

Public Service Pensioners' Council

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To: Secretaries of Constituent Organisations

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Dear Colleagues,

This Campaigns Update comes with Season's Greetings, and I hope it finds you well.

PSPC CAMPAIGNS UPDATE- Number 67/2017

Indexation of Pensions

The EC's motion concerning the rate of inflation used to uprate public sector pensions was carried at the AGM. As an initial follow up, the General Secretary has written to the Chief Secretary to the Treasury to seek an explanation for the Government's use of different measures of inflation. The response from the Treasury did not explain why the continued use of the discredited RPI was allowed when the Government was collecting money in but not when it was paying it out! The EC have again written to the Chief Secretary to press for an explanation (a copy of that letter is attached).

The EC will continue to keep a watching brief on the CPI (H) rates, which include an element of housing costs, now designated as a national statistic and leading measure of inflation. In addition we will watch the development of the Household Inflation Index (HII) and consult constituent organisations again when there is clarity in its status.

State Pension Age (SPA)

In the last newsletter I wrote that the Government had accepted the results of the Cridland Review of state pension age, meaning that the increase in state pension would be accelerated and rise to 68 years between 2037 and 2039- seven years earlier than currently legislated for. The Government stated that before changes are made, a further review of factors including life expectancy, would take place. Given that many public sector pension scheme ages now match SPA this is of concern to future pensioners.

The Turner Commission made the previous recommendation on SPA. In response to its second paper in 2006, the PSPC admitted that as a compromise SPA may have to be increased. PSPC pointed out however, that measures should be taken to protect workers in high stress or manual occupations. The EC are considering how to take forward this policy and will report back in due course.

The Labour Party are planning to hold a series of workshops to look at their policy on state pension age after pledging to hold it at 66 years. A consultation is also underway and PSPC plans to respond to it. We will keep constituent members informed.

General Secretary: Lisa Ray

ASSOCIATIONS REPRESENTED: Association of Retired and Former HMI Schools • Association of HM Inspectors of Schools (Scotland) • Association of Local Authority Chief Executives • Association of Teachers and Lecturers • Association of School and College Leaders • British Broadcasting Corporation Pensioners Association • Civil Service Pensioners' Alliance • Civil Service Pensioners' Alliance (Scotland) • Educational Institute of Scotland • Forces Pension Society • Foreign and Commonwealth Office Association • GMB • MDP Retired Officers' Association • National Association of Head Teachers • National Association of Retired Firefighters • National Association of Retired Police Officers • National Association of Schoolmasters Union of Women Teachers • National Federation of Occupational Pensioners • National Union of Teachers • Overseas Service Pensioners' Association • Prospect • Public and Commercial Services Union • Retired Police Officers' Association (Scotland) • Retired Prison Governors Association • Retired Teachers' Association (Northern Ireland) • Scottish Retired Teachers' Association • UNISON • University and College Union

Developments in Pension Cases

Constituent members may like to contact their pension scheme administrator to check how the following developments might impact on their schemes, and advise members accordingly.

Spouse's pension entitlement- same sex marriage

The Walker case

Mr Walker took legal action as he wanted to ensure that, should he die first, his husband would receive an adequate pension.

The majority of occupational pension schemes give 50% of the value of a pension to a spouse for the rest of their lives after their husband or wife dies - without taking the marriage date into account.

However, the Equality Act 2010 has an exemption for employers, allowing them to exclude service of civil partners from spousal benefits before December 2005 (when civil partnerships became legal in the UK)

The Supreme Court has now ruled the exemption under the 2010 Act is "incompatible with EU law and must be dis-applied".

HM Treasury is considering the position of all Public Service Pension Schemes. The High Court did not rule how far back before December 2005 that schemes should go. In heterosexual marriages, the amount of service years that can be counted towards a widow or widower's pension are different-a reflection of the later development of pensions for women. One consideration might be to equalise the benchmark date for all.

Pensions for life

Several constituent organisations are working to try and secure pensions for life, so that widows and widowers who remarry or cohabit, can continue to receive their widow(er)s pension. The provision of pensions for life varies in public sector pension schemes.

Pension survivor benefits - nomination forms

I have previously written about the case of Denise Brewster, 42, who challenged a ruling that she was not automatically entitled to a 'survivor's pension' as she would have been, were she married to her partner when he died.

Pension schemes are now considering how this may apply to their members. The requirement for formal nomination of a co-habiting partner has already been removed for the Local Government Pension Scheme in England, Wales and Scotland.

Administering authorities are required to be satisfied that certain conditions are met when considering paying a survivor's pension. Many schemes use a 'notification' form as part of this process but its completion is not a requirement. However, a formal nomination continues to exist

in other public sector schemes, including for teachers and civil servants, so there will be implications for those schemes from this judgment.

Reconciliation of Guaranteed State Pension (GMP)

Members of public service pension schemes, which opted out of the second state pension may be contacted by their pension administrator next year, following a reconciliation exercise on GMP. Some people who reached state pension age after 2008, may have been overpaid. This was caused by elements of increases in their occupational pensions being paid with both the occupational and state pension. Each individual scheme will be considering whether to seek reimbursement from pension recipients, and for some there will be a correction of the pension received going forward.

New Members

PSPC brings together the various organisations for retired public servants and the retired members' sections of public sector unions, providing a united voice on issues of concern to government and the public.

We campaign alongside other organisations, including the National Pensioners' Convention and the TUC, to protect the interests of pensioners and protect public service pensions

Do you know of other organisations that might be interested in joining the Public Service Pensioners' Council? I would be happy to talk to suitable groups representing those who receive a public sector pension, they can contact me by email at: PSPC@cspa.co.uk or by telephone 020 8688 8418

Alternatively, information is available on our website: www.publicservicepensioners.org.uk

Please feel free to contact me if you would like to discuss any items in this update.

Yours sincerely,

Lisa Ray

General Secretary