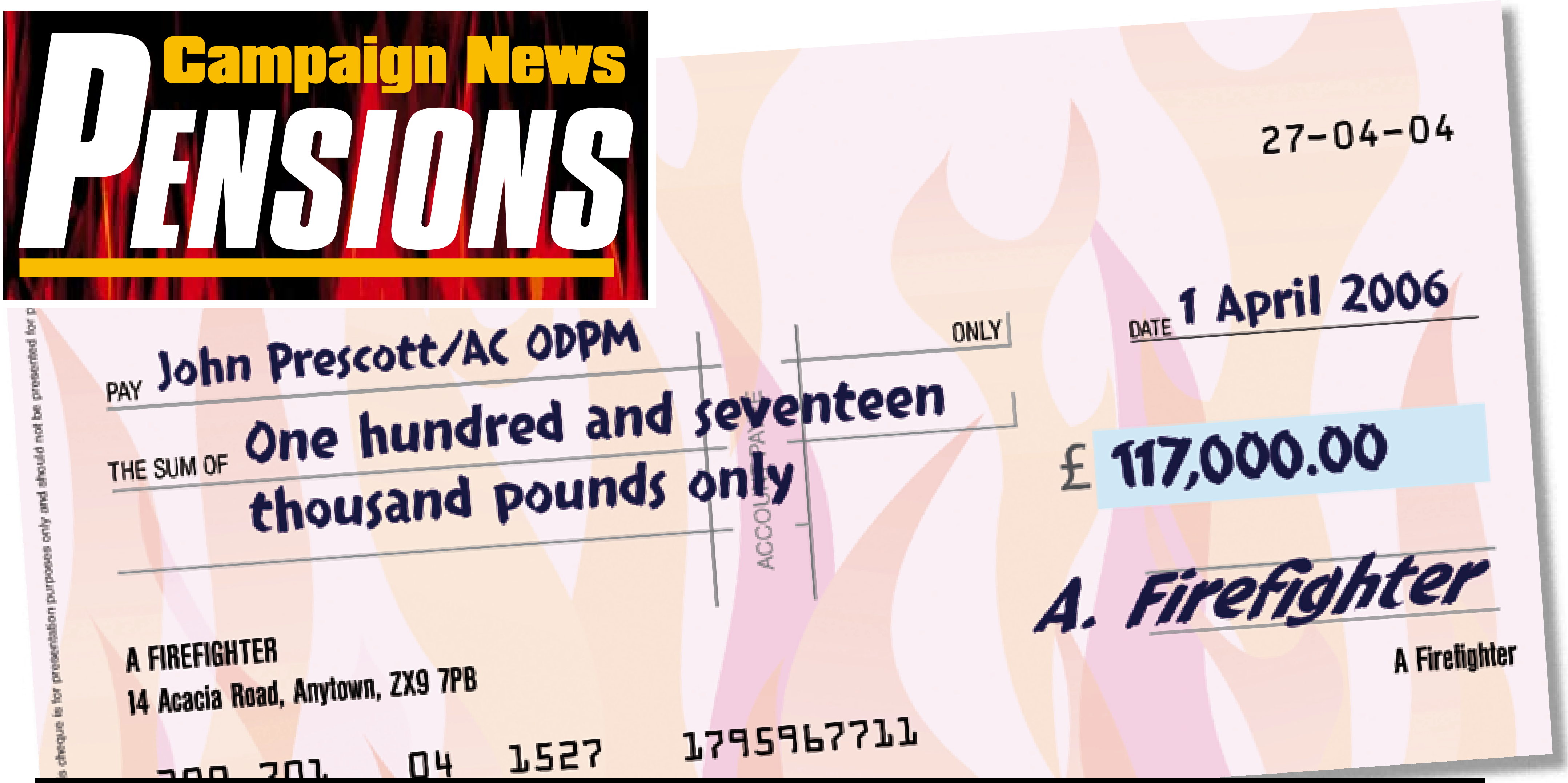
Campaign News PENSIONS



WE DON'T WANT TO GIVE HIM THAT!

You'll never be a millionaire, so why hand over your hard earned money?

GOVERNMENT cuts to your pension could mean those hit by pension changes effectively handing over a cash windfall of at least £117,000. And the bad news for managers is that it could cost them even more money.

The minimum of £117,000 for those hit by the changes is a huge smash and grab on their pension. It promises a massive windfall of cash from those affected by these changes.

FOUR THINGS *THEY* COULD DO WITH THE MONEY

1. Waste it on more IT disasters
2. Even bigger pay rises for MPs
3. Even better pensions for MPs
4. Spend even more money on management consultants

FOUR THINGS *YOU* COULD DO WITH THE MONEY

1. Pay off student loans
2. Help your kids get housing
3. Set money aside for your grandchildren
4. Pay your own council tax (radical, eh John?)

The figures are based on new research carried out by the FBU based on projected earnings in 2013 and what the extra years of work will actually cost to those hit by the changes.

First, they will not be drawing the pension they are entitled to.

The money they will be earning for a full working week is only a third more than that pension.

The effect for those hit by the changes will be that they are working hard for only a third of their pay as they would have been getting their pension in any event. And it gets worse.

MATT WRACK: *'It's bad news for those hit, but the more senior you are the more it will cost'*

Those affected will still have to pay their 11% pension contribution over the five extra years. It all adds up to a raw deal for those affected by the changes.

The union estimates they would have to be drawing a pension until they are at least 86 years old just to make the money up.

General secretary Matt Wrack said: "It's bad news for those hit by the changes but the more senior you are the more it will cost you.

"We're all living longer, but most of us not so long to make up what it will cost. It is a disgrace."

■ The story on firefighters working the Retained Duty System ill-health and injury pension is on page 3.

THE GREAT PENSIONS ROBBERY: full league tables back page

YES VOTE GROWS

THE **YES** vote for an industrial action ballot is growing across the country according to the first reports back from an intensive round of branch meetings.

Hundreds of firefighters working the retained duty system and wholetime members in Yorkshire and Humberside have indicated they are ready to back the call at conference.

In Scotland, firefighters are taking the same position in increasingly large numbers. In East Anglia, a strong majority of members at well-attended branch meetings on the issue of pensions have given the thumbs up to holding a ballot for industrial action.

Meanwhile, the picture in Merseyside is of "unanimous" support among FBU members to defend their pensions, says brigade secretary Les Skarratts, who has been doing the rounds of local fire stations

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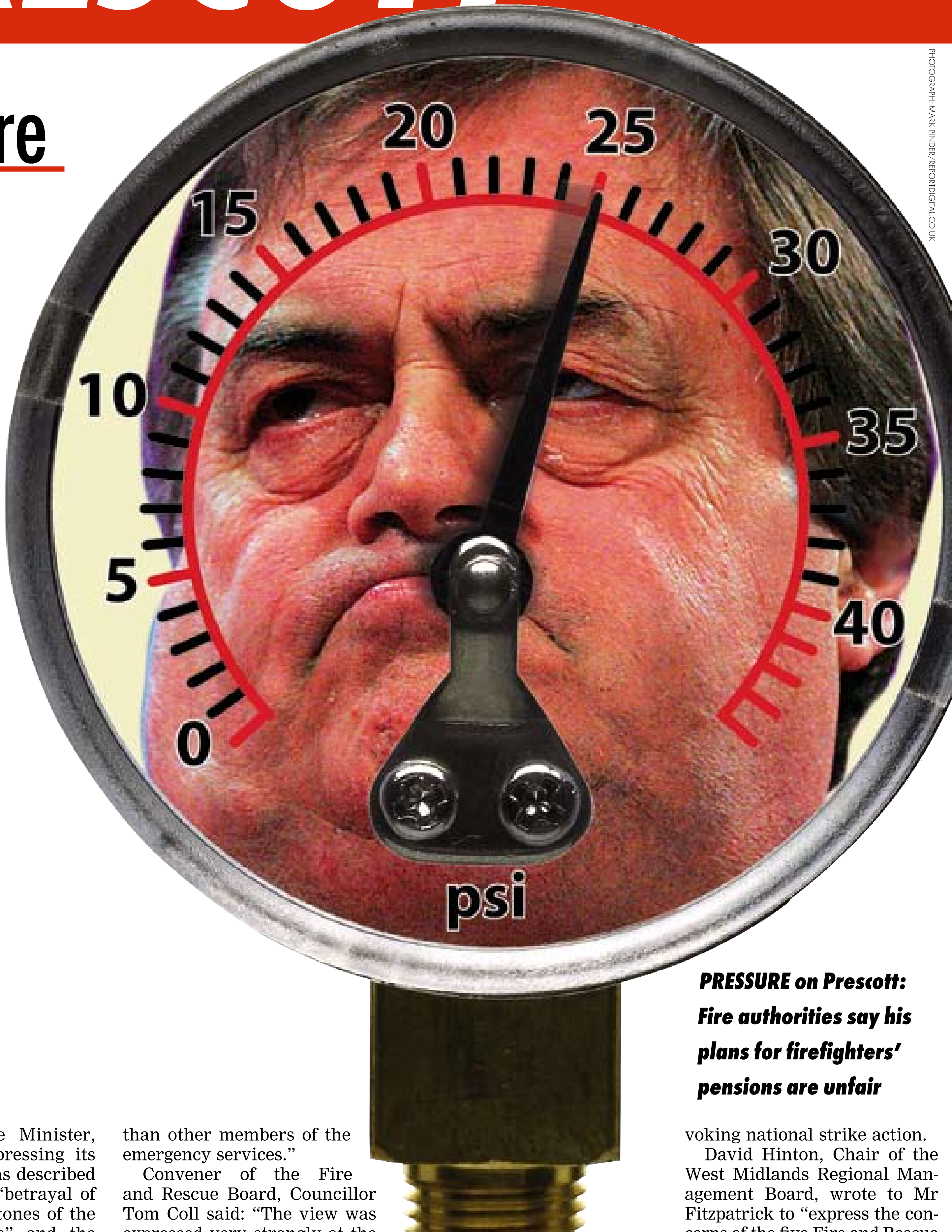
FBU

PRESSURE BUILDS ON PRESCOTT

Across the UK fire authorities are staging an open revolt over 'betrayal' of fire service pensions



PHOTOGRAPH: MARK PINDER/REPORTDIGITAL.CO.UK

PRESSURE on Prescott: Fire authorities say his plans for firefighters' pensions are unfair

THE OPPOSITION to the Government's proposed changes to firefighters' pensions is growing among fire authorities the length and breadth of the UK.

NORTHERN IRELAND fire authority, at a meeting at the end of January, gave unanimous backing to the FBU's opposition to the proposed detrimental changes in the pension arrangements of firefighters who are members of the existing scheme.

CENTRAL SCOTLAND Fire and Rescue Board, meanwhile, has agreed unanimously to protest "in the strongest possible terms" against Government proposals to change the terms and conditions of the firefighters' pension scheme.

The Board is to write to the Deputy Prime Minister, John Prescott, expressing its outrage at what was described by members as a "betrayal of one of the cornerstones of the protective services" and the inferred intention of splitting public services.

The Board will also urge COSLA's Fire Interest Task Group to bring the united strength of Fire Boards across Scotland to bear on the Scottish Executive over the issue.

Central Scotland Board had, in 2004, when asked for comment from the Government on its proposal to align the firefighters' pensions more closely with the Local Government pension scheme, said: "The Board strongly rejects this view and deplores the imputation that firefighters are less valued than other members of the emergency services."

Convener of the Fire and Rescue Board, Councillor Tom Coll said: "The view was expressed very strongly at the Board meeting, across all parties, that our firefighters' pension rights should be protected in exactly the same way as the other emergency services.

"Central Scotland Fire and Rescue Board, took the view that our firefighters are required to put their lives at risk in the course of their duties and should not be treated any differently when it came to pension rights than the police or ambulance services."

Councillor Coll went on: "We protest any change which would diminish the firefighters' pension scheme and call on COSLA's Fire Interest Task Group to rally all the Scottish Fire Boards to bring as much pressure to bear as they can on the Scottish Executive in support of our firefighters."

Fire authorities in the **WEST MIDLANDS** have joined the revolt, calling on the fire minister Jim Fitzpatrick to protect existing members' pensions or risk provoking national strike action.

David Hinton, Chair of the West Midlands Regional Management Board, wrote to Mr Fitzpatrick to "express the concerns of the five Fire and Rescue Authorities in the region over the situation that is emerging over the proposed changes to the firefighters' pension scheme and the threat of industrial action by the Fire Brigades Union."

"The Regional Management Board supports the need to make changes to the pension scheme, but believes that existing members should have their scheme protected, particularly in view of the fact that assurances were previously given. Not to do so will almost certainly lead to either a national strike or strike action in selected authorities.

"In light of Ministers' assurances previously given and accepted in good faith by firefighters, West Midlands Regional Management Board urges you to find a resolution to the pensions issue before the situation escalates into strike action."

At a recent EAST SUSSEX Combined Fire Authority meeting the chief fire officer Des Prichard stated that 'he had sympathy with the firefighters over the pension proposals'. A Conservative Councillor, Roger Thomas, meanwhile proposed that a strongly worded letter passing on their anger at how their staff were being treated differently from the other emergency services.

Mr Prichard isn't the only chief officer angry about the Government's pension reforms. Tom Carroll, President of the CHIEF FIRE OFFICER'S ASSOCIATION, has described some of the proposals as "derisory – and possibly vindictive".

Speaking at the Fire 2005 conference in November last year, he said: "While we fully appreciate the need for change, it is difficult to understand why the fire and rescue service should be treated differently to other sectors.

"The recent settlement of the public sector pensions issue shows us that there is a way of reaching agreement in such cases and is an example of how the firefighters pension issue could be easily overcome.

"To offer less must be seen as derisory – and possibly vindictive."

ILL-HEALTH AND INJURY PENSIONS THREATENED

Firefighters working RDS could lose link to wholetime earnings

FIREFIGHTERS working the retained duty system have reacted angrily to clear warnings that their ill-health and injury pensions are under threat. Currently a firefighter working the RDS who has to retire because of a fire service injury can get an injury pension and an ill-health pension based on the earnings of a wholetime firefighter.

But the union has been given clear indications that future ill-health and injury pensions for firefighters working the RDS will be based on RDS earnings only. Furthermore not all earnings will be considered. The ODPM has stated that RDS members pensionable earnings will be the retaining fee plus "permanent" elements of pay. They have not clarified what "permanent" elements of pay means. Such a move would be a devastating blow, leaving far less protection in the future.

Tam Mitchell, the National Executive Council member for firefighters working the RDS condemned the idea as "an unacceptable attack" which could result in a serious reduction in protection.

DOUBLE BLOW

"We serve our communities and they expect us to be properly protected. If we are injured serving our communities carrying out our fire service duties we face the loss of two incomes so injuries are a double blow.

"We do the same work at the same incidents taking the same risks. You don't want to dwell on being injured but it can and does happen and we expect proper protection when it does happen.

"If these ideas come to fruition then it would be a huge cut to our entitlements. It would create severe hardship for those unable to carry on their primary employment.

"I can also see it causing problems keeping and recruiting people. At the moment we know we are covered but in future that may well not be the case."

The idea is that the current injury pension element will be replaced with a new compensation scheme. Although this has not been published, the ODPM has signalled that in future any compensation for firefighters working the retained duty system will be based on RDS "core" earnings. This would also apply to the ill-health pensions.

ALL TOGETHER

Tam Mitchell said: "All firefighters are in this pension fight together. They are attacking us in different ways but it is always cuts they are after and dishing out a raw deal all around.

"I would urge all firefighters working the retained duty system to campaign to defend their rights.

"Support the campaign, support the call at the conference for a ballot and, if necessary, support any call for industrial action."

WHAT IS IN PLACE NOW?

If firefighters working the retained duty system are injured on duty and have to retire from the fire service as a result of that injury they are entitled to an ill-health and injury pension. A critical consideration is that a "fire service" injury could also harm their ability to earn from their core employment.

Currently the ill-health and injury pension for firefighters working RDS is based on the earnings of a wholetime firefighter of equivalent rank and length of service. The clear signal given to the union is that in future this will no longer be the case.

The clear indications are that the future ill-health and injury pensions will be based on retained core earnings, not on wholetime earnings as at present.

If this goes ahead it could have severe implications for all firefighters working RDS who face exactly the same risks as wholetime firefighters.

FIREFIGHTERS CONTROL HIT

THE proposed changes to the Local Government Pension Scheme (LGPS) will hit around 1,500 firefighters who work in emergency fire controls. But up to 1.5 million local government workers are also affected.

Eight local government unions have declared their intention to ballot for strike action over the changes. These include the UK's four largest unions UNISON, T&G, GMB and Amicus.

The FBU is considering its position on a ballot on 16 February at its recall conference in Southport. The Executive Council is recommending proceeding to a ballot for industrial action.

The FBU is strongly opposed to the proposed changes to the LGPS. But we also believe that firefighters (control) should have access to the Firefighters Pension Scheme (FPS).

The proposed changes are an unfair and unjustified attack of firefighters who work in emergency fire controls and millions of other public service workers.

The ODPM has set out its plans to change the pensions for existing members of the LGPS and introduce a totally new LGPS. They claim these changes are required to ensure the scheme's affordability and sustainability.

Unlike the FPS, the Local Government Pension Scheme does have a fund. The Government did not always think pensions paid out of the fund were unaffordable or unsustainable.

At one time they acted on the basis that there was a huge credit surplus between the contributions working members paid in and the pensions our local authorities were paying out. Like the private sector, they assumed these massive surpluses would last forever – despite warnings they would not – and employers awarded themselves years of "pensions holidays" cutting their contributions and in some cases paid no contributions at all.

Between 1990 and 1993 the Government only required local authority pension funds to cover 75% of their liabilities.

This enabled many to reduce their pension contributions and some actually paid nothing at all into their funds during these years.

Another claim is that the "Rule of 85" runs foul of European Union law. This has been dismissed as wrong by the European Commission.

KEY CHANGES

NOW: the Rule of 85 – You can retire at 60 on a full pension if you fulfil the "85 Year Rule". This rule allows people to retire on a full pension if their age plus number of year's service was at least 85 years.

PROPOSED CHANGE: Abolition of this rule meaning that to be eligible for a full pension you will have to work till you are 65.

NOW: Deferred Pensions – If you are 50 you can retire on other than health grounds.

PROPOSED CHANGE: this will be raised to 55. You may even have to wait until the age of 60 to draw a deferred pension if the employer does not give consent.

WHAT GOVERNMENT PLANS COULD COST YOU

Four easy steps to work out how the plans could hit your pocket

SO HOW much could the great pensions robbery cost those affected? The answer is at least £117,000 if you add the cost of not taking your pension for five years plus the cost of your 11% pension contributions over the five years.

Even excluding the 11% pension contributions, it will still cost those hit at least £100,000 over the five years. They would have to draw a pension until they were at least 86 years old for it not to cost them any money.

It all adds up to a huge smash and grab on the pensions of those affected. And a massive windfall secured by the ODPM.

Our easy to follow tables give you four steps to estimate what it will cost those affected by the changes.

WE DON'T WANT TO GIVE HIM THAT!

Step 1 lets you identify your role – or the role you expect to be in at retirement.

In Step 2 we have projected the earnings forward until 2013 based on an annual pay rise of 2% in the intervening years.

In Step 3 we have calculated a normal maximum pension (40/60ths) for each role. This is what you could expect at the age of 50 after 30 years of contributions to the scheme.

Step 4 shows what will happen if you are required to work for five years longer: You will lose out on the amounts stated for your role – in pension as well as continuing to pay 11% pension contributions. Adding these totals up gives you the final figure for what it will cost those hit by the changes.

First, those affected will not be drawing the pension they are currently entitled to over those five years. The money they will be earning is only a third more than that pension.

Looking at these figures it is hardly surprising the ODPM thinks it's a good deal. For them anyway.

STEP 1: Identify your role – or the role you expect to be in at retirement

STEP 2: We have projected the earnings for that role forward until 2013 based on annual pay rises of 2%

Basic Annual Salary (2% increase pa)

	2005 £	2013 £
FIREFIGHTER		
Competent	25,850.00	30,287.39
11% Pension	2,843.50	3,331.61
CREW MANAGER		
Competent	28,320.00	33,181.39
11% Pension	3,115.20	3,649.95
WATCH MANAGER		
Competent A	29,875.00	35,003.32
11% Pension	3,286.25	3,850.37
Competent B	32,048.00	37,549.34
11% Pension	3,525.28	4,130.43
STATION MANAGER		
Competent A	34,336.00	40,230.10
11% Pension	3,776.96	4,425.31
Competent B	36,768.00	43,079.57
11% Pension	4,044.48	4,738.75
GROUP MANAGER		
Competent A	39,248.00	45,985.29
11% Pension	4,317.28	5,058.38
Competent B	42,560.00	49,865.82
11% Pension	4,681.60	5,485.24
AREA MANAGER		
Competent A	46,128.00	54,046.30
11% Pension	5,074.08	5,945.09
Competent B	49,440.00	57,926.84
11% Pension	5,438.40	6,371.95

STEP 3: We have calculated a normal maximum pension (40/60) for each of these roles. This is what a member could expect at the age of 50 after 30 years' service

Pension (40/60ths)

	2005 £	2013 £
FIREFIGHTER		
Competent	17,233.33	20,191.60
CREW MANAGER		
Competent	18,880.00	22,120.93
WATCH MANAGER		
Competent A	19,916.67	23,335.55
Competent B	21,365.33	25,032.89
STATION MANAGER		
Competent A	22,890.67	26,820.06
Competent B	24,512.00	28,719.71
GROUP MANAGER		
Competent A	26,165.33	30,656.86
Competent B	28,373.33	33,243.88
AREA MANAGER		
Competent A	30,752.00	36,030.87
Competent B	32,960.00	38,617.89

STEP 4: If you are required to work for five years longer, you will lose the following amounts in pension as well as continuing to pay 11% pension contributions which would give these totals

How much it could cost: pension plus 11% contribution for an extra five years

		TOTALS
FIREFIGHTER		
Competent	100,957.98	£117,616.05
11% Pension	16,658.07	
CREW MANAGER		
Competent	110,604.65	£128,854.42
11% Pension	18,249.77	
WATCH MANAGER		
Competent A	116,677.75	£135,929.58
11% Pension	19,251.83	
Competent B	125,164.47	£145,816.61
11% Pension	20,652.14	
STATION MANAGER		
Competent A	134,100.32	£156,226.87
11% Pension	22,126.55	
Competent B	143,598.57	£167,292.33
11% Pension	23,693.76	
GROUP MANAGER		
Competent A	153,284.29	£178,576.20
11% Pension	25,291.91	
Competent B	166,219.41	£193,645.61
11% Pension	27,426.20	
AREA MANAGER		
Competent A	180,154.35	£209,879.82
11% Pension	29,725.47	
Competent B	193,089.47	£224,949.23
11% Pension	31,859.76	

YES VOTE GROWS

FROM FRONT PAGE

in recent days.

FBU East Anglia regional secretary Graham Noakes says: "We have been meeting members in Bedfordshire, Cambridgeshire, Essex, Herts, Norfolk and Suffolk. The message coming back from hundreds and hundreds of firefighters is clear. We are going to have to fight to defend our pensions."

Says FBU Scotland regional official, Gavin Barrie: "Nobody in Scotland wants to take strike action, but many members I've seen and spoken to are now aware that the Government has left us little option if we are to protect our income in retirement."

Ian Murray, Humberside Brigade Chair said: "Members realise that without a big YES vote we WILL have detrimental changes to our pension schemes imposed us. The mood at branches is upbeat with members actually telling us: "we'll do what we need to do, in order to defend our pension.

"Firefighters working the retained duty system also soon realised they may get injured on duty and face the possibility of getting a pension based on their retained earnings – not wholetime firefighters' earnings as they are today – and if that happens it would not suffice if they were unable to carry out their primary employment."

***KEEP IN TOUCH:** if you have changed address please ensure you inform your FBU brigade membership secretary*

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