

Pensions Bulletin

GMB Pension Manifesto

The GMB has consistently campaigned for decent living standards in retirement, accountable responsible investment, financial stability and a sustainable economy. With this in mind we, along with other Trade Unions under the auspices of the TUC, support a manifesto of changes we would like a future government to enact. These include

- Fair, green, decent pensions for all and a sustainable, thriving economy
- Fairly sharing risk within occupational pension schemes; and
- Ensuring responsible pension fund investment which supports the just, green transition.

Decent pensions for all

Most people save too little to expect adequate income in retirement and the state pension remains low compared to European peers. Many, including a disproportionate number of women, are unable to access the full state pension because of its link to National Insurance Contributions (NICs) and the link of pensions to wages means the low paid also receive low pensions. GMB supports the following recommendations

- Improve the state pension. Retain the “triple lock” and reduce the number of years’ National Insurance Contributions (NICs) required for a full state pension. Make tax relief on pensions more progressive.
- Boost occupational saving. In defined contribution (DC) schemes, we support an increase in the levels of employer contribution (smaller employers may need support to phase this in). For defined benefit (DB) schemes, surpluses should only be used to benefit pensions savers.
- Auto Enrolment needs to be redesigned to support those who are left behind by the current system, in particular the self-employed, the low paid, part time workers, the young and those unable to work or who take extended time out of the labour force.

Fair risk-sharing

Pensions are a collective endeavour where risks can be significantly reduced for all by sharing them. However, the current DC system asks individuals to shoulder the risks and assumes high financial literacy of the population. Therefore GMB supports

- The conversion of DC schemes into Collective DC (CDC) schemes and the promotion of not-for-profit master trusts.
- Keeping DB schemes open to new entrants and supporting them to grow.

- Ensuring member representation. The governance of pension schemes should ensure a strong voice for its members.

Responsible investment for the just green transition

Current environmental trends threaten the planet and therefore a just transition to a green economy is essential. Pension funds, as major investors, have a role to play in supporting this transition and therefore GMB supports

- Enacting regulations that penalise investments in ecologically destructive activity and require funds to have science-based 1.5c aligned transition plans. Transparency, accountable governance and increased regulatory power are preconditions of this.
- The definition of 'fiduciary responsibility' should greater reflect the need for pension funds to consider the environmental and social impacts of their investments.

The GMB will be campaigning around the above regardless of who wins the 2024 general election. We will also seek to

- Fix various flaws in new pensions tax law around the abolition of the Lifetime Allowance
- Support recommendations for the compensation for women affected by poor communication of changes to the State Pension age

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