



**29 January 2018**

Dame Professor Nancy Rothwell  
President and Vice-Chancellor  
The University of Manchester

Dear Nancy,

I am writing to you on behalf of University of Manchester members of UCU concerning the dispute we have with you regarding the USS pension fund.

As you know, following the Chair's casting vote at the USS Joint Negotiating Committee (JNC) on Tuesday 23 January, the UUK proposals to fundamentally change USS from a Defined Benefit scheme to a Defined Contribution scheme was resolved without UCU agreement. UCU wants a 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.

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. 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 the University of Manchester'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. This is because if there is no shift in the national position and the UUK proposal is imposed, industrial action will continue at the University until this institution has met the legal terms of the dispute "to protect our members' pensions" as described above. The cost of doing that will be substantial.

To further aid you in your consideration of this matter we have set out as an Appendix to this letter, our calculations of the monetary losses 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 also all know that the University can afford to contribute more to maintain decent Defined Benefit pensions. The Financial Statements published in December show it is in a sound financial state with cash and total reserves many private corporations would envy

and, moreover, that it recorded a 91% increase in declared profit after overstating the University's share of the USS deficit in the previous year's accounts. Steve Dauncey has also, honourably and honestly, been good enough to admit that the University can afford to increase USS contributions, but does not want to because it would mean re-prioritising M2020, which as you know following last year's local dispute over redundancies is already very unpopular with staff.

Please intervene and contact UUK as a matter of urgency and request that they reopen negotiations, and please reassure staff of your commitment to them as the primary resource of the University by stating publically – like the Vice-Chancellors of Warwick, Loughborough, Glasgow and Bristol – that you want a compromise agreement that retains Defined Benefit pensions.

I would welcome the opportunity to discuss this matter with you as soon as possible.

Yours sincerely,

Gregory

Dr Gregory Lane-Serff  
UMUCU President  
The University of Manchester

cc.

Edward Astle, Chair of the Board of Governors  
Luke Georghiou, Deputy President and Vice-Chancellor  
Will Spinks, Registrar and Secretary  
Karen Heaton, Director of HR  
Stephen Dauncey, Director of Finance  
Martyn Moss, UCU North-West Regional Official

## Appendix = 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	£46,000	£46,000	£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	£326,000	£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