

Professors warn of recruitment ‘disaster’ over USS changes

Senior academics express fears for younger colleagues as strike deadline looms

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Scrapping guaranteed pension payments from UK higher education’s biggest pension scheme would lead to a recruitment “disaster” for the academic profession, nearly a thousand professors warn.

An [open letter](#) signed by 960 professors and published in *Times Higher Education* describes the defined benefit element of the Universities Superannuation Scheme as one of the main draws of the academic profession.



[Letter: shrinking pensions could lead to recruitment disaster](#)

Universities UK has proposed moving the entirety of members' pensions on to a [defined contribution model](#), under which retirement incomes depend solely on returns from money invested in the stock market, in a bid to plug the scheme's £7.5 billion deficit.

Members of the University and College Union have until 19 January to participate in a ballot for strike action over the proposal, which the union claims would lead to [significantly reduced pay-outs](#) for members.

The letter says that, in a sector where "many would earn more in the private sector and which has a well-deserved reputation as 'world class', the USS pension has provided compensation for relatively modest salaries and has acted as a powerful magnet to talented staff from around the globe".

Citing First Actuarial estimates, the letter claims a typical lecturer would receive £208,000 less than expected under the new proposals.

"For universities who rely on USS to help recruit and retain staff this will be a disaster with lecturers enjoying retirement income of an estimated £400,000 less than their colleagues in the rival Teachers' Pension Scheme, which mainly enrolls staff in the post-92 'new' universities," the letter says.

These changes would ultimately hit young university staff hardest, who already enjoy fewer benefits than senior staff, it warns.

"Young university staff work hard yet have endured years of pay restraint and casual contracts while watching many at the top in our universities enjoy great rewards," the letter adds.

Responding to the letter, a UUK spokesman said contributions would have to increase significantly to maintain the current model.

"To maintain the current level of USS pensions benefits overall contributions would have to increase from 26 per cent of salaries presently to just over 37 per cent," he said.

"Employers are not in a position to pay more than 18 per cent of salaries into USS, and it is clear that many employees would find an increase beyond their current contribution of 8 per cent challenging too.

"Employers propose allowing members to make lower contributions than 8 per cent without this reducing the employer contribution, which would mean more employees can afford to save for their pension, with more options for members to choose how much they save."

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