groups of public sector workers in Local Strategic Partnerships and other forms of joint working. Inequitable treatment of LGPS members makes such arrangements increasingly difficult to sustain and creates industrial relations problems. Extending full protection to 2020 will go some way towards mitigating the resentment of LGPS members who feel that they have received unequal treatment and allow 'joined up' working to progress on a positive footing.
- Providing stability to workers in the process of public sector reform, enabling employers to retain staff and rewarding loyalty would all provide justification
- In Scotland, the Scottish Executive and the employers have agreed to full protection to 2020. Not applying the same protection to the rest of the UK as that in Scotland is inequitable.

Easier Administration

Unison believes that extending full protection to 2020 would relieve the scheme of the administrative burdens associated with the taper and, would be easier to communicate to members and would make it easier for LGPS funds to calculate individuals' benefits

There is nothing that can be done for staff who do lose out from the demise of the 85 Year Rule in 2020 due to the ruling that it is age discriminatory but WCC can support those staff