JOINT STATEMENT BY UNIONS AND NDA AND BNFL

Unions, NDA and BNFL met on 25th September to discuss the Combined Nuclear Pension Plan (CNPP) Defined Contribution arrangements for future new joiners.

All parties agreed the proposals for the design of the Defined Contribution (money purchase) arrangements, and that they compared very favourably with other defined contribution arrangements within the UK. However, the Unions would have preferred new joiners to be offered defined benefit arrangements as an option.

It was noted that the permanent health insurance and life insurance provided as part of the Defined Contribution arrangements would not replace those additional benefits which are provided by the employer outside of the UKAEA Combined Pension Scheme, and which form part of employees' general terms and conditions.

The NDA has agreed that the total cost to the employer will be no less than the current CPS employer contribution rate of 15%. In addition, the Unions have asked for an increase in the employer's total contribution rate for the CNPP Defined Contribution arrangements. The NDA has agreed to consider whether there is scope for a further increase. A further meeting will take place on 20th October 2006.

Looking further ahead, the employer's contribution rate could be increased in future, if required, and will be subject to review by the CNPP Trustees and the NDA. The proposed Pension Consultation Committee will provide a mechanism to consult with the Unions on whether any future changes may be justified e.g. if a change was desirable for recruitment and retention purposes.

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