

All Public Sector Updates

14 May 2020

Date: 22/10/2020

Public Sector Exit Cap (£95K) Continued

The Governments proposals to limit Public Sector Exit Payments in England and Wales (separate arrangements exist for Scotland and Northern Ireland) to £95,000 have now been passed into legislation and are due to come into effect on Wednesday 4th November 2020.

There are particularly far reaching and negative consequences for GMB members employed in Local Government who are aged 55 and over and are made compulsory redundant. This is because after 4th November pension strain costs will be included in the exit calculation and this will take the majority of Local Government exit payments over the £95k cap.

GMB have written to the government to point out the regulations in their current form are unworkable, conflict with existing employment protections and will have a disproportionate impact on low paid workers in Local Government than was intended.

Due to the lack of any meaningful response we have now lodged an application with the courts to seek a Judicial Review of the regulations and we are hoping to have a hearing as soon as the courts allow.

GMB believe that the regulations are wholly unfair on our membership and that the government should withdraw them.

GMB urges you to contact your local GMB Branch/Office as a matter of urgency should your employer propose to make any compulsory redundancies.

We will endeavour to keep members updated on progress here on the GMB Public Sector Noticeboard.

Rehana Azam
GMB National Secretary

Date: 15/10/2020



Public Sector Exit Cap (£95K)

Members will be aware that for several years now government has been committed to introducing a £95k cap on exit payments for members leaving the Public Sector.

The government's proposals have far reaching consequences for our members in local government who are aged 55 or over as their pension strain costs will be included in the event, they leave their employment by redundancy or retirement as they seek to incorporate the 'strain cost' of our members pensions in any exit calculation to be set at £95K.

GMB and our sister Trade Unions have successfully staved off the implementation of this cap for several years but Government introduced a bill to Parliament on 21st July 2020 which now passed, has produced The Restriction of Public Sector Exit Payments Regulations 2020.

The Regulations have yet to be placed into a statutory instrument but when they are, we have been advised by the Treasury that implementation will follow 21 calendar days later. This will affect members in the process of leaving their employment even if an agreement has been reached with your employer.

GMB has written to the government as part of the consultation process and on numerous other occasions pointing out that the regulations are flawed and unworkable and particularly disadvantage low paid long serving Local Government Pension Scheme members.

This action is particularly reprehensible when Local Government workers have been on the frontline in protecting our communities from Coronavirus.

GMB are currently exploring all avenues to defend the interests of our members against these regulations. If you are not a member you can join [here](#).

In the mean-time you can also read more on our response to the consultation below.

Rehana Azam

National Secretary

Date: 12/10/2020

GMB CORRESPONDENCE ON PUBLIC SECTOR EXIT PAYMENTS

GMB have outlined objections to the public sector exit payment cap proposals by the government, which have now passed into law, but are yet to be applied in practice by the treasury.



You can read the full consultation response here:

Restricting exit payments in the public sector:
consultation on implementation of regulations

GMB Union response
July 2019



Consultation contacts

Rehana Azam
National Secretary for Public Services

Laurence Turner
Research and Policy Officer (laurence.turner@gmb.org.uk)



Join GMB Union now
www.gmb.org.uk/join

And GMB's recent correspondence to Stephen Barclay, Chief Secretary to the Treasury, here:



The Rt. Hon Stephen Barclay MP
Chief Secretary to the Treasury
HM Treasury,
1 Horse Guards Road,
London
SW1A 2HQ

9th September 2020

Dear Chief Secretary

Restricting Exit Payments in the Public Sector

As representatives of employees in all sectors of Local Government we have made you aware, via our submissions¹ and representations, of our deep concerns of the impact of restricting exit payments, and including pension strain costs in those exit payments, to £95,000.

In addition to the issues already highlighted to you regarding complexity, regulatory confusion, legal uncertainty, bureaucracy and industrial relations we particularly want to highlight the following:

- The local government employees in scope of the proposed £95K cap have much lower earnings than the rest of the public sector and the scope of the cap could cover workers who have decades of service and earn less than £24,000 a year, almost 25% below the average full-time UK salary. These workers are generally female and/or from BAME communities causing a range of potential equalities risks that would likely disadvantage those staff and increase costs to employers
- The absence of any indexation of the £95,000 figure means that over time, more people with salaries below the UK average will be affected. NB The £95,000 (suggested in 2015²) is, at 2019, according to the Bank of England online calculator, now valued at £106,111.27
- The inclusion of pension strain costs, a provision that only affects Local Government, will adversely impact the workforce and on the

¹ http://gpcalliancy.org/assets/cons/nonshare/20190410_95k_LR.pdf
² The £95,000 figure was set out in the Small Business Enterprise and Employment Act 2015

Date: 17/07/2020

GOVERNMENT U-TURN ON PUBLIC SECTOR PENSION COST CAP

Dear GMB Member,

Huge thanks to all the thousands of GMB members who have supported the GMB **'Unpause the Pause Campaign'**

Your campaigning efforts have succeeded and the government has done a U-turn.

Recap

Since 2015, **4.1 million** public sector workers across NHS, the civil service and in local government have paid over the odds for their pensions.

Millions of Public Sector workers including Paramedics, teaching assistants, refuse collectors and social workers were all overcharged to the tune of **£2.4 billion**.

Back in 2015, GMB and other unions successfully negotiated sector deals to see the money paid back to members through reduced contributions and improved benefits which should have been effective from April 2019.



But after a crushing legal defeat through the McCloud judgement the government unilaterally decided to withhold the drawing down of pension benefits, pinching from the dedicated people who keep our NHS, Councils and Public Services running.

Your Union GMB has been relentlessly challenging government since 2015 through the 'Unpause the Pause' campaign. In addition, **GMB** has made a number of representations on behalf of our members at every level of government to no avail. So, we took the decision last year to start legal proceedings against the government through a judicial review with a small number of unions, the **FBU, BMA, Police Federations, PCS and POA**.

GMB was always of the view that the government had breached the pension legislation and as we have prepared for the Judicial Review, we now hear that the government has a done a U-turn.

GMB welcomes the decision but are concerned that the government is now saying that the McCloud discrimination needs to be paid out of the **£2.4BN** fund on pension benefits that was suspended.

We have to stop this. GMB is considering the next steps of the campaign. Further details will follow.

For now, please see a briefing of the decision by government and the potential implications.



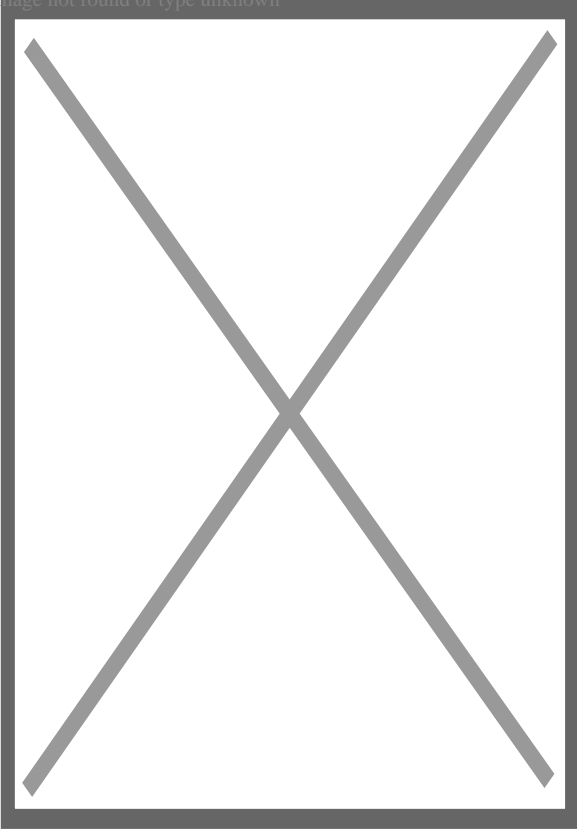
Rehana Azam

National Secretary - Public Services

READ THE PRINTABLE BULLETIN HERE:

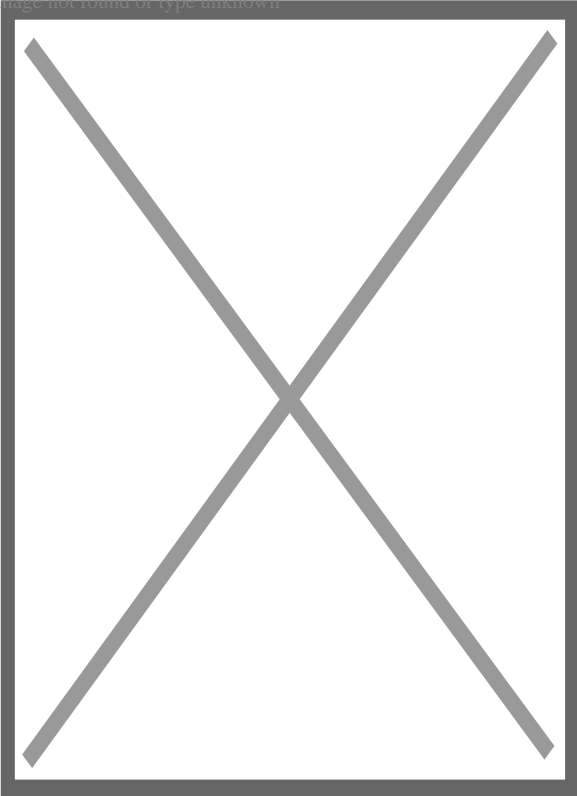


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READ THE DETAILED PENSIONS TEAM UPDATE [HERE](#):

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Date: 13/05/2020

Rehana Azam, GMB National Secretary for Public Services, has written to Rishi



Sunak the Chancellor of the Exchequer, in response to leaked documents from the treasury, detailing proposals for a public sector pay freeze, and a return to the policies of Austerity.

She gave voice to our 300,000+ public sector members' strong and united opposition to any return to austerity, putting the Chancellor on notice that GMB will fight cuts to pay across the Public Services.

