

**EQUALITY IMPACT ASSESSMENT
(EIA)
ON PROPOSED REFORMS
TO THE USS**

September 2018

a) What is the workforce profile in relation to employees' declarations on being covered by one or more of the nine protected characteristics; race, disability, age, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion and belief, sexual orientation and gender according to scheme membership? (Report as individuals irrespective of hours worked, including fixed term contract staff employed at the time of the Assessment).

	Disability declared	Age	BME	Gender reassignment	Marriage and civil partnership	Pregnancy and maternity	Religion and belief	Sexual orientation	Male	Female
1. USS Members	395	Mean 42yrs 4m Median 40yrs	1166	n/k	n/k	n/k	n/k	n/k	5058	4812
2. USS eligible members (those not currently in the scheme but who are eligible to join or rejoin)	20	Mean 36yrs 4m Median 33yrs	325	n/k	n/k	n/k	n/k	n/k	622	514
3. Other scheme members	LGPS									
	TPS									
	SAT - OSPS	n/k	n/k	n/k	n/k	n/k	n/k	n/k	1143	2080
	SAUL	-	n/k	-	n/k	n/k	n/k	n/k	5	1
	NHSPS	14	n/k	71	n/k	n/k	n/k	n/k	226	261
Other - MRC	2	n/k	7	n/k	n/k	n/k	n/k	30	31	
4. Non scheme members										

b) Gaps in data

Institutions to identify any gaps in the data and the possible reasons for the gaps.

For example: The above data excludes hourly paid staff due to high turnover. There is also insufficient disclosure on staff records to provide meaningful data on x and x (insert relevant protected characteristics).

Gender reassignment - We do not gather data on this characteristic

Marriage and civil partnership - There is insufficient disclosure on staff records to provide meaningful data

Pregnancy and maternity - There is insufficient information held on staff records to provide meaningful data

Religion and belief, Sexual Orientation – There is insufficient disclosure on staff records to provide meaningful data

The data on disability is not considered complete and/or the groups sufficiently large to do meaningful analysis based on these characteristics. As the gender split of USS members is roughly equal (51% male, 49% female) the assessment within this response has focussed mainly on age. Those at upper ages in the later stages of their careers are typically paid more than those in USS at younger ages.

The gender split of those who have selected the 1% match (around 25% of members) is consistent with the split of all University USS members. Those with the match have higher average salaries than the average salaries of University USS members.

We have run a presentation roadshow (4 events) to brief staff on the proposals and help them understand the implications, and emailed all members inviting them to access the information on the USS consultation website and to respond to the consultation individually.

Form for full Equality Impact Assessment of changes to the USS

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STEP 1 The proposed revisions to the USS are as follows:

1. DB section on salaries up to £57,216.50	
Salary link for past service	Increased annually by CPI (capped* in relation to post October 2011 service)
Member contribution	
From 1 st April 2019	8.8% of salary below threshold of £57,216.50
From 1 st October 2019	10.4% of salary below threshold of £57,216.50
From 1 st April 2020	11.7% of salary below threshold of £57,216.50
Employer contribution	
From 1 st April 2019	19.5% of salary below threshold of £57,216.50
From 1 st October 2019	22.5% of salary below threshold of £57,216.50
From 1 st April 2020	24.9% of salary below threshold of £57,216.50

Pension accrual rate	1/75ths
Lump sum accrual rate	3/75ths
Increases in salary threshold	No increase until future valuation
2. DC section above the salary threshold of £57,216.50	
Employee contribution	
From 1 st April 2019	8% of salary above threshold of £57,216.50
Employer contribution	
From 1 st April 2019	12% of salary above threshold of £57,216.50
3. Matched contributions above and below the salary threshold	
Matched DC contributions	
From 1 st April 2019	No match from employer
*the capped basis means that the rate of increase in official pensions (currently based on CPI) will be applied in full so long as it is up to 5% a year. If such increases in official pensions are more than 5% in a year, the increase would also include one half of that year's increase above 5% up to a maximum of 10%.	

Additional information required

For example:

Comparability data for the proposed changes to the USS from the other pension schemes to which employees of the institution belong. The data should cover all 5 areas of proposed change and the elements set out below are by way of example.

This institution has employees in the following schemes:

Scheme	Employee Contribution Rate(s)	Normal retirement age(s)	Flexible retirement available
TPS (or regional equivalent)			
LGPS (or regional equivalent)			
SAT	8.0% in DB section 4.0% in DC section	Linked to SPA	Yes
SAUL			
NHSPS			
Other e.g NEST, NOW Pensions, GPP etc (please specify) MRC			

The University of Oxford Staff Pension Scheme is the University's SAT. As the scheme with most members information is included here for that scheme only. The rates are based on the default tier/cost plan. Other tiers/cost plans are available.

STEP 2

Analysis of the proposed reforms to the USS

Having regard to the duty to promote equality and eliminate discrimination, do the proposed reforms to the USS minimise unfairness? Do they have a disproportionate negative effect on people with one or more of the nine protected characteristics?

In completing the impact assessment using this form, if it is anticipated that the proposed reform will have a negative impact on one or more of the protected groups, note the likely impact including whether there is direct or indirect discrimination and whether such discrimination can be justified, identify the range of options to address it in order to meet the general equality duties, identify the effect of each option, the preferred option and the reasons for preferring it. Possible options include feeding back to the USS on the basis of the impact that the reforms have at this institution that:

- (i) there should be no change to the proposed reform;
- (ii) the proposed reform should be adjusted in a particular way;
- (iii) that it should continue with the proposed reform; or
- (iv) that it should abandon the proposed reform.

Any options chosen must be informed by the evidence available. Evidence may need to be supplemented by consultation, where appropriate, with affected groups. Sufficient evidence will be required to allow conclusions to be drawn. If the evidence is insufficient, consultation with affected groups is likely to be necessary. Institutions must retain a record of evidence relied upon.

1. Proposed reform:

Current defined benefits to remain the same, but member contributions required to fund them to increase from 8% to 8.8% of salary from 1 April 2019. Further increases to member contributions to be phased in from 1 October 2019 (10.4%) and 1 April 2020 (11.7%).

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		As BME staff are concentrated in our lower grades so on average on lower salaries, we assume that they may be less likely to be able to accommodate the proposed increases in contributions.	
Disability			
Sex			
Age		We assume that younger members, earning on average lower salaries, are less likely to be able to accommodate the proposed increases in contributions.	
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option 			

It may be possible to adopt a contribution rate scale that is linked to salary, with lower contribution rates for those on lower salaries (and on average younger) as is in place for the NHS pension scheme. This would be a broad proxy, but not precise, as a means to seek higher contributions from older members. This option is not however straightforward to accommodate within the USS structure of a hybrid scheme with a salary threshold. It is unattractive for those earning above the threshold to pay high contributions and not have any increase in their defined benefit pension or defined contribution saving in return.

The anticipated impact described in this and other sections is based on assumed reactions from USS members and non-members.

Anticipated negative impact of proposed reform on existing non-USS members

	Range of options	Preferred Option	Reason for preferred option
Race		BME non-members who have opted out of USS may not elect to re-join. Increased costs may increase the barriers to entry. Cost of contributions is sometimes a factor in an employee's decision not to join the scheme.	
Disability			
Sex			
Age		Younger non-members who have opted out of USS may not elect to re-join. Increased costs may increase the barriers to entry. Cost of contributions is sometimes a factor in an employee's decision not to join the scheme.	
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			

Sexual orientation			
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2. Proposed reform:

Current defined benefits to remain the same, but employer contributions required to fund them to increase from 18% to 19.5% of salary from 1 April 2019. Further increases to employer contributions to be phased in from 1 October 2019 (22.5%) and 1 April 2020 (24.9%).

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race			X
Disability			
Sex			
Age			X
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option 			
Anticipated negative impact of proposed reform on existing non-USS members			
	Range of options	Preferred Option	Reason for preferred option
Race			X
Disability			
Sex			
Age			X

Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			

3. Proposed reform:

8% of member contributions from salary above the defined benefit threshold (£57,216.50) to continue to be saved in the USS Investment Builder.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race			X
Disability			
Sex			
Age			X
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option 			
Anticipated negative impact of proposed reform on existing non-USS members			
	Range of options	Preferred Option	Reason for preferred option
Race			X
Disability			
Sex			
Age			X
Gender reassignment			
Marriage and civil			

partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			

4. Proposed reform:

The employers' contributions to the USS Investment Builder on salary above the threshold (£57,216.50) to remain at 12%.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race			X
Disability			
Sex			
Age			X
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option 			
Anticipated negative impact of proposed reform on existing non-USS members			
	Range of options	Preferred Option	Reason for preferred option
Race			X
Disability			
Sex			
Age			X
Gender reassignment			
Marriage and civil partnership			

Pregnancy and maternity			
Religion and belief			
Sexual orientation			

5. Proposed reform:

The 1% employer match into the USS Investment Builder to be discontinued from 1 April 2019.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		Those contributing to the match have on average higher salaries	
Disability			
Sex			
Age		Those contributing to the match are on average older members	
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option <p>The assumed cost of retaining the match is 0.8% of pensionable salaries. Removal of the match is an element in addressing the affordability of USS pension provision for members and employers. The option might be retained but this would not address the overall affordability point.</p>			
Anticipated negative impact of proposed reform on existing non-USS members			
	Range of options	Preferred Option	Reason for preferred option
Race			X
Disability			

Sex			
Age			x
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Religion and belief			
Sexual orientation			

STEP 3

Could the impacts identified in Step 2 above be minimised or removed or equality be promoted in some other way?

1. Proposed reform:

Current defined benefits to remain the same, but member contributions required to fund them to increase from 8% to 8.8% of salary from 1st April 2019. Further increases to member contributions to be phased in from 1st October 2019 (10.4%) and 1st April 2020 (11.7%)

Group	Action required
Race	No further options, other than those identified in the previous sections
Age	No further options, other than those identified in the previous sections
Gender	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

2. Proposed reform:

Current defined benefits to remain the same, but employer contributions required to fund them to increase from 18% to 19.5% of salary from 1st April 2019. Further increases to employer contributions to be phased in from 1st October 2019 (22.5%) and 1st April 2020 (24.9%).

Group	Action required
Race	None
Age	None
Gender	
Gender reassignment	

Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

3. Proposed reform:

8% of member contributions from salary above the defined benefit threshold (£57,216.50) to continue to be saved in the USS Investment Builder.

Group	Action required
Race	None
Age	None
Gender	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

4. Proposed reform:

The employers' contributions to the USS Investment Builder on salary above the threshold (£57,216.50) to remain at 12%.

Group	Action required
Race	None
Age	None
Gender	
Gender reassignment	
Marriage and civil partnership	

Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

5. Proposed reform:

The 1% employer match into the USS Investment Builder to be discontinued from 1 April 2019.

Group	Action required
Race	No further options, other than those identified in the previous sections
Age	No further options, other than those identified in the previous sections
Gender	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

STEP 4

How will the reforms to the USS be monitored in the future and by whom? (consider a five-yearly review of membership demographics and a repeat of the EIA?)

Our approach and comments are unchanged since the previous reforms proposed in 2015.

The proposed changes to the scheme are national, and the University will inform USS of any significant trends, if requested, as part of any future national review of the scheme. The Pensions Office will work with the Workforce Information Team to monitor trends in the scheme demographics relating to the revision of the USS pension scheme if asked to do so.

Consideration should be given to future EIAs being undertaken at sector level by UUK itself so they can conduct more detailed and sophisticated modelling of impacts on people with protected characteristics. It could perhaps estimate impacts more broadly across the population, looking at the intersection of age with other characteristics. UUK may then be better placed to consider the impact of ethnicity and disability than we were.

September 2018