

USSEmployers

DEFINITION OF SUSTAINABILITY

The Stakeholders and Trustee agreed they wanted a sustainable Scheme and to define what a sustainable Scheme means.

Sustainability is the concern of employers, members and potential members, and the Trustee and important for ensuring confidence in the Scheme.

While it is helpful to have clarity on the issue and a common understanding, some parties may place greater importance on certain of the elements than other parties.

In the context of the Scheme, sustainability is understood to include:

- **Affordability** - this means an affordable level of regular contributions both now and in the future.
- **Stability** - this means an ambition to set a stable trajectory over the longer term and a framework to collectively manage sudden shocks.
- **Clarity** - providing employers and members with a clear understanding of the contributions required for the benefits of the Scheme.
- **Adaptability** - this means the ability to adapt to changing circumstances and a recognition that there are different levers (including, but not limited to, contributions; benefits; and appetites for risk (including investment strategy, contingent support from employers)) that could be applied to the Scheme, and that there are trade-offs between these levers.
- **Relevance** - this means meeting the needs of members and potential members.
- **Viability** - this means the ability to pay benefits that have been accrued to date, both now and in the future.

Sustainability over the long-term is desirable, but short-term decisions have implications for the long term. Long term sustainability means meeting the needs of the future without compromising the present.

This definition of sustainability should be considered in conjunction with the Shared Valuation principles and the Trustee's Principles for Decision Making and the overriding requirements of the Trustee's legal duties.