

Pensions Bulletin

McCloud – Its Our Money and We Want It Back

I remind you that the GMB has not given up the fight in respect of returning to the Public Sector Pension funds their surpluses that the government used to fund the court case that it lost. As you will be aware the transition to the pre 2015 Pension schemes in the Public Sector was found to be age discriminatory and the government used the excess amounts in the funds – which were to be used to fund benefit improvements – to pay for the required remedy.

Along with other Trade Unions we are taking the government to court to have the monies returned and the case will be heard in December 2023/January 2024. I shall keep you advised of developments. If you wish for a more detailed account or want to get involved in campaigning on the issue please contact george.georgiou@gmb.org.uk

2024 Pension Increases Still in Doubt

State Pensions are increased under the terms of the triple lock (the higher of earnings increases, CPI or 2.5%) and the Office for National Statistics (ONS) has published inflation figures for the 12 months to September 2023:

Consumer Prices Index (CPI) increased by 6.7%
Retail Prices Index (RPI) increased by 8.9%.

The ONS has also published the latest earnings increase figures. For the three months to July 2023, average weekly earnings increased by 8.5% compared to the equivalent figure of 12 months ago.

Were the Government to implement the triple lock in full, an increase of 8.5% would be applied to the basic and single-tier State Pensions. However, according to the Financial Times, the Government is considering whether to exclude bonuses from the average earnings data. This would give a figure of 7.8% instead.

We await November's Autumn Statement for news on whether the triple lock policy will be fully maintained.

The Gender Pensions Gap – a (very) quick round up

Women receive smaller pension than men! That may not surprise you given that, overwhelmingly, pensions are derived from pay and male pay is on average higher than female pay. What may surprise you is the size of the gap especially in both the Public and Private Sectors.

Sector	Gender Pensions Gap
Civil Service Pension Scheme	47%
NHS	63%
Teachers Pension Scheme	29%
Local Government	49%
Private Sector	55%*

*On average women's pension pots are less than half the size of men's at retirement

Why is it an issue? What causes it?

Women are more likely to face poverty in retirement than men and 92% of women retire with a small pot (below £30k).

The main causes of the gap are

- Lower pay
- Part time working
- Unaffordable childcare
- Poor auto-enrolment provision
- Divorce
- Low State Benefits
- Lack of Financial Confidence
- High Mortgages/Rents
- Living Alone
- Pension contribution gaps during periods of absence from employment for
 - Childbirth
 - Caring Responsibilities
 - Menopause

Knowing the causes means that we can begin to address (some) collective solutions

- Higher Pay
- Family Friendly Policies and Affordable Childcare
- Improved Auto Enrolment and State Provision
- Education

And there are (some) individual solutions too

- Use a Pensions Calculator/Retirement Planner
- Increase your contributions when you can
- Retire Later
- Check your State Pension Contributions
- Plan for adverse events
- Share caring responsibilities

The GMB will never accept this inequity, we do not accept that half the population should suffer inequity just because of their gender or life choices.

We will campaign in the workplace, with Pension Providers and in parliament for the above.

Change is needed: Be part of the change!

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