

### **3.13 Deputy G.P. Southern of the Chief Minister regarding the effect of the proposed career average pension scheme on women:**

Does the Chief Minister accept that the proposal to move P.E.C.R.S. (Public Employees Contributory Retirement Scheme) pensions from a final salary to a career average basis discriminates against women, who often take career breaks or work part-time to raise children and, if so, what advice, if any, has been sought as to whether the revised scheme could be challenged under the Discrimination Law when the provision relating to sex discrimination comes into force?

#### **Senator I.J. Gorst (The Chief Minister):**

No, I do not consider the proposed changes to be discriminatory. A career-average scheme is fair to all staff. Its benefits are spread more evenly across the workforce than in a final salary scheme and they tend to favour the low-paid and workers with careers that do not rise sharply towards the end. C.A.R.E (Career Average Revalued Earnings) schemes also favour those who have career breaks or shortened careers; this often means the low paid and part-time workers who have breaks in their careers. For this reason, C.A.R.E. is regarded as better equality-proofed. I believe the revised pension scheme will be fairer to employer, employees and taxpayers, who all share the cost of public sector pensions. Ultimately, of course, it will be for the States Assembly to decide whether or not it is satisfied with the proposed pension scheme which has been developed alongside detailed negotiations with trades unions.

#### **3.13.1 Deputy G.P. Southern:**

Is the Chief Minister prepared to accept major changes to family-centred practice in our own employment practice and on the Island in order to cater for potential discrimination against women?

#### **Senator I.J. Gorst:**

Is the Deputy asking me in relation to pensions, or is that just a general question? Because, if he is asking me in relation to pensions, I do not accept his contention that it is discriminatory.

#### **The Bailiff:**

I think it must relate to pensions because that is what the question relates to. Deputy Young?

#### **3.13.2 Deputy J.H. Young:**

Would the Chief Minister not agree that women generally in occupational schemes finish up with less years of service than men and, therefore, there is an in-built imbalance anyway under the way such schemes operate?

#### **Senator I.J. Gorst:**

That would relate to anybody that makes fewer contributions to a scheme or works for an organisation for a shorter period than person B; of course, they cannot expect to get the same out as somebody who works for a longer period of time. I do not accept, again, the contention of the Deputy. Perhaps, if I could refer Members to a leaflet issued by Unison, who themselves say - and I took some of their wording in my initial answer, but I did remove one particular phrase - this usually means, in relation to a C.A.R.E. scheme, that low-paid and part-time workers, mainly women who have breaks in their careers, is regarded as a better equality-proof system. I think this is a step forward, not a step back.

#### **3.13.3 Deputy T.A. Vallois:**

The Chief Minister has just mentioned again “equality-proofed.” Could he explain what he means by “equality-proofed” when we have no equality Act or equality within our constitution?

**Senator I.J. Gorst:**

That is right, we do not but, as we know, the Minister for Social Security has only today, I think, lodged his consultation paper on a further attribute within the discrimination legislation. It does not mean to say, just because we do not have an equality Act we cannot try and ensure equality of the legislation that we bring forward. My point is exactly the reverse of the original mover of this question: a C.A.R.E. scheme is more equal and fair than the existing final salary scheme.

**3.13.4 Deputy M. Tadier:**

Will the Chief Minister confirm whether or not there is a credit system whereby women who have to take extended periods, particularly for childbirth and child-rearing, are able to have credits put towards their P.E.C.R.S. scheme and, if not, would that be considered to limit the discriminatory effect, albeit the unintended discriminatory effects that this scheme will have against women?

**Senator I.J. Gorst:**

I am not aware of a credit scheme. The Deputy seems to be indicating that this scheme is going to operate differently when it comes to maternity arrangements from the old scheme. The question was that the new scheme is discriminatory as opposed to the old scheme; my argument is, no, this scheme is fairer than the old scheme.

**3.13.5 Deputy G.P. Southern:**

Is the Chief Minister aware of the latest report that suggests that females on retirement receive pensions up to a quarter less than their male equivalents and, if not, will he undertake to examine this piece of work? It should not be too hard for him to find; I saw one version of it in the *Daily Mail*.

**Senator I.J. Gorst:**

Of course it may surprise the Deputy to hear that I am not a reader of the *Daily Mail*. Perhaps he would like to provide me with the link and, of course, I will be delighted to consider any evidence-based report looking at pensions. But, be in no doubt, what is being proposed now is a fairer, more affordable and more sustainable scheme, and that is absolutely the right thing for us to do, I believe, in our community.