

# Liverpool strike call is the way to beat 100% pay docking

*Employers go on the offensive – this is not the time for UCU compromise proposals*

## We made a good start

UCU kicked off well in this latest USS campaign; the 'vote yes' materials highlighted the shocking losses to our pensions if the employers' proposals go through.

Well attended branch meetings up and down the country heard the evidence of the true financial health of USS ie. an operating surplus of over £1 billion; surpluses each year for over a decade, more money going in than out and membership continually growing.

We have been assisted by managements at Oxford, Warwick, Essex, Cambridge and Aberdeen expressing their concerns about the pension changes (Times Higher Education, 30 Oct 2014). A group of eminent statisticians also denounced the pensions' assumptions used by the employers as 'inadequately justified' and 'unreasonably pessimistic and incoherent'.

The argument that the proposals are based on unreasonable assumptions and a contested deficit scenario was plainly won, as evidenced by our record ballot result.

## Members want to fight

Members readily took up the call for the assessment boycott.

The employers know the strength of feeling and are using threats to try and intimidate us; they tested the water by announcing 100% pay

docking for partial performance at York. York UCU responded promptly, organising a petition. An open letter in solidarity was also initiated from Leeds University. The pressure has forced York management to reconsider its position.

A number of other universities have issued pay docking notices. We need a strong national UCU response in the form of a national strike to make these universities back down, stop others following suit and to support members facing punitive deductions.

At the USS Conference in Manchester in September delegates voted that pay docking would trigger national strike action. It was also promised on the ballot papers, but we are still waiting for it to happen.

In the face of threats of 100% pay docking Liverpool UCU has shown a fantastic lead; they have passed a motion for an indefinite local strike and called for an HE Sector Conference and national strike action.

## Not the time for compromise proposals

Our UCU negotiators are in talks with the employers' side on Thursday 13 November. UCU has tabled counter-proposals for USS benefit change which include:

- An end to the final salary scheme
- A career average scheme (CRB) with 1/70 accrual rate and lump sum for all members

- Negotiating to remove the link to RPI for the final salary pension we have accrued to date in favour of another measure (likely to be CPI, the invariably lower index)

The first day of industrial action resulting from a really high ballot result is not the time to make this sort of proposal which represents a reduction in pension benefits, including those from accrued past service.

More importantly, the proposals imply acceptance of the employers' actuarial cost framework and the de-risking strategy that UCU has hitherto effectively critiqued.

The union has rightly argued that a projected deficit generated by a gilts-based estimate of future asset value is inappropriate given that gilts account for only a minor fraction of USS assets (the employers wish to increase this to 50%).

Similarly, it has criticised the counterproductive nature of the proposal to 'de-risk' the scheme by selling stocks at an historic low point in the market.

Members have not been apprised of the implications of the UCU proposals.

They were tabled on the morning of the UCU Higher Education Committee (HEC) meeting of 24 October in a 24 page document with no prior warning.

UCU Left members on the HEC

voted against them but lost the vote.

The proposals were then presented to a meeting of two delegates from each USS HE branch.

Attendees at both these meetings were embargoed on discussing these counter-proposals with the wider membership. This raises issues of democracy.

While the Manchester Conference considered the possibility of moving to a CRB scheme, it did not give a mandate for this type of proposal and particularly not at this point in the action.

A number of UCU branches are calling for a special HE sector conference to allow democratic decision making by members on the way forward, including escalation of the action and acceptance or rejection of the UCU proposals.

This is essential because it is not easy for paid union officials to accurately gauge the mood of staff. They do not experience the debates or witness the anger in our Universities. This makes it difficult for them to fully recognise the power members have to stall university managements and win this dispute.

Our institutions run on an immense amount of goodwill; pay docking threats are eroding this. Some members are already pronouncing that if a penny of pay is docked, their marking will never be done once the dispute ends.

We believe UCU should be entering the negotiations on the principle of *no downgrading of our pension benefits. The current CRB scheme should be upgraded to achieve parity with FS.*

- It is inappropriate to apply the same audit requirements of single employer schemes to our multi-employer scheme - the apocalyptic regulatory scenario would mean the collapse of HE and probably the whole economy.
- Preserving the intergenerational promise - This means a return to a single scheme - having two sections is divisive and a recipe for the closure of both schemes. Ideally this should be done by merging the current CRB scheme into a new FS scheme in which contributions increase for the higher paid as in the TPS and NHS schemes. We need to fight for equality with other public sector schemes.

- Maintaining Defined Benefit, no hybrid scheme, no cap. Unlike personalised DC schemes, this maintains risk sharing on retirement. DC will facilitate the privatization of pre-92 HE and will reduce pensions for new entrants.
- Liabilities and assets must be valued on the same long term basis ie. 25 years. If the employers' insist a recovery plan is necessary, then this should also be over 25 years.
- Pensions are our deferred pay which we must defend against cuts. If necessary, our employers can easily afford to pay more in, for example by forgoing some capital expenditure and investing some of their huge reserves and surpluses in the pension fund.
- Challenging the flawed assumption of automatically increasing life span - poverty and increasing retirement age may lead to decreasing lifespan.

## Activists now need to:

- **Continue the good work of building and publicising the assessment boycott.** This should include meetings for staff on casualised contracts. Encourage them to join UCU and become part of the action. Their futures and pensions are at risk, even more than for existing USS members.
- **Involve students in our action,** Put our case in every meeting with students and seek their help to defend their education and our pensions. They should use the UCU template standard student letter to VCs. It is in students' interests that

their teachers have good pensions which are paid from deferred wages. NUS National Conference in 2014 adopted a policy of full support for staff trade unions in dispute.

- **Rush messages to Liverpool UCU:** [lucu@liv.ac.uk](mailto:lucu@liv.ac.uk). Money will be an issue for members in the pre-Christmas period; start organising pledges of financial support, workplace collections etc.
- **Put pressure on the USS Trustee Company.** Join the UCU Lobby of the 'USS Institutions' Meeting on 4 December.
- **Pass the motion below calling for a special HESC.** You need to use the exact wording or you may not count to the 20 branches required for a special HESC.

*UCU must turn our fantastic ballot result into a victory*

## MODEL MOTION

"This UCU branch supports the call for the requisition of a Special HE Sector Conference to debate the campaigns to defend pensions in HE, and to defend the capacity of the UCU to call industrial action short of a strike as part of those campaigns."

Your branch might also want to express its concern about, or opposition to, the UCU's counter-proposal on USS and demand its withdrawal until the Special HE Sector Conference has debated the issue.

You may also wish to make the call for national strike action.