

JOINT EXPERT PANEL (JEP₂)

SECOND CALL FOR SUBMISSIONS

The Joint Expert Panel on the Universities Superannuation Scheme (USS) is continuing its second phase of work on the USS valuation.

The first part of our work has focused on the valuation process and its governance. It included a consideration of the roles and involvement of UCU and UUK in the valuation process so that a more collaborative process can be adopted for future valuations; the interaction of bodies with a formal role in the valuation, including the Trustee and JNC; and considering the potential for the involvement of Scheme members in the valuation process and how more effective engagement with employers can be achieved.

The Panel issued a call for evidence on these issues in February and which closed in March. We are very grateful for the responses received which have been considered by the Panel.

The Panel is now focused on the second part of its work. This considers how the long-term sustainability of the Scheme can be secured. It includes:

1. Developing an approach to future valuations that is clear (and clearly understood by stakeholders) and which can deliver both a sustainable scheme and a shared set of principles.
2. An exploration of different paths to the valuation of technical provisions and other aspects of the valuation methodology, including Test 1.
3. Considering questions of risk sharing, including adopting a different approach to contributions (which could, in turn address issues of intergenerational fairness and equality); examining further the question of mutuality and the question of employer appetite for risk; and the potential for risk sharing.

We are particularly interested in hearing views and evidence on principles that could be adopted by the stakeholders and that could underpin an approach to future valuations; issues relating to supporting the long-term sustainability of the scheme; and approaches to the valuation methodology. You should feel free to respond to all three parts of the call for evidence or any one part

Submissions on the above matters or comments for the attention of the Panel are warmly welcomed and should be sent by 14 June 2019 to submit@jep.org.uk

We look forward to hearing from you.