



The Scottish Parliament
Pàrlamaid na h-Alba

PUBLIC PETITION NO.

PE01757

Name of petitioner

Liz Maguire

Petition title

Reduce actuarial reductions to the Scottish Local Government Pension Scheme

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to significantly reduce the levels of reduction to the Scottish Local Government Pension Scheme to ensure that today's low paid workers do not become even poorer pensioners.

Action taken to resolve issues of concern before submitting the petition

I have raised this issue with my employer and was advised that as the level of reductions are set out by Scottish Ministers they cannot reduce them.

I have contacted my constituency MSP and my 7 Regional MSPs (for Glasgow). I am in receipt of holding responses from Anas Sarwar, Johann Lamont and Nicola Sturgeon. To date I have received no response or acknowledgement from the remaining 5.

Petition background information

The Local Government Pension Scheme was revised in 2015 and a Career Average Earning Scheme (CARE) was introduced which replaced the final salary scheme. The accompanying regulations also introduced a number of important new elements. One of which was aligning the Local Government Pension to the normal State Pension Age.

Whilst members can still choose to retire and access their pension before State Pension Age, it is at a reduced rate (Actuarial Reduction). The level of reduction varies between 52% for men and 50% for women retiring 13 years earlier than State Pension Age and 6% for both men and women retiring one year earlier. For those with a State Pension Age of 67 wishing to retire at aged 62 the reductions are 25% for men and 24% for women.

The level of the reductions applied are based on guidance issued by Scottish Ministers. Since the new scheme was introduced, statistics published by the National Records of Scotland show that life expectancy since 2014-17 has decreased in Scotland for the first time in 35 years. They also highlight that Scotland has the lowest life expectancy of

all UK countries and in certain parts of the country including parts of Scotland's major cities, life expectancy is significantly lower than the Scottish average. Furthermore, there is growing evidence that following retirement the period of healthy retirement in parts of Scotland is also reducing.

Figures produced in 2017 record that in Glasgow 67.2% of Glasgow City Council's workforce were female. Women predominately absorb caring and family responsibilities and as such many face the necessity of giving up paid employment earlier than their State Pension Age.

Many local government workers, like myself joined the Local Government Pension scheme at a time when joining it was mandatory. At that time, you were able to retire on half your final salary after forty years' service. For me that would be when I reach 62. Under the new scheme however, if I retire at 62 my pension could be reduced by 24% and even at the age of 66 a 6% reduction would be applied. These reductions are calculated on guidance issued by the Scottish Ministers.

I believe that the guidance issued by Scottish Ministers on the level of reductions is punitively high and as a result it prejudices low paid workers and disproportionately affects female workers. I would like Scottish Ministers to review and issue renewed guidance which significantly reduces the level of reductions to avoid these low paid workers becoming even poorer pensioners.

Unique web address

<https://www.parliament.scot/GettingInvolved/Petitions/localgovernmentpensionreductions>

Related information for petition

Do you wish your petition to be hosted on the Parliament's website to collect signatures online?

YES

How many signatures have you collected so far?

0

Closing date for collecting signatures online

23 / 10 / 2019

Comments to stimulate online discussion

Do you agree that the levels of reductions to the local government pension scheme should be reduced to ensure that low paid workers and particularly female workers who choose or are forced to retire before state pension age do not end up as poorer pensioners?

Have you been directly affected by any of the issues raised in this petition?