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A joint statement on UUK and UCU collaboration toward USS benefit restoration

Following the March 2023 Joint Negotiating Committee (JNC) meeting, we wish to provide a progress update on three of the key commitments we made within the interim joint statement ([dated 17 February 2023](#)). These commitments were:

- a) *we jointly agreed to prioritise the improvement of benefits to pre-April 2022 levels, where this can be done in a demonstrably sustainable manner;*
- b) *we are committed to working together so that this, and future, valuations are undertaken on a moderately prudent and evidence-based basis, taking account of the open and long-term nature of the scheme ... so that we do not return to dispute at each valuation;*
- c) *We agree ... to work together on a constructive dialogue with the Pensions Regulator (tPR) and the Department for Work and Pensions (DWP).*

To progress the first commitment on benefit improvement, UCU made a request at the March JNC for USS to provide pricing to restore benefits to pre-April 2022 levels as a central premise for the 2023 valuation. UUK fully supported this request. This was done in anticipation of the USS Trustee confirming its pricing to allow for an improvement of benefits and a reduction in contributions. USS has agreed to prioritise this work within the accelerated valuation timetable, with a view to achieving positive benefit change from April 2024. UCU and UUK have also agreed to develop and implement a robust and transparent mechanism for managing risk which can provide more sustainable benefits and contributions for future valuations.

Returning to pre-April 2022 benefit levels in full requires a statutory member consultation. At the same JNC meeting, UUK and UCU agreed to work together and at pace on preparing and issuing a joint member consultation over the option of full restoration.

To progress the second commitment on valuation methodology, UUK and UCU agree to continue collaborative work within the Valuation Technical Forum, exploring and evaluating the assumptions USS will use for the 2023 valuation. This work is ongoing and we appreciate the engagement across the USS Trustee Board and Executive in this work. We are jointly preparing further follow up work including engagement with the USS Trustee Board on developments for greater transparency.

UCU and UUK will also explore the options and costs of augmenting benefits in recognition of the lower benefits accrued between April 2022 and April 2024, within the 2023 valuation timetable.

To progress the third commitment on joint engagement with tPR and DWP, we expect to submit a joint response with USS to the second stage of the Pension Regulator's consultation over the Defined Benefit (DB) funding code. The first such joint letter was submitted in October 2022 and is available [here](#). Our joint engagement with tPR and DWP will include a focus on the open, immature and long-term nature of the scheme, as well as the unique nature of the Higher Education sector. We are grateful to USS for their continuing work and support in this area and for their initiative, with our support, to seek to reinvigorate collaboration between open defined benefit schemes to make the case for a regulatory environment that better supports open DB schemes.

We reiterate our shared agreement to a scheme governance review.

Our negotiations continue to be constructive.