

HEALTH WEALTH CAREER

USS: BENEFITS AND VALUATION



USS

YOUR PRESENTER TODAY



REBECCA DODD

MERCER'S HIGHER
EDUCATION GROUP

CONTENTS



OVERVIEW OF BENEFITS



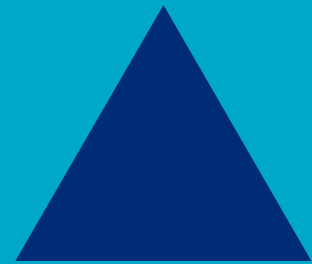
CURRENT SITUATION



WHAT HAPPENS NEXT?

SECTION 1

OVERVIEW OF BENEFITS



YOUR BENEFITS AS A USS MEMBER



- Regular Income
- Cash on Retirement
- Flexibility of benefits
- Top up savings
- Ill-health benefits
- Death benefits
- Tax relief on contributions

HOW USS WORKS



**DEFINED
BENEFIT**

**The USS Retirement
Income Builder**

Providing you with security

FORMULA

**DEFINED
CONTRIBUTION**

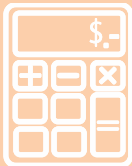
The USS Investment Builder

Providing you with flexibility

POT OF MONEY

BENEFITS IN USS

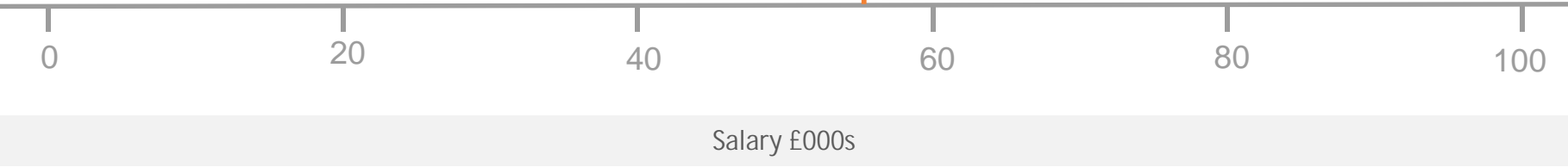
£58,589.70



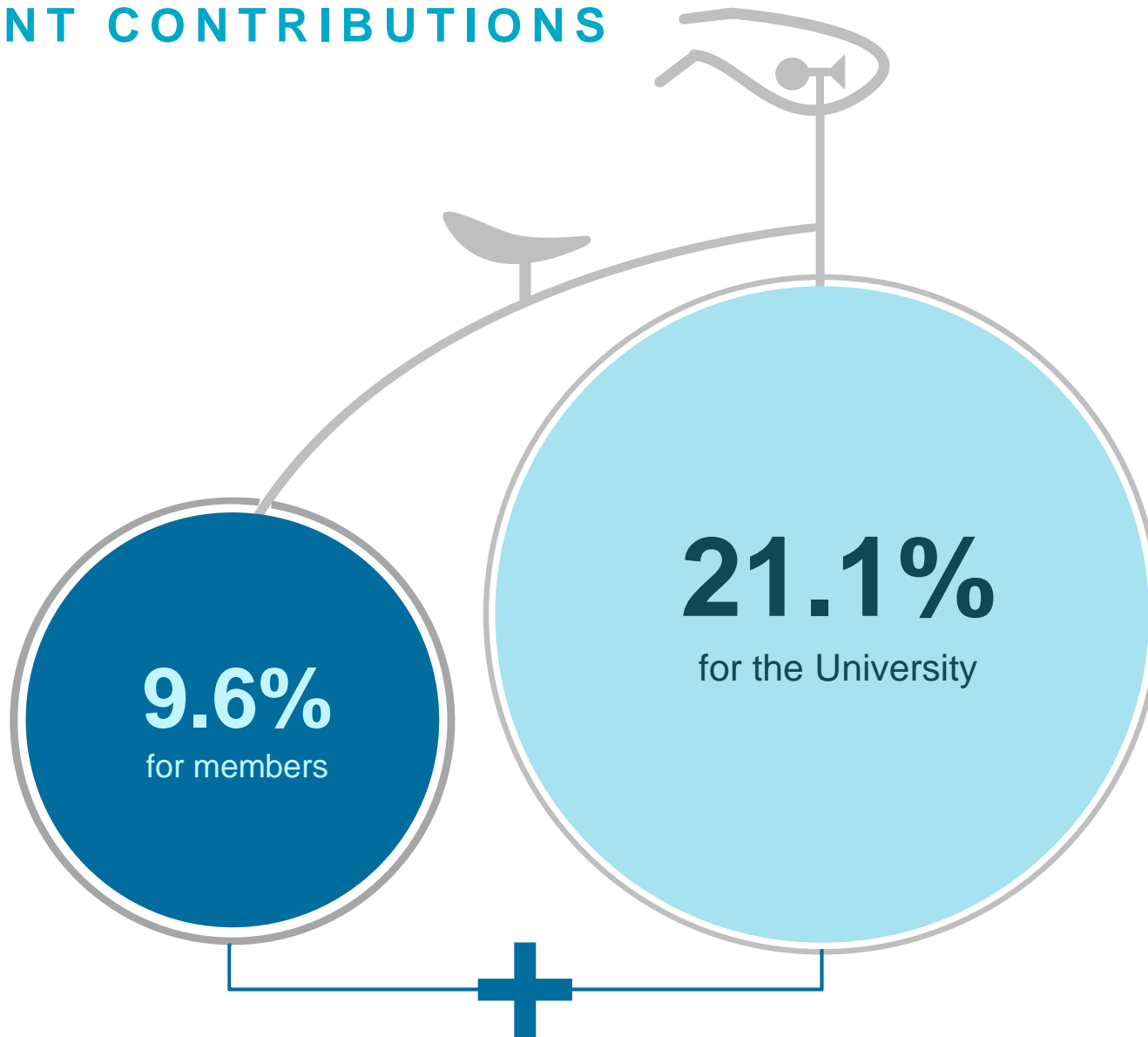
USS Retirement Income Builder (DB)



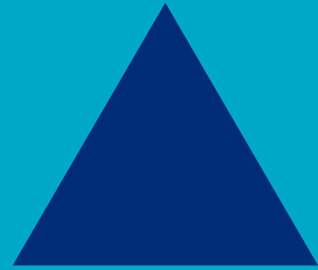
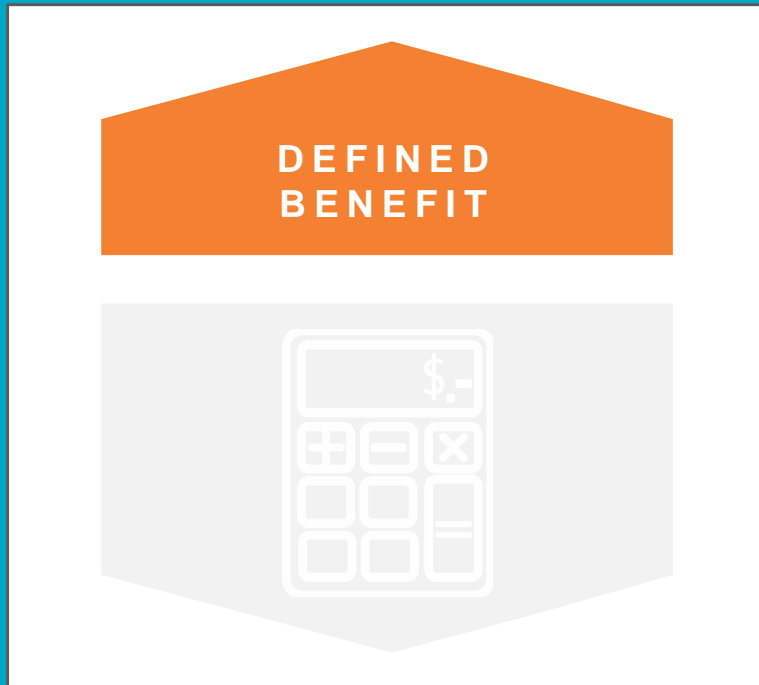
USS Investment Builder (DC)



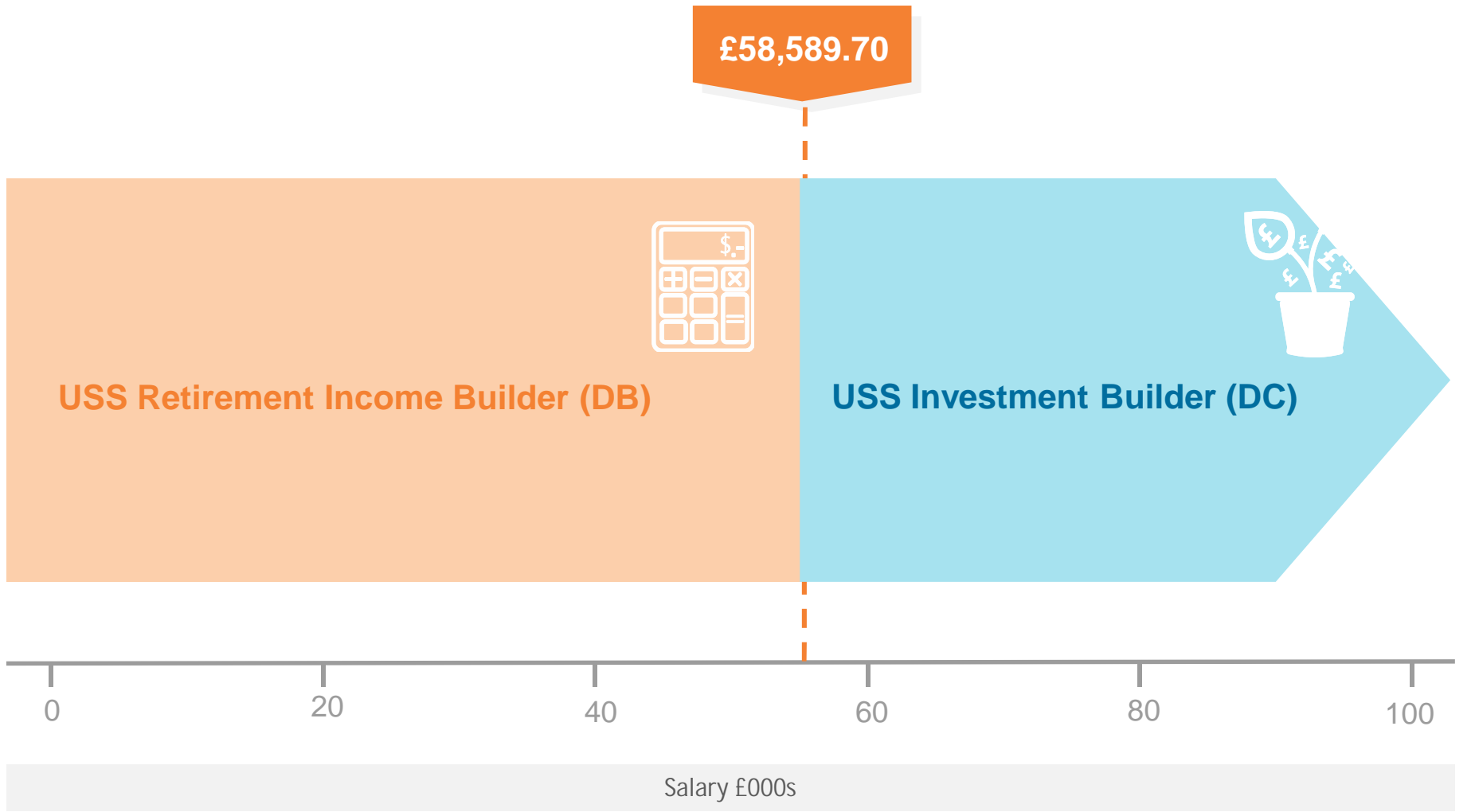
CURRENT CONTRIBUTIONS



THE USS RETIREMENT INCOME BUILDER



BENEFITS IN USS



THE USS RETIREMENT INCOME BUILDER



Build up
rate

X

£

X

Salary (up to threshold)
EVERY year



USS pension
increases

=



Pension

+



Pension

X

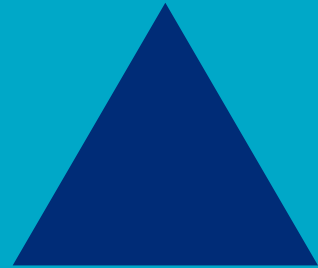
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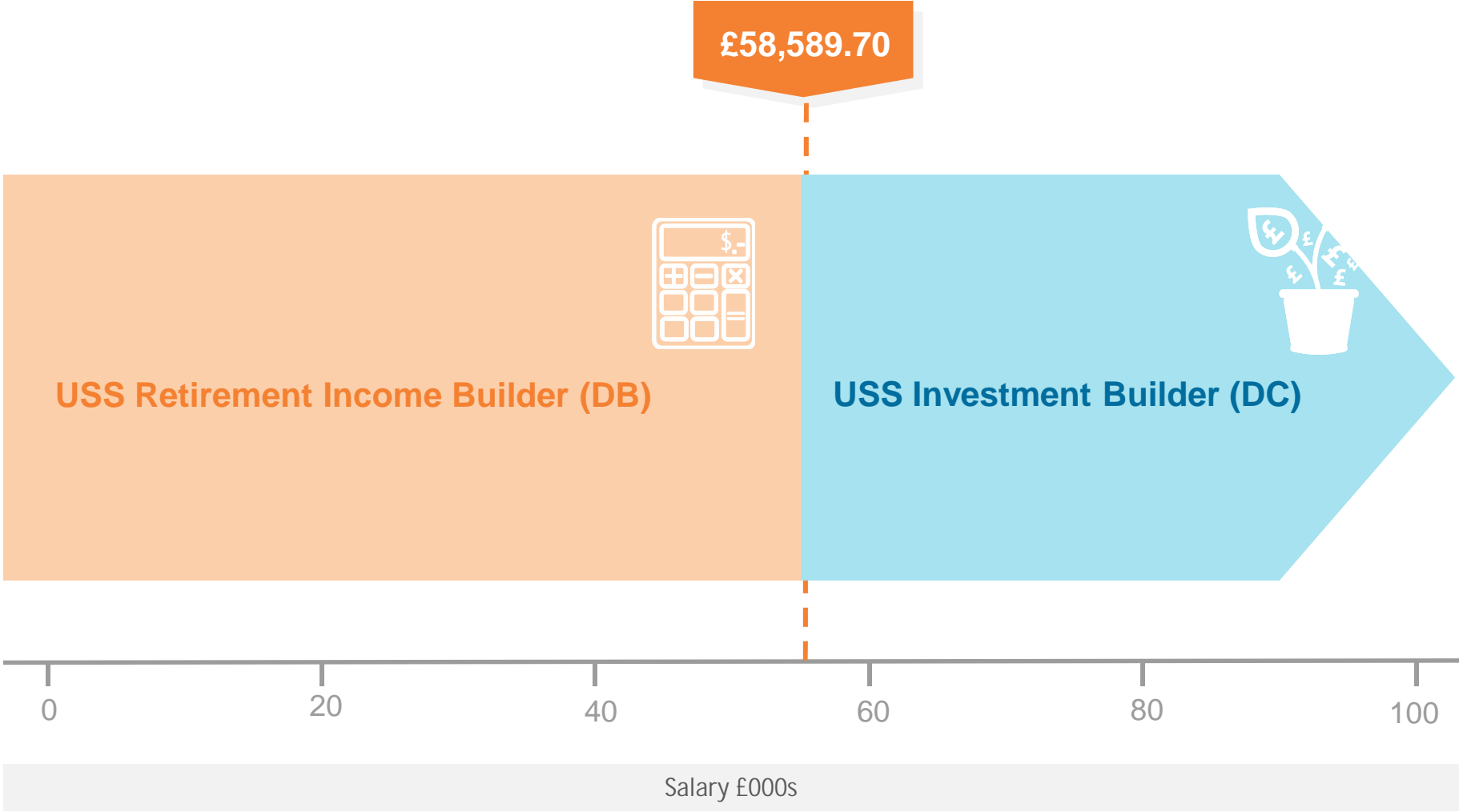


Tax-free cash

THE USS INVESTMENT BUILDER



BENEFITS IN USS



USS INVESTMENT BUILDER – ABOVE THRESHOLD

8%

of your salary above the salary threshold goes into the USS IB from **YOU**

+

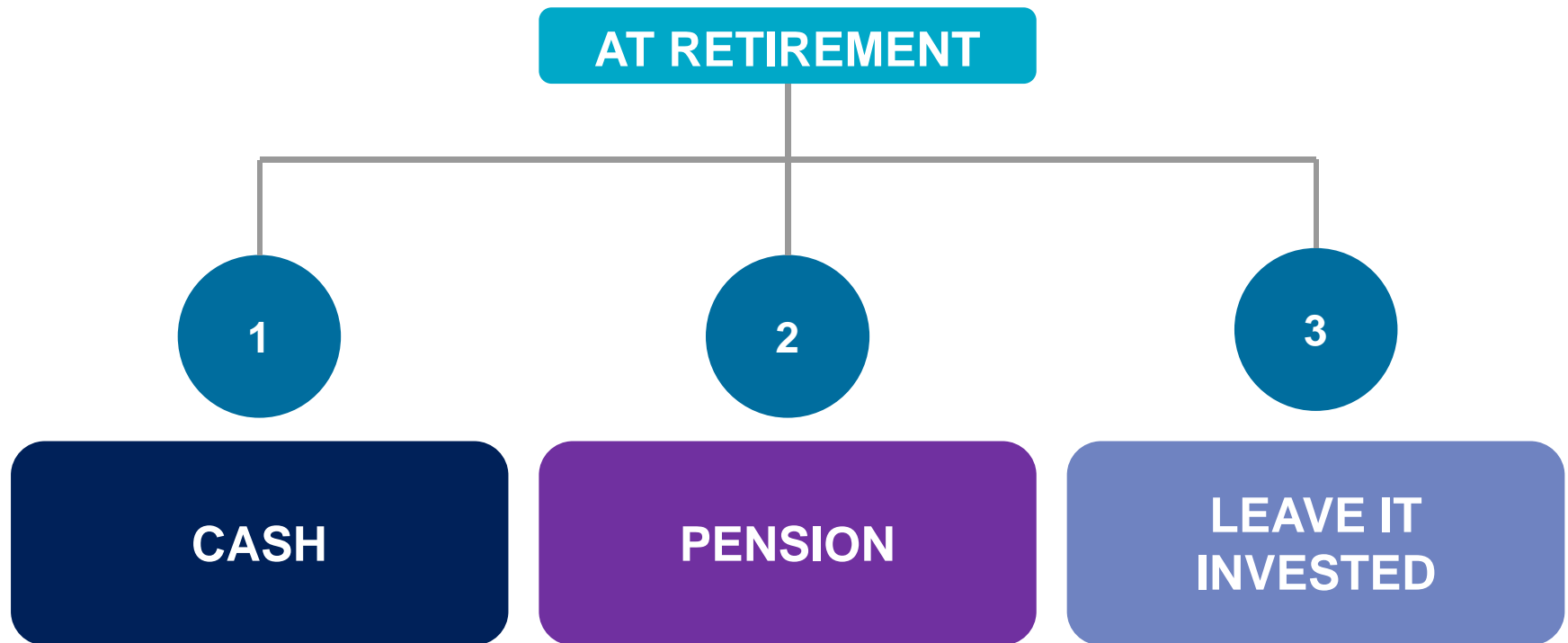
12%

of your salary above the salary threshold goes into the USS IB from the **UNIVERSITY**

**You will still pay 9.6% of your total salary
and the University still pays 21.1% of your total salary overall**

This is in addition to your benefits in the USS Retirement Income Builder

TAKING YOUR BENEFITS FROM THE USS INVESTMENT BUILDER

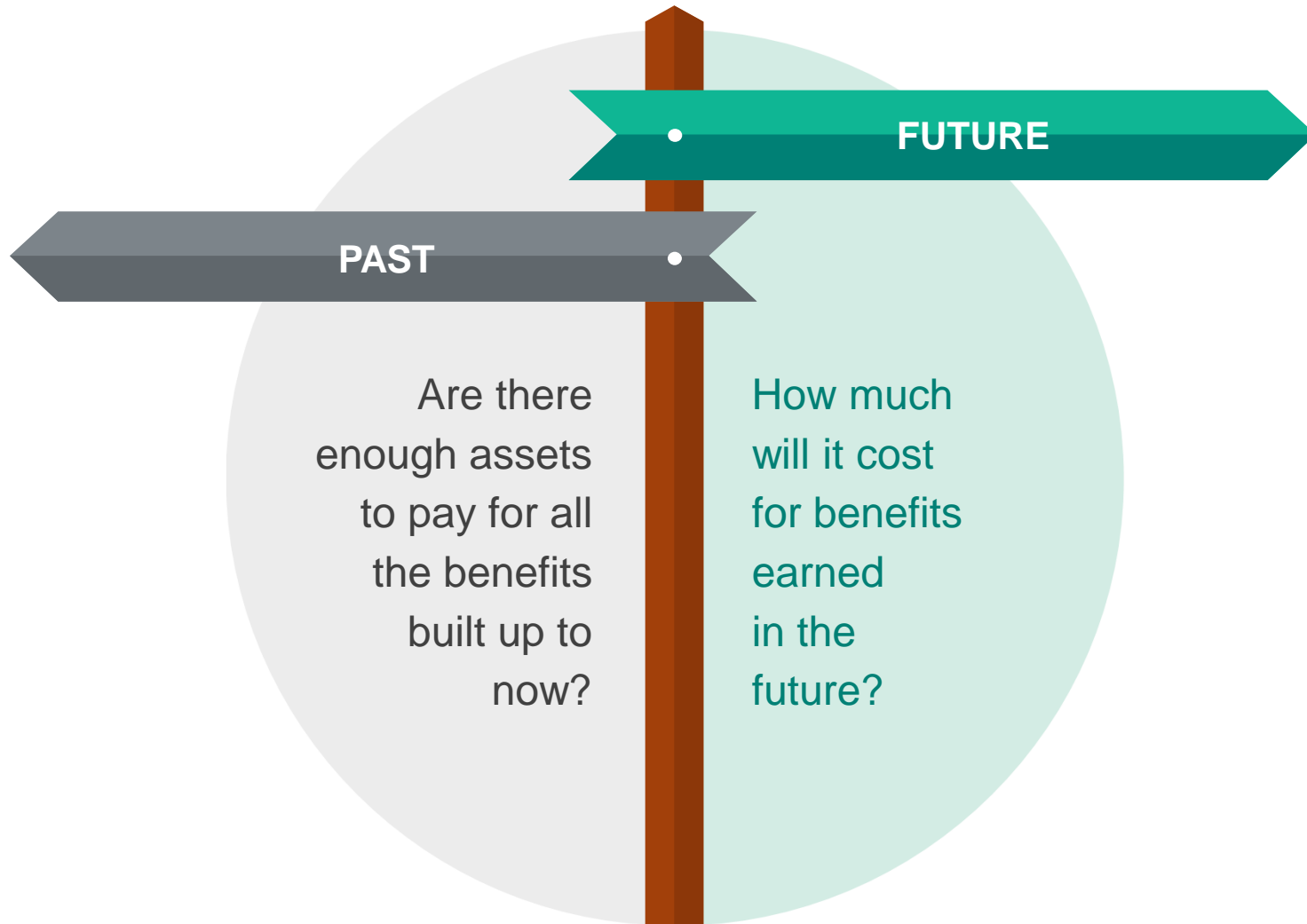


SECTION 2

CURRENT SITUATION

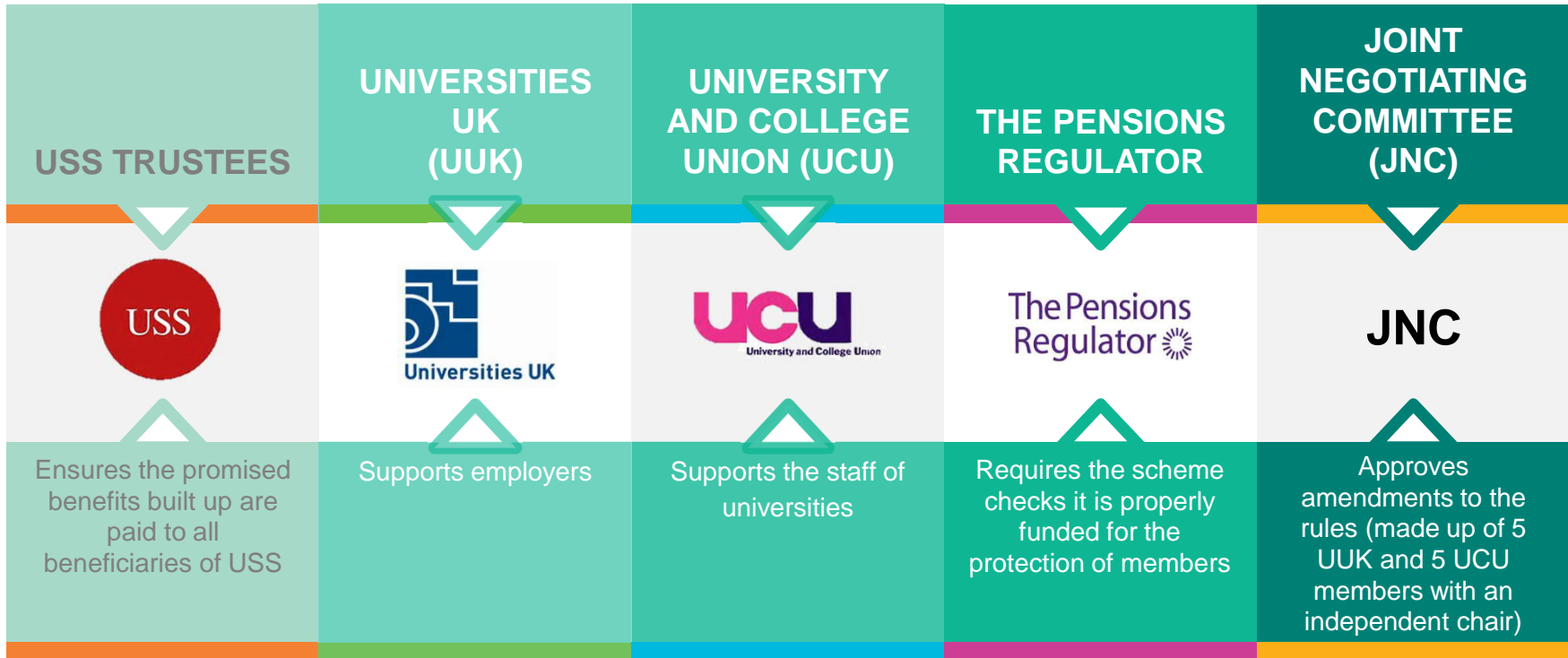


THE 2017 USS “VALUATION”

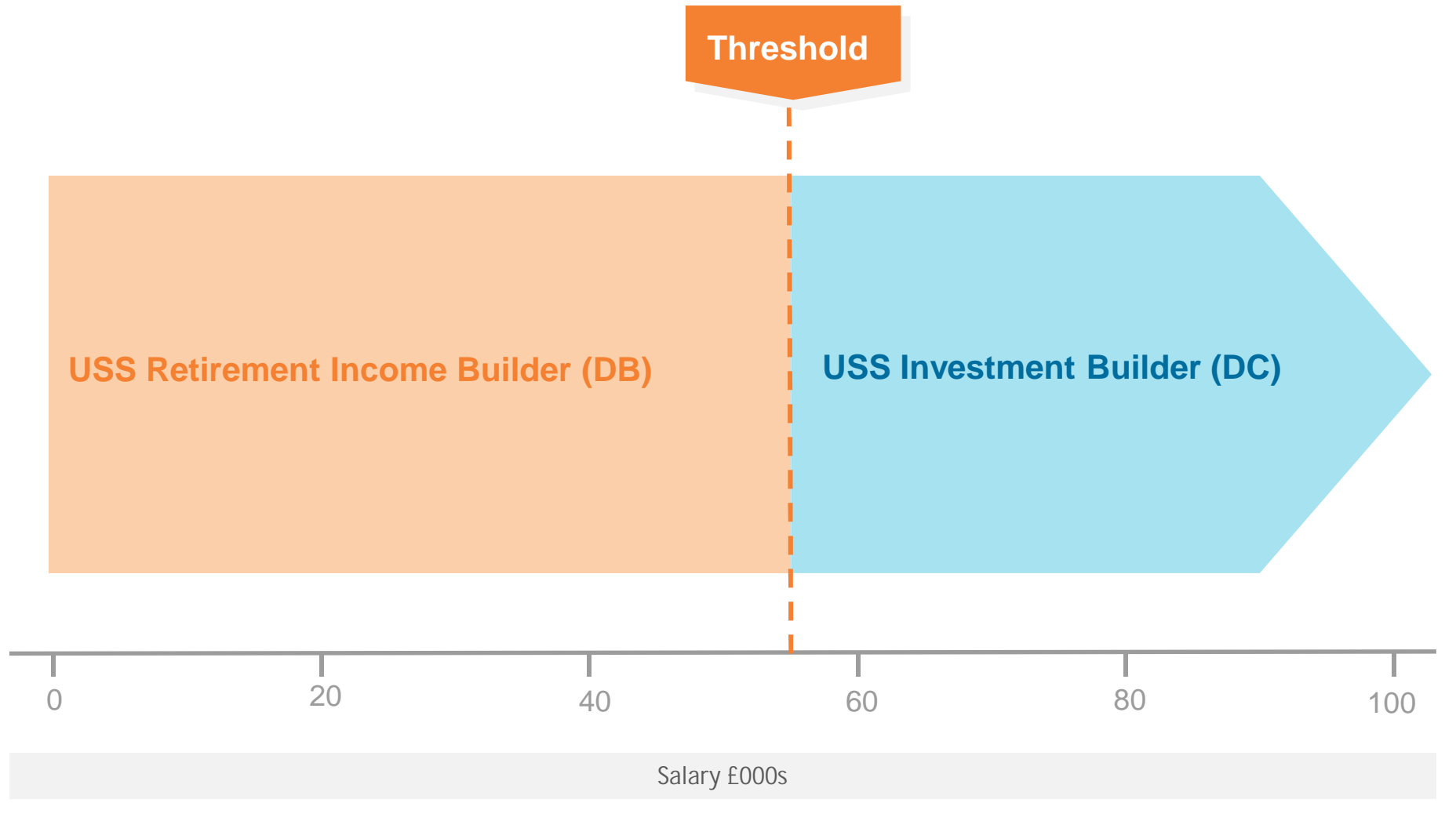


REASSESSED EVERY 3 YEARS

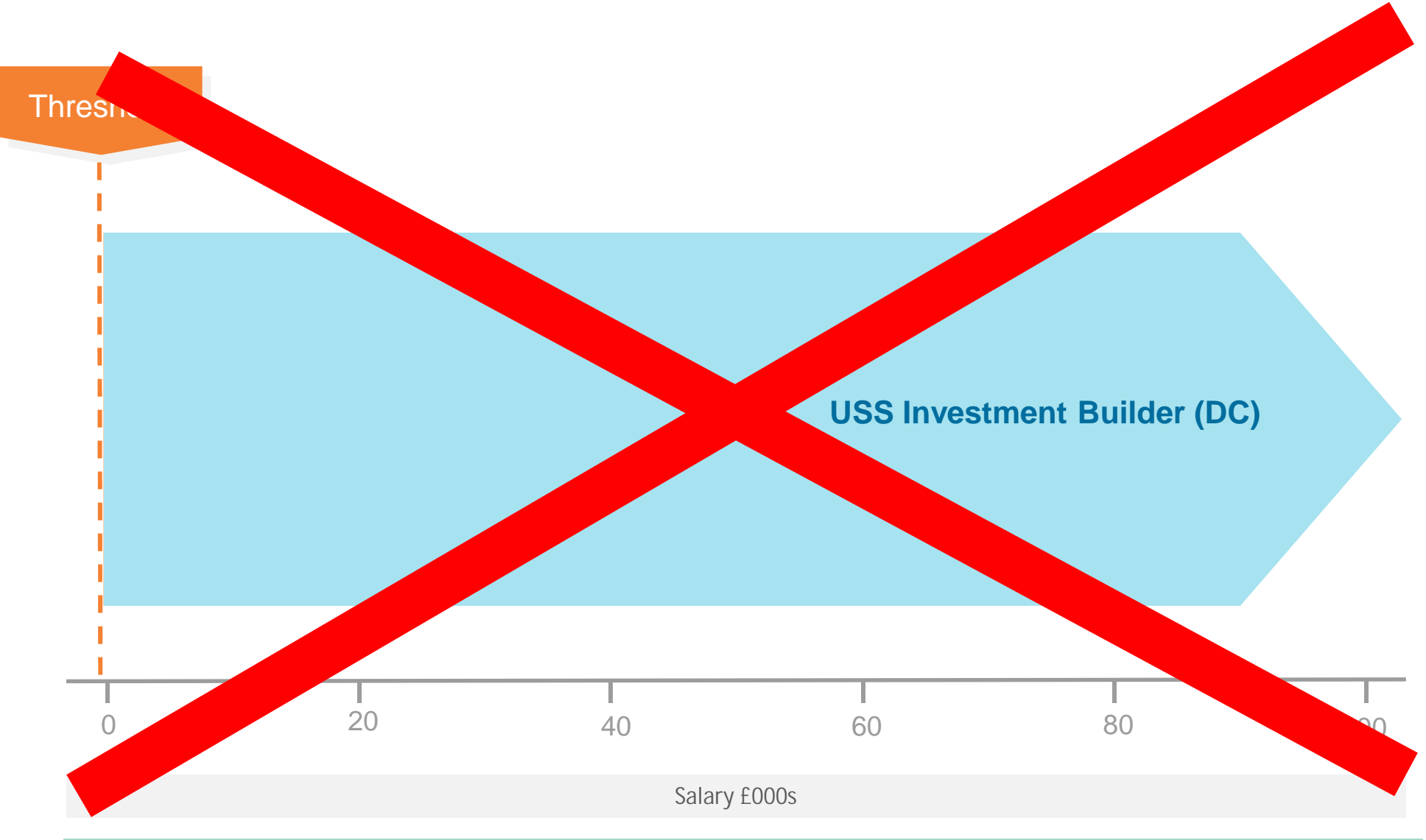
THE PARTIES INVOLVED



JNC PROPOSAL ON 23 JANUARY 2018



JNC PROPOSAL ON 23 JANUARY 2018



THE JOINT EXPERT PANEL WAS SET UP

The Joint Expert Panel

- Three members selected by UUK and UCU each
- One Independent Chair (Joanne Segars, OBE)
- Not a formal part of the USS governance structure

Remit for JEP

Phase 1: Focus on revisions to 2017 valuation that can give “space” to consider long-term position

Phase 2: Wider review of how UCU and UUK can work together on future valuations

JOINT EXPERT
PANEL

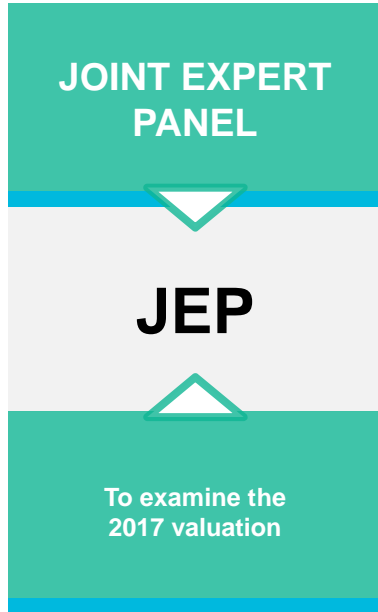
JEP

To examine the
2017 valuation

J E P ' S R E C O M M E N D A T I O N S A R E N O N B I N D I N G

THE 1ST JEP REPORT

4 AREAS OF ADJUSTMENT SUGGESTED TO THE VALUATION



Re-evaluation of employer risk



Consistency with 2014 valuation



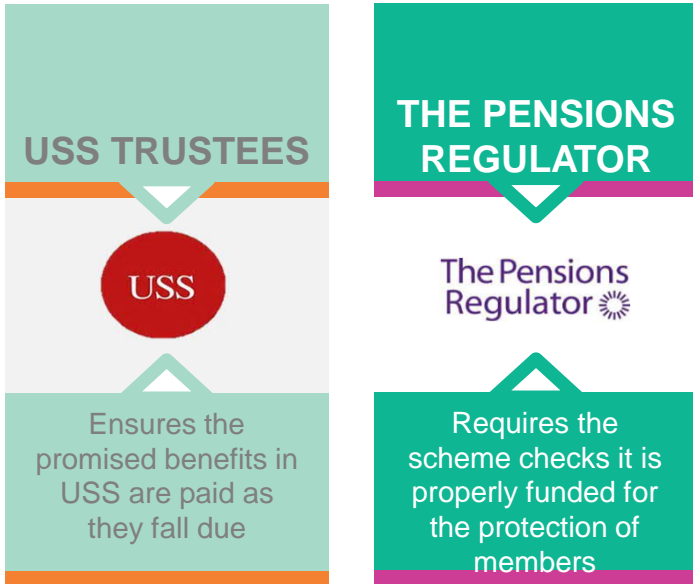
Fairness and equality between
generations



Updated market conditions

“In addition, greater weight should be given to the unique features and strengths of the higher education sector.”

THE 2017 USS VALUATION



BUT... the valuation should have been signed off on

30 June 2018

So, a new Schedule of Contributions needed to be put in place

COST SHARING

Increase in contributions to be shared

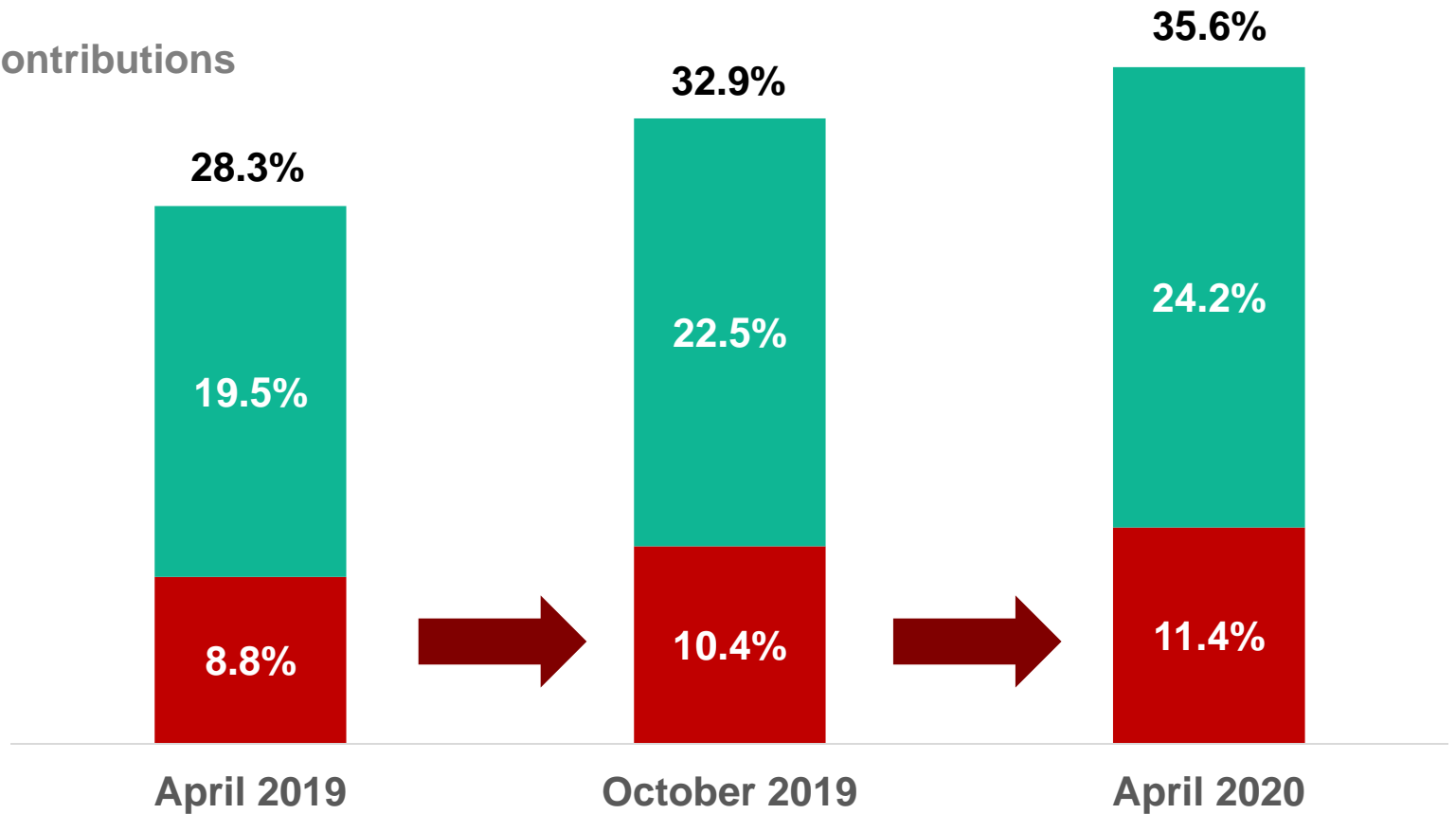
35:65

between members and employers

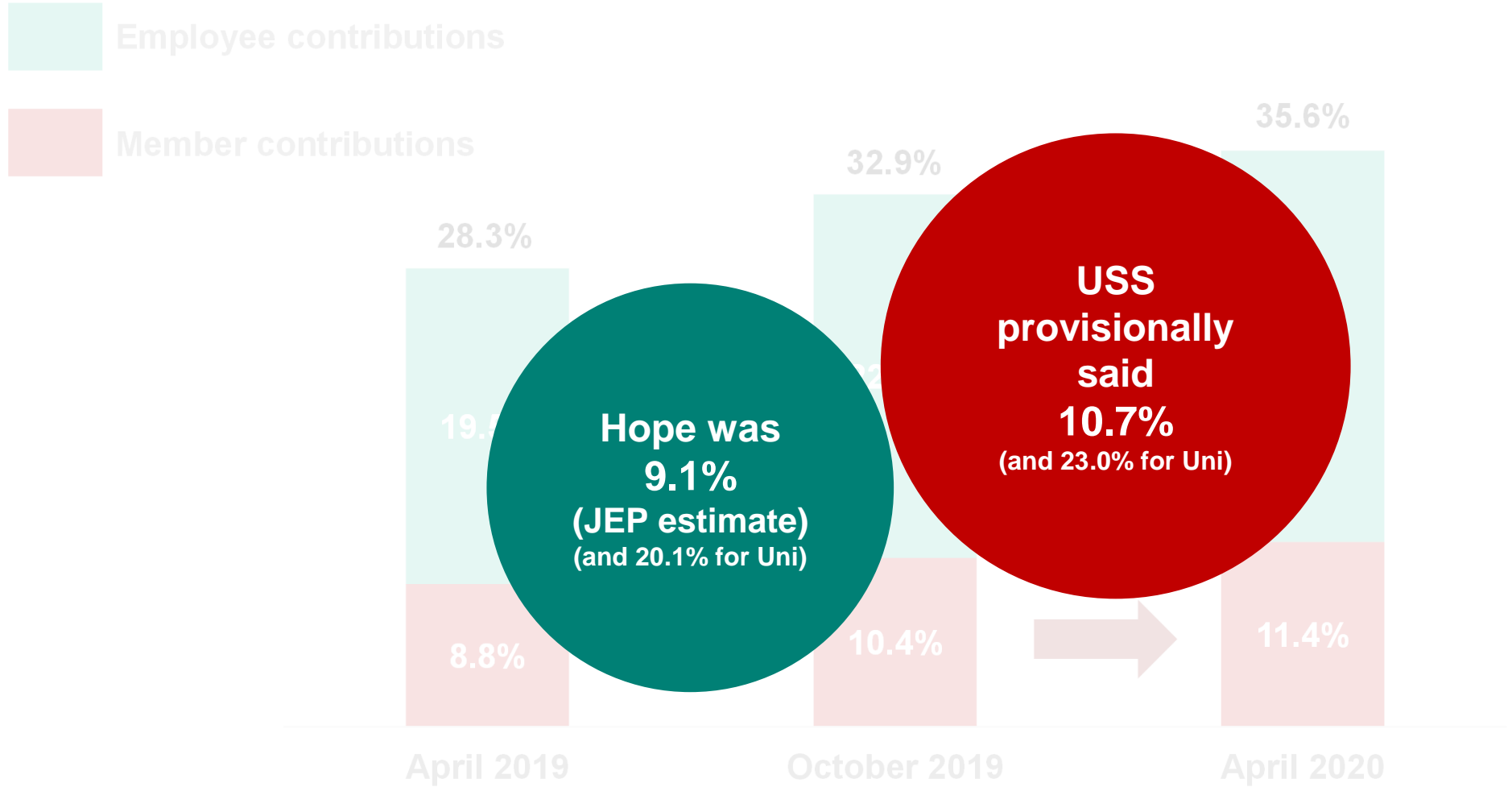
2017 VALUATION RESULTS – COST SHARING

 University contributions

 Member contributions



2018 VALUATION RESULTS



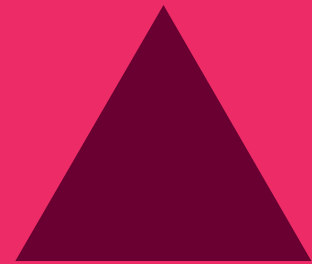
2018 VALUATION RESULTS

OPTIONS FOR CONTRIBUTIONS

	Option 1	Option 2	Option 3
Member	10.7%	9.3% - 11.4%	9.6%
Employer	23.0%	20.4% - 24.3%	21.1%
Total	33.7%	29.7% - 35.7%	30.7%
Next valuation	2021	2021	2020

SECTION 3

WHAT HAPPENS NEXT



CONSULTATIONS AND PROPOSALS



- **JNC proposed option 3 (9.6% for members)**
- **The Pensions Regulator said ok**

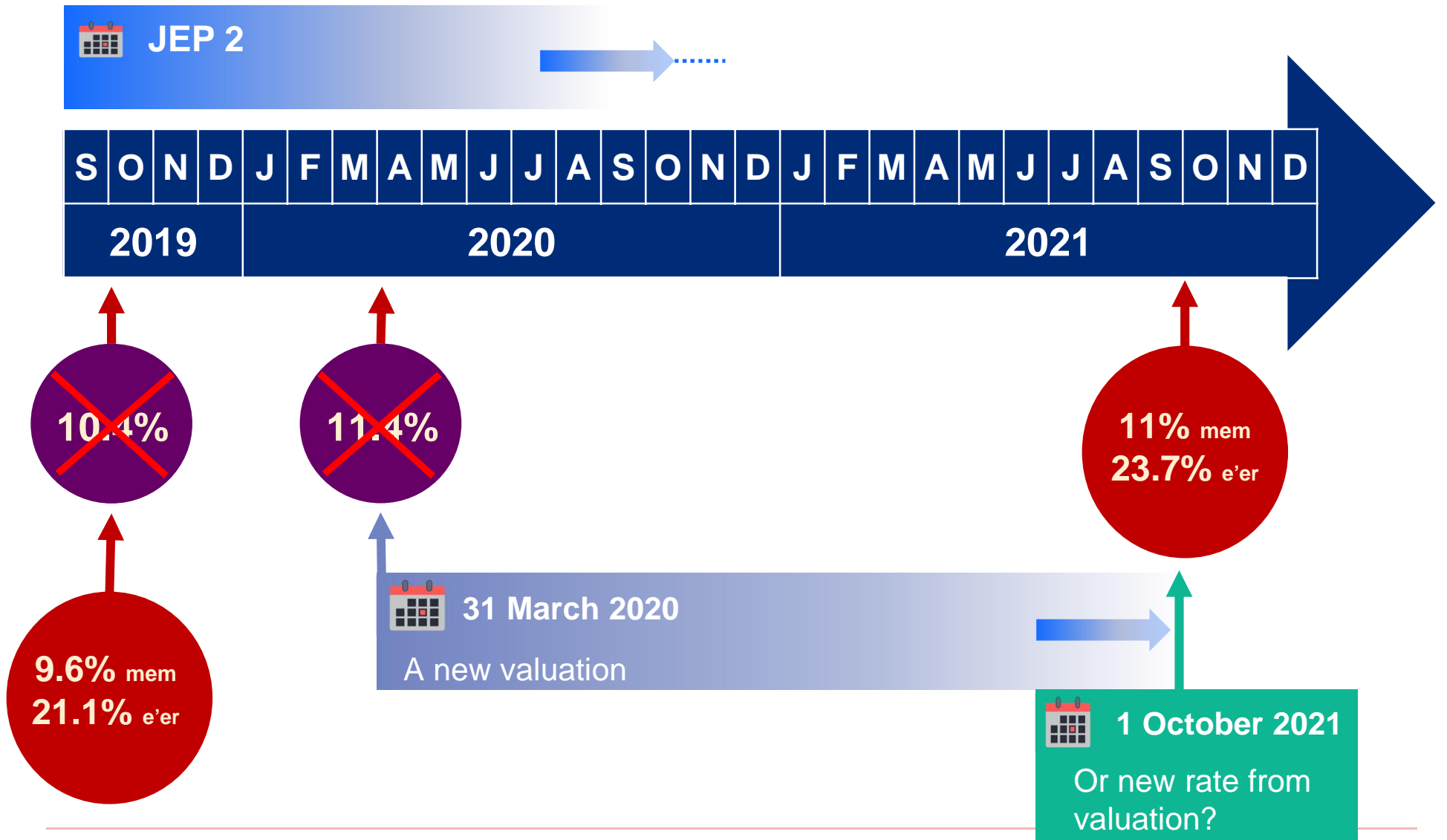


- **Proposed 9.1% for members**
(employers to pay 0.5% extra) but with condition of UCU not proceeding with planned ballot for strike action on pensions



- **Still seeking “no detriment” and 8% contributions**
- **Ballot for strike action commenced**

TIMELINE





MERCER

MAKE TOMORROW, TODAY