

# The University and College Union's incredible disappearing pensions dispute

Ioan Petrescu  
6 October 2020

Over the past two and a half years, UK university staff have been engaged in a struggle against the gutting of their pensions. This culminated in March this year, with 50,000 lecturers, technicians, library, and other university workers striking for 14 days.

But under the cover of the coronavirus pandemic, the University and College Union (UCU) conspired with Universities UK (UUK) to push through changes to members' pension plans that will see them paying more for smaller benefits. This has happened behind the backs of staff, who were not asked to vote on the agreement.

The dispute centres on the Universities Superannuation Scheme (USS), an investment fund with total assets of £67 billion. This is the principal pension scheme for universities and other higher education institutions in the UK, with almost 460,000 scheme members across 340 institutions.

The USS has been losing money since the 2008-09 financial crisis, causing its deficit to rise dramatically. To cover this shortfall, USS is demanding larger contributions from universities and employees. At the same time, UUK insists staff must bear the brunt of funding the scheme.

Over the past eight years, changes to the scheme mean a typical member pays around £40,000 more into their pension pot during their working life but will receive almost £200,000 less in retirement. Employee contributions were raised from 6.35 percent of salary in 2011 to the current rate of 8.8 percent, with the closure of the final salary element and a restriction on defined benefits. University workers rightly want the institutions to cover the cost of pension contribution rises that have been imposed on academic and other staff in recent years.

When the March 23 lockdown came into effect in the UK, the UCU called off pickets and any re-ballot for continuing the strike. The union issued a statement, "In the past two weeks, our negotiators have tabled proposals that fall short of our original demands but which we believe could represent an acceptable resolution to our disputes." Having halted the work stoppage, it suggested members take "action short of a strike" and set a target for re-ballots on this

proposal "no later than the end of June".

With industrial action off the agenda, the union proceeded to cook up a dirty deal with the employers and the pension fund. The UCU argued that the need for extra contributions could be eliminated by USS making riskier investments (and thus potentially more profits), essentially letting the pension fund gamble with its members' pensions on riskier investments, and potentially leaving them without anything accrued for when they retire.

While the UCU pushed hard for the scheme to bet its members' pensions on rising stock markets, the employers were reluctant to go ahead as it would mean they would have to bail out the fund were it unable to pay out retirement benefits.

Following further backroom negotiations, a deal was struck between the union and employers that USS should not "de-risk" (use its money in safer but less profitable investments) but make no concessions on increased pension contributions from staff. However, rather than putting the matter before the membership, the union's higher education committee decided to accept the agreement without a ballot, so shutting down the dispute with none of the workers' demands having been achieved.

The UCU is now attempting to pass off the deal with UUK as a victory, to demobilize the fight of university staff and stymie any further strike action. As its record makes clear, this has been its aim in all previous disputes and confirms that the UCU functions as an adjunct of management.

At the end of July, the USS announced that its deficit had grown to £18 billion by March this year, compared to £5.4 billion the same time last year. The rise is largely a consequence of lower interest rates since the start of the pandemic, which inflates the cost of "defined benefit" pension promises. The gigantic rise in the deficit will most likely be foisted on the backs of university staff, with some proposals suggesting they would have to contribute a huge 50 percent of their salary to finance their pension plans.

## Dispute over casualization, equality, pay and workloads

While workers were striking to defend their pensions, the UCU was involved in another dispute with university management—the so-called “Four Fights” dispute—over casualization, equality, pay and workloads. Following its typical modus operandi, the union has kept the two struggles separate, to prevent the development of a united fight by lecturers and other university staff.

The same cost-cutting, market-oriented considerations that are driving the gutting of pensions stand behind the attacks on pay and conditions. As with the pensions dispute, all industrial action was stopped by the UCU in March, citing COVID-19, but talks between the union and the Universities and Colleges Employers' Association (UCEA) continued. In May, UCEA made a revised offer—virtually identical to the initial one in January—which had sparked the strike. There was no movement on the paltry 1.8 percent pay increase (below the rate of inflation), and only vague formulations stating the employers’ “expectations to minimise” hourly-paid employment, but with no firm commitments to do so.

Even though there were no substantial differences between the revised offer and the one rejected in January, UCU negotiators decided to ballot members again in July, which resulted in a firm rejection by education staff, with over 61 percent voting against the employers’ offer. The UCU employed a common tactic used by all unions to prevent strikes and maintain their cosy relations with the employers, only conducting a “consultative” ballot. For a strike to take place following such a vote, even if supported by a massive majority, the union must then hold a “formal ballot” as well (a process taking weeks longer), which the UCU has not announced.

A critical role in these betrayals has been played by the “UCU Left”, a pseudo-left grouping within the union, politically led by the Socialist Workers Party (SWP), which is well represented in the highest echelons of the UCU bureaucracy.

In a statement in March, the UCU Left gave the pensions dispute just a one-sentence mention. Even more glaringly, the UCU Left does not mention anywhere on its website the decision not to put the agreement reached with UUK to a vote, even in an article about the meeting in which it was decided.

Only a rebellion by the membership in 2018 prevented the union from immediately imposing a rotten deal as the UCU sought to shut down what were then the largest strikes in the history of Higher Education in the UK. When the union then pushed through a modified deal, it cost UCU leader Sally Hunt her job. In the subsequent election, the UCU Left

initially backed Jo McNeill—a Labour Party member—as their candidate for General Secretary.

When Jo Grady secured 64 percent of the vote in the second round of counting, the UCU Left warmly toasted her victory. Its website cheered, “Union takes a leap to the left... UCU Left look forward to working with Jo Grady to transform UCU into a democratic fighting union that can send shivers down the spine of every employer.”

The UCU Left promotes the fraud that Grady’s election has transformed the union into an accountable and staunch defender of workers’ rights.

The claims that the UCU has become more “democratic” under Grady have been completely discredited by events since, exposing the UCU Left as an opportunist tendency. Despite occasional rhetoric, the UCU Left supports the union bureaucracy and its betrayals of HE and FA staff—to maintain its own influential positions inside the apparatus.

UCU members must draw the lessons from their recent experiences at the hands of the UCU. The unions do not function as organisations that defend the interests of their members but act to enforce the diktats of management and wring concessions out of the membership.

Education workers must take the struggle out of the UCU’s hands and organise rank-and-file committees across all sectors based on a socialist programme for the defence of high-quality, publicly funded education as a universal right. The Socialist Equality Party (SEP) will lend every assistance possible to such efforts.

The SEP has established the Educators Rank-and-File Safety Committee to fight for a general strike to oppose the unsafe return to schools, universities, and colleges. Share your experiences since returning to campus by attending its next meeting on October 10 at 2 pm.



To contact the WSWP and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**