

Dear Colleague

Many of you may be aware already that the Universities' Superannuation Scheme (USS) is proposing significant changes to its pension benefit structure for members from 1 April 2016. USS considers the changes are necessary in order to address the Scheme's substantial deficit and to mitigate the risk that contribution rates will become unaffordable for both employees and employers.

The proposed changes include:

- Closure of the final salary pension scheme for all current members;
- Transfer of current final salary scheme members to the existing Career Revalued Benefit (CRB) Section of USS for all future service;
- Introduction of a £50,000 salary threshold to the CRB Section; and
- Introduction of a Defined Contribution section for salaries above the £50,000 threshold.

Further detailed information on the proposed changes can be obtained at www.employerspensionsforum.co.uk

At Aberdeen we wish to provide high quality pension benefits that are affordable for our staff and, of course, for us as an employer. In addition, we feel it is essential that the pension benefits provided are sustainable in the longer term. We recognise the need for the introduction of reform to USS in order to ensure that the scheme remains both affordable and sustainable for the sector. We are therefore supporting the move to CRB defined pension benefits for all USS members and opposing the remainder of the main proposed Scheme changes. At this stage in the consultation process, we do not support the introduction of a threshold of earnings of £50,000 for membership of the CRB Section of USS. We also do not support the introduction of a defined contribution scheme for earnings over £50,000 per annum. Our preferred approach is to support a more gradual change in Scheme benefits and to assess the impact of such changes on the long term sustainability of the USS scheme.

We are urging USS to take a more measured approach to the proposals and to demonstrate a commitment to maintaining the best possible benefit structure for the sector.

We are very close to the position adopted by UCU on this matter and we have been engaged in a constructive dialogue with our local UCU representatives and also with the UCU national officer. Our discussions locally have brokered agreement in principle on the adoption of a pragmatic approach to the management of the proposed action short of a strike (ASOS) in Aberdeen.

We recognise fully that Aberdeen UCU is in a difficult position and would like to acknowledge the co-operation of local Officials in engaging constructively with us. Both parties are clear that the burden of action will fall disproportionately on teaching staff and we know, from experience, that our staff are reluctant to take action that disadvantages the progress of our students and which impacts so negatively on the student experience at Aberdeen.

We therefore appeal to staff to be cautious in their support for any action that will damage students and their learning experience. We urge staff to continue to work normally and we will continue with our efforts to influence more measured and justified reform.

Of course, as with any industrial dispute, I am obliged to advise you that engaging in ASOS constitutes a breach of your terms and conditions of employment. On this occasion we are confident that staff at Aberdeen will recognise the efforts that we are making to oppose unnecessary reform of USS benefits and will not engage in action short of strike. For those who do we need to recognise our duty to our students and we shall be withholding on a continuous basis 20% of salary until such time that an individual resumes full duties. We truly hope such an approach will not be necessary.

Furthermore, following our constructive dialogue with local UCU officials we have agreed that pension contributions will not be withheld from those engaging in the action.

We do hope that you will appreciate the efforts being made on your behalf and our commitment to obtain the best possible pension benefits. As additional information emerges, we shall keep you

informed and will continue the dialogue with our local UCU representatives on this matter. If you feel that there are further steps that the University could take please email Debbie Dyker, Director of HR, d.j.dyker@abdn.ac.uk with any suggestions.

Yours faithfully

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