Saving USS

*(The Story So Far)*

Once upon a time…

…there was a very good pension scheme called Universities Superannuation Scheme (USS) - the largest private pension in the UK. In 2011 the Trustees insisted it would stay strong for the future if it stopped being a Final Salary scheme. There were more detrimental changes 3 years later. A recent estimate suggested that a typical staff member would pay in £40k more but receive £200k less after all these past/proposed changes.

There was a 14-day strike in 2018…

…to save Defined Benefits (DB) which provide a guaranteed pension based on what you pay in. Defined Contributions gamble your pension pot on stock market performance, so you don’t know what you’ll get, when you retire. UCU also showed the pension was in surplus if the valuation was done differently, so these huge changes were not needed.

A Joint Expert Panel (JEP)…

…was appointed by employers and UCU. But the recommendations it made on the valuation approach were largely ignored and it hasn’t made long-term proposals yet. What if those are ignored too?

A USS director blew the whistle…

…alleging the USS board withheld vital information from her and the other directors, preventing a correct understanding of the pension valuation. She was sacked. The investigatory report has not been published.

USS members are…

JOLLY WELL FED UP

…with the governance and management of USS. MPs have been urged to open an inquiry into the conduct of USS, the pension rules (which seem designed to end DB pensions) and the remit of the Pension Regulator. The union is also investigating taking legal action for breach of trust.

Where will it end?

We know the first JEP report, which concluded the 2018 strike, was essentially ignored. **Unless we can prevent the use of discredited valuation methods that aren’t appropriate to USS, we will never achieve a fair and sustainable pension settlement.** We’re being asked to pay 9.6% but this could go up to 11% in 2 years’ time or increase sooner.

NOTE: paying 1.6% more into your pension this year, nearly wipes out the staff pay rise of 1.8%.

***For further information see:*** <https://ussbriefs.files.wordpress.com/2019/09/ussbriefs82_25092019_1200.pdf>