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Jo Johnson MP
Minister of State for Universities
Department for Education
Sanctuary Buildings, Great Smith Street
London
SW1P 3BT

15/12/17

Universities Superannuation Scheme (USS)

Dear Jo,

I am writing to express my concern about the current progress of negotiations in relation to the future of the Universities Superannuation Scheme (USS).

The radical proposal put forward by Universities UK (UUK), which would see an effective end to the defined benefit section of USS, does not appear to enjoy support across the sector. Modelling produced by both the University and College Union (UCU) and UUK indicates that scheme members would be significantly worse off in retirement if these changes were implemented.

I am deeply concerned that this would have a damaging impact not only on affected individuals but also on USS institutions. UCU's analysis indicates that the Teachers' Pension Scheme, offered to staff at post-'92 institutions, offers significantly better benefits in retirement and so further erosion of USS benefits could reduce the ability of member institutions to attract and retain staff in an increasingly competitive sector.

I understand that Universities UK have indicated that they are unwilling to continue negotiations on this subject beyond the meeting on Monday 18th December, and that USS has advised that negotiations must conclude on this date in order to meet a deadline imposed by the Pension Regulator. USS has also indicated that it may impose a solution if no agreement is reached on Monday. As UCU is currently in the process of balloting its members for industrial action, the imposition of an unpopular solution on scheme members is likely to exacerbate the situation and could lead to unnecessary disruption to students in our universities.

The Pensions Regulator has indicated to UUK that there may be some room for lengthening the negotiations. In letter sent earlier this week, they said that while they expect adherence to the statutory deadline of 30 June 2018, they are 'mindful that in complex and late stage negotiations some slippage in timelines can lead to better outcomes.'

It is in everyone's interests for both sides to be given the necessary time to continue negotiating towards an agreement which enjoys the confidence of both staff and employers, rather than an imposed solution. I would therefore ask you to use your good offices to urge the Pensions Regulator



to consider allowing some flexibility in its timescales, and to encourage both UCU and UUK to continue negotiating for as long as necessary towards an agreed solution which balances the needs of both employers and individuals.

I look forward to your urgent response.

Yours,

A handwritten signature in black ink that reads "Gordon Marsden". The signature is written in a cursive style with a long horizontal stroke at the end.

Gordon Marsden MP