

## USS trade dispute 2021

Dear VC/Principal

Date

I write to seek your assistance in attempting to resolve the existing trade dispute with your institution. The dispute relates to UUK's proposed cuts to USS pensions and the failure of UUK to support a new moderately prudent 2021 valuation. This dispute is with your institution as it is a member of UUK, and we are declaring the same trade dispute with all other institutions in the same position.

UCU is demanding;

- 1.** An agreement to revoke UUK's proposed cuts to the Defined Benefit pension that were approved by JNC resolution on the 31 August 2021, and not to replace them with any alternative set of changes to benefits and/or increases in member contributions, unless this replacement has the agreement of UCU.
- 2.** A public call on USS to issue an evidence-based, moderately prudent valuation of the financial health of the scheme as at 31 March 2021.

UCU members at your institution are in dispute with you because of the detrimental changes to the USS pension that were pushed through the USS Joint Negotiating Committee on 31 August, when the Independent Chair voted for the UUK proposals alongside the UUK representatives.

UCU negotiators voted against the cuts to members' pensions and repeatedly urged UUK representatives to work with us on alternatives to their detrimental proposals. UUK refused to do this or provide the same levels of covenant support that underpins their own proposals.

The UUK proposals were not agreed to by UCU. They are the latest in a series of attacks on members' pensions going back to 2011. In 2018 and again in 2019/20, UCU members took part in extensive industrial action to defend their pension. UCU is being forced to begin this process again.

The UUK proposals will mean a USS member aged 37 earning £41,526 (the current starting salary for a lecturer in many institutions) can be expected to go on to build up an annual guaranteed pension of £12,170 if they continue to work full time in the sector until age 66. This compares with the £18,857 annual income which they would build up under the current arrangement. The same 35% cut would also apply to the guaranteed cash lump sum which the member would receive when they retire. Even when the expected extra cash is included

into this member's DC pension pot and then converted into USS DB pension, the cut from the UUK proposals remains at 23% of pension income.

It's clear to UCU that something is fundamentally wrong with the way USS is governed and that significant change is needed. The Joint Expert Panel reports and recommendations that arose out of the agreement to settle the 2018 dispute have been effectively ignored by USS. It is a matter of genuine disappointment that UUK did not work with UCU to push back on this.

As you know UUK and UCU representatives have worked together on the valuation methodology used by the Trustee to underpin this valuation. They have also discussed progressive contributions, employers covering Deficit Recovery Contributions and accrual rates.

However the failure of UUK to work with UCU and insist on a new 2021 valuation using moderately prudent assumptions is unacceptable.

Employers have a lot of influence over the valuation process, but for UCU members, have too often taken USS's side rather than working with UCU to assert the rights of the stakeholders under the scheme.

UCU is running out of patience. At the UCU HE Sector Conference on 9 September 2021, delegates voted overwhelmingly to reject the UUK imposed changes to USS pensions and to commence a dispute with USS employers and to move to a statutory ballot for industrial action this autumn.

UCU members are regrettably in dispute with your institution over the detrimental changes to USS pensions described in this letter. We would urge you to instruct your representatives at UUK to do the following things in relation to USS:

- 1.** Agree to revoke UUK's proposed cuts to the Defined Benefit pension that were approved by JNC resolution on the 31 August 2021, and not to replace them with any alternative set of changes to benefits and/or increases in member contributions, unless this replacement has the agreement of UCU.
- 2.** Publicly call on USS to issue an evidence-based, moderately prudent valuation of the financial health of the scheme as at 31 March 2021.

For the avoidance of doubt, the trade dispute between UCU members and your institution will remain in existence unless and until agreement is reached on all of the matters of dispute highlighted in the numbered points above.

Yours sincerely

Paul Bridge

UCU Head of Higher Education

