

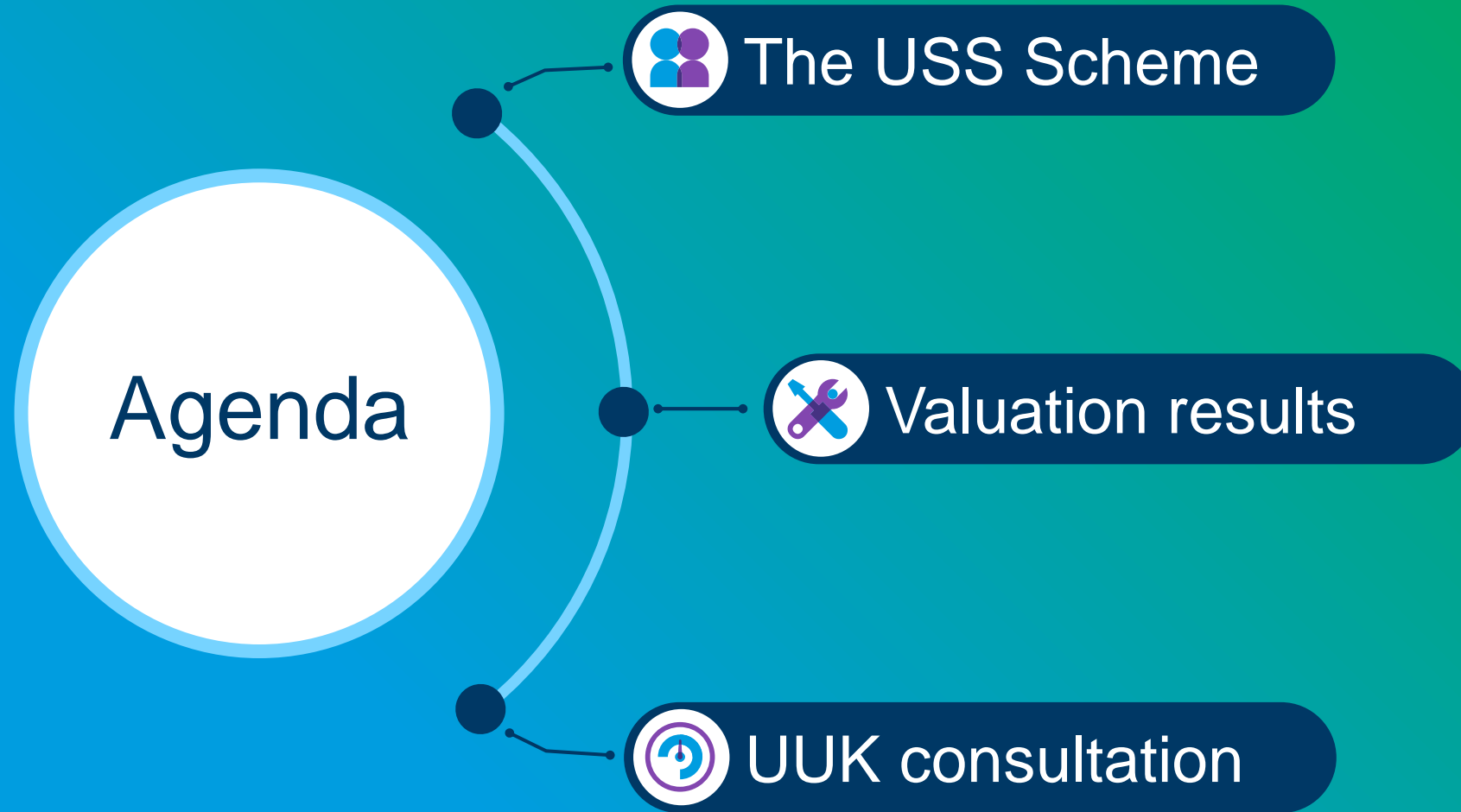
USS 2020 Valuation

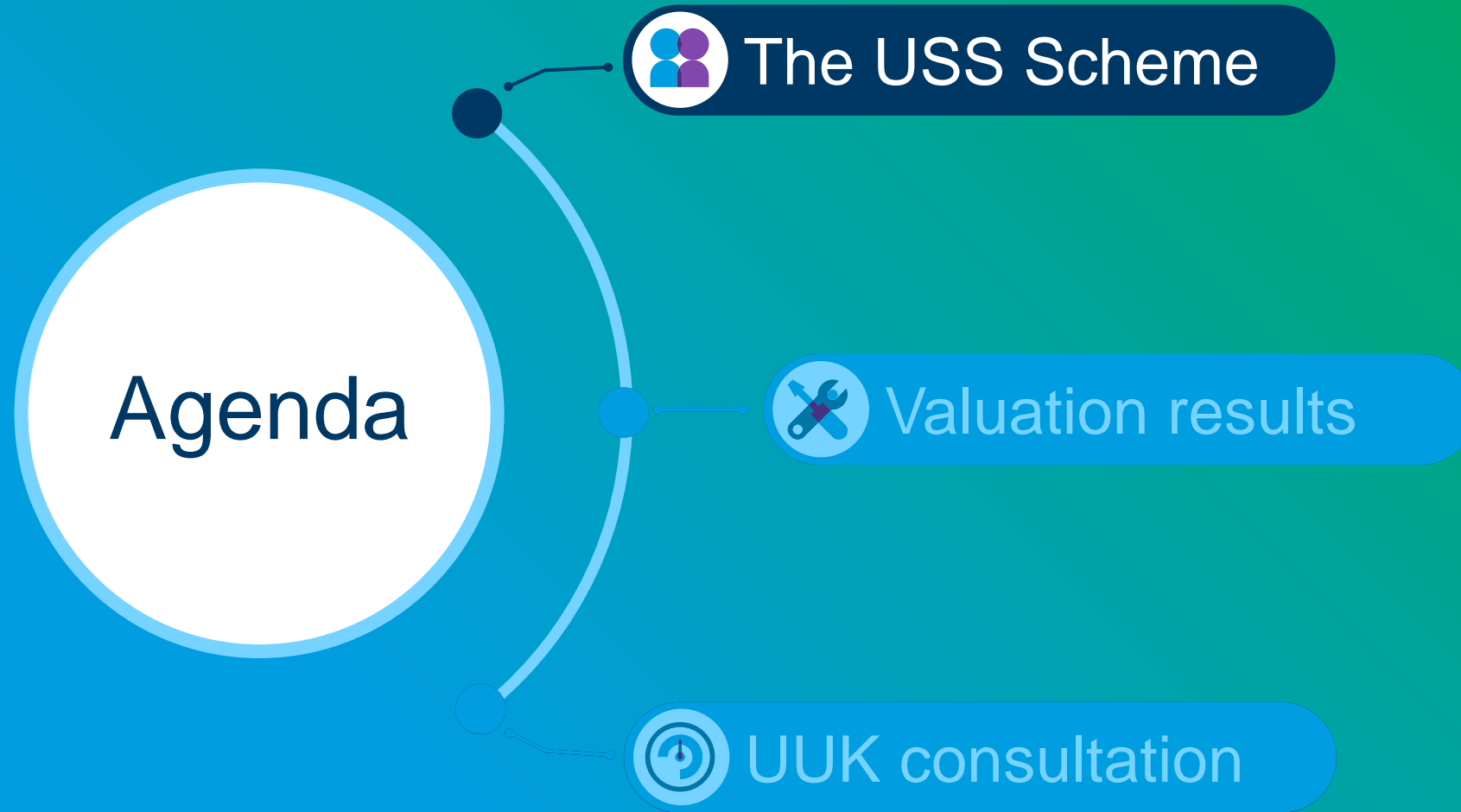
UUK employer consultation

Rebecca Dodd

welcome to brighter







Benefits in USS

£59,883.65

Contributions to USS

9.6%

of your salary from
YOU

21.1%

of your salary from the
UNIVERSITY

**Retirement Income Builder
(Defined Benefit)**



75ths

**Investment Builder
(Defined Contribution)**

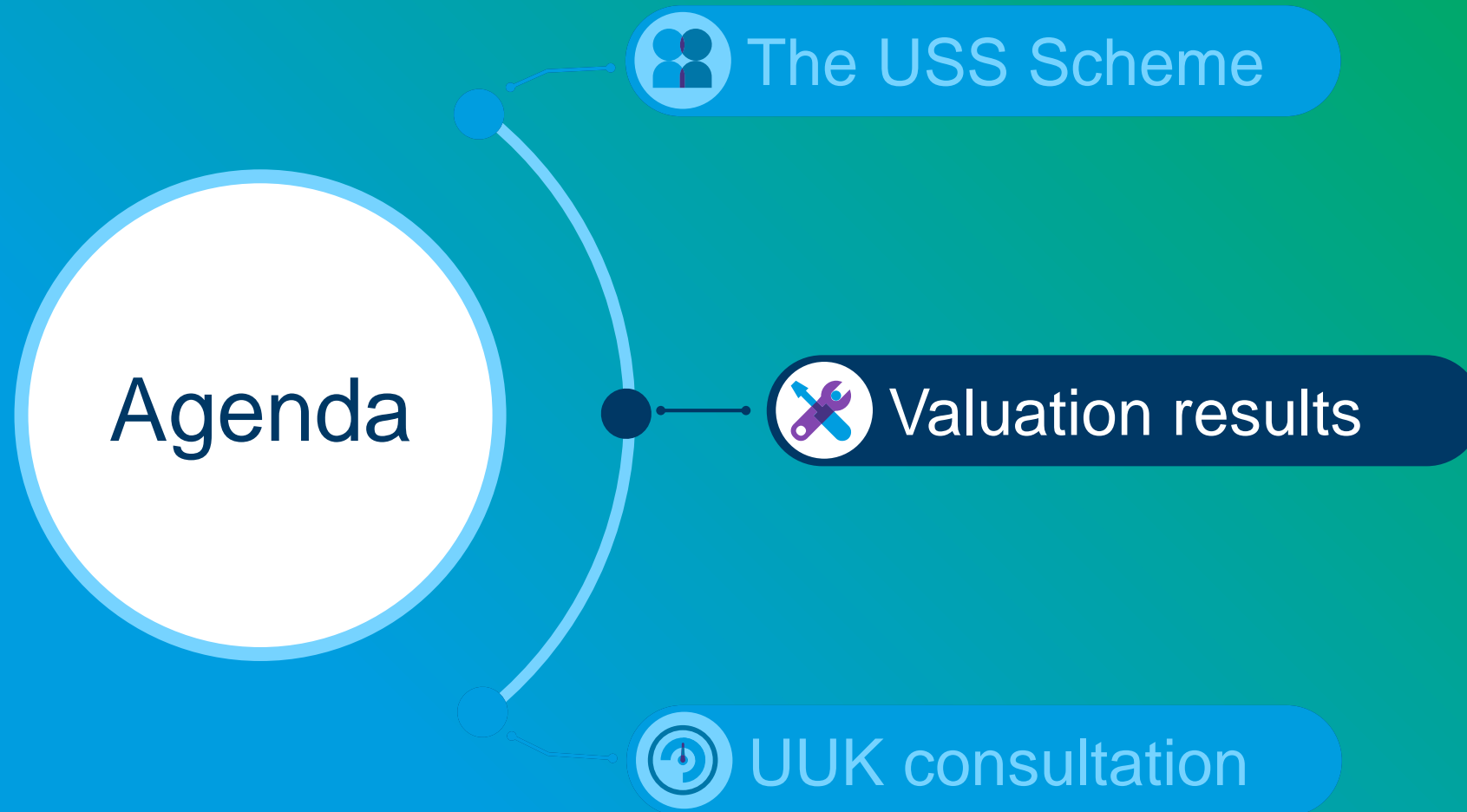


20%

**Annual increases
Plus tax free cash**

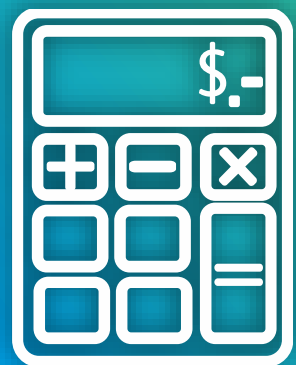
CPI up to certain limits

Salary £000s



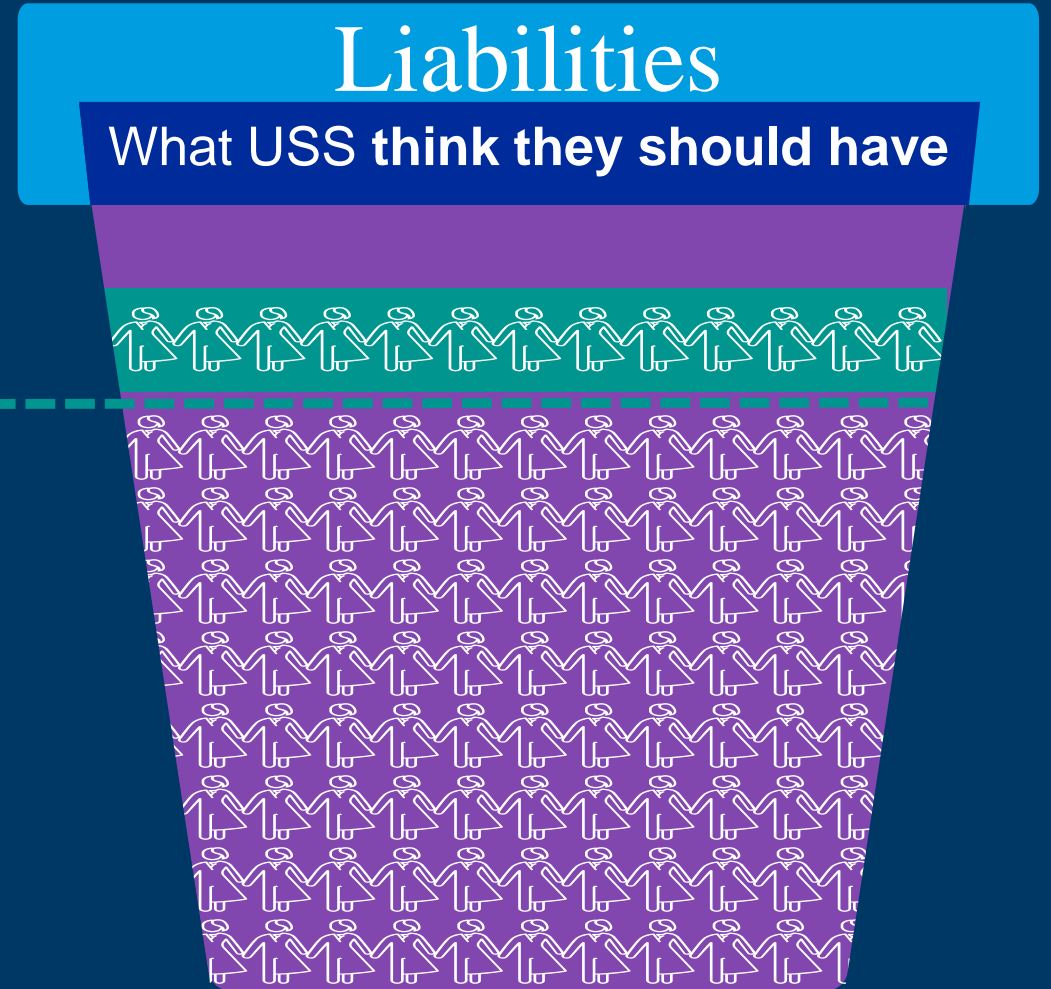
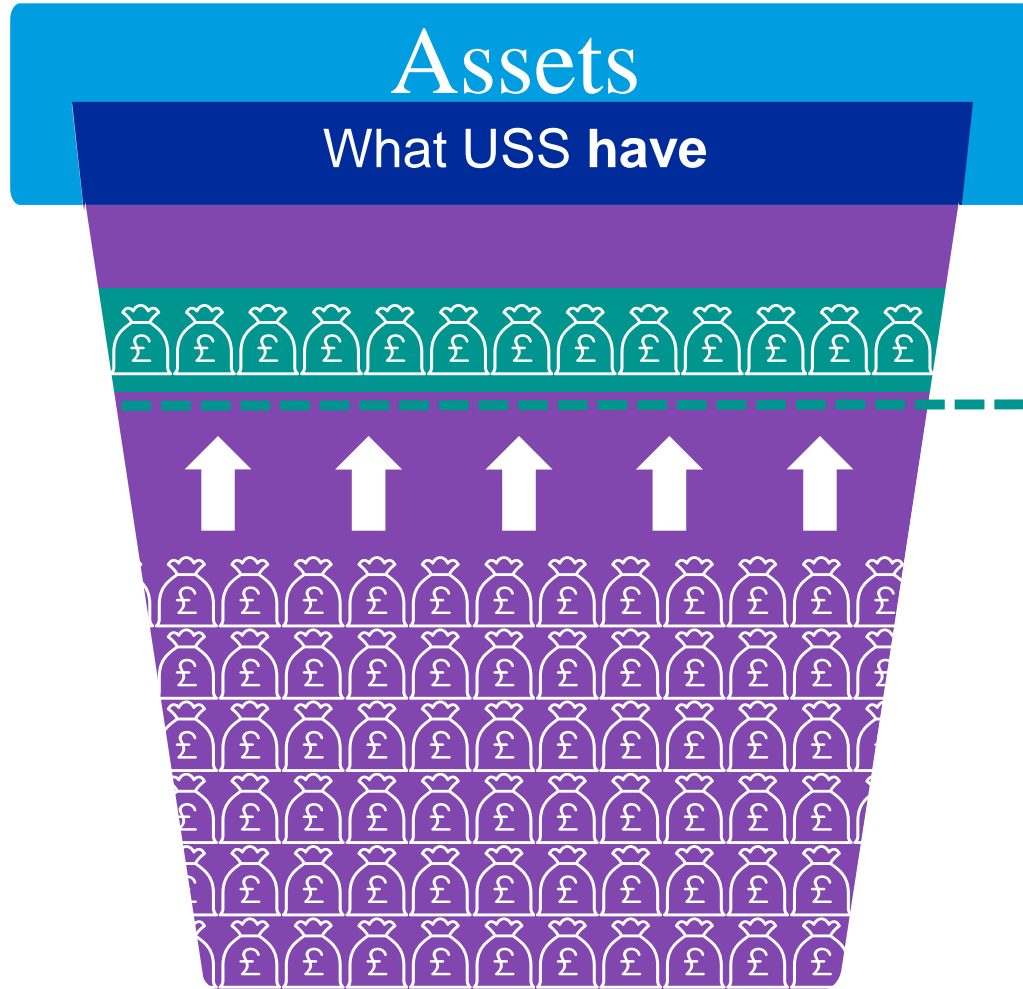
USS 31 March 2020 Valuation

Retirement Income Builder

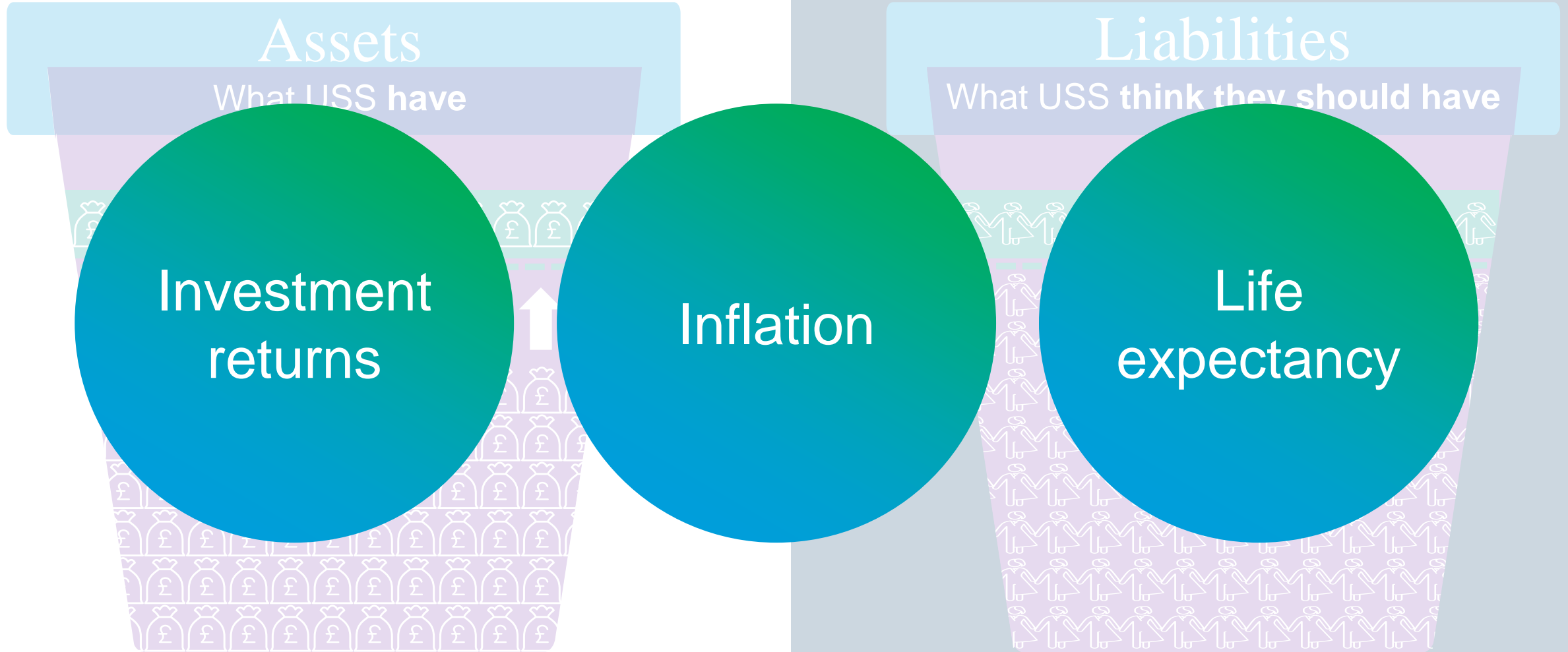


Valuation

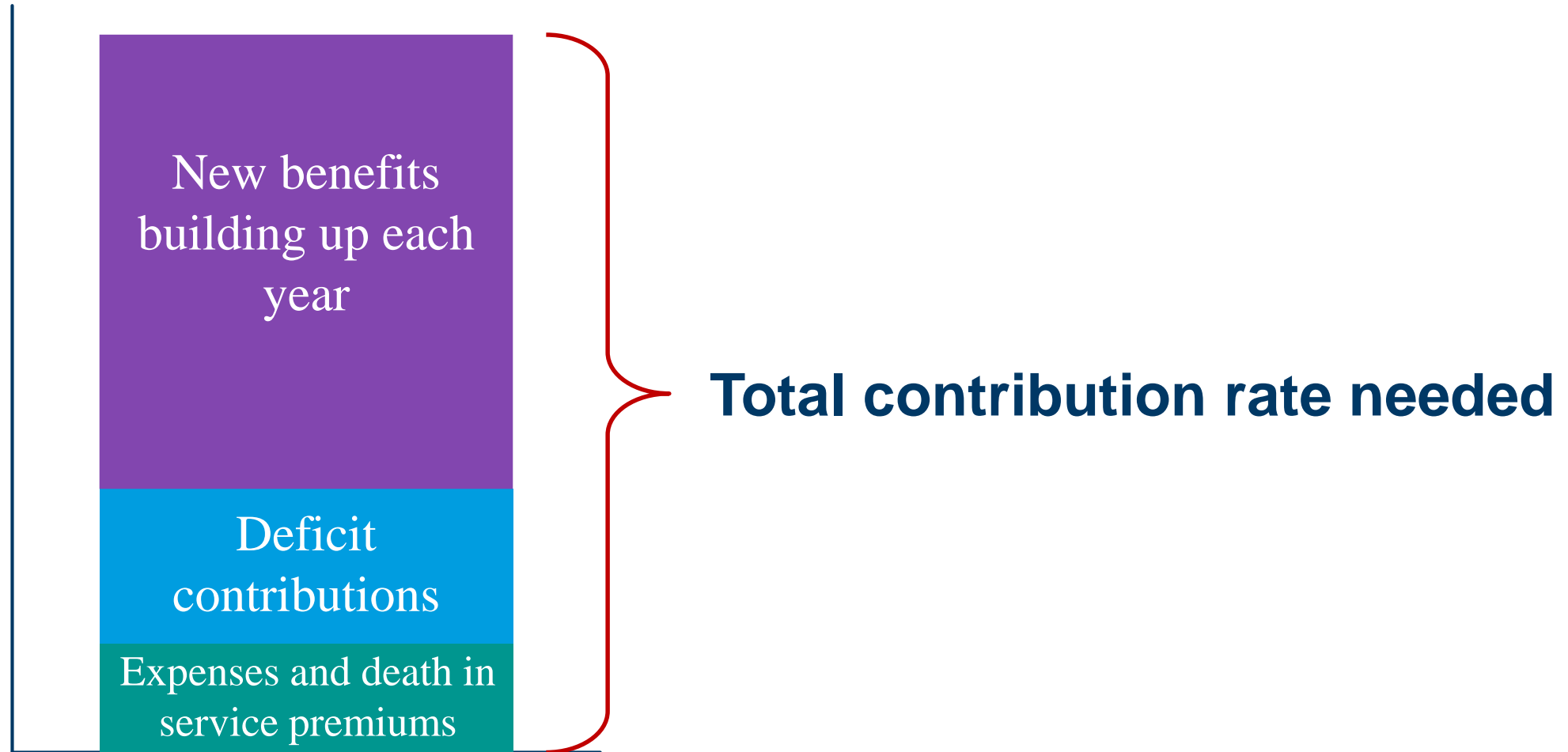
Valuation calculations



Valuation calculations



Valuation calculations



Covenant

Strength of the higher education sector?



Covenant

Covenant enhancing measures

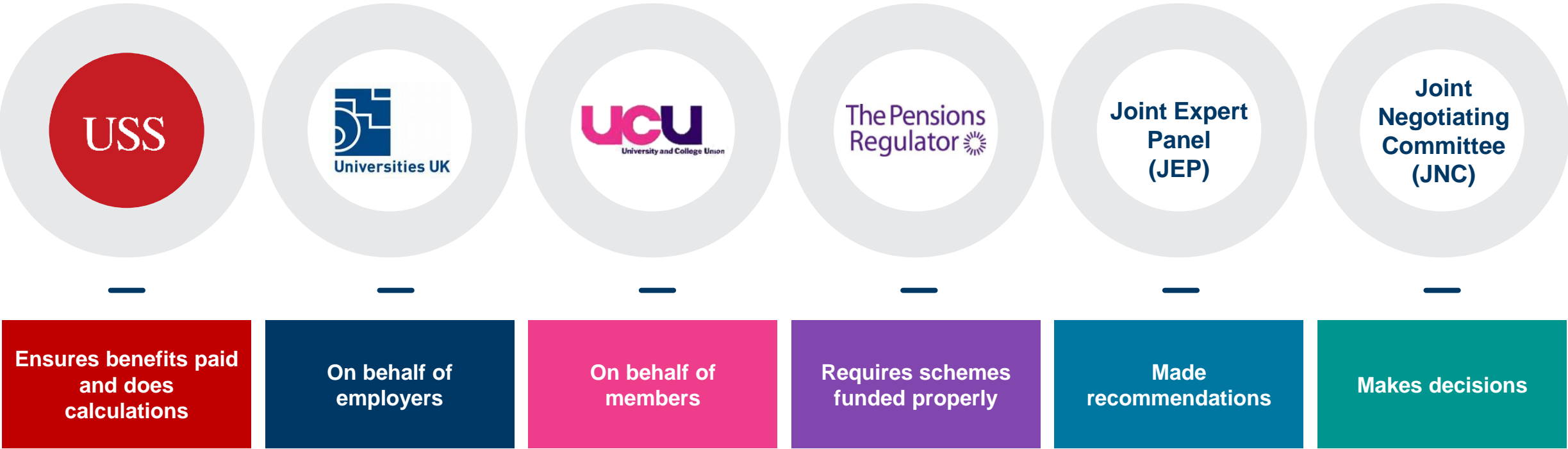
Debt
monitoring

Pari passu

Exiting USS



Different parties involved



The 31 March 2020 USS valuation

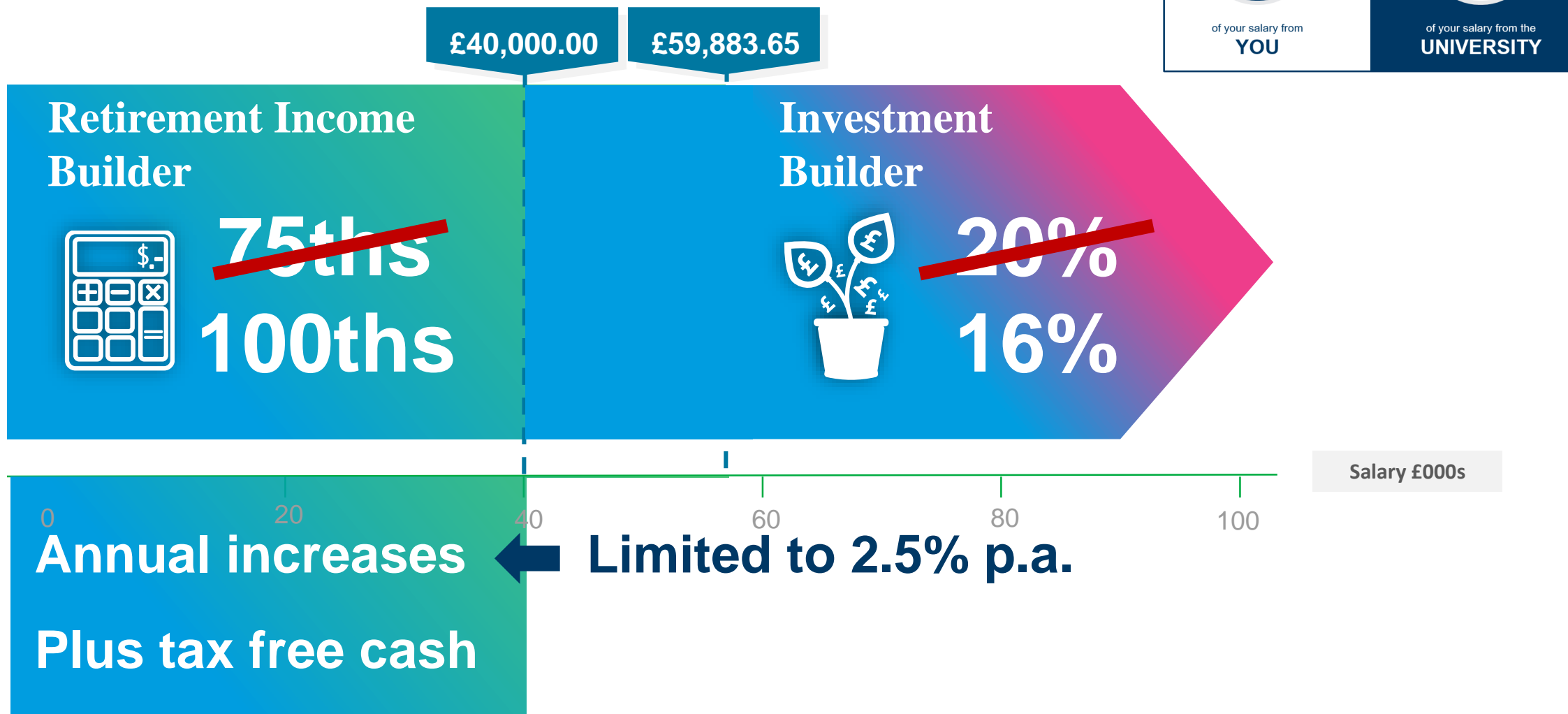
Initial results – 3 scenarios

	Now
Member	9.6%
Employer	21.1%
Total	30.7%

"Adequate" covenant measures	Some covenant measures	No extra covenant measures
13%	16%	18%
29%	34%	38%
42%	50%	56%



USS illustration of benefits



The 31 March 2020 USS valuation

Current discussions

Results show significant contribution increases



Covenant enhancing measures to be decided

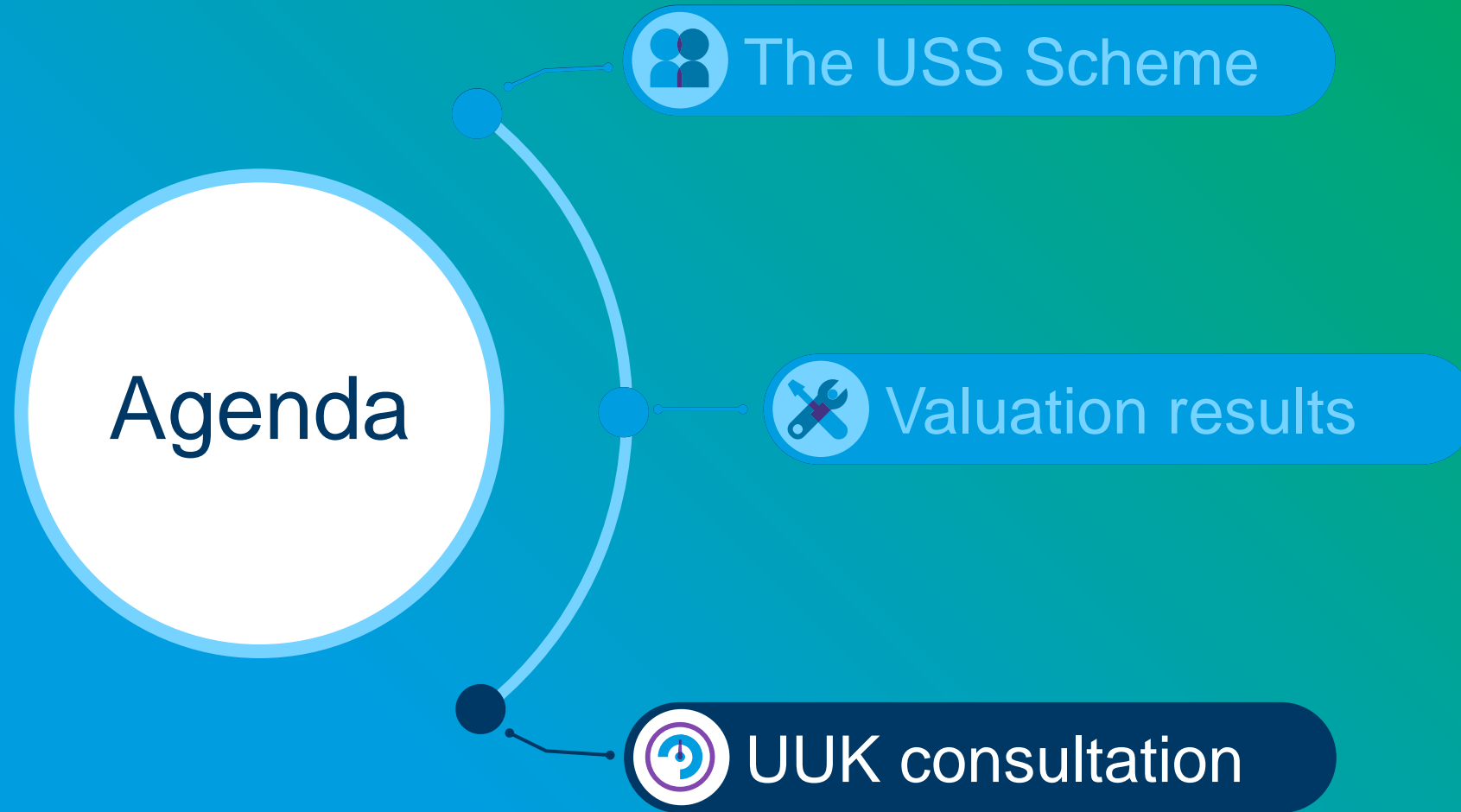


Challenges to the valuation approach



UUK consultation with employers





UUK employer consultation

New covenant enhancing measures proposed



Adjustments to the hybrid model proposed



Lower cost, flexible benefit options



Governance review of scheme



New covenant enhancing measures proposed

Debt
monitoring

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Exiting USS



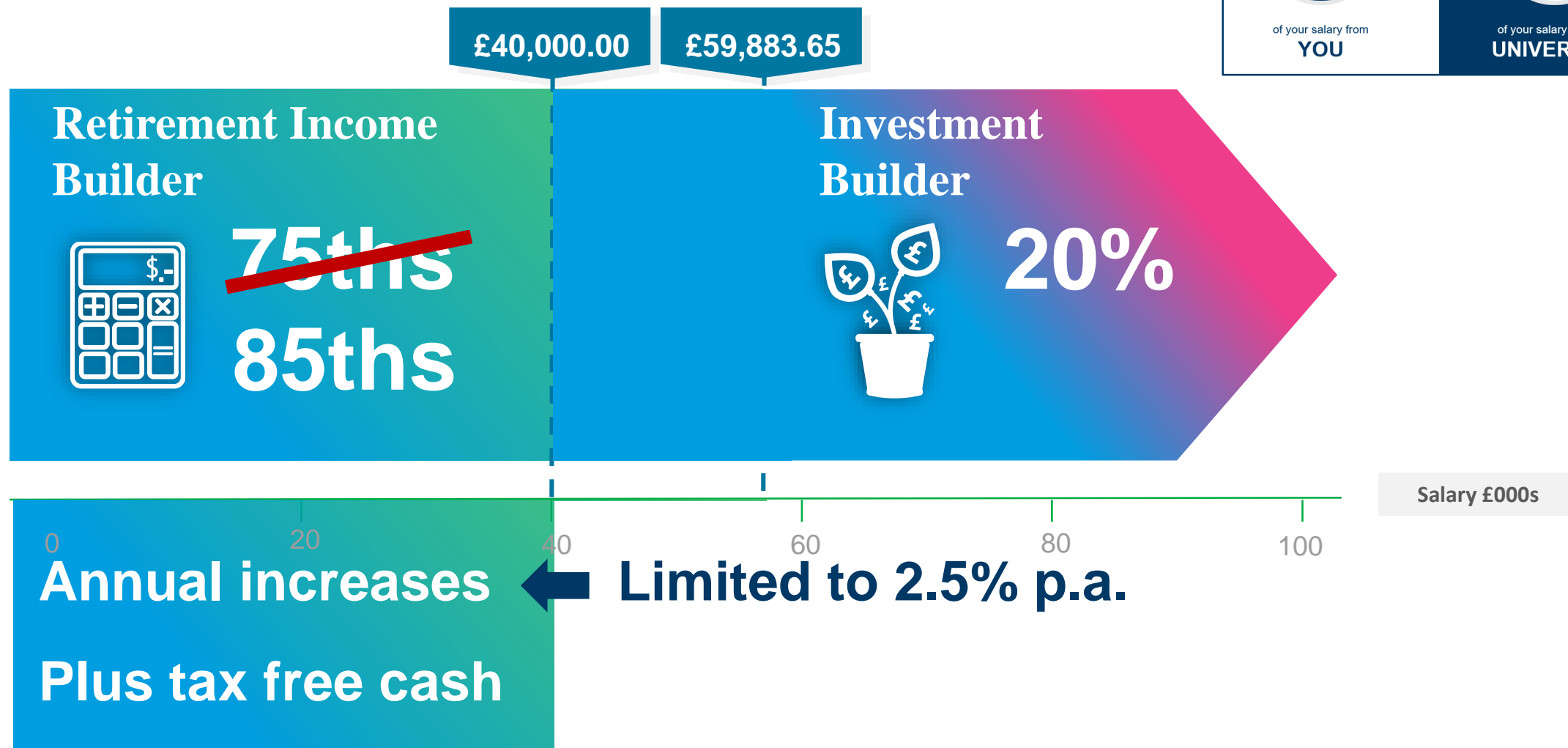
9.6%

of your salary from
YOU

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of your salary from the
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Adjustments to the hybrid model?

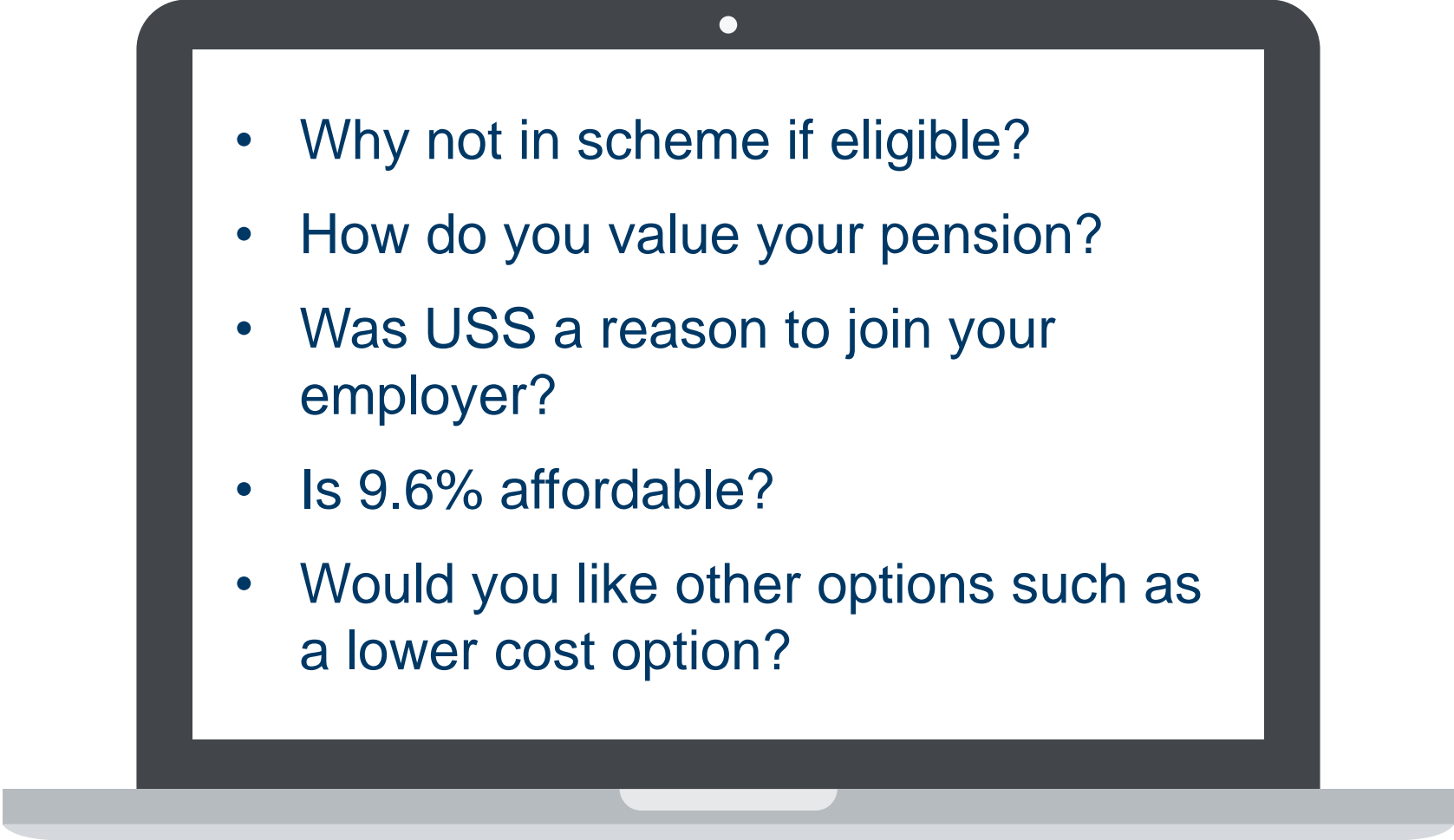


Lower cost / flexible benefit options?

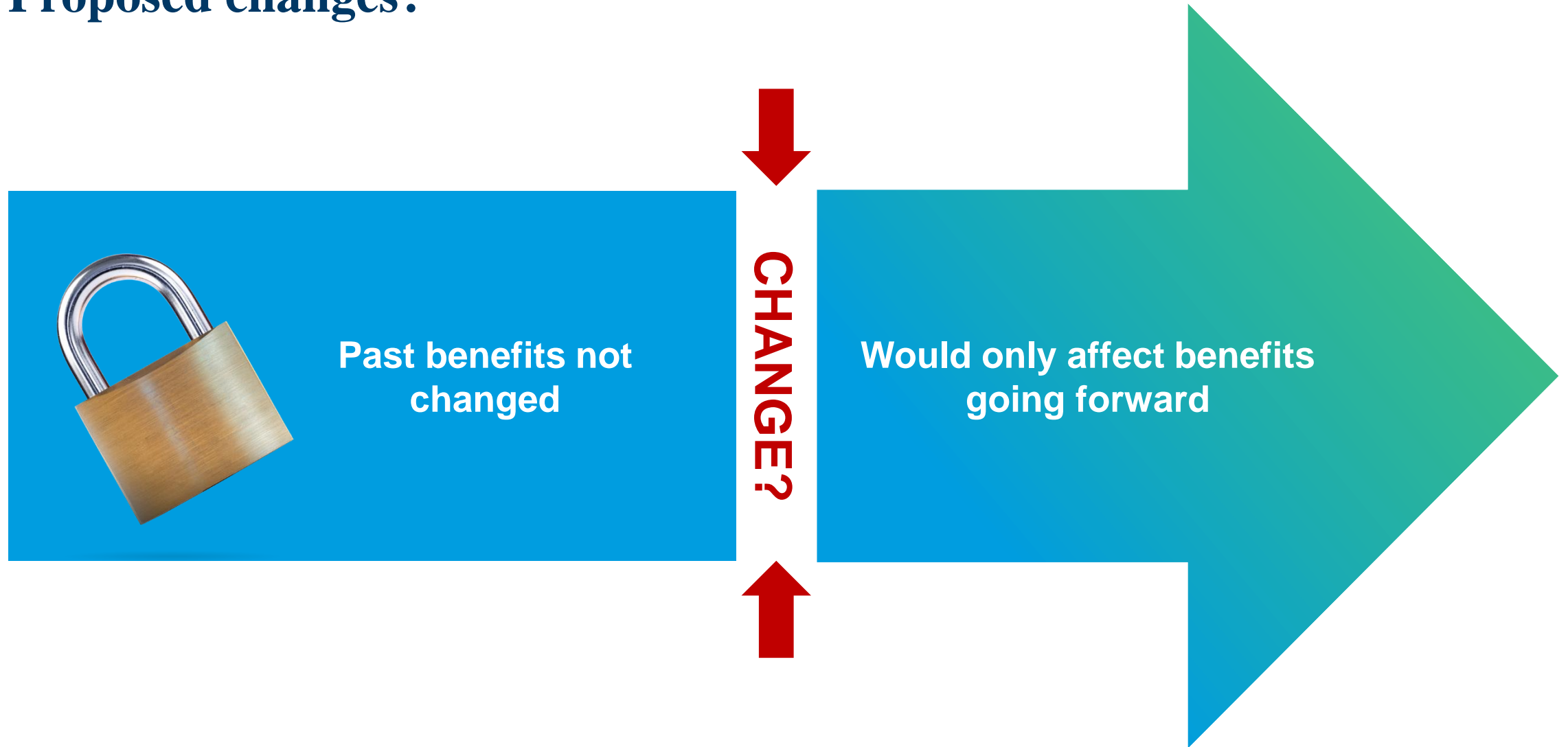


- **Tiered contributions?**
- **Reduced benefits options?**
- **Flexible defined contributions?**

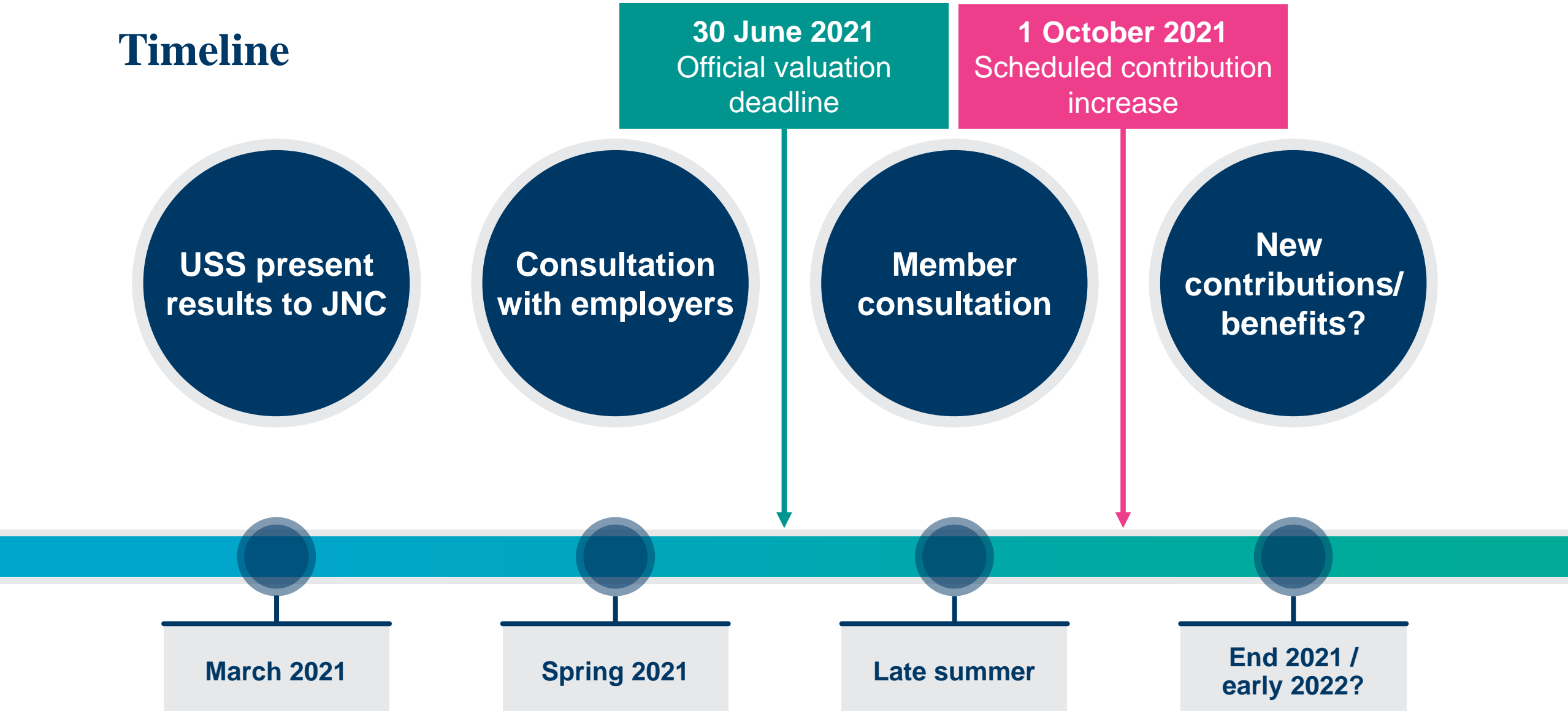
UUK employer consultation: Member survey

- 
- Why not in scheme if eligible?
 - How do you value your pension?
 - Was USS a reason to join your employer?
 - Is 9.6% affordable?
 - Would you like other options such as a lower cost option?

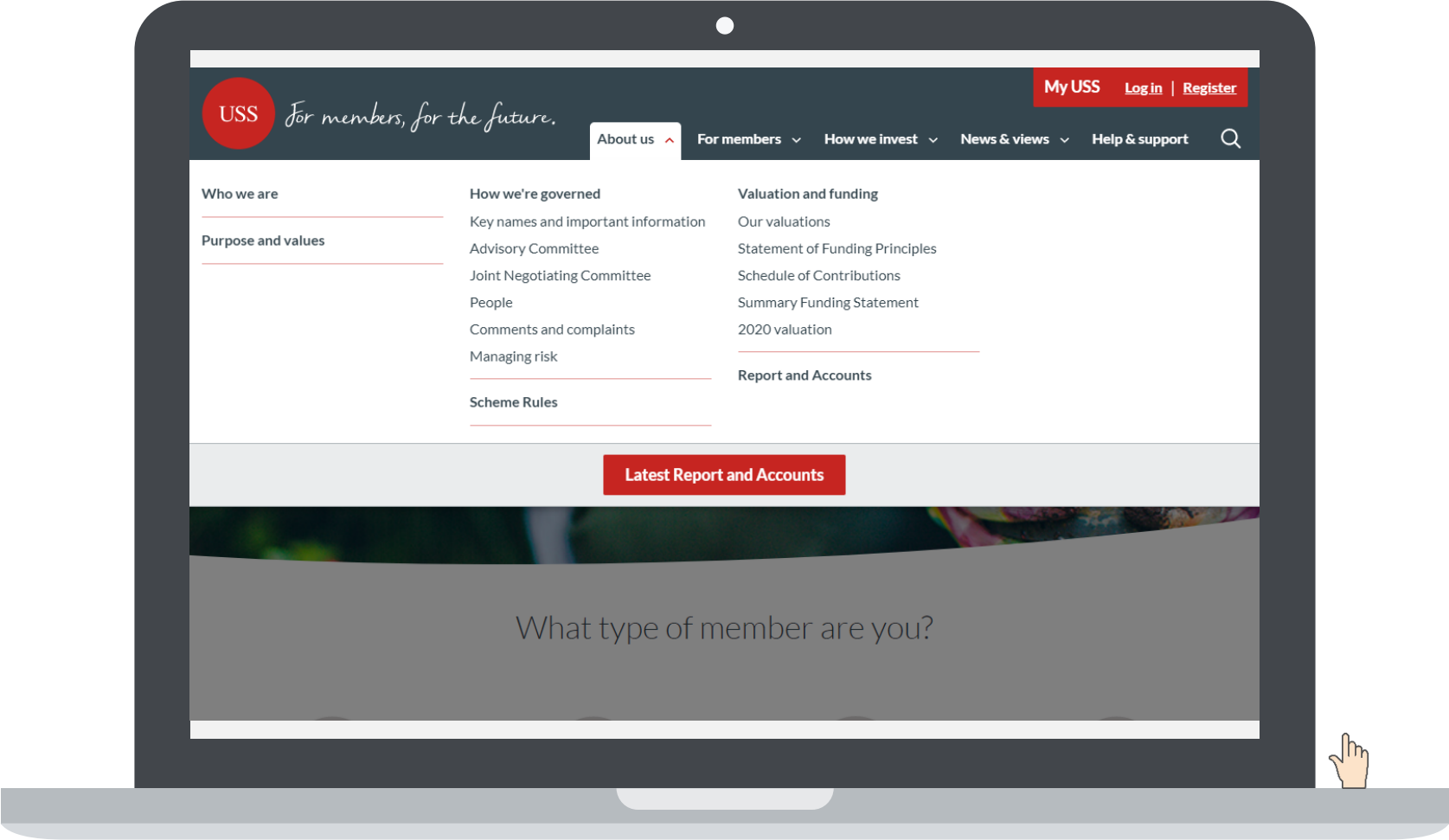
Proposed changes?



Timeline



Sources of information



Sources of information



Sources of information

