

THE FIGHT FOR OUR PENSIONS IS ON, ACTION CAN WIN

The evidence from branch after branch shows that members are mobilising to fight to save their USS pensions. They are holding meetings and campaigning to get the vote in.

We cannot afford complacency over the next week but where we hold meetings and speak to members they recognise the importance of their pensions and the scale of the action needed to defend them. We need to go all out to maximise the vote over the next few days.

Let us be clear – the employers' proposals will see the theft of as much as £8bn surplus from our pension scheme.

Flourishing

We currently have a flourishing and successful pension scheme with £60 billion of assets, large positive cash flow and reasonably good defined benefits. Their proposals could wreck the scheme, lead to an increasing spiral of deficits and negative cash flow and falling assets within five years.

There is a likelihood that the scheme could even collapse as existing members move their pensions out and new members refuse to join it.

Token action or delayed industrial action will not stop this onslaught but determined action

now can.

The first stage is winning the ballot. Otherwise, the employers will walk all over us.

The next Joint Negotiating Committee (JNC) is on 23 January. This is after the end of the ballot on 19 January.

Pressure

If, as is increasingly likely, we win the vote for action in the vast majority of branches, UCU needs to get the strike notification to the employers before the JNC to increase the pressure on the UUK negotiators.

The strike action will need to be sustained, starting with a two day strike at the start of February, followed by three day strikes each week and further escalation to four days a week if we need to continue in March.

In order to win we will need to maintain and increase the pressure on the employers.

There will also be time pressure associated with the JNC procedures.

There is a deadline of 20 March for imposition of contribution sharing, though this could be extended, or a deadline of the end of May/early June if the chair votes in favour of the employers' proposals.

We cannot therefore suspend the action during negotiations, as we cannot afford to reduce the pressure

on the employers.

We are asking members to take massive industrial action in defence of their pensions.

We therefore need to win – i.e. to maintain current defined benefit pensions with, at most, a small increase in contributions.

This is not possible under the Technical Provisions introduced in November.

A starting point must therefore be at least a return to the September Technical Provisions.

De-risking and Deficit Recovery Contributions must also be reduced or abolished.

We cannot ask members to take this level of action every three years. We therefore need to demand the abandonment of Test 1 and the de-risking strategy and an agreement to negotiate a better valuation approach by the time of the next valuation.

STOP THE PENSION THEFT:

Mobilise a political campaign for education and name the dates for strike action.

For more information on USS pensions from UCU Left go to: uculeft.org/category/he/

Vote for a fighting leadership

There are two important lessons to draw from the USS campaign. First, when the union acts in a serious way, campaigning in members' interests and calling for members to fight back, they respond. Members have confidence that the union is serious about defending their pensions.

Second, having made a commitment to escalating and extensive industrial action members must not face a shoddy climb down and rotten deal.

Back in July, HEC voted to mandate its USS negotiators to defend the Defined Benefit scheme. That is what has happened to date and must continue.

The USS negotiating team's two UCU Left members, Marion Hersch and Carlo Morelli have consistently promoted this approach.

While demonstrating a willingness to negotiate they have been steadfast that the Defined Benefit scheme must be protected.

This has unified UCU's negotiating position and proven successful so far in preventing the imposition of the employers' proposals.

UCU members have NEC elections in February. We must take the opportunity to elect the union's first black woman as UCU vice president in Nita Sanghera and vote for the other UCU Left supporting candidates who can ensure these lessons become embedded within UCU at all levels.

Find out more at:

nita4vpucu.wordpress.com
facebook.com/Nita4VPucu/

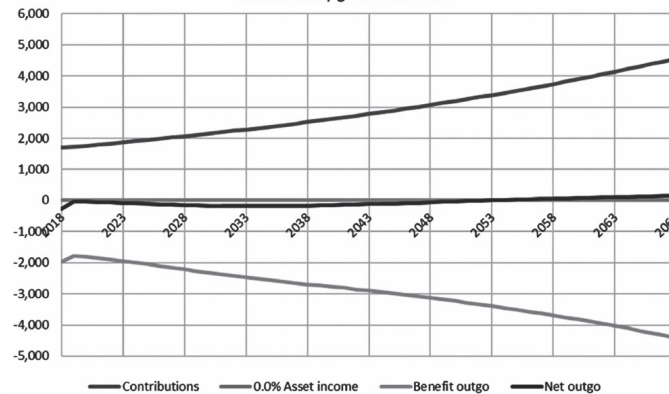
USS pensions in figures

Summary Fund Account

For the year-ended 31 March, in £billions	2017	2016
Contributions	2.1	1.9
Benefits paid	(1.8)	(1.9)
Net return on investments	10.0	0.7
Net increase in the fund	10.3	0.7

Returns on investment are high

Cash flow £m USS - Real cash flow relative to CPI
 2% real salary growth over CPI



Cash flow is positive and sustainable over decades

Figure 4: 'Deficit' or 'Surplus'?

Real estimates 'Best Estimate' demonstrates the surplus in the scheme

Summary of Technical Provisions and Contribution Requirements as of 31 March 2017.

	Best Estimate	Monitoring Basis***	2014 approach with fully updated assumptions	Proposed Basis
Accrued liability (TP)	£51.7bn	£72.7bn	£68.5bn	£65.1bn
Assets	£60.0bn	£60.0bn	£60.0bn	£60.0bn
Deficit on TP basis	-£8.3bn*	£12.7bn	£8.5bn	£5.1bn
Self-sufficiency (SS)	£82.6bn	£87.4bn	£82.6bn	£82.6bn
Total contributions (employer + employee):				
Future service cost	22.5%	37.9%	36.3%	30.5%
Deficit contribution**	0%	6.6%	2.1%	2.1%
Total contribution	22.5%	44.5%	38.4%	32.6%
Average discount rate above CPI assumption	2.14%	0.48%	0.66%	0.91%
Average discount rate above gilt yield (for comparison purposes)	2.65%	0.96%****	1.15%	1.41%

* Corresponds to a surplus, which results if no prudence is incorporated in the valuation.

Defending education

We have to address the politics of the dispute. The attacks on our pensions are part and parcel of the systematic neo-liberal destruction of the public realm; final salary pensions are anathema to the marketeers in

the finance world.

A public university system whereby academic freedom, the liberation education we can provide for students and the notion of a public university are all being sacrificed to create a market in which big business

will reap the rewards.

The appointment of Toby Young as the Head of the Office for Students says it all; and his forced resignation tells us we can change this when we campaign.

Many members instinctively

understand that their pension is the latest of the many cuts they have seen within the sector.

Pensions provides a unifying campaign that can derail the marketisation and privatisation process.