



## NUT Pensions Campaign Strike Action in London - 28 March Key Facts for NUT Members

### What's the issue?

The Government is planning to cut teachers' pensions. It wants us to pay more, work longer and get less in retirement. The NUT has been at the forefront of the trade union movement's campaign to defend public sector pensions. We can and must continue our campaign to change the Government's mind. If we can save public sector pensions, we will help private sector workers and help secure a decent basic State pension too.

The Government says that negotiations are now at an end and it intends to impose a settlement. The NUT has been fully involved in those negotiations alongside other unions. The aim of our campaign remains to settle matters through negotiation. As a result of our strike action on 30 June and 30 November, the Government offered concessions. While these were welcome, they are not nearly enough. The Government is still asking teachers to pay a lot more and work a lot longer to get a lot less:

- All teachers will still pay 50 per cent more on average for their pensions;
- All teachers more than 10 years from their current pension age on 1 April 2012 will have to work longer for a full pension – for many, up to 68 or even more;
- The move to the Consumer Prices Index (CPI) indexation will cut all teachers' pensions and the move to career average will affect almost everyone not given protection.

The Government has no justification for its proposals. It has not carried out the valuation of the Teachers' Pension Scheme, required by law, which would demonstrate the actual costs of our pensions. With no negotiation whatsoever, it implemented its changes in pension indexation from April last year, so that retired teachers have already lost out.

NUT members have played a vital role in the campaign so far. We need your support to keep up the pressure and get more concessions from the Government so that a fair settlement can be achieved.

### What are the Government's pension proposals?

The main points of the Government's proposals are as follows:

- a career average basis for the scheme;
- an increase in the normal pension age (the age at which pensions can be taken in full), so that for future accrual the normal pension age would be equal to state pension age of up to 68 or even higher;
- an accrual rate of 1/57th of pay per year of service (up from 1/60);
- accrued benefits for serving members of the scheme to be re-valued annually in line with CPI inflation plus 1.6 per cent (down from national average earnings);
- pensions in payment to be increased each year in line with CPI inflation;
- improved early retirement terms with pension reduction factors of 3 per cent per year for those with pension ages beyond 65 for the difference between their normal pension age and 65.

Visit the NUT pension campaign page [www.teachers.org.uk/pensions](http://www.teachers.org.uk/pensions) for an NUT briefing. The NUT pension loss calculator [www.teachers.org.uk/pensionscalc](http://www.teachers.org.uk/pensionscalc) has also been updated to reflect these proposals.

### How much more does the Government want to make me pay?

Starting **this April** the Government will increase every teacher's pension contributions. By 2014 they will rise by more than 50 per cent – from 6.4 per cent to an average 9.6 per cent of pay. Exactly how much you will pay depends on how much you earn.

The increases for April 2012 have already been announced:

Salary Band	Contribution rate in 2012-13	Increase from current 6.4%
Up to £14,999	6.4%	0%
£15,000 - £25,999	7.0%	0.6%
£26,000 - £31,999	7.3%	0.9%
£32,000 - £39,999	7.6%	1.2%
£40,000 - £74,999	8.0%	1.6%
£75,000 - £111,999	8.4%	2.0%
Over £112,000	8.8%	2.4%

The Government has also said that it proposes a long-term employer 'cost cap' which would limit the extent to which the employer contribution could increase if scheme costs rise. Further increases in longevity could therefore lead to higher employee contributions or an increase in pension age if the state pension age increases.

### **How much longer does the Government want me to work?**

The Government wants to tie the normal pension age (the age at which you can get your teachers' pension in full) in the TPS to the State pension age. State pension ages are already due to rise to 68. All teachers aged under 34 would have to work until age 68 for a full pension. Anyone aged 34 to 50 would have to work to 67 and anyone aged 51 to 54 would have to work to 66. Retiring earlier would only be possible on a reduced pension. Teachers within 10 years of their current scheme pension age would have transitional protection, but they would still pay higher contributions and would have their pension increased by CPI in retirement.

### **How much less would I get in retirement due to the career average scheme?**

Switching our scheme from pensions based on final salary to pensions based on your average salary throughout your whole career will cut pensions for most teachers. The Government's latest plan is for teachers to get 1/57 of their career average pay per year of service. However, each year's pension would be revalued every year until retirement by CPI inflation + 1.6 per cent which may not maintain its value relative to earnings.

### **How much less will I get due to the switch to CPI indexation?**

The Government has already imposed one cut - from April 2011, pension increases for pensioners have been linked to the lower CPI rate of inflation. This change affects existing and future pensioners alike and will cut about 15 per cent from your income during retirement. A teacher retiring on a £10,000 pension would lose over £35,000 over the course of 25 years, in addition to any pension losses incurred through retiring at the current pension age.

### **How does the transitional protection work?**

Transitional protection would allow all those within 10 years of their normal pension age as at 1 April 2012 to stay with their existing pension scheme until their eventual retirement. Further 'tapered' protection would apply to those up to 3.5 years younger than the qualifying age for full protection. This is not full protection against cuts to your pension. Even those teachers who stay on their existing scheme will have to pay higher pension contributions and will have lower pension increases in retirement.

### **How can I find out what I would lose from my pension?**

Go to the NUT's updated pension loss calculator at [www.teachers.org.uk/pensionscalc](http://www.teachers.org.uk/pensionscalc) The calculator has been updated to include the Government's current proposals and tells you how much more you would pay through higher contributions, how much longer you might have to work for a full pension and how much you might lose over the course of your retirement.

### **What about the Government's argument that teachers' pensions are too expensive?**

The NUT's 2006 agreement with the Government made changes to the Teachers' Pension Scheme that have made it sustainable for the long term. The National Audit Office confirmed that the cost of public sector pensions will fall as planned. Lord Hutton's report says that public sector pensions if unchanged from now

would fall from 1.9 per cent of GDP now to 1.4 per cent of GDP in 2060.

Teachers have accepted we may have to pay more for our pensions or accept other changes if necessary. We are willing to accept our share of any increasing costs – but only if that is justified. The Government wants to abandon our 2006 agreement and impose changes without any justification or proper negotiation.

### **And what about the argument that teachers' pensions are "gold-plated"?**

The average pension in payment from the Teachers' Pension Scheme is just £10,000 a year. Only 5 per cent of pensions are for £20,000 or more. Your pension is your recompense for a lifetime in teaching. The decision to attack your pension is political not economic.

The real pensions problem is in the private sector. Two-thirds of private sector employees aren't in any employer-backed scheme, compared to just over half ten years ago. Almost 90% of private sector final salary pension schemes are now closed to new members. Employer contributions to newer "defined contribution" schemes are less than half those for final salary schemes. Too many employers are simply seeking to abandon their responsibilities to their employees. The cost of supporting them in retirement is simply passed back to the State and future taxpayers. Cutting public sector pensions won't help private sector workers – it will just make everyone poorer in retirement. We need decent pensions for all!

### **Why is the strike action on 28 March only taking place in London?**

The London action is just the start. The NUT is planning to take action in other parts of England and Wales and is seeking to bring other unions into this work, and these next steps will be discussed at our conference over Easter.

### **How can I support the action if I don't live in London?**

You can support the strike by sending a message of support to London members via your local NUT officers. NUT associations outside London have been asked to send representatives to the demonstration in London on 28 March - you can attend as long as you do so in your own time. If you are working on 28 March, you can donate some of your salary to your local association towards hardship funds.

### **Why should I go on strike again?**

If we want a future with a decent and affordable pension, we must be ready to take strike action again. The Government now says that negotiations are at an end, so the only way to improve the offer is by taking action.

Taking strike action has achieved results. The Government's improved offer on 2 November was 8 per cent better than the initial proposals – for example a teacher who would have received a £12,000 pension would now get £13,000 instead. Taking action has already delivered £1,000 a year for life in return for two days' loss of pay. But even this improvement is way off what the current final salary pension scheme delivers for teachers.

**The NUT survey of members has proven continuing support for action. The NUT does not need to hold a further strike ballot - our ballot in June 2011 covers members for further action.**

### **Why hasn't the NUT held a further strike action ballot?**

The NUT does not need to hold a further strike ballot again before calling further strike action - our ballot in June 2011 is still active and legally in force because we balloted members for 'discontinuous strike action' (i.e. a series of separate occasions of strike action). This means that the NUT Executive can call further action if it believes it will further the dispute and it has the support of members.

The NUT has just completed a national consultative survey of all members that has shown that members continue to support the campaign and strike action. Members who have joined the Union since the ballot can also take part in further action.

### **Does the NUT plan to take further strike action?**

Despite concessions the Government has still not made an acceptable offer. Initially, the Executive has called a day's strike action in London on 28 March. Further strike action will depend upon the attitude of the Government - it can end the dispute at any point by withdrawing its proposals and reaching a negotiated outcome.

### **What happens if the Government makes more concessions?**

The Government has said negotiations are at an end. If the Government changes its position and we think we can reach an agreement, then we can call off our strike action. But we don't expect the Government to make concessions without the continuing threat of action by union members.

### **Can't we take legal action instead?**

The NUT, along with other unions, has challenged the Government's decision to index teachers' pensions to the CPI in a High Court judicial review action. The High Court judgement in October agreed that the Government's decision was intended to save money but it found, by a majority, that this was still permissible. An appeal was heard in February but the Court of Appeal has rejected the appeal. Whilst we are disappointed at this outcome we think it right that, with a number of sister trade unions, we explored all legal routes. We have never thought that legal proceedings were our best route to success in this continuing pension's dispute. We do believe that we have right on our side. The campaign to secure decent pensions for our members will continue and we call on our sister unions to work with us.

### **Who is being called on to take strike action?**

The strike cohort will be members in posts and educational establishments in London where the Teachers' Pension Scheme operates, as follows:

- teachers in local authority maintained schools, whether community, voluntary controlled, voluntary aided or foundation schools;
- teachers in local authority central services, paid as teachers and eligible for the TPS;
- teachers in academies;
- teachers in sixth form colleges, FE colleges and post-1992 universities, which are all part of the TPS; and
- teachers in independent schools which have been admitted to the TPS.

It excludes supply teacher members, members in independent schools which are not part of the TPS, and members employed in schools in non teaching roles e.g. administrators, learning assistants and cover supervisors and members in the Local Government Pension Scheme.

### **What does it mean when you go on strike?**

Strike action means you do not go into work on the day the action is taking place. You do not have to phone your school on the day to tell them you are not coming in.

### **What should I do on the strike day?**

On the day of a strike, you can join thousands of other teachers in demonstrating your support for our cause and for the principles and values which brought you into teaching. On 28 March, there will be a national demonstration in central London that you can join - further details will be available at [www.teachers.org.uk/pensions](http://www.teachers.org.uk/pensions) On future strike days, activities organised by the NUT will take place all over England and Wales. Information will be distributed locally but will also be placed on the Union's website at [www.teachers.org.uk](http://www.teachers.org.uk) - please find out and join in.

### **Will I lose money when I go on strike?**

A day's pay will be deducted – 1/365 of your annual pay minus taxes etc for school teachers (some other members may have different deductions specified in their contracts). You can work out the deduction by dividing your monthly take home pay by 30 if you are full time. Then compare it to the amount you'd lose every month using the NUT pension loss calculator. For example if your salary is £36,000 you'd lose around £68 by

taking one day of strike action whereas by April 2014 your contributions will have gone up by £73 a month. Taking action on 30 June and the threat of further action has delivered £1,000 a year for life in return for two days' loss of pay for many members. Taking action does achieve results but we need to keep up the pressure.

### **Where can I find more information on the NUT's pension campaign?**

Go to [www.teachers.org.uk/pensions](http://www.teachers.org.uk/pensions) to find more information and a range of resources including the NUT's pension loss calculator.

### **Won't striking simply damage the NUT?**

The NUT's pension campaign has seen many more young teachers, female teachers and teachers from ethnic communities become involved in their Union. Our campaign is revitalising the NUT. Play your part by joining in!

### **We don't have an NUT representative – what should we do?**

This is an ideal time to elect an NUT representative and to get yourselves better organised and secure a stronger voice at your workplace. The role of NUT representative is not onerous – although it can be shared - and is very rewarding. You can rely on the full support of the Union at all levels to assist you.

### **What else can I do to assist the campaign?**

Sign the joint NUT/NASUWT e-petition by clicking on this link <http://epetitions.direct.gov.uk/petitions/29103> You can find a range of other suggestions and help (e.g. for writing to or lobbying your local MP, writing letters to your local paper, attending NUT meetings etc) at [www.teachers.org.uk/pensions](http://www.teachers.org.uk/pensions)

National Union of Teachers  
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