

Save university pensions, and save the planet

by [Dr Neil Davies](#), [Dr Ewan McGaughey](#), and many more



Environment United Kingdom



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Case Owner

This is a joint effort from many university branches: we believe in fair pensions and a living planet. Its organising group includes Dr Neil Davies, Bristol UCU, and Dr Ewan McGaughey, KCL UCU

About the case

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Comments

22

days to go

£261,921

pledged of £570,000 stretch target from 6,323 pledges

Pledge now

This case is raising funds for its stretch target. Your pledge will be collected within the next 24-48 hours (and it only takes two minutes to pledge!)

Latest: June 1, 2022

We're appealing - help us hold the USS directors accountable!

We are so grateful for everyone who's supported us so far - many thought that we would not even get to this stage: the High Court has ruled that beneficiaries of a pension corporation *can* su...

Read more

We need to save the university pension, and save the planet. This is a grassroots action by academic staff against the trustees and managers of the Universities Superannuation Scheme for breach of their duties: for a third time they're threatening to cut university pensions with a flawed valuation, and a discriminatory plan. Instead of cutting their super-inflated asset manager costs, and divesting from fossil fuels, they are proposing to cut your pension. This must end. We need fair, equal, sustainable pensions for us, for the planet, and for the future.

The problem

We are now in our third massive strike since 2018, because USS has proposed to close or cut the guaranteed income pension ('defined benefit') element of the scheme, and instead have a worse lump-sum pension ('defined contribution'). At the depth of the Covid-19 stock market crash on 30 March 2020 they "valued" the pension assets, and said there would be a "deficit" of £14.9 to 17.9 billion for the future. They're using this "valuation" to justify cuts. They are wrong because:

- we know that USS conducted its valuation on 30 March 2020, in the Covid-crash, that it assumed 0.0% asset growth for 30 years (even though the fund grew from £66.5bn to [£89.6bn by August 2021](#)), and USS managers appeared more worried about being asked "questions" by the Pensions Regulator than putting the interests of beneficiaries first;
- we know that since 2008 internal asset manager personnel costs at USS have inflated by a stunning 1318%, external adviser costs have tripled, and embedded asset manager fees have been inflating. Reversing these costs would raise at least another £100 million every year. But instead of controlling their costs (which is taking your pension money) the asset managers want to cut your pension benefits;
- we know that women live longer than men, so if everyone gets a lump sum (DC) pension, instead of an income guaranteed for life (DB), this will mean pensions are more likely to run out for women - on top of the existing 'gender pension gap'. Alternatively, if contributions rise, this will discourage the lowest paid to join the pension, and this will also have a discriminatory impact. USS has published no gender impact or other equality assessment;
- we know that in November 2020, USS conducted a survey of members' views on divesting from fossil fuels, and found a large majority of members were in favour. Fossil fuels are financially the worst performing assets, and they are burning our planet. But instead of divesting, the USS trustees and managers have failed to even publish the report. On the USS board are 5 trustees appointed solely by the existing board, and they come from JP Morgan, Citibank, HSBC and coal.

The USS trustees and managers haven't acted in our interests. They're not going to. So we need to take action.

The solution

We need a democratic pension fund, and we must compel our trustees and managers to act in our interests by law, because it's our money, not theirs.

We are crowdfunding to bring claims against the USS trustees and managers for:

- (1) failure to act within their powers, in maintaining the 30 March 2020 Covid-crash valuation date for predicted pension assets, and in assuming 0.0% asset growth above inflation for 30 years, even though the fund grew from £66.5bn to [£89.6bn by August 2021](#);
- (2) self-serving negligence, by inflating internal asset manager personnel costs by 1318% since 2008, and tripling external adviser costs, and inflating embedded fund manager costs, but proposing to cut beneficiaries' pensions (not USS costs) to respond to the so called "deficit";
- (3) discrimination, by proposing to cut the defined benefit pension, or raise contributions, and ignoring the disproportionately negative gender and other equality impacts;
- (4) failure to act in beneficiaries' best interests, by not divesting from fossil fuels, even though these are causing significant financial detriment: coal, oil and gas are the worst performing asset class, they are destroying the ecosphere, and the beneficiaries of USS have said they want to divest. If we get out of fossil fuels, our pension will not face massive climate risks from bankrupt fossil fuels, it will be healthier, and so will our planet.

What can we do?

Please contribute generously! Please ask everyone you know to do the same. Tweet, email, blog, and together we'll hold the asset managers to account. You can see what we stand to lose on current proposals by putting your salary [into this USS pension cuts modeller](#). Compared to the losses we face, a contribution to this action is a drop in the ocean. If we all chip in, we can help save university pensions, and the planet.

We needed to raise approximately £50,000 for the initial stage of the claim, which we won, and are currently raising sums to cover the potential costs of the second hearing. This is to get permission for USS Ltd to pay for the cost of a "derivative claim". This means we derive the right to sue the trustee directors and managers for their wrongs to us all in the name of the pension fund corporation. We are going to shine a very bright torch on the trustee directors and managers, and hold them to account to the law's full extent for the damage to the pension scheme and to UK higher education, and take all necessary steps against university managers and the Pensions Regulator to achieve these objectives. We know that if we stand together, we can have a good system of social security for everyone, and a university sector based on the principles of democracy, equality, security, sustainability and justice.

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