

THE DEAL

Public service workers

- ✓ **A good pension in retirement:**
a level of pension that at least meets agreed adequate standards of pension - taken together with full state pension this should deliver on average more than two thirds of pre-retirement salary for those below median income.
- ✓ **A defined benefit pension:**
a pension based on average salary indexed by average earnings over your career. The design should benefit the majority of members who do not have the high salary growth rewarded in a final salary scheme.
- ✓ **Accrued rights protected:**
the years you have already worked provide a pension at your current pension age linked to your final salary. This will protect existing staff from full impact of change in proportion to their age and career length.
- ✓ **Fair process of change:**
the details of change should be the subject of consultation with staff and unions.
- ✓ **Better management of schemes:**
improved standards of governance and administration with staff involvement.

Taxpayers

- ✓ **Fairer sharing of benefit of living longer:**
public service workers will over time be expected to work longer - most to state pension age - before they take their pension. This will rebalance the proportion of adult life spent in retirement.
- ✓ **Future-proofed:**
pension age in most public service schemes will be expected to keep in line with changes to life expectancy through a link to state pension age changes.
- ✓ **Fixed cost:**
the Government should establish a fixed cost for the employers' contribution to public service pension schemes. If cost grows beyond this level action will be taken to get back to this level.
- ✓ **Greater transparency of cost:**
figures for the current and future expected cost of public service pensions should be published more regularly, consistently and transparently.
- ✓ **Single legal framework:**
public service pensions should have a new legal framework with consistent approach to control and governance.