



UP TO **27%**
OFF*

***YOUR PENSION**

USS UNDER ATTACK
DEFEND YOUR PENSION
VOTE YES!

www.ucu.org.uk/defenduss

UCU
University and College Union

DEFEND YOUR PENSION – VOTE YES!

WHAT IS THE DISPUTE ABOUT?

The proposed changes will:

- ▶ cost current and future members thousands of pounds a year in lost benefits
- ▶ close the final salary section of USS and move all into the career average scheme
- ▶ introduce a £40,000 earnings cap above which benefits will not apply
- ▶ the income from a new 'defined contribution pot' will depend upon investment performance and so cannot be guaranteed.

WHAT DOES THAT MEAN TO ME?

- ▶ lower benefits
- ▶ less guaranteed income in retirement
- ▶ a worse pension than that received by academic staff at new universities who are members of the Teachers' Pension Scheme (TPS).

SO MEMBERS OF USS WILL GET LESS THAN COLLEAGUES IN THE NEW UNIVERSITIES IN TPS?

- ▶ Yes, on a like-for-like basis USS members will have significantly lower pension benefits than colleagues who are members of TPS.
- ▶ For example, someone aged 40 with 15 years scheme membership who retires at 68 on £45,954, their total benefits converted to annual

pension would be 38.5% higher per year in TPS than in USS.

- ▶ This is likely to lead to recruitment and retention problems with staff opting for the employers who offer the best pensions.

IS USS REALLY IN DEFICIT?

- ▶ The next valuation is expected to show a deficit, but the USS projections involved are contested by UCU and we believe the employers' proposals are an overreaction.
- ▶ Since 2011, the fund's investments have grown by £8bn.
- ▶ Returns on investment have outperformed both average earnings and inflation.
- ▶ Last year the fund's highest paid employee received a pay increase of 50% (to £900k) in reward for 'sustained outperformance'.

ARE UNIVERSITIES STRUGGLING?

- ▶ No. Pre-92 institutions are doing well. There is simply no case for the pensions they offer to be inferior to those offered by new universities.
- ▶ Overall income for pre-92 institutions has grown by more than a quarter over the last five years
- ▶ Staff costs as a proportion of income have continued to fall to now sit at 52.3%.

Mid-career profiles – current and proposed total benefits converted to annual pension

Career profile	Current USS final salary section (£)	Employers' proposals (£)	Annual loss (£/%) FS section members
1	33,231	27,978	-5,253 -15.8%
2	25,235	22,299	-2,936 -11.6%
3	39,657	32,316	-7,341 -18.5%
4	46,050	33,604	-12,446 -27%

Mid-career profiles

- 1 Age 40, joined scheme at 25, retires at 68 on salary of £45,954
- 2 Age 51, joined scheme at 36, retires at 68, on salary of £45,954
- 3 Age 40, joined scheme at 25, retires at 68 on salary of £54,841
- 4 Age 40, joined scheme at 25, retires at 66 on salary of £75,000

New joiners' profiles – current and proposed total benefits converted to annual pension

Career profile	Current USS career average section (£)	Employers' proposals (£)	Annual loss (£/%) career average scheme members
5	26,158	25,481	-677 -2.6%
6	20,597	19,800	-797 -3.9%
7	30,007	28,204	-1,803 -6.0%
8	31,917	28,389	-3,528 -11.1%

New joiners' career profiles

- 5 Age 25, joins now, retires at 68 on salary of £45,954
- 6 Age 36, joins now, retires at 68 on salary of £45,954
- 7 Age 25, joins now, retires at 68 on salary of £54,841
- 8 Age 25, joins now, retires at 68 on salary of £75,000

WHAT DOES UCU WANT?

UCU wants:

- ▶ to protect your pension benefits and ensure the sustainability of the fund
- ▶ a collective agreement with your employer to contractually protect your current pension benefits
- ▶ negotiations with all parties to ensure the long-term stability of USS and that it continues to provide a competitive pension package within the sector.

IF THE DISPUTE IS NOT SETTLED THROUGH TALKS, WHAT KIND OF INDUSTRIAL ACTION IS ENVISAGED?

- ▶ Without significant industrial action, the proposed changes to your pension entitlement will be imposed.
- ▶ Given the amount members stand to lose from the employers' proposals we have no choice but to ask you to take serious action.
- ▶ We will be asking you to take action short of a strike in the form of a setting and marking boycott.

For information go to: www.ucu.org.uk/defenduss



Use your vote to defend your pension – vote yes to strike action and yes to action short of a strike.