

Government u-turn should see public sector workers paid back £2.4 billion



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Pressure from GMB, Britain's general union, has forced the Government to make good on its promise that should lead to the pay back of the estimated £2.4 billion it owes to more than four million public sector workers.

In a statement to Parliament today, Treasury Minister Steve Barclay confirmed the lifting of the **2019 pause on the cost cap mechanism** – and announced a consultation on **remedies for addressing pensions discrimination**.



Since 2015, 4.1 million people working across the NHS, the civil service and in local government have effectively been **overcharged for their pensions**.

Under a deal negotiated by unions including GMB on how to draw benefits due to the cost cap mechanism the £2.4 billion was going to be paid back to the workers by reducing their future pension contributions and/or improving benefits.

But the **Government tried to use the cash** to pay for the aftermath of a legal challenge it faced to its botched plan to raise the retirement age for public sector workers, known as the McCloud judgment.

Under a Government scheme, people close to retirement were protected from the changes and allowed to stay in their existing pension schemes – a move which has been found to be age discriminatory by the courts.



Rehana Azam, GMB National Secretary said:

“It’s welcome that Ministers have in the face of sustained pressure finally U-turned on the pause they imposed on the drawing down of pension benefits. Their indefensible decision has left public sector workers facing financial hardship.

“GMB has long campaigned for the lifting of the benefits pause the Government unilaterally imposed on our members without consultation. Hard-working public sector workers should now get what they’re owed.

“The Government has had to make a U-turn because they knew they were in the wrong and were poised to lose the Judicial Review GMB and others had brought against them.

“Any suggestion that it should now be public sector workers who now bear the costs of Ministers’ discriminatory errors will be fiercely resisted. GMB will not stand by if the Government intends to break its word and force public servants to pick up the bill for its own mistakes.



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