



**PRESENTATION FOR  
BRANCH REPRESENTATIVES AND PENSION OFFICERS  
ON WEDNESDAY 20 SEPTEMBER 2023**

***DOOLEY HARTE  
UCU PENSIONS OFFICIAL - USS***

# Introduction

## SUPERANNUATION WORKING GROUP (SWG)

- **Who We are?**

Members of SWG are Chair of HEC or nominee, 3 elected Negotiators, 2 Elected Alternates and 3 elected Advisory Committee members

- **What we do?**

Support UCU negotiators in their dealings with UUK, USS and its JNC.

Support UCU's position and strategic work on USS by providing opinion to UCU's democratic structures (namely HEC, NEC, HESC and Congress) on technical and strategic matters.

Influence external bodies dealing with pensions such as The Pensions Regulator.

Abide by democratic decisions made by Congress and HESC and with guidance from HEC where required, whilst bearing in mind USS rules.

# What we will cover today

- Background
- Restoration
- Augmentation/Recovery
- Combined Contribution Rates
- Stability Working Group

# BACKGROUND

- 2020 Valuation
  - Changes implemented on April 2022
    - Higher Contribution rate
    - Worse Accrual Rate
    - Lower Threshold for move from DB to DC
    - Removal of Soft-Cap

# BACKGROUND

- Action taken by Members
  - Disaggregated ballot and Marking and Assessment boycott
  - Aggregated ballot across 67 USS institutions, alongside a ballot in the Four Fights dispute.
  - Results - Huge turnout with vast majority supporting strike action and action short of strike.
  - In total members have taken 15 days of strike action
- Joint Statements
  - Two joint statements with UUK, issued on 23 Feb and 14 March 2023
- Decision to suspend Industrial Action
  - 19 April 2023 - UCU stood down action in the USS dispute while the proposals in Joint Statements were progressed

# 2023 USS Valuation

- Main Outcomes
  - £7.4bn Technical Surplus
  - Future service contribution rate of 16.2% for current benefits
  - Future service contribution rate of 20.6% for pre-April 2022 benefits

# Restoration

- Conference Policy
  - 1/85 to 1/75 Accrual Rate
  - Threshold from £40k to around £70k (2024 rate)
  - Reinstate the Soft Cap
- Employer Consultation – closes 22 September 2023
- Employee Consultation – Open 25 September 2023

# Augmentation / Recovery

- What is Augmentation / Recovery?
- Early discussions with USS
- Discussion Paper including Proposal
- Legal/Equality concerns
- Work Not Yet Finished



# Combined Contribution Rates

- The Current 31.4% split
  - Split is 9.8% for Employees and 21.6% for Employers
  - Remember – this is your deferred salary.
- What is the 20.6% rate?
  - As the rate is not yet confirmed, split has not been agreed but USS do quote 14.5% for employers and 6.1% for members based on applying the 65/35 ratio to the reduction.
- Why is it a risk to stability?
  - SWG is concerned about rollercoaster contribution rates at future valuations
- What does SWG want?
  - Working with First Actuarial to get a lower rate but one that provides stability going forward.
- Important - No decision as yet.

# UUK JNC Proposal

- Early Reduction in Contribution rates
  - 01 January 2024 rather than 01 April 2024
- SWG – everything or nothing
  - We are not prepared to sign off on contribution rates unless Restoration & Recovery is also agreed.
- Now working to JNC on 30 October for decisions
- Very tight timeframe
  - HEC and Members will be consulted on any final package

# Stability Working Group

- Looking at Longer-term changes
  - Valuation Methodology
  - Pension Corridor
  - Conditional Indexation
- Still early for these

# Summary

- Restoration – prepare for Employee Consultation launch on 25 September 2023.
- Recovery – get the best outcome possible for members.
- Contribution Rates – get a lower rate for members but mindful of future stability.

Thank You

Now - Q&A