



Judith Fish
Chair of USS JNC
Via e-mail

26 January 2022

Dear Judith,

I am writing on behalf of UCU to provide the Joint Negotiating Committee (JNC) with the union's updated USS pension scheme proposals. These proposals are aimed at resolving the dispute and avoiding industrial action in February and beyond.

You will know that UCU firmly rejects the pension proposals which Universities UK voted through (UUK) in August 2021. These proposals are based on a flawed valuation of the USS pension scheme carried out in March 2020 as the pandemic hit and markets collapsed. As USS's assets reach unprecedented levels of over £90bn, it is clear that employers' justification for the cuts has now evaporated.

UCU's proposals, which should now be considered formally by the JNC, are as follows:

1. That UUK call on USS to issue a moderately prudent, evidence-based valuation of the financial health of the scheme as at 31 March 2022, to be issued for consultation in June (at the latest);
2. That employers agree to provide the same level of covenant support as for their own proposals to facilitate a cost-sharing of current benefits throughout the 2022/23 scheme year, starting 1 April 2022 at 11% member/23.7% employer until 1 October 2022, and 11.8%/25.2% thereafter;
3. That employers agree to pay a maximum 25.2% and members a maximum of 9.8% from 1 April 2023 so as to secure current benefits or, if not possible, the best achievable as a result of the call on USS to issue a moderately prudent, evidence-based valuation.

UCU understands that USS's consultation on UUK's proposed benefit changes provides clear evidence that scheme members want to see their benefits

protected and by a significant margin would support increases in contributions to help achieve that.

UCU's proposals outlined above would deliver on the wishes of a majority of scheme members who responded to USS's consultation. For a short time, employers and scheme members would see a relatively small uplift to their contributions, which would protect benefits until a new, moderately prudent and evidence-based valuation could be implemented.

Further significant industrial action is imminent, but UCU's proposals offer a way out that can avoid disruption across UK universities, protect scheme members and allow for a negotiated settlement. I urge you to ensure these proposals are formally tabled at the JNC as soon as possible and at any rate in time to be considered alongside the extremely detrimental changes put forward by UUK.

Yours sincerely,

A handwritten signature in black ink that reads "Jo Grady". The signature is written in a cursive, slightly slanted style.

Dr Jo Grady
General Secretary UCU

CC: Bill Galvin, USS
Alistair Jarvis, UUK
Phil Harding, UUK