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Pensions legal challenge in November

PCS and other trade unions will challenge the government's reduction in the value of new pension schemes for civil servants and millions of public service workers in the High Court in November.

The High Court yesterday gave permission for the challenge to go ahead, following the age discrimination found proven in earlier proceedings at the Court of Appeal.

New public service pension schemes were introduced by the coalition government in April 2015 which in most cases were substantially worse than the pension schemes that preceded them. The way the new schemes were introduced was found to be discriminatory in proceedings brought by firefighters and judges in 2020, and the changes have had to be reversed for the period between 2015 and 2022. The government estimates the cost of this to be £17 billion.

The government's reaction was to shift the cost to the members of the new, post-2015 public service pension schemes for public servants. This would mean that the cost of remedying the government's discrimination against members of the pre-2015 schemes would be met by many of the same members in a completely unfair way.

PCS General Secretary Mark Serwotka said: "This government is morally corrupt from the top down. If it's not the prime minister embroiled in scandals and sleaze, it's plans to steal pensions from civil servants.

"We will not sit back and watch our members being made to pay for their own compensation. We shall ensure they have their day in court."

All public service pension schemes were valued in 2019. It turned out that the schemes were substantially cheaper than envisaged by the 2015 reforms – by 5.4% in the case of the civil service schemes. The legislation that came into force

in 2015 required these savings to be passed on to 2015 scheme members by reducing their contributions, improving their benefits or a combination of both. Instead, the government's proposals would mean that the savings are used up to meet the bill for the government's discrimination.

PCS and other unions have challenged this action in judicial review proceedings. They argue that the government's action:

1. breaches commitments made to them when the 2015 schemes were introduced
2. contravenes the purpose of the cost control mechanism introduced in 2015 which would have led to contribution reductions, benefit improvements or both, and
3. once again, discriminates against younger scheme members.

The case is expected to be considered by judges at the High Court in November.