

Focus on the cost-of-living crisis

In our latest focus on feature, we look at the cost-of-living crisis, how it is affecting members and how PCS is campaigning to increase pay, pensions and living standards, starting with our consultative ballot from **14 February to 21 March**.

The UK is in a cost-of-living crisis with millions of people not knowing how they will make ends meet, feed themselves, heat their homes and pay their bills.

The Guardian has reported that UK households have suffered the sharpest fall in the amount of cash they have available to spend for almost eight years, amid a worsening cost of [living crisis](#) driven by high inflation and rising energy bills.

And a report from the [Royal Society for Arts](#) underlined that young adults were among the hardest hit by the cost-of-living crisis. It warned that the damage to their finances from inflation, student debt, and rising taxes risked creating a new “generation precariat”.

Many PCS members, the government's own workers, are feeling this crisis acutely following years of wage stagnation and being forced to overpay into their pensions:

- Their pay has been frozen and capped, and their living standards have fallen by around **20%** in real terms in the last decade. The average PCS member is worse off by **£2,300** a year since **2011**.
- Inflation is running at **5.4%** (CPI) and is predicted to rise even higher in **2022**.
- The energy price cap rise in April will mean energy bills could go up by **50%**.
- National Insurance contributions will rise in April – for a member on **£20,000** it will increase from around **£1200 - £1330** a year – up **10%**.
- The government acted unlawfully yet refuses to refund the money you have overpaid for pension contributions – members are **£500** a year worse off on average.

Campaigning to raise pay, pensions and living standards

PCS is campaigning to raise the pay, pensions and living standards of all our members, many of whom are facing stark choices of what to do without as energy and food bills rocket but their wages do not keep up.

Running out of money weeks before payday and struggling to pay bills and feed their families are some of the heart-rending experiences of the crisis [PCS members have shared with us](#).

Young member Michael, who works for the Information Commissioner's Office, says he typically runs out of money in the week of payday.

He says he is "terrified of what an increase in bills and food expenses means because I can't reduce any other costs anywhere."

"I've already experienced a massive spike in bills for energy and have started reducing power use as much as I can, I turn off the microwave when it isn't in use and never leave anything plugged in just in case it makes any difference," he said.

"I've reduced the amount I spend on food so that I only eat two meals a day. I'm very stressed about it constantly in all honesty, it's caused arguments with friends and loved ones because my fuse is so short due to it."

DWP member Rachel often has weeks where she wonders how she and her husband can afford to buy food and fears that the NI increase will leave them unable to pay their bills.

"For our family currently, we run out of money very easily, my money comes in and goes straight back out again, my partner's money mostly comes in and out again, but then we have to budget for things like food shopping," she said.

Inflation at 30-year high

Inflation is running at a 30-year high of 5.4% (Consumer Prices Index) and is expected to rise even higher. But as food writer and campaigner Jack Monroe highlighted in a [Twitter thread viewed by more than 15 million people](#), the inflation figure hides an even starker reality. Many people are struggling to get by with inflation on many basic ingredients running well into double and even triple digits in the past 12 months.

Among the examples Jack cited of increases hitting the poorest and most vulnerable were:

- A 344% price increase on the cheapest rice, up from 45p a kilo to £1 for 500g.
- A 141% price increase on the cheapest pasta, up from 29p for 500g to 70p
- Baked beans: were 22p, now 32p. A 45% price increase year on year.

Fuel poverty affecting millions

The energy price cap rise in April could see energy bills go up by 50%, leaving, as campaign group Fuel Poverty Action (FPA) says in [a blog for PCS](#): “Millions of households in the UK frozen in the grip of fuel poverty – unable to heat their homes and afford their energy bills.”

Around [10,000 people a year](#) on average die as a result of fuel poverty.

FPA says fuel poverty is the result of deep-seated inequalities in our society, with [poor, slum-like housing conditions](#) rampant, the energy sector privatised and deregulated against the interests of workers and communities. And [continued cuts to investment](#) in energy efficiency measures and cheap renewable technologies.

They are [calling for a Windfall Tax](#) on fossil fuel companies to invest in urgent financial relief, demanding that they do not continue to profit off the backs of the poorest in society who are already having to choose between heating and eating.

Find out more, including how you can get involved in the campaign, by [reading the blog](#).

Pensions robbery

On top of pay restraint, decades-high inflation and hikes in energy bills and National Insurance, since 2019, PCS members have been overpaying for their civil service pension by on average £500 a year because the government should have reduced employee contributions after it was found that the cost of the scheme had been overestimated. [But they are refusing and scandalously trying to pass on the cost to members themselves.](#)

So far **more than 25,000 PCS members** have worked out how much they have lost by using our [PCS pensions loss calculator](#). The **average loss per month is around £53**. Simply enter your gross annual salary into [the calculator](#) and it will show you how much you have overpaid.

At a time when the [cost of living is rising sharply](#), PCS members cannot afford to make these overpayments.

Members have shared their calculations and told us how they could be spending the extra money they are paying into their pensions.

Roberta told us that she used our calculator to work out that she is **overpaying by £45 a month**. She said: “I have a large credit card debt which I am slowly paying off but that £45 would go a long way to paying it off quicker.”

Another member said that in nearly 40 years of working in the civil service this is the worst she has ever seen in terms of people trying to cope with rising energy, fuel costs and the cost of living. She is overpaying into her pension by **£31 a month**.

She said: “We are having to pay out more and are now just working to keep a roof over our heads and food and warmth but having to decide which we can afford each month. Having that extra pension money back will help but we need an increase with our pay, too.”

We have also created an [e-action](#) so members can share what they have lost with their MP.

Support the PCS campaign and ballot

To support our campaign to raise pay, pensions and living standards we are balloting all public sector members from [14 February to 21 March](#) to ask what action they would be prepared to take in support of our 2022 pay claim of:

- A cost-of-living rise of **10%**.
- A living wage of **£15** an hour.
- An annual leave allowance of at least **35** days a year on entry.
- A significant reduction in the working week with no loss of pay.
- A London Weighting payment of **£5,000** a year, with no detriment to anyone currently entitled to more than that.
- A return to national civil service bargaining on pay and terms and conditions.
- An immediate cut in pension contributions of **2%** backdated to **2019**.

This is a consultative ballot to test members’ strength of feeling. A big **yes** vote will send a powerful message to government ministers and individual employers. The bigger the **yes** vote the stronger the union’s position will be in talks with ministers.

If members vote **yes**, we may hold a full statutory ballot on industrial action.

In preparation for the ballot, we need members to:

- Use the [PCS pensions robbery calculator](#) and share the results with their MP
- Go to their union branch meeting
- [Get active in PCS](#)
- Vote in the ballot when they receive their paper.