



## Press Cutting

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### **Radical pension proposals unlikely to avert strikes**

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**The UK is set for strikes in November involving up to 2 million civil servants, despite radical proposals set out yesterday that are seen as a potential solution to the problem of making pension provision more affordable without ripping off pensioners.**



The London Pensions Fund Authority, or LPFA, the UK's leading local government pension scheme, yesterday put forward radical proposals that would allow it to meet the savings demanded by the government's austerity measures. The proposals concern the Local Government Pension Scheme or LGPS, a national pension scheme for local government workers, one of the UK's five big public sector pension schemes. Every local council is a member of the LGPS.

The proposals would preserve most of its members' benefit. But in a crucial departure from the norm in the UK pensions industry, the members would have to accept more flexibility, by giving up -- within limits -- the complete guarantees they have enjoyed over all details of their pensions. In particular, the members would have to accept the possibility that, depending on the circumstances, that they will have to increase their contributions to the pension scheme, receive lower pensions or retire later.



The LPFA, which has £4bn of assets and provides administration services to many more public sector pension plans, published its proposals in response to government demands for savings. The government said in July, in a written ministerial statement by Danny Alexander, the chief secretary to the Treasury, that it wanted to make savings of £2.8bn a year relating to public service employee pension arrangements by the 2014/15 financial year.

The LPFA held a meeting yesterday in the Queen Elizabeth Hall in London, to present and debate its proposals. Terry Crossley, deputy director in the government department for communities and local government, said the proposals were valuable: "The very learned LPFA document is very helpful. The questions, and the rationale behind them, should guide us."

Brian Strutton, the national secretary for public services for the GMB, formerly the General, Municipal, Boilermakers and Allied Trades Union, also responded positively to the proposals, but with an alert.

Strutton said: "We have to come up with cost savings and reform of the Local Government Pension Scheme. I think we can put together a package that will suit all of us."

"However, there is not that confidence amongst my TUC colleagues representing teachers and other public sector employees [i.e., not part of the LGPS]. All the reports from them are entirely negative, and the predictions are for further industrial action, probably in November - and not just who went on strike in June, but a much wider spectrum of all public sector workers. There is a risk of us being dragged into that."