

Summary

MAKE SURE YOU'RE IN THE KNOW

On 18th September 2014, people in Scotland will decide whether to stay in the UK or leave and become a new, separate state. The decision you make has implications for jobs, pensions and the UK welfare system that currently supports millions of people in Scotland.

As part of the UK, the Scottish economy is growing, inflation is down and more jobs are being created. [Latest employment figures \(March to May 2014\) show a record number of people are in work in Scotland with employment up by 76,000 over the past year.](#)

By remaining part of the United Kingdom, pensions are more secure and spending on benefits and public services is more affordable. The broad shoulders of the UK provide a crucial safety net protecting against future risks such as the increasing costs of an ageing population in Scotland.

Decisions which are already made in Scotland will continue to be made here in the event of Scotland voting to stay in the UK. But those decisions will also be backed up by the strength, stability and security of the United Kingdom.



THE REFERENDUM DEBATE HAS IMPLICATIONS FOR JOBS AND PENSIONS IN SCOTLAND AND HERE IS WHY:



Jobs matter

More people are in work than ever before. Latest employment figures show that between March and May 2014, over 2.58 million people in Scotland were in work.



Pensions matter

The number of UK pensioners with very low incomes has declined since the 1990s and Scotland now has the lowest proportion of pensioners with very low incomes across all four countries of the UK. The growth in pensioners' incomes is largely explained by UK Government changes to benefits and the State Pension. As people live longer, the challenges of providing vital pensioner benefits are better shared by 31 million tax payers and absorbed by our large, diverse economy. In an independent Scotland, this cost would fall to just 2.6 million tax payers.



Support matters

Our shared social security system provides security and peace of mind for you and your family. The level of State Pension and benefits are the same wherever you live in Great Britain and everyone in Scotland can access UK Government schemes designed to help people into work.



Your decision matters

Leaving the UK would mean stepping away from our pooled resources. An independent Scotland would have to set up a new welfare system, supported by a smaller economy.

Our overview highlights what being part of the UK means for work and pensions.



Factsheet

KNOW THE FACTS

When it comes to jobs and pensions the United Kingdom has established systems that work well. If you remember three things about how the UK supports you and your family and the effect independence could have, make it these:

Job opportunities are increasing.

The number of people in work in the UK is at record levels, with over 2.58 million people in employment in Scotland. This is borne out by growth in the main sectors of the economy such as services, production (including manufacturing) and construction over the course of the last year. By remaining part of the UK, Scotland can continue to benefit as the UK recovery gathers pace.

Our system works.

The welfare system has been developed over time to provide support where and when people need it most. For example, UK Government spending on benefits, pensions and tax credits in Scotland was £17.7 billion in 2012/13.

Your savings and pensions are protected.

As part of the UK our savings are protected by a guarantee covering deposits of up to £85,000 in any UK bank or building society. People have greater certainty and security when it comes to retirement. The State Pension is paid at the same level across the UK, and the UK's Pension Protection Fund protects the rights of over 11 million people in eligible occupational pension schemes.

Infographic

KNOW THE NUMBERS

Jobs



30.6 million people

In the UK there are **over 30.6 million** people in work



119,000 more private sector jobs

Between 2010 and 2013 private sector employment increased by 119,000 in Scotland*

* This time period is used because it excludes the effect of reclassification between the public and private sector



Jobs connected to trade with rest of UK

Many thousands of Scottish jobs are connected to trade with the rest of the UK. For example, thousands of Scottish jobs are supported by banking, insurance and finance, and the industry itself estimates that nine out of ten customers live in the rest of the UK. By having the same currency and not having an international border between us, it's easier and cheaper to do business

Pensions



1 million pensioners

In 2012/13, just over 1 million pensioners in Scotland received **£9.6 billion**



£80 higher per person

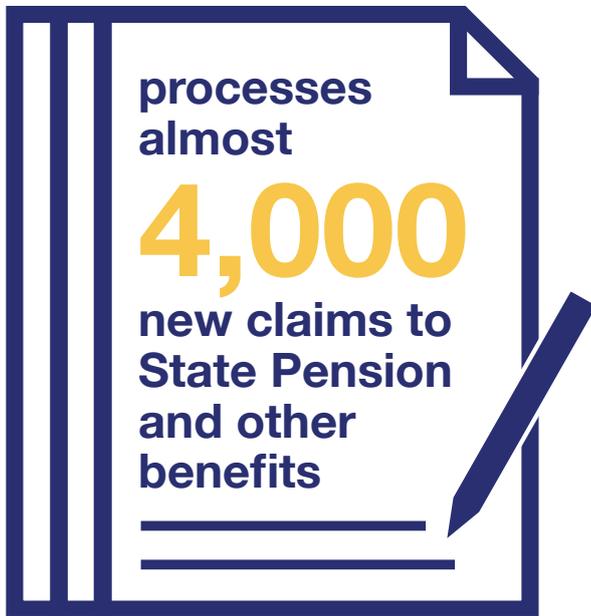
Expenditure on pensioner benefits is currently £80 higher per working age person per year in Scotland than in the UK as a whole



A number of factors, including an ageing population and the spending commitments made by the Scottish Government in their White Paper would mean that, within 20 years, an independent Scotland would face additional social security costs of £1.55 billion per year in today's terms. This results in a total increased cost rising to £450 per working-age person per year in Scotland over the next 20 years.

Support

Every working day in Scotland, the Department for Work & Pensions:



pays over 258,000 vital
benefits payments, such
as the State Pension



helps 1,200
unemployed people to move
off Jobseeker's Allowance



carries out over 7,500
Jobcentre Plus adviser
interviews to help people
find work

Factsheet

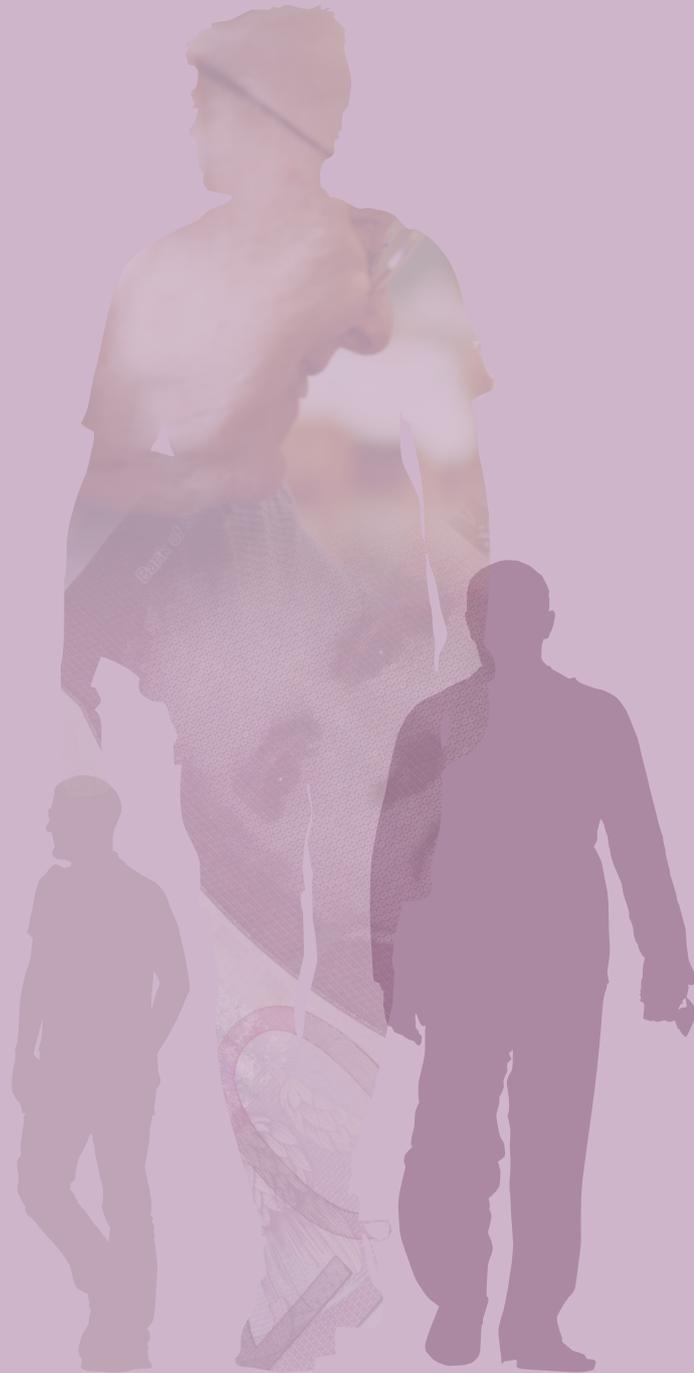
KNOW THE ANSWERS...

Here are some basic questions that it's important to consider before you make your decision.

Why is my job more secure as part of the UK?

Neither the Scottish Government nor the UK Government knows for sure what would happen if the people of Scotland vote to leave the UK. What is certain is that the emergence of a border between an independent Scottish state and the continuing UK would reduce flows of labour between the countries.

Currently, workers can easily move throughout the UK, helping to match individuals and jobs, and to alleviate unemployment in particular areas in times of economic difficulty. In fact, Census 2001 showed that around 30,000 people travel each day across the border between Scotland and the rest of the UK to work. This benefits both employers, who can recruit from a wider pool of skilled labour, and individuals, who can find work that better meets their skills, needs and aspirations. The UK economy is the sixth largest in the world with many thousands of Scottish jobs connected to trade with the rest of the UK. Indeed, around two-thirds of Scottish exports go to the rest of the UK - more than to the rest of the world combined.



Why is my pension more secure as part of the UK?

An independent Scotland would face greater challenges in paying pensioner benefits as the proportion of pensioners in Scotland is predicted to increase faster than the rest of the UK. Within 20 years, an independent Scotland would face additional social security costs of £1.55 billion per year in today's terms due to demographic changes and the Scottish Government's spending commitments.

People saving in a private pension are protected by the UK regulatory regime, including the Pension Protection Fund which protects over 11 million people in eligible occupational schemes. People saving in a private pension in an independent Scotland wouldn't be protected by UK organisations such as the Pension Protection Fund.

Being part of the UK means people in Scotland have greater certainty and security when it comes to vital benefits such as their State Pension. By staying part of the UK we pool resources and risks and the broad shoulders of the UK provide a crucial safety net.

How does the current social security system help me?

As part of Great Britain everyone has access to the same benefits, paid at the same rate regardless of where you live. While the shape and size of the social security system has evolved over time, its basic tenet remains unchanged – providing financial support for people and families in times of need in a way that is affordable and sustainable. Over 30 million people in the UK – half the total population – receive income from at least one social security benefit or tax credit. In Scotland there are 2.8 million people receiving payments – again around half the population.

The current social security system is highly integrated and the delivery of these services, in the event of a yes vote, would be the subject of negotiation between the UK and the Scottish Governments. An independent Scotland would be faced with starting up its own systems from scratch. For example, it has been estimated setting up an IT system alone would cost £300-400 million.

The current UK system works and works well.





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