

Professor Lu  
University of Surrey,  
Guildford  
GU2 7XH

26<sup>th</sup> January 2018

Dear Vice Chancellor,

**Open letter from the Surrey UCU Committee to Professor Lu, regarding the current USS dispute**

As you know, UCU is in dispute with you regarding the USS pension fund. At the USS Joint Negotiating Committee (JNC) on Tuesday 23 January, following the Chairs casting vote, the UUK proposals to fundamentally change USS from a defined benefit scheme to a defined contribution scheme was resolved without UCU agreement.

The legal basis of our dispute with you is your failure to reach a collective agreement with UCU which protects the pensions of our members from detrimental changes.

UCU wants an amicable, negotiated solution if possible and we thought it would be useful if we set out the steps you could take which might help to resolve this damaging dispute.

We would like you to publicly call for the reopening of national negotiations with the aim of retaining a decent defined benefit scheme and commit to increasing University of Surrey's contributions if necessary to protect this valuable benefit.

The current UUK proposal will not be finally endorsed by the USS JNC and Board until the end of June 2018 so there is plenty of time for further negotiations if the position of Universities UK shifts.

This national resolution is clearly UCU's preferred position, but it is substantially in the interests of this institution too.

To further aid you in your consideration of this matter we have set out as Appendix A to this letter, our calculation of the monetary loss over the course of their retirement for several typical staff

profiles at this institution. A typical member of academic staff who moves from lecturer to professor in a thirty-year career stands to lose £208,000 over the course of their retirement.

We have estimated that if the UUK proposal is imposed the typical lecturer would need a compensatory annual payment equivalent to at least four increment points to maintain their estimated retirement income at its current level.

We look forward to your response.

Kind regards

Surrey UCU Committee

### Appendix A = Estimates by First Actuarial of the loss of income from the UKK proposal over the course of a typical retirement

Member M1			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£58,200	£58,200	£58,200
Pension	£4,600	£9,800	£12,300
Benefits received	£158,000	£270,000	£324,000
Contributions paid	£48,000	£48,000	£59,000
Difference	£110,000	£222,000	£265,000

Member M6			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£118,600	£118,600	£118,600
Pension	£10,500	£17,800	£25,100
Benefits received	£346,000	£503,000	£662,000
Contributions paid	£80,000	£80,000	£109,000
Difference	£266,000	£423,000	£553,000

Member M10			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£144,800	£144,800	£144,800
Pension	£12,100	£21,700	£29,900
Benefits received	£406,000	£614,000	£791,000
Contributions paid	£97,000	£97,000	£135,000
Difference	£309,000	£517,000	£656,000

Member M4			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£102,400	£102,400	£102,400
Pension	£9,400	£15,400	£22,100
Benefits received	£305,000	£434,000	£580,000
Contributions paid	£70,000	£70,000	£92,000
Difference	£235,000	£364,000	£488,000

Member M7			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£70,500	£70,500	£70,500
Pension	£5,600	£11,800	£14,900
Benefits received	£192,000	£325,000	£392,000
Contributions paid	£53,000	£53,000	£69,000
Difference	£139,000	£272,000	£323,000

Member M12			
Scheme	USS – zero cap	USS - £55k cap	TPS
Tax free cash	£15,600	£15,600	£15,600
Pension	£1,600	£2,300	£2,500
Benefits received	£50,000	£66,000	£69,000
Contributions paid	£13,000	£13,000	£16,000
Difference	£37,000	£53,000	£53,000

## Example member calculations

### University staff

Member	Brief description	Years' service
M1	Researcher, works point 30 to 46	20
M4	Academic lecturer, works point 37 to 43	30
M6	Academic, works point 37 to 50	30
M7	Professor, works point 37 to 48 then band C	20
M10	Professor, works point 37 to 48 then band C to A	30
M12	Academic lecturer, works point 37 to 41, leaves early	5