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Our Ref: /ob/TAYL01003/01110796

Dear Chris

Thank you for keeping me updated on the FBU's concerns about the Government's public sector pension reforms. It was also great to discuss these issues in such detail with FBU members in Parliament last month.

As you will know, the Chief Secretary to the Treasury today made a long-awaited announcement that indicated the Government is at least starting to listen to our objections and may be moving away from its confrontational approach. The Government has said that it will increase the cost ceiling and offer more generous accrual rates, increasing their previous proposal of 1/65th to 1/60th. The Treasury additionally announced that it would ensure that any public sector worker within ten years of their pension age on 1st April 2012 will be exempt from any changes to the pension age or value.

The Coalition still intends the changes for all other workers to be introduced from 2015, and to proceed with the contribution increases next year. Nor are they reconsidering the change to the CPI inflation measure. Ministers have indicated, though, that if the changes are agreed, the Government will commit to these for the next 25 years, avoiding a repeat of the current situation where they are reviewing agreements that were negotiated just a few years ago.

I understand that the TUC has welcomed this as a signal that the Government will now attempt to have constructive negotiations, but the unions are of course now examining the exact details and the implications for their members to consider whether enough progress has been made to avert the day of action at the end of the month.

While the Government has clearly not made all the concessions public sector workers had called for, I hope that this is a sign that Ministers will now give public sector workers the respect they deserve and commit to meaningful negotiations with the unions. If you or FBU members here in Bristol have any comments on the latest developments or further issues that you would like me to raise with Ministers, I would of course welcome your thoughts.

Yours sincerely

Kerry McCarthy
Labour MP for Bristol East