

31 March 2022

Alistair Jarvis
UUK
Via e-mail Alistair.Jarvis@universitiesuk.ac.uk

Dear Alistair,

At Tuesday's JNC meeting UCU negotiators asked, in light of the most recent Financial Monitoring Report (FMP) and the improvement in financial position of the scheme it described, that UUK revoke its package of cuts.

The latest FMP from the Universities Superannuation Scheme (USS) trustee shows that the scheme's assets have grown yet again, soaring from £66.5bn to £88.8bn. This growth has outstripped liabilities and the trustee itself has now confirmed that the level of cuts - or contribution increases - required to service the deficit have fallen to 0%.

It is now an untenable position for UUK to still be encouraging institutions to pay out for a deficit that does not exist – and to be asking members to take significant cuts to their retirement incomes.

The trustee has also confirmed that if the position in the most recent FMP report is reflected at the next valuation, which should be held as at 31 March 2022, then contributions could be lowered further and benefits increased. This is further, categorical proof that your cuts are not necessary and that a new valuation would protect pensions.

UCU requests that UUK take the following action:

1. Instruct USS, the chair of the JNC and UCU's lead negotiators that it wishes to revoke the 17th Deed of Amendment.
2. Indicate instead support for the package of measures proposed by UCU, as have been provided in full to UUK's negotiators, namely:
 - a. A sensible valuation – specifically requiring UUK to call on USS to issue a moderately prudent, evidence-based valuation of the financial health of the scheme as at 31 March 2022, or another appropriate date.
 - b. A short term increase in contributions to the scheme to allow for constructive negotiations to take place and secure the longer-term stability and sustainability of the scheme. This will require employers to 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.
 - c. A longer term commitment to the future affordability of the scheme – this

would require UCU and UUK to agree to commit to a mechanism that would ensure that, from April 2023, 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, are secured with a guarantee that contributions for employers will not exceed 25.2% and contributions for members will not exceed 9.8% from 1 April 2023.

Time is now running out for UUK to walk back from its devastating cuts to pensions which will wipe tens of thousands of pounds from the retirement income of university staff.

If UUK presses ahead and ignores this request, even after its proposals were proven to be completely unnecessary, it would be an unforgivable act of arson on a good pension scheme and the higher education sector more widely.

I am requesting UUK respond to this request urgently so that the changes scheduled for 1st April can be halted.

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