



# UCL UCU Open Meeting

20 January 2015

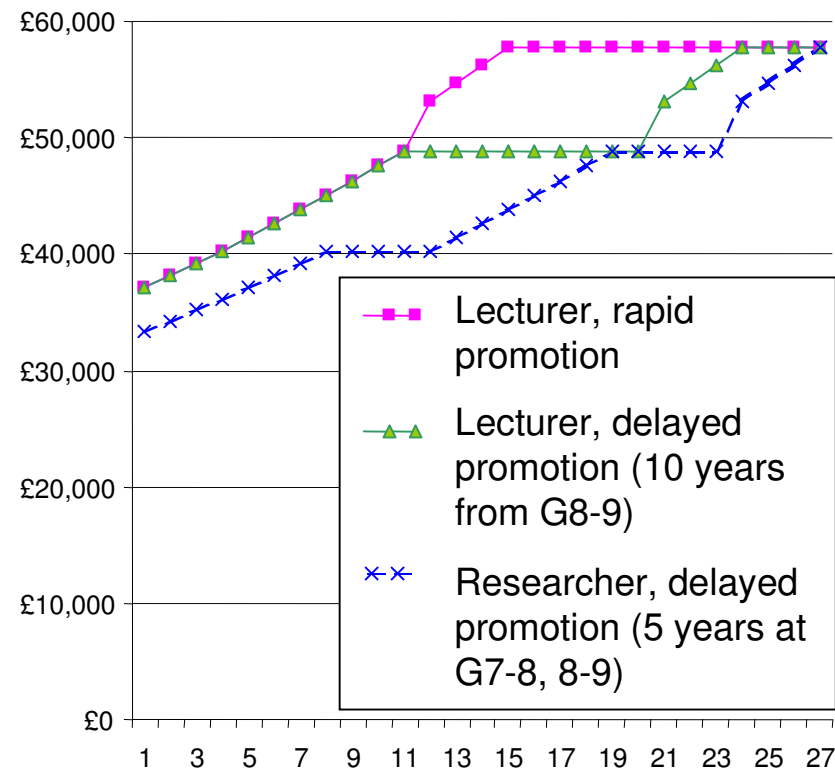
USS Pensions ballot

# USS Pensions

- Members are being balloted on **whether to end the dispute**
- YES means
  - we accept we cannot change the **deficit** (at least for now)
  - we accept the **closure** of Final Salary
  - we accept a **worse** scheme than current CRB for **all** members
- NO means
  - we have to take **industrial action** to
    - change the deficit projections, or
    - persuade the Employers to increase their contributions

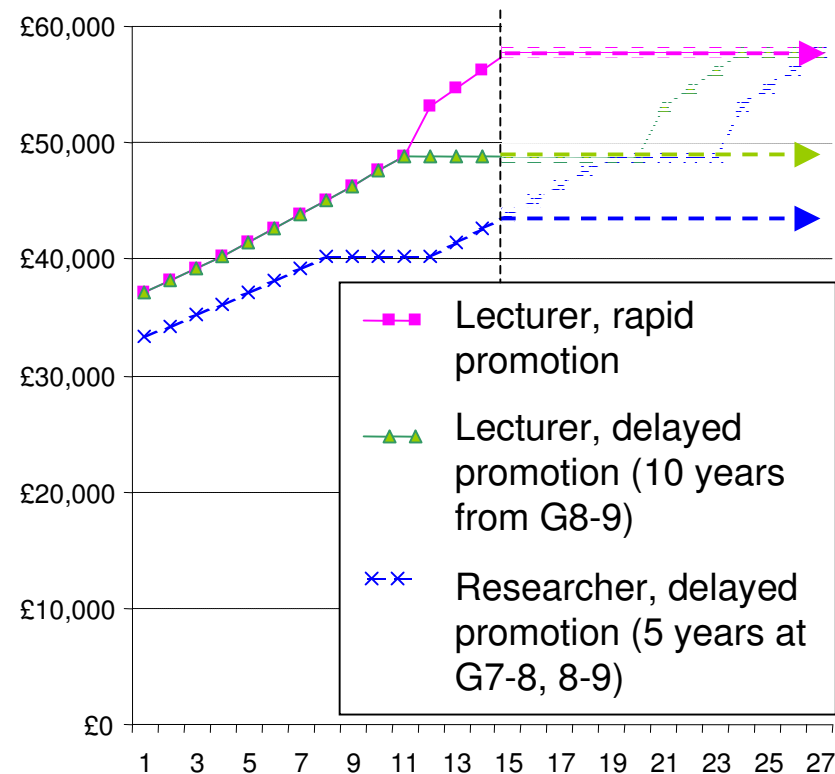
# Final Salary vs. CRB

- Three example career paths with same end point (top G9)
  - Same FS pension
    - based on service x FS
  - Different CRB
    - based on pay over time
    - staff with rapid early promotion do better than those whose career pauses



# Ending Final Salary

- USS proposes to close Final Salary on 1 April 2016
  - Your FS pension is frozen at that date
  - Updated by CPI
  - All subsequent promotions ignored for FS calculation
  - New CRB scheme after that date



# UUK vs. alternative proposals

- **Current UUK proposal**
  - All FS staff to be transferred to CRB scheme
  - Employee contributions at 6.5% of salary
  - All salary over £55,000 (CPI-uprated) to go into Defined Contribution scheme
- **Alternative proposal - as above except**
  - Employee contributions at 8% of salary (23% more)
  - Returns 6.37% over UUK after 43 years (UCU modeller)
  - Cost neutral provided you live ~15 years post-retirement (83)

# Defined Contribution?

- Most private sector pension funds have become 'Defined Contribution' (DC) schemes
  - What is a DC scheme?
    - **A stock market portfolio** (may be different for different staff)
    - **No defined benefit** (risks fall wholly on Employees)
  - Contribution rates
    - Employers plan to put 12% rather than 18% into DC 'pot', the remaining 6% going to 'pay off the deficit'
    - Employee contributions over £55,000 salary into DC
    - Option of paying more!

# What can we do?

- The choice is in **members' hands**
  - UCU is making no recommendation
  - Your Executive Committee recommends members vote NO
- Many members may be **anxious** of taking industrial action - but alternative is to give up now
  - We need to organise **local departmental meetings** to talk through the issues
  - Members need to make an **informed choice**
  - **Collective action** requires us to get together