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Scaremongering in defense of privilege is apparently no crime. Even Tories are doing it.

On Saturday, The Observer published warnings from Baroness Eaton, the Conservative chair of the Local Government Association, that plans for public-sector workers to make higher pension contributions will result in a massive opting out of their scheme with 'disastrous economic consequences.' In short order, the GMB union pipes up that a very precise 39% of its members would opt out of the local government scheme if higher contributions were imposed.

What balderdash!

Under legislation by the previous Labour government and maintained by the current Lib-Con coalition, virtually every employee in the land must be enrolled in a pension scheme, starting in 2012. And such schemes must contribute at least 8% of salary into the scheme of which at least 3% must be by the employer. Even if public sector workers actually went through the hoops of the opting-out process, would they really find another scheme that would be more generous than what they have now? Not bloody likely.

We might have expected the reaction from the GMB union but Baroness Eaton should have known better.

Yes, pension costs are rising. Yes, employees need to set aside more for a comfortable retirement. Yes, employers' payroll costs will rise. We all know that? It's probably the biggest long-term challenge facing mature democracies everywhere. The days of a free retirement are over, unless you're a public sector worker of a certain age. Muddying the waters with inflammatory and ill-founded hysteria is of no help. Just look at the wasted energy expended by over 120 outraged comments on The Observer's website in denial of the truth.

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