

UK university workers must oppose UCU's betrayal of the USS pensions dispute

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Over the past three and a half years, UK university staff have been engaged in a struggle against the gutting of their pensions.

In March 2020, 50,000 lecturers, technicians, library, and other university workers went on strike for 14 days in defence of their conditions. This struggle has been sabotaged by the University and College Union (UCU), which has done its utmost to demobilise workers, while engaging in backroom deals with the employers.

The dispute centres on the Universities Superannuation Scheme (USS), the principal pension scheme for universities and other higher education institutions in the UK, with almost 460,000 scheme members across 340 institutions.

Over the past eight years, changes to the scheme facilitated by UCU sellouts 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 9.6 percent. The final salary scheme was closed, and restrictions placed on the defined benefit element.

The pension scheme is so expensive for workers that 15-20 percent of eligible members opt out, much higher than the average rate of 5 percent for similar schemes.

Employee contributions were already due to increase to 11 percent in October, but at the beginning of the year the USS claimed a huge deficit and demanded contributions to the scheme increase massively, up to 56 percent of payroll. This under conditions in which its chief executive Bill Galvin saw his salary and benefits rise by almost £30,000 to £486,410 last year and was awarded a £212,009 bonus, more than double what he received in 2019.

The increase would have cost many workers £8,000 a year, and the university employers a total of £1

billion.

The UCU did not take a stand on members' right to a fair pension, but only criticised the USS's valuation of its claimed deficit and appealed to the employers' body, Universities UK (UUK), to do the same. It highlighted letters of support to that effect from the Universities of Oxford and Cambridge, writing, "UCU welcomed the approach taken by both universities and said more employers should work with their local UCU branches to challenge USS's approach."

UUK rewarded this appeal by launching a consultation with its members in April and proposing a series of attacks on workers to keep the total payroll pension contribution to 34.7 percent. These include slashing the defined benefit element of the USS pension from £60,000 to £40,000, imposing an indexation cap so benefits aren't protected against inflation rises over 2.5 percent, cutting the accrual rate from 1/75th of salary to 1/85th of salary, and shunting lower earners onto an alternative lower-tier pension scheme.

Over the summer, the UCU and General Secretary Jo Grady engaged in fiery rhetoric against the proposals, threatening to call strikes and take legal action if the valuation is not re-considered. "UUK can either work with us to push USS to scrap its valuation and make the changes necessary to maintain current benefit and contribution rates, or it can choose to face a ballot for industrial action, which UCU members voted for at this year's congress."

No actual action has been taken by UCU in the past four months to back up its threats. At the higher education sector conference in early June the only decision taken regarding the pensions dispute was to "implement a multi-pronged strategy to defend USS".

In June, UUK announced that most of its members

agreed with the proposals and that it will now start negotiating them with USS. The UCU again “slammed” the results, calling them a “PR exercise readying the ground for further cuts”.

Grady stated, “Members of the USS pension scheme appear to be trapped between an employer group that wants to cut pensions and a trustee that refuses to listen to scheme members or experts”. She left out the third point of this Bermuda Triangle for higher education workers, the UCU, which does its level best to force concessions on its membership.

Once again, no action was taken or announced, apart from the release of a “pension modeler”, where staff can enter their details to find out exactly how much money they stand to lose under the new proposal. The union calculate that their average member will lose 35 percent off their final pension, which is already pitiful—a 37-year-old member earning £41,526 would currently get an annual £18,857 guaranteed pension if they worked to the age of 66. Under the new scheme, this is cut to £12,170.

Having taken the measure of the union, both UUK and the USS began negotiations, ignoring any input from the UCU. Two weeks ago, they reached an understanding, with the fund accepting UUK’s proposal in return for an increase in the “covenant”—the amount of the fund’s assets that the universities will secure—to 10 percent.

The union described the covenant agreement as “welcome”, even as it admitted that “it does nothing to address the hole in UUK’s proposals which will see scheme members suffer cuts to their pension benefits.” While the UCU is still formally opposing the cuts, staff have been told to wait for any action until a special sector conference on September 9.

The UCU’s treacherous role will come as no surprise to most university workers, who know that the current attacks are the direct result of its sellout in 2018, when the union was correctly accused by a protest of its own members outside its HQ of being “objectively on the side of the employers”. The UCU demobilised mass resistance on the part of workers and students to establish a corporatist Joint Expert Panel (JEP) on pensions with the employers. UUK’s current proposal is partly based on suggestions from the JEP.

Grady became general secretary after her predecessor, Sally Hunt, left in disgrace. Hunt and the

UCU leadership staged three walkouts from their own union conference in 2018 to avoid motions of censure from the membership, citing their rights, as members of the Unite union, to “dignity at work”!

Hunt resigned citing health reasons the next year. She was given a £400,000 golden goodbye by the UCU, taking her pay for the year to £534,805. Grady’s leadership has changed nothing. According to the union’s 2020 annual returns, her yearly remuneration totals £136,647, including a pension contribution of £21,443.

These facts expose the claims made by the UCU Left faction that Grady had transformed the union into an accountable and staunch defender of workers’ rights. The truth is that no such transformation is possible.

UCU members must draw the lessons from their recent experiences. The unions do not function as organisations that defend the interests of their members but as management partners tasked with wringing concessions out of the workforce.

It plays the same role in every sector. Further education teachers have had their pay cut by 30 percent in the last decade, a fact the UCU touts to the employers’ group, the Association of Colleges (AoC), as proof of its usefulness.

In a recent letter to the AoC begging for a small lift in its insulting one percent pay offer, the UCU writes that one thing which is “unique to our sector is trade union members who have lost almost a third of the value of their pay uniting with their employers to campaign and march alongside them. This is otherwise unheard of, and too precious to put at risk.”

To make a real fight possible, 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 defense of high-quality, publicly funded education, including decent jobs and pensions for staff, as a universal right. The Socialist Equality Party (SEP) will lend every assistance possible to these efforts.



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