USS consultation document

The dispute

The grounds of the dispute between UCU and individual employers over USS is defined as:

- UUK should agree to withdraw their benefit cuts and put pressure on USS to restore benefits to 2021 levels as soon as possible.
- UUK should put strong pressure on USS to ensure that the next and all subsequent valuations are moderately prudent, and evidence based.

Restoring benefits to 2021 levels would mean the following:

- lifting the cap on Defined Benefits from £40,000 back up to around £69,000 (exact figure to be set from September 2023 CPI), and this cap would increase each year
- accrual of Defined Benefit pension would improve from 1/85th of salary for each year of service to 1/75th of salary for each year of service
- the lump sum payment on retirement would increase from 3/85ths of salary to 3/75ths of salary
- restoring the inflation rate of accrued pensions from 2.5% to be enforced from 1 April 2024 (the 'hard-cap' of 2.5%) to the 'soft-cap', a more flexible limit on inflation up to a maximum of 10%.

USS valuation process and statements

Every three years, USS has to complete a full valuation to assess the health of the scheme (although we believe this process is flawed), and it is in the process of completing a valuation currently. This valuation will be based on a snapshot of the state of the scheme on 31st March 2023.

USS have reduced the timeline for this valuation with the aim of restoring benefits on 1st April 2024. The full timeline can be viewed here (both as a written document and as a diagram) - 2023 valuation (uss.co.uk)

The timeline includes two required consultations, one with employers and one with members, that are needed before a formal agreement to implement changes can be made by UUK and UCU at the USS Joint Negotiating Committee (JNC) towards the end of 2023.

Every quarter USS also conducts financial monitoring of the scheme. The figures from this monitoring process in December 2022 indicated that stakeholders should plan for contribution levels for restored benefits (to March 2021 levels) at around or below 26%, i.e. 8% contributions for employees, 18% for employers. This would mean a decrease in contribution levels from the current 9.8% for employees and 21.6% for employers. The Chair of the USS Trustee Board, Dame Kate Barker, confirmed this on the 28th March - UCU - USS Trustee confirms full pension benefit restoration on course for April 2024

The same communication links to an employer's Q&A by USS that discusses using the valuation as a platform for greater future resilience and stability.

Joint statements with UUK

Following ongoing talks with UUK since the end of 2022, there have been two joint statements issued by UCU and UUK.

These statements can be found here:

Interim Joint Statement, 17 February 2023 -
https://www.ucu.org.uk/media/13568/230216-Interim-joint-statement-by-UUK-and-UCU-wrt-the-USS-dispute-FINAL/pdf/230216_Interim_joint_statement_by_UUK_and_UCU_wrt_the_USS_dispute_FINAL.pdf

Second Joint Statement, 15 March 2023 -
https://www.ucu.org.uk/media/13640/A-joint-statement-on-UUK-and-UCU-collaboration-toward-USS-benefit-restoration---14-March-2023/pdf/USS_-_joint_UUK_and_UCU_statement_-_14_March_2023.pdf

These statements speak to a joint body of work which is now in train including:

- the UCU request at the JNC that USS price a return to 2021 benefit levels. UUK supported us in this request to indicate their desire for a full restoration of benefits to 2021 levels, while maintaining moderate prudence for the 2023 and subsequent valuations.
- UCU and UUK working together on the statutory 60-day member consultation which will cover the increase in the salary threshold cap on the Defined Benefit part of the scheme. This work is being done through a sub-group of the USS JNC.
- asecond USS JNC sub-group which will look at the stability and sustainability of the scheme. This work, and the work of the Valuation Technical Forum speak to the second part of our dispute with employers over the valuation methodology.

Ongoing talks with UUK are continuing on all the matters outlined in the joint statements.

Not a final deal

It is important for members to understand that these are agreements to continue joint work with UUK. These negotiations may result in final deal which could be put to members in a formal consultation with clear recommendations from your elected negotiators and the Higher Education Committee.

This joint work does not end the dispute which UCU has with UUK. The dispute will continue until members accept any final deals with UUK and HEC agrees to end any dispute.

Industrial action can be taken in furtherance of our dispute at any time during the re-ballot mandate subject to the agreement of the Higher Education Committee and issue of the statutory 14 days' notice.

Consultation question

We are asking members whether they wish to NOTE or REJECT continuing joint work with UUK.

Implications of each response:

Reject the joint work agreed with UUK as an interim solution to the dispute:

- If members vote to REJECT, then they will be asked to commence a marking and assessment boycott in April 2023, and will need to be prepared to undertake any other industrial action as called by the higher education committee (HEC) or the 19 April 2023 Special Higher Education Sector Conference (SHESC).

Note the joint work agreed with UUK. This would not mean that these proposals provide a resolution to the dispute, the consequence of a vote in support of this option would be as follows:

- If members vote to NOTE, this would result in the marking and assessment boycott scheduled for April 2023 being stood down for USS and an end to action short of a strike, pending further negotiations with UUK aimed at the restoration of benefits etc. as outlined above. The threat of action would remain live for the duration of the re-ballot mandate and action could be called at any time if the higher education committee (HEC) felt it was required – either because negotiations broke down, or employers failed to honour commitments outlined in the proposals.

The Higher Education Committee has resolved to consult members with a recommendation to Note the joint work and has asked negotiators to give a view on the implications of how you choose to vote.

The four lay USS negotiators and the two alternate negotiators do not have a unanimous view on the implications, we have provided the majority and minority positions separately.