

# RECOVERY PLAN – MARCH 2022 – DRAFT

## Universities Superannuation Scheme

This recovery plan has been prepared by the Trustee of the Universities Superannuation Scheme (“the Trustee”) on [date], to satisfy the requirements of section 226 of the Pensions Act 2004, after obtaining the advice of Aaron Punwani, the actuary to the Scheme. It is part of the Trustee’s plan for meeting the statutory funding objective (defined in section 222 of the Pensions Act 2004), which is that the Scheme must have sufficient and appropriate assets to cover its technical provisions.

This recovery plan replaces the previous version, dated 30 September 2021. The update reflects the benefit changes and covenant support measures being finalised following consultation with the Scheme’s membership.

Universities UK, as the body nominated by the Rules of the Scheme to act as the representative of the institutions with a liability in the Scheme (the “Employers”), has been consulted on this recovery plan.

The recovery plan follows the actuarial valuation of the Scheme as at 31 March 2020, which revealed a shortfall in the assets, when measured against the Scheme’s technical provisions. The size of the shortfall as at 31 March 2020 was £14.1bn. This calculation allows for the benefit structure and covenant support measures implemented as part of and then subsequent to the 31 March 2020 actuarial valuation.

This recovery plan will be reviewed, and may be revised, following the Trustee’s next valuation under section 224 of the Pensions Act 2004, or earlier if the Trustee so determines.

### Steps to be taken to ensure that the statutory funding objective is met

To correct the shortfall, the Employers’ deficit contributions will be as follows, as a percentage of uncapped Salaries:

- From 1 April 2022 to 31 March 2024: 6.2% of Salary
- From 1 April 2024: 6.3% of Salary

Any payments will normally be made monthly, but the Trustee and employers can agree for payments to be made earlier if appropriate.

The Schedule of Contributions outlines circumstances in which accelerated payment of the deficit recovery contributions could be required.

**Period in which the statutory funding objective should be met**

The shortfall is expected to be eliminated in 18 years and one month from 31 March 2020, which is by 30 April 2038. This expectation is based on the following assumptions:

- The technical provisions will be calculated according to the method and assumptions set out in the Statement of Funding Principles dated [date].
- The return on existing assets and the return on new contributions during the period will be as set out in the Statement of Funding Principles dated [date] in the section headed “Assumptions used in calculating contributions payable under the recovery plan” in the paragraph headed “Investment return on existing assets and future deficit recovery contributions”.
- Total employer and employee contributions will be paid in accordance with the Schedule of Contributions dated [date], which accompanies this recovery plan.

**Signed on behalf of the Trustee of the Universities Superannuation Scheme**

**Name**

**Position**

**Date of signing**

[date]

This recovery plan, dated [date], has been agreed by the Trustee of the Universities Superannuation Scheme after obtaining actuarial advice from the Scheme Actuary:

**Signature**

**Scheme Actuary**

Aaron Punwani

**Qualification**

Fellow of the Institute and Faculty of Actuaries

**Date of signing**

[date]

**Name of employer**

Lane Clark and Peacock LLP