

UNIVERSITY ANNOUNCES DAMAGING PENSION PLANS

The world of pensions can be confusing – but it is hugely important issue. The quality of your pension will define your retirement years, and with so many Uni support staff on the lower pay grades it’s vital to have a decent pension. After all, pension is deferred pay that you’ve set aside to retire on.

The University is proposing to:

- Reduce the accrual rate from 1/80ths to 1/100ths
- Close the final salary scheme
- Close the defined benefits scheme to new members from next year



CHANGE IN ACCRUAL RATES AFFECTS EVERYONE

At the moment everyone has an accrual rate of 1/80ths—for each year you’re in the scheme you put aside 1/80ths of your salary for your retirement. The proposals change this to 1/100th. This is what you stand to lose for every year of your retirement.

Security Guard on £22,000	Current scheme - £6875 New scheme - £5,500	Total lost per year - £1,375
Domestic on £14,000	Current scheme – 4375 New scheme - £3,500	Total lost per year - £875

CLOSING THE FINAL SALARY SCHEME

In 2012 staff were offered a choice to stay on final salary or move to career average and reduce the amount you pay. Now the University is planning on closing the final salary scheme for good. For staff who get promoted at any point in their career final salary is better as the whole pension is paid on what you earn in your final years. The University is removing this choice from staff and forcing you all onto career average. When this happened in the NHS staff were put onto a better accrual rate of 1/54th.

DID YOU KNOW...
NHS and council staff have an accrual rate of 1/54ths. You would have to work almost twice as long as them to build up the same amount of pension!

THE NEW DEFINED CONTRIBUTION SCHEME

Compared to the current (defined benefit) scheme, defined contribution schemes are bad news. Currently what you get out is determined by what you pay in and your accrual rate. The worrying thing about defined contribution rates is that what you get out is defined by how the scheme's investments have performed. For example, during the crash of 2008 a staggering 17.5% was wiped off the value of pensions in the UK. Anyone planning to retire that year or the years following had two choices – take a hit off your pension or keep working until the market recov-



What UNISON will be doing.

UNISON OPPOSES THESE CHANGES.

We will be consulting with the University until at least the end of August.

The first thing we will be doing is checking the University's figures.

They say the scheme is £207million in debt – we will be going over this and the University's accounts.

If a rescue plan is needed for the pension scheme we will put together alternative proposals. But rest assured,

if we don't get these proposals dropped we will be fighting back



But why does this affect you?

Well, you might already be in the scheme but this is the second attack on pensions in 6 years. Once a defined contribution scheme is up and running it's very easy to shift everyone over to it. And did you know what the workers paying in the scheme are paying for today's pensioners – so when you come to retire there will be less money going in to the scheme, making it much less safe than it is now. Plus of course there's the rather tempting option to go on to the lowest level of the defined contribution scheme and pay nothing at all – something we do not recommend!

KEEPING IN TOUCH WITH YOUR UNION

Branch Secretary - Gareth Dawson
Branch Chair—Kevin Gaskell-Clow

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WHAT YOU CAN DO

Become a workplace pension contact

Email the office above so we can keep in touch with you and your colleagues about any developments

Give your feedback on the proposals

www.umssconsult.manchester.ac.uk/home/feedback

Become a UNISON rep

We provide a training and mentoring programme to our representatives, and you get paid time from work to carry out your duties. Contact us to find out more

Update your details

We need to keep in touch with you so it's important we have the correct information. Use the link below or contact the branch office:

<http://www.unison.org.uk/my-unison>

Encourage colleagues to join. The bigger we are, the stronger we are:

<https://join.unison.org.uk/>