

MODEL COUNCIL MOTION - EMPLOYER MODIFIED VERSION

DEFENDING THE LOCAL GOVERNMENT PENSION SCHEME

Council notes:

The LGPS is a sustainable, good quality pension scheme that benefits from being funded and locally managed. It is valuable to employers and employees alike. Successive governments have failed to recognise the distinctiveness of the LGPS in setting wider policy, most notably in the proposal announced by the Chancellor in the last CSR to impose an extra 3.2% of contributions tax on scheme members, increasing scheme average member contributions from 6.6% to 9.8% of pay. This pension "tax" does not benefit the scheme or scheme members or employers. This proposal is in addition to pension reductions caused by being indexed against -CPI instead of RPI and is in advance of expected benefit reform recommendations from the Hutton Review.

Council agrees:

An increase in member contributions as proposed will most likely lead to mass opt outs from the LGPS and that would be undesirable and damaging to the sustainability of the scheme and potentially to wider public finances. The views expressed by the LGA in its letter to the Chancellor dated 16 February 2011 on this subject are also the views of this Council.

Council resolves:

Council will write to the Chancellor of the Exchequer and the Chief Secretary to the Treasury and the Secretary of State for Local Government within the next month stating this Council's support for the LGA letter referred to above and calling for government to rethink its proposed increases to LGPS member contributions. Council will work with Trade Unions to ensure employees are made aware of the proposals for the LGPS and encouraging them to support the Council's representations to defend their pension scheme.

MODEL COUNCIL MOTION A - TRADE UNION SUBMISSION

DEFENDING THE LOCAL GOVERNMENT PENSION SCHEME

Council notes:

The LGPS is a sustainable, good quality pension scheme that benefits from being funded and locally managed. It is valuable to employers and employees alike. Successive governments have failed to recognise the distinctiveness of the LGPS in setting policy, most notably in the proposal announced by the Chancellor in the last CSR to impose an extra 3.2% contribution tax on scheme members, increasing scheme average member contributions from 6.6% to 9.8%. This tax does not benefit the scheme or scheme members or employers. This proposal is in addition to pension reductions caused by being indexed against CPI instead of RPI and is in advance of expected benefit reform recommendations from the Hutton Review.

Council agrees:

An increase in member contributions as proposed will lead to mass opt outs from the LGPS and that would be undesirable and damaging. The views expressed by the LGA in its letter to the Chancellor dated 16 February 2011 on this subject are also the views of this Council.

Council resolves:

Council will write to the Chancellor of the Exchequer and the Chief Secretary to the Treasury and the Secretary of State for Local Government within the next month stating this Council's support for the LGA letter referred to above and calling for government to rethink its proposed increases to LGPS member contributions. Council will work with Trade Unions to ensure employees are made aware of the proposals for the LGPS and encouraging them to support the Council's representations to defend their pension scheme.