

17 August 2022

Dame Kate Barker  
Chair of the USS Board

**Via Email** [kbarker@uss.co.uk](mailto:kbarker@uss.co.uk)

Dear Chair and Directors of USS Trustee,

During the employer consultation by Universities UK on the 2020 valuation a range of public statements were made by UUK on the level of cuts. These claims can broadly be classified in three categories, which appeared with slight variations between 28 May 2021 and 18 June 2022, a period in which UUK consulted employers on the benefit changes.

- The 12% claim of cuts to future benefits for typical staff earning under £40k
- The 7-15% claim of cuts to future benefits for most members
- The 10-18% claim of reduction in retirement benefits for middle-of-road personas

The dates and repetition of these claims, and their reach (in the national media and industry press) are detailed in the Appendix 1. Further claims were made to employers in briefing documents and correspondence some of which remain confidential. The public claims were repeatedly challenged at the time, both directly to UUK by UCU and by individuals, and through staff engagement with their employers. There has since been a [global analysis of the cuts](#), using only the UUK Heat Map and the USS Consultation Modeller [1]. It demonstrates that both the 12% claim and the 7-15% claim are serious underestimates, while the 10-18% claim is a significant underestimate.

Our concern is that these statements, made and repeated throughout consultations, by *the organisation responsible for the formal consultation with employers*, present a systematic under-representation of the severity of the cuts. This has led to anger and a deep erosion of trust among USS members. It is a realistic possibility that these claims led to university governing bodies underestimating the impact of the cuts in their decision-making.

As a service to scheme members, and in order to help rebuild trust in the scheme and in the communications around the scheme, we ask you to consider our concerns seriously and to undertake the following actions:

1. Investigate the accuracy of these UUK claims and consider whether together they form a fair representation of the outputs of the USS consultation modeller (particularly with regard to low-paid and early-career staff) and publish the results, along with a public summary statement.
2. Require that all claims and briefings by UUK regarding [listed changes, as the body responsible for the formal consultations on such changes](#), are public and accompanied by

clear information on assumptions. Issue timely statements about whether claims by UUK have been confirmed or validated with the Trustee.

3. Commit to carrying out global analyses (of the type in ref. [1]) for future benefit changes to enable better informed discussions and decision making, especially in relation to impact on members, to start the challenging work of rebuilding trust.

Finally, could you publish the Trustee's view on what is expected of UUK (as the body responsible for formal consultations) and how the Trustee assures itself that UUK meets those expectations.

[1] [The distribution of loss to future USS pensions due to the UUK cuts of April 2022](#)

Best wishes,

**UCU Superannuation Working Group, including JNC members and alternates:**

Dr. Justine Mercer  
 Professor Mark Taylor-Batty  
 Dr. Deepa Govindarajan Driver  
 Dr. Jackie Grant  
 Dr. Marion Hersh  
 Dr. Renee Prendergast  
 Dr. Chris Grocott  
 Dr. Sunil Banga  
 Professor Dennis Leech

**Appendix 1: list of claims by date with full quote, source and link**

Date	Claim	Full text of claim	Source	Link
28 May 2021	12% claim	For a university staff member earning under the salary threshold of £40,000 per annum, the UUK proposal would lead to a headline reduction of about 12% in future pension benefits	UUK press release	<a href="#">USS Employers website</a>
28 May 2021	12% claim	UUK said that the typical reduction in benefits for a staff member earning £40,000 would actually be about 12 per cent, since benefits earned prior to the change would be unaffected.	Times Higher Education	<a href="#">Times Higher Education</a>
15 Jun 2021	12% claim	For a university staff member earning under the salary threshold of £40,000 per annum, the UUK proposal would lead to a headline reduction of about 12% in future pension benefits	UUK press release	<a href="#">UUK website</a>
15 Jun 2021	12% claim	For a university staff member earning under the salary threshold of £40,000 per annum, the UUK proposal would lead to a headline reduction of about 12% in future pension benefits	UUK press release	<a href="#">UUK website and USS Employers website</a>

22 Sept 2021	7-15% claim	... based upon modelling prepared for the USS JNC the impact will be a reduction of between 7% and 15% on future benefits for most members, and without change staff could ultimately be facing a cut in their take home pay of approximated £1,600 per year for those earning around £40,000.	UUK email to VCs	<a href="#">UUK email reported by Sam Marsh</a>
7 Oct 2021	7-15% claim	Figures published today by the USS Trustee show that the proposed changes could reduce the amount of pension members receive at retirement by around 10-18% (7-15% when state pension is included) for a range of example members.	UUK press release	<a href="#">USS Employers website</a>
12 Nov 2021	10-18% claim	It is not unreasonable for us to conclude in headline terms, based on the 'middle of the road' personas developed for typical scheme members, that reductions in retirement benefits will be in the range of 10-18%. But we emphasise that we encourage members to consider their own circumstances when using the modeller.	Quote from linked pdf 'USS modeller and UCU figures'	<a href="#">USS Employers website</a>
30 Nov 2021	10-18% claim	... it is not unreasonable for us to conclude in headline terms based on the 'middle of the road' personas developed for typical scheme members, that reductions in retirement benefits will be in the range of 10-18%. But it is emphasised, we encourage members to consider their own circumstances and use the modeller.	UUK email to VCs (scroll down to p. 5 of linked 30 Nov letter)	<a href="#">USS Employers website</a>
15 Nov 2021	7-15% claim	It's not true that staff in the scheme are facing a cut in their pension of 35% – the impact will be a reduction of between 7% and 15% on future benefits for most, and without change staff could ultimately face a cut in their take home pay of approximately £1,600 a year in increased contributions for those earning around £40,000.	UUK FAQs	<a href="#">USS Employers website</a>
30 Nov 2021	10-18% claim	We also stated in headline terms that, based on the 'middle of the road' personas developed for typical scheme members by USS, reductions in retirement benefits would be in the range of 10-18% at retirement.	Letter from Alistair Jarvis to Jo Grady	<a href="#">USS Employers website</a>
1 Dec 2021	10-18% claim	Modelling published by the USS pensions trustee themselves shows that impact [of UUK's proposed pension cuts] is likely to be between 10% & 18% for the vast majority of members.	Radio 4 Alistair Fitt, UUK	<a href="#">UUK on Radio 4 reported by Mike Otsuka</a>
15 Jun 2022	10-18% claim	We have not made misleading claims. It is reasonable for us to conclude in headline terms - based on the 'middle of the road' personas developed for typical scheme members - that reductions in retirement benefits will be in the range of 10-18%. We have consistently said that scheme members should use the USS modeller to check the possible impacts.	UUK statement	<a href="#">USS Employers twitter account</a>
15 Jun 2022	10-18% claim	We have not made misleading claims. It is reasonable for us to conclude in headline terms – based on the 'middle of the road' personas developed for typical scheme members – that	Times Higher Education	<a href="#">Times Higher Education</a>

		reductions in retirement benefits will be in the range of 10 per cent to 18 per cent.		
17 Jun 2022	10-18% claim	It's reasonable for us to conclude in headline terms - using the example personas developed by USS – that reductions in retirement benefits will be in range of 10-18%. We've consistently said members should use the USS modeller to check (their specific) possible impacts	Quote to Financial Times reported by Josephine Cumbo	<a href="#">Quote reported by Josephine Cumbo</a>
18 Jun 2022	10-18% claim	We have not made misleading claims. It is reasonable for us to conclude in headline terms — using the example personas developed by USS itself to show the impact — that reductions in retirement benefits will be in the range of 10-18 per cent.	Financial Times article	<a href="#">Financial Times</a>
7 July 2022	12% claim	With regard to the early use of 12% - in headline terms for those earning less than £40k and which was based upon CPI being less than 2.5%, as it was at that time - (ahead of any modelling being made available by USS), Mike Otsuka also later showed this in section IIa of this blog and then projected this forward (which the consultation modeller was set up to do, if required): <a href="#">The overwhelming case for retaining current USS pension benefits until April 2023   by Michael Otsuka   Medium</a> "	Email to VCs	<a href="#">Email shared with permission by Sussex UCU</a>
7 July 2022	10-18% claim	We have not made misleading claims. It is reasonable for us to conclude in headline terms - using the example personas developed by USS itself to show the impact – that reductions in retirement benefits will be in the range of 10-18%.	Email to VCs	<a href="#">Email shared with permission by Sussex UCU</a>