

Public Service Pensioners' Council

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To: Secretaries of Constituent Organisations

30 January 2012

Dear Colleagues

CAMPAIGNING ON PUBLIC SECTOR PENSIONS - JANUARY 2012 UPDATE

Pensions Increase

It has been confirmed that public sector pensions will be increased by 5.2 per cent from April 2012 in line with the increase in the Consumer Prices Index (CPI). If the link had been kept to the Retail Prices Index (RPI), however, the increase would have been 5.6 per cent.

A public sector worker retiring on 1 April 2009 with a £10,000 pension will have a pension from April 2011 of £10,846 with CPI-linked increases (3.1 per cent in 2010, 5.2 per cent in 2011). If the link to RPI had been preserved, the pension would be £11,046 – a gap of £200 this year, and a cumulative loss of £350 already. This loss will be compounded throughout retirement.

The PSPC estimates that a public sector worker retiring with a £10,000 pension will lose over £35,000 during the course of a 25 year retirement due to the switch from RPI to CPI.

RPI CPI legal challenge

The Judicial Review against the Government's decision to switch the basis of indexation for public sector pensions from RPI to CPI was heard on 25-27 October 2011. The Judicial Review was taken out by Trades Unions and Pensioner Organisations including several PSPC constituents.

The judgement was delivered on 2 December and went in favour of the Government. The PSPC's understanding is an Appeal Court hearing will take place on 20-21 February.

E-petition on re-indexation of pensions to RPI

The e-petition referred to in my letter of 10th November successfully reached 100,000 signatures just before Christmas. Its organisers and supporters are very grateful to constituent organisations for the work done in reaching this goal. The e-petition is still open for further signatures and can be found at <http://epetitions.direct.gov.uk/petitions/1535> or <http://tiny.cc/gp8yh>.

A Parliamentary debate is not unfortunately automatic and the next step is that an MP or MPs must approach the Backbench Business Committee to seek a debate on the e-petition. MPs are being sought for this task, but there could be complications in getting a debate stemming from the fact that the Judicial Review decision is being appealed. This may lead to a delay in getting a debate.

If a debate is scheduled around the e-petition we aim to hold a Lobby of Parliament in association with other organisations, such as the National Pensioners' Convention and the Civil Service Pensioners' Alliance as was done last year. Our belief is that a debate led by the e-

General Secretary: ANDREW MORRIS

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petition around CPI/RPI will generate far more publicity than campaigning around the indexation order alone.

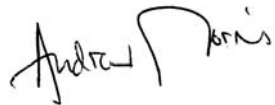
Lobbying MPs over public service pension indexation order

Regardless of whether a debate is held in connection with the e-petition, the PSPC believes that it would be useful for members of constituent organisations to lobby their MPs at a local level at around the time of the indexation order going through Parliament – usually mid-February to mid-March. The earlier that members contact their MPs the better.

Accordingly, I enclose a model letter that constituents can send to their MPs requesting a meeting. Other guidance material, including an MP briefing and feedback form will be placed on our website www.publicservicepensioners.org.uk and is also available from Anita Brown on 0207 380 4765 or pspc@nut.org.uk

It is very important that as many members as possible take some sort of action to continue to oppose CPI indexation.

Yours sincerely



ANDREW MORRIS
General Secretary