

USS UNDER ATTACK



VOTE YES TO INDUSTRIAL ACTION AND ACTION SHORT OF A STRIKE

Your pension is under attack and could soon sharply drop in value unless you take action to defend it. The employers are proposing to replace both the final salary and career-revalued benefits (CRB) schemes by an inferior hybrid defined contribution (DC) scheme underpinned by a new Career Average Revalued Earnings (CARE) scheme capped at £40,000.

As agreed at the USS Conference on 19 September this attack is 'politically not economically motivated'. USS is one of the largest pension schemes in the UK with assets of about £41.6 billion, a 7.6% return on investments last year and members in 400 UK universities and other institutions (USS website, Investment and Pensions Europe).

Membership is increasing with 31,000 new members joining the 319,000 existing members last year. USS is financially solid with £1 billion more income than expenditure.

Transfer of risk

USS is a defined benefit (DB) scheme. Government and big business want to move to a defined contribution (DC)

scheme which shifts the risk from institutions to scheme members and pensioners and increases profits for sections of the pensions industry who are lobbying for this change. The proposed transfer of risk from HE Institutions (HEIs) to individuals would make privatisation of HEIs much easier. For instance the UK government had to take on the post office pension fund liabilities in order to privatise it.

Recovery plan

The employers' proposals are linked to the ongoing valuation of USS and the crisis which has been artificially created by the prospect of a large notional 'deficit' resulting from:

- * the inappropriate requirement of the Pension Regulator that all pensions can be paid out of existing assets if USS goes bankrupt, treating USS as the pension scheme of a single company not an entire large industry;
- * the inappropriate assumptions used to value the scheme. UCU has proposed more appropriate assumptions which give a lower deficit.

The solution to this notional problem is seen as a recovery plan i.e. reduced pension benefits and/

or increased contributions - see the employers' disastrous proposals.

Accumulated loss

Figures calculated for UCU by independent experts and circulated to members by Sally Hunt (<http://www.ucu.org.uk/7216>) show that the employers' proposals will be disastrous for all members, both in final salary and CRB. The percentage loss of CRB members is less than that of final salary members, but their pensions are considerably lower than those of final salary members with the same career profile. USS members stand to lose between 3% and 27% of their pension and this loss is accumulated over every year in retirement.

For more details see:

- * <http://www.leedsucu.org.uk/uss-2014>,
- * http://youtu.be/NR7jkE_eG84,
- * <http://ucupensions.info> and
- * <http://www.timeshighereducation.co.uk/news/uss-eforms-seen-as-radical-attack-on-pensions/2015786.article>.

We are facing an even more serious threat to USS than in 2011.

Action

The only way we can counter

this threat is by taking action. Even the accountants Ernst and Young believe the employers can afford to contribute more to USS. UCU Special Conference in September agreed to call a ballot for strike action and action short of a strike (ASOS), including an assessment and examination boycott in the autumn term.

Conference recognised the need for national support for branches facing punitive deductions for participation in ASOS, including national strike action. Conference also recognised the need to involve members on casualised contracts and instructed HEC to produce materials for these members.

Second attack

Members face an important choice. This is already the second very serious attack on our pensions, invited by our less than stellar resistance to the first attack.

Either we vote for industrial action and take significant and sustained industrial action, backed up by a political campaign, or we face a huge erosion of our pensions and further attacks which will grind away our pensions until they are worth very little.

We also need to be ready to support any members or branches facing punitive deductions or other penalties by any employer with all-out indefinite national action.

Action Points

- * Vote YES for industrial action and action short of a strike (ASOS) as soon as you receive your ballot paper. It is too easy for it to get buried under a pile of papers or to forget it until too late.
- * Encourage your colleagues to vote - talk to them, ring them, email them. Ask friendly students for help. Order or download posters and leaflets from UCU (<http://www.ucu.org.uk/uss>). Use other resources e.g. (<http://www.leedsucu.org.uk/uss-2014>) or (<https://facebook.com/ucuatleeds>).
- * Get support from students - both undergrads and postgrads - is really vital for success of the action. In line with policy from NUS National Conference in 2014, NUS is supporting the strike and will be sending materials to member unions encouraging students to support it.
- * Encourage colleagues to support indefinite strike action if there are punitive attacks on any members involved in ASOS. Winning industrial action requires real solidarity. This is joint action and an attack on any branch or member is an attack on us all. If management manages to pick off one branch, then they could well come for your branch next. You can only expect solidarity from the rest of the union if you are willing to show it. The employers will capitulate because they have far more to lose than we do. Someone on a professorial career path can take strike action for nearly a month before they lose as much pay as they would from the employers' attack on our pensions ($16 \times £12,466 \times (46/52) / £46,050 = 3.8$ weeks)
- * Conference recognised the need to involve members on casualised contracts. Organise meetings for members of staff on casualised contracts, including hourly paid lecturers and postgraduate teachers and tutors who may be involved in marking. Encourage them to join UCU and become part of the action. Their futures and pensions are at risk, even more than existing USS members.
- * Argue for a day's strike to kick off the action.
- * Invite national officials to address branch and regional meetings on USS. Larger and better organised branches should offer to help smaller or less organised branches get the vote out.
- * Use the USS Members' Survey on <http://tinyurl.com/USS2014> to tell USS what you think of the employers' proposals or contact USS directly on communications.uss.co.uk or 0151 479 7179. What use is a service improvement programme without decent benefits?
- * Put pressure on the USS Trustee Company, get involved in the wider political campaign to defend collective defined benefit pension provision and involve local trade unions, community organisations, political parties and others.
- * Attend the UCU Left Conference (www.uculeft.org) on 25 October in central London, to discuss how to win this very winnable dispute and to defend Higher Education.

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