

WHY KEEP THE SCHEME OPEN TO ALL MEMBERS?

The more contributors to the scheme, the more people there are to build up the pension funds, so keeping the scheme open to everyone will benefit all in the scheme long-term. It's also fair to all workers in the industry.

What next?

The unions have agreed to work together and not to enter into agreements with employers unilaterally. We have written to the government, to the trustees and to all the major employers. As employers have until the end of June to work out how to deal with pension deficits, the three general secretaries will address meetings across the country. We say we should fight to protect our pensions: Cherish the past. Protect the future.

All the railway unions defending your pension scheme

GENERAL SECRETARIES MEETINGS

Date	Venue
9 March	Cardiff
21 March	York
28 March	Glasgow
29 March	Edinburgh
3 April	Birmingham
5 April	Bristol
10 April	Perth (at STUC)
19 April	Manchester
20 April	London

RAIL UNIONS UNITE TO DEFEND YOUR PENSION SCHEME

Thousands of workers past and present, who have an interest in the Railways Pension Scheme (RPS), need your help. The rail industry unions ASLEF, CSEU, RMT and TSSA are backing a major campaign to safeguard workers' retirement benefits.

BEWARE THE PENSIONS GAP



THE UNIONS BELIEVE THE RPS IS UNDER THREAT AND MEMBERS NEED TO BE ALERT AND INFORMED. WE ARE CALLING ON EMPLOYERS TO:

- **CAP EMPLOYEE CONTRIBUTIONS TO 10.56%**
- **KEEP BENEFITS AT THEIR CURRENT LEVEL**
- **STREAMLINE THE SCHEME**
- **OPEN THE SCHEME TO ALL EMPLOYEES**

What is the threat?

A pension scheme needs enough money to pay for existing benefits and those that will accrue in the future. Actuarial valuations of the various RPS sections indicate a shortfall (or deficit): there just isn't enough money to pay all railway workers a decent pension. Many employers think the solution is to implement massive hikes in employee contributions and cut back on future pension benefits.

In other words, Pay more and get less!

Why is this a threat?

In most sections of the RPS, employees will be expected to increase their contributions significantly. If this continues, workers could be forced to drop out of the scheme if they can't afford it. This will also increase the financial burden on those who remain in the scheme and the funding problems will get even worse.

Significantly, the workers who are hardest hit, will be the lowest-paid, for whom any further bite out of the wage packet has a disproportionate impact.

Cutting back on pension benefits decreases the overall value, making it

less attractive, so members see little advantage of being in the RPS. Falling membership and reduced rewards could lead to a vicious circle where the RPS disappears forever.

Why do we need to campaign?

The unions have approached the major employers in the industry. We explained to them about the problems the RPS faces but it appears to have fallen on deaf ears. So we need to turn up the volume. Every union member with a vested interest in the RPS needs to let the employers know how strongly they feel. Keep up the pressure on companies to keep contributions at an affordable level.

WHY CAP EMPLOYEE CONTRIBUTIONS AT 10.56%?

This was the rate paid under the original BR scheme, before contributions were reduced at the time of pension fund surpluses in the late 1980s. It is considered to be a reasonable level of contribution to provide for a good package of pension benefits. Contributions higher than this could prove too expensive and lead to large numbers of members dropping out of the RPS.

WHY KEEP BENEFITS AT THEIR CURRENT LEVEL?

Pensions are deferred pay, and like all your terms and conditions of employment, they are negotiated between the employers and the trade unions.

The cost of future benefits is not the problem, it's the cost of clearing the deficit. The problem with the current structure of the RPS is the deficit created by the actuary changing his assumptions from previous evaluations, for instance, on lifespan.

Cutting back on pension benefits will make the RPS less attractive to new and existing members, which means that fewer staff will want to join the scheme and more people will drop out.

WHY STREAMLINE THE SCHEME?

Privatisation of British Rail led to the creation of one of the most complex pension schemes in the UK. There are now about 100 sections. These have different rates of contribution and benefits and there are huge administration costs linked to each one. It makes sense to streamline the scheme, it will be easier to run and cut out unnecessary costs. Streamlining could also lead to a standard contribution rate.

THE UNIONS WANT THREE OPEN SECTIONS:

- **A train operating section**
- **A infrastructure and engineering section**
- **An omnibus section**

Taxpayers including RPS members will save money, by not picking up the bill for valuations when franchises or other contracts change. And, in an industry where workers often move between companies, an integrated scheme is simpler for workers, employers and the administrators.

MIND THE PENSIONS GAP