

## Report of BMA "NHS Pension Reform Roadshow"

Barnes Wallis Building Manchester University 10<sup>th</sup> January 2012

Well attended by around 2-300 Drs from the North West from Hospital and GP background plus some Medical Students. Addressed by a BMA Pensions expert, a Member of the BMA Consultants' Committee and and Member of the Junior Drs Committee.

Initial technical presentation on details already mentioned in BMA emails. Then discussion and questions from the floor.

1. Contributions to rise following George Osborne's emergency Budget last year. Details below (this table pasted from NHS Employers' Website 8/12/2012). Further increase by 2014 to bring 8.5% payers up to 14%.

<b>Full-time 2010/11 pay</b>	<b>2010/11 contribution (gross)</b>	<b>2012/13 contribution (gross)</b>	<b>Contribution increase (gross)</b>
<b>Up to £15,000</b>	<b>5.0%</b>	<b>5%</b>	<b>0%</b>
<b>£15,001 to £21,175</b>	<b>5.0%</b>	<b>5%</b>	<b>0%</b>
<b>£21,176 to £26,557</b>	<b>6.5%</b>	<b>6.5%</b>	<b>0%</b>
<b>£26,558 to £48,982</b>	<b>6.5%</b>	<b>8.0%</b>	<b>1.5%</b>
<b>£48,983 to £69,931</b>	<b>6.5%</b>	<b>8.9%</b>	<b>2.4%</b>
<b>£69,932 to £110,273</b>	<b>7.5%</b>	<b>9.9%</b>	<b>2.4%</b>
<b>Over £110,273</b>	<b>8.5%</b>	<b>10.9%</b>	<b>2.4%</b>

2. New scheme proposal –switch from final salary to Career Average Revalued Earnings (CARE) for all Drs. Accrual rate to be 1/54<sup>th</sup> of each year's earnings

totalled and Dynamised upward by CPI+1.5% each year to final pension payable at pension age.

3. Age at which full pension may be taken raised from 60 to state pension age i.e. maximum of 68y.

4. Protection of accrued benefit so far and full protection of benefits for those within 10 years of normal retirement age on 1/4/12, i.e. those aged 50 or above. Those in the next 3.5 year cohort to receive tapered relief. All however are required to pay the higher contributions.

5. Example of 25y old Dr now having to work 8 years longer and pay £240000 more for same benefit. Early retirement allowed but would be actuarially reduced by 5% for each year the Dr retired earlier. Commented that even the more expensive scheme still viewed as good value when compared with the commercial market.

6. Point was made that the NHS pension scheme cost the NHS £8bn in 2008 and received contributions (presumably including employers' contributions) of £10bn so an excess of £2bn was paid back to the Treasury. This excess is projected to persist for the next five years, i.e. our scheme is making a profit for HMG and is projected to continue to do so without any increases in contributions.

7. The last reform "for a generation" of our pension scheme took place in 2008.

8. Added years not yet settled, nor are the distribution of further rises in employee rates post 2012.

9. Current questionnaire is to test Dr opinion no decision on industrial action yet made, and would require a further ballot. Vital for Trades Union Law that BMA knows where you work so a future ballot made be lawful. So:

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10. Indicative unofficial straw poll of those who went suggested overwhelming support for some form of industrial action, with a preference for maintaining emergency services. No-one found the changes acceptable and no-one voted to do nothing.

But take care, this was a self selected group of those sufficiently cross to turn out on miserable January Tuesday night in rainy city Manchester.

11. Great concern expressed for the future of our younger colleagues.

Sean King.  
Peter Short  
17 1 2012