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Your ref
Our ref CY/JMR
Date 15 November 2023

By email : Vivienne.Stern@universitiesuk.ac.uk

Dear Vivienne

Consultation on the 2023 valuation Schedule of Contributions

Further to my letter of 25 October 2023, I am pleased to attach a draft Schedule of Contributions (SOC) which sets out the proposed new contribution rates payable by members and employers resulting from the 2023 actuarial valuation.

These contribution rates have been calculated on the basis of the actuarial assumptions adopted following the consultation on the assumptions and methodology underlying the Technical Provisions and the Statement of Funding Principles (“the TP Consultation”), the outcome of which was set out in my previous letter.

The draft SOC is subject to consultation with UUK. As agreed, the consultation period will run to **5.00 pm on 30 November 2023**, and we request your written response by 5pm on 4 December 2023. We expect that timeframe would enable introduction of the new, lower, contribution rates from 1 January 2024.

Basis for the new SOC

The draft 2023 SOC has been prepared following the decisions and recommendations of the Joint Negotiating Committee (JNC) on 30 October in relation to:

- (i) The reintroduction of pre-April 2022 benefits for future service from 1 April 2024 and an indexation change in relation to benefits accrued between 1 April 2022 and 31 March 2024 (subject to the outcome of the Member Consultation exercise which is currently underway); and
- (ii) The sharing of contributions between members and employers.

This results in:

- An aggregate contribution rate for pre-April 2022 benefits of 20.6% of Salary to be allocated 6.1% from active members and 14.5% from employers, with effect from 1 January 2024 (subject to the operational readiness of the Trustee and completion of the Pensions Act 2004 documentation).

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- The contribution to members' Investment Builder accounts of 20% of Salary (above the Salary Threshold) recommended to be allocated 6.1% from members and 13.9% from employers.

I note that the JNC also agreed to the recommendation of a benefit uplift to be awarded on and from 1 April 2024 to a defined set of members; broadly those who were in active service at any point during the preceding two years. At its meeting on 10 November, the Trustee Board approved that no additional contributions over and above the 20.6% rate quoted above are required to fund this uplift given the Scheme's current surplus.

Non-investment related administrative expenses and PPF levies

As stated in the TP Consultation, we have proposed to update the allowance for administrative expenses from 0.4% to 0.5% of Salary. We understand this is a point on which employers have raised queries and the reasons behind the proposed change were set out in a briefing note attached to my letter of 25 October.

Notes about this consultation

This is a consultation between the Trustee and UUK – the body nominated under the rules to act as the representative of employers for these purposes. This consultation satisfies the requirement to consult under section 229 of the Pensions Act 2004 (as amended in paragraph 9 of Schedule 2 to the Occupational Pension Schemes (Scheme Funding) Regulations 2005).


This letter and the annexes will be published on the 2023 valuation pages of the uss.co.uk website.

Next steps

The Trustee has planned to consider feedback from this SOC consultation at its Board meeting on 7 December. Following that – and subject to the outcome of the Member Consultation and the necessary JNC approvals – the Trustee has targeted the Board meeting on 19 December to approve sign-off of the 2023 valuation and finalisation of the Statement of Funding Principles, Schedule of Contributions and the associated actuarial certifications.

If you have any questions about this consultation, please don't hesitate to contact me. Otherwise, I look forward to receiving your formal response.

Yours sincerely



Carol Young
Group Chief Executive Officer

cc: Sharon Moore, UUK