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BMA BRIEFING
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NHS PENSIONS AND BMA BALLOT ON INDUSTRIAL ACTION

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The first ballot of UK doctors on industrial action since 1975 closed on Tuesday 29 May. The results showed a clear mandate for industrial action on a very high turnout. The following briefing covers the background to the dispute – over changes to NHS pensions – and the type of action doctors will be taking.

The changes to the NHS pension scheme

Under the Government's plans, the contribution taken from NHS employees' pay for their pensions increased in April 2012. Contributions will go up again in 2013 and 2014, with, under current proposals, the highest earners contributing 14.5 per cent of pay by 2014 (compared with 8.5% of pay as of 31 March 2012).

In 2015, there will be a switch to a new career average revalued earnings (CARE) scheme for all doctors. For hospital doctors, this means the end of the final salary scheme, resulting in around a 30 per cent reduction in value on a like-for-like basis. GPs already have a CARE scheme but they will also see their contributions rise very significantly. In 2015, the normal pension age will be linked to, and will increase in line with, the state pension age, with many NHS staff having to work to the age of 68 to be able to draw a full pension. The state pension age may well rise beyond this in future.

Increase in Normal Pension Age

Under the proposals, NHS staff will be required to work until the state pension age (set to rise to 68, and probably further in future) until they can draw a full pension, rather than 65 for those on the 2008 pension scheme. By contrast, members of the police and firefighter pension schemes are able to keep a normal pension age of 55.

Affordability and sustainability of current NHS pension scheme

The Government's main argument for its radical changes to the NHS pension scheme is that it is unaffordable and unsustainable. This does not stand up to scrutiny. In 2008, NHS staff agreed to major changes to their pension scheme to make it sustainable in the long term. This involved a large hike in employee contributions, and the introduction of tiered contributions to protect lower paid workers. It also meant an increase in the pension age for new entrants (to 65), and employees – not taxpayers – taking on responsibility for future rises in the cost of the scheme (for example because of increasing longevity).

Clearly, the country is now in a very different financial situation. However, this has not affected the sustainability of the NHS scheme. It is currently providing a positive cashflow of £2 billion to the Treasury each year¹ and a 2011 report from the Public Accounts Committee found that the 2008 reforms are bringing substantial savings to taxpayers, with the scheme set to be sustainable well into the future.²

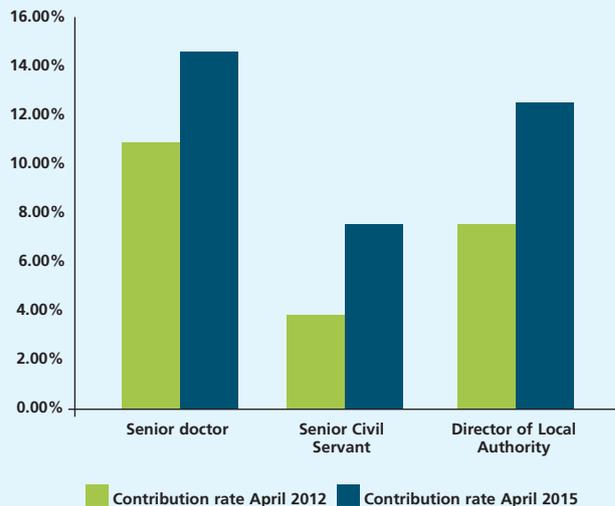
Pensions contributions for NHS staff compared with other public sector workers

Higher paid NHS staff already pay proportionately more for their pensions than most other public sector workers. Contributions for NHS staff rose in 2008, again in April 2012, and are set to increase again in 2013 and 2014. By 2014, some doctors will see deductions of 14.5% from their pay for their pensions, compared to 7.35% for civil servants on similar salaries, to receive similar pensions. Doctors currently at the start of their careers would be hardest hit, having to pay hundreds of thousands of pounds extra – double what they would have paid – in lifetime pensions contributions.

1 Office of Budget Responsibility – Fiscal Supplementary Table 1.5 – November 2010

2 Public Accounts Committee – 38th Report: The impact of the 2007-2008 changes to public sector pensions [May 2011]

Comparison of pension contribution rates for senior staff working in the public sector following changes to public sector pensions



This graph shows the variation in pension contribution rates for senior professionals in the public sector (on similar salaries, and receiving similar pensions) as of April 2012 (following the first phase of planned increases) and what it will be by April 2015 (following further planned increases). The data shows that senior doctors will pay the highest proportion of their salary in pensions contributions.³ The BMA believes there is no justification for maintaining the degree of tiering that currently exists in the NHS pension scheme if the planned move from the final salary scheme to a career average scheme goes ahead.

How we've reached the point of industrial action

The BMA is taking this step reluctantly. It has always said it would prefer to find a way forward through negotiation, and that industrial action is very much a last resort. However, it believes the Government has mishandled the situation by failing to enter into genuine negotiation on the further changes now being imposed on top of the 2008 negotiated reforms. BMA members overwhelmingly rejected the Government's 'final offer' made in December 2011, with almost two thirds of the 46,000 doctors and medical students who responded to a survey saying they were prepared to take industrial action to pursue improvements to the offer.⁴ The BMA has continued to lobby the Department of Health and the Treasury to return to meaningful talks. But in February 2012, with no movement from the Government, and the strength of feeling among doctors very clear, BMA Council decided it had no alternative but to ballot on industrial action. The results of the ballot – released on the 30 May – showed a clear mandate for industrial action on a very high turnout. The first day of action will take place on the 21 June, and will see doctors providing all urgent and emergency care, but postponing non-urgent cases.

What industrial action will mean

On the day of action on 21 June, patient safety will be the over-riding priority. The BMA is asking doctors to take action which:

- is not strike action as the term is normally understood by the public, as it will not involve a full withdrawal of labour
- will ensure all emergency care, or other care urgently needed by patients, will be provided.
- will involve doctors being in their usual places of work
- will take place for a 24-hour period initially (with its impact – particularly on patients – assessed before any further action was taken).

However, doctors will not undertake duties that could safely be postponed. Discussions are taking place with employers, both locally and nationally, to ensure a safe service is provided, and further, detailed advance planning will be undertaken. This will involve the postponement of routine procedures and non-urgent appointments, but patients will, wherever possible, receive advance notice of any impact for them.

³ Senior doctor contributions are based on consultants at top of pay scale with a bronze Clinical Excellence Award. Senior civil servant contributions are based on staff at the top of SCS3 scale. Director of Local Authority contributions are based on staff at the top of 'MB Directors' scale for the London Borough of Bromley. Data provided by BMA Pensions Department

⁴ BMA Pensions Survey 2012 http://www.bma.org.uk/employmentandcontracts/pensions/nhs_pensions_reform/pensionsurveyresults2012.jsp

GP practices will remain open and fully staffed, so that they can see patients in need of urgent attention that day. However, it will not be possible to book an advance appointment on or for the day of industrial action. This will be advertised well in advance. Doctors will remain bound by their professional duty to their patients as defined by the General Medical Council. Although there will inevitably be inconvenience for some patients, anyone requiring care or investigation that day will receive it.

*Examples of care that will **not** be postponed*

- All urgent and emergency treatment, surgery, procedures and investigations
- Curative/palliative cancer surgery and other cancer treatment (eg chemotherapy)
- All emergency department and labour ward attendances
- GP appointments for patients considering themselves in need of urgent attention that day
- Urgent administrative work, eg reviewing test results and acting on abnormal results
- Urgent prescription requests

Examples of care/duties that will be postponed

- Non-urgent outpatient and GP appointments
- Non-urgent elective surgery
- Management meetings (unless concerned with immediate patient care or about the industrial action)
- Non-urgent administrative work

The ballot process

On Monday 14 May 2012, ballot packs were posted out to 103,000 BMA members across the UK who are eligible to take part in the ballot. There were six separate ballots, for: general practitioners; consultant doctors; junior doctors; staff associate, specialist and specialty doctors; occupational medicine doctors; and public health and community health doctors. The results of the six ballots were announced separately.

Although the BMA has ruled out a complete withdrawal of labour, there were two questions on the ballot paper in order to provide maximum legal protection. One asked doctors whether they are prepared to take part in industrial action short of a strike, and one asked whether they are prepared to participate in a strike. To provide a mandate for action, doctors were asked to answer 'yes' to both questions. On Wednesday 30 May the results of the ballot were announced. The results showed a clear mandate for industrial action on a very high turnout. BMA Council met on the same day to consider the results of its ballots and confirmed that doctors will be taking industrial action with the first day of action taking place on 21 June.

Previous industrial action by doctors

The last time doctors took industrial action was in 1975, when consultants suspended goodwill activities and worked to contract over a contractual dispute, and junior doctors worked to a 40-hour week because of dissatisfaction with the progress of contract negotiations. Since then, industrial action has been raised as a possibility, but no dispute has reached the point where a ballot was necessary.

Situation across the UK

Doctors in England and Wales, where the UK government has responsibility for the NHS pension scheme, will be affected by these changes. The Scottish Government has initiated talks with health trade unions, but no alternative offer has been made. It is also likely that the Northern Ireland Assembly will go ahead with the same plans, but so far this has not been definitely confirmed.

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