

GPC Pensions Update

Pensions update December 2011

GPs will have noted from media reports that there have been significant developments in the pension negotiations in the last few days, with some announcing that a 'deal' has been reached.

The position is that the UK government has now made its final offer to the unions. All unions, apart from Unite, have signed up to a series of Heads of Agreement, with the important caveat that the unions all wish to consult their memberships about this before any final agreement is made.

Please note that the agreement is made on the basis of the following paragraph, included at the start of the document, which states:

"This document sets out the Heads of Agreement on the scheme design for the NHS Pension Scheme to be introduced in 2015, on which talks have concluded. The government have made clear this sets out their final position on the main elements of scheme design, which unions have agreed to take to their Executives as the best that can be achieved through negotiations. Further work on the remaining details will take place in the New Year, and Executives will consult members as appropriate. This includes a commitment to suspend any further industrial action while the final details are resolved and Unions are consulting their members."

The headline features of the offer are as follows:

- Career average revalued earnings (CARE) with an accrual rate of 1/54 of salary
- Revaluation of pensionable earnings by CPI + 1.5%
- Protection on accrual and NPA for those within 10 years of NPA on 1/4/12
- Tapering protection for those within 3.5 years of the above
- NPA linked to SPA
- Contributions increased as previously described
- Retention of and improvement to 'Fair Deal'
- Commitment to hold a partnership review of the position of staff working for 'Any Qualified Providers'

The BMA, along with the other unions, has made it clear that there can be no actual agreement until the membership has been consulted. The government is taking the line that an agreement has been reached, but this cannot be concluded until the membership has had an opportunity to express its views. The BMA will therefore be surveying members in January on the final offer.

In advance of this, the BMA is undertaking a massive programme of pension related events across the UK, starting now and continuing in early January, to inform members about the proposed offer and to ensure we have the most up to date place of work details as possible, so that the Association is fully prepared for any possible developments. Details of these events are on the BMA website. Please attend if you can, and contact us via the website if you would like an event to be organised in your area.

Technically the discussions have focused on the scheme for England and Wales, and separate talks may well be held on pension schemes in the other nations. It is highly likely that the changes proposed for England and Wales will be mirrored in the other schemes. The BMA will take legal advice to ensure that the survey questions can be appropriately phrased to allow members in the other nations to have their say.

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Following the conclusion of these discussions, the BMA issued the following press release:

BMA says members' views on final pensions offer will be critical

The government's final offer on changes to the NHS pension scheme is an improvement on some aspects of the original proposals, but will still hit doctors very hard, the BMA says today (Monday 19 December 2011). It will now consult members in early January to help determine the next steps.

Dr Hamish Meldrum, Chairman of BMA Council, said:

"Throughout negotiations, the BMA and other health unions have repeatedly made the case that the NHS pension is already fair to both staff and taxpayers. The scheme was radically overhauled only three years ago, and is currently providing a positive cashflow to the Treasury.

"We are extremely disappointed that the government has refused to concede this. Despite some improvements to the original offer, doctors stand to be hit very hard by these changes. Junior doctors in their twenties would have to work until the age of 68 and pay over £200,000 more in additional pension contributions.

"We will now seek our members' views on the offer, and – if they consider it unacceptable – on what action they would be prepared to take. It is crucial that all doctors and medical students tell us their views. It's their future, their pension, and we want them to have their say."