USS Review Working Group  
10.00am – 11.30am, Tuesday 27 November 2018  
Venue Meeting Room 4, ground floor, Radcliffe Humanities ROQ site

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Agenda

1. Apologies for absence and welcome
2. Conflicts of interest declarations
3. Minutes of previous meeting – 29 October 2018
4. Matters arising from the minutes
5. UUK summary of Employer feedback on JEP report and letter to Bill Galvin (papers to note)
6. Update on Council consideration on USS matters (oral)
7. Summary of options considered by Group to date (paper to note)
8. Communication update (oral and slides for Open Forum on 26 November)
9. Discussion on communications and meetings for early 2019
10. Any other business.

Date of next meeting – tbc

Invitees:
Professor Richard Hobbs (Chair)
Mr Charles Alexander
Professor Gordon Clark
Sir Andrew Dilnot
Professor Danny Dorling
Mr Julian Duxfield
Professor Fabian Essler
Professor Cecile Fabre
Mr Charles Harman
Professor Sam Howison
Professor Jane Humphries
Mr Jaya John John
Mr Giles Kerr

Apologies:
Professor Gordon Clark
Sir Andrew Dilnot
Professor Cecile Fabre
Professor Sam Howison
Mr Giles Kerr

In attendance:
Ms Jan Killick
Mr Stephen Rouse
Mr Russell Powies, Aon
Ms Judith Finch, Conference of Colleges
Prof Anne Trefethen, Pro-Vice-Chancellor, People and GLAM
UNIVERSITIES UK CONSULTATION WITH USS EMPLOYERS ON THE RECOMMENDATIONS OF THE JOINT EXPERT PANEL

ANALYSIS OF RESPONSES

November 2018
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Executive summary

Universities UK’s (UUK) consultation with employers on the recommendations of the Joint Expert Panel (JEP) received 127 responses, representing 94% of the scheme’s active membership. The responses to the consultation are essential for UUK; they are the foundation upon which UUK’s overall mandate is based and which will be taken forward with the scheme’s stakeholders over the coming months.

The responses show that the vast majority of employers which responded are generally supportive of the JEP’s recommendations. However, a large number of employers - accounting for over half the scheme’s active membership - expressed important conditions and caveats to their support. The additional conditions and caveats are explained later in this paper. It should be recognised that the conditions expressed by employers are additional to the caveat which UUK embedded in question 1, which is that any position of employers is subject to the acceptance of the USS Trustee (and The Pensions Regulator as appropriate) and of any implications arising therefrom.

Background

On 24 September UUK launched a consultation with Universities Superannuation Scheme (USS) employers, to invite their views on the recommendations proposed by the JEP. The consultation closed on 30 October.

During the consultation period, UUK endeavoured to ensure that employers had ample opportunities to ask questions on the specifics of the panel’s recommendations, and published Q&A documents to answer these as well as holding webinar events - the slides of which were published on the USS Employers website.

Alongside this, a short guide to the Joint Expert Panel’s recommendations was published and circulated to employers, which set out each of the recommendations and the indicative impact they might have if adopted into the 2017 valuation.

127 employers - accounting for 94% of the active USS membership - responded to the consultation. The responses show that the vast majority of employers which responded are generally supportive of the JEP’s recommendations. However, many employers expressed important additional conditions and caveats to their support.

This briefing sets out a high-level summary of the responses to each question set out in the consultation document, including a statistical breakdown, and gives details of the further analysis considered by UUK.
Headline response rate

Overall 127 employers (37% of the total number of USS participating employers), which account for 94% of current active members in the scheme, provided a response to the consultation. Some employers (36) responded to confirm that they would not be providing a response, with a further 183 choosing not to respond. Most of the employers that did not respond have very small numbers of active scheme members.

<table>
<thead>
<tr>
<th>Employers that provided a response to UUK’s consultation</th>
<th>Number of employers</th>
<th>By share of active membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers that indicated they will not be responding</td>
<td>36 (10)</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Employers that did not respond</td>
<td>183 (53%)</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Figure 1: Consultation responses by share of total active scheme membership*

The questions

The consultation document set out three questions for employers as follows:

1. Would your institution support the JEP recommendations regarding the 2017 valuation in overall terms, subject to the acceptance of such a position from the USS Trustee (and TPR as appropriate)?

2. What further information would you need to provide a final view for question 1?
3. Employers currently pay 18% towards the USS scheme, and the mandate agreed immediately following the Acas discussions was 19.3%. If the recommendations of the JEP were accepted in full by all parties, the outcome would be that existing benefits minus the employer match of 1% could be provided at an indicative employer contribution of 20.1% of salary (with a member contribution of 9.1%).

a. Would you accept employer contributions at that level?

b. If not, what balance of additional risk, higher contributions and/or benefit change would you prefer to see as an outcome?

How Universities UK has analysed the results

Employer responses varied between simple ‘yes’ answers and detailed paragraphs. Responses have been categorised and analysed, as shown in the results below.

The headline analysis considers the number of employers and the share of active membership that gave certain responses to the questions.

Further analysis was also undertaken to look at the following:

- The responses split between large and small employers, and between employers that have greater or less than 20% of their staff in USS.
- The net asset position of the employers that gave particular responses.
- The cashflow position of the employers that gave particular responses.

The further analysis supported the conclusions reached in the headline analysis: employers expressing conditional acceptance hold a larger proportion of the sector’s net assets compared to those expressing clear support. This underlines the importance of the conditions and caveats attached to employers’ acceptance of questions 1 and 3, which are explored below.

Responses

**Question 1**

Question 1 asked: *Would your institution support the JEP recommendations regarding the 2017 valuation, in overall terms, subject to the acceptance of such a position from the USS Trustee (and TPR as appropriate)?*

The responses to this question have been categorised as:

- expressed clear support
- expressed conditional support
- not expressed support
- not expressed a view

Note that employers expressing support of the position subject to acceptance by the USS Trustee and The Pensions Regulator are categorised as ‘expressed clear support’, since that caveat was included in the question itself.
Responses to Q1

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of employers (% of respondents)</th>
<th>By share of total active membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employers expressing support for</td>
<td>118 (93%)</td>
<td>92%</td>
</tr>
<tr>
<td>recommendations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employers expressing clear support</td>
<td>74 (58%)</td>
<td>42%</td>
</tr>
<tr>
<td>Employers expressing conditional support</td>
<td>44 (35%)</td>
<td>50%</td>
</tr>
<tr>
<td>Employers which have not expressed support</td>
<td>4 (3%)</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Employers not expressing a view</td>
<td>5 (4%)</td>
<td>2%</td>
</tr>
<tr>
<td>Employers that did not respond to consultation</td>
<td>219</td>
<td>6%</td>
</tr>
</tbody>
</table>

Figure 2: Employer responses to question 1 by share of total active scheme membership

In response to question 1, 118 employers accounting for 92% of the total active membership in the scheme expressed support for the JEP’s recommendations regarding the 2017 valuation. Of these, 44 employers (representing 50% of the active membership) indicated that their support for the recommendations was conditional on a range of caveats, including:

- the JEP undertaking a second phase to inform further work to ensure long-term stability and sustainability of the scheme
- highlighting concerns regarding any requirements around any additional obligations placed upon employers (eg trigger contributions, guarantees, asset security etc)
- further information being provided (eg implications of more risk being taken in the valuation)
Question 2

Question 2 asked: What further information would you need to provide a final view for question 1?

Out of 127 respondents, 68 employers set out a substantive answer to question 2.

While the answers covered a range of topics, including covenant, investment strategy, member reaction, sharing costs with members, Test 1 and UUK’s approach to consultations, there are four consistent themes that emerged:
- employers would like to have a better understanding of risk
- employers want to understand the backing for risk that the USS Trustee may demand
- employers want to know the views of the USS Trustee and The Pensions Regulator

Question 3

Question 3 was asked in two parts, and was prefaced the following information: Employers currently pay 18% towards the USS scheme, and the mandate agreed immediately following the Acas discussions was 19.3%. If the recommendations of the JEP were accepted in full by all parties, the outcome would be that existing benefits - minus the employer match of 1% - could be provided at an indicative employer contribution of 20.1% of salary (with a member contribution of 9.1%)

(a) Would you accept employer contributions at that level?

In response to question 3a, 116 employers - accounting for 90% of total active membership in the scheme - said they would accept indicative employer contribution levels at 20.1%.

However, a significant proportion - 40 employers, accounting for 43% of total active membership in the scheme - indicated that this acceptance was conditional on the increased contributions not being taken as a long-term solution, and on further work being undertaken to find a long-term sustainable solution.

<table>
<thead>
<tr>
<th>Responses to Q3a</th>
<th>Number of employers (% of respondents)</th>
<th>By share of total active membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employers expressing acceptance</td>
<td>116 (91%)</td>
<td>90%</td>
</tr>
<tr>
<td>Employers that expressed clear acceptance</td>
<td>76 (60%)</td>
<td>47%</td>
</tr>
<tr>
<td>Employers that expressed conditional acceptance</td>
<td>40 (31%)</td>
<td>43%</td>
</tr>
<tr>
<td>Employers which have expressed clear opposition</td>
<td>6 (5%)</td>
<td>3%</td>
</tr>
<tr>
<td>Employers that were undecided</td>
<td>1 (1%)</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Employers not expressing a view</td>
<td>4 (3%)</td>
<td>1%</td>
</tr>
<tr>
<td>Employers that did not respond to consultation</td>
<td>219</td>
<td>6%</td>
</tr>
</tbody>
</table>
Analysis of responses to question 3a also identified a number of common themes in relation to the overall acceptance of a higher level of contributions. Some employers noted the following points:

- that 20.1% is at the absolute upper limit of affordability for the employer
- that accepting a higher contribution rate of 20.1% would have significant implications for activity (e.g., staffing, student experience, capital investment etc)
- that acceptance of 20.1% was preferred over even higher contribution rates resulting from rule 76

(b) If not, what balance of additional risk, higher contributions and/or benefit change would you prefer to see as an outcome?

The responses to question 3b covered a range of areas, including:

- risk sharing with members
- reforming the scheme to provide more options for members
- concerns over the impact of higher member contribution rates and the potential for increased opt-outs from the scheme
- risk tolerance of employers
- a need for JEP phase 2 to consider the longer-term balance between contributions, risk and benefits
Conclusion

Overall, the analysis reveals a high response rate to the consultation, with responses received from employers accounting for 94% of the active membership. The responses show support from most employers for the recommendations of the Joint Expert Panel.

It should be noted, however, that there are significant conditions attached to this support, and importantly is entirely subject to acceptance of the position put forward by the JEP from the USS Trustee (and The Pensions Regulator as appropriate) and the need for further information on any implications for employers of such acceptance.

The responses also reveal that many employers regard a longer-term review of USS as essential - supported by a second phase of a JEP - and are only prepared to accept the JEP recommendations on this basis.

Universities UK looks forward to taking the views expressed by employers to the consultation into discussions with UCU, and with the USS Trustee, over the coming weeks with the continued aim of achieving a jointly agreed solution.
USS Employers

www.ussemployers.org.uk
pensions-update@universitiesuk.ac.uk
@USSEmployers
Dear Bill

Universities Superannuation Scheme – actuarial valuation

Thank you for your letter dated 9 October 2018 regarding the USS valuation.

Following a recent meeting of the Universities UK (UUK) Board and UUK’s consultation with employers on the Joint Expert Panel (JEP) recommendations, this letter sets out in headline terms the responses received from employers. The letter also sets out UUK’s view on the USS trustee’s proposals for a potential 2018 actuarial valuation.

Employer position on JEP recommendations

The UUK consultation with USS employers regarding the JEP recommendations closed on 30 October and over 120 responses were received from employers, representing more than 90% of the active membership. The responses to the consultation are essential for UUK; they are the foundation upon which UUK’s overall mandate is based and which will be taken forward with the scheme’s stakeholders over the coming months.

UUK’s analysis shows that the vast majority of employers that responded to the consultation are supportive of the JEP’s recommendations and therefore wish to see a change in valuation assumptions in line with that put forward. There are however conditions attached to this support, in particular the recognition that it is subject to acceptance by the USS trustee (and the Pensions Regulator, as appropriate) and the need for further information on what (if any) requirements there may be from the USS trustee to back any additional risk which is associated with the JEP’s recommendations.

The responses from employers also make clear that they believe a longer-term review of USS, assisted by a second phase of activity from the JEP, is essential, and indeed that employer support for the JEP’s immediate recommendations is subject to such a longer-term review taking place.
A potential 2018 actuarial valuation

UUK understands from your letter that in order to take into account the new developments following the JEP report, and indeed from UUK’s consultation, the USS trustee proposes to undertake a new valuation as at 31 March 2018. This 2018 valuation would take place in parallel to concluding the 2017 valuation.

It is important to UUK that due recognition is given to the recommendations put forward by the JEP, a position which has been further substantiated by employers in UUK’s recent consultation. You will know that the JEP report commented on some of the challenges in completing a 2017 valuation. UUK is however focussed on achieving an outcome which is line with the JEP’s recommendations and which can be agreed jointly with UCU, and indeed with the USS trustee. UUK’s aim is to be able to implement such an outcome by October 2019. On that basis, UUK supports the USS trustee’s suggested approach of commencing a new 2018 valuation, which would be due to be completed by June 2019, to allow for the most recent data and for any developments on risk as envisaged by the JEP report to be addressed.

The challenges of completing the remaining processes from the 2017 valuation – which include a consultation on a proposed recovery plan (which we believe may elicit some changes to the contribution requirements expressed thus far) and on a proposed schedule of contributions – with the processes relating to a 2018 valuation are clearly considerable. I recognise the commitment that this will require from the USS trustee and its officers, as well as from stakeholders, in pursuit of the jointly agreed position that we all seek. It would be helpful if, where possible, individual valuation processes could be brought together if they can achieve not only a shorter timeline (and a longer period of consultation with employers, and others), but also provide a fuller view of the overall implications of any decision making.

I would continue to urge early and detailed engagement by the USS trustee with stakeholders through the key events and milestones of the coming months – and indeed the development of a comprehensive engagement plan with stakeholders – so that all parties can provide the support and informed responses that will be needed.

Universities UK looks forward to further engagement with stakeholders over the coming weeks as we seek a jointly agreed solution to the valuation.

Yours sincerely

Alistair Jarvis
Chief Executive
Universities UK

The voice of universities

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guarantee and registered
In England and Wales
Number 2517018
Registered charity number
1001127
USS review working group

Summary of options considered by the Group

Background

1. Over recent months the Group has investigated various options for when considering alternatives to assist Council in meeting its wish to "seek to provide pension provision for USS members employed by the University that is of the same standard as currently available." The full text of the Council’s statement, made when there was a potential agreement that would change the pension benefits for USS members, is included in the Annex.

2. This paper provides a summary of the main options considered to date. At the current time the only changes proposed to USS are those under the cost sharing arrangement under USS rule 76.4. This involves removal of the Match and phased increases in employee and employer contributions. Although there are no planned changes to benefit provision at this time, the Group did consider mitigation should changes arise. These are outlined in more detail below.

Exit USS and provide own defined benefit scheme

3. If the University withdrew from USS it could provide a defined benefit scheme of its own design and set the level of the benefits the scheme provided. Withdrawing from USS would subsequently allow the USS Trustees to trigger payment of a debt on the University which it is liable to pay. The debt is equivalent to the University's share of the "buy-out deficit" (i.e. the additional money needed to buy out all of the University's liabilities with an insurance company). A recent estimate of that debt was c£2.7bn.

4. The group noted that the cost of the debt (known as the "section 75" debt) was calculated on very cautious basis and it would not necessarily be earmarked for the benefit of University members. It was agreed that this option was clearly not in the University's interests and would not be recommended to Council as an option to pursue further.

Exclusivity Clause

5. Options for providing a top up of benefits as a means of meeting Council's commitment on USS were restricted by the USS exclusivity rule. The Exclusivity Clause restricts the ability of employers to "maintain or contribute to any other pension scheme" other than USS for eligible employees. In this context, the USS definition of "pension scheme" includes any instrument or agreement which provides benefits on retirement, death, ill health or by virtue of a member reaching a particular age. The interpretation of this means that offering USS members additional benefits to top-up their USS pension either through a registered pension scheme or via an unfunded benefit promise (payable at retirement) would breach the USS Exclusivity Clause. Legal advice was sought confirming this interpretation.

6. The effect of the Exclusivity Clause is to rule out two main options for topping up benefits in the event that changes reduced future pension benefits: using another defined benefit (or defined contribution) pension scheme alongside USS or using an
an unfunded arrangement (ie promise to pay an additional amount at retirement for life directly from University funds).

7. The remaining two options that did not breach the USS Exclusivity Clause are:
   a. topping up benefits in USS through the defined contribution USS Investment Builder section; and
   b. providing additional compensation for the loss of pension provision.

Under option a) members at retirement would have defined contribution funds within USS that could be used to replicate the expected pension benefits payable at retirement based on the current benefit structure via the purchase of an annuity that matched the pension from USS (subject to the annuity products available in the market).

Current proposals under Rule 76.4

8. The Group investigated the financial effect of providing additional remuneration to cover the stepped increases in employees’ pension contributions under the proposed changes triggered under Rule 76.4. In this context clarity was sought from Council as to the interpretation of its statement in April and whether the term “pension provision” referred to benefits or contributions. As Council has confirmed that it relates to benefits, the Group does not need to consider further the provision of additional remuneration for the proposed Rule 76.4 changes.

Remaining options

9. Although the only USS proposals relate to contribution changes and there are no plans currently to change pension provision, the Group considered to a limited extent the costs of providing alternative compensation for loss of pension provision. It also looked the possible benefits provided within the USS scheme via a defined contribution top up in the USS Investment Builder section for several example scenarios with an assumed benefit change scenario – a lowered salary threshold (as was put forward following the Acas discussions in March 2018). The advisers Aon provided information on some example USS members (at different ages and salaries). The modelling undertaken was limited but served to illustrate the sensitivity of member outcomes to investment returns and complexity of assumptions underlying the modelling.

The Group is asked to note the current position.
Annex

The Council statement of 4th April 2018 is reproduced in full below:

Council notes the ongoing negotiations between UCU and UUK and will make every reasonable effort to resolve the current dispute within the national framework of USS. Although the outcome of the current negotiations remains unclear, Council will seek to provide pension provision for USS members employed by the University that is of the same standard as currently available, subject to the duties of the Council, as a trustee body, to serve the interests of the University as a whole. Council resolves to treat achieving this objective as an issue of high priority for the University. It will ensure that all members of Council are fully involved in Council’s deliberations on pension provision, and that they will regularly review the delivery of the above objective and report to Congregation in a timely and transparent manner.
Our pension, your chance to comment
USS Open Forum Event - 26 November 2018

Areas for discussion and comment

- Background to USS, its governance and benefits
- The valuation
- The Joint Expert Panel report
- The University’s Working group progress
- Employer consultation on contribution changes
## USS scale

*University has c9,300 members, contributing over £80m p.a.*

<table>
<thead>
<tr>
<th>Category</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>190,000</td>
</tr>
<tr>
<td>Deferred (left employment, not taken pension)</td>
<td>139,000</td>
</tr>
<tr>
<td>Pensioners</td>
<td>66,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>396,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets under management</th>
<th>£60.5 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(as at 31 March 2017)</td>
<td></td>
</tr>
</tbody>
</table>

A hybrid scheme since 2016

**Over 350 participating employers**

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## USS governance

### Who is involved

- **Employers >350**
- **Scheme Members**
- **USS Trustee Board**
  - **JNC**
    - **UUK**
    - **UCU**
  - **Chair**
- **Pensions Regulator**
- **Joint Expert Panel**
Valuation process

- At a point in time an assessment of whether the assets held by the Scheme are enough to pay for the benefits members have already built up
- Plan to recover shortfall (deficit) – relying on the financial strength of employers, duration of deficit recovery period
- Estimate of cost of building up benefits in the DB Retirement Income builder section each year
- Regulatory requirements

Trustee’s valuation of funding shortfall

[Graph showing USS Deficit (£Billions) for 2011, 2014, and 2017]
Joint Expert Panel

- The purpose of the Panel:
  - make an assessment of the 2017 valuation of the USS fund
  - focus in particular on reviewing the basis of the scheme valuation, assumptions and associated tests
  - agree key principles to underpin the future joint approach of UUK and UCU to the valuation of the USS fund
- Chair, 3 UUK nominees, 3 UCU nominees
- Reported in September 2018 on the valuation

Joint Expert Panel’s findings

- A re-evaluation of the employers’ attitude to risk
- Adopting a greater consistency of approach between the 2014 and 2017 valuations in setting in deficit contributions
- Ensuring fairness and equality between generations of scheme members
- Ensuring the valuation uses the most recently available information

Possible impact – total contributions (minus the 1% match)
29.2%, rather than 36.6% proposed by USS, based on its valuation
Council’s position

- ……an issue of high priority

- …..Council will seek to provide pension provision for USS members employed by the University that is of the same standard as currently available, subject to the duties of the Council, as a trustee body, to serve the interests of the University as a whole.

- Pension provision is purely focussed on pension benefits

Steps taken

- USS Review Working Group reformed in 2017
- Expanded membership of the Group
- Extended remit to explore options for Council to meet its aspiration on pension provision
- Sharing information
- Ideas
USS Review Working Group - remit

- the Group reports to Council
- respond to consultations from Universities UK
- seek options for Council to meet its aspirations on pension provision
- communicate regularly and with transparency across the whole University to help all USS members understand the issues connected with the USS.
- not seek to interrogate the USS valuation, this is the task of the JEP.

USS Review Working Group

- Professor Richard Hobbs (Chair) – Member of Council (Medical Sciences)
- Charles Alexander – Finance Bursar, Merton College
- Professor Gordon Clark – (Social Sciences)
- Sir Andrew Dilnot – Warden of Nuffield
- Professor Danny Dorling – (Social Sciences)
- Julian Duxfield – Director of Human Resources
- Professor Fabian Essler – (MPLS)
- Professor Cecile Fabre – Junior Proctor (Humanities)
- Charles Harman – external member of Council
- Professor Sam Howison – (MPLS)
- Professor Jane Humphries – (Humanities)
- Jaya John John (Oxford Research Staff Society/Physics)
- Giles Kerr – Director of Finance
Initial options explored

A. Cease participating in USS and set up a new pension scheme to mirror the current level of USS benefits.

B. Continue to participate in USS and set up a new pension scheme which tops up members' benefits to the desired level using:
   1. A DB (defined benefit) pension scheme
   2. A funded pension promise under trust
   3. A DC (defined contribution) pension scheme or personal pension, with employer and employee contributions
   4. A DC pension scheme or personal pension, employee contributions only
   5. An unfunded pension promise under trust

USS Exclusivity

- “An institution shall not be entitled to participate, or to continue to participate, in the scheme, if it establishes, maintains or contributes to any other pension scheme for eligible employees or excluded post employees.

- An institution which breaches this requirement shall become a withdrawing institution and shall cease to participate in the scheme.”

- This has been confirmed as a significant constraint to anything we do and makes options 1 to 5 impractical, with the option A (to stop participation in USS) ruled out
Other matters considered by the Working Group

- How a contribution on a defined contribution basis to USS could provide benefits in retirement
- The Group reviewed examples of the cost of additional contributions for employees and the cost to the University
- Feedback to UUK, supporting the JEP’s findings, subject to acceptance of such a position from the USS trustee (and the Pensions Regulator as appropriate).

Employers’ responses to UUK on JEP recommendations

- 127 response, representing 94% of the scheme’s active members
- Vast majority of employers are generally supportive of the JEP’s recommendations (giving clear support or expressing conditional support)

In light the responses UUK has written to USS supporting USS’s suggestion for a new valuation as at 31 March 2018 to allow for most recent data and any new developments as envisaged in the JEP report to be taken into account.
USS response to safeguarding the scheme - Rule 76.4

- An employer consultation ran from 2 September to 3 November covering the following changes:
  - Match removed
  - Shared increase in costs between employer and employees (65:35) from April 2019, in phases
- Following consultation USS Trustee is considering the feedback and will complete the 2017 valuation
- Response from USS Trustee expected mid to late December

Proposals on contribution increases

<table>
<thead>
<tr>
<th>KEY</th>
<th>1 APRIL 2019</th>
<th>1 OCTOBER 2019</th>
<th>1 APRIL 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members' contributions</td>
<td>8.8%</td>
<td>10.4%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Employer' contributions</td>
<td>19.5%</td>
<td>22.5%</td>
<td>24.9%</td>
</tr>
</tbody>
</table>
Key dates

- 4th open forum meeting: 26 November
- Consultation ends
- USS trustee expected to announce consultation outcome
- Proposed contribution increases: 1 April 2019, 1 October 2019, 1 April 2020

What’s next

- The work of Joint Expert Panel on future valuations continues
- The University’s Working Group continues
- Stakeholders (UCU and UUK) welcomed JEP findings
- USS trustee concludes consultation and 2017 valuation processes
- In parallel carry out 2018 valuation
More information

- Dedicated webpage – USS and Oxford
  https://www.ox.ac.uk/staff/working-at-oxford/pensions-comms
- Pensions Discussion Forum

- USS website: www.uss.co.uk
- Online information from My USS – USS number, NI number, email address needed to register
- Tel: 0333 300 1043

- University members’ USS benefit queries:
  - Email: uss@admin.ox.ac.uk
  - Address: Pensions Office, 6 Worcester Street OX1 2BX
  - Tel: 01865 (6)16067