

University of Bath UCU

Minutes of branch meeting 30th September 2015 1.15 pm 1E2.4

- 1 Welcome and apologies for absence
- 2 Minutes of branch meeting 3rd June 2015 amended. Bath UCU motion to UCU Congress on lecture recording was not taken as time ran out.

3 Matters arising from minutes of 3rd June

(a) No further progress on two items on which we have been negotiating with HR:

Assimilation of part-time staff
Progression from Grade 6 to Grade 7

These items will be referred by UCU to the next meeting of the JACNC on 27th October.

(b) University Remuneration Committee

Chair of University Council replied to letter from joint trade unions to say that the Committee 'decided that detailed reasoning on individual pay increases should not be made public.'

The decisions of the Committee will be reported to Council on 22nd October.

4 Report from national pay briefing 24th September

Michael Carley and Kevin Sanders reported from this briefing. In a consultative ballot, members voted in June not to accept the employers' 1% pay offer for 2015. Members also expressed a preference for action short of a strike in pursuit of the claim.

UCU HE Committee meets on 9th October to consider next steps in the pay campaign. The branch agreed to inform HE Committee that we want to continue the campaign for an increase in the employers' offer for 2015. Private sector pay settlements are currently averaging 2.9%, pensions contributions are set to increase in 2016 and the value of pay has fallen by 15% since 2009.

5 Report from national pensions briefing 25th September (see latest newsletter attached)

The latest national pensions news is attached to these minutes.

A fuller account of UCU's current negotiating position is at:
<http://www.ucu.org.uk/circ/pdf/UCUHE257.pdf>

The branch agreed the following

This branch believes that the USS Board adopted a reckless approach to scheme funding in the lead-up to the 2014 triennial valuation and that this was been the driving force for increases to employer and employee contributions and cuts to members' pension benefits.

This branch notes that UCU commissioned expert advice and used this to suggest an alternative approach to that adopted by the USS Board. Adopting UCU's alternative approach could have reduced the deficit in the 2014 valuation by around £8.6bn. It is also noted that some universities also questioned the valuation methodology.

This branch calls on the branch committee to:

- 1. Raise the USS scheme funding approach through the relevant joint negotiating/consultative machinery, highlight the problems with the current approach; asking for the employer to agree that USS should adopt a reasonable interpretation of the available evidence when setting the approach to scheme funding;*
- 2. Write to the VC asking for the University to join with UCU in reviewing the USS funding methodology;*
- 3. Encourage members to raise the USS scheme funding approach at other institutional bodies (i.e. Senate, Assemblies, and Faculty meetings);*

The matter will be placed on the agenda for the JACNC meeting on 27th October.

Members may also be asked by USS to take part in an online survey asking for their views on the proposed new Defined Contribution element of USS. Our initial advice is not to respond to this survey as it does not contain boxes for open comment. You might consider writing to USS to say that your non-response to the survey should not be taken to mean that you accept the proposed changes.

6 Local matters

(a) Manvers Street relocations

Members in the Careers Service told the meeting they were frustrated at the lack of meaningful consultation over some aspects of their proposed move to Manvers St. Agreed to request a meeting between UCU reps and managers in charge of the move.

(b) Report from Health & Safety Committee

Hedley Bashforth reported that University H & S Committee has received a report from internal audit on stress risk assessment. The report reveals serious shortcomings in the implementation of the university policy on stress risk assessment. No assessments had been discovered by the audit report, and

departmental managers noted 'a lack of support for them personally going through the process (of implementing the university's policy)'. In other words the university policies on stress risk may be creating more stress than they are relieving.

Agreed to pursue this matter in H & S Committee.

(c) Staffing in Pensions office

Has been reduced and some of their functions dispersed to other members of the Finance staff. Unions not consulted about this. UCU has expressed concern about possible reduction in level of service, especially at a time of major changes in USS. Director of Finance has agreed to review the staffing changes with TUs during the next 6-12 months.

(d) Nursery fees

University is increasing its nursery fees by over 7% this year – in two stages (September/April). A joint TU/SU letter to VC opposing the increases and calling for a meeting has not so far had a reply.

(e) Membership/recruitment

Kim L has organised a UCU presence at nearly all PG inductions, and we have recruited new members as a result.

There will be a National Recruitment week 16-20 November.

(f) Refugee scholarships A letter to the VC is in circulation, calling for the University to provide scholarships for refugees
<http://bath.web.ucu.org.uk/2015/09/24/call-for-bath-to-offer-scholarships-to-refugees/>

7 Notices

UCU National Equality Conference 12-14 November

<http://www.ucu.org.uk/index.cfm?articleid=6766>

We need representation at this event. Please put your name forward to Secretary if you are interested

UCU training for branch reps. If you want to become more active in UCU you are entitled to attend training events to help you become an effective rep. If you are interested in any of the courses below please contact branch secretary
http://www.ucu.org.uk/media/pdf/f/i/Training_SWest_Jul_2015.pdf

8 Next branch meeting 27th October



UCU Campaign on Valuation of USS

UCU is committed to campaigning to have the USS Board adopt different technical provisions to those of the last valuation. A briefing for USS Pension officers has been arranged for 25 September and HE branches have been sent a briefing with resources to assist them persuade their employer to engage with this.

Please make sure that over the autumn terms you report your efforts and outcomes to pensions@ucu.org.uk.

USS scheme change:

Following the consultation, there have been a few minor alterations to the scheme changes to be introduced next year:

- Members who are promoted by the
- same employer will be able to remain with the scheme they are an active member of rather than having to join USS
- Members with contracts for AVC's will be able to continue these contracts. But past added years will be tied to the final average salary on 31 March 2016. Members in money purchase AVC's fund up to 31 March 2016 will be able to use that part of the fund to purchase additional

service in their old pension scheme

- Employers will pay the management costs in the defined contribution scheme up to the cost of the default scheme. Members opting for more expensive funds will pay the cost above this amount.
- The defined contribution section will not come into being on 1 April but will be available by 1 October 2016. USS is to provide members with information on the fund choices in advance of this to enable decisions.

The money purchase AVC's, provided by Prudential, are also contract based so we would expect that those people who are currently paying into this product will be able to continue with this in the future.

Prudential AVCs and new flexibilities

UCU can confirm that following the Pensions Freedom Act which brought in changes from April 2015, Prudential will be providing five options which will be available when you are considering what to do with your AVC.

You are still able to follow the two options which were already in place. These are to purchase an annuity with

the total value of the AVC fund, or to withdraw 25% of the value of the AVC as a tax free lump sum and purchase an annuity with the remaining money.

Since April this year the other options are as follows:

Firstly it is possible to withdraw the whole value of the AVC as a one off lump sum. If you chose to do this you will receive 25% tax free and you are then liable for tax at your marginal rate on the remainder. This has the possibility that you would pay 40% tax on a significant part of you money.

Secondly you can opt to transfer the AVC fund into a pension drawdown product. This will enable you to leave the fund invested and draw down an income from the investments. This is currently an expensive option as both Prudential, as the provider of the AVC, and the recipient financial service provider whoever they will be, will have associated costs with this option. The Government are currently discussing capping the costs at 2.5% but have not made explicit whether this is per provider so that the costs could still be 5%. You will also have on-going management charges to pay linked to the drawdown product.

Thirdly Prudential will allow the facility of being able to take lump sums out of the AVC whilst still leaving the fund invested but without the associated costs of a drawdown facility. This means that each time you take a lump sum out of the AVC you will receive 25% tax free and then pay your marginal tax rate on the remainder. This means that you should

be able to minimise your position with regard to paying tax.

State Pension

The age at which it is possible to claim State Pension has been a moveable feast over the last few years, particularly if you are female.

An equally significant change is being made to the pension itself from April 2016. Currently to qualify for a full State Pension you need to have paid, or to have received credits for, National Insurance for at least thirty years. This would provide you with a State Pension of £115.95 per week.

The new State Pension, which you will claim if you reach State Pension age on or after 6 April 2016, will be no less than £151.25 per week. Before you celebrate by planning to buy the champagne on the basis of the Government's unsuspected largesse there are two significant drawbacks to be overcome.

To begin with the minimum number of years National Insurance contributions required to qualify for a full State Pension will be increased by 16% to thirty five years, and then is accompanied by the requirement that you must not have been contracted out of the second state pension.

There is also to be a minimum of 10 years earned or credited to be able to receive any state pension previously there was no qualifying period.

Because all the public sector pension schemes have been contracted out this means that even if you have paid into National Insurance for more than thirty five years, but have been a member of an occupational pension scheme which has contracted out, you will not be entitled to the full amount of the new State Pension. So the longer time you have spent in a non-contracted out pension scheme will lead to a higher State Pension compared to those who have always been in contracted out pension schemes.

The Government will be applying a complex formula to work out what everyone will be entitled to receive as State Pension, but it is clear that they will be paying out significantly less than the headline figure would suggest for many years to come.

Indeed even as the Government trumpeted the fact that this was a significant improvement for pensioners, independent analysts have estimated that only around 30% of pensioners will benefit from this change, which means that the vast majority will be worse off. This is not just because of the contracting out issue, but because those people who had built up a significant amount of S2P (State Second Pension) will not be receiving the full amount they would have previously been entitled to on attaining the State Pension Age.

We will probably return to this subject in later newsletters.

UCU Pensions Courses

The next scheduled UCU Pensions Course is due to be held in London, at

Carlow Street, on 10 and 11 February 2016. If you would like to attend this course please begin to plan for this now. There will be further courses held later in 2016 which will be based in Leeds and Birmingham during April and July respectively.

In the meantime if you wish to discuss pensions' matters please contact the UCU pensions' team at:

pensions@ucu.org.uk.

