



No. 47

September 2015

Pensions Seminar

The UNISON Scotland annual pensions seminar will be held on **Thursday 5 November 2015** at UNISON House, Glasgow, starting at 10:30am.

This will be an opportunity for branch pension champions, UNISON representatives on pension boards and other activists with an interest in pensions to hear the latest developments on pension issues. There will be sessions on fund management costs, investment constraints, state pension changes, the UK government's pension taxation consultation and scheme benefits.

If there are any issues you would like to see covered at the seminar contact Dave Watson (see below). If you would like to register to attend the seminar please contact Fiona Martin (f.martin@unison.co.uk).

Scottish Local Government Pension Scheme Advisory Board

There was a busy August meeting of the Scottish Local Government Pension Scheme Advisory Board (SLGPSAB) after the Deputy First Minister approved its first work plan.

A key concern has been the impact of the UK government's freedom and choice provisions. As we predicted scams are already catching the unwary. While as a Defined Benefit scheme the SLGPS is not directly affected, members could transfer their pension in order to realise a lump sum payment - although there are charges and tax implications of doing this. The SLGPSAB has agreed new guidance that sets out the procedures that employers should follow.

The Government Actuary's Department has produced a draft report on the factors to be used in the actuarial valuation of the scheme as at 31 March 2014. This is important as it influences the 'employer cost cap' that will be used to regulate the impact of future valuations on contributions and scheme benefits. There has been a small increase in cost due to improved life expectancy since the new scheme was agreed, but this is largely balanced out by a reduction in the cost of ill health retirement.

The SAB has agreed an initial set of common fund data across SLGPS funds to ensure greater transparency and consistency. This includes some basic data on investment costs, but the SAB will return to this issue in more detail in the work plan.

Community Admission Bodies in the voluntary sector who may want to exit the SLGPS are finding the cessation costs prohibitive. The SAB considered what flexibilities might be available to spread the cost while recognising that it would be unreasonable to expect other employers to meet the cost of these payments.

More in the Board's [Bulletin](#) and the minutes will be on the SPPA website.

New UNISON pension websites

UNISON Scotland now has a dedicated pension website and blog at www.pensionsscotland.org. There is information and update on the pension issues that impact on UNISON members.

At UK level there is a new website focused on capital stewardship issues at www.capitalstewards.org.

Fiduciary Duty

The concept of fiduciary duty on pension trustees and others is often used to discourage consideration of ethical and social investments. It is a topical issue at present in the Scottish local government scheme with councils passing motions in favour of fossil fuel divestment and the Scottish Parliament's local government committee looking at infrastructure investment. It also applies to our private sector pension funds.

We have therefore published a [briefing](#) to explain what fiduciary duty is and why it's not a blanket barrier to sensible investment. Investing ethically doesn't have to be any more risky than other investments, as the Wellcome Foundation [discovered](#) when it lost £174m in fossil fuel investments. This briefing explains what fiduciary duty is and how it should and should not be applied to pension investment.

Watch Out - Scammers About!

As UNISON predicted, fraudsters are bombarding the over-55's with cold calls and emails in a bid to cheat them out of their retirement savings in the wake of the UK government's new pension 'freedoms'. Police have been taking down fraudulent websites as Scottish organised crime groups get involved in pension liberation scams.

Citizens Advice data showed that two in five members of their staff helping to offer the Government's new Pension Wise guidance service have seen people repeatedly targeted with pension scams. A Citizens Advice Scotland spokesman said: "Pensions scams are a real and dangerous issue in Scotland and everyone needs to remain vigilant."

Budget consultations

The UK Government has launched a consultation on pension tax relief. The document talks about "strengthening incentives to save" and offering "greater simplicity and transparency". However, the motivation appears less philanthropic and more austerity related. Pension contributions "cost" the Chancellor nearly £50 billion, partly offset by £13bn of income tax received on pensions in payment. UNISON will be responding to the consultation.

Changes to the State Pension and National Insurance Contributions

Strathclyde Pension Fund has [published](#) one of the more readable briefings on the changes to the state pension scheme and the increase in National Insurance contributions following the UK government's decision to end the contracted out discount. We are awaiting more details from the government this autumn.

LGPS Regulation Amendments

The bulk of the proposed [amendments](#) are technical and they also introduce provisions required by the Marriage and Civil Partnership (Scotland) Act 2014 into the Local Government Pension Scheme.

For further information visit our dedicated pension website:

Pensions Scotland: <http://www.pensionsscotland.org>

Or contact:

Dave Watson, Scottish Organiser: d.watson@unison.co.uk