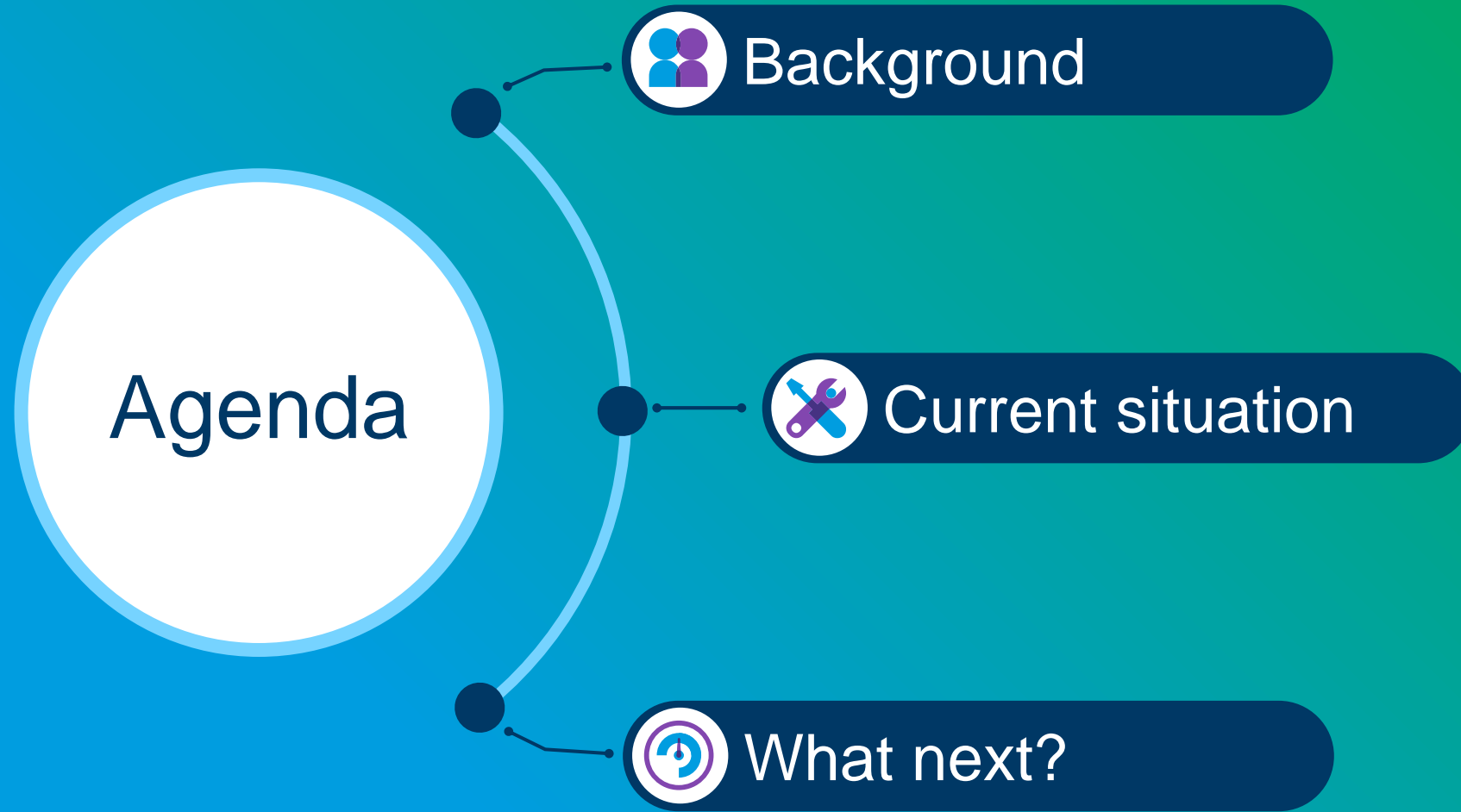
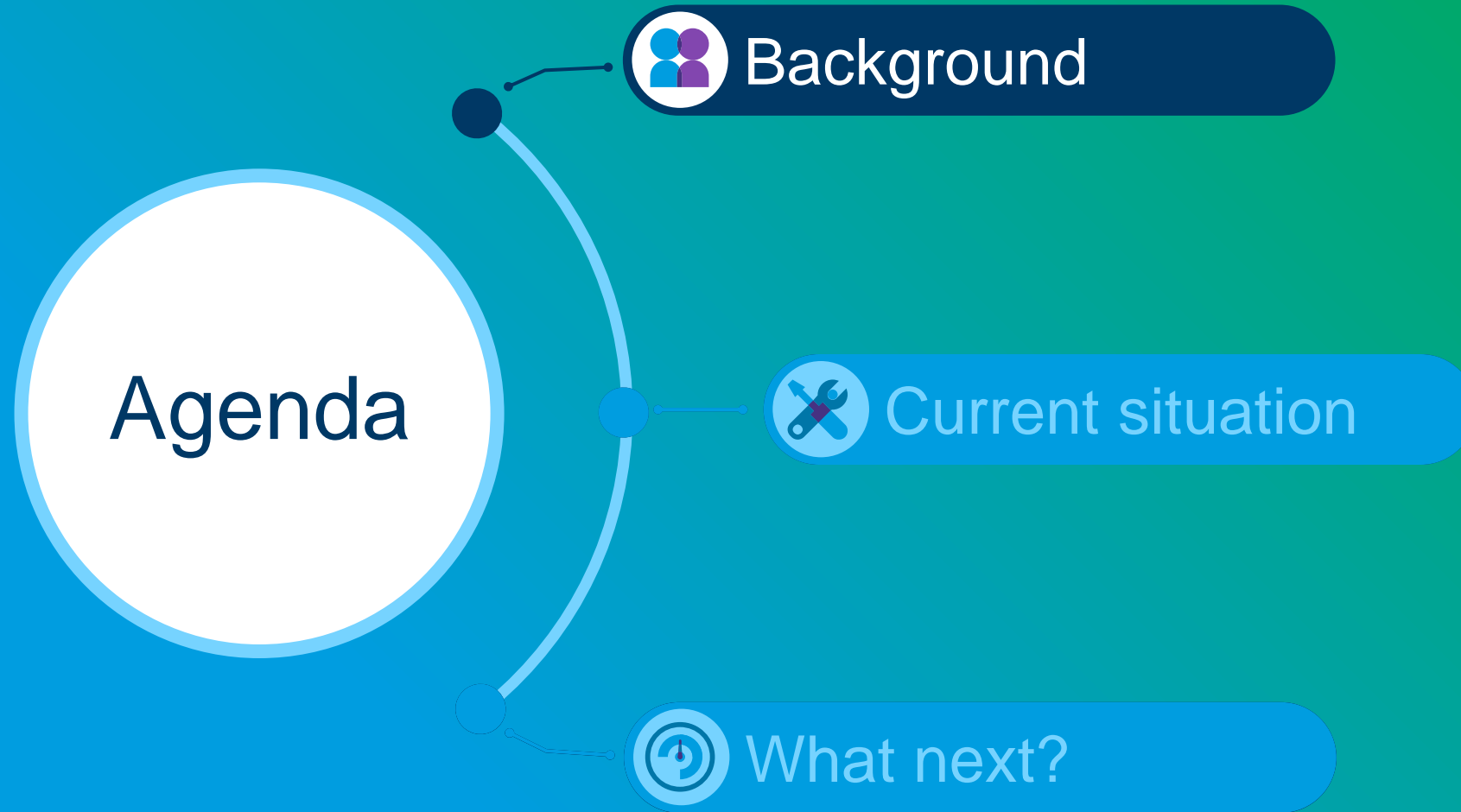


US\$ valuation

The current situation and discussions







Contributions

9.8% members

Current benefits in USS

£59,883.65

Retirement Income Builder
(Defined Benefit)



75ths

Investment Builder
(Defined Contribution)



20%

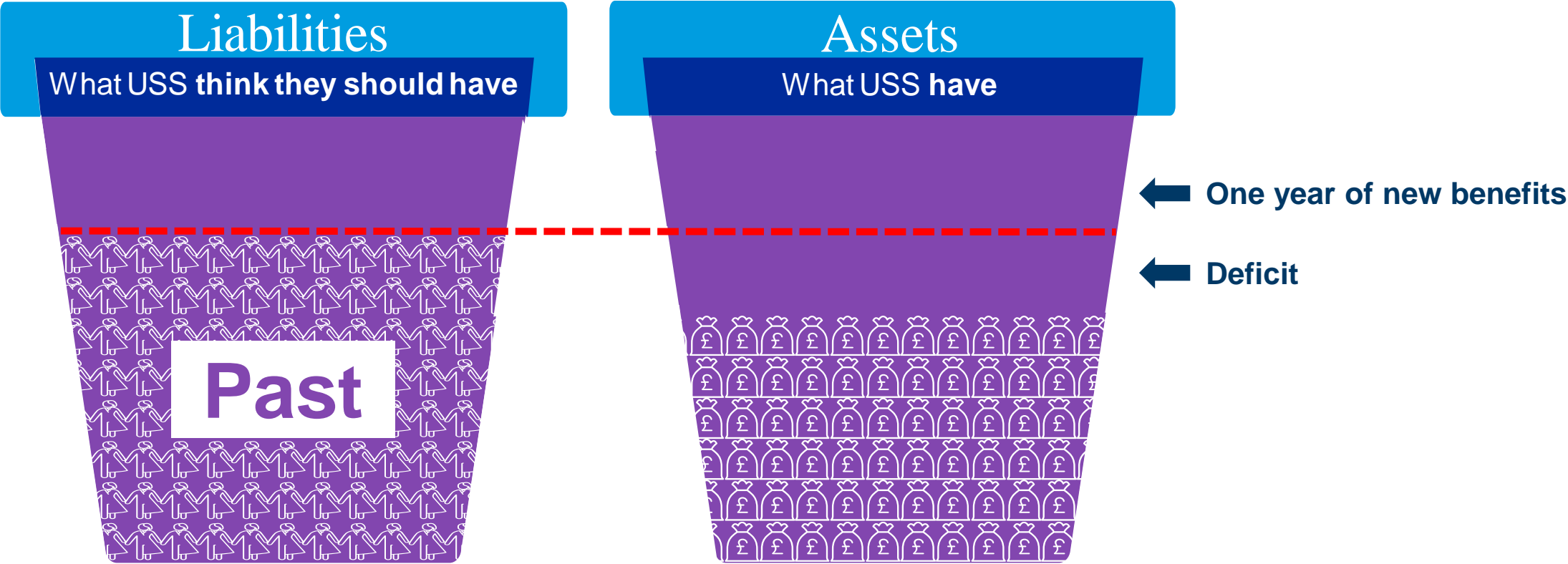
Annual increases

Plus tax free cash
(3 times pension)

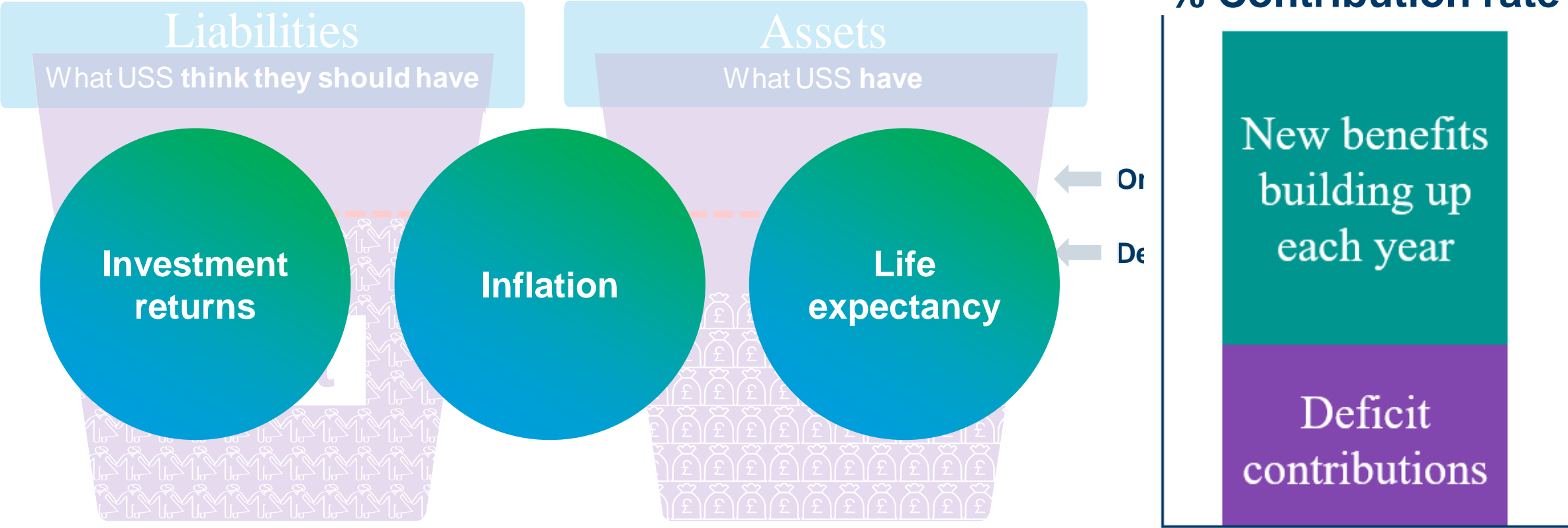
CPI up to certain limits

Salary £000s

Valuation



Valuation



Different parties involved



Ensures benefits paid
and does
calculations



On behalf of
employers



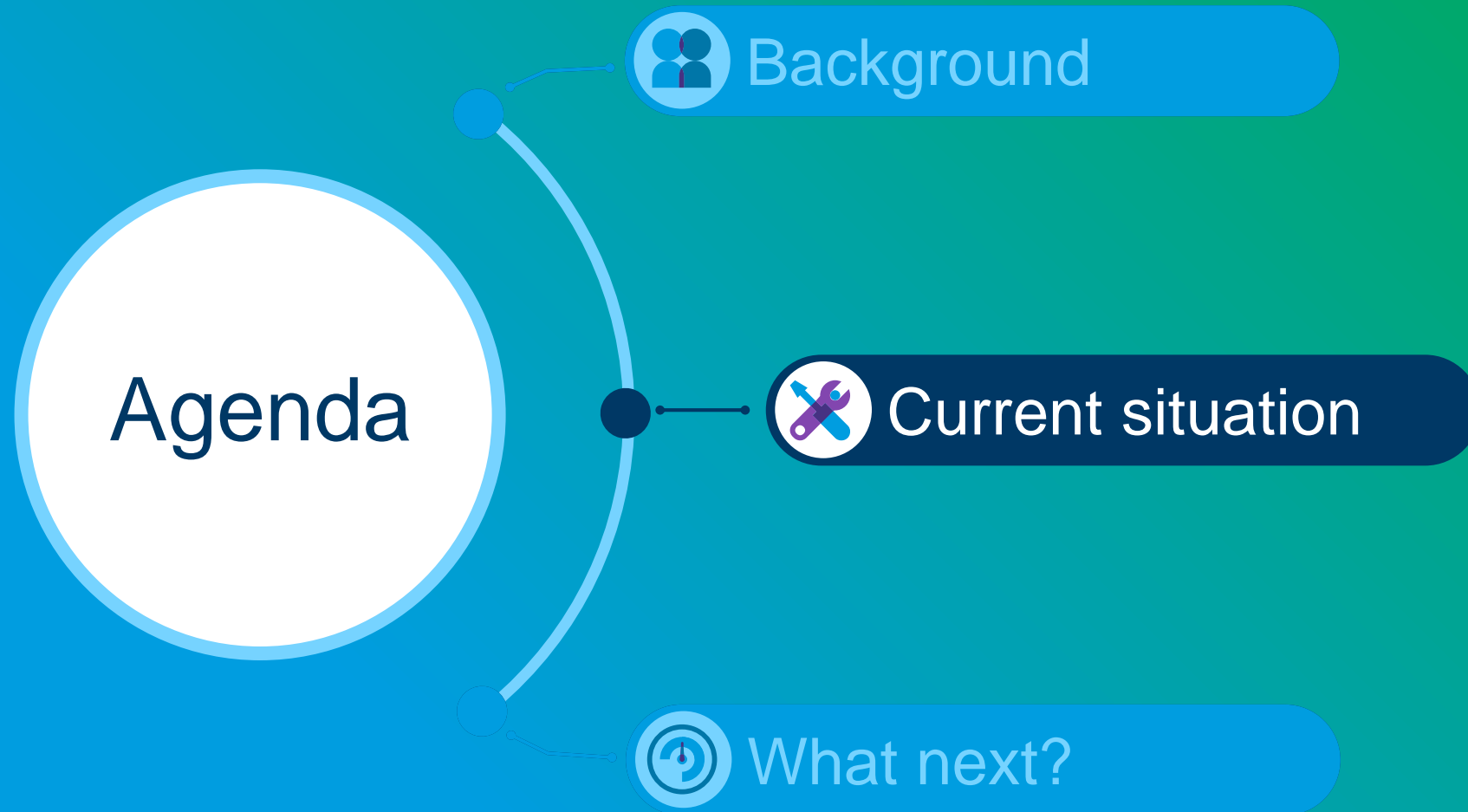
On behalf of
members



Requires schemes
funded properly



Makes decisions



The 31 March 2020 USS valuation

Initial results – 3 scenarios

	Contributions
Member	9.6%
Employer	21.1%
Total	30.7%

"Adequate" covenant measures	Some covenant measures	No extra covenant measures
13.6%	16.3%	18.6%
28.5%	33.3%	37.6%
42.1%	49.6%	56.2%

Covenant enhancing measures

Strength of the employers?

Debt monitoring

Triggers
(and pari passu)

Restriction on
exiting USS



UUK employer consultation

Benefit changes suggested to keep current contributions



New covenant enhancing measures proposed



Lower cost, flexible benefit options



Governance review of scheme



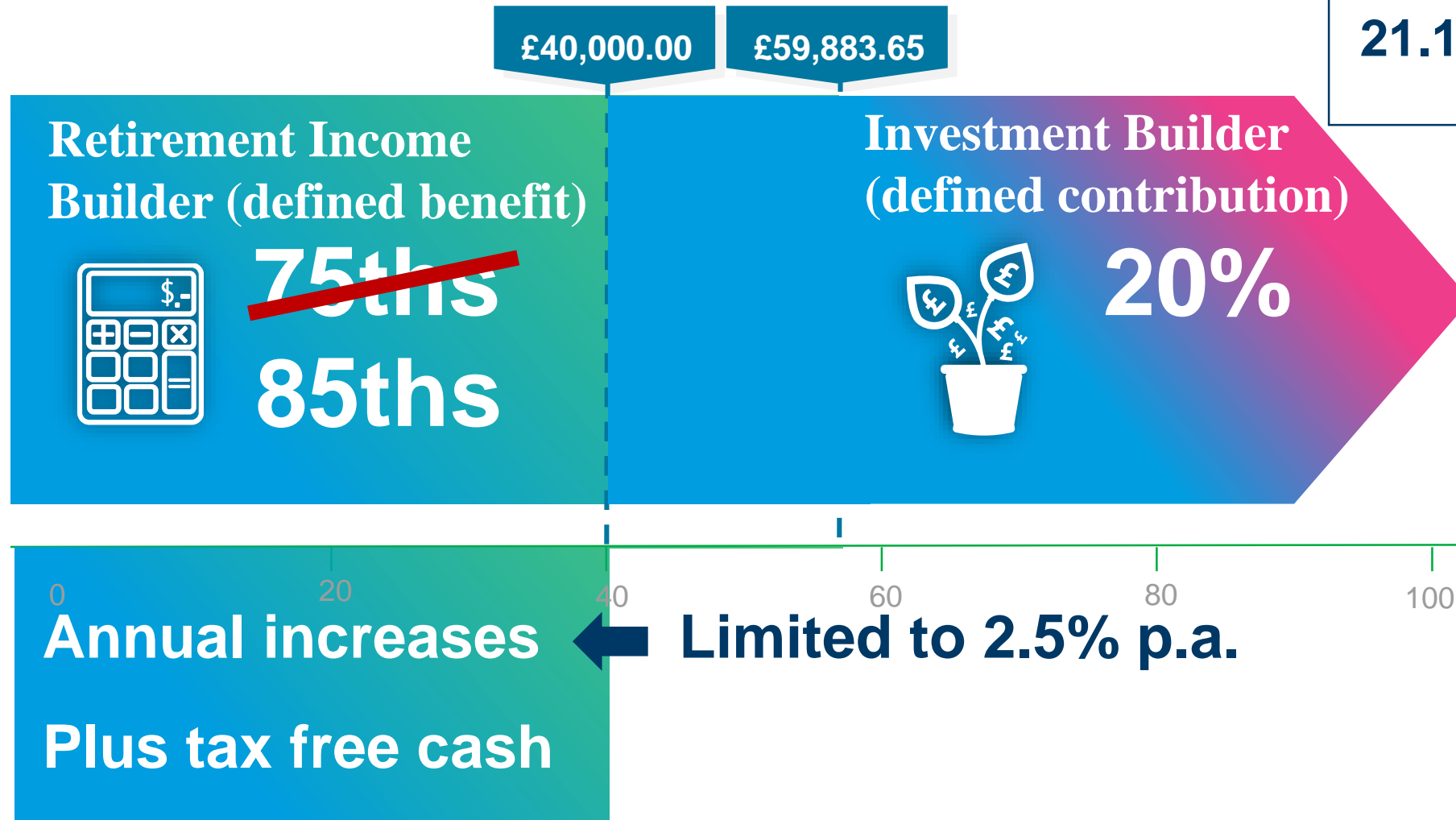
UUK continued to challenge USS



UUK proposal

Contributions

9.6% members
21.1% employers



USS response to UUK – 9 June 2021

Covenant enhancing measures not strong enough



Can get to **31.2%** with adjusted measures though
(i.e. 0.5% more than current contributions of 30.7%)



Yes to looking at low cost / flexible options



USS

TPR get involved – 11 June 2021

Not comfortable with 31.2% but will not take action



See it is a marginal situation



Expect more “normal” assumptions next time



The Pensions
Regulator 

UUK's next consultation – 18 June 2021

A further short consultation with employers

Benefits



Covenant measures



Contributions

9.8% members
21.4% employers

0.5% more

UUK ask if the 0.5% can be removed

UUK asks about a 31 March 2021 valuation

USS response to UUK – 28 June 2021

31.2% not moving unless change something else



At the very boundary of USS risk appetite



31 March 2021 unlikely to be any different
but they will look at properly



USS

TPR comment on a 2021 valuation – 14 July 2021

Expect 2020 valuation to be finalised without delay

Would expect more “normal” parameters at 2021

USS briefing on a 2021 valuation – 23 July 2021

CURRENT BENEFITS	31 March 2020	31 March 2021
<i>Future service cost</i>	33.6%	36.7%
<i>Deficit</i>	£15.4bn	£7.1bn
<i>Deficit contributions</i>	8.9%	6%
Total contributions	42.5%	42.7%

JNC decision – 31 August 2021

JNC have voted to progress the UUK proposal for benefits from April 2022



Casting vote of the Chair needed but no UCU counter proposal



Short service and low cost options to be considered



Member consultation in the autumn



**Joint Negotiating
Committee
(JNC)**

UCU's alternative proposal

UCU is discussing action with its members

UCU have suggested an alternative but it wasn't formally proposed to the JNC (£40,000 threshold, 80ths accrual)

Contributions of 8.1% and 24.9%



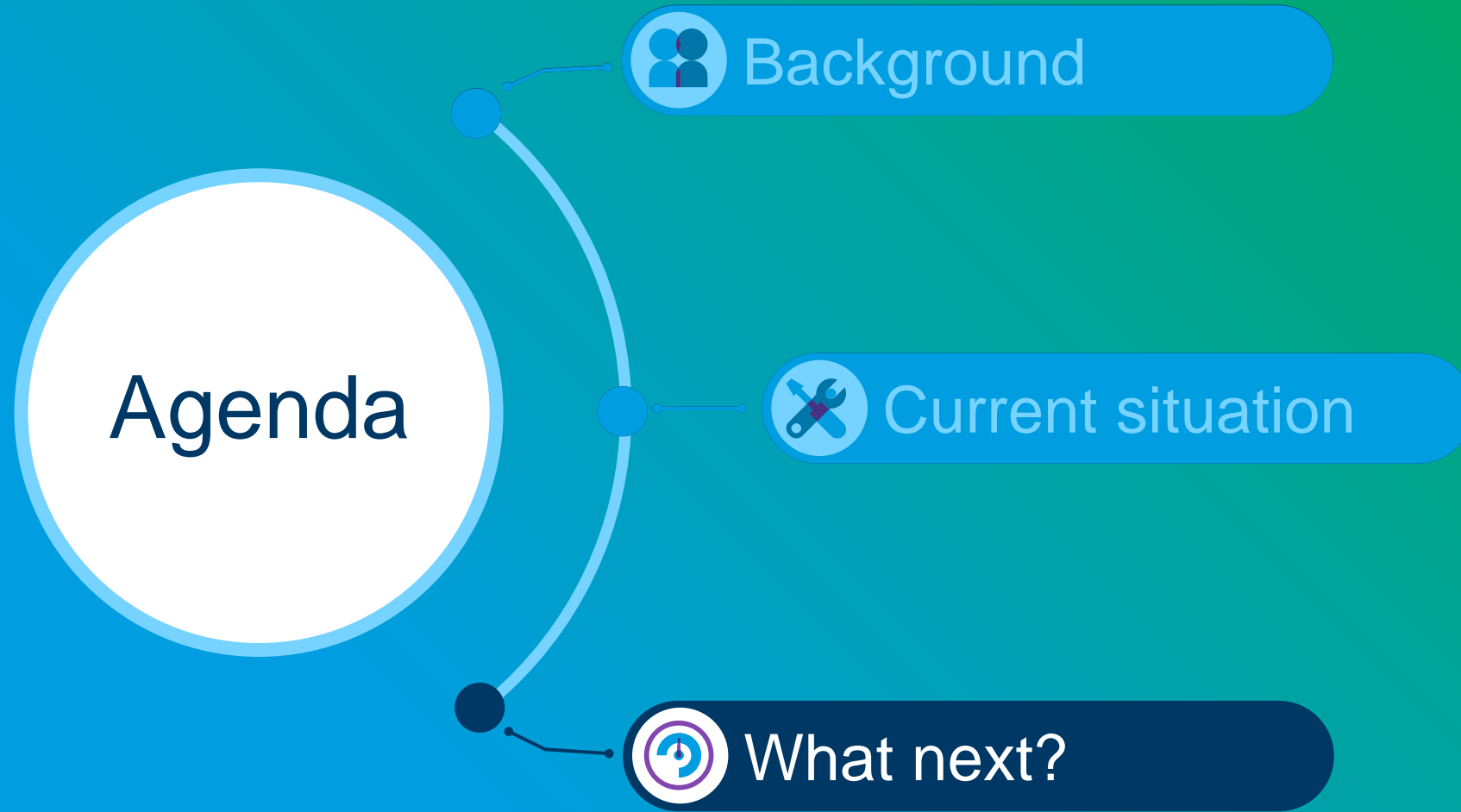
The 1 October 2021 contributions

New contributions of **9.8% and 21.4%** from October 2021
(so they didn't go to 11% and 23.7% as scheduled)

BUT, USS need “back-stop” position if reforms don't come in

Back-stop	Members	Employers
April 2022	11.0%	23.7%
October 2022	12.9%	27.1%
April 2023	13.9%	29.1%
October 2023	15.0%	31.0%
April 2024	16.0%	33.0%
October 2024	17.1%	34.9%
April 2025	18.1%	36.9%
October 2025	18.8%	38.2%





What next?

**Member
consultation**

Have your say!

Ask questions
Give feedback

**New
benefits/
contributions?**

**Information
booklets**

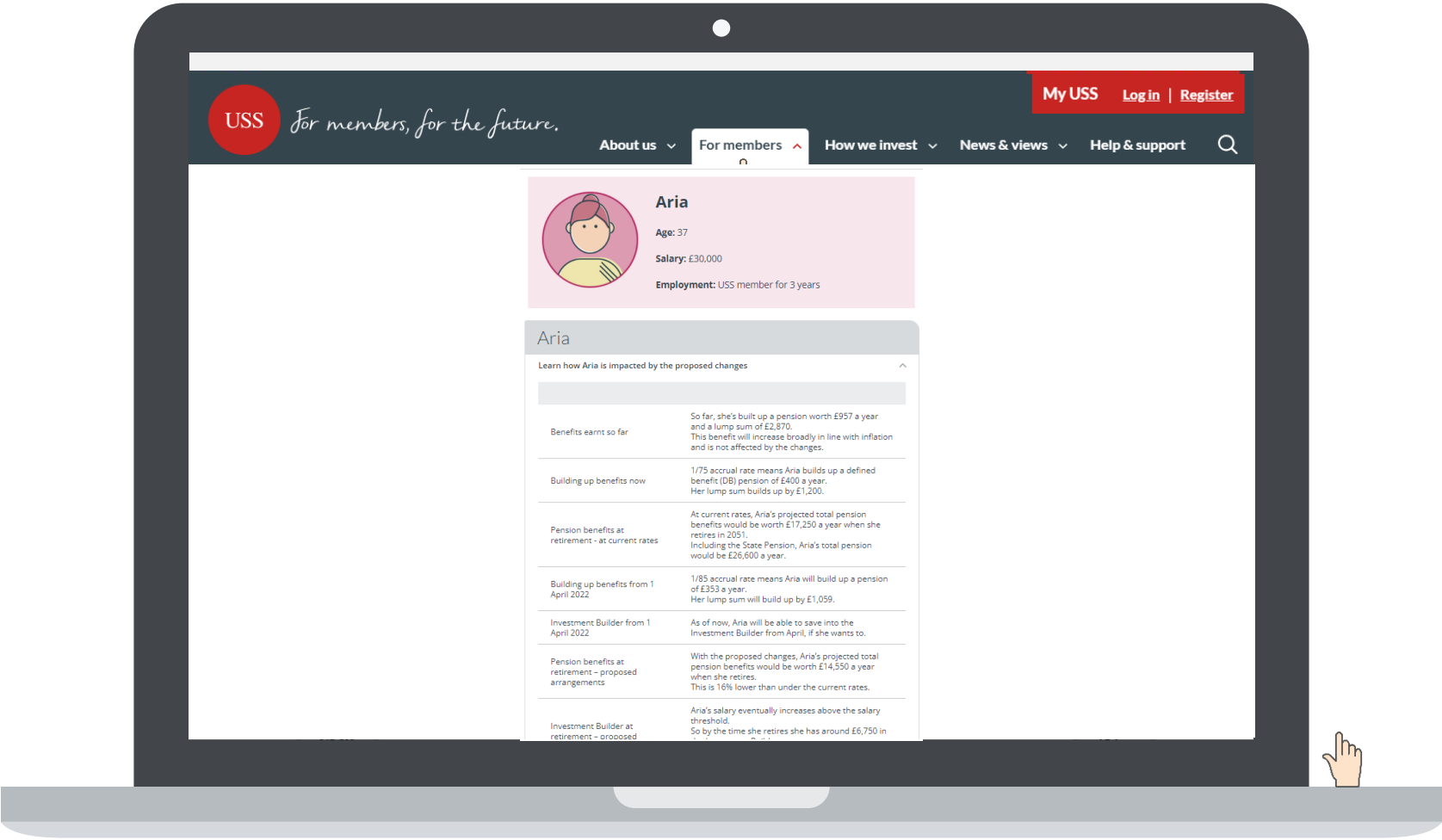
Website

Modellers

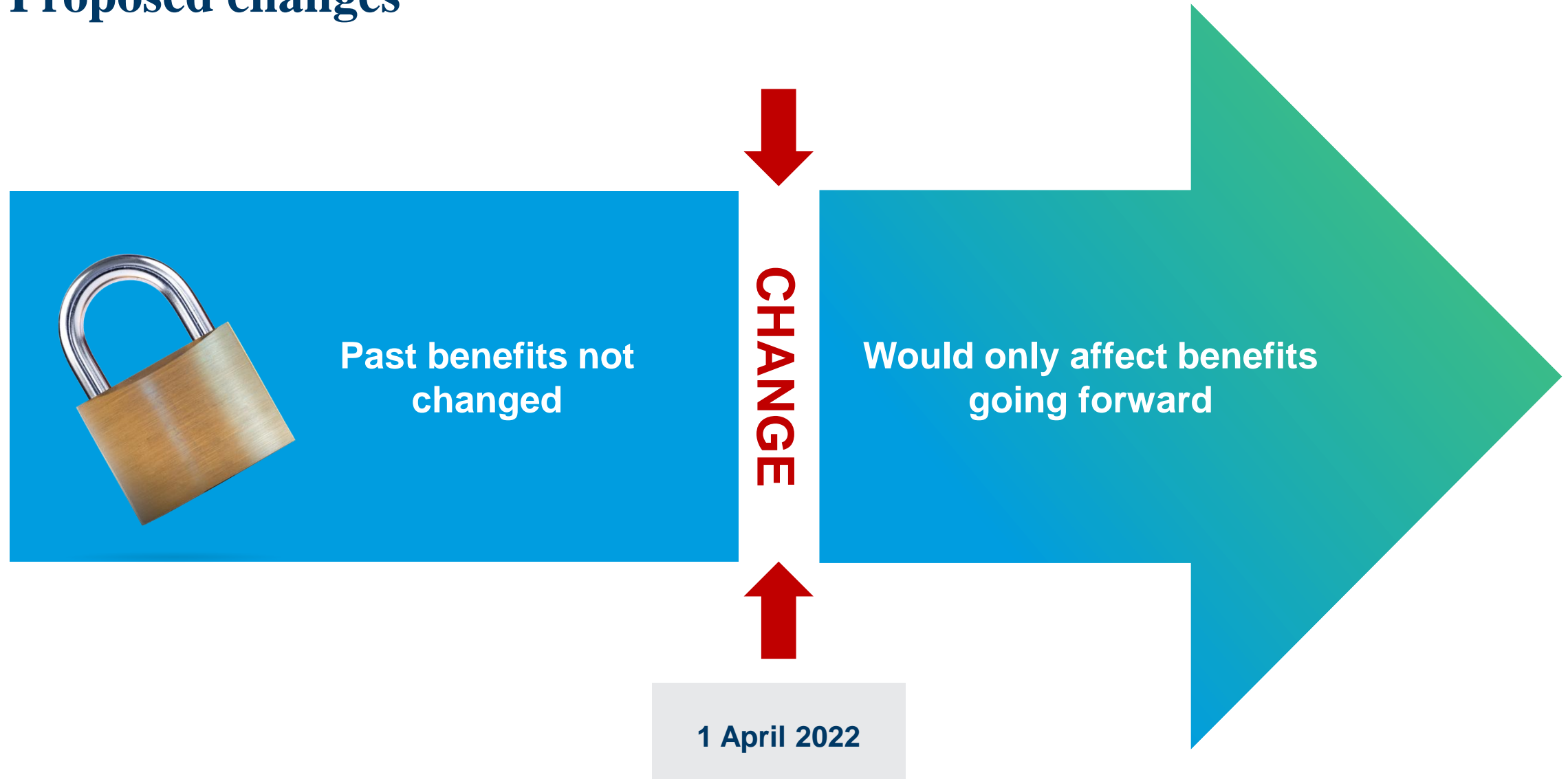
November 2021

1 April 2022

USS personas



Proposed changes



Contributions

9.8% members

UUK proposal

