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UK Public Service Pensions Bill

The UK Government has published its Public Service Pensions Bill. The Bill sets out how new public service schemes are created and prescribes the key elements of all schemes including governance and benefits. There is a UK UNISON briefing that describes the main elements of the Bill at <http://www.unison.org.uk/acrobat/6065.pdf>

There are very significant implications for Scotland because primary pension legislation is a reserved issue. At present our schemes are covered by the UK Superannuation Act 1972. This is largely enabling legislation that allows the Scottish Parliament to design schemes that meet our requirements. In practice the NHS scheme closely follows England because changes to the scheme require Treasury approval. No such approval is required for the LGPS and that remains unchanged in this Bill. However, the Bill, for the first time, prescribes key elements of all schemes and that will apply to the LGPS. It is therefore LGPS members who will be most significantly impacted by the Bill.

The main prescriptions include:

- A career average, not a final salary scheme. Revaluation percentages as specified by the Treasury.
- Retirement age linked to the state pension retirement age.
- A cost cap as defined by Treasury.
- Rules for governance and fund valuation.

All of these matters are currently decided in Scotland and therefore significantly undermine the current LGPS agreement. If the Bill goes through unamended the Scottish Parliament will be required to bring the LGPS into line on these points by April 2015. This will require an intensive period of negotiation on these points. None of these issues impacts directly on employee contributions, other than indirectly through the cost capping provisions.

Scottish Government officials have advised ministers that they must implement the UK legislation. However, UNISON has taken legal advice that this legislation requires the approval of the Scottish Parliament through a Legislative Consent Motion (Sewell convention). We have written to John Swinney MSP, the Cabinet Secretary for Finance urging him to take this course of action. We have argued that Parliament should not agree to this legislation unless it is amended to retain the independence of the Scottish LGPS.

John Swinney has previously attacked interference by Westminster on this issue, so now is the time to put the rhetoric into action.

Pensions Champions Meeting

There will be a meeting of LGPS Pension Champions on **Wednesday 31 October 2012 in Glasgow, starting at 11am**. The purpose of the meeting will be to update branch Pension Champions on the detailed implications of the UK Bill for the LGPS and to consider the next steps.

Further details and an agenda will be sent to branches shortly.

SLOGPAG

The Scottish Local Government Pensions Advisory Group met on Friday 5 October. Scottish Government officials outlined their view of the implications of the Bill for the LGPS. The trade union side responded with our view of the Bill. Some illustrative model timetables were circulated to assist SLOGPAG in understanding the issues that need to be dealt with should the Public Service Pensions Bill become law. We agreed to meet again next month.

Data Protection

Lax arrangements with a supplier being used to digitise pension scheme records for a Local Government Pension Scheme (LGPS) Scottish administering authority resulted in the authority being fined £250,000.

The contractor did not look after the paper records containing members' details and discarded files were thrown into a recycling bank where they were spotted by a member of the public. The details included names and addresses, national insurance numbers and dates of birth, as well as bank account details in many cases.

This is particularly heavy fine because of the scale and sensitive nature of the data. Branches may wish to check that their funds have proper arrangements in place to ensure that data is securely held, particularly when a contractor is involved.

More information at:

Scottish Pension Web Pages: <http://www.unison-scotland.org.uk/pensions/index.html>

UK Campaign Web Pages: <http://www.unison.org.uk/pensions/protectour.asp>

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