

Dear USS,

Thank you for your “Urgent update from the USS trustees”, which I received on 17 March 2018, and which helped to dispel some of the rumour and disinformation that has circulated around the pensions issue. It is a great relief to learn that I am not expected to live to 147 years of age.

A number of other even more scurrilous and damaging pieces of misinformation have come to my attention, and I hope you can clear up these pieces of mischief before they inflict further damage to the reputation of USS and the higher education sector.

1. I have heard a vicious rumour circulated by the BBC’s education and family correspondent that the chief executive of USS, Bill Galvin, received an £82,000 pay rise this year, bringing his pay package up to £566,000 per year.[\[1\]](#) Only the most hardened cynic could believe this. It would, after all, mean that his pay rise alone is greater than the annual salary of many of those whose pensions the USS has proposed drastically to reduce.

What gives this rumour a particularly nasty edge is that after claiming that the running costs for the pension scheme are £125 million per year, including two staff members earning more than £1 million, the BBC correspondent quotes Mr Galvin as saying that the pension scheme is “excellent value”.

I think it would be a good idea to ask the BBC to publish a retraction and an apology, because this sort of rumour is likely to undermine the reputation not only of USS but of the higher education sector as a whole. I hope I will receive another urgent update on this matter as soon as possible.

2. An even more damaging piece of misinformation surrounds the results of the September 2017 survey of member institutions of USS. USS reported the survey found that 42% of employers wanted a lower level of risk.[\[2\]](#) This finding justified the “de-risking” exercise that increased the projected deficit in the pension fund and which ultimately gave rise to this unfortunate dispute. Could there be any greater mischief than the ugly rumour, originating with the Financial Times’s pension correspondent, that UUK “told the FT that Oxbridge colleges accounted for one third of the total wanting less risk” because Oxbridge colleges “are employers in their own right” and hence each college was counted as having an independent vote?[\[3\]](#) If a third of those wanting lower risk were Oxbridge colleges, this would mean that, beyond Oxford and Cambridge, the opinions of barely a quarter of the respondents to the survey justified the reduction in benefits that led to the strike.

Anyone gullible enough to believe that USS would accept this sort of gerrymandering must think that we still live in feudal times! I think it is important that USS nip this story in the bud. It is the sort of thing that might otherwise lead to the complete collapse of trust in both USS and UUK.

The thing that worries me, though: how did hackers manage to plant these stories with the BBC and the Financial Times correspondents? Could this be part of a concerted digital attack by a hostile foreign power?

3. As if that weren’t enough, the rumour-mongers must have hacked into Cambridge University’s response to the September 2017 survey, in which one finds the following justification for lowering the level of risk: “The University (and the other financially stronger institutions) continues to lend its balance sheet to the sector, which contains the cost of pension provision for all employers. In a competitive market for research and student places the University would be concerned if this appeared to be having an adverse effect on the University’s competitiveness (by allowing competitor universities access to investment

financing or reducing their PPF costs in a way that would not be possible on a stand-alone basis).”[\[4\]](#)

No one could possibly believe that Cambridge University would be so selfish as to drive the whole higher education sector into turmoil in order to improve its relative position on the capital markets vis-à-vis other universities—or that the USS posture would collude with this sort of behaviour.

I hope you can see the urgency of correcting this bit of misinformation. The mystifying thing, though, is how someone has managed to plant the quoted statement in Cambridge’s response to the September 2017 survey, found on Cambridge’s own website. What evil force is trying to tarnish higher education in this way?

4. What USS must correct most urgently of all, though, is the following narrative: that in 1996, rather than build up a healthy surplus, USS permitted the employers to reduce their pension contributions from 18.55% to 14%, on the understanding that there would be no reduction in benefits; that the employers reduced their funding between 1997 and 2009, when hard times hit us all; and that when the fund was found to be in deficit, rather than ask the employers to pay a surcharge to compensate for their earlier reduction, USS instead instituted a series of reductions of benefits to the pension beneficiaries.

This story is the most damaging of all. Any child who has been immunised against profligacy by the fable of the grasshopper and the ant would recognise the impropriety in allowing the grasshopper employers to reduce their contributions in the apparently endless summer of 1997 to 2009, then requiring the employees (who, conscientious as we are, never reduced our contributions) to accept lower benefits in response to bad times. No responsible adult would let the employers get away with this, let alone an organisation like USS with fiduciary responsibilities. If we were to believe this story, we would have to believe that every time push came to shove, the *independent* chair of the Joint Negotiating Committee sided with the employers. That is not possible, because the very first words of the “urgent update” you just sent say that USS “has the primary duty to act in the best interests of the scheme’s beneficiaries”. No organisation would be so shameless as to allow itself to quote those words having permitted the employers to treat the beneficiaries in the way this mean-spirited story recounts.

I do hope that USS sees the urgency of dispelling the rumours that I have reported. If they continue to circulate, they will reinforce the belief that USS has acted as the servant of the most aggressive employers in the sector, who want to improve their balance sheet position even if that poisons relations between universities and their staff for a generation, destroys trust in USS and UUK, drives university employees into penury in their old age, tarnishes the reputation of the education sector, and thus does irreparable harm to the nation.

I look forward to your next urgent update containing apologies from all of those whose calumnies have brought USS and higher education into disgrace.

Patrick Hagopian, a USS beneficiary