

MP  
House of Commons  
London  
SW1A 0AA

Dear

## **GOVERNMENT CONSULTATION ON ABOLISHING FAIR DEAL**

You will no doubt be aware that HM Treasury have recently released a consultation document concerning the future of the Fair Deal policy.

Fair Deal was first introduced in 1999 and clarified in 2004 and is a non-statutory policy applying to pension provision for public sector staff when they are compulsory transferred to a non-public sector employee. In effect, Fair Deal requires that the new employer provides a broadly comparable pension scheme for the transferred staff and “beneficial” transfer terms for those staff who wish to transfer their public service pension benefits into their new employers pension scheme. Broad comparability should be evidenced by a certificate produced by the Government Actuaries Department.

There is separate legal protection with effect from 1 October 2007 for members outsourced from Best Value Authorities which is also under threat through this consultation, as indeed are the future of Admitted Body Status agreements in the case of the Local Government Pension Scheme and Direction Body Status in the case of the NHS Pension Scheme.

This is a matter of grave concern for all public sector workers and indeed former public sector workers who have been TUPE transferred to a private contractor.

It is vital that we retain Fair Deal to protect some of the lowest paid workers in the land from facing poverty in retirement.

The Government’s clear political agenda is to privatise more and more public services. This consultation should not be used to sweeten the deal for private companies bidding to take over public services.

Diluting Fair Deal would leave TUPE transferred staff at the pensions mercy of private contractors, the financial implications would also end any chance of a successful in-house bid.

In the longer term, cutting the pensions of workers transferred to private companies would not save the State a penny, tax payers would be left to pick up the multi-billion pound benefits bill later on down the line.

Two thirds of private sector employers don’t even pay a pension contribution for their staff. Abolishing Fair Deal would simply extend the numbers of people likely to be reliant on the State in their retirement.

There is no good reason why Fair Deal should be diluted or scrapped to the detriment of outsourced staff as well as future tax payers and I urge you as my local Member of Parliament to make representations to ministers and Parliament to this effect.

I look forward to your action on my behalf in this respect and your considered reply to my concerns in due course.

Yours sincerely

