

## Defend Your Pay and Pensions

### National Ballots for Strike Action

On top of the uncertainties arising from government funding cuts, UCU members in England face another double whammy attack this year – a cut in pay and plans to seriously worsen pensions. Not only offered a pathetic 0.2% pay rise when inflation runs at 4.7% RPI and a threat of no rise at all for next year, members may now also be asked to pay more and work longer for lower pensions.

The National Executive of UCU is very clear that to have any success in defending ourselves against this onslaught on our terms and conditions the union must make a firm stand now and ballot for strike action. **Arrangements are therefore being put in place to hold two national ballots in FE, both opening in early February.** Members in English colleges will be balloted to vote yes for strike action over the 0.2% pay offer for this year. Members in England, Wales and Northern Ireland colleges will be balloted for action over threats to the Teachers Pension Scheme together with colleagues in Adult and Community Education working in local authorities.

Significantly these industrial action ballots are also being co-ordinated with others being held in the Higher Education Sector on pay, job security and pensions. A positive vote in all these ballots will enable both sectors to take strike action on the same day in the week beginning 21 March enabling a show of strength just before the TUC national demonstration over public sector cuts on 26 March. The National Union of Teachers are currently also considering a programme of industrial action over pensions.

### Overleaf:

- **Teachers Pensions are Affordable**
- **March Against Cuts**

### The Threat to Pensions

Two clear attacks have been confirmed by government on all public sector pensions including the Teachers Pension Scheme (TPS).

- Changing the indexation of yearly pension rises from the Retail Price Index (RPI) to the Consumer Price Index (CPI)
- Increasing contributions by 3% from April 2012

The effect of moving from RPI to CPI would be huge. The RPI is a higher inflation measure than the CPI (0.8% on average since 2000) so future pension increases will be lower. A lecturer with a £10,000 pension would lose £36,000 or more over the average 25 year retirement.

The effect of an extra 3% on the current contribution rate would be an extra £88 per month taken from the pay of a lecturer at top of the national pay scale (or over £95 in Inner London). And even more for lecturers in Advanced Teaching or Leadership and Management posts.

There are other further possible dangers to the TPS signalled in the initial Lord Hutton report in October last year on public sector pensions. In particular a move to a normal pension age of 65 or higher for all teachers and a shift away from a final years salary calculation of pension to one based on career average pay.

The effect of any move to a normal pension age of 65 or higher would depend on your current age. If you are a 50 year old lecturer on top of scale and intend to retire at 60, this change would cut £1450 per year from your pension if you went ahead and retired at 60, due to the reduction applied to the pension you accrue between 50 and 60.

## Teachers Pensions are Affordable

As even Lord Hutton's report makes clear the payment of pension benefits from unfunded public sector schemes such as TPS is actually scheduled to fall from a peak of 1.5% of GDP in 2011 to less than 1.1% over the next fifty years.

Like the majority of public sector pension schemes, agreed reforms were made to the TPS in January 2007 to make the cost of the scheme sustainable for the future.

This included increased contributions, a higher pension age for new entrants and agreement to limit future employers' contributions to 14%.

UCU, like other trade unions with members in TPS, is clear that any changes should only come about as a result of the valuation of the scheme and the agreement we have already entered into. We have written to the secretary of state that unless this is confirmed we will be balloting for action.

Members will receive ballot papers at their home addresses in separate envelopes. Further information to follow.

## March Against Cuts

**UCU's National Executive Committee has agreed to support marches and demos in Manchester and London on Saturday 29 January**

**Manchester march and demo, Saturday 29 January – A Future that Works**

UCU is joining with the TUC and NUS to host a march and rally in Manchester for 'A Future that Works'. The rally will focus on the cuts in access to education and its impact on young people. The abolition of the Education Maintenance Allowance, the increase in university tuition fees, record levels of youth unemployment, and the coalition government's programme of vicious and unnecessary cuts are hitting young people hard. Routes into education and employment are being squeezed as young people pick up the bill for a financial crisis they didn't create! As the venue for this demo Manchester has both the largest university and college in the country while the North West has the highest rate of youth unemployment in the UK.

### Manchester details:

- The march will assemble from 10.30am (precise location to be confirmed), setting off between 11:00-11.30am.
- The rally will start at 13:00 in Platt Fields Park. Speakers currently being confirmed will include local, regional and national representatives from UCU and other unions, the TUC, NUS and other partner organisations.

### London demonstration – details to follow

The UCU National Executive Committee has also agreed to support a demonstration in London on January 29 called by student groups working independently of NUS. The NEC has asked for a meeting with these groups to be convened to discuss their plans and in line with the NEC decision we will be distributing details of this event as soon as we have further information.